

# **A G E N D A**

## **Council**

**Te Runanga o Ngati Waewae  
Arahura Marae  
636 Old Christchurch Road  
Arahura  
Thursday  
26 February 2015  
commencing at 9.00 am**

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



## COUNCIL MEETING

**NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE TE RUNANGA O NGATI WAEWAE ARAHURA MARAE, 636 OLD CHRISTCHURCH ROAD, ARAHURA ON THURSDAY 26 FEBRUARY 2015 COMMENCING AT 9.00 AM**

*Tanya Winter*  
*Chief Executive*

*20 February 2015*

### **COUNCIL VISION**

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

This will be achieved by:

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

### **Purpose:**

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

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

1. **MEMBERS PRESENT AND APOLOGIES:**

1.1 **Apologies**

1.2 **Register of Conflicts of Interest**

2. **CONFIRMATION OF MINUTES**

2.1 **Confirmation of Minutes of Meetings of Council**

2.1.1 **Council Meeting – 2 December 2014** (Pages 7-12)

2.1.2 **Extraordinary Council Meeting – 24 December 2014** (Pages 13-14)

2.1.3 **Ordinary Council Meeting – 29 January 2015** (Pages 15-21)

2.1.4 **Council Meeting – 17 February 2015** (Pages 22-27)

2.2 **Minutes and Reports to be Received**

2.2.1 **Minutes of the Public Excluded Portion of the Westland District Council Ordinary Meeting held on 29 January 2015.**

*(Refer Public Excluded Minutes)*

3. **PUBLIC FORUM**

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

4. **BUSINESS**

4.1 **Mayor's Report**

4.2 **Update from Councillors**

4.3 **Ross Memorial Hall Roofing Options** (Pages 28-34)

4.4 **Major District Initiative Applications (Note Appendix 1)** (Pages 35-42)

Please note that representatives from the following organisations will be in attendance at the meeting at 9:15am as follows:

Lyall Delore	Hokitika Westland RSA
Jenny Pitama	Kidsfirst Kidergarten
Charles McBeath	Ross Community Hall
Des McEnaney	Proposed St Johns Facility Haast
Carol Martin	Westland High School Gym Upgrade

**Morning Tea 10:30am**

4.5     **Q2 Report: 2014/2015.** *(Pages 43-101)*

4.6     **CCO Review - Outcome of the Special Consultative Procedure**  
*(Pages 102-125)*

4.7     **New Stopbank At Waiho River, Franz Josef: West Coast Regional Council Proposal And Westland District Council Submission (Note Appendices)**

*(Pages 126-141)*

**Lunch at 12:30pm**

**5.     ADMINISTRATIVE RESOLUTIONS**

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

5.1     **Warrant of Appointment: Alex John DUNN (Resource Management Planner):**

- An Officer pursuant to Section 174 of the Local Government Act 2002.
- An Officer under the Westland District Council Bylaws.
- An Enforcement Officer pursuant to Section 38 of the Resource Management Act 1991, including the power of entry pursuant to Sections 332 and 333 of the Resource Management Act 1991.

5.2     **Warrant of Appointment: Wayne Harry KNIGHTBRIDGE (Environmental Health/Regulatory Officer):**

- District Environmental Health Officer pursuant to s.28 Health Act 1956
- Local Authority Inspector pursuant to s.2 Food Act 1981
- Food Act Officer and/or accredited auditor to Ministry of Primary Industries pursuant to Food Act 2014

- Chief Licensing Inspector (or Licensing Inspector) pursuant to s.197 Sale and Supply of Alcohol Act 2012
- Litter Control Officer pursuant to s.5 Litter Act 1979
- Enforcement Officer and District Hazardous Substances Officer pursuant to s.98 and s.100 – Hazardous Substances and New Organisms Act 1996
- Officer under Housing Improvement Regulations 1947
- Enforcement Officer pursuant to s.38 – Resource Management Act 1991
- Authorised Officer pursuant to s.332 and s.333 – Resource Management Act
- Authorised Officer pursuant to s.174 – Local Government Act 2002
- Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act
- Inspector and Authorised Officer to enforce Westland District Council Bylaws.
- Dog Control Officer and/or Dog Control Ranger pursuant to s.11 and s.12 of Dog Control Act 1996
- Officer under s.63 of Impounding Act 1955

**5.3 Warrant of Appointment: Vernon Noel MORRIS (Emergency Management Officer):**

- An Officer pursuant to Section 174 of the Local Government Act 2002.
- An Officer under the Westland District Council Bylaws.
- An Officer under Sections 78 and 79 of the Civil Defence and Emergency Management Act 2002.

**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 Minutes**

**6.2 Ross Cemetery Report**

**6.3 Hokitika Water Treatment Plant Upgrade - Intake Works**

#### **6.4     Fitzherbert Street Pumping Main Upgrade Contract**

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:

<b>Item No.</b>	<b>Minutes/ Report of</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
6.1	Minutes	Confidential Minutes	Good reasons to withhold exists under Section 7	Section 48(1(a))
6.2	Ross Cemetery Report	Confidential Report	Good reasons to withhold exists under Section 7	Section 48(1(a))
6.3	Hokitika Water Treatment Plant Upgrade - Intake Works	Confidential Report	Good reasons to withhold exists under Section 7	Section 48(1(a))
6.4	Fitzherbert Street Pumping Main Upgrade Contract	Confidential Report	Good reasons to withhold exists under Section 7	Section 48(1(a))

**Date of Next Ordinary Council Meeting  
26 March 2015  
Council Chambers**

**MINUTES OF A MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON TUESDAY 2 DECEMBER 2014 COMMENCING AT 9.03 AM**

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**1. MEMBERS PRESENT AND APOLOGIES**

His Worship the Mayor, M.T. Havill (Chairperson until 11.48 am).  
Deputy Mayor P.M. Cox (Chairperson from 11.48 am)  
Cr. J.H. Butzbach (from 9.19 am), Cr. D.G. Hope, Cr. A.R. Keenan, Cr. L.J. Martin, Cr M.D. Montagu, Cr. C.A. van Beek.

**1.1 Apologies**

Cr J.H. Butzbach for lateness, Cr M.S. Dawson.

**1.2 Also in Attendance**

T.L. Winter, Chief Executive; G. Borg, Group Manager: Corporate Services; D.M. Maitland, Executive Assistant; S. Halliwell, Consultant.

**2. BUSINESS**

**2.1 Rating Review Submissions**

Council were in receipt of 136 submissions on the Westland District Council's Rating Review 2014. Verbal submissions were then heard from the following:

**i) Stan Naylor**

*Submission: Oppose the proposal.*

- A recent communication in the paper would have resulted in more people coming along to the meeting.
- Concern regarding the rating proposal.

- First submission is in regard to waste management. Residents in Brickfield buy a septic tank, then have to get a soakpit installed.
- Supported paying for costs associated with the District Library.
- There are no streetlights or footpaths in Brickfield.
- Concerned regarding stormwater discharge, particularly after a high rainfall. Stagnant water remains on both sides of the road.
- Concerned regarding the rates increase.

**ii) Linda Murphy**

*Submission: Oppose the proposal.*

- Concerned regarding a 65% increase in rates.
- Ratepayers in the rural residential or small holdings sector are unlikely to generate significant income from their land but will subsidise those with that ability under the proposal.
- Westland District Council are the guardians of that land.
- Object to some of the language used in the rating review proposal.

*Cr Butzbach attended the meeting at 9.19 am.*

**iii) Dorothy Watson**

*Submission: Oppose the proposal.*

- Concerned regarding the ability to pay rates, particularly those people who are on a pension.
- Concerned regarding the amount of rates that neighbouring properties pay in Hampden and Stafford Streets.

*His Worship the Mayor asked the Group Manager: Corporate Services to look at the individual property, then then at the group of properties around Mrs Watson's house and get back to Mrs Watson.*

**iv) David Cooper, Senior Policy Adviser, Federated Farmers of New Zealand**

*Submission: Largely support Council's preferred option.*



- Supports the consultation process that Council has been through, with the pre-consultation meeting and stakeholders.
- Largely supportive of Council's options.
- Disagree where the differentials should be set for the rural properties.
- Noted that pre-2013, the rating approach that was listed in 2012, was based on a very considered approach. Essentially we support all aspects, but a differential for rural residential properties should be set.
- Understand there are concerns from rural/residential ratepayers particularly. The amount they are paying does not reflect the services.

**v) Monty and Hazel Hook**

*Submission: Oppose the proposal.*

- Property is currently zoned rural.
- Object to being joined in with the proposed larger Hokitika town area.
- The cost of servicing their block is not met by Council.
- Strongly object to the proposed increase.

*His Worship the Mayor advised that the rural/residential rate is where there was the largest rates movement and there possibly needs to be a fourth category that needs to reflect those things.*

**vi) Pete Mason**

*Submission: Support the proposal*

- Mr. Mason presented a map for viewing of the Beach Street area, particularly his two sections. The land has no title, it cannot have a legal valuation.
- Unformed legal road has the same legal status as formed legal road.
- It is illegal to charge rates on formed legal road and therefore illegal to charge rates on unformed legal road.
- The West Coast Regional Council has zero rated the two pieces of land.

- None of the landowners on the beach side of Revell Street pay rates for occupying the unformed legal road between their freehold properties and the beach.
- That the formula used for calculating rates based on capital value rather than land value does not distribute the rates fairly (31 Beach Street and 19 Beach Street, Hokitika).

**vii) Dan Lane**

*Submission: Oppose the proposal.*

- Opposed in the change to the way the rates will be calculated.
- Two rural properties will increase \$300.00 per year.
- Queried why Council are changing the rating system.
- Oppose capital value system and oppose the commercial rate.

**viii) Murray Stewart**

*Submission: Neutral to the proposal.*

- Would like Council to go back to the system that Council used to have.
- The rural sector is paying for the debt servicing that the Council is trying to get ahead of. The real service that the rural sector gets is roading and the local share of the roading is a lot less than the percentage of rates.
- Queried why a rural ratepayer is paying three times as much as those in town.

**ix) Rob Caldwell, Chief Executive, Westpower Limited**

*Submission: Oppose the proposal.*

- Concerned the preferred option of capital value rating will create a liability that will require Westpower to pass the charges back through the same ratepayers.
- Concerned that Council has not rated its own utilities.
- Noted that a land based system would more fairly reflect the service consumed by utility network assets.
-

**x) Hugh Cameron**

*Submission: Oppose the proposal.*

- Capital value rating whether it is fair or not, depends on your point of view.
- Capital value rating does not reflect the ability to pay.
- Referenced Hamilton City Council changing to capital value rating; noting that the rates increase was going to be spread over a number of years.
- Queried if Council is going to spread the transition over 5-10 years.

**xi) John and Gwenda Alloway**

*Submission: Oppose the proposal.*

- Newcomers to the District, on a fixed income, in the rural area. Concerned regarding the ability to pay rates, particularly those people who are on a pension.
- Asked that Council consider a smaller rates increase spread over a few years.
- Concerned regarding the waste management rates as they pay to dispose of their rubbish.

**xii) Logan Skinner**

*Submission: Oppose the proposal.*

- In principle, support the Council trying to simplify the rating allocation system.
- In principle, support the move from land value to capital value.
- Cannot support the proposal in its current format.
- Cited a property in Whataroa on a farm that has a farmstay attached to it.
- Queried why a farm is not considered a commercial activity by Council.

**xiii) Ben Gaia, Gaia Trees**

*Submission: Oppose the proposal.*

- Asked that the Ruatapu community water supply be protected, and that the fire hydrants be reinstated. Noted that the area has been tarsealed where the pipes have been dug up.
- Concern regarding the increase in rates.
- Concern regarding the goldmine at Ruatapu.

*His Worship the Mayor requested background information on the Ruatapu Water Supply.*

*The meeting adjourned for morning tea at 11.13 am and reconvened at 11.32 am.*

The Mayor and Councillors then went through the written submissions.

*His Worship the Mayor left the meeting at 11.48 am.*

**MEETING CLOSED AT 11.55 AM**

Confirmed by:

\_\_\_\_\_  
**Mike Havill**  
**Mayor**

\_\_\_\_\_  
**Date**

Confirmed by:

\_\_\_\_\_  
**Cr Pauline Cox**  
**Deputy Mayor**

\_\_\_\_\_  
**Date**



# Council Minutes

## MINUTES OF AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA, ON WEDNESDAY 24 DECEMBER 2014 COMMENCING AT 10.00 AM

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### 1. MEMBERS PRESENT AND APOLOGIES

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

Deputy Mayor P.M. Cox

Cr. J.H. Butzbach, Cr. L.J. Martin, Cr M.D. Montagu, Cr. C.A. van Beek.

#### 1.1 Apologies

Cr. M.S. Dawson and Cr. D.G. Hope.

Moved Cr van Beek, seconded Cr Martin and **Resolved** that the apologies from Cr Dawson and Cr Hope be accepted and leave of absence be granted.

#### Staff in Attendance

J. Ebenhoh, Acting Chief Executive; V. McDermott, Licencing and Consents Clerk.

#### 1.2 Register of Conflicts of Interest

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

### 2. PUBLIC FORUM

#### 2.1 Haast-Hollyford Highway Limited

Durham Havill, Chair, Haast Hollyford Highway Limited attended the meeting and spoke, noting that it was Westland District Council who

asked for the report on the status of the unformed road between Cascade Valley and Hollyford Valley. Mr Havill said that this report was received by Robin Reeves, the Chief Executive Officer, Westland District Council, at that time, and paid for by Council; it was not initiated by Haast Hollyford Highway Limited.

### 3. **BUSINESS**

#### 3.1 **Council ownership of the Cascade-Hollyford Road as legal road.**

The following documents were considered:

##### 3.1.1 Report on the Status of the Unformed Road between Cascade Valley and Hollyford Valley.

Cr Martin asked for it to be recorded that the report and the agenda contained no reference to who owns the report, but it is now apparent from the cover letter and public speaker that the report was commissioned by Council rather than Haast Hollyford Highway Limited.

##### 3.1.2 Tavendale and Partners – Haast Hollyford Highway Limited – The reason why the Cascade-Hollyford Road is accepted as public highway; and The Way Forward.

Moved Cr van Beek, seconded Cr Butzbach and **Resolved** that Council confirms its ownership of the Cascade-Hollyford Road as legal road.

**MEETING CLOSED AT 10.10 AM**

Confirmed by:

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**Mike Havill**  
**Mayor**

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**Date**

**Next Meeting:**  
29 January 2015 - Ordinary Council Meeting at Hokitika.

**MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 29 JANUARY 2015 COMMENCING AT 9.02 AM**

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**1. MEMBERS PRESENT AND APOLOGIES**

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

Deputy Mayor P.M. Cox

Cr. J.H. Butzbach, Cr. M.S. Dawson, Cr. D.G. Hope, Cr. L.J. Martin, Cr M.D. Montagu (from 9.05 am), Cr. C.A. van Beek.

**1.1 Apologies**

Cr M.D. Montagu for lateness.

**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.

**2. CONFIRMATION OF MINUTES**

**2.1 Confirmation of Minutes of Meetings of Council**

**2.1.1 Ordinary Council Meeting – 18 December 2014**

Moved Deputy Mayor Cox, seconded Cr van Beek and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 18 December 2014, be confirmed as a true and correct record of the meeting, subject to the Group Manager: Corporate Services clarifying the wording on Page 9 as follows:

**“Commercial Rating Category** means:

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

## **2.2 Minutes and Reports to be received**

### **2.2.1 Minutes of the Public Excluded Portion of the Westland District Council Ordinary Meeting held on 18 December 2015.**

*(Refer Public Excluded Minutes)*

## **3. PUBLIC FORUM**

The following members of the public attended the Public Forum Section of the meeting:

### **3.1 Raymond Lee and Karen Wafer, Kumara**

Raymond Lee and Karen Wafer expressed concern regarding the dust nuisance in Fourth Street, Kumara and also the current speed restriction, asking that it be reduced from 30 km/hr to 10 km/hr.

His Worship thanked Mr. Lee and Ms. Wafer for attending the meeting and providing an update on Kumara, and advised that Council will be discussing Fourth Street, Kumara, and associated improvements, later in the day.

Cr Montagu attended the meeting at 9.05 am.



### **3.2 Neil Mouat, Punakaiki**

Neil Mouat spoke regarding the Pike River families negotiating a living memorial, which could potentially be a mountain bike or walking track, and asked that Council support the concept which would involve a track from Pike River to Punakaiki.

His Worship the Mayor thanked Mr. Mouat for attending the meeting and his presentation to Council.

*His Worship the Mayor welcomed two new staff members to Westland District Council - Lesley Crichton as Finance Manager, and Alex Dunn as Resource Management Planner.*

## **4. BUSINESS**

### **4.1 Mayor's Report**

His Worship the Mayor provided a verbal update as follows:

- Thank you letters have been sent to the groups and organisations who organized the 150<sup>th</sup> celebrations.
- CCO Review SOP is out for submissions.
- Noted that monthly financial reporting is a milestone for this Council and thanked the Councillors and staff for the work they have undertaken.
- Noted the adoption of the 2013-2014 Annual Report complete with an audit opinion.
- The ratio of debt per property is down and at the same time the total assets is up. Pleased that with prudence and good management, this district has a healthy future.
- Kumara and Hokitika Races had great crowds in attendance.
- Asked that Council finish well the projects that have been started and complete the small outstanding items such as Fourth Street, Kumara.

### **4.2 Update from Councillors**

#### **i) Deputy Mayor Cox**

- Noted the 150<sup>th</sup> celebrations.

- Attended the Extraordinary Council Meeting - 24 December 2014.
- 21 January 2015 – CCO public meeting.
- 26 January 2015 – Executive Committee Informal Meeting.

ii) **Cr Martin**

- Noted the 150<sup>th</sup> celebrations.
- Civic Awards and Lions Dinner.
- Congratulated the Civic Award Recipients of Karen Burrows, Jenny Keogan, Merv Grewar, and the Hokitika Primary Kapa Haka Group.
- Attended Council Meetings.

iii) **Cr Butzbach**

- Noted the 150<sup>th</sup> celebrations.
- Civic Awards and Lions Dinner.
- Congratulated the Civic Award Recipients.
- Attended Council Meetings.

iv) **Cr Montagu**

- Noted the 150<sup>th</sup> celebrations.
- Civic Awards and Lions Dinner.
- Congratulated the Civic Award Recipients.
- Attended Council Meetings.

v) **Cr van Beek**

- Noted the 150<sup>th</sup> combined service in the Regent Theatre.
- Attended the Extraordinary Council Meeting - 24 December 2014.
- CCO Review Consultation.
- TB Free meeting.
- Inspected Fourth Street, Kumara.
- Neighbour's dust nuisance.

vi) **Cr Dawson**

Extended congratulations to those involved in the 150<sup>th</sup> celebrations.

Moved Cr Dawson, seconded Cr Butzbach and **Resolved** that the verbal reports from His Worship the Mayor and Councillors be received.

#### 4.3 Annual Report on Dog Control Policy & Practices 2014

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

*Cr van Beek asked that financials be included in future Annual Reports on Dog Control Policy and Practices.*

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

- i) The report on Dog Control Policy and Practices for the year ending 30 June 2014 be adopted;
- ii) A copy be forwarded to the Secretary for Local Government;
- iii) The report be made available on Council's Website.

#### 4.4 Hokitika RSA- Council Grant for a New Facility

*The Group Manager: District Assets spoke to this report and advised that a Memorandum of Understanding will need to be drafted.*

Moved Cr Hope, seconded Cr van Beek that:

- A) Council alters the resolution of 24 July 2014 as follows:

**Original Resolution:**

*Council gives approval to the Hokitika-Westland RSA to build a new facility at the War Memorial site on Sewell Street at no cost to Westland ratepayers*

**Proposed Resolution:**

**THAT** Council gives approval to the Hokitika-Westland RSA to build a new facility at the War Memorial site on Sewell Street, Hokitika.

*The motion was lost.*

- B) Council approves a grant of \$50,000 to the Hokitika-Westland RSA funded from the "Reserves Contributions" reserve account, subject to the requirement that the RSA ensures that the building provides a permanent public recreation component at a scale commensurate with the size of the grant.

*The motion lapsed due to the lack of a mover and seconder and the item was left to lie on the Council table.*

Moved Cr Dawson, seconded Cr van Beek and **Resolved** that this item be deferred to the 26 February 2014 Council Meeting to enable a legal opinion to be received, and a report to be prepared by staff.

#### **4.5 Monthly Financial Report YTD December 2014**

*The Group Manager: Corporate Services spoke to this report.*

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that the Financial Performance Report to December 2014 be received.

#### **4.6 Adoption of Annual Report 2013-14**

*The Group Manager: Corporate Services spoke to this report.*

A revised Annual Report was tabled at the Council Meeting.

Moved Cr Montagu, seconded Deputy Mayor Cox and **Resolved** that Council adopt the amended 2013-2014 Annual Report.

*The meeting adjourned for morning tea at 10.16 am and reconvened at 10.46 am.*

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

Moved Cr Martin, seconded Cr van Beek and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 10.46 am.

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

#### **5.1 Minutes**

#### **5.2 Ross Cemetery - Adjoining Land – Issues and Options**

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and

the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes	Confidential Minutes	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
5.2	Ross Cemetery - Adjoining Land – Issues and Options	Confidential Report	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

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

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

Moved Cr van Beek, seconded Cr Dawson and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting be closed at 11.30 am.

**MEETING CLOSED AT 11.30 AM**

Confirmed by:

\_\_\_\_\_  
**Mike Havill**  
**Mayor**

\_\_\_\_\_  
**Date**

**Next Meeting:**

26 February 2015 – Ordinary Council Meeting at the Arahura Marae.

## MINUTES OF A MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON TUESDAY 17 FEBRUARY 2015 COMMENCING AT 9.00 AM

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*Cr Dawson, Chairperson, opened the meeting, and then asked everyone in attendance to observe a Moment's Silence for the passing of Mr Arthur Prangnell, a much respected member of the Hokitika community and a submitter to this hearing process.*

### **1. MEMBERS PRESENT AND APOLOGIES**

His Worship the Mayor, M.T. Havill

Deputy Mayor P.M. Cox

Cr M.S. Dawson (Chairperson)

Cr. J.H. Butzbach, Cr. D.G. Hope, Cr. L.J. Martin, Cr. C.A. van Beek.

