



A G E N D A

Council Meeting

**Council Chambers
36 Weld Street
Hokitika**

**Thursday
29 September 2016
commencing at 9.00 am**

His Worship the Mayor, M.T. Havill
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,
Cr A. P. Thompson, 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 COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 29 SEPTEMBER 2016 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

23 September 2016

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, cultural 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

Health & Safety Briefing

Health & Safety Snapshot

	Accidents	Incidents	Near Misses
November 2015	0	1	0
December 2015	0	0	0
January 2016	0	1	0
February 2016	0	0	0
March 2016	1	0	0
April 2016	0	1	0
May 2016	0	1	0
June 2016	0	1	0
July 2016	0	0	0
August 2016	1	0	0
23 September 2016	0	1	0

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

1.2 Interest Register

2 CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Minutes – 25 August 2016

(Pages 6 - 12)

3 PUBLIC FORUM

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

Attendees addressing the Council:

Lyall Delore – President of the Hokitika RSA.

Gavin Molloy - Franz Josef Oxidation Ponds Upgrade Proposal

Jacquie Grant – Pioneer Monument

4 BUSINESS

4.1 Mayor's Report

4.2 Update from Councillors

4.3 Presentation to Mayor and Councillors

4.4 Citizenship Ceremony – 10am

Morning Tea at 10:30am

4.5 Financial Performance: August 2016 *(Pages 13 - 19)*

4.6 Funding a Wastewater Treatment Plant at Franz Josef – Outcome of the Consultation Process *(Pages 20 - 47)*

4.7 Use of the Kumara Endowment Fund for the Kumara Chinese Miners Memorial Reserve Project *(Pages 48 - 67)* *Fiona Pollard will be in attendance at 11am - Kumara Chinese Memorial Developed Design.*

4.8 Occupations on Unformed Legal Road *(Pages 68 - 79)*

4.9 Westland Industrial Heritage Park Memorandum of Understanding *(Pages 80 - 91)*

4.10 Annual Report to Alcohol Regulatory and Licensing Authority *(Pages 92 - 103)*

4.11 Report from Chair of the Executive Committee *(Pages 104 - 196)*

4.12 West Coast Wilderness Trail – Project Update *(Pages 197 - 256)*

Lunch at 12:30pm

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

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

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

5.1 Confidential Minutes – 25 August 2016

5.2 Risk Register

5.3 Contract 2016-17-05 Resealing of Carriageways (Chip Seal) Approval

5.4 Contract 2016-17-06 Resealing of Carriageways (AC) Approval

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 the 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 exist under Section 7	Section 48(1)(a) & (d)
5.2	Risk Register	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
5.3	Contract 2016-17-05 Resealing of Carriageways (Chip Seal) Approval	Confidential Report	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information.	Section 7(2)(b)(ii)
5.4	Contract 2016-17-06 Resealing of Carriageways (AC) Approval	Confidential Report	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information.	Section 7(2)(b)(ii)

**Date of Next Meeting: Inaugural Council Meeting
27 October 2016**

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 25 AUGUST 2016 COMMENCING AT 9.00 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

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, Cr A.P. Thompson, Cr. C.A. van Beek.

Staff in Attendance:

V. Goel, Acting Chief Executive; J.D. Ebenhoh, Group Manager: Planning, Community and Environment; G.L.J. Borg, Group Manager: Corporate Services; C.L. McGeady, Business Support Officer: Executive Office; D.M. Maitland, Executive Assistant.

1.2 Apologies and Leave of Absence

Nil.

1.3 Interest Register

The Interest Register was circulated and one amendment was noted.

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Minutes – 28 July 2016

Moved Cr Montagu, seconded Cr Martin and **Resolved** that the Minutes of the Meeting held on the 28 July 2016 be confirmed as a true and correct record of the meeting.

Cr Dawson enquired regarding the Oscar Bottom Memorial at Stafford and if a decision had been made regarding the request for funding. It was noted that the organisation involved will be making a formal approach to Council for funding.

3. PUBLIC FORUM

The following member of the public was in attendance at the Public Forum Section of the meeting as follows:

3.1 Helen Lash

- Thanked the Group Manager: District Assets for the presentation to the community regarding the Franz Josef/Waiau Wastewater Treatment Plant (FJWWTP).
- Asked that the Group Manager: Corporate Services investigate costings for the relocation of the FJWWTP to an alternative area in Franz Josef/Waiaa.
- Requested that there be a town plan for Franz Josef/Waiau and asked that the siting of the treatment plant be put on hold.
- The siting of the proposed Westroads Depot in Franz Josef.

His Worship the Mayor advised that the process is to seek feedback from the Franz Josef/Waiau Community and Scenic Circle to come up with some ideas and be part of the solution for Franz Josef/Waiau and encouraged people to make a submission to Council.

4. BUSINESS

4.1 Mayor's Report

His Worship the Mayor provided the following update for Council:

- Mayors and Chairs meeting – attended.
- Westland Recreation Centre, Greymouth – attended the opening.
- Chinese Memorial Gardens, Ross - unveiling of the foundation stone.
- FJWWTP - consultation process, and attended three out of four meetings.
- Thanked Deputy Mayor Cox for standing in during his period of leave.
- Trustpower Awards - very well attended and noted the calibre of the groups represented and award winners.
- West Coast Wilderness Trail – noted the Audit by Grant Thornton had been completed and a copy of the report forwarded to Councillors and advised this will be discussed in the Confidential Section of the meeting.

4.2 Update from Councillors

i) Deputy Mayor Cox

- Trustpower Awards – on the judging panel, attended the awards, and recognised the volunteers and organisations represented.
- FJWWTP - attended all four consultation meetings. Disappointed that two Councillors did not attend any of the consultation meetings. All the meetings were very well received and thanked the Council staff for their presentations.

ii) Cr Martin

- FJWWTP - presentation is a credit to the Council and attended the consultation meetings.
- Trustpower Awards – noted the calibre of the volunteers and organisations represented.
- West Coast Wilderness Trail - noted the release of the Grant Thornton Report.

iii) Cr Butzbach

- West Coast Wilderness Trail Trust – Inaugural Meeting.
- Westland Recreation Centre Opening - attended.
- PHO Meeting - attended.

- FJWWTP Consultation Meetings - noted that the facts put together were very informative and showed what the problems / solutions are.
- Emergency Fire Service Meeting, Greymouth – attended.
- Reserves and Environs Meeting.

iv) Cr Thompson

- FJWWTP Consultation Meetings – attended. Noted the presentations were very well received.
- Farm work was attended to.
- Noted he will be concentrating on another venture for the next 6-7 weeks.

v) Cr Montagu

- Chinese Memorial Gardens, Ross - unveiling of the foundation stone. Extended congratulations to all those involved.
- Ross Police Station - next meeting is on the 29 August 2016.
- St John Annual Prizegiving - attended.

vi) Cr Hope

His Worship the Mayor welcomed back Cr Hope.

- Denis Road Track, Haast – noted that funding had been rejected and the track is half-built.
- Economic Development Officer, Greymouth – has attended meetings regarding siting of a hub in Haast. Noted Haast is the southern gateway for the District and the hub needs to be located appropriately.

vii) Cr van Beek

- FJWWTP – attended consultation meetings.
- West Coast Wilderness Trail – welcomed the Grant Thornton Report.
- Fire and Emergency Services – welcomed the changes.

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

3. **PUBLIC FORUM CONT.**

3.2 **Graham Berry**

- Thanked Council for information regarding the FJWWTP.
- Cron Street – asked that the issue of widening and making it one way be revisited as the issues have been brought to Council many times. Noted that no traffic report has been done.
- Prime land – noted that people have nowhere to move in the town or expansion and asked that management address the planning for Franz Josef.
- Noted the siting of the Westroads yard.
- FRAZ zone – asked if there could be waiver or extension for the properties affected.
- Thanked Council for coming to Franz Josef for their meeting.
- Cycleway on the northern side of the Tatare.

4. **BUSINESS CONT.**

4.3 **Financial Performance – 30 June 2016 and 31 July 2016.**

The Finance Manager spoke to the Financial Performance Reports for the 30 June 2016 and 31 July 2016 and highlighted the reduction in the rates debtors.

Interest Rate Swaps

Cr Dawson asked that a report on the Interest Rate Swaps be prepared for the 29 September 2016 Council Meeting.

Moved Cr Butzbach, seconded Deputy Mayor Cox and **Resolved** that the Financial Performance Reports for 30 June 2016 and 31 July 2016 be received.

Council congratulated staff for preparing the financial reports for June and July 2016 on time.

4.4 Projects and Carry Forwards to 2016-17

The Group Manager: Corporate Services spoke to this report.

Future Planning for Franz Josef Township

His Worship the Mayor asked that a timeline be prepared on the future planning for Franz Josef Township and that a report be prepared for the 29 September 2016 Council Meeting.

Appendix 3 – Page 43

Parks and Reserves – Reserves Waterfront

Councillors asked that a draft design be forwarded to the Mayor and Councillors and a briefing held after the 29 September 2016 Council Meeting.

Appendix 3 – Page 46

Cr van Beek asked for an amendment to the Transportation, Sealed Road Resurfacing, Depreciation \$154,500 with the project to be completed between November and April only (May and June to be removed from the schedule).

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

- A) Council approves the carry forward to 2016-17 of funds totalling \$1,134,661 for the projects itemised in Appendix 1 of the Council Agenda.
- B) Council approves the future allocation of funds amounting to \$42,407 for specific purposes as detailed in Appendix 2 of the Council Agenda.
- C) Council receives the phased project work plan for 2016-17 attached as Appendix 3 of the Council Agenda.

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

Moved Cr Martin, seconded Cr Dawson and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 10.15 am.

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

5.1 Confidential Minutes – 28 July 2016.

5.2 Risk Register.

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 the 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 exist under Section 7	Section 48(1)(a) & (d)
5.2	Risk Register	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and 48(2)(a)(i) and (ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
5.1, 5.2	Protection of privacy of natural persons/organisations.	Section 7(2)(a)

Moved Cr Butzbach, seconded Cr Martin and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 10.22 am.

MEETING CLOSED AT 10.22 AM

Confirmed by:

Mike Havill
Mayor

Date

Date of Next Ordinary Council Meeting
29 September 2016
Council Chambers

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Finance Manager

FINANCIAL PERFORMANCE: AUGUST 2016

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 August 2016.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the 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 financial performance report to 31 August 2016, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015/25.

3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.
- 3.2 For the August 2016 Project and carryover reporting has not been included.

- 3.3 A Balance sheet will be provided when the end of the previous financial year has been finalised.
- 3.4 The Financial Performance Report to 31 August 2016, is attached as **Appendix 1** and contains the following elements:
 - 3.4.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual and forecast amounts.
 - 3.4.2 Update on Rates Debtors.
 - 3.4.3 Whole of Council Cost of Service Statement, including Full Year Forecast.
 - 3.4.4 Variance analysis
 - 3.4.5 Debt report including budget, forecast debt and actual debt.

4 OPTIONS

- 4.1 Council can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

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

6 RECOMMENDATION

- A) **THAT** Council receives the Financial Performance Report to 31 August 2016

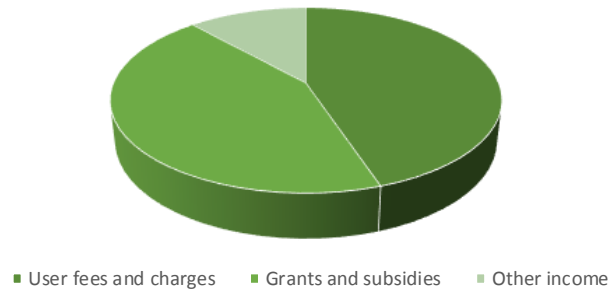
Lesley Crichton
Finance Manager

Appendix 1: Financial Performance August 2016

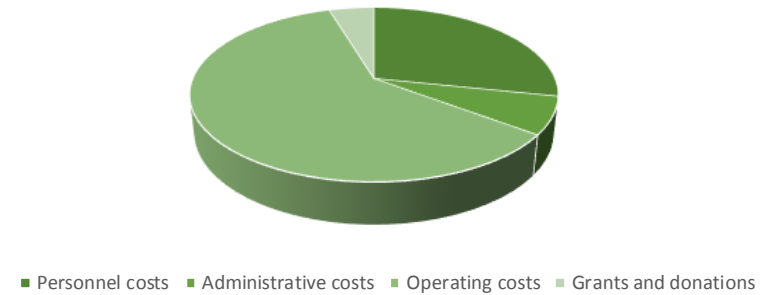


Financial Performance August 2016

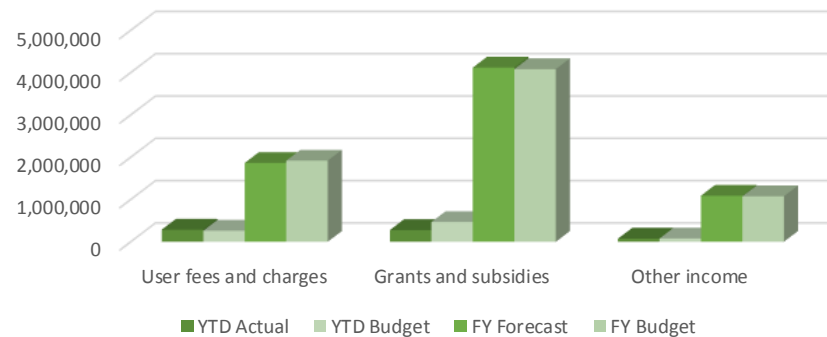
Operating revenue
Actual year to August



Operating expenditure
Actual year to August

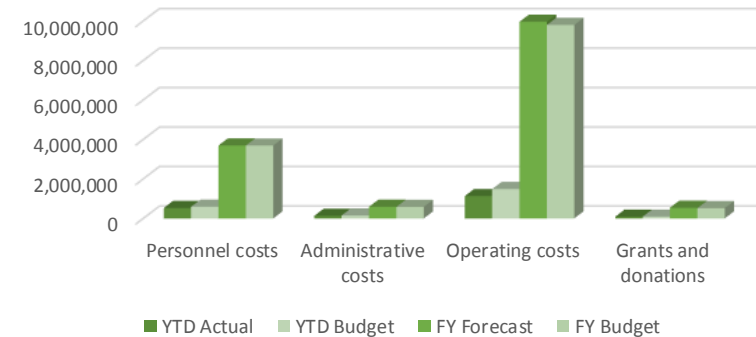


Operating revenue



	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	288,399	279,586	75,419
Budget YTD	261,355	466,699	78,980
Variance	27,044	(187,114)	(3,561)
Forecast FY	1,864,474	4,118,506	1,089,642
Budget FY	1,918,351	4,082,876	1,076,546

Operating expenditure



	Personnel	Administration	Operating	Grants & subsidies
Actual YTD	531,757	130,158	1,131,117	88,500
Budget YTD	594,478	150,341	1,489,148	93,208
Variance	(62,721)	(20,183)	(358,031)	(4,708)
Forecast FY	3,693,136	594,396	9,959,571	543,245
Budget FY	3,692,808	583,305	9,801,863	525,000

Rates Debtors

Rates debtors at 31 July 2016		4,215,002
Rates installment		
Less payments received	-3,429,747	
paid in advance	1,006,999	
Write off's	-40,617	
Penalties	-119	
Court costs awarded	2,537	
		-2,460,947
Total rates debtors 31 August 2016		1,754,055
Arrears included above at August 2016	1,754,055	
Arrears at August 2015	1,813,367	
increase/(decrease) in arrears		-59,312

Rates debtors:

- 42 Insufficient payment letters were sent out

Rates debt - Aged at August 2016

Financial Year	Aug-16	Jul-16	Aug-15
Pre 2013	145,437	160,969	258,402
2013-14	97,283	121,395	246,805
2014-15	190,066	246,531	646,504
2015-16	546,244	734,900	661,656
Current	775,025	2,951,206	
	1,754,055	4,215,001	1,813,367

July-16 includes current rates installment

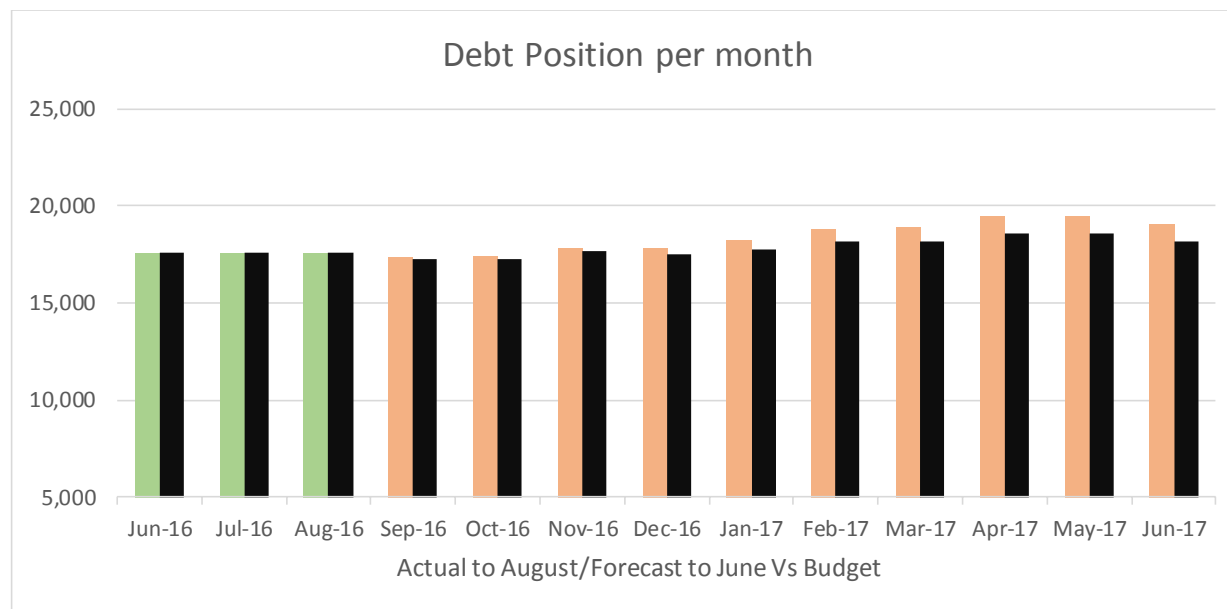
WESTLAND DISTRICT COUNCIL	Year to Aug			Full year 2016-2017	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	2,917,792	2,853,339	64,454	14,931,364	14,721,081
User fees and charges	288,399	261,355	27,044	1,864,474	1,918,351
Grants and Subsidies	279,586	466,699	(187,114)	4,118,506	4,082,876
Other income	75,419	78,980	(3,561)	1,089,642	1,076,546
Overhead recoveries	823,627	1,108,615	(284,988)	6,531,556	6,751,733
Total revenue (A)	4,384,823	4,768,988	(384,165)	28,535,542	28,550,587
Operating expenditure					
Personnel costs	531,757	594,478	(62,721)	3,693,136	3,692,808
Administrative costs	131,408	150,341	(18,933)	594,396	583,305
Operating costs	1,129,867	1,489,148	(359,281)	9,959,571	9,801,863
Grants and donations	88,500	93,208	(4,708)	543,245	525,000
Overheads	823,826	1,132,676	(308,850)	6,524,190	6,796,057
Total operating expenditure (B)	2,705,358	3,459,851	(754,493)	21,314,538	21,399,033
Net operating cost of services - surplus/(deficit) (A - B)	1,679,465	1,309,137	370,328	7,221,003	7,151,554
Other expenditure					
Interest and finance costs	82,324	86,824	(4,500)	671,272	671,272
Depreciation	976,186	879,454	96,733	5,343,578	5,276,728
(Gain)/loss on investments	(11,490)	0	(11,490)	(11,490)	0
(Gain)/Loss on swaps	89,499	(22,965)	112,464	(114,823)	(137,788)
(Gain)/Loss on disposals	0	0	0	0	0
Total other expenditure (C)	1,136,520	943,313	193,207	5,888,536	5,810,211
Total expenditure (D = B + C)	3,841,878	4,403,163	(561,286)	27,203,075	27,209,244
Net cost of services - surplus/(deficit) (A - D)	542,945	365,824	177,121	1,332,467	1,341,343

Variance Analysis

Operating Revenue	
Grants and Subsidies	NZTA revenue lower than expected, this is offset in lower operating costs. This is partially offset by further cycle grant revenue \$49k
Operating expenditure	
Personnel costs	Postive variance due to unfilled vacancies
Administrative costs	
Operating costs	Lower than expected maintenance costs
Other expenditure	
(Gain)/loss on investments/Swaps	Loss on swaps due to economic factors in the market unknown during budget preparation.

Forecast Debt Position per LTP 2016-17

Forecast as at	Jul-16	Aug-16
Opening Balance	17,600	17,600
Loan funded capex forecast	3,196	3,129
Forecast repayments 2016-17	-1,611	-1,611
Forecast balance June 2017	19,185	19,118



	Debt Position per month												
	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Budget	17,600	17,600	17,600	17,250	17,300	17,699	17,526	17,753	18,181	18,175	18,567	18,596	18,213
Forecast at 1 July 2016	17,600	17,600	17,667	17,394	17,536	17,926	17,921	18,316	18,867	19,019	19,539	19,568	19,185
Actual + Forecast	17,600	17,600	17,600	17,327	17,469	17,859	17,854	18,249	18,800	18,952	19,472	19,501	19,118
Waste Management loan	2,554	2,554	2,554	2,522	2,530	2,537	2,494	2,494	2,524	2,512	2,512	2,512	2,468
Water Supply loan	2,369	2,369	2,369	2,327	2,327	2,397	2,425	2,495	2,565	2,593	2,663	2,663	2,621
Waste water loan	0	0	0	117	233	233	233	233	233	233	233	233	233
Holding Company loan	8,295	8,295	8,295	8,233	8,233	8,233	8,170	8,170	8,170	8,108	8,108	8,108	8,045
Stormwater loan	0	0	0	0	0	256	512	768	1,024	1,280	1,536	1,536	1,536
Other loan	56	56	56	55	73	130	198	267	462	658	853	882	909
Hokitika Water supply upgrade	4,326	4,326	4,326	4,071	4,071	4,071	3,816	3,816	3,816	3,561	3,561	3,561	3,306

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Karen Jury, Corporate Planner

FUNDING A WASTEWATER TREATMENT PLANT AT FRANZ JOSEF – OUTCOME OF THE CONSULTATION PROCESS

(Risk Reference id: 54)

1 SUMMARY

- 1.1 Council is being asked to identify its preferred (rating) funding mechanism for the new Franz Josef wastewater facility. It is intended that the identification of a funding mechanism at this time will –
- Complete the consultations about this issue, that Council initiated in April 2016 and again in August 2016
 - Enable the incoming Council to move forward with its financial modelling for 2017/18
 - Enable the incoming Council to move forward with the planning and commissioning of a new wastewater facility for Franz Josef.
- 1.2 The current Council is aware that the incoming Council will have opportunity to re-assess the preferred funding mechanism. The public will also have further opportunity to provide feedback when a draft Annual Plan 2017/18 is produced.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council identify a preferred (rating) funding mechanism for a new wastewater treatment facility in Franz Josef.

2 BACKGROUND

- 2.1 Council included its intention to upgrade or replace the Franz Josef wastewater treatment facility in its Long Term Plan 2015-2015 (LTP). The forecast capital costs were shown as \$9 million with \$6 million to be funded by loan. The repayment of the loan was planned to start in 2017/18 and spread out over 20 years. This financial modelling assumed financial input from the Government.

In the LTP the funding mechanism is included in the existing harmonised system, where all district ratepayers that can connect to a public wastewater system will contribute to the capital cost of a new facility in Franz Josef.

- 2.2 Council decided to consult with the public about the appropriateness of the existing harmonised funding mechanism that is included in the LTP, for the proposed upgrade in Franz Josef. It did this in April 2016 through its Annual Plan 2016/17 consultation and then again by releasing a Statement of Proposal in August 2016.
- 2.3 In April 2016 Council advised the public that the capital cost for the new facility would likely be \$6.2 million and sought feedback from the public about the project being brought forward to 2016/17. A flood event had just occurred, damaging the existing facility and Council recognised that a quicker response was needed. Council also put forward an alternative funding mechanism for the public to consider; a “local capital contribution rate”. This would mean that only the Franz Josef community (i.e. those who directly benefit) would contribute.
- 2.4 The public response at this time was support for assessing options to progress the planning of a suitable facility. The alternative funding option was however not supported. The Franz Josef community provided the Council with the bulk of the feedback whilst the remainder of district ratepayers were largely silent.
- 2.5 Following this Annual Plan consultation, Council made the decision to continue planning for the new facility, so that capital works could begin in 2017/18. This meant it needed to establish a preferred funding mechanism during 2016/17, to align with the loan being drawn down for the works.
- 2.6 A Special Consultative Procedure (SOP) was initiated by Council in July 2016, in order to seek wider public input about a suitable funding mechanism. Council included three funding options in its Statement of Proposal. The proposal was widely circulated and public information sessions held.

- 2.7 Council recognised that members of the public were likely to suggest alternative funding mechanisms to the three options set out within the proposal. It therefore made sure the public was kept informed that other options were being suggested, through information sessions, newspaper articles, its website and social media updates. Council wanted to be in a position to openly consider all input from the public, including alternatives to the three options set out in the SOP.
- 2.8 79 submissions were received. A summary of the submissions and Council's responses/deliberations is included as **APPENDICES 1 & 2**.

3 RISK ANALYSIS

- 3.1 There is a risk to Council's business continuity and its reputation if the public do not accept the funding mechanism that it identifies and/or loses confidence in Council's consultation processes.
- 3.2 Council has applied correct legal procedures and its own management policies to the task of identifying and evaluating a suitable funding mechanism. As summarised above, Council chose to initiate a Special Consultative Process, after it had already sought public input about this issue through its Annual Plan. This decision was made in order to optimise public awareness about the potential financial effects of an alternative funding mechanism being adopted.
- 3.3 Council is confident that those people and organisations who may be affected by, or perceive themselves to be affected by, a funding mechanism decision have had the opportunity to participate in the decision-making process.
- 3.4 The Council has been clear and certain that its intention is to have the new funding system in place for the draft Annual Plan 2017/18. This timeframe will allow Council to achieve its strategic and operational objectives.
- 3.5 The next elected Council may choose to not utilise the funding mechanism that has been identified through the previous public consultation processes. It is likely that this decision would impact on the timing of delivering the new facility in Franz Josef and in further public consultation needing to occur.

4 CURRENT SITUATION

Identifying a preferred funding mechanism

4.1 The key funding mechanisms available to Council (to repay a loan for capital infrastructure) are:

- Rates
- Fees and Charges
- External subsidy

4.2 In its Statement of Proposal (SOP) Council has focused on the rates element as the primary funding consultation issue. It is intended that it will in addition explore supplementary fees and charges and apply for external subsidies as methods of income.

4.3 In the SOP it has included these two rating mechanisms that are currently in its own Revenue and Financing Policy:

The “harmonised rating system” which is a funding mechanism for repaying capital costs of infrastructure that is currently in Councils Revenue and Financing Policy. This mechanism has been used to forecast the costs of the new Franz Josef facility on district rate levels over the next 10 years.

A “local capital contribution rate” which is a mechanism that has been used in this district before. This is not Council’s normal practice for renewals or replacement assets. However, it is still a targeted rate, so if this mechanism were to be adopted, Council would not be required to re-consult on its Revenue and Financing Policy.

4.4 Council chose to provide a *range* of applications of the above mechanisms in its Statement of Proposal:

- Option 1 100% Harmonised (as per the existing LTP and Annual Plan 2016/17)
- Option 2 50:50 harmonised and local capital contribution rate (the latter being the system put to the public previously through the recent Annual Plan consultation, albeit only 50% this time)
- Option 3 100% local capital contribution rate (Franz Josef ratepayers)

4.5 There are other ways to consider the application of these two mechanisms e.g. a different percentage mix.

- 4.6 Council has previously considered other options, including a capital contribution rate across all ratepayers, whether they are directly connected to a public wastewater service or not. This option was not considered reasonable at the time, so was not included in the SOP. That does not mean that it, or any other options, cannot be adopted if this is deemed preferable. It may however mean a change being necessary to Councils Revenue and Financing Policy.

Identifying additional funding methods

- 4.7 Council has already indicated that it will explore supplementary funding methods to pay for the District wastewater service, such as increasing septic tank disposal charges.

5 OPTIONS

- 5.1 Option 1: Council can identify a preferred funding mechanism for the new Franz Josef wastewater facility.
- 5.2 Option 2: Council can choose not to identify a preferred funding mechanism for the new Franz Josef wastewater facility

6 SIGNIFICANCE AND ENGAGEMENT

- 6.1 In accordance with Council's Policy on Significance and Engagement, direction from Council, at this time, about a preferred funding mechanism is not deemed to be of significance. This is because the current Council is giving direction to the incoming Council. A final decision by Council about the funding mechanism will be of significance as it will impact on a large number of ratepayers.
- 6.2 The progression of decision-making about a funding mechanism is important in regard to the continued planning for the facility itself.
- 6.3 A final decision (which will be expressed in the next Annual Plan 2017/18) has the potential to set a precedent for future Council decision-making about the funding of infrastructure projects in the district, particularly those where tourism has generated the demand.
- 6.4 Consultation has been extensive as the issue of paying for large infrastructure involves most of the district ratepayers. Community interest in the matter is evident by the number and range of submissions received and the level of other communications that have occurred during the consultation period e.g. newspaper letters and meetings being held.

- 6.5 Council has liaised with Poutini Ngai Tahu as a part of its consultation. Council has special regard to the views of mana whenua of the Westland District. Franz Josef/Waiau is the rohe of Te Runanga o Makaawhio therefore both the funding mechanism and the new facility are of importance. Te Runanga o Ngati Waewae have an interest in the implications of a funding change on the general Westland population.
- 6.6 As a result of both the Annual Plan and Statement of Proposal consultation initiatives, Council has now collected a substantial amount of feedback from the public. Council is satisfied that the public has been made aware of the funding mechanism question and has had a reasonable opportunity to participate in identifying a preferred option.

7 ASSESSMENT OF OPTIONS

- 7.1 **OPTION 1:** Council can identify a preferred funding mechanism for the new Franz Josef wastewater facility.

- 7.1.1 In post-hearing deliberations, elected members indicated that a version of a “user pays” system should be explored further i.e. a version of “Option 3” that was included in the Statement of Proposal. This has proven to be the public’s preferred funding mechanism.

In addition, as a result of the extensive consultation undertaken it is evident that a range of supplementary funding methods would also need to be explored, to support the user pays mechanism.

A user pays system of funding the infrastructure has been accepted by Franz Josef submitters as reasonable, as long as the mechanism:

- Is representative of the additional impact on the infrastructure from the ‘tourism industry’. This being tourism operators across the board, not just accommodation providers. Rather than a per pan charge, a water use charge was suggested (with differentiation between residential and commercial users).
- Is affordable i.e. The Franz Josef community has signalled that it is prepared to pay for the most suitable option of wastewater treatment.

- 7.1.2 Council can choose to identify a different funding mechanism (to a user pays rating method) that it would prefer be explored further, and explain why. This action may leave the incoming Council with a level of uncertainty about process and require it to carry out further consultation about the matter.

- 7.2 OPTION 2: Council can choose to not indicate a preferred option at this time, and explain why.

This action may leave the incoming Council with a level of uncertainty about process i.e. whether the new elected members should consider the results of the public consultation themselves, or to choose to run another consultation process.

8 PREFERRED OPTION AND REASONS

- 8.1 OPTION 1 is the preferred action for Council to take.
- 8.2 The current Council would complete the consultation that it initiated by identifying a preferred funding mechanism for the new Franz Josef wastewater facility.
- 8.3 Council resources have been used and the public have provided their time and commitment towards identifying a solution. It was anticipated by Council (and communicated to the public throughout the consultation period) that the consultation would conclude with elected members making a decision about a preferred funding method.
- 8.4 If this Council chooses instead to identify a different funding mechanism (to a user pays rating method) it will need to explain its reasoning so the public understands its choice.
- 8.5 Not identifying a preferred funding mechanism at this time would have no immediate financial implications (as the 'selected funding mechanism' does not need to be modelled until the next Annual Plan is produced). This action would however leave a hiatus between the public consultation being concluded and the 'summary of findings' being declared. This would not be advantageous to the public or the incoming Council in regards to transparent communication and process efficiency. As explained above, the identification of a preferred funding mechanism at this stage does not commit the incoming Council to a final funding method.
- 8.6 The preferred option presents a lower risk level in accordance with Council Risk Management Policy.

9 RECOMMENDATIONS

- A) **THAT** Council confirms that a version of a “user pays” system should be explored further as the preferred funding mechanism for the new Franz Josef wastewater facility, and
- B) **THAT** Council instructs the Chief Executive to identify a range of supplementary funding methods that could be used to support the user pays mechanism.

Karen Jury
Corporate Planner

Appendix 1: A summary of submissions
Appendix 2: Council responses/ deliberations

APPENDIX 1: A summary of submissions

TOPIC	#	Comments made by submitters (sorted by topic)
Supports Funding Option 1 (Status quo 'Harmonised rating system')	12	The expense of a new waste water treatment plant is too big to be carried by Franz ratepayers alone, and the whole district benefits from the tourists that are drawn to Westland to see the glaciers.
	14	I support a district wide rating base to fund 100% of the treatment plant / ponds cost, which is consistent with the Long Term Plan that this council has adopted.* The pipes to the treatment plants are not the major cost compared to the treatment plant. The Franz Josef rate payers have
	15	paid into a district wide fund for many years, this was on the basis that any future works needed in Franz Josef would also be paid for by the same
	16	district wide fund. This Council stated that the rating principal when reviewing the general rate was "rates were not a payment for services but a
	17	contribution to a vibrant community" if this cost is not funded from the district wide waste water fund and the general rate (I accept this is a different rate) principal departed from I believe then all rates need to be revisited and all Franz Josef rates ring fenced for Franz Josef only works. For many years the council has received more in rates from Franz Josef than it has spent (both on waste water and other services), depreciation has not been set aside and the surplus has been spent in other parts of the district, including the saving from under insuring the ponds when there was a known flood risk. To now expect Franz Josef to fund these works without any financial contribution from the entire district with seem unjust and inconsistent with councils past and current rating approach. Expecting a very small group to pay for this facility, which benefits the entire district through tourism will damage both Franz Josef and the district by making the main tourist centre in the district an unaffordable place for tourists to stay and also putting off development or encouraging development outside the main township. * Note that this submitter also suggests alternative methods (which are set out in under "Suggests a different funding option")
Opposes Option 1	19	We support Option 1 but have strong views on the appropriateness and fairness of the Council spreading its taxation levies to include the Lake Paringa Area when sourcing funds for the ongoing running of the waste water treatment facility in the Franz Josef region. This would be grossly unfair as we will not directly benefit from the waste water charge levied on us. As locals, we do not frequent the Franz Region ourselves other than to drive through. We have never shopped there - that's for tourists with their fat wallets and those locals caught short of something essential. The inflated prices and crowd keep us away other than to very occasionally get fuel; even that price is inflated with Franz Service Station having the dearest fuel in NZ we heard!
	1	The elderly in Hokitika will pay the largest part of the Franz plant and its annual operating costs. Of the 1318 households in Hokitika (Kaniere) Statistics NZ advise that 395 are widowed, retired, divorced or single and they collectively will pay 237% more than the Franz users. Franz is very important to all of Westland and our number one attraction and their current sewerage system needs an upgrade, however option one is unworkable and unfair as it loads those with the least benefit with the majority of the cost both now and into the future. 166 households in Franz will pay 9%, 1318 in Hokitika will pay 74.4%, 133 in Haast will pay 7.5%, and 162 in Fox Glacier will pay 9.1% and they will all pick up 100% of the Capital and annual running costs. There are 3735 dwellings in Westland. Only 1779 households in Haast, Fox, Franz and Hokitika households will pay. The other 1955 will pay nothing.
	4	The Whataroa Community Association, on behalf of the people of Whataroa, hereby state categorically their opposition to the Westland District Council's plans to use rate payer money to fund the \$6.2 million dollar sewage system in Franz Josef. This opposition is based on our belief that we, the public, should not pay for the sewage problems in Franz Josef which are mainly used by tourists who visit this town.
	10	It is absolutely unacceptable for the population of Hokitika, many of whom are on a fixed incomes, to have to fund the provision of sewage facilities that they will never use.
	11	Totally against ratepayers in Hokitika paying for the Franz Josef sewerage scheme. Like other businesses we had to pay for our own septic tanks and services and we get many tourists that are on their way to the glaciers stopping to utilise our toilet facilities.

TOPIC	#	Comments made by submitters (sorted by topic)
Supports Funding Option 2 (50:50)	13	Option 1 and Option 2 does not work for a small place like Haast Township. Haast Township only has 7 commercial businesses that pay targeted wastewater rates, of these 3 are motels that have the highest proportion of pans but have less users compared to other businesses with 1 or 2 pan that see a larger volume of users through their doors.
	22	From a concerned Franz Josef ratepayer and resident: The three options on the table are very restrictive and will cost Franz Josef ratepayers - for some, more than we can afford.
	31	The Franz Josef Community Council does not support any of the 3 funding options presented.
	35	I am vehemently opposed to the cost of the Franz Josef Glacier sewerage scheme being harmonised. The costs for this scheme needs to be placed squarely on the user.
	42	The community cannot afford this, have Government subsidies that are available been urgently sought? If so, what is the outcome of this?
	27	I am concerned that this council has chosen a very expensive option and is wanting the locals to finance their choice. I feel that the population on the West Coast/ Westland District is not large enough to fund these costly infrastructure systems. Since Franz is such a small township and the majority of people using the system are travellers/tourists, I feel like that group needs to pay for a lot of the cost. I am not opposed to paying something towards the scheme, provided that it has been thoroughly researched and the most cost effective solution chosen, however, I am concerned that there are many elderly and economically challenged people living on the coast, and feel that it would be a struggle for them to pay for something that they will, most likely, never use.
Opposes Option 2	22	From a concerned Franz Josef ratepayer and resident: The three options on the table are very restrictive and will cost Franz Josef ratepayers - for some, more than we can afford.
	31	The Franz Josef Community Council does not support any of the 3 funding options presented.
	42	It is unfair to the other communities within the Westland District, who have already connected to schemes e.g. Kaniere, whereby residents paid a capital contribution of approx. \$4500.
Supports Funding Option 3 (That the receiving community pay most)	2	As a tourism business that has to fund 100% of our own wastewater system we are not prepared to fund any of the cost of the Franz Josef system. Responsibility needs to be sheeted home to the major beneficiaries and in this case the great benefit goes to the Scenic Circle Group. They should carry a major responsibility for this project and one way of doing that is the rate being determined by the number of toilets rather than just by rating valuation.
	5	I fully support option 3
	3	Due to the nature of the Franz scheme it has to be fully funded by the residents and businesses that will or can directly use it. If this means a levy placed on tourists staying in the town then it must be set at a level that covers all costs. There is no way that other rate-payers in the district can be expected to cover any costs in this scheme when they will soon have their own schemes to fund.
	7	I support a user-pays funding option but on the understanding that the 'users' are predominantly tourists and those businesses which benefit from tourism. If the ratepayers of Franz Josef are to pay for their new system, they should most definitely be fully consulted about what is to be put in place. Since the Glacier is obviously retreating and there is concern about a rupture to the Alpine Fault, the future of the township is bleak.
	10	Why do we need a water treatment plant in Franz Josef? Answer - to dispose of the waste created, mainly by visitors and people earning a living from visitors. If FJG was not a tourist attraction the area would have a few farms and would not need a treatment plant. Therefor the creators of the need have to pay for it. Some sums. I have assumed there are 3,000 beds/campervan hook ups etc. in FJG that can connect to the scheme. If we assume 50% occupancy then you are looking at about 550,000 night's accommodation per year. If each accommodation provider pays \$1 per occupied bed night then there is income of over \$1/2 million pa. Add in standard connection charges and rates from domestic users and you are at about 10% of the scheme cost. Don't forget that the visitor centres, hot pools and cafes are also feeding into the scheme. 15 years of this and you have enough to cover the capital cost and any interest. There will be administration costs involved in collecting the money but I do not accept that accommodation units cannot find a \$1 per occupied bed per night. If that is too much then they have their pricing wrong.
Supports Funding Option 3 (Continued)		

TOPIC	#	Comments made by submitters (sorted by topic)
	20	I support option 3. We are in an area with no sewerage scheme and we have to organise and pay for the emptying of our tank (around \$350 every three years). In the future we will probably have to fund a scheme in our area ourselves. The problem is being caused by the amount of tourists in the area they should be taxed until the scheme is paid for. I can't imagine other townships being happy to help fund our sewerage system.
	25	I support option 3. The profit margins enjoyed by business's and accommodation providers in Franz Joseph far exceed those of most ratepayers in Hokitika. The businesses have the luxury of their costs being tax deductible. So one could consider over time that Franz Joseph business costs for a new sewerage scheme would eventually be offset by their tax write offs. Such a luxury will not be enjoyed by the general Hokitika rate payer. Considering this aspect, over time it will be Central Government that would eventually be paying for much of it instead of general rate payers. I think it would be a dangerous precedent for Council to lay the burdens of one community across the whole sector. The dynamics and economics of Franz Joseph as a tourist town standalone compared to other communities in Westland. By increasing rates on those who are not part of the tourism industry, Council would be sacrificing one sector to appease the other. The speed at which rates are increasing and along with foreseeable burgeoning cost, Erosion, Flooding and Roads. It won't be long before those on low and fixed incomes will have no choice but to move elsewhere. Tourism in no way benefits all in our communities. For some it can have a detrimental economic effect - Queenstown is a classic case where most all of the residents who lived there in the 1970's eventually could no longer afford to live there and had to move away.
	28	The Beachfront Hotel believes that a user pays option, Option 3 approach, should be taken whereby the community of Franz Josef pays for the facilities and infrastructure used by the community. Our reasoning is as follows: The Beachfront Hotel currently pays \$261.70 for its Sewerage Rate. Increasing this to \$400 per pan multiplied by our 58 pans would give a rate increase of \$8,000 for us alone. This would apply to many other accommodation providers and is simply unfair. Consistency and fairness: We are currently paying an additional \$10,000 p.a. in West Coast Regional Council Rates for the rock wall along the Hokitika Beachfront. We are happy to pay this as we are a major beneficiary. The funding model had major beneficiaries may a much larger factor than others who also gain a benefit. In fact we pay 10 times as much per dollar of value as general Hokitika ratepayers. Again this is fair. We get the largest benefit. We do not get anywhere as much benefit from the flow through of tourists going to Franz Josef as Franz Josef do. Incidentally if the same factor as WCRC had used was applied we would have accepted this, as there is some benefit to us. We believe Franz Josef is able to fund its own system: The statements around not being able to collect it from tourists isn't accurate. Franz Josef businesses have had great success in extracting funds from tourists. Most tourists who use a toilet will either be eating or sleeping or doing an activity in Franz Josef. These businesses make almost all their income from tourists and often at greater margins that other businesses enjoy. They should contribute far more than the rest of the West Coast for the facilities their guests or clients use. Having Franz pay 100% of the project would see their rates go up approx. \$600 per pan. Based on a 65% occupancy this would see the cost to an accommodation provider rise by \$2.50 per room night sold. Hardly unaffordable given that often premium room rates can be gained in the area. What analysis has been done to support that this is unaffordable? Hokitika ratepayers will bear the lion's share of the cost. No doubt they will bear the lion's share of upgrades to the Hokitika Sewerage system. It isn't fair to target a group of ratepayers just because they are the largest group and it allows you to keep everyone else's rates down.
	33	The most obvious way to fund a new WWTP would be user pays. Whereby those tourist operators that make the profits (Scenic circle, Ngai Tahu, Helicopter Line, etc.) pay a significant proportion, down to the residents who connect into the scheme to pay their fair share also. The trick, possibly impossible though, would be how best to charge companies who benefit from all those tourists but don't actually contribute directly to the sewage scheme i.e. The helicopter and guiding companies. If it was to install a WWTP for a small community I'd have no problem contributing to pay for it, but for the average Joe Bloggs up and down Westland to have to pay for the one in Franz just for big tourism businesses to pull profits out of our region it just isn't on.
Opposes Option 3	22	From a concerned Franz Josef ratepayer and resident: The three options on the table are very restrictive and will cost Franz Josef ratepayers, for some, more than we can afford.

