



A G E N D A

Council

**Thursday
26 June 2014
commencing at 9.00 am
Kumara Hall**

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

COUNCIL MEETING

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE KUMARA HALL, MAIN ROAD, KUMARA ON THURSDAY 26 JUNE 2014 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

20 June 2014

Council Vision

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

This will be achieved by:

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

“Westland, the last best place”

Purpose:

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

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

1. MEMBERS PRESENT AND APOLOGIES:

1.1 Apologies

1.2 Register of Conflicts of Interest

2. CONFIRMATION OF MINUTES:

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Minutes of the Ordinary Council Meeting held on 22 May 2014

(Pages 6-13)

2.1.2 Minutes of an Extraordinary Council Meeting held on 28 May 2014

(Pages 14-22)

2.1.3 Minutes of an Extraordinary Council Meeting held on 12 June 2014.

(Pages 23-29)

2.2 Minutes and Reports to be received

2.2.2 Minutes of the Public Excluded portion of the Council Meeting held on Thursday 22 May 2014

(Refer Public Excluded Minutes).

3. PUBLIC FORUM:

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

3.1 Nancy Prangnell and Anne Routhan will be in attendance at the meeting to discuss the Pioneer Memorial Statue.

3.2 Elizabeth Sandford will be in attendance at the meeting to discuss the Pioneer Memorial Statue.

3.3 David Verrall will be in attendance at the meeting to discuss the Pioneer Memorial Statue.

4. BUSINESS:

4.1 Presentations to Council

i) Westroads Ltd – 10.00am

Durham Havill (Chairman), Graeme Kelly (General Manager), Peter Cuff (Director), Maurice Fahey (Director) and Bryce Thomson (Director) of Westroads Ltd will be in attendance to make a presentation.

Morning Tea at 10.30am at the Theatre Royal Hotel, Main Road, Kumara

- ii) West Coast Regional Council - 11.00am

Andrew Robb (Chairman), Mike Meehan (Planning & Environment), Nicola Costly (Regional Planner) of West Coast Regional Council will be in attendance to make a presentation regarding the West Coast Regional Policy Statement Review.

4.2 Mayor's Report

A verbal update will be provided by Mayor Havill.

4.3 Update from Councillors

4.4 Adoption of 2014-2015 Annual Plan (Pages 30-32)

Appendix 1: 2014/2015 Annual Plan (attached separately)

4.5 Rates Resolution 2014-15 (Pages 33-40)

4.6 Rates and Debtor Write Offs (Pages 41-43)

4.7 District Plan Review (Pages 44-52)

4.8 Extension of Roading Maintenance Contract (Pages 53-59)

4.9 Insurance Renewals (Pages 60-83)

5. ADMINISTRATIVE RESOLUTION

Council is required to confirm its Seal being affixed to the following document:

5.1 Warrant of Appointment: Sweta Sharma

Purpose

To act in the Westland District as:

- An Officer pursuant to Section 174 of the Local Government Act 2002; AND
- An Authorised Officer (Litter Control Officer) pursuant to Section 5 and Section 6 of the Litter Act 1979; AND
- An Officer under the Westland District Council Bylaws.

Lunch at 12.30 pm at the Theatre Royal Hotel, Main Road, Kumara

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

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

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

6.1 Public Excluded Minutes of Meetings of Council

6.2 Allocations Committee for Sport New Zealand Rural Travel Fund

6.3 Judging of Trustpower Community Awards

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of May Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Allocations Committee for Sport New Zealand Rural Travel Fund	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
3.	Report to Council	Judging of Trustpower Community Awards	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

Next Meeting: 24 July 2014 - Ordinary Council Meeting (RSA Rooms, Harihari)

Council Minutes

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 22 MAY 2014 COMMENCING AT 9.00 AM

1. MEMBERS PRESENT

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.

1.2 Register of Conflicts of Interest

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

Cr Keenan requested more information regarding Conflicts of Interest.

2. CONFIRMATION OF MINUTES:

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Meeting – 17 April 2014.

Moved Cr Butzbach, seconded Cr Dawson and **Resolved** that the Minutes of the Ordinary Meeting of Council held on the 17 April 2014, be confirmed as a true and correct record of the meeting subject to the following amendment:

“5.3 Jim Little, Tourism West Coast

Jim Little, Chief Executive, Tourism West Coast and Gary Lee, ~~from Enterprise-Hokitika~~ Council’s representative on Tourism West Coast attended the meeting at 3.30 pm and provided an update regarding Tourism West Coast.”

2.2 Minutes and Reports to be received

2.2.1 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Thursday 27 March 2014.

(Refer Public Excluded Minutes).

The following items were then taken out of order to the Council Agenda papers.

3. PUBLIC FORUM

The public forum section of the meeting was moved to 10.00 am.

4. BUSINESS

4.4 Mayor’s Report

A verbal update was provided by Mayor Havill regarding the following items:

- 2014-2015 Annual Plan Consultation Process.
- Funding Assistance Rate (FAR) Review decision.
- Rural Provincial Meeting, 5-6 June 2014, Wellington.
- Financial Reporting, the CCO Review and the Rating Review.

Moved His Worship the Mayor, seconded Deputy Mayor Cox and **Resolved** that the Mayor's verbal report be received.

4.5 Update from Councillors

The following verbal updates were then provided by Councillors:

i) Deputy Mayor Cox

- Attended 3 Annual Plan consultation meetings - Hokitika, Franz Josef and Haast.
- Visit to the Council Chambers by the Scouts Group.
- Hokitika Airport - meeting.
- Consent at Stafford for mining.

ii) Cr Martin

- Appointment of a new Principal at Westland High School.
- Heritage Hokitika Meeting.
- 150th Goldrush Committee.
- Council representation on Heritage Hokitika.
- Beachfront Group Meeting – WAI.
- RSA Meeting.
- Civic Awards.
- Enterprise Hokitika.

iii) Cr Butzbach

- RSA Meeting.
- Hokitika Environmental Committee.
- Spring Challenge.
- Public Toilet Signage.
- Shadowboard behind the Hokitika entrance sign.
- Central Business Retailers Group – Love Hokitika promotion.
- Agfest.

iv) Cr Keenan

- Creative Communities Scheme
- Beachfront Working Group.
- RSA Working Group.
- Financial Governance 101 Workshop.
- West Coast Heritage – Roadshow.
- Heritage Hokitika.
- Civil Defence Plan.
- Two public consultation meetings – Hokitika and Westland Ratepayers and Residents Meetings.

- Rating Resolutions Webinar.
- Heritage Hokitika Meeting on the 20 May – Pillbox reinstatement.
- 150th Goldrush Committee.

v) **Cr Montagu**

- Kumara and Ross Communities.
- Kumara Hall Committee – Funding Application.
- Anzac Day Ceremony at Ross.
- Goldpanning contest at Ross.
- Ross Chinese Garden and Oak Tree plantings.

vi) **Cr Hope**

- Fishing Industry Group Meeting at Jackson Bay.
- Haast Promotions Group – Annual General Meeting.
- Congratulated Council staff on clean-up work due to Cyclone Ita.

vii) **Cr van Beek**

- Safer Community Council - Strategic Plan.
- Old Christchurch Road – residents meeting.
- Trying to get Kawhaka on the map.
- Federated Farmers AGM on the 28 April 2014.
- Cyclone Ita.

Moved Cr Dawson, seconded Cr Hope and **Resolved** that the verbal reports from the Councillors be received.

1. MEMBERS PRESENT AND APOLOGIES cont.

1.2 Register of Conflicts of Interest cont.

The Mayor and Councillors held a general discussion regarding declaring Conflicts of Interest.

The Chief Executive then spoke regarding the Elected Members Interest Register.

4. BUSINESS cont.

4.1 Presentations to Council at 10.00 am

i) Jacquie Grant - Pioneer Statue

Ms Jacquie Grant gave a presentation to Council regarding the relocation of the Pioneer Statue.

Ms Grant presented a petition to Council signed by 166 signatories, calling for the Westland District Council to allow the petition organisers to coordinate the restoration and relocation of the Pioneer Statue at no cost to Westland District Council.

His Worship the Mayor thanked Ms Grant for her presentation to Council.

ii) **Des Routhan - Mint Creek Water Supply, Whataroa**

Mr Des Routhan gave a presentation to Council regarding the Mint Creek Water Supply at Whataroa. Mr Routhan advised that the scheme needs upgrading and asked if it would be possible to patch the scheme temporarily for the next 12 months, and accordingly defer transferring the scheme for 12 months.

His Worship the Mayor thanked Mr Routhan for attending the meeting.

iii) **Wayne Jones, Ross Community Society**

Mr Wayne Jones was in attendance at the meeting and gave a presentation regarding the Ross Community Hall. Mr Charlie McBeath, Chair of the Ross Community Society then spoke regarding MDI funding, as did Bev Manera from the Ross Community Association. Mr McBeath noted that the Ross community has not received any MDI funding to date.

His Worship the Mayor thanked Mr. Jones and the Ross Community Group for attending the meeting and providing the presentation to Council.

The meeting adjourned for morning tea at 10.33 am and reconvened at 11.00 am.

4.2 Proposed Relocation of Pioneer Statue

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

1. The Pioneer Statue be moved from its present location to the Weld/Tancred Street Roundabout subject to it being fully funded from outside funds, and that Council's \$10,000 be moved back into a general fund for the maintenance of all Council's monuments.
2. Any work on the Pioneer Statue be subject to consultation with the Council's District Assets Group.

Cr Keenan and Cr Montagu recorded their votes against the motion.

4.3 Whataroa Rural (Mint Creek) Water Scheme – Divestment and Ownership Transfer

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

- a) Approves and includes a \$50,000 budget funded from the Water Depreciation Reserve account for improvements to the intake for the Whataroa Rural Stock Water Scheme as a special project in the Annual Plan for 2014/15.
- b) Removes the untreated water rate for the Whataroa Rural Stock Water Scheme from 1st July 2014.
- c) Instructs the Chief Executive to prepare a Memorandum of Understanding with the users of Whataroa Rural Stock Water Scheme to transfer the ownership of the scheme at a sale of price of \$1.00, subject to contract.

4.8 Wildfoods Festival – 8 March 2014

Moved Cr Martin, seconded Cr Butzbach and **Resolved** that the report from the Events Manager regarding the Hokitika Wildfoods Festival held on the 8 March 2014 be received.

Cr Keenan requested a breakdown of costings for the Hokitika Wildfoods Festival.

4.6 Q3 Report: Performance Report for the Nine Months to 31 March 2014

The Group Manager: Corporate Services introduced this report.

Moved Cr Montagu, seconded Cr van Beek and **Resolved** that the performance report for the nine months to 31 March 2014 be received.

4.7 West Coast Regional Economic Development Plan 2014-2030

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that Council endorse the Draft West Coast Regional Economic Development Plan 2014-2030, on the understanding that the West Coast Mayors and Chairs Forum will arrange for it to be circulated to key industry leaders in the West Coast community, to obtain and incorporate feedback into the document prior to final adoption by Council.

4.9 Cyclone Ita Storm Damage

The Group Manager: District Assets gave a presentation on the Cyclone Ita storm damage.

Moved Cr Montagu, seconded Cr Dawson and **Resolved** that Council approves the unbudgeted expenditure of \$183,760 related to Cyclone Ita storm damage in the table below, as an unfavourable variance against the respective budgets.

Summary of Costs to be Incurred by Council	
Roading Infrastructure	\$65,510
Building Infrastructure	\$15,000
Solid Waste Infrastructure	\$13,000
Three Waters Infrastructure	\$15,000
West Coast Wilderness Trail Infrastructure	\$75,250
Total:	\$183,760

His Worship the Mayor asked that a general thank you to the communities involved in the clean-up relating to Cyclone Ita be placed in the West Coast Messenger; and that the New Zealand Army receive a letter of thanks for the clean-up work they undertook in the Whataroa and Harihari communities.

4.10 Approval to Commence Project - Ross Swimming Pool Liner Installation

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that Project 3606-581 Ross Swimming Pool Liner installation commences with a completion estimate of \$115,000 as budgeted for in the 2013-2014 Annual Plan.

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 12.20 pm.

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

5.1 Public Excluded Minutes of Meetings of Council

5.2 Request for Restricted Delegation to make Financial Adjustments

5.3 Review of Council Controlled Organisations – Implementation Plan

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.	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
5.3.	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information.	Section 7(2)(b)(ii)

Moved Cr Dawson, seconded Cr Butzbach and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and the public be readmitted at 12.28 pm.

MEETING CLOSED AT 12.28 PM

Confirmed by:

Mike Havill
Mayor

Date

Next Meetings:

28 May 2014 - Extraordinary Council Meeting: Hear Submissions to the 2014-2015 Draft Annual Plan
 29 May 2014 - Extraordinary Council Meeting: Consider Submissions to the 2014-2015 Draft Annual Plan
 12 June 2014 - Extraordinary Council Meeting: Final Council Debate for the 2014-2015 Draft Annual Plan
 26 June 2014 - Ordinary Council Meeting

MINUTES OF AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON WEDNESDAY 28 MAY 2014 COMMENCING AT 9.00 AM

1. MEMBERS PRESENT

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

Deputy Mayor P.M. Cox

Cr. J.H. Butzbach, Cr. M.S. Dawson (absent between 1.15 pm and 1.27 pm), Cr. D.G. Hope, Cr. A.R. Keenan, Cr M.D. Montagu, Cr. C.A. van Beek.

1.1 Apologies

Cr. L.J. Martin.

Staff In Attendance

T.L. Winter, Chief Executive (absent between 1.15 pm and 1.27 pm); 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.

1.2 Register of Conflicts of Interest

The Register of Conflicts of Interest was circulated and no amendments were noted.

2. HEARING OF SUBMISSIONS TO THE 2014-2015 DRAFT ANNUAL PLAN

His Worship the Mayor welcomed those present to the Extraordinary Council Meeting to hear and consider submissions to the 2014-2015 Draft Annual Plan. Mayor Havill outlined the process and advised that hearing was an opportunity for submitters to outline the main points of their written submissions. It was also an opportunity for Councillors to ask questions, but not debate an issue.