#### **1.1 Apologies**

Cr M.D. Montagu.

Moved Cr Martin, seconded Deputy Mayor Cox and **Resolved** that the apology from Cr M.D. Montagu be accepted and received.

#### **Staff in Attendance**

T.L. Winter, Chief Executive; G. Borg, Group Manager: Corporate Services; J.D. Ebenhoh, Group Manager: Planning, Community and Environment (until 9.21 am); D.M. Maitland, Executive Assistant.

#### **1.2 Register of Conflicts of Interest**

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

## **2. HEARING OF SUBMISSIONS ON THE PROPOSAL TO REORGANISE WESTLAND HOLDINGS LIMITED AND SUBSIDIARIES**

The Chairperson advised that submitters have been granted an extension of time to prevent their verbal submission to Council.

Council were in receipt of 16 submissions on the proposal to reorganise Westland Holdings Ltd and Subsidiaries. Verbal submissions were then heard from the following:

### **2.1 Max Dowell (personal submission) and Max Dowell on behalf of the Westland Residents and Ratepayers Association.**

*At the request of the submitter, this submission was deferred as the last submitter to be heard.*

### **2.2 Graeme Purches, Chairman, Westland District Property Limited**

*Submission: Oppose the proposal.*

- Thanked the Chairman for the extension of time for submitters to present to Council, and also thanked the Council for giving him the opportunity to talk to Councillors.
- Spoke in support of his submission to Council.
- Concerned regarding communication between Council and Westland District Property Limited.
- Potential Conflicts of Interest.
- The failure by Council to transfer some assets as originally planned.
- A number of assets transferred were found to be worth significantly less than their transferred value.
- Many of the assets WDPL were given to manage (under contract) were in a very poor state.
- The collection of Jackson Bay Wharf Fees has improved.
- WDPL does not own all the pensioner flats and WDPL are politically restrained from reviewing the rents.
- WDPL are currently paying rates on property they cannot gain commercial advantage from.
- Noted the arrangement with Council had always been that if WDPL incurred costs, they would be reimbursed those costs.
- Advised that WDPL is in a pretty sustainable position.
- Beach Street Road Stopping and monies owed.
- Large number of properties that WDPL cannot collect rates on.

*The Chairman thanked Mr. Purches for presenting his submission to Council.*

## **2.3 Durham Havill**

*Submission: Oppose the proposal.*

- Noted that Westroads Ltd has saved the Council money, with one example cited as being \$800,000.
- Concerned regarding communication between Council and Westland District Property Limited.
- The resignation of two directors from WDPL.
- The recovery of fees from Jackson Bay Wharf Fishermen.
- Upgrade of the Hokitika Swimming Pool.
- Pensioner Flats and the maintenance work that was required.
- Haast-Hollyford Highway – noted that an investor and contractor had been found, an MOU had been prepared then they were advised by WHL that they could not spend any more money on the project.
- Concerns regarding the reorganisation proposal and the lack of costings included in the proposal.
- Asked that Council looks very closely at the CCO Review to ensure that any decision is made for the good of Westland and its people.
- Some assets should go back across to Council, and some should never have been transferred to WDPL, and some of the assets that were promised, never came across.
- Noted the example of Westland County Council, there was no Executive Committee and every Councillor had a responsibility that sits around the Council to be informed on what is going on.
- The importance of the Holding Company in relation to insulation between the Holding Company and its subsidiaries.
- Asked that there be information provided regarding taxation.

*The Chairman thanked Mr. Havill for presenting his submission to Council.*

## **2.4 Bruce Smith**

*Submission: Oppose the proposal.*

- Concerned regarding communication between Council and Westland District Property Limited.
- CCO Review is a pre-determined outcome.



- Never interviewed by any of the parties, never took into account the customers and the service provided, never looked at the cost savings and benefits.
- Concern at the lack of costings provided.
- Potential Conflicts of Interest, including the Executive Committee.
- Concerned regarding Air Services to Hokitika.

*His Worship the Mayor advised that he has been in contact with Ian Collier to meet with the stakeholders to talk about the air services contract and the scheduling to Hokitika going forward.*

- WDPL wasn't set up to be a property developer and had never earned income from property development Franz Heliports has the largest number of heliport movements in the country and it is well managed. If something goes wrong there may be a liability.
- Noted that the Hokitika Airport was fenced at a cost of \$126,000.
- Supported the current buffer between the Holding Company and the Airport Company.
- Property developments – Three Mile and Kaniere Road.
- Noted that Haast-Hollyford Road was almost regarded as property development.

*The Chairman thanked Mr. Smith for presenting his submission to Council.*

## **2.5 Frances Stapleton**

Submission: Oppose the proposal.

- Opposition of the reorganisation of Westland District Property Limited, who deliver a high standard of pensioner housing and the swimming pool, and concerned this would be lost if it returns in-house to Council.
- Areas of maintenance are attended to promptly.
- Noted the refurbishment of the Hokitika Swimming Pool has resulted in an increase in swimming supporters.

*The Chairman thanked Mrs Stapleton for presenting her submission to Council.*

**2.6 Max Dowell (personal submission) and  
Max Dowell on behalf of the Westland Residents and Ratepayers  
Association.**

- Thanked Council for the mark of respect shown to Mr Arthur Prangnell in observing a moment's silence.
- Noted the Westland Residents and Ratepayers Group's purpose is to look after the interest of the ratepayers.
- The perceived master plan at Jackson Bay to exclude the public access to the beach and landing ramp, and associated payment of launch fees.
- Asked if Council is aware that it is illegal for Council to obtain income from legal roads.
- Suggested the cessation of Westland District Property Limited, bring it back in-house and the Councillors make the decisions on what happens, and ratepayers and residents then have a place to go and check personally.
- Frustration with the structure and communication.

*The Chairman thanked Mr Dowell for presenting his submission to Council.*

*The meeting adjourned for morning tea at 10.26 am and reconvened at 10.45 am.*

The Chairman then outlined the process going forward, noting that verbal submitters have been heard, there are written submissions that have previously been circulated, and it is an opportunity to review any of those submissions, as there may be issues that Council may like officers to find out some more information on, with a report to be prepared for the 26 February 2015 Council Meeting.

Council then requested the Chief Executive to provide further information on:

- What assurance does Council have that the same levels of service and revenues will be delivered by an in-house property team?
- What are the taxation issues around removing Westland Holdings Limited (WHL)?
- What is the full cost of implementing the proposal and ongoing costs?
- Is there increased liability for Council if WHL is removed?
- What are the responsibilities of elected members assuming WHL is removed?

**MEETING CLOSED AT 11.06 AM**

Confirmed by:

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**Mark Dawson**  
**Chairperson**

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**Date**

**Next Meeting:**

26 February 2015 – Ordinary Council Meeting at the Arahura Marae.

# Report



**DATE:** 26 January 2015

**TO:** Mayor and Councillors

**FROM:** Group Manager: District Assets

---

## ROSS MEMORIAL HALL ROOFING OPTIONS

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to advise Council on options regarding the upgrade of the Ross Memorial Hall roof.
- 1.2 The issue arises because the Ross community have requested the Council to install a new framing structure and roof to the existing Memorial Hall and Council's subsequent direction to staff to bring a report on the matter.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council engages in a robust discussion with Ross community over the need of a new roof and that Council also approves increased maintenance budgets for Ross Hall.

### **2.0 BACKGROUND**

- 2.1 The Ross Community hall is on Council owned freehold land
- 2.2 The roof was last replaced in approximately 2002 with new plywood and butyl rubber cladding. The roof has a design life of a minimum 20 years from the date of installation.

- 2.3 There has been one persistent leak in the main hall for a number of years and this has been attended to from time to time in an attempt to fix the leak. The last fix was applied in January 2015 and the works were done by local contractors based in Hokitika. The contractors also undertook an inspection of the roof at the same time. The roof is structurally safe and sound, however is in need of a good clean-up or a wash.
- 2.4 There has been a growing desire from the Ross Hall committee to upgrade various parts of the hall, including increasing the size and upgrading the kitchen, reframing and pitching the roof to re-clad it, and giving it a general tidy up.
- 2.5 The Ross Community Association requested the release of endowment funds to enable the investigation and design of a new roof. This investigation was carried out by OPUS consultants, and design works have been undertaken by Richard Gardiner for a new pitched timber framed roof.
- 2.6 No other roofing option has been investigated. The Ross Community Association then came to Council to apply to request MDI funding to progress the project.

### 3.0 CURRENT SITUATION

- 3.1 Council does not fund the depreciation for community halls and buildings, which means that there are no funds available for any major repairs and maintenance, or replacement of halls at the end of their life.
- 3.2 The current Butyl rubber roof on the Ross Hall is designed to have a life of at least 20 years. This means that theoretically the roof is just over halfway through its design life.
- 3.3 In 2013, Council received a legal opinion on the use and purpose of Ross endowment funds. It states that *"it would be prudent for the Council to treat the purpose of endowment as follows:*
  - (a) *Ross endowment – for a purpose that benefits some or all of the Ross area"*
- 3.4 There are some concerns regarding the need to replace the roof. This has been assessed in section 6.1 of this report.
- 3.5 Council now needs to make a decision whether replacement of the roof for Ross Memorial Hall is a work or activity that will benefit some or all of the Ross area.

#### 4.0 OPTIONS

- 4.1.1 **Option 1:** Status Quo – Continue with current maintenance practice
- 4.1.2 **Option 2:** Replace existing roof with a superior membrane cladding
- 4.1.3 **Option 3:** Replace existing roof structure and cladding

#### 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on Significance this decision will have moderate significance as:
  - 5.1.1 A decision to replace will have a financial effect on the maintenance budgets for halls and buildings
  - 5.1.2 It will decide or confirm Council's future direction as to whether we need to program replacement programs for community halls and buildings in the District
- 5.2 Consultation is not required at this stage, as the project will be included in the draft Long Term Plan (LTP) for 2015/25.

#### 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option 1:** Status Quo: Continue with current maintenance practice

Council can continue with the existing roof and fund maintenance patching as issues arise. An additional effort can be made each year to have the roof chemically treated and lichen washed off to minimise the likelihood of leaks and damage.

Advantages. Contractors that have inspected the roof have suggested a good wash down and the installation of a better edging detail would likely serve the roof substrate and keep it operable until the end of its designed life which is at least another 10 years.

An email from Jeff Evans is attached in Appendix 'A' of this report which suggests the roof is in good condition, though needs maintenance.

Disadvantages- Should a leak occur the roofing substrate will incur some damage prior to the leak becoming visible. The roof pitch is very flat so if we continue to lay patch strips over the joints we will create pools of water that can't drain away, which increases the likelihood of leaks occurring.

Financial implications- There would be very minimal financial implications with this option. A \$500 increase in the maintenance budget would cover the yearly wash down, and quotes can be gathered to gain an accurate picture of the extent of the required edge detailing. These costs can be obtained and refined during the LTP process.

This is **THE PREFERRED** option

6.2 **Option 2:** Replace the existing roof with superior membrane cladding

At the end of the roof cladding's life, which is estimated at 10 years, Council should plan to replace the existing butyl rubber roof cladding with a similar but superior product. It may be necessary to replace some components of the roof substrate depending on damage but the existing form of the roof can remain.

Advantages- Very little change would be required to the existing form of the roof. This option would provide a high quality roof cladding with superior water proofing to the existing system and which can also endure being walked on without damage.

Disadvantages- These include the necessity of removing the existing membrane, repairing any damage, and upgrading the substrate to meet the installation standards of the new cladding manufacturer. This would require a significant initial investment.

Proceeding with this option would be a departure from the current policy on renewal of community halls and buildings. Council will set a precedent, and there will be an expectation in the District that all halls and buildings will be replaced at the end of their life.

There could be, however, an argument that the Ross Hall roof could be replaced if it were funded from Ross Endowment funds without any additional cost to District ratepayers.

Financial Implications- Funding would have to be planned for in the LTP and funded either through the general rate or a community rate. If the community are still very keen to pursue the replacement within the current financial year, then funding could be accessed from the Ross community endowment fund.

This option is not recommended and is **NOT PREFERRED**.

### 6.3 **Option 3:**     **Replace the existing roof structure and cladding**

The option is to remove the existing roof cladding and structure to rebuild a new pitched roof structure with a light weight steel cladding

Advantages- The community get a whole new roof and roof structure.

Disadvantages- This is the most expensive option and requires a significant up front cost. There is a lot of work in the scale of this project. There is some structural upgrade work required for the building to adequately support a new roof and frame, and this involves either totally removing or building on top of the existing structure. The level of work required will also trigger a building consent and require an upgrade of the fire protection system, adding additional costs.

Proceeding with this option would be a departure from the current policy on renewal of community halls and buildings. Council will set a precedent and there will be an expectation in the District that all halls and buildings will be replaced at the end of their life.

There could be, however, an argument that the Ross Hall roof could be replaced if it were funded from Ross Endowment funds without any additional cost to District ratepayers.

Financial Implications- Funding would have to be planned for in the LTP and funded either through the general rate or a community rate. If the community are still very keen to pursue the replacement within the current financial year, then funding could be accessed from the Ross community endowment fund.

This option has not been assessed for a true cost, but it is estimated through discussions with the contractors that the costs could be in the range from \$120,000 – \$150,000.

This option is **NOT PREFERRED**



## **7.0 PREFERRED OPTION AND REASONS**

7.1 The preferred option is Option 1 for the following reasons:

- 7.1.1 The existing roof is only halfway through its design life
- 7.1.2 The building does not need to be re-roofed, and a new roof structure and installation of a new steel roof is unnecessary.
- 7.1.3 Replacement of the roof would incur significantly more cost than the other options.
- 7.1.4 The decision is in accordance with the Council's current policy of not scheduling replacement programs for community halls and buildings.

## **8.0 RECOMMENDATIONS**

- C) **THAT** Council engages in a robust discussion with the Ross Community about the necessity of a new roof over the Ross Hall, specifically looking at alternative options, and
- D) **THAT** Council increases the yearly maintenance budgets for Ross Community Hall.

**Simon Eyre**  
**Property and Projects Supervisor**

**Appendix A - Email from Jeff Evans on Ross Hall**

**Vivek Goel**

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**Subject:** FW: Ross Hall

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**From:** Craig Fearn [<mailto:CraigF@jeff-evans.co.nz>]

**Sent:** Friday, 20 February 2015 3:38 p.m.

**To:** Simon Eyre

**Subject:** Ross Hall

Hi

As discussed one of our staff attended a leak on the Ross Hall roof who has been through the Ardex installation courses. The leak appeared to be a seam issues not the membrane.

And after an inspection of the roof the membrane appears in good condition with no holes or signs of deterioration with the expected life left in the product.

My recommendation would be to clean down the roof, redo the seams and install cap flashings around the edges.

Regards,

Craig Fearn  
OPERATIONS MANAGER



Phone: 03 756 8111  
Cell 027 220 3297  
Fax: 03 756 8114  
Email: [craigf@jeff-evans.co.nz](mailto:craigf@jeff-evans.co.nz)  
Web: [www.jeff-evans.co.nz](http://www.jeff-evans.co.nz)  
Branch: HOKITIKA: 62 Tancred Street  
GREYMOUTH: 2 Swainson Street



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# Report



**DATE:** 26 February 2015

**TO:** Mayor and Councillors

**FROM:** Community Development Advisor

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## MAJOR DISTRICT INITIATIVE APPLICATIONS

### 1.0 SUMMARY

- 1.1 The purpose of this report is to report to Council about the applications that have been received for Major District Initiative (MDI) funding from Development West Coast (DWC), and to seek a Council decision on the projects to be included in the 2015-2025 Long Term Plan (LTP) for community consultation .
- 1.2 This issue arises from the Council meeting of 30 October 2014 where it was moved Deputy Mayor Cox, seconded Cr Martin and **Resolved** that Council asks the following groups:
- Ross Community Hall Enhancement
  - Kidsfirst Kindergarten at Franz Josef
  - St John's/DHB Facility at Haast
  - Westland High School Gym Upgrade
  - Hokitika-Westland RSA Proposed Facility
- to submit a full application to Council for consideration of MDI funding for final review prior to inclusion in the draft LTP 2015-25.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending firstly that Council include all five projects in the draft LTP 2015-2025, allocating and sequencing MDI funding for each project, and secondly that Council invite the other

applicants who submitted Expressions of Interest to the Project Control Group to submit applications to Council in two years' time.

## 2.0 BACKGROUND

- 2.1 At its 24 July 2014 meeting, Council appointed a Project Control Group to use Development West Coast's Facility Assessment Tool in prioritising projects to ensure the best use of MDI funding in Westland.
- 2.2 At its 25 September 2014 meeting, the recommendations of the Project Control group were presented. It was moved Cr Hope, seconded Cr Martin and **Resolved** that the MDI Expressions of Interest Report be withdrawn and be discussed in a Council Workshop.
- 2.3 A Council workshop was held on 1 October 2014 to discuss projects under consideration for MDI funding.
- 2.4 At its 30 October 2014 meeting, Council **Resolved** to ask the following groups to submit a full application to Council for consideration of MDI funding for final review prior to inclusion in the draft LTP 2015-2025:
- Ross Community Hall Enhancement
  - Kidsfirst Kindergarten at Franz Josef
  - St John's/DHB Facility at Haast
  - Westland High School Gym Upgrade
  - Hokitika-Westland RSA Proposed Facility

## 3.0 CURRENT SITUATION

- 3.1 The following tables outline the current applications for MDI funding, including the amount of MDI funding sought, as well as the current funding available and future MDI funding for Westland District.
- 3.2 **Table 1** on the next page shows that the five groups are collectively seeking nearly \$1.1 million in MDI funding.

**Table 1: Current applications for MDI funding**  
**(full applications attached in Appendix 1)**

Project	Amount of MDI funding sought
Ross Community Hall Enhancement	\$72,000
Kidsfirst Kindergarten at Franz Josef	\$300,000
St John's/DHB Facility at Haast	\$216,902
Westland High School Gym Upgrade	\$200,000
Hokitika-Westland RSA Proposed Facility	\$292,500
<b>Total</b>	<b>\$1,081,402</b>

3.3 **Table 2** below shows that the Westland District has over \$1.5 million in MDI funds currently available to draw down, but after subtracting the commitments to Fox Community Centre and Harihari Community Centre the available amount is just over \$89,000.

**Table 2: The present state of MDI funds for Westland District**

MDI Funds available to WDC as at 26 February 2015	\$1,526,576.00
Balance left over from Donovans Store after closure	+ 17,789.39
Total	1,544,365.39
Committed funding to Fox and Harihari Com Centres	- 1,455,000.00
Funds available to draw down at 26 February 2015	<b>\$89,365.39</b>

3.4 **Table 3** on the next page shows that the current available balance of just over \$89,000 will increase by \$100,000 per quarter, and by the end of June 2017 it will reach the level of nearly \$1.1 million required to fully satisfy the five current MDI funding requests.

**Table 3: Future MDI funds available for Westland District**

Date	Funds available	Total Funds accumulating
31 March 2015	\$100,000	\$189,365.39
30 June 2015	\$100,000	\$289,365.39
30 September 2015	\$100,000	\$389,365.39
31 December 2015	\$100,000	\$489,365.39
31 March 2016	\$100,000	\$589,365.39
30 June 2016	\$100,000	\$689,363.39
30 September 2016	\$100,000	\$789,363.39
31 December 2016	\$100,000	\$889,365.39
31 March 2017	\$100,000	\$989,365.39
30 June 2017	\$100,000	\$1,089,365.39
30 September 2017	\$100,000	\$1,189,179.39

- 3.5 MDI funding will continue to be allocated to Westland at the rate of \$100,000 per quarter until 2022, or an additional \$1,800,000 from 30 September 2017 to 31 March 2022.

#### **4.0 OPTIONS**

- 4.1 There are four options related to the selection of projects for the draft LTP 2015-25. The first two options do not include prioritisation or allocation of funds in a sequential manner, whereas the second two options do.

4.1.1 Option 1: Include some of the five projects in Table 1 in the draft LTP 2015-25.

4.1.2 Option 2: Include all of the five projects in Table 1 in the draft LTP 2015-25.

4.1.3 Option 3: Include some of the five projects in Table 1 in the draft LTP 2015-25, prioritising them and allocating MDI funding to them in a sequential manner according to the availability of funds detailed in Table 2 and Table 3. Note that in this sense “priority” does not necessarily relate to overall importance or worthiness, but could indicate a level of project readiness or urgency.

4.1.4 Option 4: Include all five projects in the draft LTP 2015-25, prioritising them and allocating MDI funding to them in a

sequential manner according to the availability of funds detailed in Table 2 and Table 3.

- 4.2 There are two options related to the other four projects which supplied an Expression of Interest to the Project Control Group but were not invited to submit a full application to Council at this time:

4.2.1 Option1: Invite the other four projects which supplied an Expression of Interest to the Project Control Group to submit an application for MDI funding in two years' time, along with any new projects that Westland community groups are considering for MDI funds.

4.2.2 Option 2: Do not invite the other four projects which supplied an Expression of Interest to the Project Control Group to submit an application for MDI funding in two years' time, along with any new projects that Westland community groups are considering for MDI funds.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 This has a high level of significance for Council because the decisions regarding funding of these potential projects affect a large portion of the community in a way that is not inconsequential.

- 5.2 This also has a high level of significance for Council because in the case of the Ross Community Hall Enhancement and the Hokitika-Westland RSA proposed facility, it will involve Council in making future decisions about withdrawals from Reserve Funds to accompany MDI funds for projects.

- 5.3 As per DWC policy, the public should be invited to make submissions on the MDI projects Council approves for inclusion in the draft LTP 2015-25, through consultation on the LTP itself, before the formal applications made to Council are forwarded to DWC for final funding approval.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 In relation to Options 4.1.1 and 4.1.3 above, if MDI funding is allocated only to some of the projects, the advantage is that Council is exposed to

fewer risks or responsibilities in terms of project over-runs or on-going costs, which DWC requires Council to cover if necessary. On the other hand, important community projects may not proceed. This is not a preferred option unless the Council is convinced that one or more of the projects should not receive MDI funding at this time.