TOPIC	#	Comments made by submitters (sorted by topic)
Suggests a different funding option	31	The Franz Josef Community Council does not support any of the 3 funding options presented.
	34	Apportioning the cost over 300 ratepayers is simply not commercially viable and Scenic Hotel Group again reserve the right to withdraw from the WDC scheme and manage our own waste water treatment, potentially adding huge additional costs for both the WDC and the remaining ratepayer base. Mayor Mike Havill made comment in the media that the 300 ratepayers of Franz Josef are unable to afford this expense, and yet the WDC are still moving forward with this proposal.
	42	This is unfair, as the major portion of this sewerage is used by the tourist.
	1	To say it's good for 100% of Westland and then dump the costs on only 47% of ratepayers is wrong. All sources of funding need to be explored, including government and possible insurance claims, hold workshops to explore all options.
	3	Kaniere funding model may be an option.
Suggests a different funding option (continued)	4	Whataroa Community Association feel funding for this sewage system would be more fairly obtained from a system of levy on the tourists who are the main users of the system or from central government.
	6	The proposed funding options offered to date fail to include all stake holders in Franz Josef's infrastructure and environmental compliance needs – a broader range of contributors with a vested interest in the future success of Franz Josef will provide a more equitable (affordable) funding program. The high value to New Zealand's growing tourist industry is well recognized by central government; therefore a strong case can be made to Government presenting the high economic value of Franz Josef to the national economy. The critical situation of the inability to meet the conditions of the Environment Act has created an extraordinary case. Growth in NZ tourism is largely due to an international image of a clean environment, an image that is a major draw card for many visitors to Westland. A reputation that must be protected at all cost. A model involving the tourist industry players, similar to the model of Milford Sound infrastructure funding could be helpful.
	9	WDC needs to be proactive in seeking support from the government Tourism Infrastructure Fund. Due to the influx of requests to this fund consideration should be given to requesting "Loan repayment" funds as opposed to the upfront full costs of proposals. The money will go further. The glaciers are the major attraction in Westland, and through them the whole district has some benefit. If after 1) above leaves a funding deficit the costs should be (with differentials) spread across the district including ALL ratepayers. Having or being able to have a WW connection has historically been a determining factor, but to some extent we all use the existing WW systems (septic tank cleaning) and public toilets. I support "user pays", but in this context who is the user? The government has the ability to collect a tax. (They are already getting GST!) Much more thought should be given to working with central government, helping them to develop a workable solution, for the good of the whole country. As a small business operator, the projected rates increase to fund the proposed WWTP (which I read from other submissions are of a design untested in either Australia or NZ) would decimate any prospect of investment return on our operations in an environment where all other expenses are already always rising. Obligations to provide fundamental infrastructure to the residents of Franz Josef should be treated at levels commensurate with other towns, as the capacity required for the new sewage plant is disproportionate to the number of residents living in Franz Josef. I.e. the plant capacity quoted for 5,000 people when the resident's needs would be for 300 people. Tourists travelling along the West Coast -- even if they choose to overnight in Franz Josef -- benefit many businesses. Having the small communities along the WC fund a major infrastructure project cost several million dollars is impossibly onerous.
	10	The concept of only charging those properties in Hokitika that have a sewage hook up and not charging those who use a septic tank is simply bizarre.
	11	Franz Josef makes profit from natural features such as the glaciers. DOC should charge to enter the National Parks and contribute to infrastructure to support the tourists.
	13	The cost of the new wastewater treatment plant in Franz Josef should come out of everyone rates regardless if you are connected to wastewater or you are outside the water treatment area. Much larger tourism businesses located outside the targeted wastewater area benefit just as much from the tourism opportunities that Franz Josef attracts to Westland. Residence and business that are not connected to a wastewater scheme have accesses to the treatment plant every time their septic field gets emptied. And for some businesses that is regularly.

TOPIC	#	Comments made by submitters (sorted by topic)
Suggests a different funding option (continued)	14	I support rating all ratepayers in the district with a tiered approach, with rural properties not directly connected to sewage treatment plants charged a half rate, as ultimately their septic tanks will be emptied into the districts treatment plants. Rating on a pan basis does not represent use, a house with 5 residents occupied all year or a restaurant toilet will produce far more waste than a hotel room with an average of 1.8 guests and occupied 48% of the time. Restaurant kitchens, laundries and other activities in the district produce significant waste water – a pan charge does not capture this and so is unequitable.
	15	
	16	
	17	
	18	I do not agree with the current proposals for financing the Franz Josef sewerage scheme. Charging all ratepayers connected to a sewerage scheme, even single person dwellings, the same charge seems very unfair. Especially for those ratepayers not connecting to the Franz scheme. I believe the scheme should be paid for mainly by the tourism sector. I'm sure the council will have approached Central Government for a share of the tourist tax take. If this proves unsuccessful, I submit the following proposal. Each ratepayer connected to the Franz Josef sewerage scheme should be charged, with a single house at a minimum rate. A system to determine extra payments from heavy users is essential. It is visitors to the area that overload the current system and it is the visitors, or those profiting from them that should contribute the bulk of the funding for the new system. There has been mention of a "pan tax" on the number of toilets in a dwelling. This is not really fair as having more toilets in a house does not mean more toilet visits. People numbers are more relevant than toilet numbers. For example, a backpacker will have less toilets than a motel but far more people staying overnight. Singling out Scenic Circle as being the biggest user is not necessarily correct. They may have the most toilets but not the most visitors. In summer, thousands of visitors, New Zealanders as well as overseas tourists, pass through Franz every day without staying the night. Places like the Hot Pools, Glacier Guides, The Kiwi Centre and popular restaurants and bars would probably have more toilet visits per day than any motel in Franz despite having less actual numbers of toilets. As each flush sends water through the system, a water meter for each business would be a more accurate indication of sewerage usage the "pan tax". Most places would recoup this charge very rapidly by adding just a dollar to each transaction. The council has considered approaching a business enterprise to become a "partner" in a sewerage scheme. One of the biggest, if not the biggest, stakeholders in The Franz Joseph area is Ngai Tahu with substantial investment in tourist operations, accommodation and land. The area is very important to them for a number of reasons and we all are aware how much importance Ngai Tahu attach to the management of the environment. I'm sure, if they were approached in the spirit of partnership, they would see the advantages to their investments, and to the land, of channelling some of their profits towards supporting such an environmentally important undertaking.
	19	Any levy that Council levies on the Lake Paringa Area will never bring in much revenue to the council simply due to our small population so why impose this unfair levy on us??? What would be a better, fairer plan would be for Central Government and the Tourism Department in particular be responsible for improving the Facility and meeting the bulk of the ongoing running costs of the waste water facility in the region along with the Franz population, to a lesser degree, and tourism providers who will pass on those costs to their clients. 'User pays' means on-going running of the waste water facility should be levied from those that use it and the Government to subsidise use by tourists. Franz Josef is an important Natural Heritage Area that's known world-wide. Advertisers seek to draw tourists to enjoy NZ's bountiful spectacular wilderness areas which benefits the country as a whole. Accordingly it seems that Central Government and the Local Council are attempting to avoid a cost that should be theirs and not that of far flung locals, especially when we have to drive an hour just to get to Franz and as said earlier, we do not frequent the area. Our community has to self-fundraise our local Bruce Bay Hall - imagine the outcry if Franz Josef rate payers were asked to contribute to a 50% shortfall in the Hall's revenue!!! In effect, that's what you're proposing to do to us!!!
	21	A precedent on how to fund sewerage schemes capital cost has been set when the Kaniere extension to the Hokitika scheme was constructed. This scheme was funded directly by the ratepayers affected with a contribution from the Hokitika sewerage account. The Franz Joseph scheme should be funded in the same way with the amount funded by Hokitika to the Kaniere scheme applied as a percentage to the Franz scheme to be funded across the district. I find it grossly unfair that ratepayers who have paid or are still paying for the Kaniere sewerage are lumbered with

TOPIC	#	Comments made by submitters (sorted by topic)
		costs for another scheme. If option A is the way the funding is provided perhaps ratepayers paying or have paid for the Kaniere scheme are due a refund.
	22	Why has Council not sought for higher external funding (i.e. from the Government - when the Government has put monies aside to assist with Infrastructure for tourism towns like Franz Josef or another example - Tekapo)? Why has Council not sought support from TIANZ - New Zealand's largest Tourism Organisation to assist lobbying Government for more assistance?
	24	I believe some sort of tourist tax would cover the build. As one of the ratepayers I myself own one toilet, we do not own a business in this town & we work hard for a mediocre salary & simply cannot afford it. Get the tourists or the motel / hotels to pay for it.
	25	I would like to know whether Council fully considered the option of private septic systems for Franz Joseph. Such as BIOROCK systems. These cost effective systems by far exceed the standard of traditional septic tanks and are used for Large Hotels and residential units in remote sites. The system is used throughout Europe and the Pacific Islands and are available in NZ. The reason I would suggest residences and businesses in Franz Joseph would have been prudent to go with the option of such a wastewater system from the Councils perspective are as follows: The Council is taking an unacceptable risk in personally investing such a large amount of ill-affordable ratepayer money based on the earthquake risk on the town and the effect of global warming on our fast disappearing glaciers. If there was a large and expected earth quake the ponds may be engineered for such an occurrence but would the pipework remain intact. Would the Hotels rebuild, or invest elsewhere. If in the next Ten years the glaciers are no longer accessible, I doubt that many of them would bother to rebuild. That would then leave the Council with a very expensive baby to look after, with little benefit to the rate payers. If a system such as the BIOROCK Septic system option was taken there would have been no risk to Council. I believe it is unaffordable for Council at this time. We cannot afford any more debt.
Suggests a different funding option (continued)	26	None of the three options provided adequately address the issues and are to varying extents placing an unfair burden on a limited number of ratepayers, most of who will gain no direct benefit from the scheme. If the preferred Option 1 is adopted, Kaniere / Kaniere Road residents who paid for their connection to the Hokitika scheme via a targeted rate, can feel most aggrieved as the user pays principle they were subject to is now abandoned. The best perspective on the requirements for an upgraded Franz Josef Waste Water Treatment Scheme comes from the 2009 SKM Performance Review and Upgrade Assessment. This document identifies the needs of a new scheme, broken down into the requirements of resident rate payers, overnight visitors, daytime visitors and transient workforce. The only shortcoming in this document appears to be their assessment in the growth rate of tourism numbers whereby the projected 2026 / 2031 visitor rates appear to occurring now in 2016 / 2017. This document identifies the requirements of a waste water scheme, "The tourism sector accounts for approximately 85% of the total demand." I submit that logically, the tourism sector should fund 85% of the cost of a new scheme after any contributions from central government or other funding sources have been accounted for. I submit: Franz Josef residential ratepayers fund 15% of the new scheme via a targeted rate managed on a similar basis to that applied to Kaniere / Kaniere Road ratepayers when they connected to the Hokitika scheme. Franz Josef business ratepayer's fund 85% of the new scheme via a targeted capital value based rate, the cost of which they can recover through their charges for goods and services. This places the funding of the bulk of the scheme with the tourist visitors, whether they be local or international. If business ratepayer's additional full year costs can be identified now, they can be factored into the coming tourist season pricing so that they can build up reserves to cover their first instalments of the targeted rate. A prudent business model would have annual additional costs covered a year in advance. By adopting a capital value based rate the businesses which benefit most from the tourism sector should contribute the most. Ongoing maintenance and operating cost is met by the current harmonised rate over the entire district. As the operating and maintenance costs for the proposed scheme are significantly higher than for oxidation ponds, non Franz Josef resident ratepayers pick up a disproportionate amount of

TOPIC	#	Comments made by submitters (sorted by topic)
Suggests a different funding option (continued)		this operating and maintenance cost for the scheme. This is justifiable as there is some unquantified economic benefit to the greater Westland region from visitors in transit to Franz Josef.
	30	Council must amalgamate all of the community's sewage rates in order to fund any government shortfall. This has been done elsewhere in New Zealand with smaller communities banding together to provide the required infrastructure upgrades. It has worked well. Any leftover targeted rating of local ratepayers must be stretched out over the life of the asset i.e.: 50 years. Don't put all of the onus on current ratepayers to pay over a shorter period of time. Why is Central Government not being asked to fund 100% of the new Franz Josef sewer works from its GST take it is getting from Franz Josef? That must be up hugely in recent years as a result of increased tourism. WDC needs to get tough with Central Government over this issue. Doesn't Government have a new tourism infrastructure fund? If so why not tap that for the 100% required and therefore keep rates at their current levels.
	32	None of the three funding options are acceptable or equitable and that Council – (Needs to reconsider the proposal and look at a funding method that is more aligned with the method that the WC Regional Council used to fund the Hokitika Beach rock wall) i.e. Franz Joseph pay the largest % and that all rateable properties outside the immediate affected catchment zone pay a fee towards the cost of the scheme. Rateable properties that have access to a wastewater scheme would pay a slightly higher fee than those not in a scheme (revamp of funding option 2). Franz Joseph does contribute to what is quintessentially Westland and the complete district does benefit from this. It is not equitable for a small population base such as at Franz to fund such a major infrastructure cost (funding option 3). Funding option 1 is also not equitable as under this proposal Hokitika and I presume Kaniere rateable properties would pay approx. 75% of the capital cost and Franz properties pay approx. 9%. This is not acceptable and is contrary to the democratic principles that our local Government system is based on. It is also against the funding method that previous councils have used for previous waste water schemes such as Hokitika and Kaniere. Using the flawed rationale of option 1 Hokitika rateable properties would pay the major share of all infrastructure projects in the whole district. Council need to revamp option 2 and to decide that Franz Joseph needs to pay the largest % and the remainder of the costs need to be spread over the complete district. To do this Council needs to look at the funding method used for the Hokitika Beach rock wall. Councillors also needs to make sure that its infrastructure insurance is sufficient or identify this risk in the Long term Plan and also make sure that they have sufficient information given to them by management on the decision on why the preferred plant design was chosen.

TOPIC	#	Comments made by submitters (sorted by topic)
Suggests a different funding option (continued)	36	I do not support any of the 3 funding options presented. I do not support the proposed site for the planned WWP. I do not support the proposed WWP system put forward by council. The presentation council gave in August to the community of Franz Josef should be regarded as the 'start' of the consultation process and nothing more. Further information now needs to be supplied through questions being answered regarding the potential re-instatement of the current WW system and 'other' options available for an enclosed system. These questions have arisen from the August presentation. Following this process is part of a full consultation process. The funding proposals are not sustainable on a long term basis for the average rate payer or business. The proposed system of 50/50 for Franz Josef ratepayers is not sustainable for the business sector of Franz Josef. The businesses in this township function under a seasonal business practise and that needs to be considered. With not knowing the methodology used by council to arrive at the funding options, or what other options were considered, it makes it difficult to add further options. There will be other funding models out there that should be investigated. Council needs to look at the major infrastructural requirements that WDC will be required to fund throughout the Westland region over the next 10 year period and then look into the best funding mechanism for this as a region. The new council must take over the management of this to allow the consultation process to continue but more importantly, provide the essential time needed in seeking financial resolution to the plant requirements. We appreciate council may have engaged in tenders which are currently on hold. Council shouldn't have progressed to the stage it has without having completed full and complete consultation with the community. In that respect, consultation began in August when council presented the essential information that supports the Waste Water Plant. We ask that this entire process be put on hold - it is inappropriate for the council to rush any decisions through prior to the elections and would be a dangerous precedent to undertake. We ask that council note this at their monthly meeting, 29th September.
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Suggests a different funding option (continued)	41	I do not support any of the three proposals. The limited proposals are narrow and poorly thought out. Council staff and councillors have not done their job properly by only putting these three options forward. A fourth option is a full user pays model and is appropriate in these circumstances. Tourist wastewater facilities and toilets should be paid for by tourists! Harmonisation may be appropriate for maintenance but is not for capital works. The suggestion that Hokitika depreciation funds be used for replacement of wastewater facilities at Franz is nonsense and unlawful. Any rates collected for a purpose can only be used for that purpose.
	42	A fairer system of charging for sewerage, than the current pan charge, would be via water meters, e.g. everything a toilet/urinal flushes, the water is recharged. It would not be difficult to ascertain a % of total water usage that is used in the toilet system. Water meters could be installed in all Public facilities, and buildings servicing the tourist sector i.e. hot pools, cafes, accommodation and other tourist activities. Another example is the NZ Motor Home Association Park, where they only pay one pan charge, but could have a large number of people there per night. A water meter would specifically target the tourist.
	59	I do not support any of the 3 options
	60	We are opposed to all the above options and believe that greater consideration needs to be given to solutions that don't burden Hokitika rate payers.
	62	We do not support any of the three funding options being consulted on. We support the 'Harmonised Plus' option put forward by Cr Greg Hope. <i>Refer to full submission for detail about this option.</i> 'Harmonised Plus' includes contributions from all ratepayers, with differentials according to direct/indirect benefit received. Council must use all available assistance to pressure Central Government for a meaningful solution to the provision of tourism infrastructure by small councils throughout New Zealand. The glaciers are the major attraction in Westland, and with their central location, the whole district benefits from growth in Glacier Country. Franz Josef is the springboard for growth on the West Coast. The costs of a new WWTP in Franz Josef should be spread across the district to include all ratepayers, with differentials based on benefit received. We all use existing WW systems to some extent, through septic tank cleaning, stock truck/campervan dump stations to public toilets, schools, shopping or socialising in town. Contributions need to reflect that everyone in the district benefits either directly or indirectly from the

TOPIC	#	Comments made by submitters (sorted by topic)
		<p>infrastructure provided. Those advocating loudly for ‘user pays’, perhaps forget that the infrastructure they rely on was funded with significant assistance from government subsidy, now no longer available. Franz rate payers have paid into the WDC reserves for the last 40 years. Now, because of poor financial management by past councils and their staff, with no accountability as to where these funds have been spent, we are being asked to pay again. This is a situation all in Westland District face going forward and we will all be playing catch up for decades to come as aging infrastructure requires replacement. All Westland District communities must support each other. It should not be laid solely on any individual community to bear the brunt of this past incompetence. In particular, to stymie development in the one town that is showing real growth in the district by dumping a huge cost onto it alone is short-sighted. Growth in Franz will promote sorely needed growth throughout the district. We do not, however, advocate for a pan charge, which could be replaced with either a charge on capital value with various classes of rate similar to how the Hokitika Seawall is rated or, where water meters are installed, charging by water use – again using varying percentages for classes of connection.</p> <p><i>Refer to full submission for detail about a Kaikoura example. And Kaipara.</i></p> <p>The accommodation sector has a limited ability to gain extra income from increased visitor numbers in peak season. A motel can only be full; it cannot be fuller than full. Accommodation is currently at capacity in peak season. While it needs to be acknowledged householders also have a limited ability to increase the contribution without hardship, the load needs to be spread more evenly, particularly through the commercial sector e.g. cafes, tour operators and activity providers, through a rating district or hybrid pan charge/water use system.</p>
	76	<p>1st Choice: Other Proposal – Harmonised Plus 2nd Choice: Option 2. At the Franz Josef WWTP consultation meeting the mayor stated that Franz Josef was the only town in Westland experiencing growth yet the WDC is asking all the towns ratepayers connected or have the ability to connect to waste water in Westland to pay equally to the \$6.2 new treatment plant on a per pan basis. Haast Township businesses are not experiencing the same increase in visitor numbers that Franz Josef is, yet they are to be rated on the same per pan basis as a Franz Josef business to provide for the capital cost of the new waste water plant. No account has been made for commercial ratepayers who live outside of the town zones who use the waste water facilities for a minimal cost. ie Accommodation providers who empty their own sewerage dump stations into the town dump station or commercial septic tank cleaners who empty their waste into the sewerage ponds. The amount the council charges for the use of the waste water facilities by these businesses bears no relation to the amount town ratepayers pay to be connected to the system on a per pan basis.</p> <p>Cafes, Bars, Restaurants and other activity providers. These businesses have a very high number of users but have a very low number of pans. As the rate is on a per pan basis they do not pay for the actual amount of waste that their business discharges into the waste water system. The three funding options on the WDC presented does not take into account all the users of the waste water system. Another option could be the ‘Harmonised Plus’ model in which non-connected pans and high use pans would be captured to spread the cost across more of the district and reduce the impact on all towns. It would capture some very high WWTP users who just happen to not be connected and who presently pay next to nothing. The current council should not approve this proposal and they should negotiate with the WCRC for an extension of time. This would allow the new council to engage in a full and meaningful consultation with the community, Local and Central Government, regarding all matters of the WWTP and for a funding rating plan to be completed and then included in the next annual plan.</p>

TOPIC	#	Comments made by submitters (sorted by topic)
<i>Other feedback</i>	1	Council has not clearly set out the reasons for consulting on only the payment method as opposed to the type of plant options and location if ponds. Council debt will be over 24m dollars from 14.7m dollars in 2014. Opposes the complete proposal until accurate information is provided to all parties with pre determination and support the call for an injunction preventing Council pushing this project through just days before a new Council is appointed. Has Councils discretion in relation to this consultation been exercised independently: Are Councillors satisfied that no question of bias arises, it seems you have made up your mind and have merely structured the considerations to support your decision? Councillors argued that any delay was not acceptable. This is pure politics and should play no part in a decision being made for the good of the community. Has Council identified people prejudicially affected by the proposed decision especially those based in Hokitika expected to pick up the majority of the costs. Lack of supporting paperwork. Council has not clearly set out all the reasons for consulting on only the payment method as opposed to the type of plant options and location if ponds are not selected by the Franz community.
	2	Westland District rates have escalated by 300% over the last 5 years despite the fact that there is little accruing in the way of council services to our isolated business and the service that we do use, waste disposal, is on a user pay basis.
	3	Franz Josef is important to wider Westland. For a number of years Council knew about the failing pond system and that the capacity was not adequate. Council has been collecting depreciation for a number of years (Austerity Depreciation Policy implemented in 2012). These funds may have been spent elsewhere? Any funding mechanism should include thought for new WW schemes as population grows, as well as upgrading existing WW schemes i.e. today them, tomorrow us!
<i>Other feedback (continued)</i>	8	There is a sense that the WC has already made a decision to proceed with the WWTP and that it has an implicit favourite funding scheme and is presenting the "facts" to ensure it gets its desired outcome. The funding options offered by the WDC all have their serious defects as each carries a huge amount of inequity for ratepayers across the district and all set precedents with huge implications of future rates liabilities to fund future infrastructure projects across the district where communities are tiny. If the WC insists on proceeding with the WWTP (and no one would argue that that would be a better solution in the very long term), then the central government needs to be involved, especially where the rise of users are predominantly tourists which the central government works to attract. As a major beneficiary of this rising tourism, it should be funding all improvements in national infrastructure with specific project bonds which it can market to the global investment community - including the WWTP in Franz Josef. I urge the WDC to resist railroading this scheme and the proposed funding options through without revisiting the much cheaper alternative of building the new 5 ha pond and to seek the central government's involvement in providing grants or subsidies which they could fund with project-specific bonds, a common practice used to fund infrastructure construction.
	27	I believe that the Council designating A "Fault Avoidance Zone" in Franz has hurt the community and does nothing to protect anyone. It will not matter if you are right on the fault or near it when it does rupture, devastation will occur. People who live in active seismic areas know this, why orchestrate certain zones that affect the value of someone's property? The whole of New Zealand is a Fault Avoidance Zone.
	29	I understand the significant challenges that many communities, not only on the West Coast, but around the country are struggling with at present - given the large projected increase in tourism flows over the next 5 years - and the pressure that this puts on key tourism hubs such as Franz Josef, Haast, Hokitika and other towns within our region. \$200m directly is injected into South Westland through tourism and without a vibrant and successful Franz Josef we simply don't have a significant tourism industry in our region. The solutions need more debate and a closer consultation process - I strongly oppose the council making a decision until that process has been reviewed and discussed more fully -and a new council and Mayor has been elected in a few months' time. There is a definite feeling in Franz Josef that the council has already pre-determined the outcome and the Mayor is wanting to push ahead with a decision before leaving office. This community feeling may be totally unfounded, however it will cause real issues with community relations and goodwill towards the council long term -and a bitter legacy to be leaving office with. I would strongly suggest therefore postponing a decision - as I can see little downside to this suggestion and a more measured course of action. In my opinion the decision is far too important and complex to make at this time. As Winnie the Pooh once said. "A little Consideration, a little Thought for Others, makes all the difference."

TOPIC	#	Comments made by submitters (sorted by topic)
<i>Other feedback (continued)</i>	31	The proposed options are not sustainable on a long term basis for the average rate payer or business. The proposed system of 50/50 for Franz Josef ratepayers is not sustainable for the business sector of Franz Josef. The businesses in this township function under a seasonal business practise and that needs to be considered. With not knowing the methodology used by council to arrive at the 3 funding options, or what other options were considered, it makes it difficult to add further options. There will be other funding models out there that should be investigated. Council needs to look at the major infrastructural requirements that WDC will be required to fund throughout the Westland region over the next 10 year period and then look into the best funding mechanism for this as a region. The new council must take over the management of this to allow the consultation process to continue but more importantly, provide the essential time needed in seeking financial resolution to the plant requirements. We ask that this entire process be put on hold - it is inappropriate for the council to rush any decisions through prior to the elections and would be a dangerous precedent to undertake. We ask that council note this at their monthly meeting, 28th September.
	35	Westland District Council could easily introduce a user pays scheme whereby tourist, the biggest user of the scheme, would be the ones to pay. There are a couple of options for doing this. Introduce a pan rate although freedom campers will still use the roadside and picnic spots. Introduce water meters so that residents and businesses are rated at two separate rates. I am sure there are other ways yet to be explored but when Kanieri residents were forced to pay \$4800 for connection to the sewerage scheme we had no help from a harmonised rate. That was user pays. Why should we now pay for someone else's when we have already paid for our own and the Hokitika sewerage scheme will soon need upgrading so once again we will be hit with increased sewerage rates.
	33	I'm very concerned that the council has even put option 1 and 2 on the table. If they are going to lumber these rate payers with a WWTP for the tourist operators in Franz to make their profits from, then really it should be distributed across the entire rate payer base, not just those connected to an existing system. (I have my own septic tank by the way). Present councillors please don't rush this through at the last minute. It's too big a decision to be rushed through and especially as most won't be there come the end of October.
	34	We are opposed to the exorbitant costs associated with this proposal and the lack of information available on any other potential options. The consultation on the Funding Mechanism for the Franz Josef WWTP be put on hold pending a combined community, Local and Central Government review and robust public consultation. The funding options the WDC have included in this proposal are not the community's preferred choice and we ask the WDC to consider alternative funding options and consult with the community so that the ratepayers are able to accept the process and make an informed decision. In the event the Franz Josef WWTP proposal is not withdrawn, any and all proposed funding options be removed from the Funding Mechanism for the Franz Josef WWTP pending the same review and consultation process described above. The WDC have provided insufficient and/or misleading information within the Funding Mechanism for a new WWTP in Franz Josef dated August 2016 that ratepayers are relying on to make an informed decision. We seek the following decision from the Westland District Council: That the Franz Josef waste water treatment plant plans and the proposed funding mechanism be withdrawn pending a combined community, Local and Central Government review and robust public consultation process of its site location, design, construction, management and funding rating plan be entered into and completed. In the event the Franz Josef waste water treatment plant plans are not withdrawn, any and all proposed plans be removed from the Draft Annual Plan 2016 / 2017 pending the same review and consultation process described above. It is not conducive or ethical for WDC to proceed with the current plan until all options have been explored to the satisfaction of the majority of the community and rate payers. That WDC engage with WCRC to withdrawn or place on hold the current Environment Court action. The current timeframe advised by WDC to comply with the current oxidation ponds discharge order needs to be extended. That the WDC abandon its current plan to finalise the WWTP programme prior to the Local Government elections to be held in October 2016. That the WDC guarantee the current council will not enter into any contracts for the supply of the WWTP equipment until the new council is elected and have the time to conduct their independent investigations following full and meaningful public consultation. That the WDC guarantee the current council will not enter into any Sale & Purchase Agreements to acquire land for the WWTP until the new council is elected and have time to conduct their independent investigations through public consultation. That the WDC provides its utmost support, in principle to participate in a formal and

TOPIC	#	Comments made by submitters (sorted by topic)
<i>Other feedback (continued)</i>		collaborative process to be prepared and conducted with the Westland District Council, Central Government, representatives of the Franz Josef community and relevant stakeholders - to review the site location, design, construction, management and funding rating plan for the Franz Josef waste water treatment plan.
	43	At the consultation meetings back in August, I was presented with the following situation:
	44	“Due to the effects of the March flood, it’s been decided that you need a waste water treatment plant. This is what it looks like, this is where it is going to go and it is going to cost \$6.2 million + GST + running costs + any other unexpected costs that may come up. Now, how would you like to pay for it?” So the actual consultation was about how to finance a course of action on which a decision had already been made. This, of course, had a predictable result: it confronted South Westland communities regarding who was going to absorb most of the cost. Classic “divide and conquer”. I know very little about the technicalities and feasibility of building a WWTP as opposed to upgrading or expanding the current oxidation ponds and strengthening the banks of the river. On that I trust the people who, for decades now, have been actively working with the ponds and the Waiho and whose opinion wasn’t really heard. What I do know is that it is unrealistic to expect approximately 300 ratepayers to sign what looks like a blank cheque, especially when there hasn’t been a fair consultation. So on this basis, I demand all alternatives to be considered through a proper consultation, all proposal information and costing details to be shared with the community, independent consultants to be appointed by the community for proposal evaluation and costing and, above all, that no further action is taken and no decision is being made by the current Council on this matter before the forthcoming council elections. All decisions on this should be made by the new Council.
	57	I oppose this whole WWTP plant until more consultation is needed with the Franz Josef community and the whole of South Westland. There has been no proper explanation as to why the current oxidation ponds cannot be repaired. As a rate payer, we cannot afford to have an increase in rates to cover costs as we are paying already. The council should take no further steps and makes no decisions in relation to these matters prior to the forthcoming council elections and leaves all decisions to the new council.
Submission includes comments about the new facility	1	The proposed plant has never been tested in New Zealand or Australia. The plant proposed ignores the lowest cost, lowest operating cost option of a new pond. The Franz community advise it has been difficult getting a response from Council and they are yet to receive information requested. Council has not supplied information on how it intends handling Noise, Vibration and most important odour from the proposed plant. The location chosen is right in the centre of where Franz will develop in the future and this is unacceptable. Council appear to be pushing ahead with the preparation of contracts of engagement with contractors and we understand they have also identified land for purchase. This appears that the current council are taking steps to enter into unconditional contracts at their September Council meeting which will be prior to the Local Government Election in October.
	6	I support the modern movable sewage plant, giving particular regard for the scientific reports of the high seismic risk the town is exposed to.
	7	Perhaps the Council will end up with a useless expensive white elephant and should look at more viable options.
	8	Recently, Bruce Smith of Rayce Management Services circulated his view that the option of building a new 5ha pond is logical, feasible and far more cost effective. Moreover, previous WC executives had the foresight to purchase the Green Farm to ensure they had sufficient land to expand the existing ponds. His email was sent to the WDC and should be considered seriously and honestly.
	14	I do not support the proposed treatment plant with high capital cost and high ongoing maintenance costs – the proposal is not financially viable for
	15	the district. I encourage council to further investigate repairing and extending the current treatment ponds – which has low ongoing maintenance
	16	costs and based on proven technology.
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TOPIC	#	Comments made by submitters (sorted by topic)
	22	Why was the community not notified of the intended location of the new WWP? Council were making plans on this site as early as March. The site is too near the town, why not beyond Cron Street past the Refuse Transfer Station? There is no guarantee there will not be any unpleasant odours, considering lower Cron Street is likely to see the town expansion it makes no sense to have the WWP in such close proximity to housing and especially tourist accommodation. Most afternoons there is a strong Westerly breeze that will surely blow any odour directly into the town.
	23	Council staff have not used accurate information on the existing system. Council staff have not consulted with the community about options available (this is a requirement of the Local Government Act 2002). Council is clearly in breach of its responsibility to carry this consultation out. The engineering information submitted to WDC by its consultants is in parts out of date, inaccurate, incomplete and misleading to the readers. Council staff have withheld information purposely I believe from myself so ratepayer evaluation is prevented. Council as a result of the above have accepted a lot of misinformation and made a hasty decision with poor information regarding the options therefor misleading its ratepayers. Council are embarking on a plant and funding plan of that that is neither the best type of plant for Franz Josef nor affordable to Franz Josef consumers or the Westland District Ratepayers. Council staff have disregarded upgrading of the existing Oxidation pond treatment system based on out of date, inaccurate and incomplete information. Nowhere in any of the engineering information available on the WDC website does it recognize or outline the significant stormwater or fat infiltration problems within the existing system. This Proposal to construct a Biological Reactor type plant in a growing area of Franz Josef is flawed because its huge initial cost is unaffordable to Westland District Ratepayers. Operating costs have been quoted by staff of \$150,000 p.a (\$3000 per week). This is unaffordable. The project will have cost over-runs. There is a likely risk a Resource Consent will be unobtainable for the proposed site. The location of the site is adjacent to and upwind of an established motor home park and in the area Franz Josef is expanding to. Expanding and upgrading of the existing Oxidation Pond system on its current site is in my view the only realistic and affordable option for sewage treatment at Franz Josef for the Westland District Council. For Councils consideration I am currently working on a fully costed proposal for protection of the existing site from the Waiho River and expansion and upgrading of the existing ponds to become compliant with the existing Resource Consent with amended conditions. Estimated costs are approximately \$1,000,000 maximum.
	31	The Franz Josef Community Council do not support the proposed site for the planned WWP. The presentation Council gave in August to the community of Franz Josef should be regarded as the 'start' of the consultation process and nothing less. Further information now needs to be supplied through questions being answered regarding the potential re-instatement of the current WW system and 'other' options available for an enclosed system. We appreciate council may have engaged in tenders which are currently on hold. Council shouldn't have progressed to the stage it has without having completed full and complete consultation with the community. In that respect, consultation began in August when council presented the essential information that supports the Waste Water Plant.
	33	The proposed 6.2 million WWTP seems to have no supporters other than council management. I hope for our sake it's not a white elephant if it does go ahead. Google Mangawhai Community Wastewater Scheme to see worst case scenario. The community was told initially 10.8 million and it blew out to 57 million. Imagine that!
	34	The WDC have demonstrably failed to fully investigate any other possible options for waste water treatment in Franz Josef and the WWTP has been selected as the preferred option by the WDC without public consultation and robust data backing their decision. Insufficient information was provided in regard to the proposed site location. Insufficient information was provided in regards to the capital cost for the purchase of the land. Insufficient information was provided in regards to the Capital cost of construction. Insufficient information was provided in regards to the design and function of the waste water treatment plant. Insufficient information was provided in regards to the on-going management and operational costs of the waste water treatment plant. Insufficient and limited information was provided with regard to the negative impacts of a WWTP including but not limited to: Size of the building and its visual impact on the landscape, Operating hours and commensurate noise pollution, Offensive/unpleasant odours. As the WWTP is a mechanical solution, little or no information is provided as to backup and disaster

TOPIC	#	Comments made by submitters (sorted by topic)
		<p>options should there be a failure. Insufficient and limited information was provided in regards to the funding options to pay for the waste water treatment plant development. Insufficient and limited information was provided in regards to private/public investment opportunities. Furthermore, no mention is made at all regarding the proposed WWTP's ability to withstand the effects of a possible earthquake in the area. The basic premise on which this proposal has been submitted is flawed on various aspects and has been from its onset. The WDC have predetermined the waste water treatment option that is preferred and have skewed the data to portray this option in a light that is more favourable to the other funding options. In our opinion the WDC are assuming the Franz Josef community have agreed to the building of a new WWTP but that is not correct. We submit that the WDC have not yet fully considered all alternate options available. There is the additional assumption that all ratepayers of the community will need to be connected to the new scheme. These assumptions have not yet been verified/ratified to the ratepayer's satisfaction. The estimates provided by the WDC do not appear to add up. Contained within Appendix 1 of the Funding Mechanism August 2016, the information the WDC have provided estimates that an Oxidation pond based system will cost approximately \$6.0m. How did the Council calculate this value? We have obtained some initial estimates from local contractors which indicate that the Franz Josef Oxidation ponds could cost as little as approximately \$650K to remediate and extend. With the additional expenditure of WDC budgeted \$1.5m-\$2.0m for a stop bank, this comes to a total of \$2.15m to \$2.65m. Coupled with an approach to the West Coast Regional Council (WCRC) for assistance to help fund or waiver the Resource Consent and compliance cost, this provides a significantly reduced total cost to reinstate the Oxidation pond system. Can the WDC explain how their cost estimate of \$6.2m was derived? (See the Funding Mechanism overview for estimated cost and quotation attached) From the WDC provided figures for a typical breakdown of cost for construction of the Oxidation pond based system, the estimates provided by the WDC range from \$4.6m-\$6.7m; this is before any compliance is achieved. In comparison the WDC have indicated that the compact plant, WWTP, design will cost \$6.2m, however the minimum estimate provided by WDC is \$6.1m and the upper estimate is \$7.2m; excluding expenditure on ongoing compliance. Can the WDC advise why they appear to have tabled the lower estimate of cost for the WWTP and the higher estimate of cost for the Oxidation Pond option? Are the WDC able to commit to the \$6.2m value? The Estimate of \$6.2m does not appear to include allowances for contingencies, project cost over-runs or realistic operational expenses. How is the WDC intending to cover any additional Capital costs should the WWTP come in at the upper estimate of \$7.2m? It is our understanding that the proposed WWTP has been specified to cater for up to 5,000 residents at any one time. Can the WDC advise where this figure was sourced as we calculate the maximum number possible, based on all residential and commercial operations, to be well below this figure? Can the WDC provide projected growth figures to support an installation that service 5,000 residents? Have the WDC explored the option of installing holding tanks for peak times to reduce the total processing capacity of the proposed WWTP, and if so, what are the capital, operational and social implications? The WDC provided information regarding the annual operation costs of \$150k has failed to confirm whether this expenditure is attributed to the operation of the Compact plant option or the Oxidation pond based system. Is this the operation cost for the Compact Plant (WWTP) design? If so, then what is this annual operational cost estimate for the Oxidation pond based system? In both the Funding Mechanism August 2016 Appendix 1, and Appendix 1A of the Opus Consultants report, the information provided states that one of the shortcomings of the Compact Plant design is it is Energy Intensive. What is the value apportioned to the annual operational expense for energy/ electricity costs? The information provided by Appendix 1A of the Opus Consultant's report, indicates that the Compact system is likely to be more expensive in terms of CAPEX and OPEX than the equivalent Oxidation pond system. Can WDC demonstrate anywhere in the proposal where this advice is either acknowledged or taken into count when deciding on the WWTP option? Appendix 1A of the Opus Consultants report states the shortcomings of the Compact Plant. The 'Land cost' estimates for the waste water treatment options are excessive. The Funding Mechanism August 2016 Appendix 1 indicates that the capital required for 'Land costs' for the WWTP at \$300k to \$400k, based on 10,000m². In comparison to the 'Land costs' required for the Oxidation pond system, based on 50,000m² minimum, the estimates given ranges from \$500k to \$1.0m. Any additional land required to expand the present oxidation ponds (if in fact any expansion is required which is not accepted) will mean the WDC purchasing the adjacent land off its own property company. The present GV for the whole 10.5ha</p>