2.1 Hokitika Reserves and Environs Community Group

Mr Rob Daniel

- Provided background information on the Hokitika Reserves and Environs Group.
- Discussed maintenance for Hokitika Reserves, particularly the Hokitika Heritage Trail.
- Expressed concern that the statues and reserves in the Hokitika Environs should be maintained in a good condition.
- Asked that provision be made in the contracts for minimal mowing of lawns not mowed by residents.
- Seeks clarification that no money will be withdrawn from the Reserves Development Fund during 2014-2015.

Mr Russell Gugich

- Advised that Reserves and Environs matter greatly as a first impression for Hokitika Township.

His Worship the Mayor thanked Rob Daniel and Russell Gugich for the work they do in the community and for presenting their verbal submissions to Council.

2.2 Karen Hamilton, West Coast Tobacco Free Coalition

- Gave some background to the organisation.
- Presented a PowerPoint presentation.
- Noted the number of people who smoke is decreasing all the time. The 2013 census indicated that 20% of West Coasters aged 15 years and over are regular smokers.
- Congratulated Council on adopting a Smokefree Outdoor Areas Policy. Asked that the policy be made available on the Council's Website and also for any events, and also asked how Council consider they can extend their Smokefree Outdoor Area Policy.
- Asked Council to consider whether having the "Butt Bins" at a number of locations around Hokitika and other areas is still necessary and questioned what message this is sending to the general public.
- Offered support to work with Westland District Property Limited to have the pensioner housing in Hokitika and Ross progressing to being Smokefree inside.

2.3 **Anthony Allan**

- Expressed concern regarding the increase of rates for Small Holdings.
- Asked if the Mayor and Councillors fully understand how these percentages were arrived at.
- Expressed concern regarding increase in percentages of rates.
- Expressed concern regarding the maintenance of the Old Christchurch Road.
- Asked if money has been allocated for a Rates Review and when the review will be undertaken.
- Asked if something can be done about the 38% rate increase.

2.4 **John Drylie**

John Drylie advised his submission was on behalf of John and Jan Drylie, Mike Spruce, Hemi Te Rakau, and 13 other small landowners in the Stafford Loop Road area.

- Expressed concern that rates are going up 38%.
- Noted the rating model is decided by Council as they have the ability to modify and change the rates.
- Asked how Council can justify such a proposed rate increase.
- Noted the proposed increase to small holdings is substantially high. Urgently requested that Council reduce the amount of the proposed increase.
- Stated that the proposed increase will have an undue and unfair burden on these property owners.
- Questioned the differences between Hokitika and Small Holdings and why there is disparity in the increase in rates.

2.5 **Hemi Te Rakau**

- Expressed concern about the rates increase.
- Expressed concern that newspaper advertising is not consulting.
- Stated there was no formal consultation with affected parties.
- Asked whether people have to sell their properties and move to town – people with fixed incomes and on pensions.
- Expressed concern that there is a wider demographic problem.
- Asked Council to identify where the rates could be increased.

2.6 **Mike Spruce**

- Expressed concern about the rates increase.

- Spoke about trust issue, transparency issue, the rating model.
- Asked that the process is equitable and fair.
- Stated importance of the first impressions of the town.

2.7 Hugh Cameron

- Spoke regarding Three Mile Reserve Funds.
- Spoke regarding Hokitika War Memorial Reserve - asked that the money be used solely for the purpose of improving the reserve.
- Spoke regarding Council Conduct.

2.8 Mary Molloy

- Expressed concern about the rates increase.
- Recommended Governance Training with Richard Westlake.
- Expressed concern regarding the current rating model.
- Referred to effects of Cyclone Ita on the small communities of Harihari and Whataroa.
- Expressed concern regarding deterioration of rural roads and the fact that there is no money in the budget to upgrade them.
- Suggested cutting the depreciation to be paid back over a longer period.

2.9 John Bourgeois

- Protested against the proposed 38% for small holdings.
- Stated he does not get water, sewerage or rubbish collection. He can drive to the refuse site.
- Expressed dissatisfaction that he has a very poorly maintained road which he has not received a reply from Council about.
- Expressed concern about the Rating Model. Asked for justification for the rating figures.
- Suggested any increase should be applied across the board.
- Expressed concern about the cost of the Hokitika Isite.
- Stated that a lot of money is spent on the District Library and Hokitika Museum.
- Suggested that Council investigate Otta sealing as an alternate to chip sealing.

2.10 Marj Allan

- Asked that the whole financial ledger be reviewed to identify where problems are and address them fairly.
- Expressed concern regarding the rates increase in small holdings.
- Suggested a maximum rate increase be identified and applied.

- Suggested that any increases need to be capped.
- Asked Council to make the rates more equitable.
- Expressed concern about the waste management part of the rates.
- Suggested that any debt repayment should go across the entire ratepayers.
- Suggested a review of Westland District Property Limited.
- Stated that Resource Consents for dairy farming that have been issued recently have resulted in an increase in traffic on the Old Christchurch Road.

2.11 Zoe Watson, Enviroschools Foundation

- Gave some background information on the Enviroschools Programme.
- Circulated a handout of a Powerpoint Presentation to the Mayor and Councillors.
- Requested support of \$2,500 for the 2014-2015 financial year to enable ongoing support for the Haast School, Kaniere School and Whataroa School.
- Noted the results of the 2012 survey of all Enviroschools.
- Stated that ongoing support is needed to develop projects.
- Pointed out that any local government funding will be matched by the Ministry for the Environment.
- Stated that the programme is an extremely cost effective way for Council to deliver good quality local infrastructure and public services.

His Worship the Mayor declared an interest in being a director of Westland Milk Products.

2.12 Bernard May, Westland Milk Products

- Noted the following points about Westland Milk Products:
 - There will be an increased demand for water intake to service the dairy plant operated by Westland Milk Products (WMP).
 - Future demand in 2016 is estimated to be 1,500 m³ per day higher than current usage, an increase of 30-35%.
 - By 2020, the daily water intake is estimated to increase by 2,500 m³ per day, an increase of 50-55% to a daily intake of 7,500 m³ per day.
 -
 - Next season WMP will be processing 742-750 million litres of milk per day.
 - 128 extra tonnes will be exported to 40 countries.
 - Revenue exceeds \$800M of which half is paid back to farmers.
 - WMP has over 500 staff of which 75% reside in the district. \$30M is paid to staff.

- Stated that Council and WMP commissioned Opus to consider future water supply options.
- Stated the benefit of expanding the water plant and taking out water from the river rather than the lake, particularly if there is earthquake.
- Stated that WMP wants to find a solution for both parties and accordingly would like to make a decision by the end of June 2014.
- Suggested that Westland District Council and WMP form a public private partnership to expand the current water treatment plant. If not considered, then WMP will have to build their own water treatment plant.
- Requested that the expansion of the water treatment plant be included in the 2014-2015 Annual Plan.
- Asked that Council upgrade the current Hokitika Water Supply system to accommodate WMP's future water usage requirements.

The meeting adjourned for morning tea at 10.15 pm and reconvened at 10.43 am.

2.13 Barry Gardner

- Provided some background information on the Jackson Bay Wharf Fees.
- Noted that fees will go out on an annual basis and there will be an amount set in the Annual Plan for the Jackson Bay Wharf.
- Stated that the asset is a lifeline that needs to stay there and is instrumental to the whole District.
- Discussed the commissioning of the expert report on the current state of the wharf, ongoing repairs and maintenance, and estimate of the costs of such a programme.
- Expressed appreciation for the opportunity presented by Mayor Havill and the commitment that Council has made in commissioning the report.
- Pointed out that the wharf is listed as a strategic asset and has a public amenity value.
- Asked that one amendment be made to the fees and charges for casual users in respect to the landing of tuna.

2.14 Murray Stewart

- Expressed concern regarding the 12% rate increase.
- Asked that the rates rise be spread more evenly.
- Noted that rates have increased on his own block of land up over 300% over the last 10 years.
- Questioned the existence of Westland Holdings Limited.
- Asked if Westroads Ltd should be sold to the staff that run it.
- Questioned the rates methodology and how the ratepayers can come up with the extra money.

2.15 Michael Bennett, Federated Farmers

- Supports a full Rate Review and the need to “Get Real”.
- Asked that Council increase the UAGC for 2014-2015 to \$605.00.
- Welcomes the opportunity to provide input to the proposed Rating Review.
- Congratulated Council on the quality of the information in the draft Annual Plan.
- Agrees with the proposed 20 year debt repayment timeframe.

2.16 Paul Sinclair

- Expressed concern regarding the 38% increase in Rural Rates.
- Noted no increase in services and or increase in seal extension of the Old Christchurch Road. The road has had an increase in vehicle movements with the opening of the West Coast Wilderness Trail and the conversion of land to dairying.
- Supports the proposed rates review.
- Asked that Council provide a children’s reserve/playground in the Three Mile, Keogans and Mehrtens Road area.
- Supported a cycle/pedestrian trail from Hokitika to the Arahura Bridge.
- Supported capital value rating.
- Thanked Council for the opportunity to present his submission to Council

2.17 Kate Gardner

- Expressed concern regarding the 38% rates increase and that people will not be able to pay the increase.
- Stated that ratepayers receive a lesser service out of town than in town.
- Expressed concern that Gillams Gully Road is not maintained and there is no area for trucks/graders to turn around.
- Expressed concern that with the new rubbish trucks there is a lot more rubbish beside the roads.

2.18 Janice Wilson – submission presented by Cr Keenan

- Expressed concern regarding lack of streetlights in Otira.
- Expressed concern that residents had to put in their own waste bin.
- Stated that residents do not have a rubbish collection.
- Expressed concern that there is no cellphone coverage in Otira.
- Noted there are a lot of new prospects for Otira.
- Stated that Otira is the incoming community to Westland.

2.19 Arthur Prangnell

- Expressed concerns regarding the Whitebait Festival.
- Expressed concerns regarding the Mayoral Relief Fund payments.
- Expressed concerns regarding the delay in processing of his Rates Rebate.
- Discussed the housing development at Kaniere.
- Expressed concern that the District Library being used as a crèche.

2.20 Kay Godfrey

- Expressed concerns regarding the proposed rates increase.
- Asked that the Hokitika Gorge Road (from the Municipal Road turn-off) be widened and upgraded.
- Stated that the sign at Doughboy Road needs realigning as it points in the wrong direction.
- Stated that Kaniere-Kowhitirangi Road, Johnston Road, Neilson Road and Whitcombe Valley Roads all need widening.
- Expressed concern that roadside maintenance is not being undertaken.
- Noted that roadside mowing is totally unnecessary.
- Expressed concern about roadworks on low density roads.

2.21 Gina Yaxley Foote

- Expressed concern regarding the proposed rates increase.
- Supported rates increase across the district for all ratepayers by the same amount.

2.22 Llewellyn Foote

- Expressed concern regarding the proposed rates increase.
- Supported rates increase across the district for all ratepayers by the same amount.
- Expressed concern that roads are not maintained well.
- Stated that he does not have the same services the town has.
- Has asked Council staff to investigate why he is paying two UAGC's.

Council then went on to consider the written submissions to the 2014-2015 Draft Annual Plan.

The meeting adjourned at 11.54 am and reconvened at 1.03 pm.

2.23 Frances Stapleton

- Asked that Council supports the CCTV cameras in the Hokitika Central Business District and urged that a system remains in place once the existing contract expires.
- Supports the provision of a new thermal cover for the Hokitika Swimming Pool.
- Asked that Council return to extended open hours of the Hokitika Museum during school holidays.
- Congratulated the Mayors, Councillors, CE and staff on the work done in the first months of office.

His Worship the Mayor thanked the Council for their attention to the submitters and also the submitters for attending the hearing and presenting their verbal submissions to Council.

Cr Mark Dawson left the meeting at 1.15 pm.

The Mayor and Councillors then held a general discussion regarding the Annual Plan Submissions and sought comments.

Cr Dawson returned to the meeting at 1.27 pm.

His Worship the Mayor advised that Council now needs to identify what work is required for the Annual Plan final debate. A number of options were considered with a particular focus on reducing the variances of the rates impact across the District.

Moved Cr Hope, seconded Cr van Beek and **Resolved** that Council instructs the Chief Executive to investigate options for reducing the variances of the rates impact across the District. This is to include debt repayment, the Austerity Depreciation Funding Policy and a review of the Projects Sheet.

MEETING CLOSED AT 1.56 PM

Confirmed by:

Mike Havill
Mayor

Date

Next Meeting:

12 June – Extraordinary Council Meeting.

26 June – Ordinary Council Meeting.



Council Minutes

MINUTES OF AN EXTRAORDINARY MEETING (FINAL DEBATE 2014-2015 ANNUAL PLAN) OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 12 JUNE 2014 COMMENCING AT 9.06 AM

1. MEMBERS PRESENT

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.

1.2 Register of Conflicts of Interest

The Register of Conflicts of Interest was circulated and no amendments were noted.

His Worship the Mayor opened the meeting and then gave a presentation to Councillors on the Westland District Council's 2014-2015 Draft Annual Plan.