- 6.2 In relation to Options 4.1.1 and 4.1.2 above, if some or all projects are approved for inclusion in the draft LTP but no prioritisation or sequencing of funding occurs, project leaders will face uncertainty as to when their funding will be available and therefore when they can proceed with their project. The Council would also not be able to distinguish between projects it sees as more ready to proceed than others, or projects which are more urgent than others. This is not a preferred option.
- 6.3 In relation to Option 4.1.4 above, the five projects are all dependent on securing other funding. Before the applicants can apply for funding from other sources, they need to know whether or not Council approves their application and what MDI funds Council will approve for them during 2015-2017, as per Table 3. This requires prioritising the projects and deciding how much MDI funding to allocate to them up to 65% of their project costs. The advantage of knowing what MDI funds they can expect to receive from Council through DWC, and when, makes it easier to access other funding sources. It also makes sense for Council to allocate funding in a sequential way that matches the readiness levels and urgency of the various projects. **This is the preferred option.**
- 6.4 In relation to Options 4.2.1 and 4.2.2 above, the other four projects which the Project Control Group examined should be notified of whether and when it is likely that they would ever be considered for MDI funding. This is only fair to these applicants as they consider their future options.

## **7.0 PREFERRED OPTIONS AND REASONS**

- 7.1 The preferred option in terms of the allocation of funding is Option 4.1.4. Knowing that some MDI funds are now available to be drawn down, as per Table 2, and knowing that more funds will be available shortly, Council should prioritise the five applications and allocate the appropriate amount of MDI funds in a sequential manner, include them in the draft LTP 2015-25. This will provide the most certainty for



project leaders and will allow the Council to consider factors such as the readiness level and urgency of the various project.

- 7.2 The preferred option in 4.2.1 for the other four projects which supplied an Expression of Interest to the Project Control Group is that they be invited to submit their projects for consideration for MDI funding in two years' time, along with any new groups that may also need to be given consideration for MDI funding. This is necessary to avoid uncertainty about when project groups can apply for MDI funding in the future.

## 8.0 RECOMMENDATIONS

- E) **THAT** Council approves the inclusion of the following projects in the Draft Long Term Plan 2015-25 for MDI funding from DWC

- Hokitika-Westland RSA Proposed Facility
- Kidsfirst Kindergarten at Franz Josef
- Ross Community Hall Enhancement
- St John's/DHB Facility at Haast
- Westland High School Gym Upgrade

with the following priority levels and funding allocations:

Project	Priority Number (1 highest)	Funding Allocation (\$)
Hokitika-Westland RSA Proposed Facility		
Kidsfirst Kindergarten at Franz Josef		
Ross Community Hall Enhancement		
St John's/DHB Facility at Haast		
Westland High School Gym Upgrade		

- F) **THAT** Council notify the other applicants who submitted projects for MDI funding to the Project Control Group that they will be invited to

submit their projects for re-consideration for MDI funding in two years' time.

**Derek Blight**  
**Community Development Advisor**

**Appendix 1: (refer to separate document) Applications for Major District Initiative Funding from**

- Hokitika-Westland RSA Proposed Facility
- Kidsfirst Kindergarten at Franz Josef
- Ross Community Hall Enhancement
- St John's/DHB Facility at Haast
- Westland High School Gym Upgrade

**NB**                      **These applicants also provided more information on their particular projects than what is provided here. This further information has been pre-circulated via e-mail to the Mayor and Councillors and is available on request.**

# Report



**DATE:** 26 February 2015

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

---

## Q2 REPORT 2014/15

### 1.0 SUMMARY

- 1.1 The purpose of this report is to inform Council of its service delivery performance at the half year, and provide updated information on financial performance.
- 1.2 This issue arises from a requirement for a local authority to exercise financial prudence and sound governance in delivering on its commitments to the community, as contained in the Annual Plan 2014/15.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the Q2 Report 2014/15, attached as **Appendix 1**.

### 2.0 BACKGROUND

- 2.1 The service delivery targets were set for each activity in the Long Term Plan 2012/22.
- 2.2 The most recent, and thus realistic financial comparator, is the Annual Plan 2014/15.

### 3.0 CURRENT SITUATION

- 3.1 Council now receives monthly financial reporting. The quarterly report is a more extensive examination of Council's performance, and in particular examines progress in delivering municipal services within its prescribed financial framework.
- 3.2 This quarterly report contains the following information:
  - 3.2.1 Whole of Council Financial Summary – this was reported in January 2015 but is represented to give context to the more detailed schedules
  - 3.2.2 Statements of Service and Financial Performance for each group and activity
  - 3.2.3 Projects
  - 3.2.4 Treasury
  - 3.2.5 Debtors

### 4.0 OPTIONS

- 4.1 Receive the report.

### 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information only.
- 5.2 Council's financial reporting is being continuously developed. The KPIs and other measures are under review while the Long Term Plan 2015/25 is constructed.
- 5.3 The decision to receive the report is of low significance and requires neither consultation nor assessment of options.

### 6.0 RECOMMENDATION

- G) **THAT** Council receives the Q2 Report 2014/15 attached as **Appendix 1**

**Gary Borg**  
**Group Manager: Corporate Services**

**Appendix 1:** Q2 Report 2014/15

# **SIX MONTHLY PERFORMANCE REPORT 1 JULY TO 31 DECEMBER 2014**

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Cemeteries

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#### **TREASURY REPORT**

#### **RESERVE FUNDS REPORT**

## WHOLE OF COUNCIL FINANCIAL SUMMARY

WESTLAND DISTRICT COUNCIL					
Cost of service statement by activities					
	Year To December			Full year 2014-2015	
	Actual	Budget	Variance	Budget	Balance
<b>Operating revenue</b>					
Leisure and Culture	1,083,517	936,713	↓ (146,804)	2,269,319	↑ 1,185,802
Community Services	237,357	188,133	↓ (49,224)	364,719	↑ 127,362
Planning and Regulatory Services	914,303	790,228	↓ (124,075)	1,558,083	↑ 643,780
Infrastructure	4,480,983	5,246,803	↑ 765,820	10,187,171	↑ 5,706,188
Other Assets	1,162,618	1,043,595	↓ (119,023)	2,085,690	↑ 923,072
General Council Management	42,377	469,759	↑ 427,382	725,620	↑ 683,243
Corporate Services	2,214,761	2,803,567	↑ 588,806	5,607,131	↑ 3,392,370
<b>Total operating revenue</b>	<b>10,135,916</b>	<b>11,478,798</b>	<b>1,342,882</b>	<b>22,797,733</b>	<b>12,661,817</b>
<b>Operating expenditure</b>					
Leisure and Culture	1,057,744	1,179,452	↑ 121,708	2,321,973	↑ 1,264,229
Community Services	217,655	257,257	↑ 39,602	392,588	↑ 174,933
Planning and Regulatory Services	707,747	795,392	↑ 87,645	1,554,878	↑ 847,131
Infrastructure	5,687,043	5,943,528	↑ 256,485	12,011,907	↑ 6,324,864
Other Assets	1,260,604	886,294	↓ (374,310)	2,114,351	↑ 853,747
General Council Management	514,746	290,261	↓ (224,485)	560,522	↑ 45,776
Corporate Services	2,360,404	2,748,607	↑ 388,203	5,353,791	↑ 2,993,387
	<b>11,805,943</b>	<b>12,100,791</b>	<b>↑ 294,848</b>	<b>24,310,010</b>	<b>↑ 12,504,067</b>
<b>Net operating cost of services - surplus/(deficit)</b>	<b>(1,670,027)</b>	<b>(621,992)</b>	<b>↑ 1,048,034</b>	<b>(1,512,277)</b>	<b>↑ 157,750</b>

### Variance analysis - Main items

<b>Operating revenue</b>	
User fees and charges	Higher than expected metered water charges, liquor and food licence fees
Grants and subsidies	\$1m lower NZTA subsidy received to date due to work not yet carried out, therefore claims not submitted. Further Budget rephasing is required.
Other income	\$198k budgeted dividends not yet received.
<b>Operating expenditure</b>	
Personnel costs	
Administrative costs	
	Positive variance due to some costs not yet received.
	- Wildfoods festival below budget (\$107k), expected to catch up in March when the festival takes place.
Operating costs	- Solid Waste collection charges, monitoring costs and management contract all below budget (\$147k).
	- Legal fees (\$62k) and Repairs and maintenance (\$74k) all below budget.
	- Glacier Grant (\$39k) and Promotional grant (\$29k) not yet utilised.
Grants and donations	Negative variance due to Fox Community Centre charge (\$239k) not in budget.

# LEISURE AND CULTURAL ASSETS GROUP

Library  
 Museum  
 Swimming Pools  
 i-SITE  
 Events  
 Community Halls and Buildings  
 Parks and Reserves  
 Cemeteries  
 Elderly Housing

	LEISURE & CULTURAL ACTIVITIES SUMMARY				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	2,269,320	1,083,517	936,713	146,804	(f)
<b>Operating Expenditure</b>	2,321,973	1,057,744	1,179,452	(121,708.)	(f)
<b>Surplus/(Deficit)</b>	(52,653)	25,773	(242,739)	268,512	(f)

## Commentary

Overall there is a positive variance within Leisure & Culture, this is mainly due to favourable variances in Museum and Events.

It is expected that the timing differences for the Wildfoods festival will reduce when the event takes place.



# LIBRARY

## Vision

Library services contribute to our vision for Westland by providing a first class service accessible to all residents and by providing a space to involve the community in decision making and getting connected with each other. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

## What we do

The library collection consists of adult fiction, adult non-fiction, large print, children's and young adults', reference and heritage books, magazines, newspapers, talking books, music CDs and DVDs. The Aotearoa People's Network Kaharoa provides internet access, software applications and wireless capability.

A library website [www.westlib.co.nz](http://www.westlib.co.nz) is available 24 hours per day, 7 days a week providing access to electronic databases, library catalogue and customer access to their individual account.

Other services include household deliveries, inter-library loans, story time for various age groups, youth book club, out-reach story time sessions, school class and group visits, training workshops.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Opening hours are convenient for users of District Library services	% of customers satisfied with opening hours	Resident Satisfaction Survey and Internal Survey	1	90%	Not measured.
Library services are utilised	Number of physical visits to Library	Recorded visitor numbers	37,481	90,000	38,640
Library services are utilised	Increased use of Library facilities	Membership	3,767	3,600	3,758
Library services are utilised	Increased use of Library facilities	Issues	42,116	88,000	40,251
The Library environment is comfortable and user friendly	% of customers satisfied with library environment	Resident Satisfaction Survey	1	90%	Not measured.
A wide range of up to date material is available in a variety of formats and relevant to the community	% of customers satisfied with the selection of material available in print, E-format, audio/visual and IT services	Resident Satisfaction Survey	1	90%	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
A wide range of up to date material is available in a variety of formats and relevant to the community.	Increased awareness in the community of availability of material	Hits E-Service 'Overdrive'	693	1,224	856
A wide range of up to date material is available in a variety of formats and relevant to the community.	Increased awareness in the community of availability of material.	Hits on website.	6287	32,242	6287
The Library meets National Public Library Standards	The Library lending collection is up to date and relevant for the community	Meets NZ Public Library Standard D 3.1. <ul style="list-style-type: none"> <li>Issues per capita.</li> <li>Turnover of lending collections.</li> <li>% of operating budget allocated for purchase of collection material.</li> </ul>	0 out of 3 measures. (measured on an annual basis)	3 out of 3 measures.	3 out of 3 measures. (measured on an annual basis)

Internal survey completed in September 14 - 305 responses

	Library				
	Budget	Actual	Budget	Variance	f/(u)
	FYR	YTD	YTD	\$	
	\$	\$	\$		
<b>Operating Revenue</b>	426,341	217,315	213,171	4,144	<b>(f)</b>
<b>Less Operating Expenditure</b>	461,341	263,474	245,460	18,014	<b>(u)</b>
<b>Surplus/(Deficit)</b>	(35,000)	(46,159)	(32,289)	(13,870)	<b>(u)</b>

### Commentary

The unfavorable expenditure variance \$18,014 relates largely to higher salary costs and building maintenance costs.

# MUSEUM

## Vision

The Hokitika Museum successfully cares for its collection and shares Westland's stories and heritage through high quality exhibitions and other public programmes. The Hokitika Museum is recognised as a place to discover Westland's tales and treasures and contributes to the marketing of Westland, its heritage experiences and to the community's sense of identity. This activity contributes to our overarching vision relating to world class service, community and stakeholder involvement and '100% Pure NZ'. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

## What we do

The Hokitika Museum manages the community's heritage collection and shares Westland's stories with visitors and residents through exhibitions, displays, publications and public programmes.

The museum has an extensive and valuable collection of objects, archives and photographs that relate to Westland and the wider West Coast region. Along with exhibiting part of this collection the Museum also provides access to it through catalogues and indexes. Copies of archives and photographs are available on a cost recovery basis.

The museum also manages the Carnegie Gallery which is an important space for local artists to exhibit their work and for the museum to house touring shows or temporary exhibitions produced in-house.

The Museum engages with the community by providing assistance and expertise to both local interest groups and individuals on a wide variety of heritage matters.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Users of the Museum visitor service are satisfied with their experience.	% of visitors satisfied with the museum displays and exhibitions.	Resident Satisfaction Survey.	Not measured.	90%	Not measured.
The Museum environment is comfortable and user friendly.	% satisfied with the museum environment, availability, opening hours and remote access.	Resident Satisfaction Survey.	Not measured.	90%	Not measured.
The Museum provides a good quality experience.	Maintain visitor numbers.	Museum visitor records.	5,775	23,539	7,828
The Museum reflects the history and character of the people of Westland.	Maintain number of exhibitions and programmes per annum.	Number of exhibitions or programmes that relate to Westland.	5	8	9
Research and heritage advisory or related information services are easily accessible.	Requests for service are responded to within 5 working days.	The Museum enquiries register.	95.3%	100%	99.33

Collection objects, archives and photographs are cared for to industry standard	Museum Collection is maintained and preserved.	Number of objects damaged due to poor climate and pests.	Not measured.	0	New measured.
<b>Level of Service</b>	<b>Performance Measure</b>	<b>Information we will use to measure success</b>	<b>Actual Q2 Dec 2014</b>	<b>LTP Target 2014/15</b>	<b>Actual Q2 Dec 2013</b>
Collection objects, archives and photographs are cared for to industry standard.	Museum Collection is maintained and accessible.	Number of donated items catalogued per annum.	15.2%	6.09%	18.06%
The Museum knows who their visitors are and will develop to meet their needs.	Analyse visitor profiles	Visitor survey.	287	Completed by June 2013.	234
The Museum will develop to reflect its stakeholders and the wider community	Strategic review within first year of plan	Plan tabled and recorded in Council minutes	Not completed.	Completed by June 2013.	Not completed.

The LTP required a baseline figure from the Annual Report 2011/12 visitor numbers. From this baseline the 2012/13 target was increased by 5%. 2011/12 was an extraordinary year as the Museum hosted a Whitebait Exhibition (September 11 – January 12) during the Rugby World Cup 2012 increasing visitor numbers significantly.

The Museum cannot practically meet this target and achieve its revenue budget at the same time.

The Museum is on new reduced hours as from 1 May 2014 as determined in the Annual Plan 2013/14.

The Museum responded to 162 enquiries in Q1 2014 compared to 132 in Q1 2013.

Poor climate and pest damage can happen over a 10 year period. There is no collection survey in place to gather this information at this time.

In Q1 2014 year 765 items were donated to the Museum, 94 were catalogued.

Council did not budget to undertake a Strategic Review of the Museum.

	Museum				
	Budget	Actual	Budget	Variance	f/(u)
	FYR \$	YTD \$	YTD \$	\$	
<b>Operating Revenue</b>	291,787	183,252	139,329	43,923	<b>(f)</b>
<b>Less Operating Expenditure</b>	292,325	159,426	149,335	10,091	<b>(u)</b>
<b>Surplus/(Deficit)</b>	(538)	23,826	(10,006)	33,832	<b>(f)</b>

### Commentary

The favourable income variance of \$43,923 relates to two significant donations being received for the 150th Anniversary and WWI commemoration. Increased retail sales and admission fees.

The unfavourable expenditure variance of \$10,091 relates largely to increased retail purchases and Museum salaries.

# SWIMMING POOLS

## Vision

The swimming pools in Westland provide an important recreation facility for residents and visitors contributing to our vision of top class infrastructure. This activity contributes to our over arching vision relating to innovation, world class service and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness and safety.

## What we do

Provide recreational pool facilities in Hokitika and Ross. Provision of learn to swim programmes at Hokitika.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Users have the maximum usage if the pool during the year.	Minimum season October to April.	Opening times	25 weeks.	43 weeks.	24 weeks.
The water is a comfortable temperature for swimming.	Water temperature to be maintained at between 27.5 and 28.5 Celsius.	Monthly Report	27-28.5 <sup>c</sup>	28 <sup>c</sup>	27-28.5 <sup>c</sup>
Pool use is maximised by the community.	Increase pool usage by 1% pa.	Annual Report.	9,701	13,947	10,240
Learn to swim courses are available for the community to utilise.	A minimum of 5 courses to be held each year in either swim or exercise programme.	Annual Report.	Swimming lessons are offered 6 days per week. Aqua classes 6 times per week	6 Courses.	12 Courses.
Pool water is safe for swimming.	Tests compliant with NZS5826:2010	Monthly report for Hokitika Pool	Tests generally compliant. 5000 readings per year in the pool and 3000 per year in the spa	100%	99%
Pool water is safe for swimming.	Tests compliant with NZS5826:2010	Monthly report for Ross Pool.	99%	100%	99%
The pool	Lifeguard	Pool Safe	100%	100%	100%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
environment is safe.	supervision provided in accordance with Swimming Pool Guidelines published by New Zealand Recreation Association.	Accreditation.			
The future of the pool facility is planned for.	Strategic review within first year of plan.	Plan tabled and recorded in Council minutes.	Under WDPL management.	Plan completed and tabled by June 13.	Under WDPL management.

Council has not budgeted for a Strategic Review and as such a Strategic Review has not occurred. The Westland District Property Limited has a Pool Revitalisation Plan in place and work has commenced on facility development.

	Swimming				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	255,266	127,851	127,633	218	<b>(f)</b>
<b>Less Operating Expenditure</b>	255,266	133,470	128,582	4,888	<b>(u)</b>
<b>Surplus/(Deficit)</b>	-	(5,619)	(949)	(4,670)	<b>(u)</b>

#### Commentary

Unfavorable variance \$4,888 due to budget phasing on the management contract.

# I-SITE

## Vision

The i-Site contributes to our vision of Westland as a world class tourist destination. This activity contributes to our over arching vision relating to innovation, world class service and '100% Pure NZ'. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, building relationships and sustainability.

## What we do

- Promoting and selling Westland as the last best place to visit, explore and play.
- Working with our tourism community to develop reasons for visitors to stay longer and spend more.
- Investigate ways to increase visitor numbers and the dollars they spend while here.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Increase number of activities and accommodation booked and purchased.	Increase sales of Westland activities and accommodation by 3%.	Recorded information from the IBIS booking and sales system used by i-SITE.	\$166,503	\$669,234	\$344,858
Provide excellent customer service.	Maintain customer satisfaction levels at 90%	Bi Annual mystery shopper assessment. Bi Annual Qualmark Assessment	Not measured in this Quarter.	90%	Not measured Until April 2014
Increase visitor numbers to Westland.	The number of Visitors handled by Hokitika i-SITE Visitor Centre maintained.	Recorded information from i-SITE.	22,239	53,470	20,208

Increase number of activities and accommodation booked and purchased.

Decrease in income due to the limited activities that can be booked on the Glacier due to the change in conditions, online bookings and discount coupons.

	I-Site				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	298,360	163,468	151,524	11,944	(f)
<b>Less Operating Expenditure</b>	305,773	156,712	157,471	(759.)	(f)
<b>Surplus/(Deficit)</b>	(7,413)	6,756	(5,947)	12,703	(f)

## Commentary

The favorable income variance of \$11,944 relates mainly to AA commission.

# EVENTS

## Vision

Brilliant, vibrant and fun events will help drive our vision of being a top class tourist destination by 2030. This activity contributes to our over arching vision relating to innovation, expanded development opportunities and '100% Pure NZ'. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility, building relationships and sustainability.

## What we do

We work on developing and growing our iconic major event – the Hokitika Wildfoods Festival. As it continues to flourish and prosper our focus will turn to developing at least one other new and iconic event experience by the close of 2013.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Increase visitor numbers to Westland.	Grow the estimated economic impact to the District of major events.	BERL Impact report will not be undertaken in the 2014 year.	Not measured.	Baseline from 2011/12.	New measure.
Increase visitor numbers to Westland.	The number of events and the estimated attendance.	The number of events.	Not measured until June 14	1	Not measured until June 14
Increase visitor numbers to Westland.	The number of events and the estimated attendance.	The number of estimated attendance.	Not measured until March 2014	11,847	2,543
Provide excellent and well attended events.	% of residents satisfied with events and festivals.	% of residents satisfied with events and festivals.	Not measured.	90%	Not measured.

The BERL economic survey is a useful tool for understanding the benefit Westland gets from this event. The impact assessment does not change greatly on an annual basis and as such the report is only budgeted to be prepared every few years. Therefore no economic assessment was done in 2013/14.



	Events				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	366,735	8,616	(11,882)	20,498	<b>(f)</b>
<b>Less Operating Expenditure</b>	368,647	30,834	162,492	(131,658)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(1,912)	(22,218)	(174,374)	152,156	<b>(f)</b>

### Commentary

Favourable expenditure variance due to phasing. Festival income and expenditure are concentrated in Jan to March quarter.

## COMMUNITY HALLS AND BUILDINGS

### Vision

Community Halls and Buildings contribute to our vision of having top class infrastructure and involving our stakeholders and communities by engaging them to help care for and use them. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

### What we do

Provide and manage various buildings and halls to be used by the community.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Buildings and halls provide a safe and useful resource for the local community.	Buildings have current WOF where required.	WOF issued.	100%	100%	100%
Buildings and halls provide a safe and useful resource for the local community.	% of residents satisfied with the standard of their hall or community building.	Resident Satisfaction Survey.	Not measured.	80%	Not measured.
Requests for service are dealt with promptly.	Service requests are responded to within 3 working days.	Service Request support system.	0% 2 service requests not responded to within the timeframe.	100%	No requests.