TOPIC	#	Comments made by submitters (sorted by topic)
		owned by Westland District Properties Ltd is \$260,000. Why does WDC propose selling inexpensive land at several times its 2014 GV? How were these values derived? Is the total value based on land value for each option or is this value included in the capital cost for both options? The ratepayers require more information in regard to this matter. Lot 5 DP419200 owned by Westland District Properties Limited, of 36 Weld Street Hokitika, and Lot 3 DP 419200, owned by WDC, are situated adjacent to Franz Josef's existing Oxidation pond site. The 2014 GV Land values for these sections are \$260k and \$89K (\$349k total) respectively but the estimate included in the Funding Mechanism August 2016 Appendix 1, 'Land cost' for the WWTP is upwards of \$1mil. Again why is WDC looking to profit in this manner? How did WDC determine this value? Should the value be more in line with the capital value as per the rating schedule? Can the WDC please provide more information on this matter? The proposed location of the Compact system on Douglas Drive in Franz Josef is not a suitable location. The recent release of the GNS report dated July 2016 on Natural Hazard Assessment for the Franz Josef Township recommended relocating the Franz Josef township North East of its current location as a way of mitigating potential risks to the Franz Josef township and its people in the likelihood of a significant natural event. Should this recommendation be followed the proposed site of the WWTP on Douglas Drive would be positioned right in the central corridor of the relocated township. We ask whether the WDC intend to house the proposed WWTP? If so, will this be a fully housed facility? By not housing the plant would the WDC achieve substantial savings in the overall budget? From the information provided in the Funding Mechanism August 2016 the measurements for the housing of the WWTP are 23m (wide) x 43m (deep) x 8m (High). This structure has been referred to by engineers in Appendix 1B of the Opus report, specifically 3.1.2, as rather 'monolithic' and we tend to agree. Should the WDC continue with the Funding Mechanism proposal for the proposed WWTP as distributed for public consultation THEN; Scenic will continue to investigate the development of its own waste water treatment facility to manage the waste generated by their properties in the Franz Josef community. Scenic reserves the right to explore alternative methods/options available. Scenic reserves the right to finance its own solution after the WDC has commenced or completed its WWTP. Further, Scenic reserves its rights to withdraw from the project at any time and require a reduction in rate as our properties will no longer be part of the communal waste water facilities. Alternative Solutions: Extend & Remediate the existing Oxidation Ponds. Consider alternative compact systems for the treatment of waste water treatment. Consider an alternative site location.
	22	As a resident of Franz Josef /or Hokitika, we have no confidence in the Westland District Council in relation to the proposed new Franz Josef wastewater treatment plant. I consider that the views and concerns of the Franz Josef residents have been ignored by the Westland District Council; the Westland District Council has paid lip service to consultation and has not consulted properly with the community. In particular the Council has failed and refused to provide full information and details of all options. Council has considered and the costings and consultants reports in relation to each option; failed to properly explain why the current oxidation ponds cannot be repaired and/or expanded to meet the requirements of the township for the foreseeable future; failed to explain why the community should be expected to accept and pay for an expensive new treatment plant that has not been tested in NZ conditions similar to those at Franz Josef as the only Council alternative. I consider that Council has already predetermined the outcome of the process and is already committed to its proposed experimental replacement scheme. I demand that Council properly consults with the community in a full and open manner including properly considering all alternatives, including repairing and upgrading the current oxidation ponds, providing full information and details of all options and all costings to the community, arranging for independent consultants to be appointed by the community to evaluate and cost each proposal. I demand that the present Council takes no further steps and makes no decisions in relation to these matters prior to the forthcoming council elections and leaves all decisions for the new council.
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	42	I believe the scheme is technically flawed, and that the Westland District Council should seek good common sense advice as to how to rectify the existing ponds to make them compliant, whilst a further long term solution is correctly thought out. I also believe that Councillors have been given some incorrect information, and I believe that some of the costings are seriously astray.
	63	We acknowledge that it is imperative that Franz Josef has a more suitable WWT system but strongly believe the proposed plant is not the only option and this needs to be taken seriously. The proposed plant that council is recommending is unaffordable by this community. We are

TOPIC	#	Comments made by submitters (sorted by topic)
		against the proposed location for this plant. We would like further consultation on the option to extend the current ponds including stop bank protection. This option is achievable and at a lesser cost to the rating community. We agree entirely that the planning for this system needs to be futuristic and looking into the long term. We have grave concerns regarding the proposed plant not actually ever been tested in any other small community in NZ , why should Franz Josef be the test for this at such great cost when in reality there is other options . We think the council has come to the table with a predetermined decision on what they want and are not fairly considering what the community wants and can afford. Consideration , further consultation and present all of the evidence / information in planning this please
	49	I would like an oxidation pond system to be looked in to more. I am concerned about the other costs on top of the estimated cost of the WWTF. I would like this process to be put on hold until after the upcoming elections
	59	I do not support the proposed site for the planned WWTP I do not support the proposed WWTP system put forward by council More information is needed around the existing ponds This all needs to be put on hold until the new council is elected and more consultation has taken place.
	62	We support reassessment of recommissioning the existing oxidation ponds in Franz Josef. With regard to the type of plant, Scenic Circle Group have carried out their own investigations into options for WW treatment in Franz. There has been insufficient time for this research to be presented to the community with the possibility of a viable alternative option to that favoured by WDC. Previously the cost of protecting the existing ponds from the river was prohibitive, however NZTA have now armoured the stop bank almost to the ponds thus making the cost of continuing the stop bank to protect the ponds considerably lower. The recent All Hazards GNS report suggests relaxing the river's confinement on the south bank to mitigate the possibility of bed aggradation resulting in serious flooding. If that were to happen it may be possible to effectively and efficiently manage the risk to the ponds in their current location. This is too important a decision to get wrong and recommissioning the existing ponds should be revisited to convince all stakeholders whatever decision is made is correct one. In the light of the recent Thornton report into the West Coast Wilderness Trail can we have confidence in WDC ability to contract and deliver a \$6 million WWTP on time and within budget. Part of WDC's assurance to us that their process will be robust is the appointment of a probity auditor. The ICAC does not advocate the routine use of probity auditors. Probity auditors should only be used by government agencies as the exception rather than the rule. Recent investigations by the ICAC into various projects that used probity auditors raised several problems regarding the role and functions of probity auditors and their use generally. These problems include: agencies relying solely on the findings of a probity auditor to demonstrate probity when they should already have in place systems which incorporate probity principles, agencies using probity auditors inappropriately as a form of 'insurance' and as a possible scapegoat should problems emerge and to evade their accountability as managers, agencies and probity auditors having differing views on the probity auditor's role. This is often the result of there being no formal written contract or terms of reference for the work to be undertaken by the probity auditor, and poor ongoing management of the relationship, the use of probity auditors by public sector agencies to justify their decision to depart from a competitive process and to negotiate directly with one bidder. With regard to past performance and to the limited information we have been provided around costing, what assurance can WDC give us they have the systems and oversight to deliver this project?
	68	The New Zealand Motor Caravan Association Inc. (the) appreciates the opportunity to submit on the proposed Franz Josef Wastewater Treatment Plant (the WWTP). The NZMCA is a ratepayer, owning and operating a members' only motor caravan park on Douglas Drive (Lot 1 DP 425624), which is adjacent to the proposed location of the WWTP. The NZMCA also owns and operates a similar park in Hokitika. This submission primarily focuses on the potential adverse effects of the WWTP on the adjacent NZMCA Park and members visiting the site. While we acknowledge the Council is currently consulting with ratepayers on a suitable funding mechanism for the WWTP, in order to appropriately address this funding matter the Council must ensure that the costs of mitigating all adverse effects are also accounted for. From the information received to date, we are not sure the Council has carefully considered all of the potential adverse effects that would need mitigating and how this may increase the current projected costs. At this stage the NZMCA is open to supporting the proposed WWTP, provided all the adverse effects on the NZMCA Park and its members visiting the site can be mitigated. We note the Council has been issued with several abatement notices and infringement notices served with Environment Court enforcement action for continued non-compliance issues at the existing oxidation ponds near

TOPIC	#	Comments made by submitters (sorted by topic)
		<p>the Waiho (Waiau) River. We believe it is in the best interest of our Franz Josef (and wider Westland) community to avoid further non-compliance issues and, if necessary, construct a new WWTP. We look forward to working constructively with the Council on a WWTP that benefits Franz Josef and the receiving environment. <i>Refer to full submission for list of potential adverse effects.</i></p> <p>Site location: Section 5.3 of the Feasibility Study Report identified four options for location of the WWTP. Option 3 (DOC land) is the closest to the present proposal, however no information is provided to explain why the current site has been selected over all others, nor why the DOC option was discounted. Discharge location: No information is presented on where or how the discharge from the WWTP will be discharged. This should be addressed as pump stations and rising mains need to be included in the cost estimate and if it is to be discharged to the Waiho, ongoing maintenance of the outfall needs to be addressed. West Roads depot on site: In section 2 of Appendix 1B mention is made of a small West Roads Depot being on site. A West Roads depot may generate significant vehicle movements close to the NZMCA Park. This could have an effect on the operation of the NZMCA Park. The NZMCA is more than happy to discuss our concerns further and we wish to be included in any future consultation, particularly with regards to the WWTP's potential effects on the surrounding environment and neighbouring NZMCA Park.</p>

Appendix 2:

Funding a new wastewater treatment facility for Franz Josef

Record of elected member deliberations 14 September 2016

General:

It is evident that (as was expressed well by a submitter) *“The district community has become muddled between the issue of type of infrastructure and the funding of it.”*

Council takes ownership of this situation. The Statement of Proposal that was put to the public sought feedback about a suitable funding mechanism for the new wastewater treatment facility in Franz Josef. Complementary information about Council’s work towards identifying a type of facility was appended. As evidenced by submissions, many people focused on the type of facility and/or Council’s process to date in identifying a new facility, rather than on how to pay for any new facility.

Council identified in its Long Term Plan 2012 - 2022 that there were issues with the current wastewater treatment arrangements in Franz Josef. It then included both a budget and a timeframe in its Long Term Plan 2015 - 2025 for replacing the facility. Council’s timetable is driven by environmental non-compliance issues, specifically the failure of the current system to produce complying discharge. This ongoing issue has resulted in the West Coast Regional Council taking enforcement action and the matter is now before the Environment Court.

The reason that the funding mechanism was isolated for consultation is because the current funding method in Councils Long Term Plan and Annual Plan has been questioned by both elected members and members of the public. The current method is a ‘harmonised rating system’ whereby all ratepayers in the Westland District will contribute to the capital cost of a new wastewater treatment facility in Franz Josef.

For Council to move forward it needs to include a suitable funding mechanism in its next Annual Plan. Then it will be in the position to start funding the building of a new facility during 2017/18. The planning of a new facility has been underway for a number of years, and will continue. Council has taken on-board submitters recent comments that in progressing its plans, it needs to fully assess all options for a new facility, seek public input and share its progress. Once a preferred facility has been identified the Council will be in a position to seek all necessary consents.

Council has undertaken consultation and many parties have taken time to provide their feedback and input. Council feels that it is reasonable, and necessary, for it to complete its consultation by identifying a preferred funding mechanism.

Council identifies public preference is for (a version of) funding Option 3 to be included in the next Annual Plan. That is, a “user pays” mechanism.

From the extensive consultation undertaken (both during the recent Annual Plan and again through this Statement of Proposal), it is evident to elected members that a range of funding methods also need to be identified, to support the user pays mechanism.

In response to the submissions:

Funding Option 1 Status quo 'Harmonised rating system'	There was some support for the current funding mechanism being retained. Points noted include an awareness of the tourism sector value of the glaciers to the whole of Westland. However elected members have taken on board submitter's objection to paying for more infrastructure in the district when they already had to fund their own local infrastructure.
Funding Option 2 50:50	There was minimal support for this split approach.
Funding Option 3 That the receiving community pay most	<p>Council identifies public preference is for (a version of) funding Option 3 to be included in the next Annual Plan. That is, a "user pays" mechanism.</p> <p>From the extensive consultation undertaken (both during the recent Annual Plan and again through this Statement of Proposal), it is evident to elected members that a 'package' of funding methods also needs to be identified, to support the user pays mechanism. This would include reviewing financial input arrangements from for non-reticulated sewerage users of the wastewater facilities e.g. a set rate or increase gate disposal fees.</p> <p>There are other funding options available as well e.g. public/private capital asset contribution and/or funding arrangements, Government financial input, establishing a rating district to pay for elements of protection from the river.</p> <p>The current Council is mindful that a new term of Council is just around the corner. Hence it will be identifying the outcomes of its consultation on the funding mechanism but it will not be 'setting the funding mechanism in stone'.</p> <p>Submitters placed emphasis on any user-pays funding mechanism being representative of the additional impact on the infrastructure from the 'tourism industry'. This being tourism operators across the board, not just accommodation providers. Rather than a per pan charge, a water use charge was suggested (with differentiation between residential and commercial users).</p> <p>The Franz Josef community is prepared to pay for the most suitable option of wastewater treatment. Two parties in the community will be investigating an open ponds alternative. Council is open to receiving this alternative proposal.</p>
Suggests a different funding option	As per the above comments, Council considers that a range of funding methods identified by the public have merit. It recommends that methods raised in submissions be explored further, to support the user pays funding mechanism.
Other feedback	<p>Some submitters raised concerned about the process Council has taken to date about planning a new facility i.e. concerns aired that there has been a lack of information made available to them and that Council has pre-determined the outcome by discounting the ponds option. Submitters raised the need for the new facility to meet the real needs of the Franz Josef community, in regards to scale and cost.</p> <p>Council advises that staff will be continuing to liaise with the Franz Josef community about design options. It is open to a proposal from Franz Josef parties to present an alternative solution in September.</p>

The Westland District Council will talk to the West Coast Regional Council (WCRC) about the current Environment Court action. The Court has directed that, by 8 October 2016, (1) A funding mechanism be established and (2) milestone dates be set for completing the new facility.

Council will formally inform WCRC and the Court -

- (1) That we have completed public consultation about a suitable funding mechanism (the refining and application of the funding mechanism will occur as part of the Annual Plan 2017/18)
- (2) Of our new expected milestone dates for the new facility

In addition Council will identify to the WCRC and the Court that:

- The election cycle dictates political timeframes for major decisions being made. There are a range of issues involved with the funding and we plan to use this as an opportunity to tidy up more than just the main 'rating' method e.g. address disposal of wastewater by those not connected to systems.
- The Franz Josef community is engaged in helping to identify a solution for the best wastewater treatment facility.
- We have just recently been provided with technical information about the river threat. This came about as part of a collaborative project between the WCRC, GNS, NZTA, WDC and Franz Josef residents. This information will help us with our assessment of options for a new facility.
- WDC intends to take additional measures to address the current non-compliant discharge.
- WDC have made an application to the Government infrastructure Fund.

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Chief Executive

USE OF THE KUMARA ENDOWMENT FUND FOR THE KUMARA CHINESE MINERS MEMORIAL RESERVE PROJECT

1. SUMMARY

- 1.1 The purpose of this report is to clarify Council's position on two matters arising from the resolutions passed at the Council meeting on 25 September 2014 in relation to the use of the Kumara Endowment Fund for the Kumara Chinese Miners Memorial Reserve project ('the Project').
- 1.2 This issue arises from a change in the project scope and some ambiguity over the intent of one of the resolutions made in September 2014.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council reviews and confirms its commitment to releasing an allocation from the Kumara Endowment Fund to the KRT, and confirms whether it would like Council staff to undertake a consultation process about the ongoing maintenance of the reserve.

2. BACKGROUND

- 2.1 In a workshop on 28 August 2014 the Kumara Residents Trust (KRT) presented Council with a proposal to create a Chinese Garden in Kumara. At the time the project cost was estimated at \$1.5m.
- 2.2 KRT applied to the Major District Initiative (MDI) Fund that same year for a sum of \$1,012,000 being the shortfall between the total estimated cost of the project and the fundraising to date of \$488,000. This sum included an amount of \$398,000 from the Kumara Endowment Fund, and which had yet to be approved by Council. The MDI application was declined.

- 2.3 The resolutions that were made by Council at that meeting on 25 September 2014 are as follows:

*“Moved Cr Martin, seconded Cr Dawson and **Resolved** that:*

- a) Council supports the proposal from Kumara Residents Trust to establish Chinese Gardens in Kumara with no financial implication to Westland ratepayers other than Kumara residents,*
- b) Council staff undertake a consultation process with the Kumara community to establish a mechanism to fund the future maintenance of the Chinese Gardens at the cost of Kumara residents,*
- c) Subject to recommendation a), Council undertakes to negotiate with WDPL for securing the ownership of the proposed site with purchase costs to be funded by the Kumara Residents Trust,*
- d) Council approves the proposal for the sites CT WS8A/766 (Lot 4 DP 2008) and Part Section 312 Town of Kumara CT WS 3A/328 to become a reserve under the Reserves Act 1977 and the process to establish a reserve commences,*
- e) Subject to recommendation a), Council approves and releases \$398,000 from the Kumara Endowment Funds for the construction of the Kumara Chinese Gardens project.”*

- 2.4 As at today, resolutions c) and d) have been actioned.

- 2.5 The subject of this report is items b) and e).

- 2.6 Council are reminded that the Kumara Endowment Fund “can only be used for a purpose relating to Council reserves in the Kumara area.” (Simpson Grierson opinion 22 May 2013).

3. CURRENT SITUATION

- 3.1 Two years have passed since these resolutions were made by Council, and, while progress has been made in some areas, it has stalled in others. This has largely been due to concerns raised by some members of the Kumara community either directly to Council or via the media. The main concerns raised are:

- KRT’s consultation with the community on Endowment Fund money being released by the Council for the construction and ongoing maintenance of the Chinese Miners Memorial Garden.

- The Council recommended consultation process provided to KRT for the community to make a decision to allocate funds from the Kumara Endowment Fund.
 - The decision about the amount of allocation from the Kumara Endowment Fund.
- 3.2 The above consultation and allocation decision process has been reviewed by KRT and Crown Law and no evidence of acting unlawful or outside the Council advice has been found.
- 3.3 The project itself has also been re-scoped by the KRT, as a result of community feedback, and this has caused delays. The name of the project has also changed from Kumara Chinese Garden to Kumara Chinese Miners Memorial Reserve.
- 3.4 On 15 June 2016 an email was received from the chair of the KRT requesting that \$100,000 be drawn down from the \$398,000 available for the project in the Endowment Fund. She also stated that whether KRT actually need all or part of the remaining sum depended on their success with voluntary contributions and fundraising efforts for the project.
- 3.5 The \$100,000 requested was required in order to progress to the detailed planning and pre-planning phases of the project. Without detailed plans it is difficult for KRT to finalise the total cost of construction and also estimate the ongoing future maintenance costs. What KRT have used to guide them on future maintenance are the following documents:
- A long-term strategy for future maintenance. This is attached as **Appendix 1**.
 - The maintenance plan for the original garden design which could be downscaled and amended to suit the new scope. This is attached as **Appendix 2**.
- 3.6 After several emails between Council staff and the KRT chair, the Chief Executive sent an email out to all elected members on 18 July 2016 seeking direction on the two matters in this report, and whether Council wished to formally review and reconsider the decisions made in September 2014. The majority of elected members confirmed that they wanted to review.
- 3.7 Council's Chief Executive and the Community Development Advisor attended a meeting with KRT members on Monday 12 September 2016 to inform this report, and confirmed that the project has been re-scoped since the decision made by Council in 2014. Members of the KRT will be present at the

Council meeting on 29 September to present the new concept plans including how the reserve has been designed to be low maintenance.

Funding

- 3.8 The project scope has been reduced in size, scale and complexity, and therefore the estimated cost is significantly different to what was presented to Council in 2014. A question for Council in this report is around the level of comfort elected members have with the allocation of \$398,000 from the Endowment Fund for this project now that the scope has been reduced.
- 3.9 KRT have confirmed that there has been a high level of interest and support from the Chinese community and central government in this project. This includes:
- Guangdong Provincial Government – donation of Guardian Lions 2014
 - Consul-General Madam Tam – attended Foundation Stone ceremony, Kumara March 2014 Christchurch Guangdong Association & Tai Shan Association fundraising dinner for key feature items, Christchurch 2014
 - NZ Chinese Friendship Society – regular newsletter articles 2015-16
 - Christchurch Zhonghua Chinese Society – fundraising event, Christchurch 2016
 - Consul- General Jin – attend site visits, meetings and fundraising events Kumara, Christchurch 2014-16
 - New Zealand Chinese History & Culture Assn – fundraising dinner & auction, Auckland Sept 2016 & Wellington Oct 2016
- 3.10 KRT has signed an MOU with New Zealand Chinese History & Culture Assn and they are the main body to promote, collect and administer the funding sourced throughout the Chinese Community (nationally and internationally). They are a key stakeholder and partner in this project.
- 3.11 This project has now caught the attention of central and local government, including:
- John Key (Prime Minister) donating an item at the fundraising auction in Auckland's 18 September 2016,
 - Members of Parliament attending Christchurch and Auckland Chinese lead fundraising events – ie Hon Phil Goff
 - Local government representatives attending Christchurch and Auckland Chinese led fundraising events ie Christchurch Mayor Lianne Dalziel, who is keen to explore partnership opportunities once the reserve is established.

Future Maintenance

- 3.12 In supporting a community organisation to develop a significant asset, it is prudent to expect that a plan for ongoing maintenance of that asset will be agreed to.
- 3.13 In the September 2014 report, staff proposed two options for the future maintenance of the gardens:

The future maintenance of the gardens can be further negotiated with the trust or residents of Kumara. The options are:

- i) *Hold funds from endowment funds for future maintenance. The Trust has proposed a sum of \$100,000 to be held in an interest-bearing account towards the future maintenance. There is an element of risk associated with this capped amount. The level of maintenance required is unknown at this stage and could be higher. The Trust expect some revenue from the gardens from tourists and events and weddings. Should the gardens fail to attract the anticipated tourist numbers and prove to be a non-financial success, the maintenance funding requirements will be very high. Not maintaining the gardens will result in this project turning into an eyesore very quickly. Also, the purpose of the endowment funds is to create a reserve and spending this fund on maintenance could be beyond the purpose established by law.*

(Note: A further review of the legal advice confirms that the Kumara Endowment Fund can be spent on purchasing new land for reserve purposes and maintaining existing Council reserves.

“Simpson Grierson advice (22 May 2013)– “point 31. Ultimately, we consider that the most prudent course of action for the Council is to treat the purpose of the endowment as for reserves in the Kumara Area. This does not necessarily require the Council to purchase new reserve land, although it could certainly choose to do that. It would be equally acceptable, for instance, to put the money toward the maintenance costs of existing reserves in the Kumara area or to purchase some new playground equipment for such a reserve area.”)

- ii) *Council can levy a targeted rate on the Kumara community towards the maintenance of these gardens. This rate can be assessed as part of the Long Term Plan 2015. The rate can be revisited every year should the gardens not generate revenue as suggested in the proposal by the Trust.*

In both of the above options, the ownership of the gardens can be retained by the Trust, though maintenance can be bound by a Memorandum of understanding or an agreement with the Trust.

- 3.14 The Chinese Miners Memorial Reserve is now an existing Council reserve under the Reserves Act 1977.
- 3.15 In addition to the two options presented at the September 2014 meeting, a third option is that Council could appoint the Kumara Residents Trust to control and manage the Reserve under the Reserves Act 1977 which would formalise the management of the reserve under legislation.
- 3.16 Of the \$398,000 allocated to this project from the Kumara Endowment Fund, KRT proposed that \$298,000 be for the construction of the reserve, with \$100,000 remaining in the Endowment Fund, but tagged for ongoing maintenance should it be required. This split is still supported by KRT but was never formally resolved by Council.
- 3.17 KRT have also developed a strategy document detailing many mechanisms available to fund the on-going maintenance of the reserve, starting with a new concept plan designed to be low maintenance, and the suggestion that \$100k remain in the Endowment Fund.
- 3.18 These two key points of this strategy document were presented to the Kumara community at the public meeting facilitated by KRT and circulated on the Kumara website (September 2015) and further information about the strategy circulated in the Goldtrails community newsletter Sept 2016. KRT acknowledges and understands that the community do not want the maintenance of this reserve funded by rates. KRT support this view and this option is not included in the maintenance strategy.
- 3.19 The question now is, has an appropriate consultation process been undertaken with the Kumara community to determine whether they are comfortable with this mechanism to fund future maintenance and is this still required? This is a question that both KRT and elected members should ask themselves.

4. OPTIONS

As there are two separate matters in this report, options are provided for each one.

4.1 Funding

- i) **Option 1** – status quo. Confirm the resolution made on 25 September 2014.

That \$398,000 from the Kumara Endowment Fund be allocated to KRT for the construction of the Project.

- ii) **Option 2** – amend the resolution to support the KRT proposal that \$298,000 from the Kumara Endowment Fund be used for the construction of the Project, (noting that any funds not required for construction of reserve could be released) with the remaining \$100,000 retained in the Endowment Fund for maintenance of the reserve should it be required.
- iii) **Option 3** –agree on a revised allocation from the Kumara Endowment Fund for the Project. This could be calculated relative to the revised estimated cost of the Project, or it could be a different amount altogether.

4.2 Future Maintenance

- i) **Option 1** – status quo. Confirm the resolution made on 25 September 2014:
“Council staff undertake a consultation process with the Kumara community to establish a mechanism to fund the future maintenance of the Chinese Gardens at the cost of Kumara residents.”
- ii) **Option 2** – adopt the proposal from the KRT that \$100,000 be retained in the Endowment Fund for future maintenance of the reserve. Council to decide whether the community need to be consulted on this or not.
- iii) **Option 3** – that no consultation with the community on the future maintenance of the reserve is undertaken as Council is satisfied that the strategy in **Appendix 1** demonstrates that KRT are committed to a variety of mechanisms to ensure the ongoing maintenance is addressed (which includes the \$100,000 retained in the Endowment Fund for future of the reserve)

5. SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council’s Significance and Engagement Policy this matter is assessed as being of moderate significance due to the potentially high impact on the Kumara community and the high level of community interest this project and Council’s decisions have generated. This assessment is also made on the basis of reversibility of the decision. Once funding is released to KRT the project will proceed. It will then be more difficult to reverse any decision. This must be considered in any assessment of significance.
- 5.2 It is worth noting that the decisions Council made in September 2014 were assessed as being of low significance. The media interest (local, nationally and internationally) and support of this project have subsequently grown and there are more stakeholders such as the Chinese community (nationwide) and

Central and Local Government interest in this project. Also, community response has been consistently polarised since those decisions were made, hence the elevation in significance on the decisions in this report.

- 5.3 Council staff have been in contact with members of the KRT, and feedback has come from other members of the Kumara community that has been considered for this report. Council has not actively engaged with the wider Kumara community on this matter.

6. ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 As there are two separate matters in this report, an assessment on options is provided for each one.

Funding

- 6.1 Retaining the status quo and allocating \$398,000 to the project is the preferred option of KRT, and this means that Council honours its original commitment to this project. The disadvantage of this decision is that there are some people in the Kumara community who would like to see these funds used differently. Council is reminded that the Kumara Endowment Fund can legally only be used for Kumara reserves.
- 6.2 In addition, the project scope has changed since Council agreed that KRT could uplift some of the endowment money. Council could take the view that the allocation from the Endowment Fund should be adjusted back so that it is relative to the total estimated project cost. This cost is yet to be confirmed, but KRT expect it will be in the order of \$500,000.
- 6.3 It is worth noting that until detailed design is undertaken, KRT will not know the exact cost of the project. However, they cannot proceed to detailed design without some funding being released from the Endowment Fund.
- 6.4 At the KRT meeting on 12 September, members confirmed the level of attention and support the Chinese community are giving this project. KRT have suggested that one option Council could consider is releasing \$100,000 immediately from the Endowment Fund, then waiting on the outcome of current fundraising opportunities being carried out by the NZ Chinese History & Culture Association (Auckland & Wellington) and KRT's Chinese Heritage Poll Tax Fund application and then re-assessing what further funding is required from the Endowment Fund then. This decision would be made by the new Council after the election.

- 6.5 Whatever decision is made in terms of the allocation, a second decision should be made about the split between construction and maintenance. It is KRTs preferred option that \$100,000 remain in the Endowment Fund tagged for future maintenance. This is assessed under “Future Maintenance” below.
- 6.6 Council could decide not to allocate any funds from the Endowment Fund for this project. This might be supported by some people in the Kumara community, but the risk is that the KRT abandon the project altogether. This could reflect poorly on Council who have supported this project publicly. The KRT believe the Kumara community have voted to use these funds for this purpose through the process advised by Council. Not funding the project at all could damage the relationship Council has with KRT and prevent them undertaking further community projects.

Future Maintenance

- 6.7 KRT have proposed that a portion of the allocation from the Endowment Fund be retained for future maintenance. The sum they are suggesting is \$100,000. If Council confirms the existing allocation of \$398,000 the maintenance amount could stay the same. If this money is used prudently, it could last a very long time, depending on how the Project is constructed and the level of volunteer effort committed to maintaining it.
- 6.8 If a lesser amount is allocated by Council to the project as a whole, the amount for future maintenance could be reduced accordingly. As stated in 6.5 above, KRT prefer that \$100,000 be retained in the Endowment Fund for future maintenance.
- 6.9 With an understanding of the revised project scope (to be presented at the Council meeting) and a maintenance strategy, Council now needs to decide whether they are comfortable that future maintenance needs have been adequately considered, or whether the wider Kumara community should have an opportunity to provide input. Once detailed design has been completed, KRT will have a maintenance plan for the reserve and this will form the basis of a discussion on future funding.

7. PREFERRED OPTIONS AND REASONS

- 7.1 Funding and Future Maintenance** – There is no preferred option being put forward by staff on either the level of funding to be allocated from the Endowment Fund, or whether consultation should be undertaken on the future maintenance of the reserve. There are a number of options, and an

analysis of those is outlined above. Council must make a decision based on that.

8. RECOMMENDATIONS

- A) **THAT** Council confirms that \$X (*Council to specify amount*) will be allocated to the Kumara Residents Trust for the Kumara Chinese Miners Memorial Reserve project from the Kumara Endowment Fund.
- B) **THAT** if Council resolve an allocation in A) that \$X (*Council to specify amount*) be for construction and \$X (*Council to specify amount*) be retained in the Endowment Fund Reserve for future maintenance of the Kumara Chinese Miners Memorial Reserve.
- C) **THAT** Council specifies whether or not they believe staff should initiate a consultation process with the Kumara community about the ongoing maintenance of the Kumara Chinese Miners Memorial Reserve.

Tanya Winter
Chief Executive

Appendix 1: Future Maintenance Strategy – Kumara Chinese Miners Memorial Reserve
Appendix 2: Maintenance Plan for original garden design

KRT's Long term Maintenance Strategy for the Chinese Miners Memorial Reserve

(draft strategy to be signed off by KRT)

This Long Term Maintenance Strategy is manageable and will ensure that the Reserve is well maintain by the Kumara community without any effect on other Westland ratepayers.

There is no need for Council to consult with the Kumara community about placing a special targeted rate for this reserve. This would effectively kill the project. This Reserve will be created without rate funding and will not require rate funding to maintain long term.

Below outlines the strategy:

1. New design – designed to be as low maintenance as possible
2. The 25 year maintenance plan (ex Totara Landscaping) will be altered by Erin Diao to suit the new design which will reduced the maintenance costs.
3. KRT can be appointed under the Reserves Act 1977 to control and manage the Reserve, formalising the commitment KRT has to managing this reserve long term.
4. \$100k of the \$398k allocation of the Kumara Endowment Fund has been committed to be set aside for long term maintenance of the Reserve
5. Our relationship with Chinese Community has strengthen and they are committed to assist with the construction and long term maintenance of the Reserve. Potentially a portion of the current fundraising will set aside for long term maintenance.
6. Our relationship with Department of Corrections has strengthen and they are committed to assist with the construction and long term maintenance of the Reserve.
7. Our local Kumara community (and wider West Coast) are committed to assist with the construction and long term maintenance of the Reserve.
8. Once built, this Reserve has the ability to generate funds as a venue for functions/events – specific fundraising events for the maintenance of the Reserve
9. Formal funding applications, fund raising events, sponsorship and donations are also future funding sources.
10. Applied to WDC for funds from the Reserves Development Fund (subdivisions)
11. Allocate some funds from the Annual Township Development Fund.
12. Run a public community process to access funds from the Kumara Endowment Fund.

No rates will be used to build this Reserve so no rates should be targeted to maintain this Reserve. This is a community project not a Council funded project.

KRT has never supported the option of a targeted rate for this Reserve. No other reserve in Kumara has a targeted rate and it is not necessary for this reserve. It is a community asset not a Council liability.

DRAFT Planning for the Kumara Chinese Memorial Garden

1. Introduction

The Kumara Resident Trust (KRT) understands that Community gardens cost money to construct and maintain. The amount required varies dramatically according to their size, scale of activities and features, and the skill base and volunteer time of their members. However some of the biggest future costs are often unwittingly decided at the early design stage. For a community garden to succeed through lowering the potential future costs, a number of factors need to be carefully considered.

2. Key Factors in Determining Costs:

SIZE of the garden

SCALE of the vision for the garden, in terms of infrastructure/buildings, lighting, water features,

SITE for the garden, what factors within or surrounding the site will create or lessen the maintenance costs, i.e. leaf drop from neighbouring trees, available sunlight etc.

Amount and type of FREE RESOURCES AND ASSISTANCE able to be accessed by the garden project (such as volunteer labour, donated goods, professional expertise given to support volunteers and sometimes supplied on a pro bono basis)

The level of INITIAL INFRASTRUCTURAL INVESTMENT can have one of the biggest impacts on reducing maintenance. By targeting and planning for specific areas of garden's that often have a higher maintenance attached to them, and by making a larger investment in the infrastructure, which is initially a more expensive option, you can offset and significantly reduce the cost of time and money involved in maintaining these areas into the future.

A simple example of this would be a concrete, stone or cobble mowing trim versus having no fixed lawn edge or a timber edge that has a reduced lifespan. A lawnmower wheel can easily run along the solid edge, reducing mowing times, stopping the migration of the lawn into the garden or plants and weeds into the lawn. Edges can be cut very simply and even if they are not, and a mowing cycle is missed, the definition of this permanent edge, still provides the impression of a tidy and well-maintained lawn. Higher initial cost, but a significant reduction in the maintenance time and costs, and it will last for decades.

3. Asset Management Plan

As well as training and supporting the community volunteers, the landscape designer/contractor would also develop and produce an extensive Asset Management Plan for the garden. This would outline and detail all of the scheduled maintenance tasks, how they are best to be performed, on what cycle/period and with what products to ensure longevity and cost effectiveness of the garden.

This is a very useful and beneficial tool for the KRT to possess, as it enables for the future care and maintenance of the garden to continue, even if more involved members/volunteers move away from the district or circumstances change. It retains the knowledge associated within the community.

4. Financial Planning

The key elements we have included in the financial plan for our garden are:

- ALL garden maintenance costs being clearly identified. The total cost of these will dictate the funds that need to be raised to ensure the sustainability of our garden.
- Strategies we have identified to further minimize our costs. (highlighted in red)
- A fundraising plan for how the KRT intends to generate sufficient income to cover our total garden costs.

a. Checklist of All Garden Costs

The following list of garden design and construction costs, other set-up costs and maintenance costs below, demonstrates the various factors which have been carefully considered within the design and planning of the Kumara Chinese Memorial Garden.

DESIGN AND CONSTRUCTION COSTS

- Surveying of site
- Geo tech investigation
- Engineering design
- Consents application
- Insurances
- Site excavation and compaction
- Relocation of power pole
- Relocation of services to site i.e. power and water
- Site safety and security fencing
- Site office and tool storage
- Traffic management plan
- Privacy fencing
- Disability access
- Sealed pathways
- Lighting
- Seating/picnic tables
- Signage and interpretation panels
- Authentic Chinese structural elements
- Toilet facilities
- Car Parking
- Garden artwork
- Retaining and drainage
- Reticulated pump system and overflow
- Soil testing
- Painting and staining
- Planting
- Barking
- Security

OTHER SET-UP COSTS

- Logo design
- Advertising/promotion
- Web site development and hosting

MAINTENANCE COSTS

- Water use
- Electricity use
- Insurance e.g. public liability, volunteer workers covered
- Administration e.g. postage, PO Box rental, tolls
- Financial administration e.g. financial management software, independent auditing
- Communication and promotion e.g. web site hosting, advertising
- Infrastructure maintenance, this would include:
 - Weeding
 - Leaf Collection
 - Pruning and bamboo thinning
 - Spraying
 - Water blasting
 - Sealing of concrete and stonework
 - Repainting of concrete walls and structures
 - Staining/oiling of timber elements
 - Pump and watercourse maintenance
 - Lighting
 - Vandalism replacement or repair
- Long term replacement of some infrastructure components e.g. replacement of timber posts (bolt on/bolt off), some plants, light fittings.

The following tables assigns the various maintenance tasks based on the expected cycle that the various assets would require attention in relation to both our site location and project:

Activity	Fort-nightly	Monthly	Six Monthly	Yearly	Every 5 years	Every 25 years
Water use				✓		
Electricity use		✓				
Insurance				✓		
Administration		✓				
Financial administration		✓				
Communication and promotion			✓			
Weeding	✓					
Leaf Collection	✓					
Pruning and bamboo thinning				✓		
Spraying		✓		✓		
Water blasting				✓		
Sealing of concrete and stonework				✓		
Repainting of concrete walls and structures					✓	
Staining/oiling of timber elements				✓		
Pump and watercourse maintenance				✓		
Lighting		✓			✓	
Vandalism replacement or repair			✓			
Long term replacement of some infrastructure components						✓

The members of Kumara Resident Trust (KRT) could undertake nearly all of the garden maintenance tasks, with support and training from the Landscape designer/contractor and through utilising the Asset Management Plan.

The following table highlights, which parties specifically, could undertake the maintenance tasks;

Maintenance Tasks	KRT Garden secretary	KRT members and community volunteers	Professional contractors
Insurance	✓		
Administration	✓		
Financial administration	✓		
Communication and promotion	✓		
Water use	✓		
Electricity use	✓		
Weeding		✓	
Leaf Collection		✓	
Pruning and bamboo thinning		✓	✓
Spraying		✓	✓
Water blasting		✓	
Sealing of concrete and stonework		✓	
Repainting of concrete walls and structures		✓	
Staining/oiling of timber elements		✓	
Pump and watercourse maintenance		✓	✓
Vandalism replacement or repair		✓	✓
Lighting		✓	✓
Long term replacement of some infrastructure components			✓

b. Garden operating costs

Outlined below are the estimated costs related to each of the maintenance tasks. A summary of what is involved and who could undertake this work is included. The highlighted text identifies strategies to potentially reduce these costs even further.

1. Financial Administration \$500-\$600 p.a. (audit only)

The Kumara Chinese Memorial Garden will be fully owned and managed by the KRT. For the purposes of fundraising and accountability, the project will have it's own financial reporting and a dedicated person to handle these responsibilities. These financials will be audited at least once a year. As we have a number of skilled people to call on within our Trust and Community, we would plan to undertake this work in house. Only having to potentially pay for the audit.

Ideally we would find a trained professional who would be willing to undertake this audit on a pro bono basis. Many community organisations have similar established relationships.

2. Administration \$150 - \$200 p.a.

General administration duties could be performed by a volunteer person and would have a small amount of cost relating to postage, tolls and stationery etc.

These duties could be fully performed by the KRT Secretary.

3. Insurance (currently unknown)

We are currently investigating the option of having the garden insured. This would largely be in relation to either potential vandalism or storm/major disaster events that could occur. However until the project is further along it is difficult to obtain quotes for this at this stage.

4. Communication and promotion \$2000 p.a. (or as per set budget)

To ensure the sustainability of the garden through advertising and the promotion of events to be held in the garden, a number of costs will be incurred including design, advertising, photography and web hosting

Advertising sponsorship could help to support these costs. Utilising new and existing contacts within the Chinese Community, Ministry of Business, Innovation and Employment and other potential partners could all increase the exposure of the garden, so that the levels of paid advertising were reduced

5. Water and electricity use \$1200 - \$1500 p.a.

The garden would have a metered supply and this would have to be paid accordingly by the Trust.

A form of sponsorship or reduced cost is possibly an option. Ascertaining or determining what time the garden light function would switch off in the evenings would help to reduce this cost. Tamper proof tap fittings would reduce water wastages.

6. Pruning and bamboo thinning \$800 - \$1000 p.a. (2-3 days labour for one person @ \$40 per/hr.)

Once some of our trees and shrubs become more established, they will require some expert hands to keep them well shaped and cared for. The bamboo grove will also require some thinning after it is established. This will be a large caned, less invasive species, much unlike many of the varieties found on the West Coast. Volunteers, with the guidance and training of our landscape contractor, can undertake some of this work. Our landscape designer/contractor has successfully supported the ladies of Ross with their annual Cherry tree pruning , for over 8 years. Offering support in the form of advice, training and practical assistance, all free of charge to the community of Ross

One or two experienced gardeners within the local community may be able to undertake ALL of these duties, to do away with using a paid contractor altogether. Often Wildfoods and other community groups require bamboo canes, perhaps they could undertake the thinning work whilst under supervision.

7. Spraying \$300-\$400 (supply of stain, gloves, respirators)

Limited spraying would be undertaken in the garden to ensure the health of some plants, by giving them protection or treatment from pests and disease. Other spraying may relate to weed control. The supply of chemicals needs to be allowed for, again some of this work could be undertaken by volunteers, others by the landscape contractor.

8. Water blasting \$250 p.a. (petrol water blaster hire for 3 days)

The hire of equipment to be used by volunteers needs to be allowed for

Sponsorship or the use of volunteer's own equipment could reduce this figure

9. Sealing of concrete and stonework \$ 1200 - \$1500 p.a. (supply of sealer, respirators, gloves and other supplies)

The cost of sealing products, brushes and rollers needs to be allowed for, although volunteers can easily undertake this work.

Ideally local painters or paint/trade suppliers would sponsor this aspect

10. Repainting of concrete walls and structures \$1500-\$1800 every 5 years (supply of paint and supplies)

Volunteers can complete this work. With paint, brushes, drop cloths, protection plastics and tapes being allowed for.