2. **REPORTS:**

2.1 **2014-2015 Draft Annual Plan Omnibus Report**

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

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

i) **LGOIMA Fees and Charges**

Moved Cr Butzbach, seconded Cr Dawson and **Resolved** that Council include the following additional fees and charges for LGOIMA requests in the 2014-15 Annual Plan (except as otherwise provided in the Fees and Charges Schedule):

- First hour of staff costs free
- First 20 black and white copies free
- Additional time charged at \$38 per half hour
- Other charges as per the fees and charges schedule, or at cost.

ii) **Hokitika Beachfront Landscape Project**

Moved Cr Martin, seconded Deputy Mayor Cox and **Resolved** that Council include the Hokitika Beachfront Landscape Concept Plan as a non-funded project in the 2014-15 Annual Plan.

iii) **CCO Review**

Moved Cr Butzbach, seconded Cr van Beek and **Resolved** that the estimated cost of the CCO Review Implementation Plan be updated to \$100,000 in the 2014-15 Annual Plan.

iv) **Jackson Bay Wharf**

Moved Cr Montagu, seconded Cr Deputy Mayor Cox and **Resolved** that Council adopt the following annual fees and charges for Jackson Bay Wharf for 2014-15:

- | | |
|--|---------|
| • Vessels up to 9.1 metres (30 feet) | \$1,000 |
| • Vessels between 9.1 metres and 13.7 metres (30 feet – 45 feet) | \$1,500 |
| • Vessels over 13.7 metres (45 feet) | \$4,000 |
| • Casual users landing tuna (per tonne) | \$23.00 |

v) **Sale and Supply of Alcohol – Fees and Charges**

Moved Cr Butzbach, seconded Cr Montagu and **Resolved** that Council replace the fees charged under the Sale of Liquor Act 1989 with the new set of fees prescribed by central government under the Sale and Supply of Alcohol Act 2012, as follows in the 2014-15 Annual Plan:

Liquor Licensing Fees for Annual Plan

On, Off or Club Licence or renewal of an On, Off or Club Licence is assessed using a cost/risk rating system. The cost/risk rating of the premises is the sum of the highest applicable weighting for the type of premises and type of licence, the hours of operation and any enforcement holdings in the last 18 months.

In addition an annual fee is payable which will be due on the anniversary date of the licence.

Definitions

Type	Class	Description
Restaurants	1	A restaurant that has or applies for an on-licence and has, in the opinion of the Territorial Authority, a significant bar area and operates that bar area at least one night a week in the manner of a tavern.
	2	A restaurant that has or applies for an on-licence and has, in the opinion of the Territorial Authority, a separate bar area and does not operate that bar area in the manner of a tavern at any time.
	3	A restaurant that has or applies for an on-licence and, in the opinion of the Territorial Authority, only serves alcohol to the table and does not have a separate bar area.
	BYO	A restaurant for which an on-licence is or will be endorsed under section 37 of the Act.
Clubs	1	A club that has or applies for a club licence and has at least 1,000 members of purchase age and in the opinion of the territorial authority, operates any part of the premises in the nature of a tavern at any time.
	2	A club that has or applies for a club licence and is not a class 1 or class 3 club

Type	Class	Description
	3	A club that has or applies for a club licence and has fewer than 250 members of purchase age and in the opinion of the territorial authority, operates a bar for no more than 40 hours each week.
Remote sales premises		Premises for which an off-licence is or will be endorsed under section 40 of the Act.
Enforcement holding		A holding as defined in section 288 of the Act, or an offence under the Sale of Liquor Act 1989 for which a holding could have been made if the conduct had occurred after 18 December 2013.

Latest alcohol sales time allowed for premises

Type of Premises	Latest trading time allowed (during 24 hour period)	Weighting
Premises for which an on-licence or club-licence is held or sought	2.00 am or earlier	0
	Between 2.01 and 3.00 am	3
	Any time after 3.00 am	5
Premises for which an off-licence is held or sought (other than remote sales)	10.00 pm or earlier	0
	Any time after 10.00 pm	3
Remote sales premises	Not applicable	0

Type of Licence	Type of Premises	Weighting
On-licence	Class 1 restaurant, night club, tavern, adult premises	15
	Class 2 restaurant, hotel, function centre	10
	Class 3 restaurant, other premises not otherwise specified	5
	BYO restaurants, theatres, cinemas, winery cellar doors	2
Off-Licence	Supermarket, grocery store, bottle store	15
	Hotel, Tavern	10
	Class 1, 2 or 3 club, remote sale premises, premises not otherwise specified	5
	Winery cellar doors	2
Club-licence	Class 1 club	10
	Class 2 club	5
	Class 3 club	2

Number of enforcement holdings in respect of the premises in the last 18 months	Weighting
None	0
One	10
Two or more	20

Cost/risk rating	Fees category	Application fee \$inc GST	Annual fee \$ inc GST
0-2	Very low	\$368.00	\$161.00
3-5	Low	\$609.50	\$391.00
6-15	Medium	\$816.50	\$632.50
16-25	High	\$1,023.50	\$1035.00
26 plus	Very High	\$1,207.50	\$1437.50

Other Licence Fees

Type	Description of activity	Application fee \$ incl GST
Temporary Authority	Fee payable to the territorial authority under s.136(2) of the Act for a temporary authority to carry on the sale and supply of alcohol	\$296.70
Temporary Licence	Fee payable to the territorial authority by a person applying under section 74 of the Act to sell alcohol pursuant to a licence from premises other than the premises to which the licence relates	\$296.70
Permanent Club Charter	Annual fee payable to the territorial authority in which the club's premises are situated by the holder of a permanent club charter as described in section 414 of the Act.	\$632.50
Extract from register	Fee payable to a licensing committee under section 66(2) of the Act for an extract from a register.	\$57.50
	Fee payable to ARLA under section 65(2) of the Act for an extract from a register.	\$57.50
Appeals	Fee payable to ARLA under section 154 of the Act (against a decision of a licensing committee)	\$517.50
	Fee payable to ARLA under section 81 of the Act (against a local alcohol policy)	\$517.50
Manager's Certificate	New or Renewal	\$316.20

Special Licences

The fee payable for a Special Licence is assessed using a cost/risk rating system depending on the size of the event and the number of events applied for.

Large event:	Means an event that the territorial authority believes on reasonable grounds will have patronage of more than 400 people.
Medium event:	Means an event that the territorial authority believes on reasonable grounds will have patronage of between 100 and 400 people.
Small event:	Means an event that the territorial authority believes on reasonable grounds will have patronage of fewer than 100 people.

Class	Issued in respect of	Application fee \$ inc GST
1	1 large event: More than 3 medium events: More than 12 small events	\$575.00
2	3 to 12 small events: 1 to 3 medium events	\$207.00
3	1 or 2 small events	\$63.20

vi) Hokitika Museum – Children’s Admission

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that Council increase the school-age children’s admission fee to the Hokitika Museum from \$2.50 to \$3.00 in the 2014-15 Annual Plan.

vii) Hokitika Water Supply

His Worship the Mayor noted his interest as a Director of Westland Milk Products.

Moved Cr Hope, seconded Cr Butzbach and **Resolved** that Council commits to working with Westland Milk Products on an options report for upgrading the Hokitika Water Supply; and that this work on options be identified as a non-funded project in the 2014-2015 Annual Plan.

viii) Whataroa Rural Water Supply (Mint Creek Water Supply)

Moved Cr Martin, seconded Cr Montagu and **Resolved** that the following recommendations be incorporated in the 2014-2015 Annual Plan:

- a) Council approves and includes a \$50,000 budget funded from the Water Depreciation Reserve Account for improvements to

the intake for the Whataroa Rural Stock Water Scheme as a special project in the Annual Plan for 2014-15.

- b) Council removes the untreated water rate for the Whataroa Rural Stock Water Scheme from 1 July 2014.
- c) Council instructs the Chief Executive to prepare a Memorandum of Understanding with the users of Whataroa Rural Stock Water Scheme to transfer the ownership of the scheme at a sale of price of \$1.00, subject to contract.

ix) **Rating Scenarios**

Moved Cr Butzbach, seconded Cr Dawson and **Resolved** that \$250,000 of debt repayment be moved from the 'Interest and Dividends' cost centre and recovered through the Corporate Services overhead.

2.2 Annual Plan Omnibus Recommendations:

Moved Cr Dawson, seconded Cr Butzbach and **Resolved** that the Annual Plan Omnibus recommendations referred to in items i) to ix) in these minutes be adopted.

Moved Cr Dawson seconded Cr Butzbach and **Resolved** that the Chief Executive be authorised to make the necessary amendments to the 2014-2015 Draft Annual Plan and present the Annual Plan to the Council Meeting on the 26 June 2014 for adoption. *Cr Hope, Cr Keenan, Cr Montagu, Cr van Beek recorded their votes against the motion.*

MEETING CLOSED AT 10.02 AM

Confirmed by:

Mike Havill
Mayor

Date

Next Meeting:

26 June 2014 - Ordinary Council Meeting at the Kumara Hall.

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community and Environment

ADOPTION OF 2014-2015 ANNUAL PLAN

1.0 SUMMARY

- 1.1 The purpose of this report is to assist the Council with the formal adoption of the 2014/2015 Annual Plan.
- 1.2 This issue arises from legal compliance requirements set out in the Local Government Act 2002.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

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

- 1.4 This report concludes by recommending that Council adopts the 2014/15 Annual Plan.

2.0 BACKGROUND

- 2.1 Council approved a timetable in January 2014 to achieve adoption of the 2014/15 Annual Plan by the legislative deadline of 30 June 2014.

- 2.2 After one workshop and two debates Council adopted the 2014/15 Draft Annual Plan for public consultation on 10 April 2014. The proposed overall rates increase in the Draft Annual Plan was 12.1% (1% is \$99,633).
- 2.3 A total of 73 written submissions were received during the submission period of 17 April to 18 May 2014. The submissions were individually considered by Council, including 20 verbal submissions, on 28 May 2014.
- 2.4 The most significant theme coming through the written and verbal submissions was the inequity in rates increases between different groups of ratepayers. While a review of the rates system is underway, any changes made will not take effect until the 2015/16 year. On 28 May, Council asked the Chief Executive to review any areas where Council could legally make changes that might spread the rates increases more evenly.
- 2.5 At the 12 June 2014 Council meeting, Council agreed to recommendations that would increase the proposed overall rates increase to 12.67% but spread the increase more evenly as sought by Council and many submitters. The primary means for spreading the increase more evenly was agreed to be the shifting of \$250,000 of debt repayment from the 'Interest and Dividends' cost centre to recovery through the Corporate Services overhead.
- 2.6 The approved recommendations also included the addition of some projects not requiring rates funding in 2014/15, the trimming of some other project costs, an updated cost for the Implementation Plan for the Review of Council-Controlled Organisations, a small increase to the admission fees for children to the Hokitika Museum, and the insertion of up-to-date charges for liquor licensing, Jackson Bay Wharf and requests under the Local Government Official Information and Meetings Act.

3.0 CURRENT SITUATION

- 3.1 A proposed Annual Plan has been prepared which incorporates all the previous decisions of Council as a result of the submission process and the deliberations. A copy is attached as **Appendix 1**.

4.0 OPTIONS

- 4.1 Council's options with regard to the adoption of the Annual Plan are limited as there is a statutory deadline to meet of 30 June, which is two working days after the date of this Council meeting. That timeframe does not allow any substantive changes to be made and advertised publicly before that deadline.

- 4.2 The options available to Council at this juncture are to adopt the Annual Plan, or seek further amendments which will see the plan adopted after the statutory deadline. Council delayed the adoption of the 2013-14 Annual Plan beyond this deadline, and it would be unfortunate if this were to happen again.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 While this decision is largely administrative, it has a high degree of significance in that the adoption of the Annual Plan means Council can set the rates for 2014/15 and implement the work programme for the year. This impacts on the whole district.
- 5.2 The Annual Plan process has gone through the special consultative procedure in accordance with the Local Government Act 2002. Submissions have been received and they have been considered.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Council now needs to adopt the Annual Plan so that the legislative deadline is met and the business of Council can continue.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is the adoption of the Annual Plan, to ensure compliance with the Local Government Act 2002 and to ensure that the financial affairs of the Council are in order to allow the Council to continue its service to the District.

8.0 RECOMMENDATION

- A) **THAT** the 2014/2015 Annual Plan, as attached in **Appendix 1**, be adopted.

Jim Ebenhoh

Group Manager: Planning, Community and Environment

Appendix 1: 2014/2015 Annual Plan (attached separately)

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

RATES RESOLUTION 2014-15

1.0 SUMMARY

- 1.1 The purpose of this report is for Council to set the rates in accordance with the Annual Plan 2014-15.
- 1.2 This issue arises from the Annual Plan which requires Council to fund some operations from rates.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having top class infrastructure for all communities	Securing sufficient funds to deliver services and develop assets as in a financially prudent manner as proposed in the annual plan 2014-15

- 1.4 This report concludes by recommending that Council
 - 1.4.1 Adopts all of the rates described in the Funding Impact Statement attached as **Appendix 1** for the year ended 30 June 2015.
 - 1.4.2 Instructs the Chief Executive to strike the Rates as set out in the Annual Plan 2014-15.

2.0 BACKGROUND

- 2.1 Council's forecast income per the Annual Plan 2014-15 is \$17,428m. Of this, 64% is to be derived from Rates.

- 2.2 On 12 June 2014 Council received the 2014-2015 Draft Annual Plan Omnibus Report; and resolved that the Chief Executive be authorised to make the necessary amendments to the 2014-2015 Draft Annual Plan and present the Annual Plan to the Council on 26 June 2014 for adoption.
- 2.3 Rates are developed during the Annual Plan process and **must** be set in accordance with the Funding Impact Statement (FIS) in the Annual Plan.

3.0 CURRENT SITUATION

- 3.1 The Annual Plan 2014-15 incorporates all of the agreed amendments and has been presented for adoption.
- 3.1.1 These amendments include revisions to terminology in line with the Local Government (Rating) Act 2002; observing recommendations from Audit New Zealand in the audit management report for the year ended 30 June 2013.
- 3.2 The Rates in this resolution will collect the income from Rates as stated in the Annual Plan.

4.0 OPTIONS

- 4.1 Option 1: Set the Rates as adopted in the Annual Plan 2014-15.
- 4.2 Option 2: Restart the Annual Plan process.

5.0 SIGNIFICANCE AND CONSULTATION

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

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Setting the rates as adopted in the Annual Plan.
- 6.1.1 This lawfully sets the Rates and enables Council to fund its activities.

6.2 Option 2: Restart the Annual Plan process

- 6.2.1 If Council is not prepared to set the rates as adopted in the Annual Plan, Council will need to amend the Annual Plan.
- 6.2.2 To amend the Annual Plan would require a further meeting of Council after officers have sought advice on the options and implications.
- 6.2.3 Material revisions to the Annual Plan will require public consultation
- 6.2.4 Changes to Rates employed will require a Long Term Plan variation and adoption of a revised Revenue and Financing Policy
- 6.2.5 Rates cannot be struck until an Annual Plan is adopted. This would render Council unable to fund its operations without borrowing.