	Community Halls & Buildings				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	142,387	93,154	71,194	21,960	<b>(f)</b>
<b>Less Operating Expenditure</b>	147,288	85,642	88,947	(3,305.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(4,901)	7,512	(17,753)	25,265	<b>(f)</b>

### Commentary

The favourable income variance of \$21,960 relates mainly to War Memorial income to be transferred to reserves. The favourable expenditure variance is due to lower building maintenance costs.

## PARKS AND RESERVES

### Vision

Parks and reserves that are well maintained and used contribute to our vision for top class infrastructure for all our communities. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, affordability, building relationships and safety.

### What we do

The Council manages and maintains a number of parks and reserves throughout the District for active and passive recreation. Recreation and Local Purpose Reserves are managed under the Reserves Act 1977. For the past 18 years the main sports ground in Hokitika, Cass Square, has provided the venue for the famous Wildfoods Festival.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Reserves are pleasant, enjoyable and safe places.	% of residents satisfied with parks and reserves.	Resident Satisfaction Survey.	Not measured.	80%	Not measured.
Reserves are pleasant, enjoyable and safe places.	Reported injuries.	Number of reported injuries.	0	0	0
Reserves are pleasant, enjoyable and safe places.	Playground equipment and furniture meet Health and Safety standards.	Playground warrant of fitness.	Complied	WOF issued	Not measured.
Requests for service are dealt with promptly.	Service requests are responded to within 1 day.	Service Request System.	100% 1 service request	100%	No requests.

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
We want to keep the community safe so parks and reserves are maintained to a good standard and in an environmentally sensitive manner.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly management reports	100%	100%	100%

Receive weekly inspection reports from contractors  
We have had vandalism of some equipment. Actioned within 24 hours

	Parks and Reserves				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	339,393	214,716	171,219	43,497	(f)
<b>Less Operating Expenditure</b>	349,805	132,529	176,400	(43,872.)	(f)
<b>Surplus/(Deficit)</b>	(10,412)	82,187	(5,181)	87,369	(f)

### Commentary

The favourable income variance is due to reserve contribution money received in the first half of the year. We do not budget for reserve contribution income.

The favourable expenditure variance is due timing differences due to the majority of repairs and maintenance being done in the summer months.

# CEMETERIES

## Vision

Our beautiful historic cemeteries provide a peaceful resting place for our loved ones who have died. Westland District Council is privileged to provide this service to the people of Westland. This activity contributes to our vision of top class infrastructure for our community. This activity contributes to our over arching vision relating to innovation, world class service and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, affordability and safety.

## What we do

The Council manages cemeteries which:

- Provide plots for interment on demand to meet the needs of the bereaved for a suitable resting place for departed relatives or friends.
- Provide areas for the burial and recording of ashes.
- Provide roading, car parks, seating, footpaths and other infrastructure.
- Meet the needs of visitors.
- Meet Council's statutory obligation to provide paupers graves.
- Meet the social and cultural needs of the community.
- Provide park like grounds which are visually appealing for visitors.
- Provide a historical record of the deceased for the community.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Cemeteries are accessible and safe for the community.	% of customers feel safe in cemetery grounds.	Resident Satisfaction Survey.	Not measured.	80%	Not measured.
Requests for service are dealt with promptly.	Service requests are responded to within 5 working days.	Monthly meeting and audit report from contractor	No requests.	100%	No requests.
The Cemetery grounds are clean and tidy.	% of customer's satisfaction with state of all cemetery grounds.	Resident Satisfaction Survey.	Not measured.	90%	Not measured.
Burials adhere to relevant legislation.	Standards for burial are adherence to Cemeteries & Cremations Act 1964.	Cemetery records.	100%	100%	100%
Cemeteries are accessible and safe for the community.	Opening hours are well advertised and adhered to.	Cemetery opening hours	No service requests.	No service requests.	No service requests.

Inspections carried out weekly to ensure compliance

	Cemeteries				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
<b>Operating Revenue</b>	149,051	75,145	74,525	620	(f)
<b>Less Operating Expenditure</b>	141,528	49,942	70,764	(20,822.)	(f)
<b>Surplus/(Deficit)</b>	7,523	25,203	3,761	21,442	(f)

#### Commentary

The favourable expenditure variance is due timing differences due to the majority of repairs and maintenance being done in the summer months.

# ELDERLY HOUSING

## Vision

Providing housing for the elderly gives the community infrastructure to support the elderly. Housing for the elderly that is safe, clean, functional and provides a network of close neighbours and friends is infrastructure that promotes our vision for Westland by making this a great place to live.

## What we do

Provide accommodation for the elderly as an alternative to living on their own.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The units are safe to live in.	Maintenance program is completed each year.	Monitoring against Maintenance Programme	100%	100%	Not measured.
The units are clean and comfortable.	% of satisfaction of tenants with living conditions.	Resident Satisfaction Survey.	100%	95%	Not measured.
Tenants receive prompt response to their requests for service.	% of requests for maintenance or complaints actioned within 7 working days.	Service Request System.	100%	100%	Not measured.

WDPL undertakes repairs and maintenance to the pensioner flats as the need arises.

An annual satisfaction survey is personally undertaken in August of each year.

Requests for service are actioned within 2-3 working days and outcomes are recorded.

	Elderley Housing				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	-	-	-	-	
<b>Less Operating Expenditure</b>	-	45,715	-	45,715	(u)
<b>Surplus/(Deficit)</b>	-	(45,715)	-	(45,715)	(u)

## Commentary

The unfavourable variance of \$45,715 relates to expenses paid by Council and not yet reimbursed.

# COMMUNITY SERVICES GROUP

	Community Services				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	364,719	237,357	188,133	49,224	(f)
<b>Operating Expenditure</b>	392,588	217,655	255,257	(37,602.)	(f)
<b>Surplus/(Deficit)</b>	(27,869)	19,702	(67,124)	86,826	(f)

## Commentary

The source of the variances in Community Services is within Community Assistance with Community Development tracking budget.

# COMMUNITY DEVELOPMENT

## Vision

Community Development involves the community and provides inspirational leadership for the community making Westland a great place to live, work and play. This activity contributes to our overarching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, and building relationships.

## What we do

We create educational opportunities for the community around emergency management and waste minimisation.

We communicate with the residents of Westland and ask them to have their say on issues and projects that are important to them.

We manage programmes that contribute to health and well-being and approve requests from Community Groups and Organisations and individuals to assist with recreational and cultural activities and other special events or activities. Provide advice to the community regarding other funding alternatives.

## Service Levels and Performance Measures

SAFER COMMUNITY COUNCIL					
Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Family Violence.	50	70	10
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Vandalism.	23	10	24
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Burglary from NZ Police reports.	21	40	11
Build capacity in the community to reduce reported crime.	At least three programmes are delivered throughout the year that meet the requirements of the funder.	Number of programmes that meet the requirements of the funder.	3	3	3
Create opportunities for the community through building relationships with outside groups and agencies.	Meetings with the Police and other government agencies regarding prevention and programming.	Number of meetings per annum.	9	15	5
Protect the environment from littering.	Monitor freedom campers.	Number of infringements issued.	Not achieved.	50	Not achieved.

7 The Council revoked the Westland District Freedom Camping Bylaw 2012 in September 2013.



ASSISTANCE FUNDING						
Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Funding is available for community projects.	Advertising of grants occurs 4 times year.	Newspaper ads, advertising in Uniquely Westland.		Not measured until Q4	4	Not measured until Q4
Funding is available for community projects.	Number of groups/individual applying.	Number of applications received.		Not measured until Q4.	10	Not measured until Q4
Funding is available for community projects.	Funding is made available to all members/groups of the community.	Number of applications approved.		Not measured until Q4.	10	Not measured until Q4
Build capacity in the community to create community projects.	Referrals to external agencies.	Number of referrals recorded.		10	5	9
Consult the community on issues of importance.	Number of consultations per year.	Summary of consultation results over year tabled to Council.		2	4	1

Protect the environment from littering.

The Council revoked the Westland District Freedom Camping Bylaw 2012 in September 2013.

Consult the community on issues of importance.

Rates Review and a Council Extraordinary meeting

	Community Development				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	116,671	59,854	58,335	1,519	<b>(u)</b>
<b>Operating Expenditure</b>	116,784	57,231	59,170	(1,939.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(113)	2,623	(835)	3,458	<b>(f)</b>

	Community Assistance				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	248,048	177,503	129,798	47,705	<b>(u)</b>
<b>Operating Expenditure</b>	275,804	160,424	196,087	(35,663.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(27,756)	17,079	(66,289)	83,368	<b>(f)</b>

#### Commentary

The favourable income variance of \$47,705 is due to the extra rates budget not yet allocated. The favourable expenditure variance is due to the glacier grant not having been fully utilised.

## PLANNING AND REGULATORY SERVICES GROUP

Inspections and Compliance  
 Resource Management  
 Animal Control  
 Emergency Management

	Planning & Reg				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	1,558,084	914,303	790,227	124,076	(f)
<b>Operating Expenditure</b>	1,554,878	707,747	795,392	(87,645.)	(f)
<b>Surplus/(Deficit)</b>	3,206	206,556	(5,165)	211,721	(f)

### Commentary

The main source of the positive variance is due to higher inspections income and grants not yet made.

## INSPECTIONS AND COMPLIANCE

### Vision

Regular inspections and ensuring compliance with standards assists in Westland becoming a world class tourist destination and aiming towards 100% Pure NZ brand. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

### What we do

The Council's role is principally in the nature of approval, licensing/registration, consents and surveillance. The inspection and compliance function is based on health and safety, community and environmental standards.

This activity comprises of:

- Building Inspection and Control.
- Environmental Health.
- Liquor Licensing.
- Noise Control.
- Onsite effluent disposal for new properties (as delegated by the West Coast Regional Council)

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act.	All building consent applications will be processed within 20 working days.	Monthly Reports.	96%	100%	99.23%
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act.	All Project Information Memoranda applications will be processed within 20 working days.	Monthly Reports.	100%	100%	100%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Users of the service receive appropriate advice regarding their enquiry.	% of users are satisfied with advice.	Resident Satisfaction Survey.	Not measured.	100%	Not measured.
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation.	All licensed and registered premises are inspected at least annually.	Monthly Reports.	5% To be completed by 30/06/15	100%	20 out of 130 (all to be completed by 30/06/14)
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation.	Work with Police and Community Public Health to reduce the negative impacts of alcohol abuse through an annual meeting.	Quarterly Report.	100%	100%	100%

	Inspections & Compliance				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	789,985	458,419	363,428	94,991	<b>(f)</b>
<b>Operating Expenditure</b>	792,307	382,553	416,869	(34,316.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(2,322)	75,866	(53,441)	129,307	<b>(f)</b>

The favourable income variance of \$94,991 for inspections and compliance is due to higher than budgeted income.

The favourable expense variance of \$34,316 is due to lower salary costs and legal fees than anticipated.

# RESOURCE MANAGEMENT

## Vision

The District Plan provides the regulatory framework to encourage and direct development in Westland. The processing of Resource Consents allows consideration of development against our vision and performance framework and ensures adverse environmental effects are mitigated. This activity contributes to our over arching vision relating to world class service, inspirational leadership and expanded development opportunities. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

## What we do

Day to day activities include:

- Development and review of District Plan, by-laws and policy.
- Processing Resource Consents.
- Issuing Land Information Memoranda (LIM).
- Answering general enquiries.
- Ensuring activities within the District comply with the Resource Management Act and the District Plan.
- Performing environmental monitoring.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
To ensure customers can get on with their project or business opportunities we process Resource Consents within statutory timeframes as specified in Resource Management Act.	100% of Resource Consent processed within the timeframes of the Act.	Monthly Report.	100%	100%	95%
Public complaints relating to environment are investigated and responded to in a timely manner.	Council respond to within 10 days.	Monthly Report.	50%	100%	78.5%
Provide and maintain a District Plan which is reflective of the community.	Work Plan is developed on changes required to the District Plan and these are effected.	Work plan developed and updated annually.	The vacant District Planner position has been filled and preparation is underway for a hearing on Plan Change 7 in accordance with the approved the District Plan Review work programme.	Reviewed annually.	The District Plan is expected to progress upon appointment of the vacant Planner position
Process all applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in the Act.	100% of LIMs processed within 10 working days.	Monthly Reports.	100%	100%	100%
Process all applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in	% of fast-track LIMS processed within 3 days.		100%	100%	100%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
the Act.					

Plan change progression

Council approved to extend timeframe for Plan Change 7 at July Council meeting. Comments on draft WCRC Regional Policy Statement provided in September

	Resource Management				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	510,528	275,635	255,264	20,371	(f)
<b>Operating Expenditure</b>	511,087	211,624	256,291	(44,667.)	(f)
<b>Surplus/(Deficit)</b>	(559)	64,011	(1,027)	65,038	(f)

#### Commentary

The favourable income variance of \$20,371 is due to higher than budgeted income. The favourable expenditure variance of \$44,667 is due to lower than anticipated salary costs and legal fees.

## ANIMAL CONTROL

### Vision

Sensible animal control and well behaved and registered dogs make the experience of living and residing in Westland much more pleasant and enjoyable. This assists Westland become a world class tourist destination. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

### What we do

- Undertake dog and animal control functions
- Enforcement and control of roaming dogs and other animals
- Ensure all known dogs are registered
- Education of dog owners through dog control contractors
- Provide a dog pound

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Requests for service are dealt with	All service requests are responded to	Customer complaint form.	100%	100%	75%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
promptly.	within 1 working day.				
The public are safe from dogs.	That the public are satisfied with the service.	Resident Satisfaction Survey.	Not measured.	95%	Not measured.
The public are safe from dogs.	Records will be kept relating to dog numbers, location, sex and breed and in conformity with the National Dog Database (NDDb).	NDDb.	100%	100%	100%

	Animal Control				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	124,440	113,913	107,220	6,693	(f)
Operating Expenditure	124,706	64,124	61,853	2,271	(u)
Surplus/(Deficit)	(266)	49,789	45,367	4,422	(f)

### Commentary

The favorable income variance is due to the higher registration fees and fines.

## EMERGENCY MANAGEMENT

### Vision

Good emergency management and leadership will allow Westland to recover quickly in the event of an emergency or natural disaster. This activity involves the community and stakeholders. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

### What we do

The Council's goal is the continued development and maintenance of a Civil Defence Emergency Management Plan which provides for the following:

- Readiness, ensuring the public is aware of the risk and prepared for any civil defence emergency and training volunteers to be able to respond to emergency events.
- Reduction, mitigation of potential problems.
- Response, coordinating response to emergency events.
- Recovery, managing the community recovery after a civil

defence emergency.

The Council reduces the likelihood and consequences of rural fire in the District by:

- Preventing fires through education, management of hazards and risks, enforcement and administration.
- Maintaining a level of preparedness which complies with the legislation and meets recognised national standards.
- Responding to out of control fires in the Council Rural Fire Zone with the objectives of minimising loss of human life, and minimising fire damage to property, land, and vegetation.

	Emergency Management				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	133,131	66,336	64,315	2,021	(f)
Operating Expenditure	126,778	49,446	60,379	(10,933.)	(f)
Surplus/(Deficit)	6,353	16,890	3,936	12,954	(f)

#### Commentary

The favorable variance of \$10,933 is due to lower than anticipated expenses for this activity and budgeted annual grant not yet made.



## Service Levels and Performance Measures

CIVIL DEFENCE					
Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
An excellent response to all disasters and emergencies across the District.	Number of exercises held each year.	Monitoring of these measures will be achieved through the management reports at Council's monthly meetings. Two exercises per annum.	0	2	1
An excellent response to all disasters and emergencies across the District.	Maintain community awareness.	Management reports at council monthly meetings of school visits.	Not achieved.	12	14
An excellent response to all disasters and emergencies across the District.	Standard Operating Procedures (SOP's) documents are reviewed annually and signed off.	Latest signed documents held on file.	Not reported.	100%	100%
An excellent response to all disasters and emergencies across the District.	Plans updated annually and on Council website.	Reports to Regional Civil Defence Emergency Management group.	Plan available on website at all times.	Plan available on website at all times.	Plan available on website at all times.
An excellent response to all disasters and emergencies across the District.	% of residents that believe they are prepared for a civil defence emergency.	Resident Satisfaction Survey.	Not measured.	70%	Not measured.

1 Residents survey was not undertaken in the December quarter 2013.

8 Council has reviewed this measure and resolved that having a set of standard operating procedures reviewed annually does not measure the quality of response to disasters and emergencies.

RURAL FIRE					
Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The public is aware of Fire Permits and understands how to maintain a controlled fire.	Number of permitted fires that become out of control.	West Coast Rural Fire Authority reports.	0	0	0
The public is aware of Fire Permits and understands how to maintain a controlled fire.	Number of permits issued.	Number per year.	120	200	110
Fires can be fought and extinguished efficiently and effectively.	Equipment complies with NRFA audits.	Compliance.	NRFA audit Under action	100%	NRFA audit Under action
Fires can be fought and extinguished efficiently and effectively.	Number of training sessions is at least two per year.	Number of training sessions recorded.	6 Haast 0 Kaniere 12 Kokatahi	10	6 Haast 0 Kaniere 12 Kokatahi

## PROVIDING ESSENTIALS FOR THE COMMUNITY

**Transportation Group**  
**Water Supply Group**  
**Waste Water Group**  
**Stormwater Group**  
**Solid Waste Management Group**

	Infrastructure				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	10,187,170	4,480,983	5,246,804	(765,821.)	<b>(u)</b>
<b>Operating Expenditure</b>	12,011,907	5,687,043	5,943,528	(256,485.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(1,824,737)	(1,206,060)	(696,724)	(509,336)	<b>(u)</b>

## TRANSPORTATION GROUP

### Vision

Good roading is essential for our vision of top class infrastructure and opportunities for expanded development. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

### What we do

The major part of Councils transportation activity is to ensure the safe, efficient and sustainable maintenance, operation, renewal and upgrading of the roads and bridges. This activity covers the following:

- Funding and administration of performance based contract for maintenance of the roading asset.
- Programme of roading renewals funded and contracted out.
- Programme of seal extensions, safety improvements and road reconstruction works funded and contracted out.
- Strategy and programme of works to improve walking and cycling network, as part of regional strategy.
- On-going programme of maintaining, improving and constructing new footpaths.
- Funding and support for road safety education programmes in Westland, on all roads.
- Funding and support for passenger transport services.
- Administrative support for Total Mobility scheme.
- Maintenance of the Jackson Bay Wharf.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The transportation	Number of Police	NZTA Crash Analysis	1	Not measured.	Less than 50	Not measured.

Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
network is constructed and maintained so that it is safe and good to use.	reported vehicle crashes per year on Council maintained roads involving injury where the contributing factor is "road factor".	System.				
The transportation network is constructed and maintained in a prompt manner.	Contractors respond to and repair faults within timeframes that are specified within the maintenance contract.	Reporting from Contractors.		100%	90% compliance rate.	100%
Transportation activities are managed at a standard that satisfies the community.	% satisfied with Council's roading network.	Resident Satisfaction Survey.	2	Not measured.	80%	Not measured.
Transportation activities are managed at a standard that satisfies the community.	The number of service requests received regarding roading and transportation assets.	Service Request System.		17	Less than 12.	16
Transportation activities are managed at a standard that satisfies the community and legislation.	Consents are applied for held and monitored.	Compliance with West Coast Regional Council resource consent conditions.		100%	100%	100%
Roads are comfortable to drive on.	Roads in Westland meet the national average according to the Smooth Travel Index Guide. This is the comparison of the condition of roads across New Zealand, measuring smoothness relative to traffic volume and whether the road is rural or urban.	Road Assessment and Maintenance Management system as a requirement by the New Zealand Transport Agency.		94% Westland 85.7% National Average	Better than the National Average.	94% Westland. 85.7% National Average.

Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The surface condition of roads in Westland is good quality.	Road surfaces meet the national average according to the surface condition index. This represents surface condition of roads and demonstrates Council is maximising the life of road surfaces.	Road Assessment and Maintenance Management system as required by the New Zealand Transport Agency.		98.7% Westland 97.9% National Average.	Better than the National Average.	98.5% Westland. 97.7% National Average.
The transportation network is constructed and maintained so that it is safe and good to use.	The road network is accessible subject to planned or emergency works closure.	Service Request System.		0	0 requests for service.	0
The transportation network is maintained so that failures are prevented as much as possible.	A customer service system is managed for handling emergency calls after hours promptly and efficiently.	Service Request System.		5	0 requests for service.	6
Footpaths are maintained and in good condition.	Service requests regarding the state of footpaths.	Service Request System.		8	12 requests for service.	13

1 Figures for this measure are obtained from end of year reporting in NZ TA CAS.

2 These results are assessed bi-annually, next survey results are due March 2014/15 period.

	Transportation				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
<b>Operating Revenue</b>	4,367,160	1,335,035	2,327,264	(992,229.)	<b>(u)</b>
<b>Operating Expenditure</b>	5,309,330	2,764,381	2,695,465	68,916	<b>(u)</b>
<b>Surplus/(Deficit)</b>	(942,170)	(1,429,346)	(368,201)	(1,061,145)	<b>(u)</b>

### Commentary

The unfavourable income variance is largely unclaimed NZTA subsidies due to delays in work expected in November. The unfavourable expenditure variance is mainly due to higher maintenance costs than budgeted.

	West Coast Wilderness Trail				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	55,605	33,275	27,803	5,472	(f)
Operating Expenditure	55,605	179,468	27,803	151,665	(u)
Surplus/(Deficit)	-	(146,193)	-	(146,193)	(u)

### Commentary

The expenditure variance is due mainly to the depreciation expense being higher than budgeted.

## WATER SUPPLY GROUP

### Vision

Clean and healthy water is vital for our vision of top class infrastructure for our communities. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

### What we do

Manage the supply of clean, safe drinking water.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Requests for service are dealt with promptly.	% of disruptions to water supply are responded to within 4 hours of reporting.	Monthly reports from contractors.		100% (2 requests)	90%	50% (2 requests)
Council supplied potable water is safe to drink.	The number of illnesses confirmed to be attributed to consuming from Council treated water supplies.	Information provided to Council from the Health Protection Officer, Community Public Health.		No illnesses.	No illnesses.	No illnesses.
Council supplied potable water is safe to drink and	% satisfied with water supply and quality.	Resident Satisfaction Survey.		Not measured.	90%	Not measured.