Ideally local painters or paint suppliers would sponsor this aspect

11. Staining/oiling of timber elements \$600 - \$700 p.a. (supply of stain and supplies)

As above, volunteers can also undertake this work, whilst stain/oil, brushes, drop cloths, protection plastic and tapes need to be allowed for again.

Ideally local painters or paint suppliers would sponsor this aspect

12. Pump and watercourse \$500 - \$800 p.a. (Specialist contractor and parts), additionally \$2000 every 5 years (potential pump replacement or overhaul)

All forms of watercourse require high levels of maintenance. Some of the more basic duties include removing detritus, cleaning filters, and checking water levels. Our volunteers, with support and training from our landscape contractor, can undertake this work. Other tasks including servicing the pumps, adjusting flow rates, repairs to the membrane, will require professional services to be engaged.

Ideally sponsorship from a local company like 'Think Water' in Greymouth could supply free/cheap labour and parts at cost. Some members of the community will have experience with diary pump systems and will be able to lend a hand.

13. Lighting \$300 - \$500 p.a., additionally \$1000 - \$1500 every five years

Throughout the garden we will have lighting elements, many controlled by movement sensors. Periodically bulbs will need to be changed and lenses cleaned. The volunteers can easily undertake these duties. But approximately every five years the lighting and electrical system may require some attention by an electrician to keep it running at its best

This could be sponsored by one of the many local electrical supply merchants, and assistance from the electricians and electrical engineers living within our community. Using LED bulbs may reduce the maintenance and cost.

14. Vandalism \$1000 p.a. (hard to predict, but funds will be set aside to cover this)

Unfortunately, in today's society this is something we have to plan for. As stated above, we are considering if insurance cover would be the best way to allow for this. Some issues could be easily resolved with community labour, more serious damage may require a specialist.

Review preventative measures including hours of opening, locked entrance gate, a security camera, and the neighbourhood watch. This money would not need to be put aside if the insurance will fully cover vandalism.

15. Long term replacement of some infrastructure components \$15-20K every 25 years

The KRT has a long-term vision for this garden to endure, and continue to look at its best for at least 60 years without a major overhaul. However, even with the best maintenance plan in place some items and plants will degrade over this time. For example timber posts, exposed to the elements will need replacing. Much of this work again could be undertaken by volunteers in the form of local builders, under the guidance of the landscape contractor. But there are obviously costs linked to the supply of materials.

Methodical and meticulous maintenance and by not deviating from the Asset Management Plan, will ensure the greatest longevity and reduce overall future expenditure required.

The following table represents the figures supplied above. In all instances the higher end of the estimated range has been used. * denotes where the 5 year or 25 year figures have been divided so they can be represented on an annual basis. Note: These figures do not include the further cost savings that could be gained by implementing the strategies highlighted above in red.

Term	25 yearly	5 yearly	Annually
Insurance			?
Administration			\$200
Financial administration			\$600
Communication and promotion			\$2000
Water use			0
Electricity use			\$1500
Weeding			0
Leaf Collection			0
Pruning and bamboo thinning			\$1000
Spraying			\$400
Water blasting			\$250
Sealing of concrete and stonework			\$1500
Repainting of concrete walls and structures		\$1800	\$360*
Staining/oiling of timber elements			\$700
Pump and watercourse maintenance		\$2000	\$800 or \$400*p.a.
Vandalism replacement or repair			\$1000
Lighting		\$1500	\$500 or \$300*p.a.
Long term replacement of some infrastructure components	\$20000		or \$800*p.a.
TOTAL			\$12310

5. Financial Sustainability

The Kumara Residents Trust (KRT) understands that financial sustainability is one of the critical elements in maintaining a vibrant and viable Chinese Memorial Garden. Through good financial planning we intend to help provide more stability and security for the garden, and to ensure that we get maximum value from any time and energy the KRT puts into fundraising activities. We plan to do this through:

- Fundraising plan
- Financial administration systems
- Developing diverse income streams

1. Fundraising plan

The KRT intends to recruit a dedicated team or person from within its ranks to solely fund for the on-going garden maintenance of the garden.

Recently the community was successful with gaining funding through the Department of Internal Affairs to engage a person in the role of Community Worker. One of the tasks committed to this role, is to further train, educate and support the community in its abilities to fundraise. The fundraising team will explore a number avenues and available sources to fully cover the costs of maintenance.

These funding sources will include, but not be limited to:

- Poll Tax Fund
- Lotteries Grants
- Pub charity
- Rural Communities Trust

The Trust is well aware that not all funding providers cater for maintenance costs, often they only cover construction costs. With this in mind the Trust will look to others sources of income to ensure there is ample funding to continue to maintain the garden at the highest standard.

Community fundraising event's, do currently exist, such as the Annual Gala Day, which last year raised over \$5000. This amount was tagged for the garden design/construction budget and monies raised from this event going forward could be tagged directly to the garden maintenance fund.

Any funds raised towards the maintenance of the garden will be solely used for this function. Any funds gained and not spent within a twelve-month period will accumulate in the dedicated Garden Maintenance Fund. It is hope that over time, this fund can be large enough to earn interest and help to ensure the sustainability of the garden.

2. Financial administration systems

The Kumara Chinese Memorial Garden will have an independent set of financial accounting records. A dedicated person will provide the reporting information to the KRT and an independent Auditor will review the accounts annually.

This financial information will enable the Trust to make fully informed decisions. The Trustees will have readily available information pertaining to:

- Revenues generated
- Fundraising success
- Estimated maintenance costs versus real costs
- Balance of funds available

This will enable them to use existing trends to forecast and plan forwards to ensure that the maintenance needs of the garden can be sufficiently met.

3. Diverse Income Streams

The KRT and its garden fundraising team will also develop other diverse income streams that can also support the costs associated with the garden. By not relying solely on fundraising or one or two limited streams of income we have a greater chance of achieving self-sufficiency. Outlined below are some other income streams that we may access:

DONATIONS both large and small can be an important income stream for community gardens. These will be collected through a facility on site, but also perhaps in a tin at the local garden centres or other businesses. Our website will also allow for online donations to be made and we would work towards being able to offer our supporters tax-deductible donations. A "Friends of the Garden" relationship would be encouraged where supporters from near and far, even China, may make a monetary contribution but also have an opportunity to personally contribute some physical time assisting in the garden and sharing time with the community, to give them a sense of ownership and pride.

EVENTS can be held in the garden and these would incur a small charge. This may include wedding ceremonies or wedding photographs. A "festival of lights" will be held closer to winter and "summer" festival will be held in the garden and a small admission will be charged.

TOUR GROUPS will be charged a nominal fee, yet provided with an additional local tour guide or complimentary cup of tea etc. This would be negotiated and tour companies, rather than the individuals themselves, would ideally meet this charge.

GRANTS may be gained from the government, and /or community or philanthropic organisations. Our particular project has already gained significant interest within the local and international Chinese Community, several Government departments, the Chinese Consulate, the Canterbury Development Corporation, and Tourism West Coast. It is still early days for the project, but this high level of exposure of our project increases our chances of successfully gaining a grant.

CORPORATE SPONSORSHIP is one of the most likely ways that the KRT will be able to gain financial support specifically towards the funding of maintenance, without some of the strings that can be attached to other forms of fundraising. We would consider bringing major sponsors onboard for a longer term, in return for offsetting maintenance costs. We will look both locally, throughout New Zealand and in China for a company or organisation that would like to be involved in the project.

6. SUMMARY

The Kumara Residents Trust on behalf of the wider Kumara Community, are committed to building and maintaining a beautiful and unique Garden. A garden that will be recognised nationally and internationally. It will be a living tribute to the heritage of our past, but it will also signal a way to the future. It will deliver measurable economic and social returns to Kumara, but also to the wider West Coast Region. Business trading with the Chinese market is increasing exponentially and the growth in Chinese tourism to New Zealand is staggering.

The success of this garden project will strengthen ties with one of our strongest trading partner, and fastest growing tourism markets. The sense of pride our Community and the Chinese Community have in this garden will be one in the same. To honour the garden, ourselves our community and the visitors to the garden, it must be kept at the highest standards of presentation.

The purpose of this document is to demonstrate to the Westland District Council and to the residents and ratepayers of Westland District, beyond Kumara, that as a Community we are fully committed to this project, we have thoroughly investigated the design of the Chinese Memorial Garden, its construction, the maintenance and our abilities to pay for this without imposing a burden on Council or other ratepayers. We have signed a Memorandum of Understanding with the Council to this effect and we have the full support of our Trust, our landscape/designer and our community to ensure that success is the only possible outcome.

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community & Environment

OCCUPATIONS ON UNFORMED LEGAL ROAD

1 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of a revised policy on occupations on unformed legal road.
- 1.2 This issue arises from the Council giving direction during a workshop on 24 June 2016 to Westland District Property Limited (WDPL) that it wished to review its current policy on “Baches and Other Occupations on Unformed Legal Road.”
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council approve the revised and renamed policy “Recreational and Non-Recreational Occupations on Unformed Legal Road,” attached as Appendix 2 to this report.

2 BACKGROUND

- 2.1 Westland, like many rural Councils, has many kilometres of unformed legal road across the District. There are a number of baches and other structures on this land at present, including houses, parts of houses, sheds, etc.
- 2.2 In 2012 Council established WDPL to assume responsibility for certain land and buildings owned by Council. This included management of unformed legal roads, although Council retains ultimate responsibility including policy-setting.

- 2.3 Policies established by Council in 2011 and 2012 included a cap of 72 baches across the District. The current policy, approved in April 2014 and attached as Appendix 1 to this report, removed that cap but introduced new conditions such as a maximum 100 square metre footprint. The policy also references “other structures” and discusses a case-by-case approach to these.

3 CURRENT SITUATION

- 3.1 The process regarding baches has improved under the new policy. An example of this is that all new baches are going through the same rigorous building consent and resource consent processes as any other new building. Existing baches have been gradually ‘legalised’ under this policy via Licences to Occupy.
- 3.2 Nevertheless, there remains a concern from some stakeholders about the absence of a cap on bach numbers. Some private developers feel that the Council through WDPL is competing with private subdivisions, without a level playing field in terms of costs. There have also been concerns expressed from some quarters that baches may proliferate in inappropriate areas, e.g. areas that are environmentally sensitive or that lack sufficient infrastructure. At the same time, WDPL has signalled that there is a natural limit to the number of baches that should be permitted, and only specific locations where these are being envisioned.
- 3.3 There is also an opportunity to incorporate into the policy some of the conditions that WDPL has been including in all baches’ Licences to Occupy, such as the maximum length of stay, the requirement to be no more than one storey, and the requirement for using recessive colours to blend into the environment.
- 3.4 In addition, there has been ongoing interest and issues relating to non-recreational use of unformed legal road; for example, residential, agricultural and commercial activities. The current review of the policy offers an opportunity to provide clearer guidance around these types of occupations, so that the policy is not just about baches and other recreational occupations. This could help with matters such as the ongoing Beach Street issue in Hokitika, as well as enquiries from businesspeople about potential commercial operations on unformed legal road.

4 OPTIONS

- 4.1 In terms of the policy regarding baches and other recreational uses, the main option is around whether to impose a cap or not, and if so at what level. There is also an option of limiting new baches to certain locations.
- 4.2 In terms of the policy regarding non-recreation uses, the main option is around whether to allow any new residential and commercial uses, and if so what kind and under what conditions.
- 4.3 For both recreational and non-recreational occupations, there is the option of clarifying certain matters such as how continued public access is to be preserved.
- 4.4 In summary the options analysed are as follows:
- **Option One: Status Quo:** Retain April 2014 Policy (Appendix 1) without change.
 - **Option Two: Adopt Proposed New Policy** (Appendix 2) including a cap on bach numbers, a limit on the location of new baches, and greater guidance as to permitted non-recreational occupations.
 - The proposed cap on bach numbers is 82, which according to WDPL is the highest number they can envision at this time. The cap in the previous (2012) policy was 72. There are currently 62 licensed baches and another 14 making their way through the consenting process, bringing the allocated total to 76. Therefore the proposed cap would allow an additional 6 new bach sites beyond these.
 - The proposed limitation on new bach locations is based on input from WDPL and their assessment of what areas could contain more baches. It includes the Paringa River to allow the baches currently going through the consenting process to be considered; after this there will be no new baches on the Paringa.
 - The proposed guidance around non-recreational occupations prohibits new residential occupations but allows existing occupations to continue subject to conditions. Mining and agricultural uses such as grazing and beekeeping would also be allowed, but no other commercial activities would be allowed so as to avoid competition with private development. In addition, no structures would be permitted for any non-recreational use, so as to preserve public access.

- **Option Three: Adopt Proposed New Policy With Amendments**, such as removing or altering the cap on bach numbers, removing the limitation on new bach locations, and reducing or altering the guidance around non-recreational occupations.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This report is considered to be of low significance. It is essentially a modification of an existing policy to reflect current practice and potentially put some tighter bounds around that practice. It is in relation to unformed legal road, which is generally in sparsely populated areas, so it is likely to only affect potential neighbours of these activities as well as owners of activities that may wish to locate on unformed legal road. Affected parties will have opportunities through the resource consent process to express their views on individual proposals.
- 5.2 Consultation has been undertaken with WDPL in the preparation of this report. The Department of Conservation's views in recent discussions with Council and WDPL have also been taken into account. No wider public consultation has been undertaken or is considered necessary.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option One is acceptable but not advisable. The current policy will suffice if Council does not wish to limit the number or location of baches, and wants to keep the policy very open-ended on non-recreational uses of unformed legal road. Even in that case, however, there would be a missed opportunity to clarify some matters such as how public access can be preserved, and to embed in policy some of the conditions standard to all licences to occupy for baches. Option Three is preferable if Council would like to make these improvements but not necessarily place the same restrictions on occupations as with Option Two. There is therefore no apparent advantage to Option One unless Council does not see any of the proposed changes as improvements.
- 6.2 Option Two is recommended. It would make the clarification improvements mentioned above, but additionally would potentially address stakeholder concerns around limitless proliferation of baches anywhere, or competition with land developers. It strikes a balance on non-recreational activity, by allowing existing residential uses to continue subject to conditions, and by allowing certain rural commercial activities such as agricultural and mining

as long as they do not have buildings on the legal road. The disadvantages can be seen as potentially limiting the economic activity that would arise from construction of an unlimited number of baches, the lack of flexibility around future bach locations, and the potential limitation of business opportunities that might be well-suited for particular unformed legal road locations. Depending on the split in licence fees between WDPL and Council (currently 25% to Council of the \$2,050 annual bach fee), this option could also reduce the income to Council as well as WDPL.

- 6.3 Option Three has the advantage of clarifying certain matters described above, but would allow the Council to either further restrict occupations such as baches and non-recreational activity or to remove the restrictions included in Option Two. The advantages would be either to provide more reassurance to concerned stakeholders (in the case of more restrictions), or to increase potential revenue and economic activity from use of unformed legal roads (in the case of fewer restrictions). The main disadvantages would be that either approach could be less balanced than Option Two. The use of unformed legal road should not be seen as simply a revenue-gathering exercise, nor should all unformed legal road be locked up for no good reason.

7 PREFERRED OPTION(S) AND REASONS

- 7.1 Option Two is preferred as the proposed policy attached as Appendix 2 strikes a reasonable balance between allowing for economic activity and revenue to arise from the use of unformed legal road, and ensuring that the Council is not competing unfairly with private land developers or allowing inappropriate levels of development in sensitive locations.

8 RECOMMENDATION(S)

- A) **THAT** Council adopts the revised policy on “Recreational and Non-Recreational Occupations on Unformed Legal Road,” attached as Appendix Two to this report.

Jim Ebenhoh

GROUP MANAGER: PLANNING, COMMUNITY AND ENVIRONMENT

Appendix 1: Existing policy on “Baches and Other Occupations on Unformed Legal Road” (April 2014)

Appendix 2: Proposed new policy on “Recreational and Non-Recreational Occupations on Unformed Legal Road” (September 2016)

Appendix 3: Proposed new policy on “Recreational and Non-Recreational Occupations on Unformed Legal Road” (September 2016), with tracked-changes against April 2014 version



BACHES AND OTHER OCCUPATIONS ON UNFORMED LEGAL ROAD Adopted 17 April 2014

Council recognises that baches have a unique place in the history of Westland. As a matter of policy, Westland District Council accepts the continued use of baches for recreational purposes. As well, other occupations exist on unformed legal road that require policy direction to acknowledge their existence, subject to the following conditions:

- On behalf of Council, Westland District Property Ltd (WDPL) manages unformed legal road in Westland.
- Council retains the responsibility for any decisions made relating to the management of unformed legal road.
- All holders of baches and other occupations must have a WDPL Licence to Occupy Unformed Legal Road and must comply with the conditions of that License to Occupy. A fee is payable.
- Baches and other occupations must not interfere with the public right to pass and re-pass along the unformed legal road. Buildings must be ultimately relocatable.
- Holders of a Licence to Occupy are responsible for obtaining all necessary resource consents and building consents.
- Baches on existing sites with footprint less than 100sqm may increase their footprint up to 100sqm; however baches on existing sites with footprint greater than 100sqm may not increase their footprint. Baches on new sites must not exceed 100sqm footprint.
- For clarity, WDPL and Council management reserves the right to classify an occupation as a bach and associated structures (subject to 100sqm maximum footprint) or any other associated structure (maximum area to be set in case-by-case basis) on ONE site. This will be determined at the time of the application.
- Council, upon recommendation from WDPL, will set the scale of licence fees for baches and other occupations on unformed legal road as part of its Annual Plan. Distribution of Licence fees will be 75% WDPL, 25% Council.
- This policy will be reviewed in line with the Long Term Plan every three years; beginning with the 2018-28 Long Term Plan.

DRAFT

POLICY: RECREATIONAL AND NON-RECREATIONAL OCCUPATIONS on UNFORMED LEGAL ROAD

Adopted 29 September 2016

Westland District Council (Council) recognises that a range of recreational and non-recreational activities may wish to locate on unformed legal road. This policy sets out guidance in relation to these activities; both for baches and other recreational activities, and for non-recreational activities such as residential, agricultural and commercial uses.

Conditions applying to all occupations on unformed legal road:

- On behalf of Council, Westland District Property Ltd (WDPL) manages unformed legal roads in Westland.
- Council retains ultimate responsibility for any decisions made relating to the management of unformed legal roads, including policy-setting.
- Owners of occupying activities must have a Licence to Occupy Unformed Legal Road (unless otherwise stated in this policy) and must comply with the conditions of that Licence to Occupy.
- Occupying activities must not interfere with the public right to pass and re-pass along unformed legal road. Related to this:
 - No fences are to be erected across legal road without a sty, unlocked gate or other means of public passage.
 - 'Private property' / 'Keep out' signs or similar are only allowed on private buildings and must not be posted in such a way that they are seen as applying to the legal road itself.
 - Occupying activities must be ultimately relocatable (for example, wooden structures on piles rather than brick building on concrete slab).
- The holders of a Licence to Occupy must have the necessary building consents and resource consents and are responsible for obtaining them.

- Council, upon recommendation from WDPL, will set the scale of annual licence fees for occupying activities on unformed legal road as part of its Annual Plan.
- This policy will be reviewed in line with the Long Term Plan every three years; beginning with the 2018-28 Long Term Plan.

Commented [JE1]: Why was the 75/25 split taken out?

Additional conditions applying to all baches and other recreational occupations on unformed legal road:

Council recognises that baches have a unique place in the history of Westland and accepts their continued use for recreational purposes such as non-commercial whitebaiting. Other recreational occupations such as boat sheds, hunting shelters etc may also be acceptable in some areas. The following conditions apply to all baches and other recreational occupations on unformed legal road:

- Baches (including their associated structures) or other recreational structures on existing sites with a gross floor area of less than 100 square metres (sqm) may increase their gross floor area up to 100sqm; those with gross floor area greater than 100sqm may not increase their gross floor area. Baches (including their associated structures) or other recreational structures on new sites must have less than 100sqm gross floor area.
- Baches (including their associated structures) and other recreational structures shall be single storey and shall be clad and/or painted in a colour scheme of suitably recessive colours so that the structure blends into the surrounding environment.
- The maximum length of time a bach can be occupied is 12 consecutive weeks. In addition, the maximum period of time a bach can be occupied over a single calendar year is a total of 26 weeks.
- WDPL and Council management reserve the right to classify a structure as a bach, another recreational structure, or a non-residential structure. This will be determined at the time of application for the Licence to Occupy.
- The maximum number of baches on unformed legal road in the District shall be 82.
- No new baches shall be permitted other than at Bruce Bay and on the Paringa River, Waita River, Wanganui River, and Waiaototo River.
- Leases shall be granted for five years at a time.

Additional conditions applying to non-recreational occupations on unformed legal road:

Non-recreational occupations on unformed legal road include residential activities and encroachments (including sheds and gardens), agricultural uses such as grazing and apiculture (beehives), mining, other commercial activities (e.g. fish processing and retailing, or helipads), or anything else not considered to be a recreational occupation.

The following conditions apply in these cases, additional to those conditions listed at the start of this policy as applying to all occupations of unformed legal road:

- No new residential uses or new structures or occupations associated with residential uses will be permitted. Existing residential uses can be legalised through a Licence to Occupy unless there are significant reasons such as environmental concerns or transportation needs.
- Agricultural uses including grazing and apiculture are acceptable subject to a Licence to Occupy, unless in the view of WDPL or Council the activity is incidental encroachment from a neighbouring property that does not require a Licence to Occupy.
- Mining is acceptable subject to a Licence to Occupy.
- No commercial structures are permitted, including for agricultural and mining activities.
- Other commercial activities not involving structures (e.g. helipads) will be considered on a case-by-case basis.
- Persons involved in any non-recreational activity must adhere to all Health and Safety legislation.
- WDPL and Council management reserve the right to classify an activity as recreational or non-recreational. This will be determined at the time of application for the Licence to Occupy.



DRAFT

POLICY: ~~BACHES and OTHER~~ RECREATIONAL AND NON-RECREATIONAL OCCUPATIONS on UNFORMED LEGAL ROAD ~~Adopted 17 April 2014~~ Adopted 29 September 2016

Westland District Council (Council) recognises that a range of recreational and non-recreational activities may wish to locate on unformed legal road. This policy sets out guidance in relation to these activities; both for baches and other recreational activities, and for non-recreational activities such as residential, agricultural and commercial uses.

Conditions applying to all occupations on unformed legal road:

- On behalf of Council, Westland District Property Ltd (WDPL) manages unformed legal roads in Westland.
- Council retains ultimate ~~the~~ responsibility for any decisions made relating to the management of unformed legal roads, including policy-setting.
- ~~All holders~~ Owners of ~~baches and other occupations~~ occupying activities must have a ~~WDPL~~ Licence to Occupy Unformed Legal Road (unless otherwise stated in this policy) and must comply with the conditions of that ~~License~~ Licence to Occupy. ~~A fee is payable.~~
- ~~Baches and other occupations~~ Occupying activities must not interfere with the public right to pass and re-pass along ~~the~~ unformed legal road. Related to this:
 - No fences are to be erected across legal road without a sty, unlocked gate or other means of public passage.
 - 'Private property' / 'Keep out' signs or similar are only allowed on private buildings and must not be posted in such a way that they are seen as applying to the legal road itself.
 - Buildings ~~Baches and other~~ Occupying activities must be ultimately relocatable (for example, wooden structures on piles rather than brick building on concrete slab).

- ~~Baches and other~~ The holders of a Licence to Occupy must have the necessary ~~must have building consents and resource consents and~~ consent and building consents ~~consent them~~.
- Council, upon recommendation from WDPL, will set the scale of annual licence fees for ~~bachs and other occupations occupying activities~~ on unformed legal road as part of its Annual Plan. Distribution of Licence fees will be 75% WDPL, 25% Council.
- This policy will be reviewed in line with the Long Term Plan every three years; beginning with the 2018-28 Long Term Plan.

Commented [JE1]: Why has this been taken out?

Additional conditions applying to all bachs and other recreational occupations on unformed legal road:

Council recognises that bachs have a unique place in the history of Westland ~~and~~. ~~As a matter of policy, Westland District Council accepts the their continued use of bachs for recreational purposes such as non-commercial whitebaiting. Other recreational occupations such as boat sheds, hunting shelters etc may also be acceptable in some areas. As well, other occupations structures exist on unformed legal road that require policy direction to acknowledge their existence, subject to the following conditions~~ The following conditions apply to all bachs and other recreational occupations on unformed legal road:

- Bachs ~~(including and their associated structures)~~ or other recreational structures on existing sites with ~~footprint a gross floor area of less than 100 square metres (sqm) sqm~~ may increase their ~~footprint gross floor area~~ up to 100sqm; ~~however bachs on existing sites those~~ with ~~footprint gross floor area~~ greater than 100sqm may not increase their ~~footprint gross floor area~~. Bachs ~~(including their associated structures)~~ or other recreational structures on new sites must ~~not exceed~~ have less than 100sqm ~~footprint gross floor area~~.
- For clarity, WDPL and Council management ~~reserves reserve the right to classify an occupation as a bach and associated structures (subject to 100sqm maximum footprint) or any other associated or other structure (maximum area to be and set in the maximum gross floor area on a case by case basis) on 1 site. This will be determined at the time of the application for the Licence to Occupy.~~
- Bachs ~~(including their associated structures)~~ and other recreational structures shall be single storey and shall be clad and/or painted in a colour scheme of suitably recessive colours so that the structure blends into the surrounding environment.
- The maximum length of time a bach can be occupied is 12 consecutive weeks. In addition, the maximum period of time a bach can be occupied over a single calendar year is a total of 26 weeks.

- WDPL and Council management reserve the right to classify a structure as a bach, another recreational structure, or a non-residential structure. This will be determined at the time of application for the Licence to Occupy.
- The maximum number of baches on unformed legal road in the District shall be 82.
- No new baches shall be permitted other than at Bruce Bay and on the Paringa River, Waita River, Wanganui River, and Waiatoto River.
- Leases shall be granted for five years at a time.

Additional conditions applying to non-recreational occupations on unformed legal road:

Non-recreational occupations on unformed legal road include residential activities and encroachments (including sheds and gardens), agricultural uses such as grazing and apiculture (beehives), mining, other commercial activities (e.g. fish processing and retailing, or helipads), or anything else not considered to be a recreational occupation.

The following conditions apply in these cases, additional to those conditions listed at the start of this policy as applying to all occupations of unformed legal road:

- No new residential uses or new structures or occupations associated with residential uses will be permitted. Existing residential uses can be legalised through a Licence to Occupy unless there are significant reasons such as environmental concerns or transportation needs.
- Agricultural uses including grazing and apiculture are acceptable subject to a Licence to Occupy, unless in the view of WDPL or Council the activity is incidental encroachment from a neighbouring property that does not require a Licence to Occupy.
- Mining is acceptable subject to a Licence to Occupy.
- No commercial structures are permitted, including for agricultural and mining activities.
- Other commercial activities not involving structures (e.g. helipads) will be considered on a case-by-case basis.
- Persons involved in any non-recreational activity must adhere to all Health and Safety legislation.
- WDPL and Council management reserve the right to classify an activity as recreational or non-recreational. This will be determined at the time of application for the Licence to Occupy.

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Chief Executive

WESTLAND INDUSTRIAL HERITAGE PARK MEMORANDUM OF UNDERSTANDING

1 SUMMARY

- 1.1 The purpose of this report is to finalise a Memorandum of Understanding between Council and the Westland Industrial Heritage Park (WIHP).
- 1.2 This issue arises from a request from the WIHP Committee that their long-standing relationship with Council be formalised with an MoU. It also supports Council's desire to provide clarity on the roles, responsibilities and expectations of both organisations in the relationship.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the 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 Memorandum of Understanding with the Westland Industrial Heritage Park attached as **Appendix 1**.

2 BACKGROUND

- 2.1 The Westland Industrial Heritage Park is a registered charitable organisation which represents the combination of the Westland Vintage Machinery Club and the Westland Vintage Car Club, the two entities combining in 1989.
- 2.2 In November 2014, members of the WIHP approached Council to request that a formal record of the relationship between Council and the WIHP be put in place. It was agreed that an MoU would be the best way to do this.

- 2.3 In the first quarter of last year, a workshop was held with Council where guidance was sought on a number of items that could be included in an MoU. This included: Council's ongoing support for rates, rent, electricity, insurance, and a small sum for minor repairs and maintenance.
- 2.4 Several meetings have been held with the WIHP to work through drafts of an MoU, and Council staff and the WIHP are now in a position to present a document to Council.

3 CURRENT SITUATION

- 3.1 The MoU attached in **Appendix 1** aims to clarify roles and responsibilities of each party. Items that Council might be particularly interested in include:
 - 3.1.1 **Land** – WIHP occupy land on Airport Drive that is owned by Council and leased to Hokitika Airport Ltd (HAL). In the past Council has had a lease agreement directly with WIHP. Last year Council staff met with HAL and agreed that they take on the head lease for all the airport land, and they then are responsible for decisions about sub-leasing. HAL now have a sub-lease with WIHP.
 - 3.1.2 **Rates contribution** – the amount of \$20,072 identified in clause 1.5 reflects the contribution as it is now. This covers the costs of rates, insurance, repairs and maintenance, depreciation, land rental, and electricity.
 - 3.1.3 **Buildings** – Council owns the buildings at the WIHP. A minor amount of \$3,000 per annum is provided by Council to the WIHP for repairs and maintenance of the buildings. More significant R&M on the buildings that WIHP might need support with will be brought through an Annual Plan process.
 - 3.1.4 **Insurance** – WIHP is included under Council's insurance policy. It is worth noting that the collection has not been itemised or valued. This work has begun, and is ongoing. WIHP will provide Council with an inventory of the collection at a later date.
 - 3.1.5 **The Collection** – it is acknowledged that the collection is made up of items that are owned by Westland District Council and local authorities before the 1989 amalgamation. These items cannot be disposed of without written permission from Council.

4 OPTIONS

- 4.1 There are three options:
1. Adopt the MoU attached as **Appendix 1**.
 2. Do not adopt the MoU.
 3. Make some changes and adopt the MoU.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council's policy on Significance and Engagement this matter is assessed as being administrative and therefore of low significance. The MoU records the current relationship with the WIHP.
- 5.2 Staff have been working closely with the WIHP to agree terms and conditions of the MoU. This includes the Museum Director who provided input on an earlier draft. No wider consultation is required.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Adopting the MoU as it stands would send a positive message to the WIHP that Council are supportive of the work they do and recognise their contribution as significant enough to warrant formally documenting it. The MoU is a principle-based record of the relationship between Council and the WIHP and is not a legally binding contract. There is provision for an annual meeting and a three-year review in the MoU to ensure the relationship is working well and the terms and conditions are clear. The MoU records the current ratepayer contribution to the WIHP and is a reflection of what Council stated was important in the workshop held in 27 August 2015.
- 6.2 Council may decide to not adopt the MoU. This would mean the relationship remains undocumented and is open to misunderstanding and potential conflict. Council might choose this option if they believe the MoU binds them in some way.
- 6.3 Council could decide to recommend some changes to the MoU. If these are more than minor editing changes further discussion with WIHP would be required.

7 PREFERRED OPTIONS AND REASONS

- 7.1 The preferred option is Option 1. A lot of work has gone into drafting the MoU, and this is largely volunteer time by members of the WIHP. The MoU simply records the relationship as it currently stands. It also clarifies some

ambiguity around roles and responsibilities. It is open for discussion annually and formal review every three years.

8 RECOMMENDATION

- A) **THAT** Council adopt the Memorandum of Understanding with the Westland Industrial Heritage Park attached as **Appendix 1**.

Tanya Winter
Chief Executive

Appendix 1: Memorandum of Understanding with Westland Industrial Heritage Park

Westland District Council

Westland Industrial Heritage Park

MEMORANDUM OF UNDERSTANDING

SEPTEMBER 2016

DATED September **2016**

PARTIES Westland District Council ("the Council")
Westland Industrial Heritage Park ("WIHP")

BACKGROUND

- A. Westland District Council is the Territorial Authority for the area of Westland.
- B. Westland Industrial Heritage Park is an Incorporated Society registered as a charity with the purpose of preserving the industrial heritage of the Westland district and West Coast in general.
- C. The Council wishes to formalise the relationship between itself and the WIHP over the use and occupancy of land located at Airport Drive, Hokitika for the purposes of maintaining a collection of industrial heritage items of importance to the Westland district, including items belonging to the Council.
- D. Together, the parties wish to develop a relationship based on trust, mutual recognition and ongoing consultation about any matters that relate to the WIHP.

1. PRINCIPLES GUIDING THE RELATIONSHIP BETWEEN THE PARTIES

- 1.1 WIHP acknowledges the Council as the owner of the land situated on Airport Drive used for the purposes of the existing Heritage Park. WIHP also recognises that the Council are possessed of items forming part of a museum collection representing the industrial heritage of the Westland District and wider West Coast.
- 1.2 The Council acknowledges that WIHP is an incorporated charitable body, recognised as a museum by the National Services Te Paerangi, which is responsible for the maintenance and preservation of an industrial heritage collection located at the Airport Drive site.
- 1.3 The Parties acknowledge that they wish to establish a relationship between themselves that supports the continuity of the WIHP aims and the desire on the part of the Council to conserve the industrial heritage of the community.

- 1.4 The Parties intend to develop a management relationship through a partnering process to secure the existing and future industrial heritage collection.
- 1.5 The Parties acknowledge that there is a ratepayer contribution to the WIHP of \$20,072 per annum (2016-17 Annual Plan), this being for operating costs such as: rates, land rental, electricity, insurance premiums, depreciation, and repairs and maintenance. This amount will be reviewed annually.
- 1.6 The Parties further acknowledge that in-kind support is provided by Council, mainly by the Hokitika Museum. For example, training for volunteers, and use of collection management software (Past Perfect).

2. EXISTING INTERACTIONS BETWEEN THE PARTIES

- 2.1 The Parties acknowledge the following interactions that already exist between them as a consequence of the purpose, functions, responsibilities, assets and interests of each of them:

LAND and LEASES

- 2.2 The WIHP occupies land located at Airport Drive, Hokitika (the site), as shown on the accompanying plan. The WIHP has a lease agreement with Hokitika Airport Ltd (HAL) for their occupancy of the airport land. HAL are responsible for the sub-lease agreement with WIHP for occupancy of the site.

BUILDINGS and MAINTENANCE

- 2.3 All permanent buildings and fixed assets located at Airport Drive are the property of the Council who will meet the fair minor maintenance costs associated with the buildings. An annual budget of \$3,000 will be provided by Council to the WIHP towards such repairs and maintenance. This sum will be reviewed annually.
- 2.4 Any items not deemed to be minor maintenance that WIHP require Council funding for will be presented through an Annual Plan process. The Chief Executive will advise WIHP of the timetable for that process.
- 2.5 WHIP will be responsible for carrying out the maintenance of the site and buildings and will keep the site in a safe and secure state, free of noxious weeds and rubbish.

- 2.6 No new permanent building may be constructed without prior approval by the Council (for the purposes of clarification, specific approval must be sought in addition to the granting of any necessary building permits). New buildings will be added to Council's fixed asset register.

UTILITY COSTS

- 2.7 The Council will meet all utility costs associated with the site at Airport Drive including:
- Westland District Council rates
 - West Coast Regional Council rates
 - Electricity costs

INSURANCE

- 2.8 WDC will arrange the following insurances on behalf of WIHP:
- Public liability insurance
 - Material damage insurance, including:
 - o Buildings
 - o Machinery and equipment, eg. tools used for maintaining and repairing the collection
 - o Collection– this is a lump sum, not itemised
 - o Third party owned items on loan – subject to any restrictions on liability

WIHP will be liable for payment of any excess.

THE COLLECTION

- 2.9 WIHP will be responsible for the creation and maintenance of a full catalogue of items forming the industrial heritage collection located at the Airport Drive site. Copies of this catalogue will be held by WIHP, and Hokitika Museum and will be updated at least annually.
- 2.10 WIHP are responsible for the maintenance of the industrial heritage collection located at the site. Where possible WDC will support the maintenance the collection, where this is not possible WIHP will, where possible fund raise to meet this commitment.
- 2.11 WIHP will ensure public access is available to the industrial heritage collection and will conduct open days at times to be advertised in the local press. At a minimum, the

collection will be open to the general public, at least on a monthly basis, during daylight hours.

- 2.12 WIHP will provide for safe storage of Hokitika Museum collection items (as distinct from the balance of the industrial heritage collection) placed in the care of the WIHP at the Airport Drive site. Any work required for the maintenance of these assets will at the discretion of the Hokitika Museum who will be responsible for funding such work.
- 2.13 WIHP will have the right to accept, on behalf of the Council, any items deemed of significance to the industrial heritage of Westland and the West Coast. WIHP will also have the right to dispose of any items placed in their care however any such transactions will be recorded and the catalogue amended accordingly.
- 2.14 WIHP must obtain written permission from Council to dispose of any collection items belonging to Council.
- 2.15 WIHP, may from time to time, liaise with other industrial heritage collections for the purposes of sharing information, temporary loans of collections items and the enhancement of the collection in general.

PRIVATELY OWNED ASSETS

- 2.16 Both parties acknowledge that, at the discretion of the WIHP and on terms to be negotiated by WIHP, privately owned industrial heritage items may be stored at the Park to augment the Council owned collection. At no time does ownership or control of these assets pass to the Council or to WIHP but remain in private ownership unless an asset transfer agreement is signed by the owner and WIHP at which time an amendment to the catalogue will be made.

3. REVIEW PROCESS

- 3.1 The relationship outlined in this agreement shall be formally reviewed by WIHP and the Council every three years. Meetings will be held annually or as required in order to raise any issues that may arise out of this agreement. Any amendments to this Memorandum shall occur with the consent of both parties and be recorded in writing. Such consent shall not be unreasonably withheld.

4. KEY CONTACTS

- 4.1 The contacts within each Party who will be responsible for managing the relationship between each of them to achieve the planned outcomes are listed below. Any changes shall be advised by each Party to the other from time to time.

Westland District Council

Chief Executive

Group Manager – District Assets

Westland Industrial Heritage Park

President

Treasurer

Secretary

5. ENFORCEABILITY

- 5.1 The Parties acknowledge and agree that:
- (a) the purpose of this Memorandum is to record the relationship between the Parties and the principles that each intends to follow in its dealings with the other;
 - (b) each will act towards the other in good faith and with regard to the matters set out in this Memorandum; and
 - (c) this Memorandum shall not be enforceable in any court or other forum and any dispute between them as to any matter provided for in this Memorandum shall be resolved by mutual consultation between the Chief Executive/President of each of the Parties in good faith.
 - (d) In the event of any dispute or difference arising out of or in connection with this MoU not able to be resolved by the process outlined in (c) above, the parties shall refer such dispute to mediation by the New Zealand Dispute Resolution Centre (NZDRC) in accordance with NZDRC's Agreement to

Mediate and Standard Terms of Engagement which procedures and rules are deemed to be incorporated by reference into this clause.

- (e) If the parties are unable to agree upon the identity of a mediator within 5 working days from the date upon which notice of the dispute is given, then the mediator shall be appointed by the New Zealand Dispute Resolution Centre upon the application of any party.

EXECUTION

SIGNED for and on behalf of
Westland Industrial Heritage Park by: _____ President

_____ Secretary

Witness to Signature

Name of Witness

Westland District Council by: _____ Chief Executive

Witness to Signature

Name of Witness



Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community & Environment

ANNUAL REPORT TO ALCOHOL REGULATORY AND LICENSING AUTHORITY

1 SUMMARY

- 1.1 The purpose of this report is to provide Council with a copy of its draft Annual Report on Sale and Supply of Alcohol, which is required to be filed with the Alcohol Regulatory and Licensing Agency (ARLA) by 30 September 2016 for the year ending 30 June 2016.
- 1.2 This issue arises from the requirement of Section 199 of the Sale and Supply of Alcohol Act 2012 for a Council to file an annual report on the activities of its District Licensing Committee (DLC) within three months of the close of any financial year.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the 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 Annual Report to ARLA, for the year ending 30 June 2016, as attached to this report.

2 BACKGROUND

- 2.1 The Sale and Supply of Alcohol Act 2012 came into force on 18 December 2014. It is a requirement that the Council provides an annual report to the ARLA by 30 September of each year. There is a standard list of topics to be covered in the report, including the number of DLC hearings held, matters relating to any Local Alcohol Policy (LAP), information on the number of licenses issued and fees collected by type, and a list of all licensees.
- 2.2 The previous annual report (for year ending 30 June 2015) was received by Council in September 2015.

- 2.3 A November 2015 report from the Community Development Advisor reviewed progress towards creating a LAP. At that meeting, Council agreed to again defer creating a LAP until at least April 2016, until it is seen that other Councils have been successful in having their policies approved, and Local Government New Zealand (LGNZ) has developed further LAP guidance document for Councils. Council also agreed at that meeting to extend the term of the Alcohol Working Party (Councillors Butzbach, Martin and Montagu) to the end of the current triennium.
- 2.4 It is still possible to have a joint West Coast LAP with the Grey and Buller District Councils, or at least consistent LAPs in terms of opening and closing hours, etc. Grey District Council is currently not planning on introducing a LAP, and Buller District Council has revoked its previous proposed LAP and is starting the process anew. In Westland, there are mixed views on the need for a LAP.
- 2.5 In the meantime, the District Licensing Committee (DLC) is continuing to operate as it was appointed in late 2013, and its activity within the past year is summarised in the attached draft Annual Report to ARLA.

3 CURRENT SITUATION

- 3.1 The Council and its District Licensing Committee have had an active year, with 139 managers' certificates granted, 31 on- and –off licences issued or renewed, and 44 special licenses issued. The appointment of an Environmental Health and Regulatory Officer in January 2015 as the Chief Licensing Inspector for the Council has continued to assist with workload pressures and improved consistency of monitoring and reporting.
- 3.2 It is now time for the Council to submit its Annual Report to ARLA.