7.0 PREFERRED OPTION AND REASONS

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

8.0 RECOMMENDATIONS

- 1. **THAT** Council adopts the full Rate resolution, attached as **Appendix 1**.
- 2. **THAT** Council instructs the Chief Executive to strike the Rates in accordance with the Annual Plan 2014-15.

Gary Borg
Group Manager: Corporate Services

Appendix 1: Rates Resolution 2014-15

RATES RESOLUTION 2014-15

THAT COUNCIL:

Pursuant of section 23 of the Local Government (Rating) Act 2002, Council adopts the rates for the financial year commencing on 1 July 2014 and ending on 30 June 2015 as follows:

General Rate [Section 13]

A rate per dollar on the land value of each rateable property. This will be a differential rate dependent on the underlying zoning of each property as denoted in the District Plan or the location of the property.

1. Rural General – Properties 10 Hectares or larger zoned Rural.
2. Small Holdings – Properties less than 10 Hectares zoned Rural, except those in Hokitika Zone 1 or Glacier Towns Small Holdings.
3. Hokitika Zone 1 – Properties less than 10 hectares, within 5 kilometres of the boundary of Hokitika township, zoned Rural.
4. Hokitika Zone 2 – Properties in Kaniere which are within the Small Settlement zone
5. Rural Townships – Properties in Kumara, Arahura, Ross, Harihari, Whataroa, and Haast which are within a Tourist, Small Settlement or Coastal Settlement zone.
6. Small Settlements - Properties at Lake Kaniere, Kokatahi, Okarito, Okuru, Neils Beach, Hannah's Clearing and Jackson Bay which are within a Tourist, Small Settlement or Coastal Settlement zone.
7. Glacier Towns - Properties in Franz Josef/Waiau, Franz Alpine Resort and Fox Glacier which are within a Tourist or Residential zone.
Rural Commercial – Commercial Properties in a Rural zone except those in Glacier Towns Small Holdings Commercial.
8. Rural Commercial – Commercial Properties in a Rural zone except those in Glacier Towns Small Holdings Commercial.
9. Commercial in Rural Residential – Commercial Properties in a Tourist, Small settlement or Coastal Settlement zone except those in Glacier Towns Commercial.
10. Glacier Towns Commercial – Commercial Properties in Franz Josef/Waiau, Franz Alpine Resort and Fox Glacier which are within a Tourist or Residential zone.
11. Glacier Towns Small Holdings – Properties between the southern boundary of Lake Mapourika and the Fox River which are less than 10 hectares in size, except for those properties within the Glacier Towns.
12. Glacier Towns Small Holdings Commercial - Commercial properties between the southern boundary of Lake Mapourika and the Fox River, except for those properties within the Glacier Towns.
13. Hokitika 1-6 units – Residential properties in Hokitika except those in Hokitika Beachfront.
14. Hokitika Beachfront – Residential properties that bound the sea on Revell Street and Beach Street in Hokitika.
15. Hokitika Commercial – Commercial Properties in Hokitika.

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

Uniform Annual General Charge [Section 15]

A uniform annual general charge to be levied as a fixed amount per rating unit.

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

Tourism Promotions [Section 16]

A Targeted Rate to fund Tourism Promotions, charged as follows:

1. Four differentials are applied on a Uniform basis to Commercial Properties, determined by ranges of Capital Values
 - a. Over \$10 million
 - b. \$3 - \$10 million
 - c. \$1 - \$3 million
 - d. \$0 - \$1 million
2. A Targeted Rate applied on a Uniform basis to all other ratepayers.

Targeted Rates [Section 16]

Waste Management

1. Waste minimisation activity is budgeted to be self-funding. As such no Waste Management rate charged on a uniform basis will apply.
2. A targeted rate per dollar on the capital value of each rateable property as follows:
 - a. Waste Management (Commercial). Properties whose General Rate is either Commercial, Commercial in Rural Residential, Hokitika Commercial, Glacier Town Commercial, or Glacier town Small Holding commercial
 - b. Waste Management (Rural). Properties whose General Rate is Rural General.
 - c. Waste Management (Small Holdings). Properties whose General Rate is Small Holdings, Hokitika Zone (1), or Glacier Towns Small Holdings.
 - d. Waste Management (Urban). Properties whose General Rate is Rural Towns, Small Settlements, Residential within the previous Hokitika Borough or Hokitika Zone (2).

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

Refuse Collection

Targeted rates set on a uniform basis will apply in the following areas to fund Hokitika and rural refuse collection services.

The rate will be charged on each rateable unit where rubbish collection is available in Hokitika; and in the area from Kumara township in the north to Ross township in the south, including Kaniere township.

Water Charges

Targeted rates applied on a uniform basis according to a scale of charges; and commercial metered water to fund the cost of water supplies.

1. Treated Water in Rural Townships – Ross, Harihari, Whataroa, Franz Josef/Waiau & Fox Glacier.
2. Untreated Water in Rural Townships – Kumara, Arahura, Harihari untreated, Whataroa Rural, Haast.
3. Treated Water in Hokitika and Kaniere

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

Kokatahi Community Rate

A targeted rate to fund projects in the Kokatahi community, applied as follows:

1. A Kokatahi Community targeted rate set on a uniform basis on each property in the Kokatahi/Kowhitirangi area which has a general rate uniform annual general charge.
2. A Kokatahi Community Rate per dollar on the land value of each rateable property.

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

Sewerage Charges

A targeted rate set on a uniform basis to fund the costs of sewerage disposal in Hokitika, Kaniere, Franz Josef/Waiau, Fox Glacier and Haast.

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

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

Kaniere Sewerage Capital Contribution

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

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

Glacier Country Promotions

Targeted rates to fund Glacier Country Promotions Officers made up of:

1. A Glacier Country rate set on a uniform basis for each property in the Glacier region which has a general rate uniform annual charge, but has not been commercial rated.
2. A Glacier Country Commercial rate set on a uniform basis on each commercial rated property in the Glacier region
3. A Glacier Country Promotions Rate per dollar on the land value of commercial rated properties.

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

Hokitika Area Promotions

A targeted rate set on a uniform basis to be levied on each Hokitika Commercial ratepayer. The purpose of this rate is to fund the annual payment toward costs associated with the Promotions Officer employed by Enterprise Hokitika.

Ross Swimming Pool

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

Hannah's Clearing Water Supply Capital Repayment

A targeted uniform charge to recover the capital cost of providing individual water supply systems to Hannah's Clearing properties. The rate will be \$575 per annum and the amount to be recovered will be the actual cost per property plus 6% interest on a table mortgage basis plus GST. The interest rate will be re-assessed periodically.

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

Rates Summary

The General and Targeted Rates to be collected by Council for the year and the revenue generated from each are as follows. These figures are GST inclusive.

DESCRIPTION	LAND VALUE \$	2014/15 rate per unit of measure	RATE STRUCK
General Rates			
Rural General	779,516,000	0.0017054	\$1,329,360
Small Holdings	150,609,600	0.0024728	\$372,425
Hokitika Zone 1	51,422,000	0.0029773	\$153,099
Hokitika Zone 2	23,925,900	0.0058753	\$140,571
Rural Townships	34,770,000	0.0046457	\$161,531
Small Settlements	52,634,000	0.0030948	\$162,889
Glacier Towns	35,481,500	0.0042303	\$150,098
Rural Commercial	7,143,000	0.0025508	\$18,220
Commercial in Rur Res	4,999,000	0.0053332	\$26,661
Glacier Towns Commercial	37,097,000	0.0049178	\$182,436
Glacier Towns Small Holdings	19,861,500	0.0034379	\$68,281
Glacier Towns SH Commercial	5,502,000	0.0041253	\$22,698
Hokitika Res 1	100,038,500	0.0108618	\$1,086,603
Hokitika Res 2	2,996,000	0.0173789	\$52,067
Hokitika Res 3	246,000	0.0206375	\$5,077
Hokitika Res 4	233,000	0.0249822	\$5,821
Hokitika Res 6	306,000	0.0249822	\$7,645
Hokitika Beachfront	13,119,000	0.0088453	\$116,042
Hokitika Commercial	38,290,000	0.0118339	\$453,118
	1,358,190,000		4,514,641
Uniform Annual General Charge	5,538	\$ 506.53	2,805,188
	Capital Value		
Emergency Management Contingency Fund	2,284,837,500	0.0000000	0
Tourism Promotions			
All Commercial Properties with capital value:	Rating Unit		
Over \$10 million	3	\$ 3,176.02	\$9,528
\$3 - 10 million	11	\$ 1,588.01	\$17,468
\$1 - 3 million	74	\$ 635.20	\$47,005
\$0 - 1 million	201	\$ 317.60	\$63,838
All other ratepayers	5249	\$ 4.76	\$25,006
			\$162,846
Total General Rate (incl GST)			\$7,482,676
Total General Rates (excl GST)			\$6,506,674

DESCRIPTION	Capital Value /Rating Units	2014/15 rate per u.o.m	RATE STRUCK
Targeted Rates			
Waste Management			
Waste Management rate - uniform	5,538	\$ -	0
Waste Management (Commercial)	305,954,000	0.0014869	454,934
Waste Management (Rural)	929,671,500	0.0000595	55,353
Waste Management(Small Holdings)	430,033,900	0.0004256	183,035
Waste Management (Urban)	633,271,600	0.0003419	216,547
Hokitika Refuse Collection	1,581	\$ 285.68	451,659
Rural Refuse Collection	1,337	\$ 265.18	354,548
Total Waste Management Rates			\$1,716,076
Water Supply			
Rural Township Untreated Water			
Domestic		\$ 390.31	
(unmetered) Commercial		\$ 650.52	
Unconnected		\$ 195.15	
Rural Township Treated Water			
Domestic		\$ 520.40	
(unmetered) Commercial		\$ 895.09	
Unconnected		\$ 260.20	
Hokitika/Kaniere Water			
Domestic		\$ 520.40	
(unmetered) Commercial		\$ 895.09	
Unconnected		\$ 260.20	1,372,032
Hannah's Clearing Capital	13	\$ 575.00	7,475
Total Water Rates			\$1,379,507
Metered Water Charges			\$1,322,500
Sewerage Rate			
Connected		\$ 219.90	
Unconnected		\$ 109.95	\$832,498
Kaniere Sewerage Capital	66	\$ 382.51	25,246
Total Sewerage Rates			\$857,744
Kokatahi Community Rate			
Levy	218,928,000	0.0000210	4,600
Per Unit Rate	181	\$25.41	4,600
Total Kokatahi Community Rate			\$9,200
Glacier Country Promotions			
Levy	42,909,500	0.0008710	37,375
Per Unit Non-Commercial Rate	396	\$ 48.16	19,073
Per Unit Commercial Rate	76	\$ 240.82	18,302
Total Glacier Country Promotions			\$74,750
Hokitika Area Promotions			
Per Unit Rate	134	\$ 334.70	44,850
Total Hokitika Promotions			\$44,850
Ross Swimming Pool			
Levy	8480000	0.002684116	\$22,761
Total Ross Swimming Pool Rates			\$22,761
Total Targeted Rates (incl GST)			\$5,427,388
Total Targeted Rates (excl GST)			4,719,468
General Rates (excl GST)			6,506,674
Total Rates (excl GST)			\$11,226,143

Rating by Instalments and Rates Penalties

The Council provides for 2014/2015 rates to be paid in four instalments with a 10% additional charge added to the current instalment rates remaining unpaid on the penalty dates.

	Final date for payment	Penalty date
Instalment 1	31 August 2014	1 September 2014
Instalment 2	30 November 2014	1 December 2014
Instalment 3	28 February 2015	1 March 2015
Instalment 4	31 May 2015	1 June 2015

A further 10% will be added to all rates and additional charges remaining unpaid on 1 July 2014 and a further 10% will be added to any rate to which the additional charges referred to above is added and remains unpaid at 1 January 2015.

Early Payment of Rates

A discount of 2.5%, calculated on the Total Annual Rates, will apply when all due rates are paid in full, together with any outstanding rates and penalties from prior years, by the due date for payment of the first installment being 31 August 2014.

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: Assistant Accountant

RATES AND DEBTOR WRITE OFFS

1.0 SUMMARY

- 1.1 The purpose of this report is to request Council approval to write off debts deemed uncollectable.
- 1.2 This issue arises because the decision exceeds internal delegated authority, and Council approval is required to write off debt owed.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Ensuring only genuinely uncollectable debt is written off

- 1.4 This report concludes by recommending that Council approve the write off of debt totalling \$33,304.75 including GST.

2.0 BACKGROUND

- 2.1 Each year, an amount of rates debt is reported to Council for their approval to write off. In past years this has included rates remitted in accordance with our remission policies, but like last year, this year's figure includes only write offs and not remissions.

3.0 CURRENT SITUATION

- 3.1 The amount of \$33,304.75 [2013-14: \$29,475.10] rates debt requested be written off comprises arrears of more than six years totalling \$12,200.10 [2013-14 \$7,963.75] and rates on unoccupied Maori Land totalling \$21,104.65 [2013-14: \$21,511.35]. These amounts are covered by the budget.
- 3.2 Section 65 of the Local Government (Rating) Act 2002 precludes the commencement of any Court Action to recover unpaid Rates that are more than six years past due. All other reasonable steps to recover these debts have been exhausted.
- 3.3 Part 4 of the Act provides that Rates are not collectable on unoccupied Maori Land, unless it can be proven that income is derived from that land. To that extent, Maori Land that is vested in trustees is liable for rates only to the extent of any money derived from the land, and that Rates on multi ownership unoccupied Maori Land are the liability of each owner only to the extent of their own interest in the land. These provisions render the rates on unoccupied Maori Land uncollectable.

4.0 OPTIONS

- 4.1 Council approves the write off of the \$33,304.75 total requested.
- 4.2 Council does not approve the write off.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on significance, this is assessed as an administrative matter of low significance.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 If Council approves write off of the full amount, this will recognise that recovery of the debt is very unlikely. It has been included in the doubtful debt provision in last year's accounts.
- 6.2 Financial Reporting Standards require that receivables are stated at their realisable amount. In the context of the write offs proposed these debts are, in the opinion of staff and with legislative guidance, uncollectable. As such they should be written off. If Council does not approve the write off, prudence will dictate that they must remain in the provision for doubtful debts.