Level of Service	Performance Measure	Information we will use to measure success		Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
tastes good.						
All Council water supply sources are managed in an environmentally sensitive manner.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly reports.	1	100%	100%	100%

1 No consents required for maintenance and capital projects 2014/15.

Additional information:

To further indicate the service levels provided were at the standard the community expected Council can confirm that the water supplies have been tested during the first quarter of the 2014/15 year in accordance with Drinking Water Standards and are compliant. Council has also not received any correspondence from Community Public Health regarding issues with Council water supplies.

	Water Supply				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	2,349,571	1,390,095	1,174,786	215,309	(f)
<b>Operating Expenditure</b>	2,766,641	1,208,036	1,413,954	(205,918.)	(f)
<b>Surplus/(Deficit)</b>	(417,070)	182,059	(239,168)	421,227	(f)

### Commentary

The favourable variances are due to higher metered water charges in revenue, finance costs charged centrally but budgeted in activity and lower repairs and maintenance costs in expenditure.

## WASTE WATER GROUP

### Vision

The management of wastewater contributes to our vision of top class infrastructure. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

### What we do

Provide wastewater services to the townships of the District.

### *Service Levels and Performance Measures*

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Requests for service are dealt with promptly.	% of disruptions to the wastewater system are responded to within 2 hours.	Monthly reports from contractors.	100% 1 disruption reported	90%	100% (6 requests)
Properties that are within the wastewater reticulation system are able to connect to it.	% of properties within urban areas where a reticulated wastewater system is provided by Council have the ability to connect to the system at their boundary.	Number of properties with service laterals to boundary providing the building is no more than 60m away.	100%	100%	100%
Council wastewater systems are managed in an environmentally sensitive manner and are reliable.	No service requests received with regard to odours from Councils wastewater reticulation.	Service Request System.	No service requests.	No service requests.	No service requests.
Council wastewater systems are managed affordably and appropriately.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly reports.	100%	100%	100%



	Waste Water				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	791,364	397,513	418,432	(20,919.)	(u)
<b>Operating Expenditure</b>	951,156	442,719	442,120	599	(f)
<b>Surplus/(Deficit)</b>	(159,792)	(45,206)	(23,688)	(21,518)	(u)

## STORMWATER GROUP

### Vision

The management of storm water contributes to our vision of top class infrastructure.

### What we do

Provide water supply, wastewater and stormwater services to the townships of the District. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Stormwater systems have the capacity to resist major storms and flooding events.	No flooding of properties will occur in events with a return period of 1 in 20 years.	Service Request System.	0	Less than 5	0
Stormwater systems have the capacity to resist major storms and flooding events.	No reports of flooding of properties.	Service Request System.	0	Less than 5	0
Requests for service are dealt with promptly.	% of problems with the Council stormwater system investigated within 24 hours of reporting, prioritised and a remedial plan prepared within 48 hours.	Service Request System.	100%	100%	100%
Council stormwater systems are managed affordably	All necessary consents for maintenance and	Monthly reports.	100%	100%	100%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
and appropriately.	capital projects are applied for, held and monitored accordingly.				

	Stormwater				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
<b>Operating Revenue</b>	427,880	217,778	213,940	3,838	(f)
<b>Operating Expenditure</b>	578,399	283,994	284,200	(206.)	(f)
<b>Surplus/(Deficit)</b>	(150,519)	(66,216)	(70,260)	4,044	(f)

## SOLID WASTE MANAGEMENT GROUP

### Vision

Solid Waste Management contributes to our vision of top class infrastructure for our community. This activity contributes to our overarching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility building relationships and safety.

### What we do

The Council manages solid waste across Westland District, including waste and recycling collection in the northern part of the District and the provision of transfer stations and disposal sites, serving all townships. Some small rural settlements are provided with waste/recycling trailers.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
A reliable refuse and recycling collection service is provided to customers.	% of customers satisfied – Collection.	Resident Satisfaction Survey.	Not measured.	100%	Not measured.
A reliable refuse and recycling collection service is provided to customers.	% of customers satisfied – Recycling.	Resident Satisfaction Survey.	Not measured.	100%	Not measured.
A reliable Transfer Station service is provided to customers.	% of customers satisfied – Opening hours at sites.	Resident Satisfaction Survey.	Not measured.	100%	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Solid waste is managed affordably and appropriately.	All necessary consents for the solid waste activities and capital projects are applied for, held and monitored accordingly.	Monthly reports.	Butlers 100%	100%	Butlers 100%
Waste diversion increases.	Waste diverted from landfill from recycling.	Tonnes recycled.	249 tonnes	970 tonnes	250 tonnes
Recycling and diversion of waste increases.	Increased use of recycling and reuse services.	Calculate diversion rate for all waste through Hokitika Transfer Station based on tonnages reported.	31%	30.7%	33.4%.
Education about waste minimisation is provided to the Community.	Number of visits to schools and community groups.	Monthly reports to Council.	1 School 0 Community Groups	6 Schools 3 Community Groups	Not achieved.

	Solid Waste				
	Budget	Actual	Budget	Variance	
	FYR	YTD	YTD	\$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	2,195,590	1,107,287	1,084,579	22,708	(f)
<b>Operating Expenditure</b>	2,350,776	808,445	1,079,986	(271,541.)	(f)
<b>Surplus/(Deficit)</b>	(155,186)	298,842	4,593	294,249	(f)

### Commentary

Favourable income variance is due to higher refuse site fees, favourable expenditure variance is largely due to lower collection charges.

# OTHER INFRASTRUCTURAL ASSETS AND SERVICES GROUP

Community Township Development  
Land and Buildings  
Public Toilets  
Democracy  
Corporate Planning

	Other Assets				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	2,085,690	1,162,618	1,043,594	119,024	(f)
Operating Expenditure	2,114,351	1,260,604	886,294	374,310	(u)
Surplus/(Deficit)	(28,661)	(97,986)	157,300	(255,286)	(u)

# COMMUNITY TOWNSHIP DEVELOPMENT

## Vision

Community township development supports our vision for Westland by providing maintenance and creating opportunities for communities to upgrade and develop their town environment. By involving the community and stakeholders we can create beautiful places that are fun to visit and awesome to live in. This activity contributes to our over arching vision relating to innovation, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility, building relationships and sustainability.

## What we do

- Plan for communities and giving direction to future infrastructure.
- Upgrade amenities in communities.
- Respond to and support community initiatives.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The community contributes to decision making.	Consultation occurs with each plan and projects completed to schedule.	Management reports to council.	Full consultation in Annual Plan, followed by each community associated being contacted for a list of projects.	Consultation occurs through a priority list signed off by Council.	Some consultation with Franz and Fox. A draft plan for development has been completed by the Community.
Community township development is understood and the community contributes to the process.	% satisfied with town planning services.	Resident Satisfaction Survey.	Not measured.	70%	Not measured.

"Township Development Funds are held in a special reserve fund. To uplift the funds, the local community group/association has to work through the following steps:

- Agree among members at a community association meeting by majority vote of members present what the money will be spent on. The funds should enhance the well-being of the whole community in some way. Consideration is given to the number of people who will benefit, the degree to which people will benefit and the value to the wider community.
  - Minute such decision(s) in meeting minutes and send a copy of those minutes to Council.
  - Generate an invoice for Council for the costs of the projects agreed on accordingly and add GST to the amount if they are GST registered.
  - Sign an accountability document before 12 months has expired from the time of receiving the grant.
- Harihari, Whataroa, Franz Josef Glacier and Haast did not uplift their Township Development Funding 2013/14. These funds are still being held in the special reserve fund. "

	Community Township Development				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	449,084	261,432	224,542	36,890	<b>(f)</b>
<b>Operating Expenditure</b>	465,826	320,913	293,862	27,051	<b>(u)</b>
<b>Surplus/(Deficit)</b>	<b>(16,742)</b>	<b>(59,481)</b>	<b>(69,320)</b>	<b>9,839</b>	<b>(f)</b>

### Commentary

Favourable income variance is due to Timber sales, unfavourable expenditure variance is largely due to commission to DOC for sale of Timber.

## LAND AND BUILDINGS

### Vision

We manage land and buildings to serve the community. We do this by providing spaces for emergency management, cultural heritage and the space to do business for the community. We do this with the values of service and affordability at the core of our commitment to this activity. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

### What we do

These cover land and buildings managed commercially. Included are:

- Council Headquarters building.
- Emergency Centre Haast.
- Carnegie Building/Museum.
- Forestry Land at Kaniere and Kumara, managed in conjunction with PF Olsen.
- Licenses to Occupy legal road.
- Three Mile Hall.
- Leased land.
- Westland Industrial Heritage Park.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Maintain buildings so they are safe for the people who work and visit them.	Buildings get current Warrant of Fitness where required.	Warrant of Fitness issued.	75%	100%	75%
Requests for service are dealt with promptly.	Service requests are responded to within 3 working days.	Services request support system.	0% 1 service request not responded within the timeframe	100% compliance.	No requests.

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Leased buildings or spaces are managed commercially.	Obtain market rental for offices leased.	Market review gained.	100%	100%	100%

The RSA building is now closed due to safety reasons. The Westland District Council building does not have a warrant of fitness and is operating with a public use certificate; a consent has been lodged to meet WOF compliance standards.

	Land and Buildings				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	110,145	60,438	55,072	5,366	<b>(f)</b>
<b>Operating Expenditure</b>	111,459	292,878	63,189	229,689	<b>(u)</b>
<b>Surplus/(Deficit)</b>	(1,314)	(232,440)	(8,117)	(224,323)	<b>(u)</b>

#### Commentary

Unfavourable income variance due to Grant for Fox Community Centre.

## PUBLIC TOILETS

#### Vision

The provision of clean, safe and convenient facilities contributes to our vision for Westland as a first class tourist destination and somewhere that has top infrastructure for our community. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

#### What we do

- Provide users with tidy, functional and accessible toilet facilities.
- Provision of public disposal stations at Hokitika and Haast that flow into the sewerage treatment plant.
- Three public dump stations for campervan waste disposal.
- Provision of the changing rooms in Hokitika.

#### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
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Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
Requests for service are dealt with promptly.	Service requests are investigated and responded to within one day.	Service Request System.	0% 2 complaints not responded to within the timeframe	Under 5 complaints.	1 complaint not responded to within the timeframe (Q1).
Public toilets are clean and safe to use.	% residents satisfied with toilet facilities.	Resident Satisfaction Survey.	Not measured.	90%	Not measured.

	Public Toilets				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	216,504	109,138	108,252	886	(f)
<b>Operating Expenditure</b>	222,987	83,510	107,460	(23,950.)	(f)
<b>Surplus/(Deficit)</b>	(6,483)	25,628	792	24,836	(f)

#### Commentary

The favorable variance for expenditure mainly relates to lower maintenance charges.



## PROVIDING LEADERSHIP FOR THE COMMUNITY

# CORPORATE SERVICES GROUP

Corporate Services Admin Group  
Information Services  
In-House Professional Services  
Admin  
Council Headquarters  
Vehicle Operations

CE Office Administration  
District Assets Group Admin  
Planning and Regulatory

	Democracy Services				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Operating Revenue	1,015,902	583,058	508,701	74,357	(f)
Operating Expenditure	1,020,024	502,183	340,375	161,808	(u)
Surplus/(Deficit)	(4,122)	80,875	168,326	(87,451)	(u)

### Commentary

The unfavorable variance for expenditure relates to LGNZ subscription and rating review timing differences.

	Corporate Planning				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Operating Revenue	294,055	148,552	147,027	1,525	(f)
Operating Expenditure	294,055	61,120	81,408	(20,288.)	(f)
Surplus/(Deficit)	-	87,432	65,619	21,813	(f)

# GOVERNANCE

## Vision

Governance is a key area for Council to deliver on its vision of inspirational leadership. Another key aspect is involving the community in decision making. This activity contributes to our overarching vision relating to innovation, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility and building relationships.

## What we do

The Council is an elected body of representatives who assist in the running of the District. Responsibilities of their role include:

- Providing representation of resident's views.
- Providing leadership in setting priorities and decision making.
- Development of policy.
- Employment of the CE.
- Provide advocacy to central government for other services and make submissions to central government.
- Take an active role in Major Regional Initiative (MRI) and Major District Initiatives (MDI) in association with Development West Coast and advocacy for economic development.
- Partnering with other organisations to achieve roles.

## Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The community contributes to decision making.	Public notifications of Council meetings must be at least 10 working days before each meeting.	Adverts placed in local newspaper.	0%	100%	92.5%
Council decision making is open and transparent.	At least 90% of items on the agenda are conducted in open meetings.	Review agendas for Council.	79%	90%	85%
Council decision making is open and transparent.	Local Government official information and Meetings Act 1987 (LGOIMA) requests are complied within the 20 working days.	Review of requests and written replies.	80%	100%	96.8%
Council decision making is open and transparent and promotes accountability.	Elected Representatives attend 90% of all meetings and workshops.	Number of meetings attended.	93%	100%	94.5%
The Community understands what Council does.	% of residents who understand how Council makes decisions.	Resident Satisfaction Survey.	Not measured.	50%	Not measured.

The Community understands what Council does.

For the Q2 period there were 7 notifications for meetings, 1 Council Extraordinary meeting was given in accordance with NZS 9292:2003 Clause 2.14.5, 5 were advertised 6-9 working days.

For the Q2 period there were 18 requests, 2 were completed after 20 days, 1 request was closed after 6 days however a further request took 26 days.

1 extension was granted and 1 request is still seeking clarification if requestor wants to proceed.

## CORPORATE SERVICES

### Vision

Corporate Services provides support and expertise to Council and to staff who work for Westland District Council. We provide the foundation for our vision to be fulfilled through first class customer service, innovation and leadership. This activity contributes to our over arching vision relating to innovation, world class service and inspirational leadership. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, and building relationships.

### What we do

Corporate Services provides professional services to other Council departments. This includes human resources, finance and information technology. Corporate Services work closely with Community Development in the creation of the Long Term Plan and Annual Plan by consulting the community about their wants and needs. Corporate Services also provides advice on Policy and Strategy. We manage administration and collection of rates and monies for the smooth operation of Westland District Council. In general, the cost of providing these services is charged to the activity receiving the benefit of that service. This means that when reviewing the Council activities and Services pages in this LTP the costs of each activity include the cost of support departments. However, there are some Council wide costs and income which cannot be considered to be part of any activity. These income and expenditure items are includes in this Corporate Services section.

### Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
The community contributes to decision making.	The annual Plan and LTP must be adopted using the special consultative process, within statutory requirements.	Date of council meeting for adoption.	Not measured until June 2015	100%	Not measured until June 2014.
Council decision making is open and transparent.	The Annual report must be adopted within statutory requirements 31st October.	Date of council meeting for adoption.	Not achieved	100%	2012/13 Annual report was adopted on 28 November 2013..
Service and information is provided to the Community.	% satisfied with service at front-line of Council.	Resident Satisfaction Survey.	Not measured.	90%	Not measured.
To provide value for	% reduction in rates	Quarterly reports.	Increase 14.95%	Reduce arrears by	Increase 10.44%

Level of Service	Performance Measure	Information we will use to measure success	Actual Q2 Dec 2014	LTP Target 2014/15	Actual Q2 Dec 2013
money for residents and businesses who pay rates.	arrears per annum.			5% per year.	

	Corporate Services				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
<b>Operating Revenue</b>	5,607,131	2,214,761	2,803,567	(588,806.)	<b>(u)</b>
<b>Operating Expenditure</b>	5,353,791	2,360,404	2,748,607	(388,203.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	253,340	(145,643)	54,960	(200,603)	<b>(u)</b>

	CE Office Administration				
	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
<b>Operating Revenue</b>	410,168	208,980	205,084	3,896	<b>(f)</b>
<b>Operating Expenditure</b>	410,391	222,362	206,224	16,138	<b>(u)</b>
<b>Surplus/(Deficit)</b>	(223)	(13,382)	(1,140)	(12,242)	<b>(u)</b>

	Information Services				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	303,307	182,179	151,654	30,525	(f)
Operating Expenditure	273,307	182,175	141,077	41,098	(u)
Surplus/(Deficit)	30,000	4	10,577	(10,573)	(u)

	District Assets Group Admin				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	978,244	446,765	489,122	(42,357.)	(u)
Operating Expenditure	978,712	451,156	469,310	(18,154.)	(f)
Surplus/(Deficit)	(468)	(4,391)	19,812	(24,203)	(u)

	In-House Professional Services				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
Operating Revenue	1,064,127	419,953	532,064	(112,111.)	(u)
Operating Expenditure	1,067,290	462,512	536,460	(73,948.)	(f)
Surplus/(Deficit)	(3,163)	(42,559)	(4,396)	(38,163)	(u)

#### Commentary

Favourable expenditure variance relates mainly to lower salary costs.

	Planning and Regulatory Admin				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	605,152	293,831	302,576	(8,745.)	<b>(u)</b>
<b>Operating Expenditure</b>	605,820	294,560	304,076	(9,516.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	(668)	(729)	(1,500)	771	<b>(f)</b>

	Council Headquarters				
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	225,805	15,675	112,903	(97,228.)	<b>(u)</b>
<b>Operating Expenditure</b>	225,805	114,983	129,237	(14,254.)	<b>(f)</b>
<b>Surplus/(Deficit)</b>	-	(99,308)	(16,334)	(82,974)	<b>(u)</b>

#### Commentary

The unfavourable income variance relates to overhead recoveries and recharges not yet made.

Vehicle Operations					
	Budget FYR	Actual YTD	Budget YTD	Variance \$	f/(u)
	\$	\$	\$		
<b>Operating Revenue</b>	-	28,732	-	28,732	<b>(f)</b>
<b>Operating Expenditure</b>	-	34,372	-	34,372	<b>(u)</b>
<b>Surplus/(Deficit)</b>	-	(5,640)	-	(5,640)	<b>(u)</b>

#### Commentary

The favourable income variance is due to higher plant hire income, expenditure is due to on-charging of vehicle usage not being completed within the second quarter.

# PROJECTS

WESTLAND DISTRICT COUNCIL Capital expenditure statement					
Description	Year to December			Full year 2014/15	
	Actual	Budget	Variance	Budget	Balance
Cemetery expansion					
Emergency management	2,999	0	(2,999)	10,000	7,001
Repairs of statues	0	0	0	11,000	11,000
	0	2,500	2,500	5,000	5,000
Website development					
IT Improvements and Strategy	15,266	15,000	(266)	15,000	(266)
	0	0	0	30,000	30,000
Audio/visual/e resources					
Adult fiction	1,827	1,500	(327)	3,000	1,173
Adult non fiction	7,014	6,250	(764)	12,500	5,486
Junior resources	9,143	9,200	57	18,400	9,257
Large print	6,467	5,750	(717)	11,500	5,033
	2,510	3,000	490	6,000	3,490
Capping Hokitika Landfill					
	0	0	0	20,000	20,000
Unsealed Road Metalling					
Unsealed Road Metalling	113,474	134,000	20,526	268,000	154,526
Sealed Road Resurfacing	0	80,400	80,400	804,000	804,000
Maintenance - Drainage Renewals	34,238	80,400	46,162	160,800	126,562
Structures Component Replace	13,750	90,048	76,298	187,600	173,850
Traffic Services Renewals	13,545	67,000	53,455	134,000	120,455
Sealed Road Resurfacing	0	15,000	15,000	150,000	150,000
Drainage renewals	21,185	12,125	(9,060)	24,250	3,065
Structures Component Replace	0	24,750	24,750	49,500	49,500
Traffic Services Renewals	2,169	2,675	506	5,350	3,181
Minor Improvements-Local Rds	12,454	86,966	74,512	173,932	161,478
Minor Improvements-SP Roads	0	13,561	13,561	27,124	27,124
West Coast Cycle Trail	337,117	0	(337,117)	0	(337,117)
H & C - Capital Expenditure	0	0	0	5,000	5,000
Water Supply - Kumara	4,783	0	(4,783)	10,000	5,217
Water Supply - Hari Hari	0	0	0	50,000	50,000
Water Supply - Whataroa	525	0	(525)	50,000	49,475
Water Supply - Haast	4,326	0	(4,326)	400,000	395,674
<b>Total Capital Expenditure</b>	<b>602,792</b>	<b>650,125</b>	<b>47,333</b>	<b>2,641,956</b>	<b>2,039,164</b>

# TREASURY REPORT

## 1.0 SUMMARY

1.1 The purpose of this report is to provide an update on Council's Treasury Position as at 31 December 2014.

1.2 This report shows the Council's position for the following items:

1.2.1 Loans

1.2.1.1 Other Borrowings (if any)

1.2.1.2 Swaps

1.2.2 Internal borrowing

1.2.3 Cash Investments

1.2.3.1 Deposits

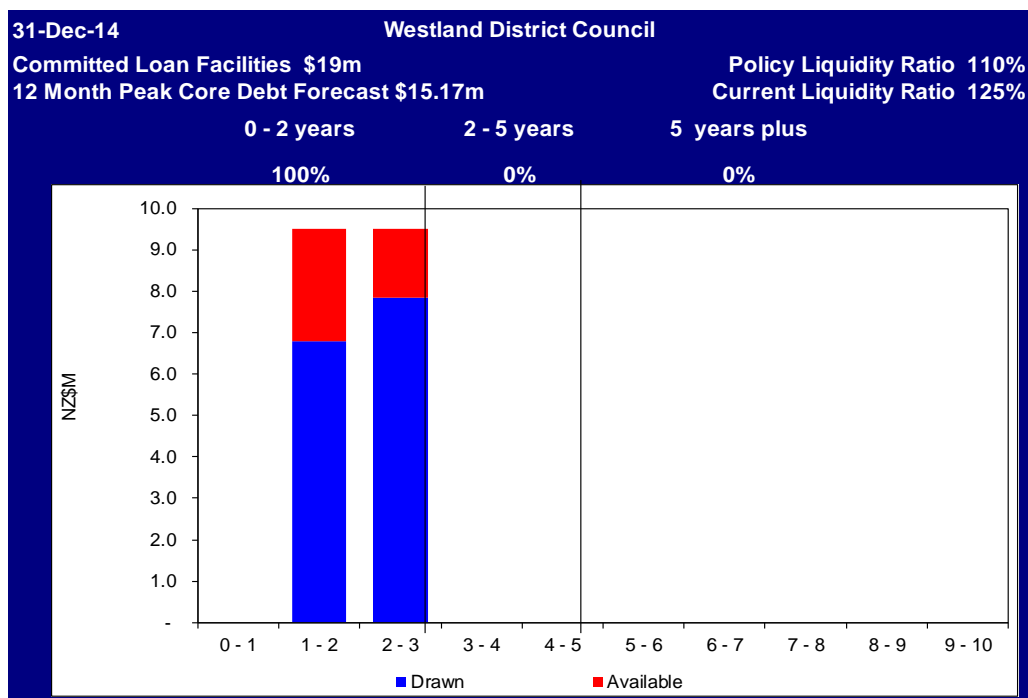
1.2.3.2 Bonds

1.2.4 Debtors

1.3 Council has contracted PWC as an independent treasury adviser.

## 2.0 LOANS

2.1 This chart illustrates the Council's position in relation to the debt facility :



2.2 Council resolved in August 2013 to approve the revised Multi-Option Credit Lines (MOCL). Council originally had one loan facility of \$15.5m. From June to September negotiations with the Westpac bank resulted in two Multi-



Option Credit Lines (MOCL) of \$9.5 million each. In order to meet the criteria of the WDC Liquidity and credit risk management policy the facility expiry dates are 1st July 2016 and 1st July 2017. This facility is essentially a series of short-term borrowings.