4 OPTIONS

- 4.1 Section 199 of the Sale and Supply of Alcohol Act 2012 does not require that the Annual Report be approved at a formal Council meeting. The Annual Report is primarily an administrative document summarising statistics and activity related to alcohol licensing activities. Regardless, the Council may wish to formally receive the Annual Report.
- 4.2 **Option 1:** The Council receives the report.
- 4.3 **Option 2:** The Council does not receive the report.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with the Council's policy on Significance and Engagement, this decision is regarded as being of low significance. No policy decisions or financial commitments are required. The Annual Report is primarily an administrative report to central government on the activities of the Council with regard to the Sale and Supply of Alcohol Act 2012.
- 5.2 No engagement or consultation is required for the purposes of this report. The Council's activities in this area over the past year have been undertaken in consultation with other agencies including NZ Police and Community and Public Health, as well as with licensees and managers.
- 5.3 The Annual Report is required to be available for inspection at Council offices and on the Council website for a period of five years.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option 1:** That Council receives the report, has the advantage of giving the report official recognition, thereby letting ARLA and the community know that Elected Members are aware of the Council's activities in relation to the Sale and Supply of Alcohol Act 2012.
- 6.2 **Option 2:** That Council does not receive the report, is legally acceptable but not optimal. The disadvantage of not receiving the report is that there would be a missed opportunity to let ARLA and the community know that Elected Members are aware of the Council's activities in this area.

7 PREFERRED OPTION(S) AND REASONS

- 7.1 Option One, that Council receives the report, is preferred for the reasons above. In summary, this option would let ARLA and the community know that Elected Members are aware of the Council's activities in relation to the Sale and Supply of Alcohol Act 2012.

8 RECOMMENDATION(S)

- A) **THAT** Council receives the attached draft Annual Report to the Alcohol Regulatory and Licensing Agency, for the year ending 30 June 2016.

Jim Ebenhoh

Group Manager: Planning, Community & Environment

Appendix 1: Annual Report to the Alcohol Regulatory and Licensing Authority for Year Ending 30 June 2016 (with two appendices)

FILE REF: LIQ 1.10

29 September 2016

Secretary
Alcohol Regulatory and Licensing Authority
Ministry of Justice Tribunals Unit
Level 1
86 Customhouse Quay
Wellington 6011

Dear Secretary

**ANNUAL REPORT TO THE ALCOHOL REGULATORY AND LICENSING AUTHORITY:
WESTLAND DISTRICT LICENSING COMMITTEE**

Herewith is the Annual Report of the Westland District Council regarding the Westland District Licensing Committee, prepared pursuant to the provisions of Section 199 of the Sale and Supply of Alcohol Act 2012 for the year ended 30 June 2016. This has been a year of continuing to consolidate our learning and building our experience arising from the recent legislation and accompanying regulations. With three public hearings, it was a busier year for the DLC than the previous year.

1. Overview of the Westland District Licensing Committee Workload

- One District Licensing Committee (DLC) has been appointed for Westland, as per Council resolution of 28 November 2013. The DLC consists of Chairperson Bryce Thomson (former Councillor) Deputy Chairperson Jim Butzbach (current Councillor), Zelda Martin (former licensee), Timothy Teen (former licensee) and Richard Gardiner (previous licensing inspector). Mr Thomson and Councillor Butzbach have both received the LGNZ DLC training as well as refresher courses offered by other organisations.
- I have been delegated the duties of Secretary of the DLC, as part of my role as Group Manager: Planning, Community and Environment. I understand that the Chief Executive of each Territorial Authority is still technically the Secretary of the DLC, which is why I sign my reports and licences as “For Secretary, Westland District Licensing Committee.” If this is incorrect please advise me.

- Over the past year, only one staff member has been actively involved in alcohol licensing duties as a licensing inspector. From February 2015, Wayne Knightbridge has been Chief Licensing Inspector as part of his role of Environmental Health and Regulatory Officer. Council officers Eddie Newman and Warren Godfrey remain warranted Licensing Inspectors to back up Mr Knightbridge if necessary. All three inspectors have undertaken training tailored to District Licensing inspection work, including training under the new Act.
- Our DLC is supported by a committee adviser who, as a Business Support Officer, also works on resource consent and environmental health matters.
- The District Licensing Committee conducted three public hearings in the year ending 30 June 2016: one on an off-licence application, and two on managers' certificate applications. There were no public hearings in the previous year, and one public hearing in the year ending 30 June 2014.

2. DLC Initiatives

- In the previous year ending 30 June 2015, Westland District Council created the new role of Environmental Health and Regulatory Officer and tasked this role with being the Chief Licensing Inspector under the Sale and Supply of Alcohol Act 2012 (SASAA). Since beginning this role at the start of February 2015, Wayne Knightbridge has devoted about 40% of his time to alcohol-related matters, and this is planned to continue. This appointment has raised the profile of SASAA licensing within the District and enabled a greater depth of work and investigation into licensing matters. Previously the role had been attached to two building inspector roles who were not able to devote as much time to SASAA licensing issues.
- At the time of the writing of this report, the DLC is moving towards a website-based system for advertising licence applications, but this will be covered in next year's annual report.

3. Local Alcohol Policy

- Until 19 December 2013, the Westland District Licensing Agency Strategy Statement served as the DLA's Sale of Liquor Policy.
- In 2013 Council commenced active discussion with neighbouring TAs concerning the possibility of a joint Local Alcohol Policy (LAP).
- After the October 2013 elections, Council appointed a working party consisting of three Councillors to: consult with stakeholders and agencies to consider the

best ways for the Council to meet with objectives of the Act; consider the Buller and Grey District Council's LAP models; consider the need or not for a Westland LAP; and consider the work and decisions of the DLC and report to Council if required.

- The above working party has had discussions with Council staff about a potential LAP and have been informed of the current situation regarding appeals to other Councils' LAPs and progress with other LAPs on the West Coast. At its November 2015 meeting, Westland District Council agreed to defer creating a LAP until at least April 2016, in order to receive guidance from Local Government New Zealand (LGNZ) about drafting a LAP as well as to monitor progress of other Councils. Council also agreed at that meeting to extend the term of the Alcohol Working Party to the end of the current triennium (October 2016).
- It is still possible to have a joint West Coast LAP with the Grey and Buller District Councils, or at least consistent LAPs in terms of opening and closing hours, etc. Grey District Council has decided not to proceed with a LAP at present, and Buller District Council has revoked its previous proposed LAP and is starting the process anew.
- Progress has been made, in terms of initial discussions with key stakeholders about a potential LAP. The Council's Community Development Advisor has had discussions with representatives of the hospitality industry, Council's current licensing inspectors, the Council working party mentioned above, staff at neighbouring Councils, NZ Police, and Community & Public Health. Background information including a recent report on alcohol-related harm on the West Coast by the regional Medical Officer of Health has also been assembled to inform the development of a potential LAP. This will be a matter for the new Council to consider.

4. Current Legislation

- Understanding of the current legislation seems to be improving in the community.
- No particular issues need to be highlighted this year.

5. Other Matters: Enforcement and Inspections, and Liaison with Other Agencies

- Committee staff continue to meet at least every 3 months with their counterparts at other West Coast Councils, with NZ Police in Hokitika and elsewhere on the West Coast, and with the Medical Officer of Health and

representatives of Community and Public Health. This liaison and information-sharing has been useful for the ongoing processing of alcohol-related applications, monitoring and enforcement issues, Local Alcohol Policy discussions, and the development of shared or similar forms under the new Act.

- The Chief Licensing Inspector continues to monitor licensed premises, both in terms of how the premises comply with signage and other similar requirements, and also with how the premises actually operate during their busier hours later in the evening.
- No suspensions were sought by the DLC this year.
- The Council has two bylaws that relate to liquor. The first is the Westland District Wildfoods Festival and Other Events Bylaw that controls the taking of liquor into various parts of Hokitika during the Wildfoods Festival and other events. The second is the Liquor Ban Bylaw that prohibits the consumption of alcohol in certain commercial and residential areas of Hokitika during specific hours. It is possible that at least one additional community will be added to the Liquor Ban Bylaw in the near future. Franz Josef township has shown interest in having parts of the township subject to a liquor ban, although this interest appears to have waned in the past year.

6. Key Contacts

- DLC Secretary – Jim Ebenhoh – 03 756 9035 – 027 886 0420 – jim.ebenhoh@westlanddc.govt.nz
- Licensing Inspector – Wayne Knightbridge – 03 756 9037 – 027 801 6864 – wayne.knightbridge@westlanddc.govt.nz
- Support/Admin personnel – Amy Jones (Committee Advisor) – 03 756 9039 – amy.jones@westlanddc.govt.nz

7. Statistical Information

- The annual return of statistics for the year ended 30 June 2016 is attached.
- A list of all licensed premises as of 30 June 2016 in the Westland District is attached.

Sincerely

Jim Ebenhoh
Group Manager: Planning, Community and Environment
for Secretary, District Licensing Committee

Attachments:

Annual return of statistics for the year ended 30 June 2016

List of all licensed premises in the Westland District as of 30 June 2016

TERRITORIAL AUTHORITY: Westland District Council
ANNUAL RETURN FOR YEAR ENDING: 30 June 2016

On-licence, off-licence and club licence applications received:

Application Type	Number received in fee category				
	Very Low	Low	Medium	High	Very high
On-licence new		3	2		
On-licence variation					
On-licence renewal		6	4	4	
Off-licence new			2		
Off-licence variation					
Off-licence renewal			7	3	
Club licence new					
Club licence variation					
Club licence renewal					
Total number	0	9	15	7	0
Total Fee paid to ARLA (GST incl)	0	310.50	776.25	603.75	0

Annual fees for existing licences received:

Licence Type	Number received in fee category				
	Very Low	Low	Medium	High	Very High
On-licence	1	16	15	11	
Off-licence			17	3	1
Club licence	1				
Total number	2	16	32	14	1
Total Fee paid to ARLA (GST incl)	34.50	552.00	1,656.00	1,207.50	172.50

Managers' certificate applications received:

Application type	Number received
New manager's certificate	59
Renew manager's certificate	80
Total	139
Total Fee paid to ARLA (GST incl)	3,996.25

Special licence applications received:

	Class 1	Class 2	Class 3
Special licence	7	15	22

Temporary authority applications received:

	Number received
Temporary authority	4

Permanent club charter payments received:

	Number received
Permanent club charter payments	0

Appendix 3

Licensee Name	Business Name	Address1	Address2	Address3
Alice May Limited	Alice May	PO Box 54	Franz Josef 7856	
Tasman View Properties Limited	Beachfront Hotel Hokitika & Super Liquor Hokitika	111 Revell Street	Hokitika 7810	
Blue Ice Investments Limited	Blue Ice Café	PO Box 23	Franz Josef 7856	
Café Neve Fox Glacier Limited	Café Neve	PO Box 71	Fox Glacier 7859	
DJ Scott, JP Scott & DC Scott	Cook Saddle Café and Saloon	PO Box 29	Fox Glacier 7859	
Hokitika Airport Limited	de Havilland Landing	PO Box 76	Hokitika 7842	
MW Browne & PC Browne	Empire Hotel	19 Aylmer Street	Ross	
Fat Pipi Pizzas Limited	Fat Pipi Pizzas	49 Revell Street	Hokitika 7810	
Granera Foods Limited	Fitzherbert Street Four Square Supermarket	143 Fitzherbert Street	Hokitika 7810	
Fox Glacier General Store Limited	Fox Glacier General Store Limited	PO Box 28	Fox Glacier 7859	
Phoenix Pavlova Limited	Fox Glacier Inn	PO Box 113	Franz Josef Glacier 7856	
CMR Jones Limited	Franz Josef Four Square Supermarket	PO Box 65	Franz Josef 7856	
Franz Josef Limited	Franz Josef Oasis	PO Box 138	Franz Josef 7856	
JF Caldwell	Full of Beans Café	PO Box 137	Franz Josef 7856	
Wild Beach Limited	Haast Beach General Store	PO Box 25	Haast 7844	
Haast World Heritage Limited	Haast World Heritage	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
HAB 2013 Limited	Hard Antler Bar & Restaurant	C/- PO Box 51	Tapauni 9542	
Scenic Circle Hotels Limited	Heartland Hotel Fox Glacier	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Scenic Circle Hotels Limited	Heartland Hotel Franz Josef Glacier (Mueller Wing)	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Scenic Circle Hotels Limited	Heartland Hotel Glacier Country	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
AG & MJ Chant	High Peaks Bar and Restaurant	PO Box 5	Fox Glacier 7859	
Alpine Guides Fox Glacier Limited	Hobnail Café	PO Box 38	Fox Glacier 7859	
Hokitika Chartered Club	Hokitika Chartered Club	PO 102	Hokitika 7842	
Hokitika Golf Club Incorporated	Hokitika Golf Club	PO Box 136	Hokitika 7842	
Brokenshire Tarrant Holdings Limited	Hokitika New World	116 Revell Street	Hokitika 7810	
Belross Holdings Limited	Hotel Hari Hari	C/- Goodman Tavendale Reid	PO Box 442	Christchurch 8140
KEH Limited	Kaniere Hotel	289 Kaniere Road	Hokitika 7811	
JF Caldwell	King Tiger Restaurant & Bar	PO Box 76	Franz Josef 7856	
Grenvon Holdings Limited	Kokatahi Hotel	113 Upper Kokatahi Road	RD 1	Hokitika 7881
Rain Forest Retreat Limited	Lake Mahinapua Hotel	PO Box 50	Franz Josef Glacier 7856	
Dr Gerard McSweeney & Anne Saunders	Lake Moeraki Wilderness Lodge	Private Bag 772	Hokitika 7842	
C & S Alexander Ltd	Matheson Café	PO Box 86	Fox Glacier 7859	
D & J Englefield	Pioneer Hotel	80 Gibson Quay	Hokitika 7810	
Sathvika Enterprises Ltd	Priya Indian Restaurant	79 Revell Street	Hokitika 7810	
Fashion Street Limited	Pukeko Store and Café	PO Box 24	Harihari 7863	
PJ Sharpe & AM Kerr-Sharpe	Railway Hotel	PO Box 130	Hokitika 7842	
Rain Forest Retreat Limited	Rain Forest Retreat	C/- Liquor Licensing Bureau (South Island) Ltd	PO Box 182	Arrowtown
Trappers Limited	Royal Mail Hotel Woodstock	PO Box 139	Hokitika 7842	
Scenic Circle Hotels Limited	Scenic Hotel Franz Josef Glacier	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Crack on Limited	Snakebite Brewery	PO Box 69	Franz Josef 7856	
Alice Bellio	South Westland Salmon Café	State Highway 6	Lake Paringa Post Centre	South Westland 7834
Reeves Family Supermarket Limited	Stafford Street Four Square	140 Stafford Street	Hokitika 7810	
Stations 2004 Limited	Stations	PO Box 62	Hokitika 7842	
Stella Café Limited	Stella Café - Delicatessen & Cheesery	84 Revell Street	Hokitika 7810	
Franish Limited	Stoneoven Bakery Café	103-105 Revell Street	Hokitika 7810	
Westland Developments Limited	Stumpers Bar & Café	PO Box 35	Hokitika 7842	
Waiho Investments Limited	Te Waonui Forest Retreat	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
MJKJ Investments Limited	The Fire House	PO Box 188	Hokitika 7842	
The Landing Bar Ltd	The Landing Bar	PO Box 76	Franz Josef 7856	
EE McClintock	The Last Kitchen	PO Box 128	Fox Glacier 7859	
Kumara Hotel Limited	Theatre Royal Hotel	81 Seddon Street	Kumara 7832	
Distinction Fox Glacier	Weheka Accommodation Ltd	PO Box 90	Fox Glacier 7859	
MJKL Investments Limited	West Coast Wine Company	PO Box 188	Hokitika 7842	
KJ Gilmore	West Wood Lodge	PO Box 37	Franz Josef 7856	
Karyn Marama Anderson	Whataroa Hotel	77 Scally Road	Whataroa 7886	
White Heron Store & Tearooms Limited	White Heron Store & Tearooms	69 Scally Road	Whataroa 7886	

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Cr Mark Dawson, Chair of the Executive Committee

REPORT FROM CHAIR OF THE EXECUTIVE COMMITTEE

1 SUMMARY

- 1.1 The purpose of this report is to advise on outcomes from the Executive Committee Meeting held on 5 September 2016.
- 1.2 This issue arises from the matters considered that fall within the Committee's remit under Powers to Recommend in accordance with its Terms of Reference.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives this report and approves the insurance proposals attached as **Appendices 2 and 3**, and adopts the updated constitution of Westland Holdings Limited (WHL) attached as **Appendix 5**.

2 BACKGROUND

Insurance

- 2.1 In the public section of its meeting on 5 September 2016, the Committee considered several reports on matters within its terms of reference.
- 2.2 In particular, the Committee considered two matters that are ultimately decided upon by Council;
 - 2.2.1 The Committee resolved to endorse proposals for commercial, liability and indemnity reinsurance, and an alternative to LAPP for underground infrastructure insurance.
 - 2.2.2 The Committee reviewed a proposed updated constitution for WHL.

- 2.3 The Committee noted that Council has not obtained formal insurance valuations and that the asset valuations used are the fair value book valuations, using depreciated replacement cost. It was acknowledged that Council's asset management information is in the process of being updated and that the arrangements proposed are therefore based on estimates and a risk based approach to probable loss.
- 2.4 It was recognised that in combination, the proposed premiums would be \$46,053 lower than the amount for insurance costs contained in the budget for the Annual Plan 2016/17. The Committee was advised that on average material damage insurance costs amount to 0.27% of asset value.
- 2.5 For underground infrastructure Council has previously been a member of the Local Authority Protection Programme (LAPP). At the meeting the Committee was presented with an alternative in the form of the Manawatu-Wanganui Local Authority Shared Service (MWLASS).
- 2.6 Both schemes are similar in that they provide for 40% of losses, with the remainder falling within the disaster recovery provisions of the Ministry of Civil Defence and Emergency Management.
- 2.7 The differences between the schemes are set out below:

	LAPP	MWLASS
Limit of liability	2 x \$50m per year	\$60m per loss
WDC Premium	\$81,300	\$66,000
WDC Excess	\$400,000	\$250,000
Credit rating	B+	AA-
Arrangement	Trust	Contract

WHL Constitution

- 2.8 WHL's existing constitution was lodged with Companies Office in July 2002 and contains language and statutory references that have latterly been superseded.
- 2.9 During a review of the structure of Council's Group of Subsidiaries in 2014/15 certain inconsistencies and ambiguities were identified among the companies' constitutions, statements of intent and Council policies.
- 2.10 The Board of Directors was refreshed in February 2016, and one of its first undertakings was to update the company's constitution to more accurately reflect the current legislative environment and the company's position in Council's governance framework.

- 2.11 The draft updated constitution that was presented to the Committee was not endorsed because it was considered to not sufficiently reflect the purpose of WHL as a CCO, and some inconsistencies remained with the company's statement of intent and Council's Policy on Appointment and Remuneration of Directors.
- 2.12 The Committee instructed that further review be conducted and that an updated document be submitted for adoption.

3 CURRENT SITUATION

Insurance

- 3.1 A copy of the report to the Executive Committee is attached as **Appendix 1**, along with the renewal report for material damage, liability and indemnity policies as **Appendix 2**, and the policy wording for the MWLASS subterranean infrastructure option as **Appendix 3**.
- 3.2 Council has been covered by endorsement on the MWLASS from 1 July 2016 to 31 October 2016. A copy of the summary of cover is attached as **Appendix 4**.
- 3.3 The Committee resolved to endorse these proposals, subject to editorial amendments to be made in the final policy documents and to ongoing consideration of the following:
- 3.3.1 The saving against budget could be utilised to enhance cover for specific strategic assets as asset information improves. Examples would be cycle trail bridges, Council building, swimming pool and museum, landfill liner. Some of this is also dependent on the findings of detailed engineering seismic evaluations that are currently in progress.
 - 3.3.2 Partial government funding for risk modelling is being made available.
 - 3.3.3 Investigating the possibility of securing cover for two years.
 - 3.3.4 Assessment of the adequacy of the Directors and Officers Indemnity Policy.
 - 3.3.5 The strategic purposes that the assets in question fulfil.

WHL Constitution

- 3.4 The Board of WHL has provided an updated proposed constitution, attached as **Appendix 5**.

- 3.5 This document more accurately reflects the company's status as a CCO, and thus standard terms relating to ownership and share transactions have been removed.
- 3.6 The proposed constitution references the other strategic documents that govern the company's remit and its interface with Council. This includes the appointment and term of directors.

4 OPTIONS

- 4.1 Option 1: Receive the report and approve the insurance arrangements proposed
- 4.2 Option 2: Do not receive the report, and undertake a separate review of insurances
- 4.3 Option 3: Subject to Council receiving the report, adopt the proposed updated constitution of WHL
- 4.4 Option 4: Do not adopt the proposed updated constitution of WHL.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council's Policy on Significance and Engagement the decision to receive a report from the Executive Committee is administrative and of low significance, as is the decision to enter into insurance arrangements. However, a decision not to insure could have a higher degree of significance if Council sustains a material loss.
- 5.2 Similarly, while a poorly worded constitution would carry potential legislative, reputational and financial risks, the decision to adopt a constitution is of low significance.
- 5.3 These matters were considered by the Executive Committee in a public meeting. Affected parties, including CCOs and other stakeholders such as the Westland Industrial Heritage Park have participated. No further engagement or consultation is necessary.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1 would mean that Council has financial protection for its highest impact and most likely risks. Under the arrangements proposed Council would realise a favourable variance of \$42,053 for insurance costs in the year

ended 30 June 2017. For underground infrastructure the Executive Committee favours the option proposed by MWLASS to LAPP, as it provides greater independent cover for any single event, for a lower premium and with a lower excess.

- 6.2 Option 2 would suggest that Council is not satisfied with the review undertaken by the Committee. Any decision regarding insurance would be necessarily deferred and direction would be required from Council concerning any interim arrangements. This could also eventuate in higher premiums than quoted.
- 6.3 Option 3 would formally solidify the scope and remit of WHL. The principal purpose of a constitution is to set out the activities, rights and obligations of a company and its directors. There is no obligation for a company to adopt a constitution but the absence of such a document would mean that any uncertainty would be determined by reference to the Companies Act 1993. By adopting a suitable constitution Council gives further effect to the governance and strategic direction of its CCOs.
- 6.4 Option 4 would mean that by default the current constitution which is no longer fit for purpose would remain effective. Direction would be sought from Council as to how this matter should be progressed.

7 PREFERRED OPTION AND REASONS

- 7.1 The preferred options are **1: Receive the report and approve the insurance arrangements proposed** and **3: adopt the proposed updated constitution of WHL**.
- 7.2 Insurance is an integral part of risk management, and is a cost effective way of protecting Council against material financial losses as well as reputational and legal exposures.
- 7.3 WHL is a CCO and has a dual role of exercising governance on behalf of Council over its subsidiaries, whilst facilitating the achievement of the group's commercial objectives. It is therefore appropriate that a constitution that supports this is in place.

8 RECOMMENDATIONS

- A) **THAT** Council receives the report from the Executive Committee

- B) **THAT** Council instructs the Chief Executive to renew its material damage, liability and indemnity insurances as proposed by Aon for \$177,111.63 excluding GST for the year ending 30 June 2017.
- C) **THAT** Council instructs the Chief Executive to enter into insurance arrangements for underground infrastructure via MWLASS for \$66,000 excluding GST for the year ending 30 June 2017.
- D) **THAT** Council adopts the updated constitution of WHL, attached **Appendix 5**.

Cr Mark Dawson
Chair, Executive Committee

- Appendix 1:** Report to the Executive Committee – Insurance 2016/17
- Appendix 2:** Aon Renewal Summary 2016-17
- Appendix 3:** MWLASS Contract Wording
- Appendix 4:** MWLASS summary of cover to 31 October 2016
- Appendix 5:** Updated WHL Constitution

Report

WESTLAND
DISTRICT COUNCIL



DATE: 5 September 2016

TO: Executive Committee

FROM: Group Manager: Corporate Services

INSURANCES 2016-17

1 SUMMARY

- 1.1 The purpose of this report is to present the Committee with the proposal for Council's insurance renewal for the year ending 30 June 2017.
- 1.2 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.
- 1.3 This matter arises because insurance, as a component of risk management is contained in the Committee's Terms of Reference, section 4(d)iii.
- 1.4 This report concludes by recommending that the Committee endorses the insurance arrangements proposed to Council.

2 BACKGROUND

- 2.1 In 2015 Council formed a shared service arrangement with the other West Coast councils for the purchase of material damage, indemnity and liability insurances. Following a competitive evaluation process the LASS appointed Aon as its collective broker.
- 2.2 Until now insurance for subterranean assets was only available through the Local Authority Protection Programme (LAPP).

3 CURRENT SITUATION

- 3.1 Council's budget for insurance for the year ended 30 June 2017 is \$289,165.
- 3.2 The renewal proposal from Aon for material damage, indemnity and liability insurances is attached as **Appendix 1**, along with a list of insured assets attached as **Appendix 2**. The latter is the same list as for 2015-16, with updated fair value information.
- 3.3 The total proposed for these insurances is \$177,111.63.
- 3.4 Council is currently completing a comprehensive asset valuation and condition review. The result of this will inform future insurance renewal decisions.
- 3.5 For the liability policies the same levels as 2015-16 have been proposed.
- 3.6 Aon have also quoted for Council to join the Manawatu-Wanganui LASS for underground infrastructure cover. This offers similar cover to LAPP, in that 40% of any claim above the excess is covered by the scheme, with the remaining 60% theoretically covered through provisions of the Ministry of Civil Defence and Emergency Management. A schedule of assets is attached as **Appendix 3**.
- 3.7 LAPP is a discretionary trust. The quoted renewal contribution for 2016-17 is \$81,300, with a deductible of \$400,000. A synopsis entitled 'LAPP State of Play – May 2016' is attached as **Appendix 4**.
- 3.8 The MWLASS infrastructure insurance is a contractual arrangement. Aon have provided a quote of \$66,000 and an excess of \$250,000. Proposed policy wording is attached as **Appendix 5**.
- 3.9 As at 30 June 2016 the provisional fair value of Council's fixed assets is \$434 million. The combined insurance proposals provide cover for approximately one third of the asset base, being primarily 3 waters assets, buildings, contents and vehicles.
- 3.10 The remaining assets, self-insured by Council, are roads, bridges and land.

4 RECOMMENDATIONS

- A) **THAT** the Committee recommends that Council approves the renewal of material damage, liability and indemnity insurances as proposed by Aon for \$177,111.63 excluding GST, attached as **Appendix 1**.
- B) **THAT** the Committee recommends that Council approves the quotation from Aon to join the MWLASS for underground infrastructure insurance for \$66,000 excluding GST, with terms per the contract attached as **Appendix 5**.

Gary Borg
Group Manager: Corporate Services

- Appendix 1:** Aon Renewal Summary 2016-17
- Appendix 2:** Material Damage Premium Calculation 2016-17
- Appendix 3:** WDC underground asset valuations
- Appendix 4:** LAPP State of Play – May 2016
- Appendix 5:** MWLASS Contract Wording



Renewal Summary

2016-2017



AON



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The Aon Group of companies have always valued the privacy of personal information. When Aon collect, use, disclose or handle personal information, Aon will be bound by the Privacy Act 1993 (the 'Act').

Aon collect personal information to offer, provide, manage and administer the many financial services and products we and our group of companies are involved in. These include insurance broking and claims management, risk management consulting, and other forms of insurance services (including underwriting of insurance products and reinsurance), employee benefits, premium financing, superannuation and investment advisory services. Aon also collect it to be able to develop, establish and administer alliances and arrangements with other organisations in relation to the promotion, administration and use of our respective products and services.

Aon disclose personal information to third parties who we believe are necessary to assist us in providing the relevant services and products to our clients. For instance, we disclose personal information to the relevant product provider and their representatives, our agents and contractors and related companies. We limit, however, the use and disclosure of any personal information provided by us to such third parties for the specific purpose for which it was supplied.

When you give Aon personal information about other individuals, we rely on you to have made or make them aware that you will or may provide their personal information to us, the types of third parties we may provide it to, the relevant purposes we and the third parties we disclose it to will use it for, and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

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If you would like a copy of the Aon Privacy Policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or email your Aon representative or access the Aon website www.aon.com.au.

Complaints Dispute Resolution

If you have a concern about a service that Aon have provided, you should contact your Aon representative or your local Aon office.

If your complaint is not satisfactorily resolved, you should contact Aon's National Complaints Manager on (09) 362 9000 or put your complaint in writing to:

National Complaints Manager

Aon New Zealand

PO Box 1184

Shortland Street

Auckland 1140

If you are not satisfied with the outcome determined by the National Complaints Manager, you may contact Financial Services Complaints Limited by calling 0800 347 257.



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Introduction

Firstly, we would like to thank Gary at Westland District Council (WDC) who provided the required information to allow the renewal process to be completed. We are pleased to present to you a summary of renewal terms negotiated with insurance markets in respect of WDC's insurance programme for the period 30 June 2016 to 30 June 2017.

The following pages outline a summary of the renewal outcome with commentary around the results and the changing New Zealand market.

Executive Summary

• Material Damage

After a significant 40% reduction in rates seen in 2015/2016, this year we have managed to negotiate a further 5.4% from last year. We have also obtained the Insurer's agreement to reduce the current Natural Disaster Deductible down as follows:

Pre-1935 Buildings	2015 – 10% of sum insured	2016 – 5% of sum insured
Post-1935 Buildings	2015 – 5% of sum insured	2016 – 2.5% of sum insured

The following table shows past two years sums insured and insurer premiums paid.

	2015	2016
Sum Insured	\$43,928,638	\$49,002,475
Insurer Premium	\$96,638.41	\$103,345.37

Whilst the actual premium for the 2016-17 year hasn't decreased in line with the rating reduction, this is due to an 11.6% increase in the declared values.

• Commercial Motor

The Motor Vehicle policy experienced a reduction in rate last year from 2% to 1.75%. This is a very competitive rate and as such, the renewal rate has remained unchanged from last year. Excesses remain the same as 1% of sum insured, subject to a minimum of \$500, plus underage as applicable.

A summary of the past 2 years sums insured, premiums and rates follow.

	2015	2016
Sum Insured	\$358,309	\$358,309
Insurer Rates	1.75%	1.75%
Insurer Premium	\$6,270.41	\$6,270.41



- **Crime**

This was put in place with QBE last year and has again been offered on the same basis as per last year's sums insured and excess levels.

	2015	2016
Sum Insured	\$500,000	\$500,000
Excess	\$5,000	\$5,000
Premium	\$4,500	\$4,500

- **General Liability**

This was placed last year on the following basis: NZI 40% (Lead), QBE 40% and Zurich 20%. The line-up this year has changed in respect of the NZ Council programme and now placed with NZI 40% (Lead), Zurich 30% and AIG 30%.

Cover has been offered on the same basis as per last year.

	2015	2016
Sum Insured	\$5,000,000	\$5,000,000
Excess	\$2,000	\$2,000
Premium	\$3,642.19	\$3,642.19

- **Professional Indemnity**

This was placed last year on the following basis: NZI 40% (Lead), QBE 40% and Zurich 20%. The line-up this year has changed in respect of the Council programme and now placed with NZI 40% (Lead), Zurich 30% and AIG 30%.

Cover has been offered on the same basis as per last year.

	2015	2016
Sum Insured	\$5,000,000	\$5,000,000
Excess	\$10,000	\$10,000
Premium	\$12,141	\$12,141

- **Statutory Liability and Employers Liability**

The Insurer's remain status quo in respect of these policies, being NZI 60% & QBE 40% in line with the rest of the Councils. Cover has been offered on the same basis as per last year's sums insured and excess levels.

	2015	2016
Statutory Liability Limit	\$1,000,000	\$1,000,000
Employers Liability Limit	\$500,000	\$500,000
Excess	\$2,000	\$2,000
Premium	\$1,734	\$1,734



- **D&O Liability – Westland Holdings Limited**

The policy remains status quo in respect of Limits and Deductible levels.

	2015	2016
Limit of Indemnity	\$5,000,000	\$5,000,000
Excess	\$5,000	\$5,000
Premium	\$2,775	\$2,775

- **Airport Owner/Operator Liability**

This policy has been renewed with Tokio Marine Kiln in line with the rest of the Council's Aviation Liability policies. Cover has been offered on the sums insured as per last year, however a slight reduction in premium has been negotiated with the Insurer.

	2015	2016
Limit of Indemnity	\$20,000,000	\$20,000,000
Excess	\$2,500	\$2,500
Premium	\$1,250	\$1,175



Insurance Market Overview

Overview

Major points of interest in the New Zealand insurance market include:

- Property pricing levelling out and the market is showing signs that it's getting close to the bottom of the cycle. Rate reductions on property and business interruption risks are slowing down;
- Property and business interruption policy terms and conditions remain largely unchanged although there is some flexibility available in natural disaster deductibles, depending on property type and location. Client-specific enhancements to coverage in the corporate sector are also possible. Insurers remain focused on ensuring policy wordings reflect their reinsurance arrangements;
- Non-property classes of insurance are competitive with interest in low risk liability products and short-tail motor business;
- An increasing need to consider the insurance ramifications of new and proposed legislation including the updated Health and Safety regulations which came into force on April 4 2016. The higher level of FMA activity (investigations and prosecutions), has also precipitated a review of the terms of cover afforded under Statutory Liability policies;
- Market changes include the adoption of the Chubb Insurance name by ACE Insurance following their global acquisition of Chubb in 2015/16 and an increase in specialist underwriting agencies targeting niche areas of the market;
- Insurers are generally forecasting modest profit growth subject to the proviso that no significant natural peril disasters occur before balance date.

The market has moved on from the global and NZ natural catastrophes experienced in recent years. New reinsurance capacity that entered the market post-Christchurch coupled with relatively low natural hazard losses drove significant rate declines in the property insurance segment. It is now apparent however that this strong competition has started to affect insurer's profit margins with both Suncorp (Vero) and IAG (NZI) reporting lower than expected profits for the 6 months to 31/12/15. Both companies (whose combined share of the NZ insurance market exceeds 65%), have indicated a desire to end wholesale price reductions in property insurance. It remains to be seen if their competitors adopt a similar stance.

Overall the market is healthy and quality risks continue to be attractive to insurers, however the provision of detailed risk and underwriting information remains important and preparation for insurance renewals should commence well in advance and be communicated effectively to ensure the best possible pricing and terms can be achieved.

Many corporate clients are seeing value in benchmarking their risk information against their local and international peers. Aon, through its proprietary Global Risk and Information Platform (GRIP) is able to assist in producing comprehensive benchmarking reports that enable companies and boards of directors to measure the suitability of their risk transfer programme.

We encourage clients to review their business risks and define what insurance is required to ensure their objectives are achieved.



Emerging Risks/ Considerations

Cyber Risks

There is a growing incidence of cyber events including hacking and denial of service losses, privacy breaches and data security issues.

Cyber insurance continues to gather awareness in the market with multiple recent data breaches hitting the headlines. The far-reaching ramifications of the loss of personal data and loss of corporate data and information, such as intellectual property and proprietary information, can in the hands of a competitor or an extortionist severely disadvantage business.

There are several insurance solutions now on the market (local and London options) which provide risk transfer solutions to address protection needs in these areas.

Insurer responses and covers vary, being nuanced to address different coverage drivers, and expert advice is required to select the most appropriate policy.

Workplace Health and Safety Reform and Statutory Liability

The Government has undertaken a significant reform of New Zealand's workplace health and safety system. The reform package is aimed at reducing New Zealand's workplace injury and death toll by 25 per cent by 2020. 'Working Safer' requires leadership and action from business, workers and Government to achieve this goal.

The Health and Safety at Work Act 2015 replaces the current health and safety legislation and came into force on 4 April 2016.

The Health & Safety at Work Act creates a due diligence duty so that those in governance roles must proactively manage workplace health and safety. Directors and officers will be required to exercise due diligence to ensure that the PCBU complies with its duties.

Officers are defined as any person who occupies a position in relation to the business or undertaking that allows the person to exercise significant influence over the management of the business or undertaking (senior governance roles).

Failure to comply with a due diligence duty could result in prosecution and a fine, the maximum level of which would be determined by whether or not the director's or officer's failure exposed a person to a risk of death or serious injury or illness.

With this increased scrutiny, it will become more important than ever to arrange appropriate insurance that will take on the responsibility for managing and funding an effective defence. Whilst Health and Safety fines cannot be insured, insurance can still provide valuable cover for legal costs of defence and reparations. We recommend Statutory Liability policies be reviewed to ensure optimal cover and appropriate limits of indemnity.



Premium Comparison

The following is a comparison of the Insurer premiums for the past two years on all lines.

Policy	2015	2016
Material Damage		
Premium	\$ 96,638.41	\$ 103,345.37
EQC	\$ 8,713.55	\$ 8,085.00
Fire Service Levy	\$ 21,521.69	\$ 23,309.52
Commercial Motor	\$ 6,270.41	\$ 6,270.41
Fire Service Levy	\$ 133.76	\$ 133.76
Statutory Liability	\$ 1,387.50	\$ 1,387.50
Employers Liability	\$ 346.88	\$ 346.88
General Liability	\$ 3,642.19	\$ 3,642.19
Professional Indemnity	\$ 12,141.00	\$ 12,141.00
Airport Liability	\$ 1,250.00	\$ 1,175.00
D&O Liability – Westland Holdings	\$ 2,775.00	\$ 2,775.00
Crime	\$ 4,500.00	\$ 4,500.00
Aon Management Fee	\$ 10,000.00	\$ 10,000.00
TOTAL	\$169,320.39	\$ 177,111.63

Note:

All premiums have been provided as per what you paid last year, irrespective of increases in sums insured, etc. this year.



Material Damage

Insured

Westland District Council and/or associated and/or subsidiary companies for their respective rights and interests

Also including:

- a) Any Council Controlled organisation and/or Subsidiary Companies unless excluded;
- b) Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation;
- c) Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation;
- d) In respect of Property Insured under this Policy as provided for under property in the course of installation, construction, erection or testing, the Insured is extended to include contractors and sub-contractors to the extent required by any such written contract

Period of Insurance

From: 4:00pm 30 June 2016
To: 4:00pm 30 June 2017

Covering

Including, but not limited to all tangible and personal property of every type and description either:

- owned in whole or in part by the Insured.
- and/or the interest of the Insured in property of others held on commission.
- and/or on consignment and/or for which they have assumed or may assume liability.
- and/or property of others which the Insured has agreed to insure whether held by the Insured or by others.
- and/or property for which the Insured is legally liable all while located anywhere in New Zealand.

Sums Insured

Buildings – Insured for Replacement Value	\$	36,979,940
Buildings – Insured for Indemnity Value	\$	6,291,576
Plant/Contents – Insured for Replacement Value	\$	5,587,459
Plant/Contents – Insured for Indemnity Value	\$	143,500
Stock	\$	30,000

Note: Property schedule forms part of the policy

Underwriter

NZI, a business division of IAG NZ Limited

100%



Limit of Indemnity	Alterations and Additions to Buildings	\$	1,000,000
	Capital Additions		
	any one situation	\$	1,000,000
	annual limit	\$	1,000,000
	Demolition & Removal of Debris (any one loss)	\$	Included
	Employee Tools	\$	10,000
	Hazardous Substance Emergencies	\$	100,000
	Money:		
	during business hours	\$	100,000
	outside business hours	\$	5,000
	Subsidence / Landslip	\$	1,000,000
	Theft		Full Cover
	Property in transit (full cover)	\$	100,000
	Refrigerated / frozen goods	\$	25,000
	Stolen keys	\$	25,000

Deductibles	All claims, except	\$	10,000
	Residential Dwellings	\$	5,000
	Weather Perils	\$	25,000

Natural Disaster

The excess for Earthquake, Tsunami, Volcanic Eruption, and Hydrothermal Activity, or fire following any of these is as follows:

Post-1935 Risks

2.5% of the Site Sum Insured

Pre-1935 Risks

5% of the site Sum Insured

In all cases, the minimum Site Sum Insured deductible is \$2,500 or any different amount shown in the Schedule.

Endorsements

If any buildings of any age are identified as EPB's, then Indemnity Value Basis of Settlement will apply in all cases. If NBS % details of all pre-1935 buildings are unknown at the time of renewal, then coverage is to be limited to an IV basis of settlement only. If NBS is 34% or more, then current Basis of Settlement will apply.

NOTE:

The Museum & Carnegie Complex will remain insured on an Indemnity Value basis until a DEE or IEP is done which shows the building has a NBS of 34% or more.

Jackson Wharf will also remain insured on an Indemnity Value basis – same sum insured as last year.