7.0 PREFERRED OPTION AND REASONS

7.1 Option 6.1 is preferred, as recovery of the debt is very unlikely.

8.0 RECOMMENDATION(S)

B) **THAT** Council approve the write off of the amount of rates debtors totalling \$33,304.75, including GST.

Dave Oldman
Assistant Accountant

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: District Planner

DISTRICT PLAN REVIEW

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain confirmation from this Council of the priorities for the review of the District Plan, and the projected end date of 2022.
- 1.2 This report outlines the presentation from the Group Manager: Planning, Community and Environment, and the District Planner at Council's workshop in May 2014. At this workshop, Council expressed agreement with the proposed timeframe and priority list.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities Living the '100% Pure NZ' brand	The District Plan is a key document to assist Council to achieve its vision. The review of the District Plan will involve consultation with the community and stakeholders. It will shape the way that the District develops in the future through encouraging development or certain activities to occur in certain locations or in a specific manner. This will also assist Council to provide top class infrastructure and live the "100% pure" brand.

- 1.4 This report concludes by recommending that Council approves the Plan review timeline set out in this report, and as described at the previous workshop.

2.0 BACKGROUND

- 2.1 Council has a statutory obligation to review the District Plan every ten years, which involves the review of each chapter of the Plan and notification of either the changes to the document, or the existing provisions. The review allows Council the opportunity to ensure that the Plan provisions reflect the needs and desires of the community and to amend the plan in response to legislation change.
- 2.2 This ten year anniversary of the Westland District Plan was in June 2012.
- 2.3 Work on the District Plan commenced prior to this deadline and the Council approved a “rolling review”, where separate provisions of the Plan are considered and any changes made, along with a list of priorities for the plan review. The timely progression of this work has been constrained by staff resourcing and other Council priorities for the planning department.
- 2.4 Work progressed to date on the Plan review has involved consultation with community groups, plan users and stakeholders, undertaking a community survey and notification of an Issues and Options paper. Plan Change 7 (Managing Fault Rupture Risk in Westland) is the first plan change to be notified as part of the review.
- 2.5 Staff are seeking confirmation from this Council of the proposed priorities for the review, and the proposed end date of 2022.

3.0 CURRENT SITUATION

- 3.1 In order to manage the workload required for the Plan review within the staffing and budget constraints, it is proposed that one major work stream is progressed each year. It is important to note that it is unlikely that work on each of the District Plan sections will be completed within that year, due to the length of the plan change process, including pre-notification consultation and research, submissions and further submissions on the notified plan changes, scheduling of hearings and the resolution of any appeals. The work stream reflects where staff time and the use of the budget for consultant input will be targeted within that year, and the proposed topic for notification.

4.0 OPTIONS

- 4.1 Option 1: Not approve a rolling review. This will require all parts of the District Plan to be reviewed and the Plan notified as one document.
- 4.2 Option 2: Approve the rolling review and the priorities as set out by staff.
- 4.3 Option 3: Approve the rolling review and amend the priorities set out by staff.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 Whilst the District Plan is considered to be a significant document of Council, the decision to undertake a rolling review and the prioritisation within this review is considered to be of low significance.
- 5.2 This report reflects the discussions held with Council at their workshop in May 2014.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

Priority Topics

- 6.1 District Plan topics have been categorised as “priority topics” if they are likely to involve significant staff time and the input of technical experts. These topics result from legislative requirements and the outcome of public consultation and feedback during earlier plan review consultation rounds, and through direct comments provided to Council and staff. The proposed timeframe for the Plan review is set out in the following table.

Year	Priority Topic	Additional topics
2014	Current proposed Plan Change 7 (subject to approval to continue at July meeting)	Update of noise provisions
2015	Outstanding Natural Landscapes and Features	Minor corrections and amendments Sign rules
2016	Coastal Environment and response to New Zealand Coastal Policy Statement	Cultural Values- Maori Perspective Heritage Provisions
2017	Utilities – Powerlines / Telecommunications	Transport General Rules
2018	Protecting significant native vegetation and biodiversity	Natural Hazards Use of surface water
2019	Rural Environment – including subdivision and mining	
2020	Aviation – Hokitika, Franz Josef, Fox and South Westland	
2021	Townships Reviews	
2022	Townships Reviews	

- 6.2 The Council has received significant feedback on the District Plan provisions relating to mining and rural subdivision. It is proposed that most of these provisions are not reviewed immediately, as it is considered that the possible outcomes of the review will be greatly informed by the work proposed to precede it which will have the greatest effect on the rural area. For instance, the decisions Council may wish to make in relation to where rural subdivision is to occur will be assisted by up-to-date knowledge on coastal, landscape, and ecology values within the District. This is also why the review of the townships within Westland has been deferred. It is proposed, however, to review the Plan provisions relating to mineral prospecting as part of the “corrections and amendments” work in 2015.
- 6.3 It is important to note that there are also a number of proposed changes to other Resource Management Act (RMA) documents which will impact on the District Plan review. The proposed timing of the topics for review has been scheduled to reflect projected completion dates for these proposals, to ensure that any changes in the documents are either completed prior to the District Plan review, or Council has a clear understanding of the content of the proposed documents prior to commencing the related review:
- The RMA reforms may progress following the upcoming election, and involve significant changes to the matters that Councils must specifically provide for within their Plans.
 - The West Coast Regional Council is currently reviewing their Regional Policy Statement (RPS), which is a significant document setting out the direction for policy within the Region. It is likely that this RPS will include increased use of schedules and land use controls that the District Plan must give effect to. The Regional Council are currently consulting on their proposed RPS and it is expected that the Council will be very involved in this project.
 - The West Coast Regional Council’s review of their Regional Coastal Plan will provide an important background to the review of coastal provisions within the District Plan. It may also provide an opportunity to collaborate. It is understood that Regional Council staff are currently progressing the review of the Coastal Plan. The review of the District Plan coastal provisions is consequently scheduled for 2016.

6.4 A brief outline of proposed major plan review topics for each year is provided below:

6.4.1 Current Proposed Plan Change 7: Managing Fault Rupture Risk in Westland. A report will be provided to the July 2014 Council meeting that will seek Council's approval to continue with proposed Plan Change 7, which responds to reports from GNS identifying areas likely to deform in an Alpine Fault Rupture event. This plan change has received further submissions and requires progression to a hearing, unless the Council wishes to withdraw it. Approval to continue (or a decision to withdraw) is required under the RMA by August 2014, as it will have been two years since notification of the proposed Plan Change.

6.4.2 Outstanding Natural Landscapes and Features
A joint project is being undertaken by all four West Coast councils to identify areas of outstanding natural landscapes and features within the region. The RMA requires the protection of outstanding natural features and landscapes as a matter of national importance. The current District Plan requires an assessment of the significance of the landscape as part of each consent application. It is expected that the outcome of the joint project will be a proposed plan change to identify a schedule of outstanding landscapes and features within the Westland District, and possibly rules relating to use of land within this schedule.

6.4.3 Coastal Environment and response to New Zealand Coastal Policy Statement

The coastal strips of private land to the north of Hokitika, south to Ross and within South Westland are susceptible to development and sensitive to change. Townships within Westland are also subject to coastal erosion risk. The New Zealand Coastal Policy Statement came into force in 2010 and requires Councils to specifically identify areas within their Plan that relate to certain values. It is expected that much of this work will be undertaken as part of the Regional Council's RPS and Regional Coastal Plan reviews; however it is likely that provisions will be required at the district level also.

6.4.4 Utility Provisions

There are a number of National Policy Statements and National Environmental Standards relating to telecommunications and electricity transmission and generation. The Plan needs review to

remove any inconsistency with these standards, and to ensure that the plan provisions are current for all other utilities.

6.4.5 Protecting Significant Natural Vegetation and Biodiversity

The Westland District Plan currently includes an explanatory note within the Rural Policy Unit that the current rules relating to vegetation clearance are an “interim measure” in place whilst a joint project to identify significant natural areas took place across the Region. The plan states that this work was expected to be completed in 2003. As the project altered in scope, and concluded following initial scoping studies, and the RMA still requires protection of areas of significant indigenous vegetation, the provisions of the District Plan need review.

6.4.6 Rural Environment – including Subdivision and Mining

It is expected that, following the outcome of the above reviews, the general rules for the Rural Environment, which contains the majority of the Westland District, will need review. This will also provide the opportunity to review rules for subdivision within the rural zone, and mining provisions within the rural zone. Both of these topics have generated significant feedback from the community to the Council over the life of the current Plan.

6.4.7 Aviation

A review on the provisions of the District Plan that apply to aviation would include consideration of the development of Hokitika Airport, Franz Josef Heliport, and the provisions that relate to the private airstrips and associated aviation activities in locations such as Franz Josef, Fox Glacier, Haast and Neils Beach. Aviation has been the subject of significant consent applications during the life of the existing District Plan, and represents a significant industry for Westland.

6.4.8 Township reviews

Informed by the preceding components of the review, the provisions for the settlement units, (residential, coastal settlement, tourist settlement, small settlement), along with the boundaries and individual performance standards within each township, can be reviewed. This allows Council to amend development areas in line with proposed infrastructure extension, township growth, and requests from communities to retain certain aspects of the settlement’s character.

- 6.5 Alongside the major topics scheduled for each year are other sections of the Westland District Plan which will also require review. These have been prioritised based on existing work that has been undertaken, or similarity to the major topic of the year and consequent potential for efficiency.

Financial implications

- 6.6 The Council has currently budgeted \$55,000 within the 2013-14 and 2014-15 Annual Plans for the District Plan review. This will constrain the amount of technical input able to be obtained from external consultants, and requires the plan review to be progressed over the next ten years instead of a shorter timeframe.
- 6.7 Through Council adopting the proposed timeline for plan review, staff will be able to inform individuals or community groups that approach Council seeking an amendment to existing provisions of the District Plan, when this may be able to occur. These groups can then decide whether they wish to propose a Private Plan change to Council if they wish to progress the matter with urgency. This may place additional costs on the individual. However, as part of any private plan change request, Council can choose to adopt the private plan change request as a Council plan change. This would require a decision to defer other workloads of the Plan review as part of that process.

Regional collaboration

- 6.8 Council staff are aware of the current discussions between Mayors and Chairs in relation to the review of District Plan provisions across the West Coast to achieve consistency where possible. This work may occur in addition to or as part of the proposed RMA reforms (if continued by the incoming government) which include the merging of District and Regional Plans within each district. It is likely that any project to combine plans may impact on the scheduling of the District Plan review.
- 6.9 Planning staff within Buller, Grey and Westland have a current informal agreement to share information and collaborate where possible. An example of this is a proposal from Grey District Council to share their work on electricity transmission, and for Westland to share the outcomes of the fault rupture work. This will assist staff to operate within the budget set within the Annual Plan and Long Term Plan.

Consideration of alternative options

- 6.10 Option 1, the full notification of the District Plan as a whole simultaneously, would require significant resourcing at the time of notification of the Plan. It is the view of staff that a 'rolling' review of various chapters and provisions allows more targeted discussion to occur with stakeholders and landowners

on the particular aspect for review. This may lead to a better outcome within the Plan and prevent overwhelming ratepayers with a large raft of changes.

- 6.11 When considering Option 3, it is important to note that Council must review each component of the District Plan. Council's review of a topic may generate no changes to the provisions within the Plan, or it may result in large scale changes, but all topics require review. The proposed priority list represents the items requiring significant input from staff and stakeholders, and a logical order for tackling them. If Council opts for Option 3, it may shift the timing or weighting of certain topics, but no topics can be entirely removed from review.

7.0 PREFERRED OPTION AND REASONS

- 7.1 Option 2 is preferred by staff and reflects the initial agreement given at the Council workshop. This rolling plan review allows staff to address key provisions within the District Plan whilst working within the budget and staff resource constraints.

8.0 RECOMMENDATIONS

- C) **THAT** Council approves that the District Plan review proceeds as a rolling review, to be completed by 2022.
- D) **THAT** Council confirms the priorities for the District Plan review as set out in the table below:

Year	Priority Topic	Additional topics
2014	Current proposed Plan Change 7 (subject to approval at July meeting)	Update of noise provisions
2015	Outstanding Natural Landscapes and Features	Minor corrections and amendments Sign rules
2016	Coastal Environment and response to New Zealand Coastal Policy Statement	Cultural Values- Maori Perspective Heritage Provisions
2017	Utilities – Powerlines / Telecommunications	Transport General Rules
2018	Protecting significant native vegetation and biodiversity	Natural Hazards Use of surface water

2019	Rural Environment – including subdivision and mining
2020	Aviation – Hokitika, Franz Josef, Fox and South Westland
2021	Townships Reviews
2022	Townships Reviews

Rebecca Beaumont
District Planner

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: Group Manager: District Assets

EXTENSION OF ROADING MAINTENANCE CONTRACT

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval to extend the current Roding Maintenance Contract to 30 June 2015.
- 1.2 This issue arises as a result of the major changes in Funding Assistance Rates (FAR) proposed to be implemented from 1 July 2015 by New Zealand Transport Authority (NZTA), and a number of other changes taking place in the Transportation activity which could impact on the Roding Maintenance Contract in the future.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities	Ensuring the risks around the decreased FAR contributions are managed effectively to ensure the service levels are delivered at optimum levels.

- 1.4 This report concludes by recommending that Council approves a 12 month extension to the current Roding Maintenance Contract.

2.0 BACKGROUND

- 2.1 Westland District comprises of approximately 700 kilometres (kms.) of roading network. 350 kms is sealed roads and the balance 350 kms are un-sealed legal roads.
- 2.2 The roading network is managed through an annual roading maintenance contract.
- 2.3 The scope of works under the roading maintenance contract is to provide cost effective road and associated facility and structures maintenance within the Westland District roading network including operation of the network. The scope of work also includes incident response.
- 2.4 The current contract has a term of 3+1+1. The contract is currently operating under extended period which expires on 30 June 2014. The extension was granted in consultation with NZTA last year.
- 2.5 The annual budget for the year 2014-15 is \$2,561,000.