2.3 Council's policies require that we have liquidity cover of 110% of forecast debt. There are now two facilities in place, both with borrowing limits of \$9.5m, providing a total facility of \$19m. The forecast debt for the current year is \$15.2m with liquidity coverage at 125%.

2.4 As at 31<sup>st</sup> December, the Money Market Lending Statement shows:

Amount	Rate	Maturity
\$6,803,352	4.69%	05/01/2015
\$6,068,000	4.71%	17/03/2015
\$1,789,000	4.68%	20/01/2015
<b>\$15,498,352</b>	<b>Total</b>	

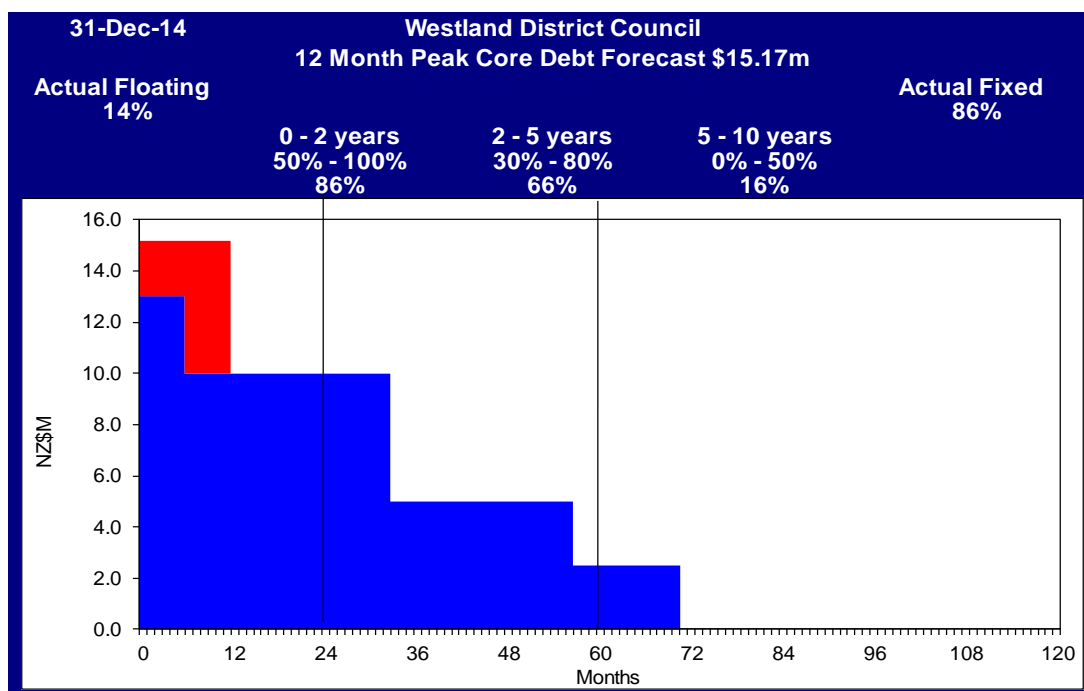
(This does not include the 1% margin charged by the bank)

2.5 Swaps in place to protect against fluctuating interest rates are as follows:

Amount	Rate	Maturity
\$3,000,000	5.52%	17/06/2016
\$2,500,000	4.55%	17/11/2020
\$5,000,000	5.99%	01/10/2017
\$2,500,000	5.77%	17/09/2019
<b>\$13,000,000</b>	<b>Total</b>	

2.6 The following shows our current debt position and the amount of debt protected by interest rate swaps:

2.7



- Floating Interest Rate
- Fixed Interest Rates

2.7 Some changes were made in December to further protect Council treasury from rising interest rates. A \$3m swap was extended by \$2m through to June 2016. A new swap was put in place for \$2.5m with an expiry Sept 2019. The Council is now protected to \$13m until June 2016, and \$12m until June 2017. Council policy requires interest rate risk management within the ranges specified in the chart.

### 3.0 INTERNAL BORROWING

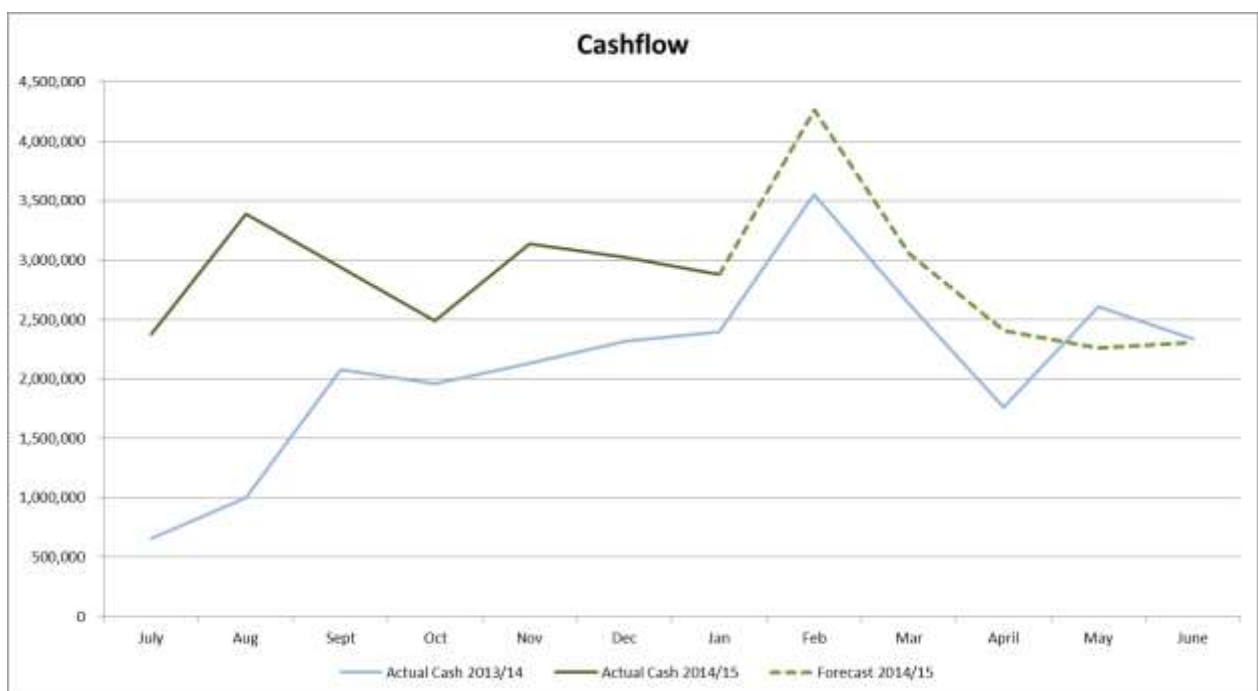
3.1 Kaniere Sewerage \$192,057.59

### 4.0 CASH INVESTMENTS

#### 4.1 Cash Deposits as at 31 December 2013

Cashflow is managed on a weekly basis. The highest spend is expected over the next quarter with many operational projects scheduled for the summer months.

- 4.1.1 The following analysis excludes bond monies.
- 4.1.2 Closing balance of WDC Operational Account: \$1,041,374
- 4.1.3 Savings account balance of: \$981,623
- 4.1.4 Term Deposit balance of: \$1,040,000



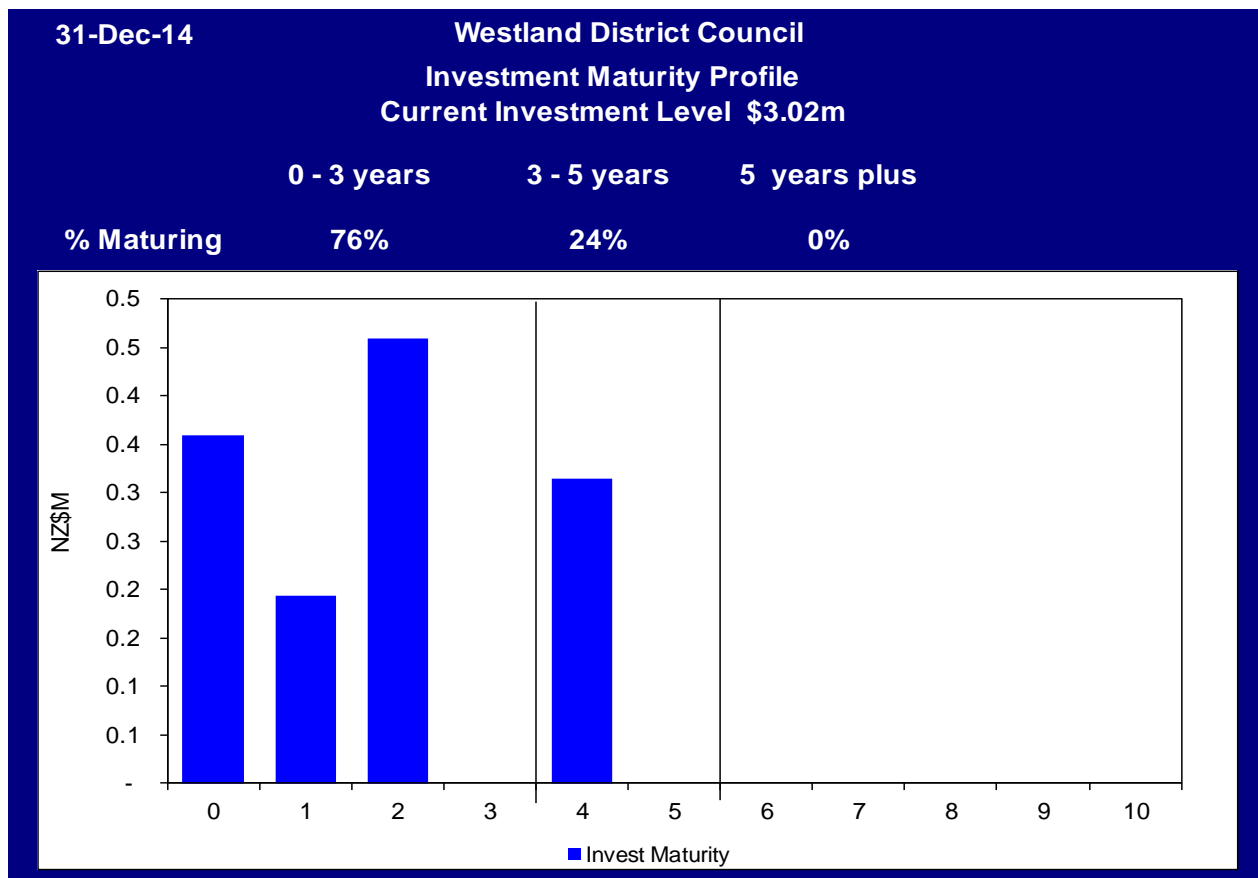
#### 4.2 Bonds

4.3 WDC Westpac Bond Portfolio valued at \$1,332,536 as at 31 December 2014. This is made up of \$0.96m in bonds and \$0.036m in cash from matured bonds.

Westland District Council Investment Counterparty Credit Limits				
Minimum Credit Rating is A-1/A (A+ for corporates)				
Counterparty Credit Risk	Credit Rating	Policy Limits NZD\$m	Counterparty Exposure NZD\$m	Policy Compliance
ANZ	AA-	1.00	0.10	Y
Auckland Council	AA	1.00	0.11	Y
Auckland Int Airport	A-	1.00	0.19	N
BNZ	AA-	1.00	0.21	Y
Rabobank	A-	1.00	0.25	N
Westpac	AA-	1.00	0.46	Y
<b>TOTAL</b>			<b>1.33</b>	

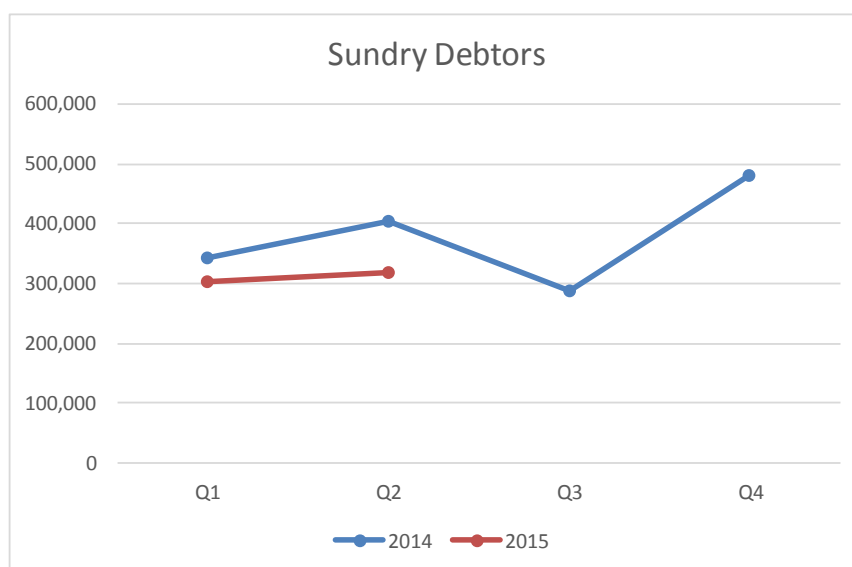
4.4 The policy requires that bond investments are with parties that have a credit rating of S&P A or better. Two bonds have rating below this limit. Council resolution decided to retain the bonds in the portfolio until maturity due to the high yields. The policy also has a limit of \$1m exposure per entity; all exposures are within this limit.

4.5 The following chart illustrates the maturity profile of the WDC investment portfolio:

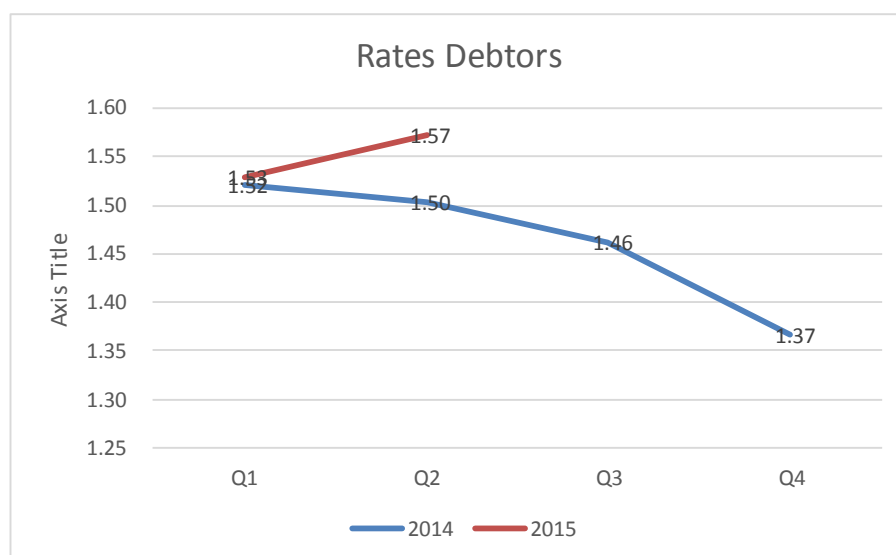


## 5.0 DEBTORS

- 5.1 Council received an update on Council's outstanding receivables and rates in December 2014. Outstanding Sundry debtors as at 31 December 2014 is \$319,166 of which 35% is current. Sundry debtors are 21% below the balance at Q2 2013.



- 5.2 At 31 December 2014, rates debtors figure is \$1,779,274 which is a 5% rise from Q2 2013.



## 6.0 Debt Collection

- 6.1 Prior to the end of the quarter, rates penalty notices and final notices were sent out. A response in recoveries is expected in quarter 3.
- 6.2 The rating sales properties (2) have been handed to the High Court to arrange disposal but are yet, unresolved. The abandoned land disposal policy remains stalled between WDC and WDPL.
- 6.3 Credit Recoveries performance as at 31 December:

Date Debt Sent	Original Debt	Collected	Recovery Rate
Pre-2013	544,202	378,547	70%
Post 2013	543,776	363,855	67%

- 6.4 We are currently receiving approximately \$25k per month from these debtors. It is likely that another substantial list of debts will be handed to Credit Recoveries in Qtr 3.

# Report



DATE: 26 February 2015

TO: Mayor and Councillors

FROM: Chief Executive

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## CCO REVIEW – OUTCOME OF THE SPECIAL CONSULTATIVE PROCEDURE

### 1.0 SUMMARY

- 1.1 The purpose of this report is to adopt the final Proposal to reorganise Westland Holdings Ltd and subsidiaries.
- 1.2 This issue arises as a result of the review Council undertook in late 2013, which examined the structure of the Council Controlled Organisations (CCOs), and subsequent consultation process undertaken to receive community feedback on the Proposal.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the final Proposal attached as **Appendix 1**.

### 2.0 BACKGROUND

- 2.1 In 2002, Council formed Westland Holdings Limited to consolidate its CCOs under one governance and reporting entity. This structure has developed over time and the current structural arrangement is shown on page 4 of **Appendix 1**.
- 2.2 In late 2013 Council commenced an independent review of the structure, governance and effectiveness of its CCOs, which include Westland Holdings Limited and its subsidiaries, Westland District Property Limited, Hokitika Airport Limited and Westroads Limited

and its subsidiary Westroads Greymouth Limited. The review was in part driven by community concern about Westland's CCO activities with a particular focus on Westland District Property Limited.

- 2.3 Findings of the independent review recommended changes to the way in which Council assets and services are managed and to the structure of Council's CCOs. The CCO structure that was proposed is shown on page 5 of **Appendix 1**.

### 3.0 CURRENT SITUATION

- 3.1 Based on the review, officers prepared a Statement of Proposal that proposed the following:

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

- 3.2 At its meeting on 18 December 2014, Council adopted a Statement of Proposal to undertake a Special Consultative Procedure under the Local Government Act 2002.

- 3.3 Consultation commenced on Monday 5 January and concluded on Friday 30 January 2015 (20 working days), with the information actually made available on the Council website and at the Customer Service Centre and Westland District Library from Monday 22 December 2014.

- 3.4 A total of 16 written submissions were received with five submitters requesting to speak at a Hearing. A summary of main themes from submissions is attached as **Appendix 2**, along with officer comments next to each.

- 3.5 The Hearing was held on Tuesday 17 February 2015. After the last submitter had presented, Council provided feedback to the Chief Executive on any issues that came out of the submission process that required further investigation in order for a decision to be made on 26 February. These issues are on pages 8-9 of **Appendix 2**.
- 3.6 Now that the Hearing is complete Council is required to make a decision.

#### **4.0 OPTIONS**

- 4.1 Option 1: adopt the Proposal as **Appendix 1**
- 4.2 Option 2: make amendments to the Proposal and adopt it
- 4.3 Option 3: do not adopt the Proposal

#### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance the decision to disestablish Council's subsidiaries is deemed to be of high significance for the following reasons:
- 5.1.1 Council's ownership of Westland Holdings Ltd is listed as a strategic asset on page 276 of the 2012-22 Long Term Plan (LTP). Strategic assets are defined in Section 5 of the LGA and any proposal to make changes to a strategic asset is deemed to be significant.
- 5.1.2 Section 97 of the Local Government Act 2002 (LGA) identifies those decisions which can only be made if provided for in Council's LTP. This proposal is not in Council's current LTP, however any decision made to either:
- (a) alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity; OR
- (b) transfer the ownership or control of a strategic asset to or from the local authority;
- requires either an amendment to the current LTP, or to be included in a new LTP. Council is not proposing to amend the current LTP, so this change will be included in the 2015-25 LTP.
- 5.1.3 This matter has generated high levels of public interest.



- 5.2 Council has just completed a Special Consultative Procedure. This process was advertised twice in the Hokitika Guardian, and on Council's website. Copies of the Statement of Proposal were available in hard copy from Council's Customer Service Centre and the Westland District Library. A public information evening was held on 21 January 2015 and attracted 20 attendees.

## 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1 means the final Proposal is adopted exactly as it was presented in the consultation process. The advantage of this is that the Proposal reflects the direction Council has agreed on as a result of the CCO Review undertaken in early 2014. The disadvantages are there will be some one-off costs associated with this option. These are identified in **Appendix 2**. Submitters who opposed the Proposal may feel that their submissions were not taken into consideration. There would also be implications for directors and staff of the subsidiaries who are most affected by this change.
- 6.2 Option 2 means that Council would not be adopting the Proposal in its current form. In this option staff would need clear direction from Council on the concerns with the Proposal and any changes required. If extra information is required to enable a decision to be made this would need to be conveyed to staff and would delay any decision until the next Council meeting on 26 March 2015. This option has the advantage of providing Council with more time if required to further consider all options. The disadvantage is that the Long Term Plan deadlines require Council to provide its draft to Audit NZ in the first week of March 2015, thus placing timely completion of the Long Term Plan process at risk.
- 6.3 In Option 3 Council may decide to not adopt the Proposal, and retain the current CCO structure. If that is the case, staff would be seeking clarification on the rationale for that decision in order to convey that clearly to the community. The advantages of retaining the current structure are that further costs of implementing the CCO Review are avoided, and there is minimum disruption to staff and directors. Like Option 1, those submitters who supported the Proposal for change may feel that their submissions were not considered adequately.