Commercial Motor Vehicle

Insured	Westland District Council and/or associated and/or subsidiary companies for their respective rights and interests Also including: <div><div>a.</div><div>Any Council Controlled organisation and/or Subsidiary Companies unless excluded;</div><div>b.</div><div>Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation;</div><div>c.</div><div>Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation.</div></div>		
Period of Insurance	From:	4:00pm	30 June 2016
	To:	4:00pm	30 June 2017
Covering	Including, but not limited to: <div><div>Section 1</div><div><div><div></div></div><div>All vehicles, mobile plant and auxiliary equipment of every description, either owned, used, leased, lent, borrowed, hired or under the Insured's care.</div><div><div></div></div><div>Loss of personal effects and/or damage to clothing of any passenger.</div></div></div> <div><div>Section 2</div><div><div><div></div></div><div>Any liabilities causing damage, bodily injury or financial loss to third parties arising from or in connection with the Insured's use of any vehicle.</div></div></div>		
Sums Insured	<div><div>Section 1</div><div>As per Schedule</div></div>	\$	358,309
	<div><div>Section 2</div><div>(per insured event)</div></div>	\$	10,000,000
Deductibles	<div><div>Section 1</div><div>Each and every claim</div></div>	\$	500
	Plus Underage deductible (additional to above) :		
	drivers under 21 years of age	\$	1,000
	drivers aged 21 years and under 25 years	\$	500
	Hoists (additional to above)	\$	500
	Windscreens, window glass and/or sunroof glass		Nil
	Fire, Illegal Conversion or Theft		Nil
	<div><div>Section 2</div><div>All claims</div></div>		Nil
Underwriter	NZI, a business division of IAG NZ Limited		100%



Public Liability

Insured	Westland District Council, Westland Holdings Limited and/or associated and/or subsidiary companies for their respective rights and interests		
Period of Insurance	From:	4:00pm 30 June 2016	
	To:	4:00pm 30 June 2017	
Business Activities	Local Authority		
Limit of Indemnity	Public Liability – any one occurrence		\$5,000,000
	Products Liability – any one occurrence & in the aggregate		\$5,000,000
Deductible	\$2,000 any one occurrence		
Territory & Jurisdiction	Worldwide, excluding North America		
Extensions	Forest & Rural Fires Act		\$1,000,000
Endorsements	<ul style="list-style-type: none">• Business Advice or Service Exclusion• Aviation Exclusion• Westroads Limited & Hokitika Airport Exclusion		
Underwriters	NZI Liability, a business division of IAG NZ Limited (Lead)		40%
	Zurich New Zealand Limited		30%
	AIG Insurance New Zealand Limited		30%



Professional Indemnity

Insured	Westland District Council, Westland Holdings Limited and/or associated and/or subsidiary companies for their respective rights and interests		
Period of Insurance	From:	4:00pm	30 June 2016
	To:	4:00pm	30 June 2017
Business Activities	Local Authority		
Limit of Indemnity	\$5,000,000 any one claim and \$10,000,000 in the policy aggregate		
Deductible	\$10,000 each and every claim costs exclusive		
Territory & Jurisdiction	New Zealand		
Policy Extensions	Breach of Professional Duty Defamation Loss of Documents Cover to Employees Fair Trading Act Fraud and Dishonesty Prior Corporate Automatic Reinstatement		
Retroactive Date	Unlimited		
Endorsements	Building Defects Exclusion Asbestos Exclusion Terrorism Exclusion		
Underwriters	NZI Liability, a business division of IAG NZ Limited (Lead)		40%
	Zurich New Zealand Limited		30%
	AIG Insurance New Zealand Limited		30%



Crime

Insured	Westland District Council and/or associated and/or subsidiary companies for their respective rights and interests Also including: a) Any Council Controlled organisation and/or Subsidiary Companies unless excluded; b) Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation; c) Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation	
Covering	Provides protection against theft or embezzlement by employees	
Business	Local Authority	
Period of Insurance	From 30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time	
Territorial Limit	New Zealand	
Retroactive Date	Unlimited	
Limit of Liability	\$500,000 any one loss or series of losses arising from any one event and in the annual aggregate	
Deductibles	\$5,000 each and every event	
Underwriter	QBE Insurance (Australia) Limited	100%



Statutory Liability

Insured	West Coast Regional Council and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Local Authority 		
Covering	Defence Costs, Fines & Penalties arising from unintentional breaches of the Insured Acts. Excluded Acts <ul style="list-style-type: none"> • Arms Act 1983 • Aviation Crime Act 1972 • Crime Act 1961 • Proceeds of Crimes Act 1961 • Summary Offences Act 1981 • Real Estate Agents Act 2008 • Transport Act 1962 • Transport (Vehicle and Driver Registration and Licensing) Act 1986 		
Period of Insurance	30 June 2016 to 30 June 2017, at 4pm NZ		
Territory & Jurisdiction	New Zealand		
Limit of Liability	Loss Limit – any one claim and in the policy aggregate	\$	500,000
	Defence Costs – any one claim and in the policy aggregate	\$	500,000
Deductibles	Each and every claim inclusive of costs and expenses	\$	2,000
Endorsements	Legal Costs and Expenses in Addition		
Retroactive Date	Unlimited, including known circumstances		
Underwriter	NZI Liability, a business division of IAG NZ Ltd (Lead)		60%
	QBE Insurance (Australia) Limited		40%



Employers Liability

Insured	Westland Regional Council, it's Directors & Officers and/or subsidiary companies and/or associated companies for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Local Authority 		
Covering	Liability arising out of claims made by Employees for injuries outside the scope of Accident Compensation Legislation		
Period of Insurance	30 June 2016 to 30 June 2017, at 4pm NZ		
Territory & Jurisdiction	New Zealand		
Limit of Liability	Loss Limit – any one claim and in the policy aggregate	\$	500,000
	Defence Costs – any one claim and in the policy aggregate	\$	500,000
Deductibles	Each and every claim inclusive of costs and expenses.	\$	2,000
Endorsement	Legal Costs and Expenses in Addition		
Retroactive Date	Unlimited, excluding known circumstances		
Underwriter	NZI Liability, a business division of IAG NZ Ltd (Lead)		60%
	QBE Insurance (Australial) Limited		40%



Directors & Officers Liability

Insured	Directors & Officers of Westland Holdings Limited and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Covering	<ul style="list-style-type: none"> • Indemnity to each Insured Person for Loss arising from a Wrongful Act for which they do not receive indemnity from the named Company • Indemnity to the named Company for Loss for which it grants indemnity to any Insured Person as permitted or required by law • First made against any Insured Person and notified during the Period of Insurance or subsequent Discovery Period 		
Period of Insurance	30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time		
Territory & Jurisdiction	New Zealand		
Limit of Liability	Limit of Indemnity – in the annual aggregate	\$	4,000,000
	Defence Costs Limit of Indemnity – in the annual aggregate	\$	1,000,000
	<i>Including costs and expenses plus GST</i>		
Deductibles	Each and every claim inclusive of costs and expenses in respect of any one Insured Person	\$	Nil
	Each and every claim inclusive of costs and expenses in respect of Company Indemnification	\$	5,000
Special Conditions/Endorsements	<ul style="list-style-type: none"> • Prospectus Liability Exclusion • Total Shareholder Exclusion • Proposal Form Exclusion • Terrorism and War Exclusions 		
Retroactive Date	Unlimited, excluding known circumstances		
Underwriter	QBE Insurance (Australia) Limited		100%



Airport Owners & Operators Liability

Insured	Westland District Council and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none">• Airport Operators and Owners		
Period of Insurance	30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time		
Premises	Hokitika Airport, Westland, New Zealand		
Limit of Liability	Limit of Indemnity – any one claim <i>Including costs and expenses plus GST</i>	\$	20,000,000
Deductibles	Each and every claim in respect of Property Damage	\$	2,500
Underwriter	Tokio Marine Kiln		100%



Classes of Insurance Available

This is a list of some of the more common classes of insurances offered to businesses in New Zealand. We suggest that you review the list from time to time in the light of changing needs and circumstances, and discuss any uninsured risks for which insurance may be available, with your Aon Broker. The list is not exhaustive, and if you know of any other uninsured risks, please contact us and we will advise you whether insurance is available.

Tick indicates the classes of insurance you have elected to take ☒

PROPERTY & BUSINESS INTERRUPTION

Business Interruption	Covers loss of income and increased costs resulting from damage to assets; sometimes referred to as "Loss of Profits" or "Consequential Loss" insurance. Can include a number of optional extensions, including Gross Rentals, Book Debts, & Severance or Redundancy payments.	<input type="checkbox"/>
Computer	Covers computers and computer media against a wider variety of risks than those covered under a Material Damage policy	<input type="checkbox"/>
Computer Consequential Loss	Covers financial losses and extra costs, including data reconstruction, following damage covered under a computer policy	<input type="checkbox"/>
Contract Works and Advanced Loss of Profits	Covers physical loss or damage and, as an option, to cover public liability arising in connection with a contract works. Cover can include loss of future income where completion of a construction project is delayed by damage.	<input checked="" type="checkbox"/>
Fidelity/ Crime	Covers theft by employees; this risk is commonly excluded from cover under Material Damage insurance. Computer Crime policies can extend a traditional Fidelity policy to include Fraudulent activity from a number of sources and systems.	<input checked="" type="checkbox"/>
Machinery Breakdown including Boiler Explosion	Covers breakdown risks, boilers and other pressure vessels against risk of explosion (such risks are commonly excluded from cover under Material Damage insurance)	<input type="checkbox"/>
Machinery Business Interruption	Covers loss of income and increased costs resulting from damage by a peril insured under a Machinery policy. Works as a partner to the Machinery Breakdown policy.	<input type="checkbox"/>
Material Damage	A general form of policy to cover loss of buildings, plant and stock	<input checked="" type="checkbox"/>
Money	Covers cash & other forms of money against loss or damage whilst it is at your premises or in transit. Small limits can often be included under a Material Damage policy.	<input checked="" type="checkbox"/>
Natural Disaster Excess Buydown	Provides an opportunity to reduce the Natural Disaster Excess applicable under a Material Damage and/or Business Interruption policy	<input type="checkbox"/>
Terrorism	This risk is commonly excluded from cover under Material Damage insurance	<input type="checkbox"/>

TRANSPORT

Aviation Hull	Covers aircraft against physical loss or damage	<input type="checkbox"/>
Aviation Liabilities	Covers Public Liability arising out of the use of aircraft (Public Liability insurance does not normally cover liability arising out of the use of aircraft)	<input checked="" type="checkbox"/>
Charterers Liability (Aviation/Marine Hull)	Protection tailored to meet the conditions of a Marine or Aviation charter agreement for hull and/or liabilities	<input type="checkbox"/>
Marine Cargo	Covers shipments of goods by land, sea or air	<input type="checkbox"/>
Marine Hulls	Covers watercraft against physical loss or damage	<input type="checkbox"/>
Marine Liabilities	Covers Public Liability arising out of the use of watercraft	<input type="checkbox"/>
Motor Vehicle	Covers direct loss or damage to vehicles & Public Liability (third party liability) in connection to the vehicles	<input checked="" type="checkbox"/>

AGRICULTURAL & BLOODSTOCK

Farm	Covers can be included for your Farm Assets Farm Business Interruption, Liabilities and Farm Vehicles	<input type="checkbox"/>
Forestry	Covers forests against specified perils; including but not limited to Fire and Lightning. Optional extensions are available.	<input type="checkbox"/>

LIABILITY

Bailees Liability	Covers liability for damage to property held under bailment, or in your custody and/or control	<input checked="" type="checkbox"/>
Directors & Officers Liability	Covers Directors & Officers against liability they might incur in carrying out the duties of a company director or officer. The insurance will also reimburse the company where it has already indemnified its directors for any such liability; cover includes associated defence costs.	<input checked="" type="checkbox"/>
Employers Liability	Covers the employer company's liability for injury to employees that falls outside the scope of ACC; cover includes associated defence costs	<input checked="" type="checkbox"/>



LIABILITY (continued)

Employment Disputes Liability	Covers damages and costs arising out of certain employment related disputes such as wrongful termination, harassment and discrimination; cover includes associated defence costs	<input type="checkbox"/>
Environmental Impairment	A special form of pollution liability insurance	<input type="checkbox"/>
Exemplary Damages (Also called Punitive Damages)	Covers damages arising out of bodily injury in New Zealand where the law otherwise prevents legal action for compensatory damages	<input checked="" type="checkbox"/>
Extra Territorial Workers Compensation	Covers liabilities where employees are injured outside their normal country or state of employment and are not covered by the relevant statutory policy	<input type="checkbox"/>
Forest & Rural Fires Act	For costs imposed by statutory authorities under legislation	<input checked="" type="checkbox"/>
Legal Expenses	Covers legal expenses incurred in civil action	<input type="checkbox"/>
Liability Consequential Loss	To partially cover loss of gross profit and increased costs arising from an event that also gives rise to a valid claim on a liability policy; this limited form of cover is only available where the liability insurance is provided by the same insurer	<input type="checkbox"/>
Libel & Slander/Defamation	Covers legal liability arising out of defamatory remarks made in either written or oral form; cover includes associated defence costs	<input type="checkbox"/>
Private Legal Aid	Covers private persons and their families for private legal aid costs for defending a variety of criminal, traffic & civil actions	<input type="checkbox"/>
Product Guarantee	Covers liability for correcting defects in products or for replacing defective products	<input type="checkbox"/>
Product Liability	Covers liability arising for damage arising out of products supplied; cover includes associated defence costs	<input checked="" type="checkbox"/>
Product Recall	Covers liability for the cost of recalling products which are defective or suspected of being defective	<input type="checkbox"/>
Professional Indemnity &/or Errors & Omissions	Covers legal liability incurred by giving negligent advice or through a breach of professional duty; cover includes associated defence costs	<input checked="" type="checkbox"/>
Prospectus Liability	Covers the Company, its directors and senior executives for liabilities arising from the issue of a prospectus, information memorandum or other sale/purchase documents. This liability is generally excluded from Directors & Officers Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs.	<input type="checkbox"/>
Public Liability (General Liability or Broadform Liability)	Covers general liability for damage or injury happening in connection with the business; cover includes associated defence costs	<input checked="" type="checkbox"/>
Statutory Liability	Covers fines or penalties imposed for unintentional breaches of certain statutes; cover includes associated costs	<input checked="" type="checkbox"/>
Trustees Indemnity	Covers Trustees for personal liability arising from a breach of their fiduciary duties and to reimburse the trust when it has provided an indemnity to the trustees; cover includes associated defence costs	<input type="checkbox"/>

HUMAN RESOURCE

Employee Benefits	Includes a variety of special forms of insurance including life insurance, long term disability, salary continuance, medical expenses and superannuation	<input type="checkbox"/>
Key Person	To provide cash benefits to the company in the event of death or disablement of key personnel	<input type="checkbox"/>
Personal Accident	To provide cash benefits in the event of death or disablement following accident to insured person	<input type="checkbox"/>

TECHNOLOGY

Cyber Risk	Covers Liability and expenses incurred as a result of unauthorised use or access to an organisation's computer systems and software. Can also include cover for liability costs and expenses arising from network outages, transmission of viruses, computer theft and extortion.	<input type="checkbox"/>
Intellectual Property Pursuit	Covers legal expenses to enforce intellectual property rights that are infringed by a Third Party	<input type="checkbox"/>
Media Liability/Internet Liability	Covers advertising injury, defamation, breach of third party intellectual property through operating on the internet or via email; includes liability to third parties from inadvertent transmission of viruses	<input type="checkbox"/>

MISCELLANEOUS

Accidental & Malicious Product Damage/Tamper	Crisis Management providing cover for Product Recall, Restoration Costs, Loss of Income and Incident Response Costs (following product tamper)	<input type="checkbox"/>
Bonds	Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash	<input type="checkbox"/>
Credit Insurance & Trade Debtors	Covers risk of trade debtors failing to pay debts due to their insolvency or protracted default	<input type="checkbox"/>
Extortion	Includes kidnap, ransom and product tampering insurance	<input type="checkbox"/>
Political Risk	Covers confiscation, expropriation or nationalisation of overseas assets and contracts; can also include cover against frustration or repudiation of a contract	<input type="checkbox"/>
Travel	Covers baggage, medical costs and other travel related risks	<input type="checkbox"/>



Insurer Ratings

Insurance (Prudential Supervision) Act 2010

In accordance with the Insurance (Prudential Supervision) Act 2010, Insurers' Financial Strength ratings are as follows:

COMPANY	RATING	RATING AGENCY
Chubb Insurance New Zealand Limited	AA-	Standard & Poor's
AIG Insurance New Zealand Limited	A	Standard & Poor's
Allianz Australia Insurance Limited (including GT Insurance, Club Marine, Euler Hermes Trade Credit, CPF)	AA-	Standard & Poor's
Atradius Insurance NV	A	AM Best
Civic Assurance/NZ Local Government	B+	AM Best
Dual New Zealand Limited (Certain Underwriters at Lloyds of London)	A+	Standard & Poor's
Lloyds	A+	Standard & Poor's
Lumley – a Business Division of IAG NZ Limited	AA-	Standard & Poor's
Mitsui Sumitomo Insurance Co	A+	Standard & Poor's
NZI – a Business Division of IAG NZ Limited (including NZI Marine, National Auto Club, Swann, CPF)	AA-	Standard & Poor's
QBE Insurance (Australia) Limited	A+	Standard & Poor's
Sunderland Marine	A	Standard & Poor's
The New India Assurance Co	A-	AM Best
Tokio Marine & Nichido Fire Insurance Co	A+	Standard & Poor's
TOWER Insurance Limited	A-	AM Best
Vero Insurance New Zealand Limited (including Vero Liability, Vero Specialist Risks, Vero Marine, CPF)	A+	Standard & Poor's
Zurich Australian Insurance Limited	A+	Standard & Poor's
CPF (Client Placement Facility) NZI 51%, Vero 39%, Allianz 10%		

Special Notes

1. In respect of Allianz Australia Insurance Limited

An overseas policyholder preference applies. Under Australian law, if Allianz Australia Insurance Limited is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Allianz Australia Insurance Limited's Australian assets to satisfy New Zealand liabilities.

2. In respect of QBE Insurance (Australia) Limited

QBE Insurance (Australia) Limited ("QBE") has a policy of holding actual capital in excess of regulatory capital requirements. In the event that QBE is wound up, the claims of New Zealand policyholders will be paid out of the assets of QBE New Zealand, and possibly other countries, except for Australia. Australian Law requires that on a winding up of QBE the assets of the company in Australia are to be used to pay its liabilities in Australia before liabilities outside of Australia.

3. In respect of Zurich Australian Insurance Limited (ZAIL)

An overseas policyholder preference applies. Under Australian law, if ZAIL is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on ZAIL's Australian assets to satisfy New Zealand liabilities.

STANDARD & POOR'S		AM BEST		FITCH	
AAA	Extremely Strong	A++ & A+	Superior	AAA	Exceptionally Strong
AA	Very Strong				
A	Strong	A & A-	Excellent	All AA Class	Very strong
BBB	Good				
BB	Marginal	B++ & B+	Good	All A Class	Strong
B	Weak				
CCC	Very Weak	B & B-	Adequate	All BBB Class	Good
CC	Extremely Weak				
SD	Selective Default	C++ & C+	Fair	All BB Class	Moderately Weak
D	Default				
R	Regulatory Supervision	C & C-	Marginal	All B Class	Weak
NR	Not Rated	D	Very Vulnerable	All C Class	Very Weak
		E	Under Supervision	All D Class	Distressed
		F	In Receivership	NR	Fitch does not rate the issuer or issue in question

Aon New Zealand cannot guarantee the solvency of an insurer, but if you require any further information on these companies or their financial statements, please do not hesitate to ask.



Aon Remuneration

We strive to establish a professional relationship with you that is open and satisfactory to both parties. You must feel that you are receiving quality advice, service and access to resources commensurate with the remuneration paid. The level of remuneration must reflect the future structure of the combined insurance programme. It provides for the considerable knowledge and value that we bring to the table, and the work that comes with the setting up and maintenance of a complex insurance programme.

Service Fee

Our approach is to make an informed judgement about the workload, professional responsibility, results required and our long-term objectives. Our fees are set such that both parties are content – Westland District Council is satisfied they are getting good value and that Aon is allowed to make a reasonable profit on our endeavours.

Our remuneration is based on the estimated time that we believe is required to provide the services to manage your Insurance Programme, which is increasing every year. We confirm that Aon act for Westland District Council not as agent for any insurers. We will receive no commissions, contingency commissions (volume bonus and/or profit share) or other inducements from insurers unless specifically agreed by Westland District Council. Our proposed remuneration for 2016/2017 is outlined below:

Service/Description	Annual Remuneration (Excl GST)
Annual Broking, Placement & Servicing	Annual Fee of \$10,000

Our Broking services may include:

- Negotiation with insurers for placement and renewal of your insurance programme.
- Confirmation of placement of your insurance programme.
- Processing of premium invoices and payment of premiums, duties and levies in respect of insurance covers placed by Aon New Zealand on your instructions.
- Providing an on-going review of your risk exposures both insured and self-insured.
- Meetings as required to progress the service programme with updated status reports to review all outstanding issues, claims statistics, broker and insurer performance.
- Provision of regular technical and general newsletters, updating you on changes in legislation, market conditions and other exposures.
- Collation, recording, negotiation and settlement of routine claims.
- Provision of insurance certificates of currency as/when required.
- On-going maintenance of the insurance programme, alterations to cover, policy limits and values.
- Issuing of policy documents from all insurers on all classes of insurance.
- Collation of information for the 2016-2017 renewal and negotiation with insurers.

The following services or charges are not included in the remuneration outlined above and may subject to separate negotiation and agreement:

- Services from other Aon Divisions i.e. Risk Consulting, Aon Consulting
- Any other service which is not covered under this proposal
- Reasonable reimbursable disbursements such as travel and accommodation
- Premium Instalment Contracts
- Major one-off projects (e.g. construction) or acquisitions and/or new policies



Other Aon Services

Business Risk Management	Aon have engineers/analysts who provide advice to clients in the design and implementation of risk management programmes, business continuity, emergency response planning, security audits and legislative compliance.
Professional Risks	Aon have a designated team of specialists to provide support to our clients on any professional risk issue.
Loss Control Services	Aon provides loss control inspections services to assist by providing recommendations on how to safeguard businesses and also in providing quality Underwriting information to assist in marketing risks to insurers.
Aon Sprinkler Certification	Whenever a construction or alteration involving sprinklers is made, these require Certification. We are ISO accredited to undertake this work. We can also assist by giving advice to Building Consent Authorities in regard to sprinkler systems as part of the BCA process.
Aon Sprinkler Inspection	Aon's sprinkler inspection specialists conduct on-going biennial sprinkler inspection surveys as required by the building standards and New Zealand's Building Act.
Valuation Services	Aon has in-house qualified valuation experts providing building, land, plant, machinery and infrastructure valuations across New Zealand. We are the only broker in New Zealand with this capacity.
Aviation	Aon has the leading specialist Aviation Division that provides a comprehensive range of Risk and Insurance solutions to our NZ General Aviation clients. Our relationships and synergy with Aon's Aviation Divisions in Australia, London and the USA ensures unparalleled access to all available Global markets.
KiwiSaver Management	The Aon KiwiSaver Scheme is a registered KiwiSaver scheme that enables employers to simplify their obligations while offering members a wide choice of retirement investment saving options from leading fund managers. You can select the Aon KiwiSaver Scheme as your preferred KiwiSaver scheme for employees that do not make their own choice.
Construction Specialists	Aon have a specialist Construction Division which becomes involved in construction related issues and those contracts requiring specialist input, contract vetting or principal controlled construction projects.
Superannuation Funds Administration	Aon Hewitt have a successful superannuation funds management administration division that provides flexible superannuation options to employers and individuals.
Management of Workplace Injuries	WorkAon is a specialist Aon division with over 50 staff represented in 15 offices. This division works with clients to reduce their ACC costs resulting from workplace accidents. WorkAon manages the entire ACC process for 50 of the top 120 New Zealand companies participating in the ACC Partnership Programme. Aon's average total workplace accident claim involving weekly compensation is \$2,550 compared to the ACC average claim cost of \$15,190.

Terms of Business

You agree that Aon's Terms of Business apply to the provision of services by us. These are located at www.aon.co.nz/terms. Some key terms include:

- Our obligation to perform our service competently, with reasonable care, skill and integrity;
- Your obligation to supply us with all material information and facts in relation to the provision of our services. Relevant information includes all information and facts that may be material to an insurers' assessment of a risk for which you have asked us to arrange insurance cover;
- Our disclosure of remuneration. Aon may receive consideration from insurers, banks and/or finance companies with whom they place insurance and associated services, on your behalf. Minimum service and administration fees may apply;
- Limitation of liability. Among other things, to the extent permitted by law, our aggregate liability in respect of any claim howsoever arising is limited to NZ\$5million or such other amount as may be expressly agreed between us in writing. To the extent permitted by law, we are also not to be liable for any consequential, incidental, indirect or special damage or loss of any kind;
- Our obligation to hold your personal information in accordance with the Privacy Act 1993. It will be necessary for us to pass your information on to insurers and other product or service providers which may provide us with additional support in connection with our provision of our services. Unless you instruct us not to do so, we may also contact you in connection with other products or services we feel may be of interest or benefit to you.

Payment of Premiums

Premiums are payable on invoice. Aon reserves the right to receive interest and charge interest, collection costs and legal fees incurred in recovering overdue accounts. Part payment of your invoice will not amount to full and final settlement unless we have agreed to this in writing. Premium funding arrangements may be available through your Aon broker.

Making a Complaint

Please contact your Aon client relationship manager or your local Aon office by telephone, email or in writing if you have any complaint in respect to Aon. If your Aon client relationship manager is not able to resolve your complaint, it will be referred to Aon's complaint manager for an independent review in accordance with Aon's internal complaint and dispute resolution procedures. Alternatively, you can contact Aon's complaint manager directly on 09 362 9000 or you can email details of your complaint to us in writing at nzfeedback@aon.co.nz

If your complaint remains unresolved, or if you are dissatisfied with Aon's response to your complaint, you may refer the matter to Financial Services Complaints Limited by emailing info@fscl.org.nz or calling 0800 347257.

Contract of Insurance

***Insured: MANAWATU–WANGANUI LOCAL
AUTHORITY SHARED SERVICES***

Policy No: WF1500332

Period: 30 June 2015 to 1 November 2016

Type: Natural Catastrophe

Limit: Primary NZD70,000,000



Aon UK Limited

Registered Office: 8 Devonshire Square | London | EC2M 4PL | United Kingdom
Registered in London No. 210725 | VAT Registration No. 480 8401 48
t +44 (0)20 7623 5500
f +44 (0)20 7621 1511

Aon UK Limited is authorised and regulated by the Financial Conduct Authority.

Introduction

The attached document is the Insurer agreed Contract of Insurance which is being sent to you electronically.

This Contract of Insurance document replaces the traditional London policy and will be the only evidence of cover issued in accordance with the heading "Insurer Contract Documentation" in the Risk Details (Part I).

This approach is part of the overall London market drive towards achieving contract certainty at or before inception, with full documentation being issued as soon as possible.

The document includes Contract Administration and Advisory Sections between the Insurer and Broker which are used to facilitate the administration of the placement (Part IV).

Please review this document carefully which we trust that you will find to be in good order, but in the event of any queries, please do not hesitate to contact us to discuss.

Contents

Part I Risk Details

Part II Contract Wording and Endorsements
 Supplemental Clauses

Part III Information

Part I:

Risk Details

RISK DETAILS

**UNIQUE
MARKET**

REFERENCE: B0823WF1500332

INSURED: Manawatu-Wanganui Local Authority Shared Services Limited
consisting of:

Wanganui District Council, Horizons Regional Council, Ruapehu District Council, Tararua District Council, Central Hawkes Bay District Council, Hawkes's Bay Regional Council and Queenstown Lakes District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations, Body(ies) Corporate (s) for their respective rights and interests and/or as may be agreed.

Insured's Address:

Manawatu–Wanganui Local Authority Shared Services
Private Bag 11025.
Manawatu Mail Centre
Palmerston North
New Zealand

PERIOD: From: 30 June 2015
To: 01 November 2016

Both days at 4pm Local Standard Time at the location of the property insured.

TYPE: Physical loss and Business Interruption caused by a Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire.

INTEREST: Real and Personal Property of every kind and description , including but not limited to pipes and other underground assets, being the property of the Insured or the property of others in which they have an insurable interest or for which they have received instructions to insure including personal effects and tools of officers and employees of the Insured whilst located within the territorial limits defined in the policy.

PROGRAMME

LIMIT OF LIABILITY: NZD125,000,000 combined limit for an event involving more than one Council for any one loss or series of losses arising out of any one event (as detailed in Section 1 – Schedule D. Limit of Liability) and is subject to one automatic reinstatement at Nil charge (as detailed in Section 2 – Property Damage – D Valuation) both sections are within the Natural Catastrophe Insurance Policy in Part II Contract Wording and Endorsements.

**LIMIT(S) OF
LIABILITY:**

NZD 70,000,000 each and every loss.

In excess of Deductibles and limited by Sublimits detailed herein.

**SUB LIMIT(S) OF
LIABILITY:**

The liability of the Insurer(s) shall be further limited in respect of any one loss or series of losses arising out of any one event at any one Situation as set out hereunder and it is understood and agreed that such Sub Limit(s) shall not increase the liability of the Insurer(s) beyond the Limit(s) of Liability expressed in Part I Risk Details. Sub Limits apply in excess of underlying deductibles. The Sub limits below are applicable on an each loss or series of continuous, repeated or related losses arising out of any one event basis unless otherwise stated.

Wanganui District Council	NZD	100,000,000
Queenstown Lake District Council	NZD	70,000,000
Hawkes Bay Regional Council	NZD	60,000,000
Horizons Regional Council	NZD	30,000,000
Central Hawkes Bay Regional Council	NZD	25,000,000
Tararua District Council	NZD	20,000,000
Ruapehu District Council	NZD	12,500,000
Contract Works	NZD	2,000,000
Capital Additions	NZD	2,000,000
Expediting Expenses	NZD	2,500,000
Additional Increased Cost of Working	NZD	5,000,000
Claims Preparation Costs	NZD	1,500,000

INDEMNITY PERIOD: 24 Months

DEDUCTIBLE(S):

Horizons Regional Council	NZD	3,000,000	Each & Every loss
Hawkes Bay Regional Council	NZD	1,500,000	Each & Every loss
Queenstown Lake District Council	NZD	1,000,000	Each & Every loss
Wanganui District Council	NZD	500,000	Each & Every loss
Wanganui District Council – Flood only	NZD	1,500,000	Each & Every loss
All Other Councils	NZD	250,000	Each & Every loss

SITUATION: Anywhere in New Zealand but principally cresta zones 4,5,7,8,9 & 15

CONDITIONS: As fully detailed in Part II – Contract Wording and Endorsements

Underwriters agree to additions or deletions which are +/- 5% of Inception TIV being informed to all Underwriters as evidenced by email sent from Aon UK Limited. Agreement will be deemed as being Email response to Aon UK Limited noting receipt of this email. The Formal endorsement for the additions or deletions to be agreed by Slip Leader and Agreement Parties at mid-year; being 8/1/16 and year end being 01/07/16 with all monetary adjustments to be paid by 01/07/16 and 31/08/16 accordingly. Additions or deletions which are more than +/- 5% of Inception TIV will be endorsed as soon as possible from the time Aon UK Limited have been advised.

SUPPLEMENTAL CLAUSES: Electronic Data Endorsement B - NMA2915.
Sanction Limitation and Exclusion Clause - LMA3100

CHOICE OF LAW AND JURISDICTION: Overseas Jurisdiction Clause

It is hereby agreed that:

- (1) this insurance shall be governed by the law of the Country named below whose Courts shall have jurisdiction in any dispute arising hereunder; and
- (2) any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon the person(s) nominated below who have authority to accept service on their behalf.

**23/7/64
NMA1483**

Name and address of whom suit will be served:
Scott Galloway (Lloyd's General Representative). C/- Hazleton Law, Level 3, 101 Molesworth Street, PO Box 5639, Wellington, New Zealand.

This insurance shall be governed by and construed in accordance with the law of New Zealand and each party agrees to submit to the exclusive jurisdiction of the Courts of New Zealand.

PREMIUM: NZD As agreed (100%) Annual.

**PREMIUM PAYMENT
TERMS:**

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 90 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 90th day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 30 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

**30/09/08
LSW3001**

**TAXES PAYABLE BY
THE REINSURED AND
ADMINISTERED BY
INSURERS:**

None.

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Aon Limited may retain risk and claim data / information / documents electronically, and where this is done these documents shall be regarded with the same Legal effect as the original documents.

**INSURER CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the Insurer(s), and constitutes the contract document.

Part II:

Contract Wording and Endorsements

Supplemental Clauses

As per leading Co-Insurer's Policy Wording agreed by Lloyd's Syndicate LIB 4472 on Aon Policy Number WF1500332.)

Which contains the following:

- Radioactive contamination exclusion
- War exclusion
- Terrorism exclusion
- Mold, Mildew and Fungus exclusion
- Fraudulent Claims Clause.

PROPERTY DAMAGE

NATURAL CATASTROPHE INSURANCE POLICY

SECTION 1 - SCHEDULE

A. Name of Insured and Mailing Address

Manawatu-Wanganui Local Authority Shared Services Limited consisting of:

Wanganui District Council, Horizons Regional Council, Ruapehu District Council, Tararua District Council, Central Hawkes Bay District Council, Hawkes's Bay Regional Council, and Queenstown Lakes District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations, Body(ies) Corporate (s) for their respective rights and interests and/or as may be agreed.

Mailing Address:

Manawatu–Wanganui Local Authority Shared Services
Private Bag 11025.
Manawatu Mail Centre
Palmerston North
New Zealand

B. Policy Period and Premium

In consideration of the initial annual premium stated in Part I – Risk Details this policy attaches and insures from 30th June 2015, to 1st November 2016 beginning and ending at 4.00 P.M. local standard time at the location of property involved.

C. Territorial Scope

Various locations in New Zealand only.

D. Limit of Liability

The Insurer(s) maximum limit of liability in a single occurrence regardless of the number of Locations or coverages involved will not exceed the Policy limit of liability of NZD125,000,000, except as follows. When a limit of liability for a Location or other specified property is shown, such limit will be the maximum amount payable for any loss or damage arising from physical loss or damage at such Location or involving such other specified property.

If a lesser limit of liability is stated below, the lesser limit will apply. The limits of liability stated below are part of and not in addition to the Policy limit of liability.

When a limit of liability is shown as applying in the Aggregate During Any Policy Year, the Insurer(s) maximum limit of liability will not exceed such limit during any policy year regardless of the number of locations and coverages involved.

Sub-Limits of Liability

The liability of the Insurer(s) shall be further limited in respect of any one loss or series of losses arising out of any one event at any one Situation as set out hereunder and it is understood and agreed that such Sub Limit(s) shall not increase the liability of the Insurer(s) beyond the Limit(s) of Liability expressed in Part I Risk Details. Sub Limits apply in excess of underlying deductibles. The Sub limits below are applicable on an each loss or series of continuous, repeated or related losses arising out of any one event basis unless otherwise stated.

Wanganui District Council	NZD	100,000,000
Queenstown Lake District Council	NZD	70,000,000
Hawkes Bay Regional Council	NZD	60,000,000
Horizons Regional Council	NZD	30,000,000
Central Hawkes Bay Regional Council	NZD	25,000,000
Tararua District Council	NZD	20,000,000
Raupehu District Council	NZD	12,500,000
Contract Works	NZD	2,000,000
Capital Additions	NZD	2,000,000
Expediting Expenses	NZD	2,500,000
Additional Increased Cost of Working	NZD	5,000,000
Claims Preparation Costs	NZD	1,500,000

C. Deductibles

In each case of loss covered by this Policy, the Insurer(s) will be liable only if the Insured sustains a loss in a single occurrence greater than the applicable deductible specified below, and only for its share of that greater amount.

Unless otherwise stated below:

- i. When this Policy insures more than one location, the deductible will apply against the total loss covered by this Policy in any one occurrence.
- ii. If two or more deductibles provided in this Policy apply to a single occurrence, the total to be deducted will not exceed the largest deductible applicable, unless otherwise provided.

Horizons Regional Council	NZD	3,000,000	Each & Every loss
Hawkes Bay Regional Council	NZD	1,500,000	Each & Every loss
Queenstown Lake District Council	NZD	1,000,000	Each & Every loss
Wanganui District Council	NZD	500,000	Each & Every loss
Wanganui District Council – Flood only	NZD	1,500,000	Each & Every loss
All Other Councils	NZD	250,000	Each & Every loss

D. Notification of Claims

Aon New Zealand,
1st Floor, Aon
Cnr Tristram & Thackery Streets
PO Box 1281
Hamilton 3240
New Zealand

E. Nominated Loss Adjuster

It is hereby understood and agreed that each and every loss will be adjusted by Godfrey's Chartered Loss Adjuster's, unless otherwise agreed by the Insured and the Insurer(s).

Godfreys
Level 9
187 Featherston Street
Wellington 6011
P O Box 25 516
Featherston Street
Wellington 6146

F. Indemnity Period

24 months, Deferral of Indemnity Period Endorsement to apply

SECTION 2 - PROPERTY DAMAGE

A. ***INSURING CLAUSE***

In Consideration of the Insured named in the Schedule hereto paying the premium to the Insurer(s).

The Insurer(s) agree (subject to the Conditions contained herein or endorsed or otherwise expressed hereon) that if the property insured or any part of such property be destroyed or damaged by Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire at any time during the period of insurance stated in the Schedule, Insurer(s) will pay or make good to the Insured the value of the property at the time of the happening of its destruction or the amount of such damage thereto to an amount not exceeding in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such sum or sums as may be substituted by memorandum hereon or attached hereto signed by or on behalf of the Insurer(s) but not exceeding in any case the amount of the insurable interest therein of the Insured at the time of the happening of such destruction or damage by Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire (except those perils excluded).

An occurrence shall mean a loss or series of losses arising out of one event occurring during the period of this Policy.

For the purposes of this Policy, all physical loss, destruction or damage resulting from Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire occurring during each period of 72 consecutive hours shall be considered as one event whether the peril insured is continuous or sporadic in its sweep and scope and irrespective of whether the physical loss destruction or damage was due to the same condition or not. Each event shall be deemed to commence on the first happening of any physical loss, destruction or damage from the perils insured not within the period of previous event.

However, where it can be established that physical loss, destruction or damage has occurred from the same event over period in excess of 72 consecutive hours, only one deductible shall be applicable to all physical loss, destruction or damage resulting therefrom.

B. EXCLUSIONS

RISKS NOT COVERED

This policy does not insure against:

1. a. Physical loss, destruction of or damage to the Property Insured; or

 b. Any legal liability of whatsoever nature;

 directly or indirectly caused by or contributed to by or arising from:

 (i) ionizing radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel

 For the purpose of this exclusion only, "combustion" shall include any self-sustaining process of nuclear fission

 (ii) nuclear weapons materials
2. Physical loss, destruction of or damage to the Property Insured
 - a. directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power
 - b. resulting from confiscation, nationalization, requisition or damage to property or under the order of any Government or Public or Local Authority
 Notwithstanding the provisions of Perils of Exclusion 2(b), the Insurer(s) shall be liable for loss, destruction of or damage to, or the cost of removal of, sound property at the Premises for the purpose of preventing or diminishing imminent damage by, or inhibiting the spread of, fire or any other peril insured against under this Policy
3. Loss, damage or increased cost caused by enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder, NOR any loss, damage, costs, expenses, fine or penalty which is incurred or sustained by or imposed on the Insured at the order of any governmental agency, court or other authority arising from any cause whatsoever.
4. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

5. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

PROPERTY NOT COVERED

This policy does not insure:

1. Land, however this exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder include, but are not limited to, any alteration to the natural condition of the land by grading, landscaping, earthen dikes or dams, as well as additions to land such as roadways, quarries, pavements and other such facilities. Land improvements do not include landfill(s).

Exclusion 1 does not apply to pipes and underground assets. This Policy includes cover for pipes and other underground assets.

2. Currency, money, gold bullion, evidence of debt, except accounts receivable as defined in the policy, notes or securities except as otherwise defined in this policy.
3. Growing crops, standing timber to be used for industrial processes, and live animals not used for research. This exclusion will not apply to the tied trees and willow trees flood protection assets covered under this placement.
4. Contraband or property in the course of illegal transportation or trade.
5. Satellites and spacecraft before or after time of launch.
6. Offshore property – This exclusion will not apply to water outfall pipes.
7. Motor vehicles licensed for highway use not otherwise insured and when not on the Insured's premises; except this policy will insure the Insured's owned motor vehicles and the Insured's liability for motor vehicles of others while on insured premises.

C. ADDITIONAL COVERAGES

1. Automatic Acquisitions

This policy insures property at any location rented, leased, purchased or acquired by the Insured after the inception date of this policy for a period of ninety (90) days from the date of such acquisition of such location, or until agreement is reached that the location will not be covered by this policy, whichever is sooner. This policy does not insure property at such newly acquired locations that are proved to be insured in whole or in part by any other insurance policy. If such property is not reported to the Insurer(s) after ninety (90) days of acquisition, it will not be covered by this Policy.

Upon expiry of the ninety (90) day period, the terms and Conditions of coverage of any such acquisition are to be agreed by the Insurer(s).

2. Land and water contaminant or pollutant cleanup, removal and disposal

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or pollutants from uninsured property consisting of land, water or any other substance in or on land at the location of the Insured if the release, discharge or dispersal of contaminants or pollutants is a result of physical loss, destruction or damage to insured property.

This policy does not cover the cost to cleanup, remove, and dispose of contaminants or pollutants from such property:

- ii. at any property insured under Automatic Acquisitions or Errors and Omissions coverage provided by this Policy.
- iii. when the Insured fails to give written notice of loss to the Company within 180 days after inception of the loss.

3. Debris Removal

This Policy covers the reasonable and necessary costs incurred to remove debris that remains as a result of physical loss, destruction or damage insured by this Policy.

This Additional Coverage does not cover the costs of removal of:

- i. contaminated uninsured property; or
- ii. the contaminant in or on uninsured property,

whether or not the contamination results from insured physical loss or damage. Contamination includes, but is not limited to, the presence of pollution or hazardous material.

4. Decontamination and Cost of Cleanup Expense

If insured property is contaminated as a result of physical loss, destruction or damage insured by this Policy and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of insured property so contaminated as a direct result of insured physical loss, destruction or damage.

The Company is not liable for the costs required for removing contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.

5. Preservation and Protection of Property

This Policy covers:

- i. Reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property, provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.
- ii. Reasonable and necessary:
 - Fire department fire fighting charges imposed as a result of responding to a fire in, on or exposing the insured property;
 - a. Costs incurred of restoring and recharging fire protection systems following an insured loss; and
 - b. Costs incurred for the water used for fighting a fire in, on or exposing the insured property.

This additional coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

6. Expediting Costs

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.

This Additional Coverage does not cover costs:

- 1) recoverable elsewhere in this Policy; or
- 2) of permanent repair or replacement of damaged property.

7. Property in the Incidental Course of Construction or Erection

This Policy covers physical loss or damage to property or structures in the incidental course of construction or erection, and materials or supplies in connection with all such property in the incidental course of construction or erection at the insured location.

D. VALUATION

1. Reinstatement or Replacement

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the damaged property insured at the time of its reinstatement, subject to the following Provisions and subject also to the terms, Conditions and Limit(s) of Liability of this Policy.