3.0 CURRENT SITUATION

- 3.1 In 2013, NZTA initiated a national review of FAR. This was consulted on in two phases with local Councils across the District.
- 3.2 Westland along with other similar Councils made submissions on the proposed changes to FAR.
- 3.3 NZTA has now completed the review and as a result Westland District may now stand to lose approximately 7% of its current funding levels over the next few years commencing 1 July 2015. A copy of the summary document is available on NZTA website¹. The summary on FAR is provided below
 - 3.3.1 The Board considered that decisions on how to distinguish local authorities from each other when setting FARs, and determining a final FAR for each Council for the 2015-18 investment period, requires further work and consideration.
 - 3.3.2 NZTA acknowledge that the timing of FAR decisions have a serious effect on Councils Long Term Plans and Regional Land Transport Plans which are to be developed in the coming months. As such the

¹ More detailed information is available on this link : <http://www.nzta.govt.nz/planning/investment/far-review/index.html>

Board has made some important decisions to provide some certainty for these processes:

3.3.2.1 An overall co-investment rate of 53% was agreed upon.

3.3.2.2 Normal FAR received by most Councils will be 52%.

3.3.2.3 It was confirmed each Council will get one rate for all activities (other than for emergency works or targeted rates)

3.3.2.4 No council will drop more than 1% from their current normal FAR in each year. (FAR rate increases will also be transitioned similarly).

3.3.2.5 All changes to the FAR will be completed over the period of the next three NLTP cycles (9 years).

3.3.2.6 By the end of 2023/24 financial year the FAR for local authority special purpose roads will be transitioned to the relevant Councils normal FAR. This FAR will be transitioned down separately from the normal FAR. The transition will be determined following discussions with Council.

3.3.2.7 The start rate for transition for Westland District Council is 60%.

3.3.3 NZTA intend undertaking testing of funding options once the 2013 New Zealand Index of Deprivation is available along with testing other evidence and data. This consultation is expected to occur in late 2014 when they will also discuss with Council the specific transition arrangements.

3.4 New RLTP and WDC LTP 2015-2018

3.4.1 The Land Transport Management Act 2003 requires the West Coast Regional Transport Committee (RTC) to develop a Regional Land Transport Programme in consultation with their community and stakeholders every three years. This aligns with Council's Long Term Planning cycle.

3.4.2 Accordingly local authorities in the West Coast region are currently preparing the 2015-2018 Regional Land Transport Programme (RLTP). This document provides a statement of transport priorities for 2015-2018 and indicative priorities for 2018-2021.

3.4.3 Activities in this programme are identified by the respective Councils in the region and the NZ Transport Agency. The routine maintenance and minor capital improvement activities of local councils are developed and included in this program.

3.5 ONRC Development

3.5.1 One of the tasks assigned to the local government and NZTA Roding Efficiency Group was developing an integrated national road classification for New Zealand-The One Network Road Classification (ONRC).

3.5.2 The ONRC provides a nationally consistent framework for categorising roads based on the function they perform in relation to the national network. NZTA have signalled it will use the ONRC to help optimise the next National Land Transport Programme 2015-18. This classification will be a useful tool for local authorities such as Westland District, as we optimise and prioritise our own local roading investments and review our Transportation Asset Management Plan.

3.5.3 For 2015-18 Regional Land Transport Programmes NZTA expects local authorities will apply the ONRC to their network, identify the differences in Current Levels of Service, agree appropriate performance measures and understand the financial implications of the ONRC.

3.5.4 It is also expected that the ONRC will be the basis of Asset Management Plan investment by 2018-2021.

3.6 Network Outcomes Contracts (NOC) and Collaboration

3.6.1 NOC's are a new approach to maintenance and operations to ensure efficiency and effectiveness through better asset management and service delivery.

3.6.2 This single contract model is being applied to the state highway network throughout New Zealand and is inclusive of physical works and network management functions for a region.

3.6.3 A NOC for the West Coast Southern Region is to be tendered during the 2014-15 financial year and will be implemented from 1st July 2015.

In acknowledgement of the NOC process on the West Coast representatives of the West Coast local authorities and NZTA are involved in “conversations” with regard to collaborative opportunities presented as this process evolves over the next 12 months. Three key areas form part of these conversations – operations, asset management and service delivery.

3.7 NZTA’s Procurement Manual ²

Rule/Section 10.21 subsection 3 of NZTA Procurement Manual states that *“the term of term service contract may be extended within the following limits and circumstances:*

- *Up to three months, where the approved organisation has experienced unexpected difficulties in re-tendering*
- *Up to two years, to bring together or stagger contract expiry dates when a significant restructure of services is required under a procurement strategy that has been endorsed by the Transport Agency”*

Council staff had initial discussions with NZTA staff on the extension of the contract. The above rule would support a Council decision to extend the Roothing Maintenance Contract and NZTA staff are supportive of the proposal to extend the current contract to 30 June 2015.

4.0 OPTIONS

4.1 **Option 1:** Status Quo – Do not extend the contract and re-tender after 30 June 2014.

4.2 **Option 2:** Extend the Contract to 30 June 2015.

5.0 SIGNIFICANCE AND CONSULTATION

5.1 The extension of the current contract does not bring any budgetary implications or any service level reductions. As such the matter of extension is administrative and therefore of low significance.

5.2 The proposal to extend the current contract has been consulted with the contractor and they are happy to extend the contract on current terms and conditions.

² Link to NZTA procurement manual: <http://www.nzta.govt.nz/resources/procurement-manual/>

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 Option 1: Status quo

- 6.1.1 This is not a preferred option. This option means that upon the expiry of the contract on 30 June 2014, the works will have to be re-tendered.
- 6.1.2 There are no budgetary concerns for the year 2014-15, however going forward there is a reduction in FAR contribution every year. The contract will have a minimum term of 5 years. The financial implications are unknown at this stage as a further detailed review needs to be undertaken to assess the effects of the FAR reductions proposed.
- 6.1.3 The review of levels of service for transportation activity has not been undertaken and is planned for year 2014-15, in preparation for the 2015-18 Long Term Plan.
- 6.1.4 The work on ONRC (explained in section 3.5) and NOC (explained section 3.6) is in progress. The development and application of the ONRC could have an impact on performance measures applied to the new Roding Maintenance Contract. Progressing with this option rules out any inclusions at the beginning and variations may be required at a later stage.
- 6.1.5 The NZTA procurement manual clearly refers to the extension clause in an event where a significant restructure of services is required. NZTA supports the proposal to extend this contract to 30 June 2015 for the reasons highlighted in this report.

6.2 Option 2: Extend the current contract to 30 June 2015.

- 6.2.1 This is the preferred option.
- 6.2.2 There are no financial implications in proceeding with this option.
- 6.2.3 The outcome of the FAR review process has implications for Councils Long Term Plan, the RLTP and maintenance contracts. Extending the Roding Maintenance Contract by 12 months will provide funding certainty for Councils roading programme and budget confidence for the roading contract procurement procedure.

- 6.2.4 Extending the current contract allows Council the opportunity to align a new contract perfectly with the new RLTP and Councils own Land Transport Programme.
- 6.2.5 The development and application of the ONRC will have an impact on performance measures applied to the new Roding Maintenance Contract. More time is need to ensure the new contract will be developed with complete integration of the ONRC and any subsequent levels of service developed.
- 6.2.6 This option allows Council the opportunity to run its own tendering process in parallel to the state highway NOC. This should result in efficiencies in price due to the value of the NOC and the competitive interest a contract of that size will attract to the area.

7.0 PREFERRED OPTION AND REASONS

7.1 Option 2 is the preferred option for the following reasons:

- 7.1.1 It provides staff enough time to assess the effects and financial implications of FAR changes
- 7.1.2 Council will have the opportunity to align the new maintenance contract with 2015-25 Long Term Plan and any revised levels of service
- 7.1.3 Council will have the opportunity to review the format of the contract. Options include an alliance or cost plus form of contract.
- 7.1.4 NZTA procurement policy allows has provisions for the extension of the contract.

8.0 RECOMMENDATION

- E) **THAT** the current Roding Maintenance Contract be extended on the existing terms and conditions for a further period of 12 months expiring on 30 June 2015.

Vivek Goel
Group Manager: District Assets

Report



DATE: 26 June 2014

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

INSURANCE RENEWALS

1.0 SUMMARY

- 1.1 The purpose of this report is to Seek Council approval for renewing the insurance including Materials Damage, Public Liability, Professional Indemnity, Statutory Liability, Employers Liability, Directors & Officers Liability, Airport Owners & Operators, Fidelity, Motor vehicles and Fire Service Levies.
- 1.2 This issue arises because Council is advised to ensure that the risk associated with its assets and operations are mitigated by having adequate insurance in place, and because this decision is outside internal delegations.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Ensuring adequate insurance is in place for Council owned assets, its operations and Council Controlled Organisations.
Having top class infrastructure for all communities	

- 1.4 This report concludes by recommending that Council resolves to renew the insurance for 2014-15 as contained in the proposal attached as **Appendix 1**.

2.0 BACKGROUND

- 2.1 Crombie Lockwood are Council appointed Insurance agents for all risks other than underground assets, which are insured under the Local Authority Protection Program (LAPP).
- 2.2 Council staff sought to initiate a shared service approach to insurance with Grey District Council (Grey), Buller District Council (Buller), and West Coast Regional Council (WCRC) in April 2014. Grey had already contracted with their existing insurers for two years, Buller indicated possible interest for 2015-16 onwards and WCRC were open to being party to those discussions.
- 2.3 Council's agents have advised that only moderate savings in brokerage fees might be achieved by this approach, with local authority insurance business having little marketability.
- 2.4 On 22 May 2014 Council approved \$183,760 of unbudgeted and uninsured reparation costs in respect of District-wide damage caused by Cyclone Ita.

3.0 CURRENT SITUATION

- 3.1 Council's insurance policies expire on 30 June 2014.
- 3.2 Council is member of LAPP for insuring underground assets. This is an automatic renewal.
- 3.3 The LAPP contribution for 2014-15 is \$95,400 (2013-14: \$113,900) excl GST), with a deductible of \$806,900 (2013-14: \$841,000).
- 3.4 Council staff have reviewed the current levels of cover and provided updated information to Crombie Lockwood.
- 3.5 Crombie Lockwood have obtained quotations from insurers and submitted their proposal for 2014-15 [**Appendix 1**]. The combined premiums and broker fee amount to \$240,624 (2013-14: \$219,315). The comparatives by policy to 2013-14 are included on page 4 of the proposal.

- 3.6 The material damages renewal is \$15,000 higher than 2013-14. This is due to the following factors:
- 3.6.1 Insurers' assessment of Council's risk with reference to claims experience. This includes the outstanding claim in respect of Cyclone Ita damage.
 - 3.6.2 A 2% price increase reflecting CPI and market conditions
 - 3.6.3 An additional \$3,000,000 of assets included in the sum insured. This predominantly reflects development and upgrades to water treatments plants and pump stations in Haast, Franz Josef and Hokitika.
- 3.7 The professional indemnity renewal is \$3,500 higher than 2013-14. This reflects insurers' assessment of Council's risk, particularly with an outstanding matter in the case of Callery Holdings.
- 3.8 Council is advised to assess its risk levels and the areas where it has resolved to self-insure the risk.
- 3.8.1 The proposed levels of indemnity and sums insured are explained in Section 3: Scope of Cover from pages 4 to 8 in the proposal
 - 3.8.2 In Section 4: Uninsured Risks, pages 9 to 14 outline the areas where Council has arranged external insurance, and where it is self-insuring.
- 3.9 The proposed overall cost of reinsurance for 2014-15 is \$336,024. The saving of \$18,000 in the LAPP contribution is offset against an increase by a similar amount in the commercial renewals proposal. The budget for 2014-15 is \$322,794, which was the actual cost for 2013-14. After deducting recharges to CCOs the net proposed costs to Council for 2014-15 are within budget.

4.0 OPTIONS

- 4.1 Option 1: Self insurance
- 4.2 Option 2: Accept the proposal from Crombie Lockwood to reinsure at the same levels, for the same risks, as 2013-14, as updated by current data.
- 4.3 Option 3: Review the risks and request quotations for varied levels of cover.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on Significance this matter has been assessed as administrative and thus to be of low significance.

- 5.2 The insurance matters range from being legislative to governance. As there is no legislative requirement for public consultation on this matter, this is at Council's discretion.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Self-insuring would initially avoid over \$240,000 of budget expenditure, but would expose Council to unacceptable risk.
- 6.2 Option 2: Until a comprehensive risk management policy is adopted; the current proposal is generated from Council's claims experience, staff knowledge, broker advice and risk assessments undertaken by the insurers. Without the unforeseen effects of Cyclone Ita, Council's existing insurance arrangements appear adequate.
- 6.3 Option 3: Council can undertake a full review of its risk protection and levels of excess, and request further quotations. Crombie Lockwood sought additional quotes from alternative insurers and proposed the most competitive package available. It is likely, with a restricted market, that little benefit would be achieved in either levels of assurance or cost of premium. In doing so Council also risks not renewing before the current policies expire.

7.0 PREFERRED OPTION AND REASONS

- 7.1 Option 2 is the preferred option. The level of protection is suitable for Council operations and within budget.

8.0 RECOMMENDATION

- F) **THAT** Council instruct the Chief Executive to renew insurance cover for 2014-15 in accordance with the proposal from Crombie Lockwood attached as **Appendix 1**.

Gary Borg
Group Manager: Corporate Services

Appendix 1: Crombie Lockwood, Renewal Report to Westland District Council



INSURANCE RENEWAL REPORT
to
WESTLAND DISTRICT COUNCIL

June 2014



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1 Introduction

The insurance programme is due to expire on the 30th of June 2014 and we are pleased to provide the following report for your information and review.

We generally recommend remarketing an insurance programme routinely and we usually work to a three yearly cycle unless market conditions dictate otherwise as we believe it is essential to build a relationship with insurers in order to maintain consistent pricing levels and take advantage of such relationships if and when required, ie claim negotiation.