## 7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1: adopt the Proposal as **Appendix 1**. Council commenced the CCO Review in late 2013. The outcomes of the Review were adopted in 2014 and Council put those recommendations out for public consultation through a Statement of Proposal in December 2014. The decision to adopt the Proposal in its current form is consistent with Council's wish to simplify the governance structure of its CCOs. Unless through the submission process, new information has come to light that has convinced Council to adopt another approach, it is recommended that the structure on page 5 of the final Proposal be implemented.

## 8.0 RECOMMENDATIONS

- H) **THAT** Council adopts the Proposal as attached as **Appendix 1**.
- I) **THAT** Council instructs the Chief Executive to undertake the required steps to implement the new CCO structure on page 5 of **Appendix 1**.
- J) **THAT** provision for the new CCO structure be included in Council's Long Term Plan 2015-25.

**Tanya Winter**  
**Chief Executive**

**Appendix 1:** Final Proposal to Reorganise Westland Holdings Ltd and Subsidiaries  
**Appendix 2:** Summary of Submissions on the Statement of Proposal to Reorganise Westland Holdings Ltd and Subsidiaries

**Final Proposal to  
Reorganise  
Westland Holdings Limited  
and Subsidiaries**

**26 February 2015**

## Summary

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### The proposal

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

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

### Reason for the proposal

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

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

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

Council has sought community views on the proposed reorganisation of Westland Holdings Limited and its subsidiaries.

### Next steps and decision-making

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

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

### Key dates

18 <sup>th</sup> December 2014	Council adopts Statement of Proposal for consultation with community
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<sup>1</sup> The organisations considered in the review are technically classed as council controlled trading organisation (CCTOs), which are CCOs that trade to make a profit.

5 <sup>th</sup> January 2015	The proposal opens for community consultation
5-9 <sup>th</sup> January 2015	Information is published in a local newspaper to let the community know that the proposal is being consulted on
Mid-January 2015	A public information session will be held in the Council Offices in Hokitika
30 <sup>th</sup> January 2015	Public submissions on the proposal close at 4pm
Mid-February 2015	Hearings held by Council to hear those who wish to speak to their submissions
26 <sup>th</sup> February 2015	Council makes a decision whether to proceed with the proposal or not, or to proceed in an amended form

# Proposal

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## Introduction

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

## Council Vision

In September 2014 Council adopted a new strategic vision:

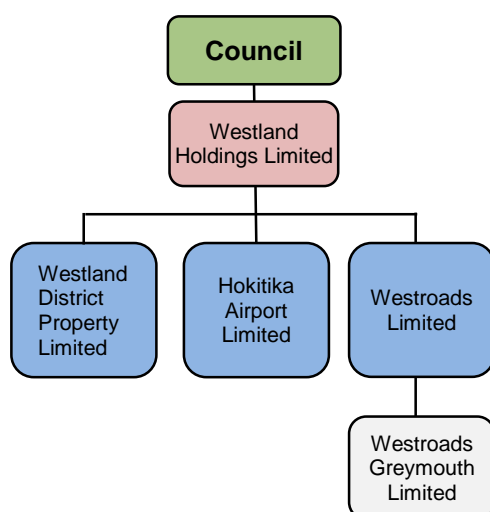
*Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.*

*This will be achieved by:*

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

## Background

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



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

## Review Approach

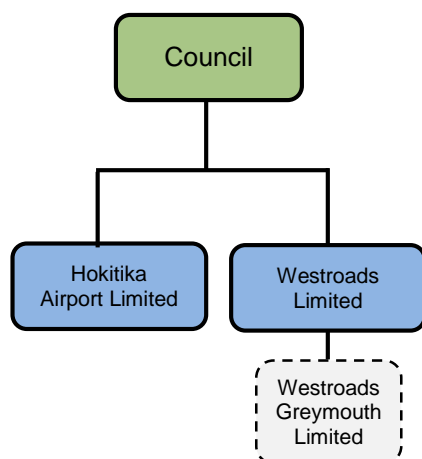
The review was informed by an analysis of key governance and reporting documents, such as the CCOs' constitutions and Statements of Intent, and the available Annual Reports of Council and the CCOs. The review was also informed by a survey of and targeted interviews with past and present elected members,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

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

## The Proposal

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

### Proposed Structure



### The Proposal

Council is proposing to:

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

## Reason for the proposal

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

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

The review found that the current structure of Council's CCOs is not optimal and is more complicated than it needs to be given the size and scope of what is being delivered. It also found that the current structure has inhibited a common understanding and appreciation of issues between Council as shareholder and the directors of Westland Holdings Limited's

subsidiaries Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited. This has led to a lack of awareness of the activities of or the risks being entered into by subsidiaries, particularly Westland District Property Limited.

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

While the management of community assets (such as the Hokitika Swimming Pool, pensioner housing and the Jackson's Bay Wharf), mining license royalties, properties on road reserves, and disposal of surplus land may benefit slightly from a commercial focus, the scale of activity is too small to justify a commercial company. Provided these activities are appropriately resourced, they can be effectively undertaken within Council and there is no material benefit from contracting this to Westland District Property Limited at commercial rates.

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

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

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

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

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

## **Alignment with Council's Vision**

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



## Advantages of the proposed option

The advantages of the proposal are that:

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

## Disadvantages of the proposed option

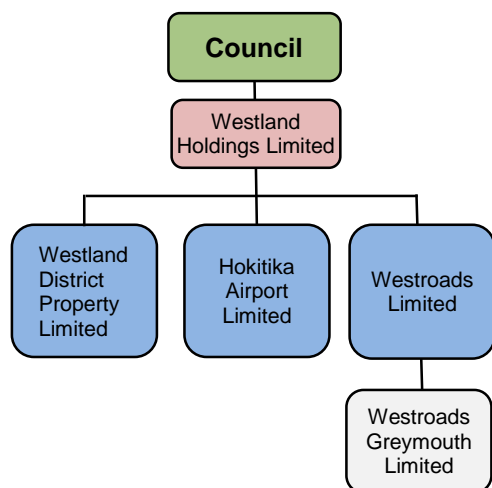
The disadvantages of the proposal are:

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

## Other options considered

### Option A – Status Quo

#### Structure



#### Description

Under this option:

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

The advantages are:

- There would be no need to change the structure.

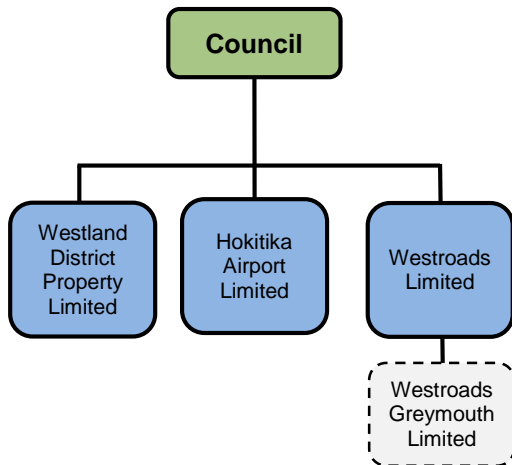
The disadvantages are:

- This option would not address issues identified in the review, such as the structure being more complicated than it needs to be given the size and scope of what is being delivered.

- The governance relationship between Council and its operating companies, Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited, would continue to be inhibited.
- Council would continue to be exposed to commercial risk of the property market and there would be no change in focus on Council's core business of infrastructure and community facilities provision.

### **Option B – Removal of Westland Holdings Limited**

#### **Structure**



#### **Description**

Under this option Council would:

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

The advantages are:

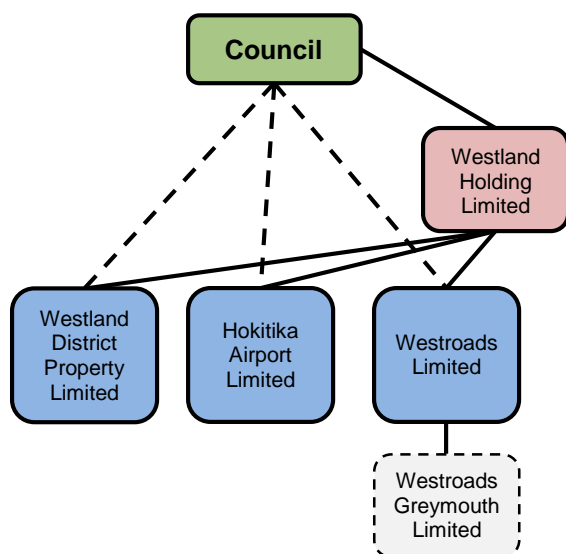
- It simplifies the governance structure of Council's operating entities, provides for greater clarity of accountability between the operating companies and Council, and makes it easier for Council to exercise its shareholder role.
- It provides for a closer relationship and understanding of important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

The disadvantages are:

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

### Option C – Modified Status Quo

#### Structure



#### Description

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

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

The advantages are:

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

The disadvantages are:

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

## Summary of Submissions on the Proposal to Reorganise Westland Holdings Limited and Subsidiaries

	Number of Submissions	%
Received	16	100%
In Support	11	68.75%
Against	5	31.25%

	Theme	Matter raised	Comment
1	<i>Election of Board Directors</i>	<ul style="list-style-type: none"> <li>Directors of the Company Boards should be elected not appointed</li> <li>Directors of the remaining Company Boards should be appointed by elected representatives who are accountable to their electorate</li> </ul>	<p>Best practice is for Directors to be appointed based on a set of required business and commercial skills and competencies that will ensure the Council Controlled Organisation (CCO) is successful.</p> <p>Selection should occur by Council through a process of public advertising, short listing, and assessment of candidates against the required commercial and business skills.</p>
2	<i>Focus on core services</i>	<ul style="list-style-type: none"> <li>That Westland District Council (WDC) should focus on core services, including services such as pensioner housing and the pool</li> </ul>	Noted

	Theme	Matter raised	Comment
3	<i>Performance monitoring</i>	<ul style="list-style-type: none"> <li>That, going forward, there is a need to ensure that the performance of the remaining CCOs is robustly monitored and that Councillors and ratepayers should be kept informed in an open, timely and transparent manner</li> </ul>	<p>Council is bound under the Local Government Act to regularly undertake performance monitoring of its CCOs to evaluate contribution to the achievement of:</p> <ul style="list-style-type: none"> <li>the local authority's objectives for the organisation; and</li> <li>the desired results, as set out in the statement of intent; and</li> <li>the overall aims and outcomes of the local authority</li> </ul> <p>Council has established a governance mechanism for this through the Executive Committee. The Group Manager: Corporate Services will be responsible for day to day operational matters in relation to the CCOs. It is noted that the CCO's statement of intent (SOI) is a public document and that the CCO is bound by the Act to provide an annual report that is available to the public.</p>
4	<i>CCO cost structure relative to returns</i>	<ul style="list-style-type: none"> <li>Concern raised around the cost of the CCOs being high relative to the benefits and returns</li> <li>Conversely, some concerns that there is a lack of recognition that the benefits realised by the CCOs outweighs the cost of having them</li> </ul>	<p>Comments noted.</p> <p>Where a commercial and trading type of activity is to be undertaken (e.g. running an airport or contracting etc.) the use of a properly established commercial business structure with appropriately skilled directors will invariably produce better outcomes than such venture being undertaken within a public body.</p>

	Theme	Matter raised	Comment
5	<i>Arm's length decision making</i>	<ul style="list-style-type: none"> <li>Concerns that without the property company and holding company in place, the efficiencies and revenues that have been gained from decision making being at arm's length from Council will be reversed</li> <li>Concern expressed that the transfer of asset ownership and management back to Council following the disestablishment of Westland District Property Limited (WDPL) would result in poor outcomes for ratepayers (e.g. levels of service may decline, the condition of properties may decline)</li> <li>That much progress has been made since WDPL was established – with levels of service and asset levels improved and net revenue generally improved. It is suggested that WDPL are now in a position to sustainably manage the portfolio of assets to the benefit of ratepayers and that disestablishing WDPL will result in lost momentum and may result in poor outcomes for ratepayers</li> <li>Conversely, it was suggested that decision-making will be as effective, and at a lesser cost, by removing these CCOs</li> </ul>	<p>It is acknowledged that the property company has improved performance in revenues and efficiency in managing Council's assets at a level above that previously achieved by Council.</p> <p>Council is very aware of the need to maintain and continue to improve performance in levels of service and the maintenance of key facilities and to continue to maintain the levels of revenues being generated from users.</p> <p>A particular focus of Council is establishing sustainable in-house capability with the appointment of skilled and accountable staff with appropriate delegations.</p> <p>Ensuring the functions continue to operate at the same level of service will be a Key Performance Indicator for the Chief Executive for 2015-16.</p>
6	<i>Lack of control</i>	<ul style="list-style-type: none"> <li>Concern that the current CCO structure, with the holding company in situ, removes too much control and influence from elected members and that removing the holding company and retaining Westroads Limited (WRL) and Hokitika Airport Limited (HAL) as CCOs is a more appropriate structure</li> </ul>	Refer number 13..

	Theme	Matter raised	Comment
7	<i>Tax implications</i>	<ul style="list-style-type: none"> <li>Concern that the sale of WDPL properties to WDC will attract GST as an additional cost</li> <li>Concern that without the holding company in place tax effectiveness will not occur</li> </ul>	<p>Council's tax advisors have noted that:</p> <ul style="list-style-type: none"> <li>sale of land between two GST registered entities will be zero rated or exempt for GST; and</li> <li>the most significant tax loss offset occurs between Council and WRL. The removal of WDPL and WHL will have no impact on the ability for these offsets to continue.</li> </ul>
8	<i>Impact on Council revenue</i>	<ul style="list-style-type: none"> <li>A number of submitters note that WDPL is required to pay rates to Council on those properties which have been transferred to WDPL and that wrapping up WDPL will result in a reduction of rates revenue for WDC</li> <li>Council's implementation of cost recovery policies (e.g. to recover costs relating to commercial usage of the Jackson Bay Wharf) was not always effected. This resulted in arrears or shortfalls in revenue and there is some concern that this could again be the case following the disestablishment of WDPL and the transfer of asset ownership and management back to Council. This could have a negative impact on ratepayers</li> </ul>	<p>Any payment of rates by WDPL to Council is sourced from the general revenues received from WDPL's business activities. If these general revenues are still collected by Council following the transfer of WDPL activities to Council the net position is unchanged.</p> <p>Council is very aware of the need to maintain current or greater revenue flows from its assets including the Jackson Bay Wharf. Refer also to Item 5 above.</p>
9	<i>Impact of Council decision-making and Council process</i>	<ul style="list-style-type: none"> <li>That decisions of Council have inhibited WDPL from performing its role or have resulted in cost to WDPL, for instance the decision by Council not to transfer the ownerships of assets to WDPL and a flawed management contract</li> <li>A number of submitters note that WDPL has been required to pay consent fees to Council, where applications have been made for land to be re-zoned or subdivided, without any certainty of outcome and with significant time and effort required to reach an outcome</li> </ul>	Noted

	Theme	Matter raised	Comment
10	<i>Cost of re-organisation</i>	<ul style="list-style-type: none"> <li>Concern that the full cost implications of bringing these activities back in house has not been quantified and that the level of resource required to undertake the activities within Council has not been quantified</li> </ul>	See item 19
11	<i>Asset management and level of service</i>	<ul style="list-style-type: none"> <li>In relation to those assets which WDC has transferred the ownership of or the management of to WDPL, recognition has not been given to these factors (of ownership and or management responsibility): <ul style="list-style-type: none"> <li>the condition of the assets was generally poor, on transfer, and that condition of assets has improved significantly under the ownership and or management of WDPL</li> <li>the level and quality of service has improved since the ownership and or management of these assets has been transferred to WDPL</li> <li>that under the ownership and or management of WDPL net income, for property portfolios, has typically increased</li> </ul> </li> <li>Concern that there has been no clear statement of the levels of service at which Council would deliver these activities.</li> </ul>	<p>It is acknowledged that the property company has improved the condition of assets, and levels of service and revenues in respect of managed assets.</p> <p>Council is very aware of the need to maintain and indeed improve performance in levels of service and the maintenance of key facilities; and to continue to maintain the levels of revenues being generated.</p> <p>Council has prepared dual budgets for the Long Term Plan 2015-25. One budget retains the status quo, the other has the functions of WDPL delivered in-house. Provision has been made for additional staff to manage this activity.</p>
12	<i>Asset Value</i>	<ul style="list-style-type: none"> <li>A number of those assets for which ownership was transferred to WDPL were later found to be worth significantly less than the transferred value and some were unsaleable or unable to generate revenue</li> </ul>	Noted.



	Theme	Matter raised	Comment
13	<i>Shareholder relationships</i>	<ul style="list-style-type: none"> <li>• That for some time there has been a lack of shareholder support for WDPL and that this inhibits WDPL</li> <li>• That a structural solution has been proposed when a number of the key issues relate to Council's governance role and shareholder responsibilities; and that these issues could be addressed through shareholder and governance mechanisms (such as the Statement of Intent).</li> <li>• It is also noted that some of the relative disadvantages of alternative options (e.g. Option C would somewhat improve the governance relationship, but not to the same extent as the proposed option) could also be addressed through good shareholder and governance mechanisms (such as the Statement of Intent)</li> </ul>	<p>Agreed that the relationships have been strained for some time.</p> <p>Going forward it is vitally important that the elected members have a clear understanding of the Council's shareholder role and that "control and influence" is exercised through the appropriate mechanisms such as the SOI and a letter of expectations to the directors. These deal with "big picture" matters. This should be supplemented by periodic meetings between the Council Committee responsible for Council's governance role and the directors. Such meetings should provide a greater level of mutual understanding that enhances supportive relationships. However running the business to meet the SOI performance targets <u>must</u> be left in the hands of the directors.</p>

	Theme	Matter raised	Comment
14	Limited Liability	<ul style="list-style-type: none"> <li>Concern that the reorganisation will expose Council to additional liability – WHL is a limited liability company so affords Council some level of protection from liability for the activities undertaken by its subsidiaries</li> </ul>	<p>All of WHL's subsidiary companies WDPL, WRL and HAL are limited liability companies themselves. Council's exposure would be limited to the value of equity capital in a company and any unpaid loans to a company. This situation would be unchanged with the removal of WHL. Moreover the Council is prohibited by the Local Government Act from providing any guarantee, indemnity, or security to any of these companies at present due to their status as council controlled <u>trading</u> organisations.</p> <p>It is noted however that given the strategic and intrinsic value of the Hokitika Airport to the Westland community and economy Council is considering changing the status of HAL to a council controlled organisation (that does not have as its purpose the making of a profit). The effect of this would be that:</p> <ul style="list-style-type: none"> <li>any trading surpluses would be invested back into the airport and not paid to Council shareholder as a dividend; and</li> <li>most importantly that Council would not be prohibited from providing guarantees and, should it choose to do so, is able to underwrite the performance of HAL to ensure the continued operations of the airport.</li> </ul>

	Theme	Matter raised	Comment
15	<i>CCO Purpose</i>	<ul style="list-style-type: none"> <li>Concern that the rationale for the formation of WHL and WDPL was not taken into account in the review</li> <li>Concern that the rationale for the re-organisation is premised on WDPL being a property development company and that Council no longer wishes to actively be involved in property development. It is noted that WDPL has not engaged in property development and that this is not its primary function</li> </ul>	Noted, but Council is looking forward and structuring the CCO's to meet its current requirements.

## Further Matters Arising from the Hearings

	Theme	Matter raised	Comment
16	<i>Taxation</i>	What are the taxation issues around removing Westland Holdings Limited (WHL)	<p>Refer Item 7 above</p> <p>Council's Tax advisors have commented as follows:</p> <p>The transfer of WDPL assets to Council will not give rise to any additional costs due to the imposition of GST. Importantly, the sale of land assets between two GST registered parties will typically be either zero-rated for GST purposes, or exempt from GST. Further, where any GST is charged by WDPL, this would be added to the sale price, and Council will be entitled to recover that GST as input tax. The result is that the imposition of GST, if any, on the transfer of WDPL assets to Council will not have any financial cost for either party. In short, this should be a GST neutral transaction.</p> <p>Tax loss offsets currently occur between all members of the Council Group (Council and its subsidiaries). However, the most significant tax loss offset, that we are aware of, occurs between Council and WRL. The removal of WDPL and WHL will have minimal impact on the ability for these offsets to continue.</p>
17	<i>Limited Liability</i>	What is the liability for Council in removing WHL	The exposure of the shareholder is limited to its equity investment in a limited liability company plus any unpaid loan advances made to the company.
18	<i>Governance</i>	What are the extra responsibilities elected members will take on once WHL is gone?	<p>The responsibilities of a shareholder in respect of its CCOs are set down in the Local Government and Companies Acts. With the removal of WHL these are essentially unchanged. Specifically relating to the former the Council must:</p> <ul style="list-style-type: none"> <li>• Regularly monitor the performance of its CCOs (refer to Item 3 above)</li> <li>• Approve the SOI for WRL and HAL (which previously was done by WHL)</li> <li>• Receive half yearly reports and the audited annual report of each CCO</li> <li>• Exercise its powers as set out in the companies' constitutions</li> </ul> <p>Additionally there are best practice approaches to shareholder governance that Council will adopt. For example, this could be protocols around communication, and regular meetings with the CCOs.</p>

19	<i>Cost</i>	What is the full cost of implementing the proposal?	<b>Summary of one-off costs</b>		<b>\$</b>
			Personnel related		100,000
			Professional fees, legal and recruitment		80,000
			Contingency		20,000
			<b>TOTAL</b>		<b>200,000</b>
			<b>Summary annual savings, external to WDC efficiency savings</b>		<b>\$</b>
			Director fees		50,000
			WHL Audit fee		10,000
			<b>TOTAL</b>		<b>60,000</b>
			<b>Pay-back period</b>		<b>3 to 4 years</b>
20	<i>Levels of Service and Revenues</i>	What assurance does Council have that the same levels of service and revenues will be delivered by an in-house property team?	Refer item 11 above.		