- i. Where property is lost or destroyed: in the case of a building, the rebuilding thereof or in the case of property other than a building, the replacement thereof by similar property: in either case in a condition equal to, but not better or more extensive than, its condition when new.
- ii. Where property is damaged: the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

Provisions

- i. The work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the Insured, but subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.
- ii. When any property insured to which this memorandum applies is damaged in part only, the liability of the Insurer(s) shall not exceed the sum representing the cost which the Insurer(s) could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- iii. No payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated herein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred; provided that where the Insured reinstates or replaces any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.
- iv. All other applicable insurance covering the property effected by or on behalf of the Insured shall be on a similar reinstatement basis.
- v. Co-insurance or average shall not be applied to the amount recoverable under this memorandum.

- iv. It is noted that for the perils listed under Type in Part I Risk Details, the limit of liability will be subject to one automatic reinstatement. Any subsequent reinstatement(s) will require an application in writing to reinstate following the damage, upon which consideration to reinstate will be undertaken and a reinstatement premium charged at pro-rata of the 2015/2016 renewal premium for time and limit.

Options

The Insured may at its option elect to either reinstate or replace the property damaged or destroyed, or any part thereof or receive payment for the amount of the loss or damage. The Insurers shall be bound to reinstate exactly and completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Insurers be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage. In any event Insurers shall not be liable for more than the sum insured as stated in the schedule.

2. Extra Cost of Reinstatement

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority; subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub Limits of Liability of this Policy.

Provisions

- i. The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, Regulation or By-Law so necessitate, subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated herein.
- ii. The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the damage.
- iii. Co-insurance or average shall not be applied to the amount recoverable under this memorandum.
- iv. All other applicable insurances covering the property affected by or on behalf of the Insured shall be on similar basis.

- v. If the cost of reinstatement of damaged property insured is less than fifty percent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder shall be limited to:
 - a. the extra cost necessarily incurred in reinstating only that portion damaged; or
 - b. whilst applying to such property insured, the Sub Limit stated herein,

Whichever is the greater. In the event of a Sub Limit not being stated in this Policy the Insurer(s) liability shall be limited to the amount as described in sub-paragraph (a) of this provision.

E. Increase in Cost of Working/Additional Increase in Cost of Working

1. Coverage Provided

The insurance under this specification is limited to (a) Increase in Cost of Working and (b) Additional Increase in Cost of Working and the amount payable as indemnity there under shall be:

- i. In respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the physical loss or damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;
- ii. In respect of Additional Increase in Cost of Working: the Additional Increase in Cost of Working (in excess of the amount payable under paragraph (b)) necessarily incurred during the Indemnity Period in consequence of the physical loss or damage for the sole purpose of avoiding or diminishing a reduction in TURNOVER or resuming or maintaining the Business;

2. Definitions

i. Indemnity Period

The period beginning with the occurrence of the physical loss or damage and ending not later than the INDEMNITY Period (as stated in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the physical loss or damage.

ii. Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Insured Location.

iii. **Gross Profit**

The amount by which

- (1) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
- (2) the sum of the amounts of the opening stock and work in progress and the amount of the uninsured working expenses.

Note - The amount of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

v. **Rate of Gross Profit**

The rate of Gross Profits earned on the Turnover during the financial year immediately before the date of the damage) to which such adjustments shall be made as may be necessary to provide for the trend of the Business and circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result which but for the Damage would have been obtained during the relative period after the Damage.
Standard Turnover The Turnover during that period in the Twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period)

It is understood and agreed that references to 'Damage' within this clause are read to mean 'physical loss or damage'.

vi. **Turnover**

The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Insured Location.

v. **Business**

Business shall mean all activities undertaken, or intended to be undertaken, by the Insured at an Insured Location or anywhere else within the Territorial Scope of this Policy.

SECTION 4 - GENERAL CONDITIONS (APPLICABLE TO ALL SECTIONS)

A. Sum Insured

This Policy shall not cover more than the sum(s) stated in the schedule or more than the aggregate amount(s) as stated in the schedule and if applicable in respect of specified causes.

B. Due Diligence

The Insured shall use due diligence and do and concur in doing all things reasonable to avoid or diminish any loss of or damage to the property insured.

C. Errors and Omissions

No inadvertent error, inadvertent omission or inadvertent failure in making reports or other data hereunder shall prejudice the Insured's right of recovery, but shall be corrected when discovered. It is further understood and agreed that any error in name or description of locations, or values of projects insured or to be insured by this policy shall not invalidate or reduce the policy limit of liability, or otherwise prejudice any recovery under this policy.

D. Receipts

No payment in respect of any premium shall be deemed to be payment to the Insurer(s) unless a printed form of receipt for the same signed by an official or duly appointed Agent of the Insurer(s) shall have been given to the Insured.

E. Other Insurance

The Policy does not insure:

1. Any loss or damage, or any property which is more specifically insured elsewhere nor
2. any loss or damage, or any property which but for the existence of this policy would be insured elsewhere

except, where such amounts insured elsewhere are less than the applicable limit or sub limit insured by this Policy, this Policy insures for the difference between the amounts insured elsewhere and the applicable limit or sub limit of this Policy, subject always to this Policy's deductible.

F. Inspection

The Insurer(s) shall be permitted, but not obligated to inspect the Insured's property at any time. Neither the Insurer(s) right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant such property is safe.

G. Assignment

Assignment or transfer of this Policy shall not be valid except with the written consent of Insurer(s).

H. Cancellation Provision

The Policy may be cancelled by the Insured at any time by written notice or by surrender of this Policy giving 30 days notice of cancellation. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Insured, the Insurer(s) retain pro-rata premium for the time the Policy has been in force.

Payment or tender of any unearned premium by the Insurer(s) shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

I. Forfeiture

If a claim that is made in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy, or if the loss or damage be occasioned by the willful act, or with the connivance of the Insured; or if the claim be made and rejected and an action or suit be not commenced within one year after such rejection, or (in case of any arbitration taking place in pursuance of the Arbitration Condition of this Policy) within one year after the arbitrator or arbitrators or umpire shall have made their award, all benefits under this Policy shall be forfeited.

J. Subrogation and Subrogation Waiver

If the Insurer(s) become liable for any payment under this Policy in respect of loss or damage, the Insurer(s) shall be subrogated, to the extent of such payment, to all the rights and remedies of the Insured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Insured. The Insured shall give to the Insurer(s) all such assistance in his power as the Insurer(s) may require to secure their rights and remedies and at the Insurer(s) request, shall execute all documents necessary to enable the Insurer(s) effectively to bring suit in the name of the Insured including the execution and delivery of the customary form of loan receipt.

The Insurer(s) hereon agree that this insurance shall not be invalidated should the Insured waive in writing, prior to loss affected thereby, any or all rights of recovery against any party for loss or damage occurring to the property described herein. The Insurer(s) expressly waive subrogation against any subsidiary, parent, associated or affiliated company of the Assured.

K. Salvage and Recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

L. Arbitration

If the Insured and the Insurer(s) fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within Thirty (30) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the Insured and the Underwriters shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit their differences to the umpire and the award in writing of any two, duly verified, shall determine the same.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

M. Jurisdiction, Law and Practice

This Policy shall be governed by the Laws of New Zealand and except for the Arbitration Clause shall be subject to the exclusive jurisdiction of the Courts of New Zealand.

N. Claims Procedure

On the happening of any damage giving rise to or likely to give rise to a claim under this Policy, the Insured shall forthwith give notice thereof in writing to the Insurer(s) or the Insurer(s) agreed intermediary as per the schedule and shall (when reasonably practicable) deliver the Insurer(s) a claim, in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property Damaged and of the amount of Damage thereto, having regard to their value at the time of the Damage, together with details of any other insurances on any property hereby insured.

The Insured shall use due diligence and do and concur in doing all things reasonably practicable to minimize any interruption of or interference with the Business or to avoid or diminish the loss and shall also deliver to the Insurer(s) a statement in writing of any claim certified by the Insured's auditor, with all particulars and details reasonably practicable of the loss and shall produce and furnish all books of accounts and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidences and facilities as may reasonably be required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

Should non-compliance with any part of this condition prejudices the interests of the Insurer(s) then the amount of any benefit under this Policy shall be reduced by the amount that fairly represents the extent to which the Insurer(s) interest have been prejudiced by that non-compliance.

O. Professional Claims Preparation Fees

It is understood that this Policy covers such reasonable professional fees as may be payable by the Insured, and such other reasonable expenses necessarily incurred by the Insured and not otherwise recoverable, for preparation, negotiation and settlement of claims under this Policy and the Insurer(s) shall indemnify the Insured for such reasonable fees and expenses.

ENDORSEMENT NO. 1

Mold, Mildew and Fungus

- i. Except as set forth in item 2. below, this policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to mold, mildew or fungus of any type, nature or description.
- ii. This policy only insures physical loss, destruction or damage to insured property by mold, mildew or fungus that directly results from physical loss, destruction or damage to property insured by this policy during the policy period by a peril insured by this Policy.

This coverage is subject to all other limitations in the policy and, in addition, to each of the following specific limitations:

The said property must otherwise be insured under this policy for physical loss, destruction or damage.

- a. The Insured must report to the Insurer(s) the existence and cost of the physical loss, destruction or damage by mold, mildew or fungus as soon as practicable, but no later than twelve (12) months after the peril insured first caused any physical loss or damage to insured property during the policy period. This policy does not insure any physical loss, destruction or damage by mold, mildew or fungus first reported to the Company after that twelve (12) month period.
- b. Regardless of circumstances or other policy provisions, the maximum amount insured and payable under this policy for all mold, mildew or fungus caused by or resulting from an insured peril is as per the limit stated in the Schedule of this policy.

ENDORSEMENT NO. 2

Deferral of Indemnity Period

The Insured may elect to defer the commencement of the Indemnity Period after Damage occurs on the following basis:

- (a) the Insured must notify the Insurer (in writing or by electronic means) within 90 days of the Damage occurring of the Insured's intention to defer the commencement of the Indemnity Period, and
- (b) the deferred Indemnity Period must commence:
 - i. no later than the number of months specified in the schedule as the Indemnity Period, or
 - ii. within 12 months of the date the Damage occurred,whichever is the earlier otherwise this option to defer expires, and
- (c) the Indemnity Period cannot be deferred if the Insurers have already paid or agreed to pay a claim under any Insured Item or Interest under this Business Interruption Section/Policy (other than for Rewriting of Records or Claims Preparation Costs under the Insureds Material Damage Section/Policy) resulting from that Damage.
- (d) If the Insured defers the commencement of the Indemnity Period then, the Insured must notify the Insurers (in writing or by electronic means) of the actual date on which the Insured elects the Indemnity Period to commence as soon as possible, and no later than 30 days after that actual date.

Amendment to definition of indemnity period

The definition of *indemnity period* in this business interruption section/ Policy is deleted and replaced by the following:

The *indemnity period* means the continuous period beginning with:

- a) the date of *occurrence* of the *damage*; or
- b) the date to which the Insured has deferred the commencement of the *indemnity period* in accordance with this endorsement;

and ending not later than the expiry of the number of months shown on the *schedule* during which the results of the *business* are affected in consequence of the *damage*.

Supplemental Clauses

The following clause(s) attach to and form part of the contract.

ELECTRONIC DATA ENDORSEMENT B

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:

Fire
Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

**25/01/01
NMA2915**

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10
LMA3100

Part III:

Information

INFORMATION

Total Insured Values:

Declared Values per Entity:

Wanganui District Council	NZD	683,406,022
Horizons Regional Council	NZD	259,996,258
Queenstown Lake District Council	NZD	462,042,415
Hawke's Bay Regional Council	NZD	183,474,850
Central Hawkes Bay District Council	NZD	157,550,774
Tararua District Council	NZD	118,850,895
Ruapehu District Council	NZD	112,114,550
Total	NZD	1,977,435,764

All as per Schedule of Values provided to Insurers.

Claims History (1993 to 1 June 2015)

February 2004 Flood	NZD	12,090,267
January 2014 Eketahuna Earthquake	NZD	786,805
June 2015 Wanganui Flood	NZD	4,500,000*
*Still being quantified		

The Insured's Business:

Territorial Local Authority, Council Controlled Organisation and associated organisations, Ownership and/or occupation of infrastructure assets.

Manawatu-Wanganui LASS
Private Bag 11025
Manawatu Mail Centre
Palmerston North 4442

Contact

Matthew Wilson

Telephone

07 837 7100

Email

matthew.wilson@aon.com

Address

PO Box 1281
Waikato Mail Centre
Hamilton 3240

Period of Insurance: 30/06/2016 to 01/11/2016

Important Notice:

This Coverage Summary has been prepared for general reference only. Nothing contained herein prevails over the terms, conditions & exclusions of the policy.

Please check and ensure all information on the Cover Summary is correct. If you require any changes please contact your broker.

Material Damage

Insured:

Manawatu-Wanganui Local Authority Shared Services
Wanganui District Council
Horizons Regional Council
Ruapehu District Council
Taranaki District Council
Central Hawkes Bay District Council
Hastings District Council

Situation:

Anywhere in New Zealand but principally Cresta Zones 4, 5, 7, 8 and 9

Property Insured:

Above and below ground infrastructural assets

Items Insured:

	<i>Sum Insured</i>	<i>Basis of Cover</i>
Council Infrastructural Assets	\$ 125,000,000	RV
Wanganui City Council	\$ 100,000,000	
Horizons Regional Council	\$ 30,000,000	
Central Hawkes Bay District Council	\$ 25,000,000	
Taranaki District Council	\$ 20,000,000	
Ruapehu District Council	\$ 12,500,000	
Hastings District Council	\$ 10,000,000	
Buller District Council	\$ 60,000,000	
Westland District Council	\$ 60,000,000	

Basis of Cover: RV = Replacement Value IV = Indemnity Value DB = Declaration Basis

Excess:

Subsidence and landslip	\$	0
Natural Catastrophe peril - Horizons Regional Council	\$	3,000,000
Natural Catastrophe peril - Wanganui District Council	\$	500,000
Natural Catastrophe peril - All other councils	\$	250,000
Flood	\$	1,500,000

Policy Extensions and Cover Limits:

Capital additions	- any one situation	\$	2,000,000
Demolition		\$	Included
Contract Works		\$	2,000,000
Expediting Costs		\$	2,500,000
Increased Cost of Working/Additional Increased Cost of Working		\$	5,000,000
Claims Preparation Fee		\$	1,500,000

Endorsements:

- Radioactive Contamination Exclusion
- Mold, Mildew and Fungus
- War Exclusion
- Terrorism Exclusion
- Fraudulent Claims Clause

Policy Notes:

Material Damage Natural Catastrophe Insurance - including - Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic eruption, Hydrothermal & Geothermal Activity and Subterranean Fire and Business Interruption resulting there from.

Excess for Subsidence/Landslip is as per standard Council excess.

LOSS LIMIT

\$125,000,000 each claim or series of claims arising out of any one original source or cause

Declared Value \$1,599,353,162

Insurer Financial Strength Rating

Material Damage:

Insurer:	Aon Group Ltd (London)	Proportion:	100%
Rating agent:	Not Rated	Rating:	N/A

Please refer to the reverse side of your Tax Invoice for the Insurer Financial Strength Rating Definitions

29 September 2016

**CONSTITUTION OF
WESTLAND HOLDINGS LIMITED**

This is a certified true copy of the Constitution of Westland Holdings Limited and was adopted by the shareholders of Westland Holdings Limited by special resolution.

Director

CONSTITUTION OF WESTLAND HOLDINGS LIMITED

1. STATUS, DEFINITIONS AND INTERPRETATION

Registration

- 1.1 The Company is registered under the Companies Act 1993 and is regulated by the Act and this constitution. It is a wholly owned subsidiary of the Westland District Council (the "Council") and any change in ownership of the Company or any of its shares can only be approved by resolution of the Council. The Company is a council-controlled organisation and its activities, rights and obligations will be determined in its Statement of Intent, approved by the Council.

Powers and capacity

- 1.2 Subject to the Act, the Local Government Act or any other applicable law, this constitution and the Statement of Intent, the Company has, both within and outside New Zealand, the capacity, rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction.

Definitions

- 1.3 In this constitution, the following words and expressions have the meanings set out next to them:

"Act"	means the Companies Act 1993.
"Board"	means the directors numbering not less than the required quorum acting as the Board of directors of the Company and where one director is a quorum it means that director.
"Company"	means Westland Holdings Limited.
"constitution"	means this constitution, as altered from time to time.
"council-controlled organisation"	has the same meaning as in section 6 of the Local Government Act.
"director"	means a person appointed and continuing in office for the time being, in accordance with this constitution, as a director of the Company.
"dividend"	means a distribution by the Company other than a distribution to which section 59 (acquisition of Company's own shares) or section 76 (financial assistance in acquisition of Company's shares) of the Act applies.
"local authority"	has the same meaning as in section 2 of the Local Government Act.
"Local Government Act"	means the Local Government Act 2002.
"majority"	means more than 50%.
"ordinary resolution"	means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.
"special meeting"	means any – meeting (other than an annual meeting) of shareholders entitled to

vote on an issue, called at any time by the Board or by any other person who by this constitution is entitled to call meetings of shareholders.

"special resolution" means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.

"Statement of Intent" means the statement to be completed by the Board in accordance with section 64 of the Local Government Act and which meets the requirements of Schedule 8 of the Local Government Act.

"working day" has the meaning set out in section 2 of the Act.

Conflict

1.4 If there is any conflict between:

- a. a provision in this constitution and a mandatory provision in the Act or the Local Government Act; or
- b. a word or expression defined or explained in the Act or the Local Government Act and a word or expression defined or explained in this constitution

the provision, word or expression in the applicable act prevails.

Interpretation

1.5

- a. Words importing the singular number include the plural number and vice versa.
- b. A reference to a person includes any partnership, firm, company or other body corporate, association, trust, local or regional authority, public authority, or council-controlled organisation.
- c. Reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
 - (i) that legislation or provision as from time to time amended, re-enacted or substituted;
 - (ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision.
- d. Subject to the above, expressions contained in this constitution bear the same meaning as in the Act, at the date on which this constitution becomes binding on the Company.
- e. A reference to a clause means a clause of this constitution.
- f. The clause headings are included for the purposes of convenience and do not affect the construction of this constitution.

2. DISTRIBUTIONS TO SHAREHOLDERS

The Board may authorise distributions.

Subject to the Act and the Statement of Intent the Board may, with the prior written approval of the shareholders by special resolution, authorise a distribution by the Company to shareholders.

Dividends on shares not fully paid up to be paid pro rata

2.1

- a. All dividends on shares not fully paid up must be authorised and paid in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares. This provision does not apply where shares have been issued with special rights as to dividends.
- b. No amount paid or credited as paid on a share in advance of calls is to be treated for these purposes as paid on the share. All dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.

Method of Payment

2.2

Any dividend, interest, or other money payable in cash in respect of shares may be paid in such manner as the Board thinks fit to a Shareholder, or to such other person and in such manner as such Shareholder may in writing direct.

No interest

2.3

No dividend bears interest against the Company.

Unclaimed dividends

2.4

- a. All dividends unclaimed for 1 year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for 5 years after having been declared may be forfeited by the Board for the benefit of the Company.
- b. The Board may, however, annul any such forfeiture and agree to pay a claimant who produces, to the Board's satisfaction, evidence of entitlement to the amount due to such claimant, unless in the opinion of the Board such payment would embarrass the Company.

3. COMPANY PURCHASING OWN SHARES

Acquisition of Company's own shares

3.1

The Company may make an offer and purchase shares issued by it in accordance with the Act.

Company may not hold its own shares uncanceled

3.2

The Company may not hold its own shares uncanceled.

4. SHAREHOLDERS RIGHTS AND OBLIGATIONS

Annual meetings

- 4.1 The Company must hold annual shareholder meetings in accordance with section 120 of the Act unless in the case of any annual meeting, everything required to be done at that meeting (by resolution or otherwise) is done by resolution in writing signed in accordance with section 122 of the Act.

Special meetings

- 4.2 A special shareholder meeting:
- a. may be called by the Board at any time; and
 - b. must be called by the Board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights for such shares.

Proceedings at meetings

- 4.3 The provisions of the First Schedule to this constitution shall govern proceedings at meetings of shareholders.

5. DIRECTORS

Board's Power to Manage the Company

- 5.1 The business or affairs of the Company must be managed by, or under the direction or supervision of the Board, in accordance with the applicable provisions of this constitution, the Statement of Intent, the Local Government Act and any applicable policy of the Shareholder governing directors appointments.

Number of directors

- 5.2 The minimum and maximum number of directors may be determined from time to time by the shareholders by ordinary resolution and unless so determined, the minimum number is three and the maximum number is 10.
- 5.3 No directors may be:
- a. a councillor or Mayor of the Council; or
 - b. a person employed by the Council.

Appointment by shareholders

- 5.4
- a. The directors of the Company are such person or persons as may from time to time be appointed either by the shareholders by ordinary resolution or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company but so that the total number of directors must not at any time exceed the maximum number, if any, fixed pursuant to clause 10.2 (Number of Directors).
 - b. Any shareholder will be entitled to appoint from time to time the number of Directors (rounded to the nearest whole number or, where there is no nearest whole number, rounded down) that represents the same proportion of the number of Directors determined under clause 10.2, as the proportion which the percentage of voting rights to which the appointing shareholder is then entitled bears to the then total number of voting rights attaching to the shares of the Company.

- c. Every director holds office subject to the provisions of this constitution and may at any time be removed from office by ordinary resolution of the shareholders or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company.
- d. Directors may be appointed individually or together unless the shareholders by ordinary resolution require any director's appointment to be voted on individually.

Alternate directors

5.5

- a. Each director has the power from time to time to nominate any person not already a director and who is acceptable to the majority of other directors, and with the prior written approval of the shareholders by ordinary resolution, to act as an alternate director in his or her place. An alternate director can be appointed either for a specified period or generally during the absence from time to time of such director. A director can remove an alternate director that director has nominated.
- b. Unless otherwise provided for by the terms of his or her appointment, an alternate director has the same rights, powers and privileges (including the right to receive notice of meetings of directors but excluding the power to appoint an alternative director) and will discharge all the duties of and must be subject to the same provisions as the director in whose place he or she acts.
- c. An alternate director cannot be remunerated otherwise than out of the remuneration of the director in whose place he or she acts and automatically vacates office if and when the director in whose place he or she acts vacates office.
- d. Any notice appointing or removing an alternate director may be given by delivering it or by sending it through the post or by facsimile or email to the Company and is effective as from the time of its receipt as determined in accordance with clause 14.

Proceedings of the Board

- 5.6 The provisions of the Third Schedule to the Act are deleted and replaced as set out in the Second Schedule of this constitution.

Directors' indemnity

- 5.7 The Company is expressly authorised to indemnify and insure any director or employee to the extent permitted by the Act, and to enter deeds of indemnity with such directors or employees, provided all such deeds are in a form approved by the shareholders by Ordinary Resolution.

Vacation of Office

- 5.8 The office of a Director will be vacated if the Director:
 - a. dies;
 - b. becomes a mentally disordered person within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;
 - c. becomes disqualified from being a Director pursuant to s 151 of the Act;
 - d. resigns in accordance with clause 10.9 (Director's Resignation Procedure); or
 - e. is removed from office in accordance with clause 10.4(c) (Appointment by Shareholders).

Removal following employment by Local Authority

Without limiting clause 10.8, if at any time the Board is comprised of more than one person who is or becomes either a member of a local authority or a person employed by a local authority, the Shareholders shall exercise their power under clause 10.4(c) to remove any one or more directors (selected at the Shareholders' discretion) as are required in order to comply with clause 10.3 (Number of Directors) of this constitution.

Director's Resignation Procedure

- 5.9 A Director may resign office by delivering a signed written notice of resignation in writing to the address for service of the Company. The notice is effective when it is received at the address or at a later time specified in the notice.

Director's Remuneration and Other Benefits

- 5.10 The Board will not exercise any of the powers contained in or implied by s 161 of the Act without the prior written approval of the shareholders provided that payments or other benefits of the kind referred to in s 161 of the Act which are approved by the Board as at the date of adoption of this constitution are confirmed.

Validity of actions

- 5.11 An act or decision of the Board shall not be invalid by reason only of:
- a. a fault, default or irregularity in or in connection with the appointment of a Director; or
 - b. a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

6. DUTIES OF DIRECTORS AND BOARD

Statement of Intent

- 6.1 The business of the Company should be managed by the Board in accordance with the Statement of Intent.

Interest of Shareholders

- 6.2 For the purposes of s 131(2) of the Act but subject to the Statement of Intent each Director of the Company is expressly permitted to act in a manner which he or she believes is in the best interests of the shareholders even though it may not be in the best interests of the Company.

7. INTERESTED DIRECTORS

Directors must Disclose their Interest

- 7.1 As soon as a Director becomes aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, then unless the Act provides otherwise or all entitled persons have agreed to or concur in the Company entering into the transaction, that Director must cause to be entered in the Interests Register, and disclosed to the Board:
- a. the nature and monetary value of his or her interest (if the monetary value of the interest is able to be quantified); or
 - b. the nature and extent of his or her interest (if the monetary value of the interest cannot be quantified).

General Disclosure in Certain Cases will Suffice

- 7.2 For the purposes of clause 12.1 a general notice entered in the Interests Register and disclosed to the Board to the effect that a Director:

- a. is a shareholder, Director, officer, or trustee of another named Company or other person; and
- b. is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that other Company or person, will be a sufficient disclosure of that interest in relation to such transaction.

Failure to Disclose Does Not Affect Validity of Transaction

- 7.3 Any failure by a Director to comply with clause 12.1 does not affect the validity of a transaction entered into by the Company or the Director. However, the transaction may be avoided under clause 12.4.

Company May Avoid Transaction if Director Interested

- 7.4 Where the Company enters into a transaction in which a Director is interested, the Company, if it is permitted to do so by the Act, may avoid that transaction in accordance with the Act. However, if all entitled persons have agreed to or concur in the Company entering into such a transaction then this clause will not apply.

Interested Director May Not Vote

- 7.5 A Director of the Company who is interested in a transaction entered into, or to be entered into by the Company may not (subject to clauses 12.5.a and b) vote on a matter relating to the transaction, but may:
- a. vote on any matter to which clause 10.7 or 10.11 applies;
 - b. attend a meeting of Directors at which a matter relating to the transaction arises, and be included among the Directors present at the meeting for the purpose of a quorum;
 - c. sign a document relating to the transaction on behalf of the Company; and
 - d. do anything else as a Director in relation to the transaction, as if he or she were not interested in the transaction.
- 7.6 The shareholders may by Ordinary Resolution suspend or relax the prohibition on interested Directors voting to any extent in respect of any particular transaction.

8. ACCOUNTS

Availability of Information

- 8.1 In addition to complying with the provisions of the Act the Company will also comply with s.74 of the Local Government Act.

Statement of Intent

- 8.2 In each financial year of the Company the Directors will deliver to its shareholders a Statement of Intent in accordance with s.64 of the Local Government Act.

Accounts to be Prepared

- 8.3 Within 2 months after the end of the first half of each financial year of the Company the Directors will deliver to its shareholders a report of the Company's operations during that half year. Such half year report will include the information required by the Statement of Intent to be included.

Reports to be Delivered to Members

- 8.4 Within 3 months after the end of each financial year of the Company the Directors will deliver to the shareholders and make available to the public:
- a. a report of the operations of the Company and those of its subsidiaries during the financial year; and
 - b. audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries; and
 - c. an auditor's report on:
 - i. those financial statements; and
 - ii. the performance targets and other measures by which performance has been judged in relation to the objectives as contained in the Statement of Intent.

Contents of Operations Report

- 8.5 Every report under clause 13.4 will:
- a. contain such information as is necessary to enable an informed assessment of the operations of the Company and its subsidiaries including:
 - i. a comparison of the performance of the Company and its subsidiaries with any relevant Statement of Intent; and
 - ii. an explanation of any material variances between that performance and the Statement of Intent; and
 - iii. the information required to be included by its Statement of Intent; and
 - b. state the dividend (if any) recommended to be payable by the Company in respect of its equity securities (other than fixed interest securities) for the financial year to which the report relates.

Contents of Financial Statements

- 8.6 The audited consolidated financial statements under clause 13.4.b must be prepared in accordance with generally accepted accounting practice.

Auditor

In accordance with section 70 of the local Government Act the Auditor-General will be the auditor of the Company

9. NOTICES

Service

- 9.1 A notice may be served by the Company upon any director or shareholder either by:
- a. delivering it personally to the director or shareholder, including delivery by courier to the address of the director or shareholder;
 - b. posting it by fast post in a prepaid envelope or package addressed to such director or shareholder at such person's last known address; -

;

- c. facsimile to the facsimile number of such director or shareholder; or
- d. email to an electronic address used by the director or shareholder.

Time of service by delivery

- 9.2 A notice delivered to a director or shareholder is deemed to have been served upon handing the notice to the director or shareholder or on the Working Day following delivery of the notice by courier to the last known address of the director or shareholder.

Time of service by facsimile

- 9.3 A notice served by facsimile is deemed to have been served on the working day following completion of its transmission.

Time of service by post

- 9.4 A notice sent by post is deemed to have been served:
- a. In the case of a person whose last known address is in New Zealand, at the end of 3 working days after the envelope or package containing the same was duly posted in New Zealand; and
 - b. In the case of a person whose last known address is outside New Zealand, at the expiration of 7 working days after the envelope or package containing the same was duly posted by fast post in New Zealand.

Time of service by email

- 9.5 A notice served by email is deemed to have been served on the working day following the day on which it was sent.

Proof of service

- 9.6 In proving service by post or delivery by courier it is sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it is sufficient to prove that the document was properly addressed and sent by facsimile. In proving service by email, it is sufficient to prove that the email was properly addressed and properly sent to that email address. Provided that a document is not deemed to be served or sent or delivered to a person if that person proves that, through no fault of the person's part, the document was not received within the time specified.

Service on joint holders

- 9.7 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share.

Service on representatives

- 9.8 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death or bankruptcy of a shareholder by addressing it to such person or persons by name or by title or by any appropriate description, at the address, if any, within New Zealand supplied for the purpose by the person or persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred.

10. LIQUIDATION

Distribution of surplus assets

10.1

- a. Subject to the terms of issue of any shares in the Company and to clause 15.2 (Distribution in Specie), upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of liquidation ("the surplus assets") will be distributed among the shareholders in proportion to their shareholding.
- b. The holders of shares not fully paid up must receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares either under the constitution of the Company or pursuant to the terms of issue of the shares.

Distribution in specie

10.2

- a. Upon a liquidation of the Company, the liquidator, with the sanction of an ordinary resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.
- b. The liquidator may, with the same sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder will be compelled to accept any shares or other securities in relation to which there is any liability.

11. REMOVAL FROM THE NEW ZEALAND REGISTER

Directors may apply for removal

11.1 In the event that:

- a. The Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or
- b. The Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the Company into liquidation,

the Board of directors may in the prescribed form request the Registrar to remove the Company from the New Zealand register.

12. METHOD OF CONTRACTING

12.1 A contract or other enforceable obligation may be entered into by the Company as follows:

- a. An obligation which, if entered into by a natural person, would by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by:

- i. two or more directors of the Company;
 - ii. a director or other person or class of persons appointed by the Board whose signature or signatures must be witnessed; or
 - iii. one or more attorneys appointed by the Company in accordance with section 181 of the Act.
- b. An obligation or contract, which is required by law to be in writing and any other written obligation or contract which is to be entered into by the company, may be signed on behalf of the company by a person acting under the company's express or implied authority.
- c. An obligation or contract which, if entered into by a natural person, is not required to be in writing, may be entered into on behalf of the company in writing or orally by a person acting under the companies express or implied authority.

SCHEDULE 1

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

1. CHAIRPERSON

Chairperson to be Chairperson of the Board

- 1.1 If the shareholders have appointed or the directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he or she must chair the meeting.

Election of Chairperson

- 1.2 If no chairperson of the Board has been appointed or elected, or if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present may elect one of their number to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present must choose one of their number to be chairperson of the meeting.

2. NOTICE OF MEETINGS

Notice in writing

- 2.1 Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting and to every director and, if required, an auditor of the Company not less than 10 working days before the meeting.

Contents of notice

- 2.2 The notice must state:
- a. The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
 - b. The text of any special resolution to be submitted to the meeting.

Irregularities in notice

- 2.3 An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree (whether before, during or after the meeting) to the waiver.

Adjournment

- 2.4 The chairperson may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Except as so provided, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Accidental omission to give notice

- 2.5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

3. METHODS OF HOLDING MEETINGS

- 3.1 A meeting of shareholders may be held either:

- a. By a number of shareholders, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- b. By means of audio, or audio and visual, communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

4. QUORUM

Necessity for quorum

- 4.1 Subject to subclause 4.3 of this clause, no business may be transacted at a meeting of shareholders if a quorum is not present.

Numbers for quorum

- 4.2 A quorum for a meeting of shareholders is present if shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.

No quorum

- 4.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:

- a. In the case of a meeting called under section 121(b) of the Companies Act, the meeting is dissolved;
- b. In the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time, and place as the chairperson may appoint, and, subject to the constitution of the Company, if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders or their proxies present are a quorum.

5. VOTING

Voting method

- 5.1 In the case of a meeting of shareholders held under clause 3.1.a of this Schedule, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:

- a. Voting by voice; or
- b. voting by show of hands.

Voting method - audio, audio/visual

- 5.2 In the case of a meeting of shareholders held under clause 3.1b of this Schedule, unless a poll is demanded, voting at the meeting shall be by the shareholders signifying individually their assent or dissent by voice.

Evidence that resolution carried

- 5.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with subclause 5.4 of this Schedule 1.

Who may demand poll

- 5.4 At a meeting of shareholders a poll may be demanded by:
- a. Not less than 5 shareholders having the right to vote at the meeting; or
 - b. A shareholder or shareholders representing not less than 10 percent of the total voting rights of all shareholders having the right to vote at the meeting; or
 - c. By a shareholder or shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right.

When poll may be demanded

- 5.5 A poll may be demanded either before or after the vote is taken on a resolution.

Counting of votes

- 5.6 If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.

Equality of votes

- 5.7 In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting is not entitled to a second or casting vote.

Proxy holder may demand poll

- 5.8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting of a Company confers authority to demand or join in demanding a poll and a demand by a person as proxy for a shareholder has the same effect as a demand by the shareholder.

Voting entitlement

- 5.9 Subject to any rights or restrictions for the time being attached to any class of shares, every shareholder present in person or by proxy and voting by voice or on a show of hands has one vote.

Chairperson may demand poll

- 5.10 The chairperson may demand a poll on a resolution, either before or after a vote on such resolution, by voice or on show of hands.

Withdrawal of demand

- 5.11 The demand for a poll may be withdrawn.

Poll to be taken as chairperson directs

- 5.12 Except as provided in subclause 5.13, if a poll is duly demanded it must be taken in such manner as the chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.

Poll on election of chairperson

- 5.13 A poll demanded on the election of a chairperson or on a question of adjournment must be taken forthwith. A poll demanded on any other question may be taken at such time and place as the chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

6. PROXIES

Right to vote by proxy

- 6.1 A shareholder may exercise the right to vote either by being present in person or by proxy.

Right of proxy to attend

- 6.2 A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

Appointment of proxy

- 6.3 A proxy must be appointed by notice in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.

Proxy form to be sent with Notice of Meeting

- 6.4 A proxy form must be sent with each notice calling a meeting of the Company.

Proxy form

- 6.5 An instrument appointing a proxy must be in the following form or a form as near thereto as circumstances admit:

**WESTLAND HOLDINGS LIMITED
INSTRUMENT APPOINTING A PROXY**

I/We _____
 of _____
 being a member of _____ LIMITED
 hereby appoint _____ [print name of proxy]
 of _____
 or failing him/her _____ of _____
 as my/our proxy to vote for me/us on my/our behalf at the ___ the Annual/Special Meeting of the
 Company to be held at _____
 on _____ commencing at _____ am/pm
 [or all meetings of the Company held within 12 months of the date of this proxy] and at any
 adjournment of any such meeting.
 Signed on _____ <Year> _____
 [Usual signature/s]"

- 6.6 Where it is wished to give shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy must be in the following form or a form as near to it as circumstances admit:

LIMITED
INSTRUMENT APPOINTING A PROXY

I/We _____
of _____
being a member of _____ LIMITED
hereby appoint _____ [print name of proxy]
of _____
or failing him/her _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the __ the Annual/Special Meeting of the
Company to be held at _____
on _____ commencing at _____ am/pm
and at any adjournment of any such meeting.

I/We direct my/our proxy to vote in the following manner

Resolutions	Vote with a tick	
	For	Against
1. _____	—	
2. _____	—	
	—	
	—	

Signed on _____ <Year> _____
[Usual signature/s]"

Validity of Vote

- 6.7 A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or loss of capacity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no notice in writing of such death, loss of capacity, revocation or transfer has been received by the Company before the start of the meeting or adjourned meeting at which the proxy is used.

Deposit of Proxy

- 6.8 The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority must be deposited at the registered office of the Company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. If it is not, the instrument of proxy is invalid.

7. POSTAL VOTES

- 7.1 A shareholder may not exercise the right to vote at a meeting by casting a postal vote.

8. MINUTES

Minutes must be kept

- 8.1 The Board must ensure that minutes are kept of all proceedings at meetings of shareholders.

Evidence

- 8.2 Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

9. SHAREHOLDER PROPOSALS

Notice of matter for discussion or resolution

- 9.1 A shareholder may give written notice to the Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote.

Notice of shareholder proposal at Company's expense

- 9.2 If the notice is received by the Board not less than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

Notice of shareholder proposal at shareholder's expense

- 9.3 If the notice is received by the Board not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

Notice of late shareholder proposal to be given if practicable

- 9.4 If the notice is received by the Board less than 5 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

Proposing shareholder's written statement

- 9.5 If the directors intend that shareholders may vote on the proposal by proxy or by postal vote, they must give the proposing shareholder the right to include in or with the notice given by the Board a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder.

Limits on obligation to include statement

- 9.6 The Board is not required to include in or with the notice given by the Board a statement prepared by a shareholder which the directors consider to be defamatory, frivolous, or vexatious.

Payment by shareholder of costs

- 9.7 Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder

must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

10. CORPORATIONS MAY ACT BY REPRESENTATIVES

- 10.1 A body corporate (including, for the avoidance of doubt, a Local Authority or Council-Controlled Organisation) which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy.

11. VOTES OF JOINT HOLDERS

- 11.1 Where 2 or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

12. LOSS OF VOTING RIGHTS IF CALLS UNPAID

- 12.1 Subject to the constitution of a Company, if a sum due to a Company in respect of a share has not been paid, that share may not be voted at a shareholder's meeting other than a meeting of an interest group.

13. RESOLUTIONS IN LIEU OF MEETING

- 13.1 A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. Facsimile or scanned and emailed copies of any such signed resolution is as valid and effectual as the original signed document with effect from completion of its transmission.

14. OTHER PROCEEDINGS

- 14.1 Except as provided in this Schedule, and subject to the constitution of the Company, a meeting of shareholders may regulate its own procedure.

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SCHEDULE 2

PROCEEDINGS OF THE BOARD

1. CHAIRPERSON

Election of chairperson

- 1.1 The shareholders may appoint, but in the event of their not doing so, the directors may elect one of their number as chairperson of the Board.

Terms of office

- 1.2 The director elected as chairperson holds that office until he or she dies or resigns or the directors (or shareholders under subclause 1.1 of this Schedule 2) elect a chairperson in his or her place.

Election of chairperson for particular meetings

- 1.3 If no chairperson is elected, or if at a meeting of the Board the chairperson is not present within 5 minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.

2. NOTICE OF MEETING

Convening meetings

- 2.1 A director or, if requested by a director to do so, an employee of the Company may convene a meeting of the Board by giving notice in accordance with this clause.

Period of notice

- 2.2 Not less than 2 working days' notice of a meeting of the Board must be given to every director who is in New Zealand, and the notice must include the date, time and place of the meeting and the matters to be discussed.

Irregularity in notice

- 2.3 An irregularity in the giving of notice of the meeting is waived if all directors attend the meeting without protest as to the irregularity or if all directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or agree (whether before, during or after the meeting) to the waiver.

Means of giving notice

- 2.4 Notice of a meeting may be given by any means, including in person, by telephone or email. Notice will be deemed to have been given as determined by clause 14 of this constitution, Provided that notice given by oral communication will be deemed to have been given at the time of notification.

3. METHOD OF HOLDING MEETINGS

3.1 A meeting of the Board may be held either:

- a. by a number of directors sufficient to form a quorum being assembled together at the place, date and time appointed for the meeting; or
- b. by means of audio, or audio and visual, communication by which all the directors participating in the meeting and constituting a quorum can simultaneously hear each other throughout the meeting.

4. QUORUM

Number constituting quorum

4.1 A quorum for a meeting of the Board is a majority of the directors.

No business without quorum

4.2 No business may be transacted at a meeting of directors if a quorum is not present.

Alternate director may be included

4.3 In accordance with clause 10.5 of this constitution an alternate director present at a meeting may be included for the purpose of establishing a quorum.

5. VOTING

Number of votes

5.1 Every director has one vote.

Chairperson does not have casting vote

5.2 The chairperson does not have a casting vote.

Majority

5.3 A resolution of the Board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.

Presumption as to voting

5.4 A director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board, unless he or she expressly dissents from, or votes against the resolution at the meeting.

Alternate director may vote

5.5 An alternate director may attend and vote at meetings of the Board in accordance with and subject to clause 10.5a of this constitution if the director that has appointed the alternate director is absent from the meeting.

6. MINUTES

- 6.1 The Board must ensure minutes are kept of all proceedings at meetings of the Board.

7. RESOLUTIONS

Written resolution

- 7.1 A resolution in writing, signed or assented to by a majority of directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

Forms of resolution

- 7.2 Any such resolution may consist of several documents (including facsimiles or scanned and emailed copies or other similar means of communication) in like form each signed or assented to by one or more directors.

Resolution to be kept in minute book

- 7.3 A copy of any such resolution must be entered in the minute book of Board proceedings.