The renewal strategy agreed with Westland was that we would negotiate with the incumbent insurance panel and not go to the market unless the renewal terms were deemed to be out of step with the market.

The reasoning for this strategy was twofold. Firstly Westland's portfolio was remarketed last year and indeed the year before that and as such we have sought to avoid "insurer fatigue". Insurers value continuity and loyalty. Most log and retain quotation requests and eventually lose interest in competing for what they view as the business of overly price focused "transactional" clients. This is not a desirable scenario as it removes competition and options from the market.

Additionally Westland sustained significant losses in the April storms and the claim(s) have yet to be settled. It is not prudent to move insurers when large claims are outstanding. The current outstanding reserve set by Cunningham Lindsey Loss Adjusters on behalf of NZI is c\$240,000 and it is feasible that the eventual settlement will exceed the reserve once negotiations have been finalised. Furthermore NZI also have an outstanding reserve of \$100,000 for the Van Beeks Bridge claim.

Before the storm damage claim occurred it was anticipated that Westland would enjoy a Material Damage rate reduction in line with current market trends. These have not been forthcoming due to the claim(s) and as a result we sought terms from one other insurer, Vero, for benchmarking purposes. These were uncompetitive and are outlined within the executive summary.

Taking the above into account and benchmarking Westland against other West Coast Councils we service we can confirm that the terms contained within this report are competitive and in line with the current insurance market taking into account Westland's historic claims experience.

The CLRP people involved in this process have been;

- Lance Ryan – Executive Broker
- Daniel Rosser – Senior Broker
- Melissa Cross – Senior Broker (Liability)

We look forward to reviewing the report with you to ensure your current insurance programme continues to meet with your requirements.



Lance Ryan
Executive Broker



Daniel Rosser
Senior Broker



Melissa Cross
Senior Broker

2 Premium Summary & Broker Remuneration

Policy	2013/14	2014/15
Material Damage	\$145,618.48	\$160,731.86
Public Liability	\$5,000.00	\$5,250.00
Professional Indemnity	\$14,000.00	\$17,500.00
Statutory Liability	\$1,500.00	\$2,000.00
Employers Liability	\$1,000.00	\$500.00
Directors & Officers Liability	\$4,000.00	\$4,000.00
Airport Owners & Operators	\$5,250.00	\$5,250.00
Fidelity	\$4,950.00	\$4,950.00
Motor Fleet	\$4,807.00	\$5,776.88
Fire Service Levies	\$21,078.90	\$20,665.50
Total	\$207,204.38	\$226,624.24

- Last years Material Damage premium was based on an overall sum insured of \$37.658m and this has increased to \$40.737m, the underlying average rate applied to those values has increased from 0.386% to 0.394%, a 2% increase. This is a positive result when you take into account the quantum of the outstanding storm & Bridge claim(s) is \$340,000, more than double the proposed renewal premium.
- Vero quoted an average rate of 0.45%, some 14.2% higher than the NZI renewal offer. Additionally Vero require a \$50,000 excess for all claims whereas NZI are \$15,000.
- The Public Liability premium has increased following an increase in the declared turnover.
- The Professional Indemnity premium has increased as a direct result of claims. Overall, claims position as at last year was \$54,550 paid and \$180,000 total outstanding reserve. This year \$184,000 has been paid and the total outstanding reserve has increased to \$365,000.
- The combined Statutory & Employers Liability premium pool remains unchanged at \$2,500. New Defence Costs endorsement added to respond to s9 charge under Law Reform Act 1936 ("Steigrad"). This provides Westland with \$500,000 Defence Costs in addition to the limit of limit of indemnity.
- Last years Motor Fleet premium was based on a cumulative fleet value of \$253,844. This has increased to \$288,844.
- The above premiums exclude GST
- Note that the premiums quoted in the table above do not include our fee. Last year this was \$11,500 plus GST and this year we are proposing an increased fee of \$14,000. By way of comparison based on the current premium spend standard insurance brokerage income would be in the region of \$33,900.

3. Scope of Cover

Material Damage

- Renewal is based upon the updated assets register provided by Westland based and is summarised below;

Buildings, Plant/Contents \$40,737,500

- The standard policy excess remains at \$15,000 each and every claim.

Please refer below to the section under policy excess recovery services which are available to the Westland District Council through CLRP.

In the event of Natural Disaster, the excess is as following;

The excess shown below for each region will apply to the aggregate of:

- a) all natural disaster damage claims under the Material Damage Policy, and
- b) all natural disaster damage claims under the Business Interruption Policy arising from any one event at each common site.

<u>REGION</u>	<u>Excess excluding pre 1935 building risks</u>	<u>Excess on pre 1935 building risks</u>
The rest of New Zealand	5% of the site sum insured	10% of the site sum insured

DEFINITIONS

For the purposes of this endorsement the following definitions apply to the plural and any derivatives of the words.

For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents.'

common site:

A common physical location where the insured property is linked to achieve a common business purpose at that location.

event:

an event, or a series of events arising from one source or original cause.

natural disaster damage:

Loss or damage that results directly from:

- (a) earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these, or
- (b) measures taken under proper authority, following an event listed in (a) to:
 - (i) avoid its spreading, or
 - (ii) reduce its consequences.

pre 1935 building risks:

Where

(i) the building is, or

(ii) the contents of buildings and/or stock is located in any building constructed prior to 1935.

Valuation Reports

As outlined last year and as discussed during our pre renewal meeting we are concerned at the lack of annual valuation reports. I understand a thorough review of all assets is currently being undertaken and it would be prudent to involve a professional valuer in this process.

Recent events in Canterbury have proved that sums insured are often not adequate and this has shown up where valuation reports are outdated. We urge caution over the assets valuations as we believe the Council's programme is currently underinsured given the length of time between valuations.

NZI have requested up to date valuations for the council offices and all water treatment plant.

Cover is as expiring including the three clauses implemented last year which are summarized as follows (these have been applied to other DC's);

- Earthquake Prone Buildings Endorsement – If any buildings of any age are identified as EPB 's, then Indemnity Value Basis of Settlement to apply in all cases. If NBS % details of all pre 1935 buildings are unknown at the time of renewal, then coverage to be limited to an IV Basis of settlement only. If NBS is 34% or more, then current Basis of Settlement may remain.
- Historic Places Trust Endorsement – In the event of an insured loss to any insured property, which is classified as being of historic importance, we will pay the cost to replace/reinstate the property using current building methods and materials
- Seismic Upgrades Cost Endorsement – The amount payable under the policy excludes any costs incurred in connection with seismically strengthening the property insured to a level greater than its level before the damage.

The above clauses are in line with market trends and are similar to endorsements being applied by other insurers in the market.

Under Excess Claims Recovery Service

CLRP is able to assist with under excess claims recoveries for the Council. Given that the policy excess is now \$15,000 each and every claim, any claims under this amount are to be borne by Council. In the case of claims caused by third parties, CLRP has the capability and expertise to assist with under excess claims recoveries.

Our Third Party Administration (TPA) has considerable expertise in providing and developing "back room" operations for insurance companies, self insurance programmes, under deductible recovery services, claims management and incident reporting.

This service is available to the Council, for a fee, to assist with under deductible recoveries

Liability Insured Entities

With the exception of the "D&O" policy the Insured entity is restricted to "Westland District Council" only. The Insured under the Directors and Officers Liability policy is broader and reads as "Westland Holdings Ltd and subsidiaries (Westland District Property Ltd, Westroads Ltd, Westroads Greymouth Ltd and Hokitika Airport Ltd)". Westroads carry separate Public, Statutory and Employers Liability cover, we assume this is also the case for Hokitika Airport Ltd – can Westland please confirm.

Public Liability

- Public Liability cover is in place at present with the following limits applying:
- General Liability \$5,000,000
- Products Liability \$5,000,000
- The Territorial and Jurisdictional Limits are New Zealand only
- The applicable policy excess is \$2,000 each and every claim

Statutory & Employers Liability

- Statutory & Employers Liability covers are in place at present with the following limits applying:
- Statutory Liability \$500,000
- Employers Liability \$500,000
- The Territorial and Jurisdictional Limit is New Zealand.
- Deductibles applicable \$2,000 each and every claim costs inclusive
- A new Defence Costs endorsement added to respond to s9 charge under Law Reform Act 1936 ("Steigrad"). This provides Westland with \$500,000 Defence Costs in addition to the limit of limit of indemnity.

Professional Indemnity

- Professional Indemnity Coverage is in place at present with the following limits applying:
- Limit of Indemnity \$5,000,000
- The Territorial and Jurisdictional limit is New Zealand
- The policy is subject to an excess of \$10,000 each and every claim costs exclusive
- The Building Defects and Terrorism Exclusions apply
- The claims position has deteriorated since last renewal last year. The overall, claims position as at last year was \$54,550 paid and \$180,000 total outstanding reserve. This year \$184,000 has been paid and the total outstanding reserve has increased to \$365,000.

Fidelity

- Fidelity coverage is in place via Civic Assurance with the following limit of indemnity
- Limit of Indemnity \$500,000
- The applicable excess is \$5,000 each and every claim costs inclusive
- Theft by third parties is excluded however we are able to include third party coverage under a Crime Manager policy wording. The annual premium for the Crime Manager cover would total \$5,000 however an excess of \$25,000 each and every claim would be applicable, rather than the \$5,000 excess in place at present.

Directors & Officers Liability

- Cover is currently in place for Westland Holdings and all subsidiaries including Hokitika Airport, Westroads Ltd and Westland District Council officers (in respect of outside position liability) based on the following limits
- Limit of Indemnity (excluding defense costs): \$4,000,000
- Limit of Indemnity (defense costs): \$1,000,000
- A policy excess of \$2,000 each and every claim is applicable
- Territorial limits are New Zealand only.

Airport Owners & Operators

- Cover is presently in place with the following limits applying
- Maximum limit anyone claim \$20,000,000
- Territorial limits are New Zealand Only
- A policy excess of \$5,000 applies each and every claim

Motor Vehicle

- Renewal is based on the updated list of vehicles provided by Westland.

Number of Vehicles	16
Fleet sum insured	\$288,844
Third Party Liability	\$10,000,000
- The applicable policy excess is 1% of the sum insured with a minimum of \$500 and the following additional underage excesses also apply: -

- for any driver under 21 years of age	\$1,000
- for any driver 21-24 years of age	\$500
- for any driver 25 years or over who has held a NZ licence less than 2 years	\$400

No deductible applies for loss arising from fire, theft or conversion of the vehicle, windscreen or window glass claims.

4 Uninsured Risks

The following classes of insurance have not been arranged for you. In some cases these insurance policies have no application to your current risk profile, however they may have some application in the future.

In other cases you have elected to self-insure the risks.

Please let us know if we can assist with a detailed view of these uninsured risks.

	Insured	Not Taken
General Property & Business Interruption		
Advance Interruption (Also referred to as Advance Profits) – To cover loss of future income where completion of a construction project is delayed by damage		✓
Boiler Explosion To cover boilers and other pressure vessels against risk of explosion normally excluded from Material Damage policies		✓
Debtors Balances To cover loss resulting from inability to recover debts because of damage to records		✓
Business Interruption To cover loss of income and increased costs resulting from damage to assets. Sometimes referred to as "Loss of Profits" or "Consequential Loss" insurance		✓
Computer Crime To cover losses resulting from dishonesty in relation to computers		✓
Computer To cover computers and computer media against a wider variety of risks than those covered under a Material Damage policy		✓
Contract Works To cover contract works against physical loss or damage and, optionally, to cover public liability arising in connection with the contract works		✓
Earthquake To cover earthquake risks normally excluded from basic Material Damage and Business Interruption policies	✓	

	Insured	Not Taken
Refrigerated Goods (Spoilage) To cover spoilage or deterioration of refrigerated and frozen goods up to \$25,000	✓	
Machinery To cover breakdown risks normally excluded from basic Material Damage policies		✓
Machinery Business Interruption To cover loss of income and increased costs resulting from damage by a peril insured under a Machinery policy		✓
Material Damage A general policy insuring buildings, plant and stock	✓	
Terrorism To cover terrorism risks. This risk is commonly excluded from cover under material Damage insurance		✓
General Liability Risks		
Directors and Officers Liability To cover directors and officers for their personal liability arising out of their duties as directors and officers. The insurance will also reimburse the company where it has already indemnified its directors for any such liability. Cover includes associated defence costs	✓	
Prospectus Liability To cover the Company, its Directors and Senior Executives for liabilities arising from the issue of a prospectus, information memorandum or other sale / purchase documents. This liability is generally excluded from Directors and Offices Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs.		✓
Warranties and Representations Liability To cover liability arising from specific representations or warranties made in an agreement between parties		✓
Employment Disputes Liability To cover damages and costs arising out of certain employment related disputes between employer and employees		✓

	Insured	Not Taken
<p>Private Legal Aid</p> <p>To cover private persons and their families for private Legal Aid Costs for defending a variety of criminal, traffic and civil actions</p>		✓
<p>Internet Liability (Esurance)</p> <p>Provides protection against:</p> <ul style="list-style-type: none"> ➤ Third party liability due to e-activities ➤ Employees claims for harassment or breach of privacy through the use of your computer system ➤ External data recovery costs and computer system repairs as a result of a virus or hacking attack ➤ Costs involved in a threat to your computer systems ➤ Pursuit cover for breach of your web site's intellectual property ➤ Public Relation costs in averting further loss under the policy ➤ Business Interruption cover in event of loss of revenue as a direct result of the failure to conduct e-activities as a result of a claim 		✓
<p>Libel and Slander</p> <p>To cover liability arising out of libel and slander, particularly in connection with commercial publishing and broadcasting activities</p>		✓
<p>Product Guarantee</p> <p>To cover liability for correcting defects in products or for replacing defective products</p>		✓
<p>Product Liability</p> <p>To cover liability for damage or injury caused by products</p>	✓	
<p>Product Recall</p> <p>To cover liability for the cost of recalling products which are defective or suspected of being defective</p>		✓
<p>Liability consequential Loss</p> <p>To partially cover loss of Gross Profit and increased costs arising from an event that also gives rise to a valid claim on a Liability Policy. This limited form cover is only available where the Liability Insurance is provided by the same Insurer</p>		✓
<p>Professional Indemnity</p> <p>To cover liability incurred through negligence in giving professional advice or in carrying out duties of a professional nature</p>	✓	
<p>Public Liability</p> <p>To cover general liability for damage or injury to other parties or their property happening in connection with your business</p>	✓	