# Report



**DATE:** 26 February 2015

**TO:** Mayor and Councillors

**FROM:** Group Manager: District Assets

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## NEW STOPBANK AT WAIHO RIVER, FRANZ JOSEF: WEST COAST REGIONAL COUNCIL PROPOSAL AND WESTLAND DISTRICT COUNCIL SUBMISSION

### 1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval to submit on the new proposed stop bank proposal at Waiho River in Franz Josef by West Coast Regional Council (WCRC).
- 1.2 The issue arises as a result the Opinion Survey received from WCRC for comments. Copy of the survey is attached as **Appendix 1** to this report.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council reviews the draft submission attached in **Appendix 3** and submits to the West Coast Regional Council with inclusions or deletions to the draft.

### 2.0 BACKGROUND

- 2.1 The Waiho River is constantly in state of aggradation in Franz Josef which presents a real time challenge to the immediate properties, infrastructure and Westland District Council (WDC) Wastewater oxidation ponds located within close proximity of the Waiho River.

- 2.2 In late 2014, WCRC held a series of combined meetings in Franz Josef including the immediate property owners and other stakeholders.
- 2.3 WCRC engaged the services of expert river engineers to advise on a possible stopbank solution to deal with the erosion or the threat of river changing its course and running into the town, or the closest infrastructure which includes utilities, State highway, Helipads and the private motel businesses.
- 2.4 At a meeting in December 2014, proposals regarding the alignment and length of the proposed stop bank were presented. The group jointly agreed that WCRC develop a proposal and undertake an opinion survey to assess what community feedback regarding installing a stop bank and its proposed funding mechanism.
- 2.5 A proposal has now been received and submission to the proposal close on 25<sup>th</sup> February 2015. To enable Council feedback in the process, staff has requested extension to 5<sup>th</sup> March 2015. Copy of the proposal is attached in Appendix 1.

### 3.0 CURRENT SITUATION

- 3.1 A draft response to the opinion survey is included in **Appendix 3**.
- 3.2 Council has also completed a feasibility study which provides an estimate cost of approximately \$9.0 M to build new oxidation ponds at a different location.
- 3.3 A more detailed analysis is underway to assess these options against a stop bank proposal. However, before this work is completed, further discussion is required with both WCRC and Council elected members and staff to discuss wider issues and challenges that are affecting the Franz Josef township.
- 3.4 While the above is progressed, the proposal from WCRC needs to be responded to. Council now needs to consider the draft response and agree on a way forward.
- 3.5 Council staff do not support the proposal in its current form and recommends that the proposed stop bank be extended as shown in **Appendix 2** of this report.

## 4.0 OPTIONS

4.4.1 **Option 1:** Do Nothing

4.4.2 **Option 2:** Council reviews the draft response, and submits accordingly.

## 5.0 SIGNIFICANCE AND CONSULTATION

10.1 In accordance with Council's Policy on Significance the decision to make a submission or not is assessed as low. However, this matter has been assessed as being of high significance for the following reasons:

- a. There is financial implication in terms of targeted wastewater rates, and
- b. The local community is at risk due to ever changing nature of the Waiho River.

10.2 The proposal from WCRC is a limited consultation process. Council does not need to consult on the submission. The submission will be made by Council as a property owner in the affected area.

## 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.4.1 **Option 1:** Do Nothing.

This means that Council does not submit on the proposal

Advantages of this option:

A. No financial cost to Council

Disadvantages or Risks:

A. It will mean that if the proposal goes ahead in its current form, the oxidation ponds will not be protected..

This is **NOT THE PREFERRED** option.

6.4.2 **Option 2:** Council reviews the draft response, and submits accordingly.



This option means Council reviews the proposal and submits on the proposal presented by the WCRC.

Advantages:

- A. By submitting to the proposal Council can mitigate the risk and ensure the proposed works fit the need and requirement in the interest of WDC and its ratepayers.
- B. If the proposal does go ahead, Council will have the opportunity to embed the infiltration galleries in the stop bank and avoiding the need to spend \$25k every year as a result of washouts when river aggrades.

Disadvantages:

- A. If the proposal goes ahead, there is financial cost to the Council. A minimum expense as expected to levy on Council from WCRC will be in the range of \$150,000 per annum.
- B. This will have to be recovered most likely from the targeted wastewater rate which if applied in a harmonised rating scheme model means approximately increase of \$20-\$25 per connected property across the district.

This is **THE PREFERRED** option.

## 7.0 PREFERRED OPTION AND REASONS

7.1 The preferred option is Option 2 – Council reviews the draft~~s~~ response, and submits accordingly for the following reasons:

- 7.1.1 In the current scenario this is cheapest possible option. The rate levied can be recovered through the harmonised targeted wastewater rate across the District.
- 7.1.2 The need of immediate capital expenditure should the decision to build new ponds could be deferred for a period of time.
- 7.1.3 While there is no immediate protection measure in place, the Stop bank does provide some protection against a possible washout. There are no guarantees on the timeframe for this.

## 8 RECOMMENDATION

- K) **THAT** Council reviews the draft submission in **Appendix 3** and submits as amended.

**Vivek Goel**

**Group Manager: District Assets**

**Appendix 1: Opinion Survey on Proposed Northside Waiho River from WCRC**

**Appendix 2: WDC proposed alignment of the stopbank should the proposal proceed**

**Appendix 3: Draft WDC submission to the proposal**



368 Main South Road, Paroa  
P.O. Box 68, Greymouth 7840  
The West Coast, New Zealand  
Telephone (03) 768 0466  
Toll Free 0508 800 118  
Facsimile (03) 768 7133  
Email [info@wrc.govt.nz](mailto:info@wrc.govt.nz)  
[www.wrc.govt.nz](http://www.wrc.govt.nz)



Westland District Council  
Private Bag 704  
HOKITIKA 7842

Dear Sir/Madam

## **Opinion Survey on Proposed Northside Waiho River Protection & Proposed Extension to Franz Josef Rating District**

### **Background**

The Waiho River is the most dynamic river in the West Coast Region; it is currently in a state of aggradation which has been occurring at an average rate of 0.2m per year since the 1940's. Since 1940's the riverbed has aggraded approximately 10m (Gardner 2014). Since 2010 this aggradation has been much more dramatic, with the bed of the river aggrading at a rate of 1-2m in areas monitored by Council.

This aggradation trend is not predicted to cease in the near future, with recent cross section surveys indicating a large "slug" of gravel upstream of the confluence with the Callery River which will naturally work its way through the river system.

### **North side (55km/per/hr corner)**

The area located adjacent to the 55km/per/hr corner on the road from the north into the main township is under threat from the river. Gravel in this stretch of river aggraded significantly in late 2014, which resulted in water from the river causing disruptions to the State Highway.

Areas potentially affected by a break out of the river in this area are properties to the northwest in the current Franz Josef Rating District, properties to the west of the State Highway currently not in the Franz Josef Rating District, the State Highway, Westland District Council (WDC) oxidation ponds and Electronet Power lines.

In October 2014 Council coordinated emergency protection and diversion works on behalf of NZTA, WDC, Electronet and Scenic Circle. The work included placing rock along the road to the oxidation ponds where the river had scoured, and rock protection around the most vulnerable power poles.

Following this initial emergency works NZTA undertook further emergency works constructing a temporary gravel stopbank, and undertaking drainage work to protect the State Highway network from flooding.

Council has worked with the above parties to contract river engineering experts Matt Gardner and Gary Williams to provide protection options for consideration. The engineers undertook a site visit in December 2014 to inspect the emergency works undertaken and look at the catchment.

They compiled an options report which was presented to a meeting with NZTA, WDC, Electronet, DOC, Scenic Circle and members of the Franz Josef Rating District on 15 January 2015. The options were discussed with the group asking the engineers to recommend a line for the final proposed stopbank taking into account their interests (see Fig 1).

### **Options for Protection**

The engineers provided 5 options for consideration taking into account the various factors in the river and attempting to incorporate the interests of all the affected parties. The stopbank design (attached) attempts to provide protection to the above parties.

### **Westland District Council Oxidation Ponds**

The WDC oxidation ponds which take wastewater from the Franz Josef Township are located downstream of the 55km/per/hr corner in a vulnerable position. WDC has been in discussions for some time regarding the possibility of relocating the oxidation ponds due to the situation in the river and other factors.

WDC expressed an interest in seeing the protection works extending downstream to protect this infrastructure. They are currently discussing this matter with the community as an item in their Long Term Plan. Given the urgency to undertake protection works, it is proposed that the stopbank is designed to provide protection to the properties upstream of the oxidation ponds, and allow for the extension of the stopbank at a later date if desired.

**Proposed extension to the Franz Josef Rating District**

To fund the proposed river protection works it is proposed that Council extend the Franz Josef Rating District to include properties that directly benefit from the works. These properties would become new classifications within the Rating District (see Fig 2).

Along with this extension to the existing Rating District, contributions based on capital value of infrastructure protected by the scheme would be negotiated from Electronet and NZTA.

**Proposed relinquishing of the South bank wall**

The current Franz Josef Rating District to relinquish itself from the Southside stopbank. At the 2014 Franz Josef Rating District meeting Council advised that it would proceed with removing the Southside stopbank from the Rating District essentially leaving the maintenance of the stopbank to the owners of the Gateway Motel and NZTA (if NZTA have an interest in keeping this stopbank).

Council wishes to confirm via opinion survey whether the community wishes to permanently exclude the Southside stopbank from the Rating District.

**Return of forms**

Please tick one of the options under each of the three questions on the survey form on the next page, and return that page in the postage paid envelope provided by **Wednesday 25 February 2015**.

**Background Information (attached)**

- An outline of the proposed works and the estimated cost.
- Maps showing the existing Rating District boundaries and the proposed extension.
- A table showing the estimated annual cost for each ratepayer, per \$100,000 of your property's capital value<sup>4</sup>.

An independent rating expert has come up with the three funding classes, which are based on A class properties being rated at 15 points of benefit, B class at 3, C class at 1. The attached table shows how much each ratepayer would have to contribute, under these rating classes, if a decision is made to proceed with the works. Maintenance costs would be additional.

If you wish to discuss any aspect of the proposed Rating District, or require further information, please call me on 03 769 9093.

Yours faithfully



Michael Meehan  
**Planning and Environmental Manager**

<sup>4</sup> Note that these costs are estimates only. Final costs will depend on the outcome of the competitive tender process. Best efforts have been made to estimate costs accurately; however the final costs may differ to those marked in the table.

**Opinion Survey on New Stopbank and Proposed Extension to the Franz Josef Rating District**

*Please return this page in the envelope provided*

Westland District Council  
840199, Class A  
Private Bag 704, HOKITIKA 7842.

Options	Please tick one box only
1. Agree in principle to the proposed classifications to fund the works.	
2. Disagree in principle to the proposed classifications to fund the works.	<input checked="" type="checkbox"/>

Options	Please tick one box only
1. Proceed with the proposed works as outlined.	<input checked="" type="checkbox"/>
2. Do not proceed with the proposed works.	
3. Investigate other protection options.	<input checked="" type="checkbox"/>

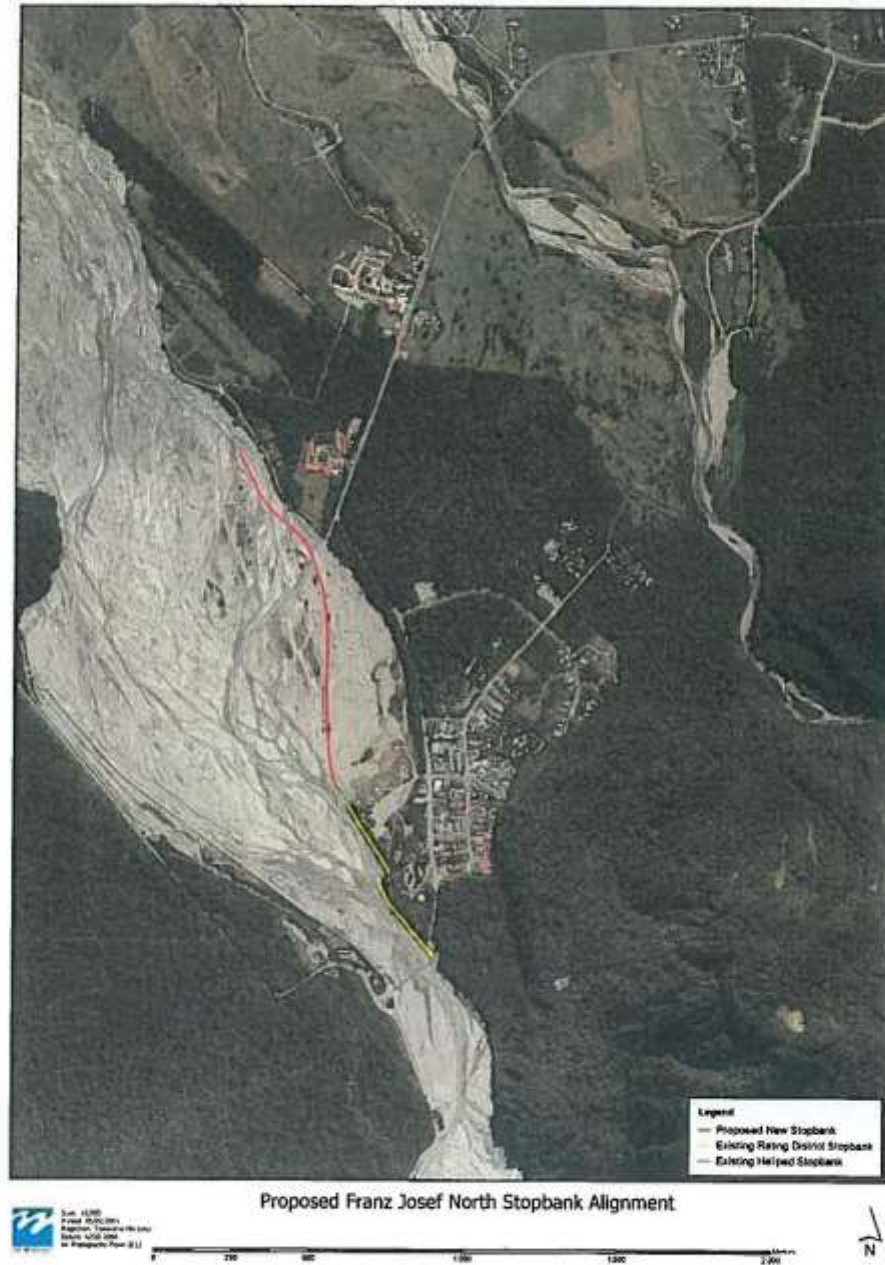
Options	Please tick one box only
1. Agree to the removal of the Southside properties from the Franz Josef Rating District.	
2. Do <b>NOT</b> agree to the removal of the Southside properties from the Franz Josef Rating District.	

*Please feel free to include any additional comments below:*

**Signature** \_\_\_\_\_ **Name** \_\_\_\_\_  
(Please Print Clearly)

**Note:** All replies must be returned to The West Coast Regional Council in the enclosed, postage paid envelope by **Wednesday 25 February 2015**.

**Fig 1**





**Fig 2**





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**FRANZ JOSEF NORTH BANK PROPOSED CLASSIFICATION (BASED ON \$4,300,000 WORKS) - 3 Classes**

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Estimated cost of constructing stopbank	\$4,300,000
Estimated capital contribution from NZTA and Electronet	\$1,400,000
Amount needed to be raised from Proposed Rating District through 20 year loan	\$2,900,000

Annual cost per classification per \$100,000 Capital Value (GST inclusive)

Class A	\$2,199
Class B	\$440
Class C	\$147

*e.g. A property in Class C with a capital value of \$500,000 would pay  $5 \times \$147 = \$735$  per year*

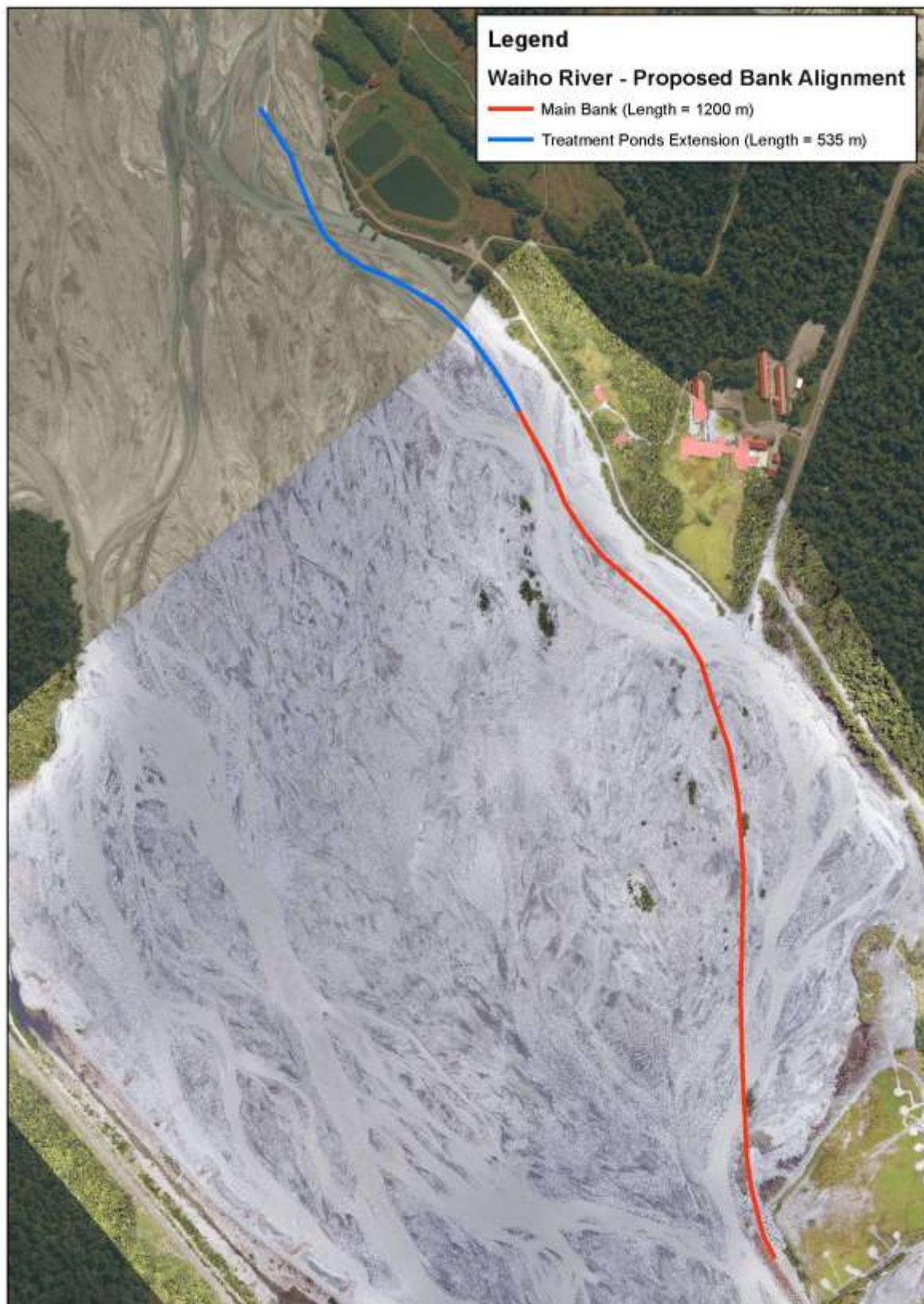
*Annual repayment cost estimate is based on borrowing the capital cost and repaying the loan at 5% interest over 20 years.*

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**NOTE:**

- 1. Class C's capital contribution could be reduce by using the funds in the current maintenance account.*
- 2. Normal maintenance costs would be additional to the loan repayments outlined above.*

# Appendix 2



# Appendix 3

## Opinion Survey on New Stopbank and Proposed Extension to the Franz Josef Rating District

**Please return this page in the envelope provided**

Westland District Council

840199, Class A

Private Bag 704, HOKITIKA 7842

Options	Please tick one box only
1. Agree in principle to the proposed classifications to fund the works.	
2. Disagree in principle to the proposed classifications to fund the works.	<b>X</b>

Options	Please tick one box only
1. Proceed with the proposed works as outlined.	
2. Do not proceed with the proposed works.	
3. Investigate other protection options.	<b>X</b>

Options	Please tick one box only
1. Agree to the removal of the Southside properties from the Franz Josef Rating District.	
2. Do <b>NOT</b> agree to the removal of the Southside properties from the Franz Josef Rating District.	

***Please feel free to include any additional comments below:***

Westland District Council (WDC) submits **THAT:**

1. It does not support the proposal in its current form.
2. If the proposal has to proceed with a stopbank as an option, then the proposed stopbank be extended as highlighted in Appendix 1 of this document
3. The proposed mechanism of a differential rating classes be dropped and one common rate be applied to all properties in Franz Township area.
4. WDC agree/does not agree to the removal of the Southside properties from the Franz Josef Rating District
5. The West Coast Regional Council investigates further regarding the feasibility of the proposed stopbank and its intended long term benefits
6. The West Coast Regional Council takes a leadership role to advocate the need to assess the feasibility around the location of Franz Josef township adjacent to Waiho River

The current proposal to stop the extent of the stop bank just short of the Wastewater oxidation ponds poses imminent threat to the ponds. WDC strongly objects to this.

The current proposal does not provide any future guarantee or a timeline against the aggradation problem. History has shown that any protection works around Waiho River have not proven so successful. As such the question arises is it worthwhile spending such a huge capital amount on works without assurance that it will provide protection for at least the period assumed during which the capital funds are to be paid back. i.e at least a minimum of 20 years.

If the river changes its course or the aggradation continues, what happens in the event the stopbank fails or is lost to the river? Do the ratepayers continue to pay in future?

WDC has completed the feasibility study on building new the oxidation ponds to a new location and have estimated the costs. However without any future direction on the feasibility of the Waiho River and Franz Township it cannot commit to this level of expenditure.

WDC also maintains a view that the proposal of different classification of rating district for these works should be removed. All property owners and the residents of Franz Township enjoy and benefit in a similar manner should any protection works around the Waiho River take place. There should be one common rate established over all the properties which benefit from the main town.

We encourage a wider and higher level of discussion with all stakeholders including the elected members of the Westland District and the Regional Council.

**Signature** \_\_\_\_\_ **Name** \_\_\_\_\_  
(Please Print Clearly)

**Note:** All replies must be returned to The West Coast Regional Council in the enclosed, postage paid envelope by **Wednesday 25 February 2015.**





**Westland District Council – Proposed alignment of the Stop Bank**