	Insured	Not Taken
<p>Statutory Liability</p> <p>To cover legal defence costs fines and reparations imposed under certain sections of Acts of Parliament such as:</p> <ul style="list-style-type: none"> ➤ Health Safety in Employment Act ➤ Resource Management Act ➤ Building Act ➤ Fair Trading Act 1986 ➤ Privacy Act 1993 ➤ Consumer Guarantees Act 1993 ➤ and other Acts as defined in the Insurer's policy <p>Note: With effect from 5 May 2003 the Government legislated against insuring fines incurred under the Health & Safety in Employment Act, however Defence costs incurred through actions brought under this Act remain insurable</p>	✓	
<p>Trustees Indemnity</p> <p>To cover trustees of organisations for their personal liability for wrongful acts arising out of their duties as Trustees</p>		✓
<p>Crime / Fidelity</p>	✓	
<p>Transport Risks</p>		
<p>Aviation Liabilities</p> <p>To cover public liability arising out of the use of aircraft</p>	✓	
<p>Carriers Liability</p> <p>To cover liability under the Carriage of Goods Act</p>		✓
<p>Goods in Transit</p> <p>Stock or plant items whilst in transit in your own vehicles up to \$50,000</p>	✓	
<p>Marine Cargo</p> <p>To cover shipments of goods by land, sea or air</p>		✓
<p>Marine Hull</p> <p>To cover watercraft against physical loss or damage</p>		✓
<p>Marine Liabilities</p> <p>To cover liability to other parties arising out of the use of watercraft</p>		✓
<p>Motor Vehicle</p> <p>To cover direct loss or damage to vehicles and third party liability in connection with the use of vehicles</p>	✓	

Life, Disability & Health Risks

Critical Illness

A benefit that provides your chosen lump-sum in the event of diagnosis with a serious medical condition. Insurers usually cover up to 35 major illnesses, such as cancer, heart attacks, strokes, Parkinson's Disease, major head injuries, and so on

Business Expenses

Pays the fixed costs of your business if you are sick and cannot work

Debt Protection

Where businesses or individuals have borrowed large amounts of money, they often want to protect themselves against the risk of being unable to repay the loan due to a serious health event (eg, death, disability, or illness)

Employee Benefits

Some employers choose to provide their staff with insurance benefits as part of their remuneration package. This tool is commonly used to increase staff loyalty and retention, or to protect those who work in high-risk industries

Income Protection

Provides you with a replacement wage if you cannot work (due to illness or disability) and suffer a loss of earnings. This insurance is critical for most working people

Key Person Insurance

This is used to protect your business from the additional costs involved in losing a Key Person. Such costs may include a loss of revenue; loss of opportunities, networks, and expertise; and the costs associated with recruiting a replacement

Medical Insurance

Covers the cost of surgery in a private hospital. Is commonly used to avoid lengthy delays on the Public Health System's waiting lists

Shareholders' Insurance

Also called Partnership Insurance, this policy is used by those in business with another person. In the event of a major health disaster (eg, death), the policy funds the buying and selling of shares so that the continuing shareholder retains full control of the business and the exiting shareholder receives a fair value for their shares

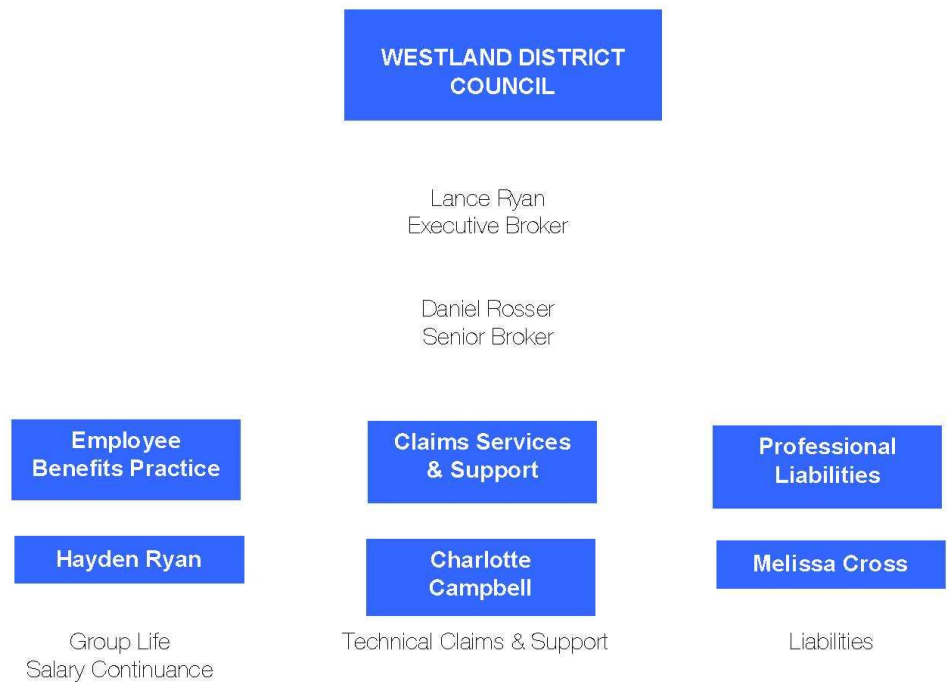
Insured	Not Taken
	✓
	✓
	✓
	✓
	✓
	✓
	✓

	Insured	Not Taken
<p>Term Life</p> <p>Covers Death by Any Cause (ie. as a result of Sickness or Death). The sum insured is also paid in the event of Terminal Illness</p>		✓
<p>Total Permanent Disablement (TPD)</p> <p>The sum insured is paid if you are totally incapacitated and cannot work again. Most claims result from the worst kinds of head injuries, spinal injuries, and degenerative illnesses (such as motor neurone, multiple sclerosis, Parkinson's Disease, etc)</p>		✓
<p>Miscellaneous or Special Risks</p> <p>Bonds</p> <p>Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash</p>		✓
<p>Environmental Impairment</p> <p>A special form of pollution liability insurance</p>		✓
<p>Credit Insurance (And Trade Debtors)</p> <p>To cover the risks of trade debtors failing to pay debts due to their insolvency or protracted default</p>		✓
<p>Extortion</p> <p>Insurance in this category includes kidnap, ransom and product tampering</p>		✓
<p>Growing Crops</p> <p>A special form on insurance for crops. (Growing crops are excluded from Material Damage policies)</p>		✓
<p>Law Safe at Work</p> <p>Legal defence of criminal , serious traffic charges and other matters in respect of Police and other charges brought against employees of the Insured whilst in or about their work.</p>		✓
<p>Livestock</p> <p>A special form of cover for livestock. (Livestock is excluded from Material Damage policies)</p>		✓
<p>Political Risk</p> <p>To cover overseas assets and contracts against loss arising from confiscation, expropriation or nationalization</p>		✓
<p>Travel</p> <p>Special policies which include cover for baggage, medical costs, and other travel related risks</p>		✓

5 Service Team

A key feature of the CLRP service plan is that we appoint a team of professionals to provide integrated service in a coordinated manner. The coordination is provided through a dedicated Core Client Management team. This comprises senior executives who understand your operation. Our team will always consist of well qualified, professional service personnel.

The following chart illustrates our proposed service structure.



It is intended that your business will be serviced by the above executives who are based in our Christchurch office. In addition to the nominated personnel, the full support of other staff will be available at all times. For example, our Placement Services division will assist with insurer marketing, an important aspect of our service, which will ensure that the best premium and coverage outcomes are achieved from insurance markets at all times. Charlotte Campbell is also available to provide assistance on personal lines insurances to ensure that the best service is available to Managers, executives and staff.

6 Insurers Security

Insurance Companies (Rating and Inspections) Act Schedule of Ratings and Notice of Election Not to be Rated for New Zealand Insurers

Name of Insurer	Registered Ratings	Ratings Registration Date	Rating Agency
Civic Assurance	B++	n/a	AM Best
NZI, a division of IAG NZ	AA-	3 November 2011	Standard & Poors
QBE Insurance (International) LTD	A+	5 December 2011	Standard & Poors

Explanation of Ratings – Correlation between Agencies

The rating scale of A M Best is:

	Secure Ratings		Vulnerable Ratings
A++, A+	Superior	C, C-	Weak
A, A-	Excellent	D	Poor
B++, B+	Very Good	E	Under Regulatory Supervision
B, B-	Fair	F	In Liquidation
C++, C+	Marginal		

The rating scale of Standard & Poor's is:

	Secure Ratings		Vulnerable Ratings
AAA	Extremely Strong	BB	Marginal
AA	Very Strong	B	Weak
A	Strong	CCC	Very Weak
BBB	Good	R	Regulatory Action

Notes:

Overseas Insurers

1. If an insurer does not transact business in New Zealand (an overseas insurer) it is not compelled by New Zealand law to have a rating and in many instances no rating is known to us. An overseas insurer is one which is not a registered company either as a subsidiary or as a branch in New Zealand.
2. If there is a single overseas insurer on your policy and a rating is known to us we must disclose it.
3. If there is more than one overseas insurer on your policy the Insurance Companies Ratings and Inspections Act (1994) does not require any disclosure of their ratings.

CLRP does not guarantee or make representations regarding the financial security of any insurance companies which we transact business on behalf of our clients.

7 Duty of Disclosure

You have a common law duty to disclose all material facts before entering into or renewing or altering a contract of insurance. If any material facts are not disclosed, or if the facts are misrepresented, the insurance could be rendered void.

A material fact is defined in the Insurance Law Reform Act as one that would influence a prudent insurer in deciding whether to accept the risks for insurance and, if so, on what terms.

Whilst your common law of duty of disclosure applies only before each contract is entered into, renewed or changed, some policies contain a condition that continues the duty throughout the period of insurance.

Your duty of disclosure does not include facts which are common knowledge, nor does it include the facts of which your insurer is already aware or, in the ordinary course of business, ought to be aware. If in doubt, it is safer to disclose information than to conceal it.

Because of its importance, we recommend that the duty of disclosure be impressed upon all management and senior staff.

In order to remain fully protected it is essential that any changes in risk or business developments are notified to us promptly

Examples of changes or developments which need to be notified are:

- Acquisition of new properties
- Alterations or additions to existing buildings or plant (in excess of capital additions limit)
- Changes in occupancy, or process of manufacture
- Alterations in type, quantity, or storage method of dangerous goods
- Installation, alteration or disconnection of fire or burglary protection system
- Removal of assets to new locations
- Arrangement of any new mortgage, debenture, or other lien on property
- Acquisition of controlling interests, or joint undertaking in another company
- Hire, lease or borrowing of equipment (inward or outside)
- Contractual liability, granting of indemnity, or "hold harmless" agreements
- Dependence on a new outside supplier or customer
- Changes in basis of shipping or air freightment
- New overseas markets
- Installation of pressure plant, or key machines
- Use of private aircraft, or watercraft

Tenders and major expansions:

Submit details in advance for advice on insurance ramifications.

Claim

Any circumstances likely to give rise to a claim should be reported immediately.

Hold Harmless Agreements

If you should waive a right of recovery by signing a contract containing a "hold harmless" clause or other form of waiver, your insurers will be unable to exercise subrogation. Consequently, the waiver might be regarded as a material fact which, if not disclosed to your insurers, could result in your insurance being rendered void.

Some (but not all) policies contain a clause that permits certain kinds of waiver without having to disclose them individually. Before signing any contract that contains a "hold harmless" clause or other form of waiver, we advise you to refer to your servicing broker to check on the insurance implications. This applies in particular to the kind of waiver whereby other parties are relieved of liability for their own negligence.

Full name of financial adviser(s):	Dennis Sanders Murray Taylor Scott Carberry Jan Colenso Dan Rosser Chris Pyle Melissa Cross Karl Samson Storm McVay Corinne Price Michelle Robb Rozeta Walkerden Peta Henderson Katherine Snook Sarah Crofts Charlotte Campbell Fraser Macandrew Lance Ryan Paul Meehan	dennis.sanders@crombielockwood.co.nz murray.taylor@crombielockwood.co.nz scott.carberry@crombielockwood.co.nz jan.colenso@crombielockwood.co.nz dan.rosser@crombielockwood.co.nz chris.pyle@crombielockwood.co.nz melissa.cross@crombielockwood.co.nz karl.samson@crombielockwood.co.nz storm.mcvay@crombielockwood.co.nz corinne.price@crombielockwood.co.nz michelle.robb@crombielockwood.co.nz rozeta.walkerden@crombielockwood.co.nz peta.henderson@crombielockwood.co.nz katherine.snook@crombielockwood.co.nz sarah.crofts@crombielockwood.co.nz charlotte.campbell@crombielockwood.co.nz fraser.macandrew@crombielockwood.co.nz lance.ryan@crombielockwood.co.nz paul.meehan@crombielockwood.co.nz	
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This disclosure statement was prepared on:	19 June 2014		

It is important that you read this document

This information will help you to choose a financial adviser that best suits your needs. It will also provide some useful information about the financial adviser that you choose.

What sort of adviser am I?

I am a registered, but not authorised, financial adviser.

I can give you advice about:

Risk and insurance products excluding investment linked insurance contracts as defined in the Financial Advisers Act 2008.

What should you do if something goes wrong?

If you have a problem, concern, or complaint about any part of my service, please tell me or my manager so that I/my manager can try to fix the problem.

You can also contact our internal Feedback & Complaints Committee (FCC) by emailing fcc@crombielockwood.co.nz. If we cannot agree on how to fix the issue or if you decide not to use this internal complaints process, you can contact Financial Complaints Services Ltd (FSCL) via:

Phone: 0800 347257	Fax: (04) 472 3728	Email: info@fscl.org.nz	Post: PO Box 5967 Lambton Quay Wellington 6145
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This service will cost you nothing, and will help us resolve any disagreements.

How am I regulated by the Government?