Copy of resolution to be sent to directors not signing or assenting

- 7.4 The Company must, within 5 working days after any resolution is passed in accordance with this subclause 7, send a copy of the resolution to each director who has not signed or assented to the resolution.

8. NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND

- 8.1 It is not necessary to give notice of a meeting of the Board to any director for the time being absent from New Zealand but if a director is resident outside New Zealand, or to the knowledge of the Company is temporarily absent from New Zealand and the director has appointed an alternate director under the provisions of this constitution, notice must (subject to clause 10.5b of this constitution) be given to the alternate director.

9. CONTINUING DIRECTORS

- 9.1 The continuing directors will continue to comprise the Board notwithstanding any vacancy in the number of directors but if their number is reduced below the number fixed by or pursuant to this constitution as the minimum number of directors, the continuing directors will comprise the Board only for the purpose of increasing the number of directors to the minimum number or for summoning a special meeting of the Company.

10. OTHER PROCEEDINGS

- 10.1 Except as provided in this Schedule the Board may regulate its own procedure.

Report



DATE: 29 September 2016

TO: Mayor and Councillors

FROM: Operations Manager & Chief Executive

WEST COAST WILDERNESS TRAIL – PROJECT UPDATE

1.0 SUMMARY

- 1.1 The purpose of this report is to provide an update to Council on the West Coast Wilderness Trail (WCWT) project.
- 1.2 This report arises from the obligation to keep Council fully informed of the progress of the project. In particular it aims to provide Council with reassurance that there is a Project Completion Plan and a project management framework in place for the remaining milestones that require completing on the trail in order for it to be declared officially open.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the 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 report.

2.0 BACKGROUND

- 2.1 The WCWT offers a 136km four day cycling adventure from Greymouth to Ross as part of Nga Haerenga: The New Zealand Cycle Trail. The ride is an outstanding landscape ride through dense rainforest, past glacial rivers and lakes, through wetlands, all the way from the Tasman Sea to the Southern Alps and back again.
- 2.2 On 23 November 2013 the West Coast Wilderness Trail was officially opened from Greymouth to Hokitika, and then the Hokitika to Ross trail section was officially opened on 24 October 2015. Whilst the trail has been officially opened it has yet to be certified as part of the Nga Haerenga 'Great Rides' due to a number of uncompleted milestones.

- 2.3 The Nga Haerenga (the journeys) Great Rides currently consists of 22 trails throughout New Zealand covering 2,600km. In addition to the 'Great Rides' there are also 2,600km of 'Heartland Rides', a vision to link the trails with the support of NZ Cycle Trail Inc and NZ Transport Agency.

3.0 CURRENT SITUATION

- 3.1 An independent audit report of the West Coast Wilderness Trail project was requested by The Mayor following trail completion issues and this report was made available from Grant Thornton NZ Ltd on 19 August 2016. The trail audit report identified sound project management as being the single most important factor that will ensure completion of the trail is undertaken on time and on budget. This report has been made publicly available on Westland District Council website.
- 3.2 A detailed Project Completion Plan was prepared in August 2016 with assistance from Stuart Hughes of the Tasman Great Taste Trail and this report was presented to MBIE representatives on 25 August 2016. This meeting was very positive and the proposal was supported by MBIE. A copy of the Project Completion Plan is attached as **Appendix 1**.
- 3.3 The Project Completion Plan identifies five (5) outstanding milestones requiring completion before the trail can become an official Great Ride. This status enables further funding opportunities for future enhancements and also greater marketing potential for the newly established West Coast Wilderness Trails Trust. This Trust has been established to promote the trail and enable business and economic development opportunities to flourish around the trail.
- 3.4 While the Project Completion Plan gives a clear pathway for finishing the trail, of equal importance is a Project Management framework that clearly identifies roles, responsibilities, support systems, reporting and accountability frameworks. A project management framework is attached as **Appendix 2**.
- 3.5 Critical to the completion of the last five milestones of the trail is the appointment of a dedicated Project Manager. The Chief Executive is expecting to be in a position to make an announcement on this shortly.
- 3.6 Another element that is critical to the success of the completion of the trail is community and volunteer engagement. The West Coast Wilderness Trail Trust is integral to this. With the help of the Trust meetings have already been held with Council staff and people in the community who are interested in assisting Council with completing the trail. It is worth noting from the Project Completion Plan that there is a funding shortfall of \$240,000 for Option 1 on SH6, or \$470,000 for Option 2 through bushland. **Option 2 is the preferred option** to complete the trail. Council will rely on in-kind support from the local community to assist with bridging this funding gap. This support has started already.

- 3.7 The last part that will ensure the success of this part of the project, is financial management and accurate, timely financial reporting. The Group Manager: Corporate Services will ensure that the Finance Team have the capacity and capability to provide this support to the Project Manager.

4.0 OPTIONS

- 4.1 The options available to Council are that Council can choose to receive this report or not receive it.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This matter is of low significance as it merely provides Council with an update on progress on a project that is already approved and funded.

- 5.2 Engagement and consultation is not required.

6.0 RECOMMENDATION

- 6.1 **THAT** Council receives this report.

David Inwood
Operations Manager

Tanya Winter
Chief Executive



West Coast Wilderness Trail

PROJECT COMPLETION PLAN

August 2016

Plan Prepared by:	Plan Community Review by	Plan Reviewed by
David Inwood Operations Manager Westland District Council	Chris Steel Chairman West Coast Wilderness Trail Trust	Stuart Hughes Project Manager Tasman's Great Taste Trail On Behalf of MBIE

West Coast Wilderness Trail
Project Completion Plan

Executive Summary

Westland District Council is keen to complete the five outstanding major sections on the West Coast Wilderness Trail and other activities identified in MBIE's letter to council 13 July 2016.

Estimates prepared to achieve the Grade 2 standard indicate funding in addition to the sum held by MBIE of \$479,579 to complete the trail between \$225,500 and \$456,700 depending on the option selected for Item 4 – Mahinapua.

The desired completion date of December 2016 is considered unrealistic from a practical sense due to the various contract types, number of projects that need to be administered and consent processes to be fulfilled. A longer, staged project process would also assist with obtaining resources and funds. A newly established Project Group that includes enthusiastic locals to assist Westland District Council manage the overall project items needs time to establish and achieve the maximum use of volunteers, in-kind or mate's rates professionals, sponsorship and grants. The option for a dedicated Project Manager to oversee these construction works is being considered.

This Plan is therefore prepared on the basis of dividing the project items into two marketable sections of trail;

- Greymouth to Hokitika to be completed by mid-December 2016, and
- Hokitika to Ross to be completed by the end of August 2017.

The Plan also recommends the forestry route for Item 4, Hokitika Kiosk to Mahinapua Walkway subject to adequate funding being achieved for this more expensive option.

The funding requirement can be considerably reduced through the in-kind work and through prudent design and construction to at least avoid needing to use any of the contingency sum provided in the estimates. A reasonable amount of funding will still be required and WDC wishes to discuss options with MBIE to meet this requirement.

The resource consent applications and licence to occupy NZTA road corridor will be prepared effective immediately.

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1. Overview of Project Completion Plan

1.1. Introduction

- 1.1.1. There is a desire and need from the Westland District Council to complete the five outstanding major project items, as well as the other funded activities identified in the MBIE letter to council dated 13 July 2016. This correspondence identifies milestones that need to be completed to the sum of \$479,578.93 for the West Coast Wilderness Trail to be signed off by NZCT the trail must satisfy the funding deliverables and meet the Grade 2 standards.
- 1.1.2. The remaining funds available to Westland District Council will not cover the entire cost of the trail completion to be developed to meet the standard. This requires a further \$225,500 of funds or work in-kind. There is also a preferred alternative trail alignment for one of the five trail sections that has an additional construction cost in the order of \$231,500.

1.2. Summary of Approach

- 1.2.1. There is a significant amount of work to action and complete with an initial targeted deadline, as suggested by MBIE, of December 2016 for all five priority projects including consenting, consultation and physical works. The preferred and recommended approach is to target trail completion in its entirety between Greymouth and Hokitika by end of December 2016, and schedule the Hokitika to Ross section for project completion by August 2017. This seems to be a realistic schedule that will give time for a new Project Group to establish and the maximum use of volunteers. It is acknowledged that there may be some works that can be brought forward if the planning phases are unhindered.
- 1.2.2. Whilst the desirable outcome from a financial perspective is to build the trails at least-cost with least issues to meet the original timeline set by MBIE the more practical approach of determining realistic deadlines with the resources available needs to be considered. Based on the opportunity to have the trail signed off from Greymouth to Hokitika by Christmas 2016 this leaves a very difficult challenge to also have the rest of the trail between Hokitika and Ross completed in the same timeframe. There may be significant financial and community benefit by scheduling the latter sections for completion during 2017 as there are two trail sections that have off-road bush sections that could have community engagement. This needs the additional time to plan and then seek cost savings for in-kind work.
- 1.2.3 There are two trail sections that would be better aligned off the existing formed legal road reserves and these sites are Item 4 Mahinapua and Item 5a Paiere, Woodstock. Both of these alternative trail alignments will provide a better rider experience in bush zones and away from vehicular traffic.

2. Project Completion Plan

Five priority sections of trail are the focus of the Project Completion Plan. There are other items that should be considered but may need to fall into the category of future enhancements when funding can be acquired.

The five main sections of the trail have not been developed to the required Grade 2 standard but were works identified in the initial Funding Agreement. They are detailed in Appendix A and costed in the Appendix B estimates. In summary the five items area:

2.1. Item 1 - Taramakau to Greymouth-Kumara Tramway

The trail is currently on-road State Highway 6 from the Taramakau Bridge to Kumara Tramway Road. A new bridge and approach road is being built by NZTA in about two years. In the meantime 800m of trail on the grass and bush berm will be a temporary trail, but may provide added long-term benefit to riders wanting to access the river bed or potential future cafe. This is a busy section of road with high speed traffic. The last 250m of trail will be permanent, connecting the south end of the new state highway alignment that has a cycle trail on its east side. This section will be off-road pavement with an 80m boardwalk. A licence to occupy will be sought from NZTA, and form part of the formal 'Corridor Access Agreement' between Westland District Council and NZTA.

2.2. Item 2 – Hokitika-Kaniere Tramway

The current trail alignment is on Kaniere Road which is a busy sealed local road. The project proposal is to construct an off-road trail over 1,100m on an old Tramway alignment. The site has been inspected on behalf of Heritage NZ and a construction methodology has been devised in agreement with their agent, but needs to be formally documented. There are a number of bridge crossings and significant culverts that need to be installed on this trail alignment and resource consent is required from Westland District Council. The trail will provide an excellent local community shared path that links communities.

2.3 Item 3 – Hokitika Bridge to Golf Link Road

This is a busy section of State Highway 6 that currently requires riders to cross the highway twice when riding south and to share the road when riding north. It is proposed to construct a new off-road trail adjacent to the western boundary and next to a residential dwelling to eliminate any crossings on the highway. This trail is in the order of 250m in length and a licence to occupy will be sought from NZTA and form part of the formal 'Corridor Access Agreement' between Westland District Council and NZTA.

2.4 Item 4 – Hokitika Kiosk to Mahinapua Walkway

The trail is currently on-road State Highway 6 between the kiosk and walkway.

There are two options that have been considered to deliver the criteria expected from MBIE. The preferred route is Option B through Ngai Tahu estate, however, this has a greater construction cost and may take longer to complete than the less desirable State Highway 6 alignment.

Option A is a 2,400m pathway adjacent to the eastern boundary of State Highway 6. This alignment will have riders on a direct straight alignment for the entire distance with full exposure to the elements such as wind and rain. This outcome will meet the NZCT criteria, however provides a less than desirable experience for the rider. This option will require NZTA licence to occupy and an ongoing agreement with monthly fees payable to the landowner, Morrison at Mahinapua.

Option B is a 3,230m off-road bush trail passing through wetlands, Lake Tarlton and provides majestic views to the Southern Alps and Tasman Sea. Agreements will be required with the Hoppers and Ngai Tahu, and preliminary meetings with both parties have identified a willingness to collaborate at the earliest convenient time. The Ngai Tahu document will be based on the existing agreement with Department of Conservation and include the descriptive 'cycleway/shared path'.

2.5 Item 5 – Ruatapu

The trail is currently on State Highway 6 from Woodstock-Rimu Road to Paiere Road and it is proposed to relocate the trail onto the road berm over a distance of 2,000m. The project has been scheduled into two portions as there is a preferred off-road alignment along unformed road reserve for the first 228m, followed by 2,000m of trail within the State Highway 6 road reserve.

A licence to occupy will be sought from NZTA, and form part of the formal 'Corridor Access Agreement' between Westland District Council and NZTA.

2.6 Project Completion Plan Summary

- All construction costs are based on tender/contract rates and include a contingency and engineering cost at 20% each.
- There are no Project management costs included in the financials, however it is possible that the Engineering fees may be drawn on to secure a qualified person to fulfil this role, ensuring quality management and timely project delivery.
- There are no in-kind contributions shown in these estimates, however the cost apportionment detail is shown in Appendix B and Item 2.6 below.
- The Design standard for all work will be based on New Zealand Cycle Trail Design Guide, Grade 2 Off-Road standard.

The programme chart is as follows:

Item #	Description	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
1	Taramakau to Kumara Tramway Road												
2	Kaniere Tramway												
a	Shape Corrections												
3	Hokitika Bridge to Golf Link Road												
4	Hokitika Kiosk to Mahinapua Walkway – preferred forestry route												
5	Woodstock Road to Paiere Road SH6												
b	Boardwalk Mahinapua Walkway												

2.7 Priority Items Implementation Plan:

The following chart shows the funding requirement to complete at least the 5 main items identified based on available funds from MBIE and the balance from the Community. Note that there is no community funding commitment at this stage. Refer clause 3.1 on funding opportunities below.

2.7.1 Priority Items

Item	Description of Task	Completion Date	Status incl. Approvals, Consents and Land Access	Estimated Cost	MBIE Funding Available	Community Funding Required
1	Taramakau to Kumara Tramway Road	16 Dec 16	<ul style="list-style-type: none"> • Requires Licence to Occupy from NZTA. • Requires boardwalk building consents. • Risk – low. • Part temporary until new SH6 bridge and formation completed > 2 years. 	\$138,300	\$50,000	\$88,300
2	Kaniere Tramway	16 Dec 16	<ul style="list-style-type: none"> • Requires Resource Consent • Heritage NZ approval • Requires bridge building consents. • Risk – medium for delay and low for final approval • Good community support 	\$171,400	\$86,500 <u>\$32,500</u> \$119,000	\$52,400
3	Hokitika Bridge to Golf Link Road	31 Mar 17	<ul style="list-style-type: none"> • Requires Licence to Occupy from NZTA. • Risk – low. • Park single width in front of residence. 	\$37,000	\$25,000	\$12,000
4	Hokitika Kiosk to Mahinapua Walkway – SH6 Route	31 July 17	<ul style="list-style-type: none"> • Requires Licence to Occupy from NZTA. 	\$144,300	\$45,000 <u>\$66,500</u>	\$32,800

			<ul style="list-style-type: none"> • Risk – low. • Existing Risk – land agreement renewal – medium. 		\$111,500 <i>\$66k half of \$133k stage 2</i>	
5	Woodstock Road to Paiere Road SH6.	31 Aug 17	<ul style="list-style-type: none"> • Requires Resource Consent for first 250m. • Requires Licence to Occupy from NZTA. • Risk – low. • Risk of delay – medium. 	\$166,600	\$45,000 <u>\$66,500</u> \$111,500 <i>\$66k half of \$133k stage 2</i>	\$55,100
Total			<ul style="list-style-type: none"> • Total of 5. • Funds available for other items already completed. 	\$657,600	\$417,000 <u>\$15,100</u> \$432,100	\$240,600 <u>-\$15,100</u> <u>\$225,500</u> <i>Funds currently not available.</i>

	Preferred Alternative.					
4b	Hokitika Kiosk to Mahinapua Walkway – preferred forestry route	31 July 17	<ul style="list-style-type: none"> Two landowner approvals – initial support indicated. DOC and Heritage NZ approvals (bridge). Requires Licence to Occupy from NZTA. Risk – low – medium Route planning underway. Rough order estimate. 	\$375,500 <i>Note - \$231,200 more expensive.</i>		
Total	Alternative.		<ul style="list-style-type: none"> Total of 5 items. Funds available for other items already completed 	\$888,800	\$417,000 <u>\$15,100</u> \$432,100	\$471,800 <u>-\$15,100</u> <u>\$456,700</u> <i>Funds currently not available.</i>

2.7.2. Other Items:

Item	Description of Task	Completion Date	Status incl. Approvals, Consents and Land Access	Estimate Cost	MBIE Funding Available	Community Funding Required
1	Boardwalk and walkway upgrade on Mahinapua Walkway	DOC timing	<ul style="list-style-type: none"> Discussions with DOC Could be future enhancement 	Not assessed	\$20,000 \$6,250	Nil

2	Grade reduction on Findlays Road Hill and Kawaka Weir	16 Dec 2016	<ul style="list-style-type: none"> • Requires reassessment • Could be future enhancement 	Not assessed	\$27,500	Unknown
Total					\$47,500	Unknown

3. Critical Path Issues

3.1. Insufficient Funds and Funding Opportunities

3.1.1 Trust:

Whilst the West Coast Wilderness Trail Trust has only just been established it has been supportive of the project and involved with its promotion but it has not been involved in the trail development, the funding of development nor the issues associated. The Trust recently met with Westland District Council on 1 August 2016 to further progress this relationship.

This meeting was well attended by representatives of the Lions Club, Mountain Bike Club, DOC, contractors, interested people, Trustees and a WDC councillor, chaired by Chris Steel, chairman of the Trust and the 5 priority items presented by David Inwood, Operations Manager, WDC. The outcome of the meeting was very positive with a small skilled group to partner with the WDC development team to move forward with the project, particularly coordinating the work of volunteers and seeking to supply skilled support services at mate's rates such as management, planning and engineering. For example, a local retired engineer has taken on the task of preparing the Kaniere Tramway resource consent application.

3.1.2 Community:

The community has not been overly involved with the project to date. However, such organisations as the Lion's Club are keen to become involved and provide work in-kind. Local cyclists and members of the mountain bike club are also supportive.

3.1.3 Sponsorships, Grants, Naming Rights:

The project currently lacks resources dedicated to seeking funds and applying for grants from the various organisations such as banks, lottery and Development West Coast. This is a role that the Trust/WDC partnership group could establish. This not only applies to funds but also to structures in-lieu of funds such as toilets, shelters, interpretative signs, seats.

Naming Rights for track lengths or significant structures is another potential source for funds.

Once the trail has been approved as fully open by MBIE, the Maintaining Great Ride (MGR) enhancement funding is another opportunity for applications.

3.1.4 DOC:

The representatives of DOC voiced support at the meeting but also advised they did not have access to further funds. The maintenance on the Mahinapua Walkway will be undertaken within the next couple of weeks. The walkway has areas of surface mud that are difficult for cycles to pass through.

3.1.5 Contractors:

Contracts shall be prepared that provide for the maximum number of competitive tenders to be received. Some contracts would be for specific work such that smaller owner-operators also have the opportunity to price some of the work.

Larger contractors such as Westroads have undertaken much of the work to date and have good experience. They should be approached to undertake some of the major work at discounted rates in return for marketing recognition of their input. A manager at the Community meeting indicated that they would certainly consider this approach.

3.1.6 Tourism and Other Business Beneficiaries:

The Official Partners scheme should be promoted by the Trust for monetary support to complete the trail and ongoing annual contributions for marketing initiatives.

3.1.7 Track Design and Timing:

The trail design options should take account of construction methodology that can be undertaken by volunteers, sponsors, and community group or school projects. Using a timber bridge or boardwalk structure instead of large pipes through waterways enables much of the construction to be undertaken in-kind by such community groups as the Lions. For example, a 5m timber bridge that would cost \$10k under contract may only cost \$4,500 for the materials with labour free by skilled volunteers.

3.1.8 Summary

The Project Completion Plan focuses on future development and does not refer to previous work. The past costs and funding is subject to a review and audit currently being undertaken. This audit is due for release in mid/late August 2016.

Whilst the funds held by MBIE to complete each priority item is recognised there is still a significant sum required from the community to undertake the work. At this stage, this community funding is not secured and although considerable input from mate's rates, in-kind work, sponsorships and grants can be expected it is not likely to be realised immediately and may not result in the total funding required. A significant contribution from an

organisation or sponsor is needed to progress this Project Completion Plan within the suggested timeframe.

3.2. Priority Trail Development Items Identified.

The priority items that have been identified as essential to complete the trail to Grade 2 NZCT Standards are listed in section 2 above and detailed in Appendix A.

3.3. Land Access

There is a private Access Agreement required for one of the five priority trail lengths. There is an existing agreement for the Mahinapua Walkway access over Morrisons' land that is due for review in October 2016. If the new Mahinapua trail is formed over the bush alignment then there are two affected land owners, both having indicated they are supportive.

Two sections require resource consent that should be approved but depending on whether affected parties agree to sign the approval form will determine the time for approval. If agreements cannot be obtained and Council require a consent hearing the development will be delayed. At this stage, affected parties are willing to sign the form subject to conditions.

Heritage NZ have provided acceptable conditions for construction of the Kaniere Tramway and hence is likely to provide formal approval.

There are potentially four sections of trail on State Highway 6 berm that will require Licence to Occupy from NZTA. The applications should be a formality as most locations have separation from the road edge. One highway crossing will need detailed design to ensure a safe crossing at a location with sufficient visibility in each direction.

Although not part of the five priority items, a resolution in the dispute on access through "Cowboy Paradise" is an important task before the trail may be signed off as a Great Ride.

3.4. Resources and Approach to Development

The project to date has been resourced by WDC staff who have other full-time roles and who have neither reached out for assistance from the Trust, local organisations nor other people. The community has shown their support at the August public meeting held by the Trust and encouraged by WDC. Westland District Council recognises that it has not had the resources required to engineer and manage this project while maintaining control and audit of the funds, design and process.

The project requires wider community support and this was informally established at the public meeting.

It has been identified that a dedicated Project Manager is critical for the successful implementation of this project completion plan and options for this appointment are being considered by the WDC Executive team.

There is potential for an alternative to engage part-time personnel to share the project management process. This role would report to the Project Group and WDC, but may take some time to identify a suitable candidate and bring up to speed for the deliverables.

Financial control of the project plan will be provided by WDC Finance staff.

The Project Group will provide a service to WDC and therefore a consultancy type agreement (or Memorandum of Understanding) is required to ensure that roles and authorities are clearly identified.

Indemnity and liability insurance cover will also need to be examined and established for the Project Group and to cover volunteer work.

Communications between the Project Group and WDC will incorporate meeting weekly until the priority items are completed and then monthly to continue the process of achieving enhancements.

The Project Group could also focus and assist with community involvement and engagement to oversee the use of volunteers, avoiding where possible the use of expensive professional consultants. Some of the design techniques and ongoing maintenance items could be set up to compliment volunteers inputs including, sponsored materials, gifted structures, ownership of sections or structures or items (shelters, tables, information signs, etc).

3.5. Risks

Whilst there are many minor risks that have been identified the most significant risks are:

- Financial - lack of the balance of funds to complete the projects.
- Resource – necessity for a dedicated project manager to meeting timing criteria.

The estimated cost of the 5 priority sections of trail exceed the available MBIE funds by between \$225,500 and \$456,700 depending on the route options approved. There is no clear indication where these funds can be acquired and volunteer, in-kind and sponsorship funding that could be achieved is considered only a small percentage of the total. A grant close to the local funds required is therefore required from another funding source. At this stage the risk associated with not achieving the local funds required is high.

Another risk is timing to complete the project this calendar year, 2016. This is associated with planning and consents. Whilst the risk associated with obtaining approval of resource consent, building consent and NZTA licence to occupy is low, the time required is likely to delay the construction of at

least the two sections that require resource consent. This delay risk is high. If the forestry route option for section 4 is chosen, the construction will take at least a further 6 months into 2017.

3.6. Main Issue Solutions

As commented above the main issues are resources and/or timing. The preferred management solution to achieve MBIE's desire to complete the 5 priority projects by the end of this year, or even by August 2017 is to engage a dedicated Project Manager/Engineer.

Agreement is required on the delivery process before the resourcing can be finalised.

It is preferred and recommended that the outstanding trail projects be split into two marketable sections. The first being trail completion and signoff from Greymouth to Hokitika during December 2016 and then the Hokitika to Ross section by end of August 2017.

The staged signoff would greatly assist the Project Group to establish itself and to gain further buy-in from the community to identify volunteer opportunities and sponsorship.

The Greymouth to Hokitika section could be approved by NZCT, provided Items 1 and 2 (Taramakau and Kaniere Tramway) are completed and the Access Agreement is finalised with Cowboy Paradise.

It is unfortunate that the Hokitika to Ross trail would be delayed, however there are other benefits that can be achieved, including allowing more time to obtain volunteer inputs for the Mahinapua bush alignment and Woodstock bush alignment options.

The option to construct the trails in two stages extends the completion date of the Hokitika to Ross section into 2017. This is considered the only low risk solution for Westland District Council.

This Project Completion Plan is therefore developed accordingly.

4. Non-Essential Items Identified that do not meet Grade:

The following list of enhancements were identified in correspondence from NZCT dated 29 June 2016. These may be considered for action and funding once the priority items have been completed:

- Kaniere Road gravel shoulders (either seal or reroute the trail away from the road)
Note: this appears to have been actioned to a satisfactory standard.
- Emergency bridges over the weirs near Milltown.

Note: meeting was held between Trustpower and WDC on 29 July 2016 on-site to determine limitations associated with any work. Both bridges require 20m span.

- New Bridge over the Mahinapua Walkway, unless the trail is rerouted to avoid that bridge.
- Reroute 1 km on Old Christchurch Road.
- Interpretation boards along the trail.
- Replace portable toilets with permanent toilets.
- Reroute the trail around Pyramid Hill.
- Reroute the trail around Kaniere Township.

Declaration	
I declare on behalf of the applicant that I have read this Project Completion Plan for the West Coast Wilderness Trail submitting it to MBIE for approval;	
Sign:	
Print Name:	Tanya Winter
Title / Position:	Chief Executive, Westland District Council
Date:	18 August 2016

Key Contact Details	Name:	David Inwood, Operations Manager, Westland District Council
	Telephone number(s)	03 756 9032 021 087 93793 or 027 534 9307
	Fax	
	Email	david.inwood@westlanddc.govt.nz
	Postal Address	Westland District Council, Private Bag 704, Hokitika 7842

APPENDIX A: Item 1 TARAMAKAU - (SH6)

1. Description:

The existing trail alignment has an 800m section on State Highway 6, immediately south of Taramakau bridge to Kumara Tramway Road that is not formed, and hence does not meet the proposed Grade 2 standard for the West Coast Wilderness Trail (WCWT).

The most practical and preferred alignment is to construct a trail on the eastern side of State Highway 6 approximately 5m from the existing road edge line at a lower level than the road. This provides good separation from vehicles on a bush alignment, typically close to the power lines.

2. Summary:

A Grade 2 Off-Road trail to the design standards may be constructed by the end of 2016 alongside the state highway for a total item cost of \$138,000. This cost includes an estimate to construct an 80m timber boardwalk structure at the south eastern end of the project.

The risk associated with the State Highway proposal is low, although approval is required from NZTA to marry in with their future road design and bridge proposal (currently out to tender). This section of trail may become redundant at the end of the road project, with the exception of 250m at Kumara-Tramway end where the road will remain as an active carriageway. The trail at this location has challenging terrain and a timber boardwalk structure will be required to bridge approximately 80m of the 250m permanent trail at the top of a bank.

3. Land Ownership:

The proposed route is solely on the State Highway 6 road reserve eastern side berm. Hence, a Licence to Occupy is required from NZTA.

The adjoining land owner to the north east may re-establish a café type business in the future and the trail would provide good access to these premises and the river bed.

An issue that will arise when the new road is completed is KiwiRails' refusal to permit any formal crossing of the rail line in the future. Hence the first 550m through native bush will become a dead end route in the future unless there is a change in KiwiRail advice, or an alternative rail crossing option can be determined.

4. Approvals:

A Licence to Occupy is required from NZTA. The main detail criteria for approval is likely to be the alignment of the trail for its impact on the road project. There is sufficient separation between the road and proposed cycle

trail and this is not seen as a significant issue. This new trail may remain operationally unaffected for 2 years until the new road work is under way.

A resource consent is not required and adjoining land owner's permission is also not required.

5. Interested Parties:

Whilst formal approval is not required communication has been held with adjacent landowners, Cochrane/Molloy to update them on the proposal.

The future access for whitebaiters to the south western side of the bridge may become an issue if changes result in vehicles driving on the trail to provide access. Vehicle barriers may then be required.

Electronet has no objection to the trail alignment in the vicinity of the overhead powerlines.

6. Effects and Issues:

Any route that is within a busy state highway road reserve does not provide a good riding experience. In this case the issues include:

- State Highway traffic at 100kph.
- Over-taking lane on the south bound lane.
- No sealed shoulder on either side.

Most the issues will be addressed in the future with the NZTA road realignment and bridge project. The proposed short-term off-road trail would provide shelter from both vehicles and wind on a vegetated alignment.

Risks:

The following risks are noted:

- NZTA does not approve the route – Low Risk.
- Both Funding and Volunteer support is not successful to meet the timeline.

7. Alternatives:

There are no realistic practical alternatives, except do-nothing. It is not considered to be a satisfactory outcome to do-nothing, in the context of both rider safety and rider experience.

8. Construction Timeline:

The following timeline is based on funds available by the end of September to commit to construction that will be completed before Christmas 2016.

Week Ending ->	26-Aug	2-Sep	9-Sep	16-Sep	23-Sep	30-Sep	7-Oct	14-Oct	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec
Apply License to Occupy - NZTA																	
Consultation - Interested Parties																	
Prepare Specifications																	
Obtain Quotes																	
Construction- voluntary + contract																	

9. Plan:



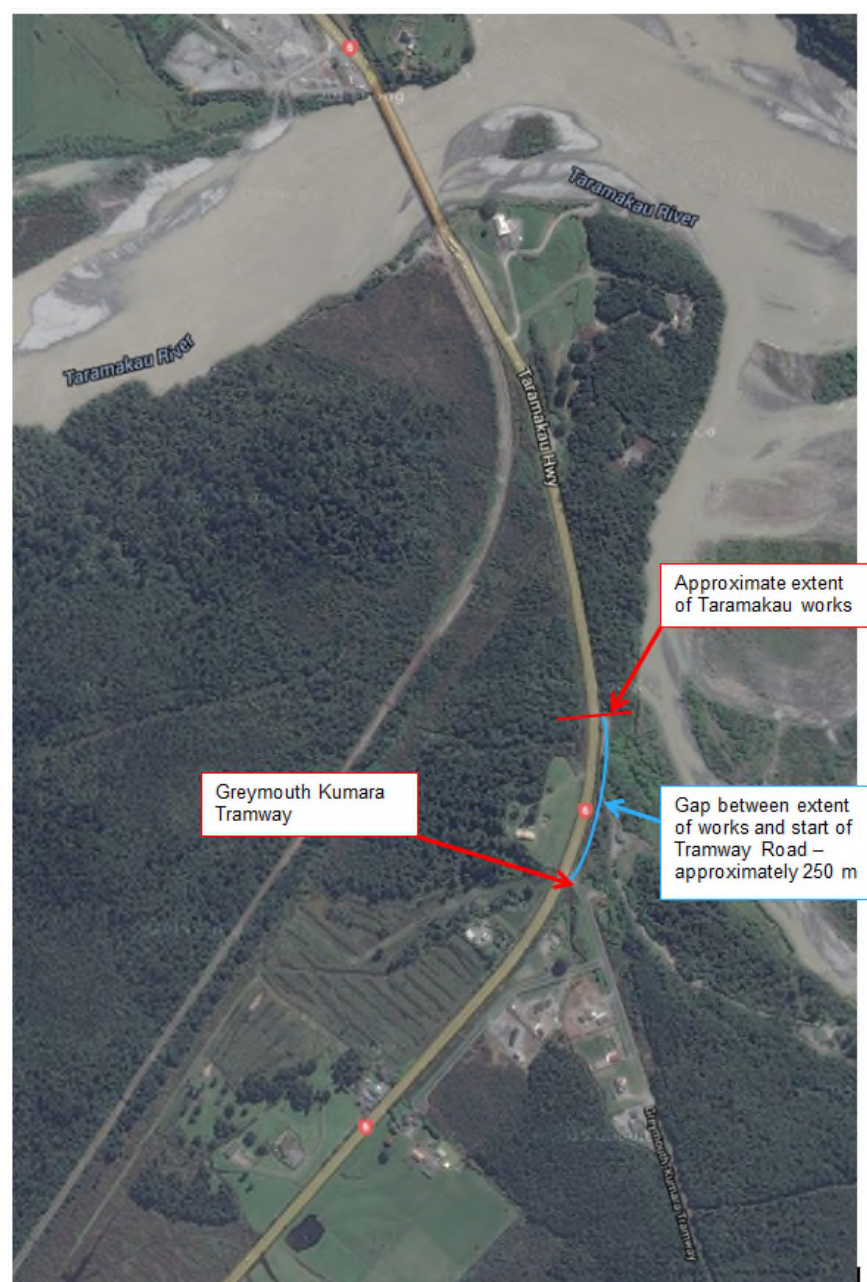
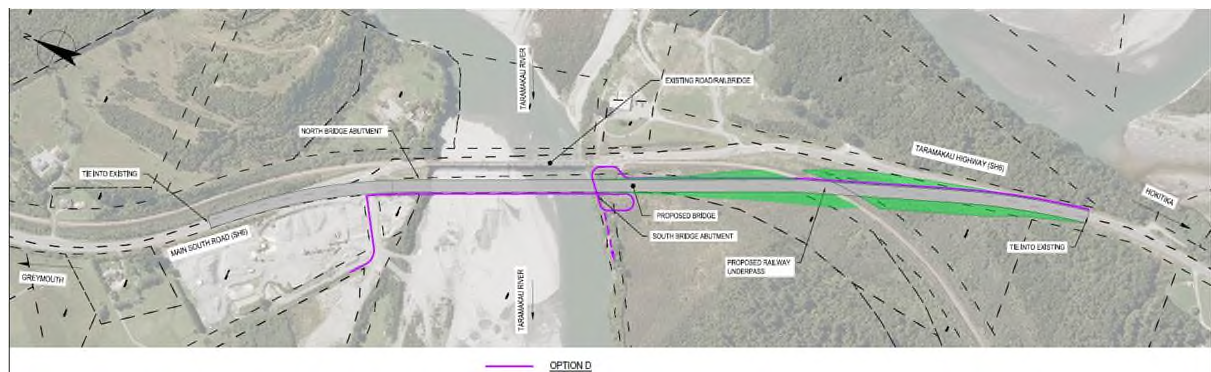
Scale 1:3000
Date 29/2/15

WCWT Route Taramakau along SHW 6

The information displayed on this map has been taken from Westland District Council's GIS and Databases. It is made available in good faith, but its accuracy and completeness is not guaranteed

WESTLAND
DISTRICT COUNCIL
Cadastral Data Derived from LINZ's CRS
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NZTA Bridge Project, Road and Cycleway



10. Photographs:



PROPOSED CYCLEWAY ALIGNMENT
CH: 900 to 1700



PROPOSED CYCLEWAY ALIGNMENT
CH: 900 to 1700



PROPOSED CYCLEWAY ALIGNMENT
CH: 900 to 1700





First Section – temporary on road berm



Second Section – temporary on road berm bush line.



Last Section – permanent cut, ramp and boardwalk



Last Section – permanent boardwalk

11. Detailed Estimates:

The estimated cost of this 800m section of cycleway is \$138,300. Refer to Appendix B for the estimate details.

APPENDIX A: Item 2 HOKITIKA-KANIERE TRAMWAY

1. Description:

The existing trail is on a busy local 80kph road and it is proposed to construct a new 1,130m cycle trail on unformed legal road adjacent to the Hokitika river. This was once an operational tramway.

Whilst there is an opportunity on the existing route for riders to cycle on a footpath for most of the existing trail it is inadequate for safety and connectivity as there are numerous driveways and is not considered to be the best practical alignment especially when an old tramway is readily available away from roads.

There is Heritage NZ status associated with this trail section.

2. Summary:

A Grade 2 Off-Road trail to the design standards may be constructed by the end of 2016 alongside the Hokitika river for a total item cost of \$171,000. This cost includes the possible need for 4 major culverts and 2 bridges.

The risk associated with the tramway alignment proposal is low, although there is a requirement for resource consent with Westland District Council and construction methodology endorsement by Heritage NZ.

3. Land Ownership:

The proposed route is almost entirely on unformed legal road reserve, of varying width. There are numerous adjoining property owners, most of which have already signed approval in principle for the trail as required for a resource consent (Restricted Discretionary Activity) to form the trail.

There are no known objectors to the proposal and there seems to be a willingness from all landowners to endorse the trail subject to a number of conditions.

4. Approvals:

A Resource Consent is required from Westland District Council (Restricted Discretionary Activity) as it is necessary to report the effects of the formation or construction and alignment of the road on a historic and archaeological site, amongst other effects.

A resource consent application is currently being prepared by a skilled volunteer, one positive result of the recent community meeting seeking support for the trail and its completion.

Heritage NZ has supplied their conditions of approval, none of which are considered an issue and do not significantly affect the planned construction methodology or timeliness of delivery.

5. Interested/Affected Parties:

Consultation has commenced with a number of the adjoining property land owners, as these parties will be involved in the 'limited notification' process. Some landowners have encroached onto the legal road area over time but this is not seen as a reason to object to the trail. Discussions with the landowners should result in acceptable solutions.

6. Effects and Issues:

Any route that is within an urban road reserve does not provide a good riding experience due to traffic, especially commuting vehicles, within an 80kph speed zone.

Potentially the main issue for this project relates to meeting the affected party's requirements within a reasonable time frame to allow construction to be completed by the end of 2016. The construction is simple and conducive to community involvement involving work in-kind, supply of discounted or donated products such as timber and the construction of timber bridges by groups or clubs.

7. Risks:

The following risks are noted:

- Resource Consent causes delay to project – Low Risk.
- Landowner issues to be addressed for realigning fences and installing new culverts and bridges – Medium Risk.
-

8. Alternatives:

There are no other practical alternatives other than enhancing the existing road route. The tramway is the most practical alignment that has considerable support from the community, not only for cycling but also as a desirable path to walk linking Kaniere and Hokitika. This project was incepted nearly 20 years ago and was identified for construction on this proposed alignment.

9. Construction Timeline:

The following timeline is based on funds available by the end of September to commit to construction that will be completed before Christmas 2016.

Week Ending ->	26-Aug	2-Sep	9-Sep	16-Sep	23-Sep	30-Sep	7-Oct	14-Oct	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec
Resource Consent Process																	
* Affected party's approval																	
* Application preparation																	
* Approval WDC																	
Historic Society form approval																	
Prepare Specifications																	
Obtain Quotes																	
Construction- voluntary + contract																	

10. Plan:



Proposed new Cycleway (shown in red)
Existing Cycleway (shown in yellow)

11. Photographs:



Hokitika-Kaniere Tramway – Southern end (road section)



Start of Proposed Off-road Cycle way at southern end of Hokitika-Kaniere Tramway



Adjacent to Church



Section through overgrown Tramway

12. Detailed Estimates:

The estimated cost of this 1,130m section of cycleway is \$171,400. Refer to Appendix B for the estimate details.

APPENDIX A: Item 3 - HOKITIKA BRIDGE TO GOLF LINK ROAD (SH6)

1. Description:

The existing trail has a 250m section on State Highway 6, immediately south of the Hokitika bridge to Golf Link Road that is not formed and hence does not meet the proposed Grade 2, Off-Road standard for the WCWT.

The quickest and safest solution is to construct a trail on the western berm of State Highway 6.

2. Summary:

A Grade 2 Off-Road trail to the design standards may be constructed early 2017 alongside the state highway for a total item cost of \$37,000. There are no land ownership permissions except from NZTA although gaining acceptance to the details from the adjacent homeowner is a desired objective.

The risk associated with the State Highway proposal is low.

3. Land Ownership:

The proposed route is solely on the State Highway 6 road reserve sloping western side berm. Hence, a Licence to Occupy is required from NZTA.

4. Approvals:

A Licence to Occupy is required from NZTA. As there is not state highway crossing and the alignment will have good separation there should be no issues for NZTA.

5. Interested Parties:

Whilst approval is not required it is prudent to consult with adjacent landowners especially the homeowner over the first 50m of the trail. The buffer of trees that protects the house from road noise may be retained with a single lane trail moving through the trees close to the boundary fence.

An alternative alignment on the eastern side of the State Highway is accessed at the start under the state highway road bridge on a formed track. The berm is wider and flatter but the cycle trail will need to cross the state highway at a four-way intersection which is not desirable.

6. Effects and Issues:

Any route that is within a busy state highway road reserve does not provide a good riding experience. In this case the issues include:

- State Highway traffic of about 2,500vpd at 100kph
- A short length of straight exposed trail often into head winds.

Small enhancements could be detailed, such as tidying up the tree area and planting further trees between the cycle trail and the house if a gap is created when forming the trail.

7. Risks:

The following risks are noted:

- NZTA does not approve the route – Low Risk.

8. Alternatives:

An alternative preferred route was considered and investigated through the farmland of Norm Gallop. This land is leased to Civil Aviation. The land owner was not in agreement for the trail to pass through his land, and therefore no further work conducted on the preferred alignment.

Another alignment option to the eastern side of the road required a crossing of the state highway and therefore not desired.

9. Construction Timeline:

The following timeline is based on funds available by the end of September to commit to construction that will be completed in the first half of 2017.

Month>	26-Aug	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Apply License to Occupy - NZTA	Completion Plan Approval by MBEI								
Consultation - Interested Parties									
Prepare Specifications									
Obtain Quotes									
Construction-voluntary + contract									

10. Plan:

Created By: David Inwood
Print Date: 1/08/2016
Print Time: 11:21 AM



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Original Sheet Size A4

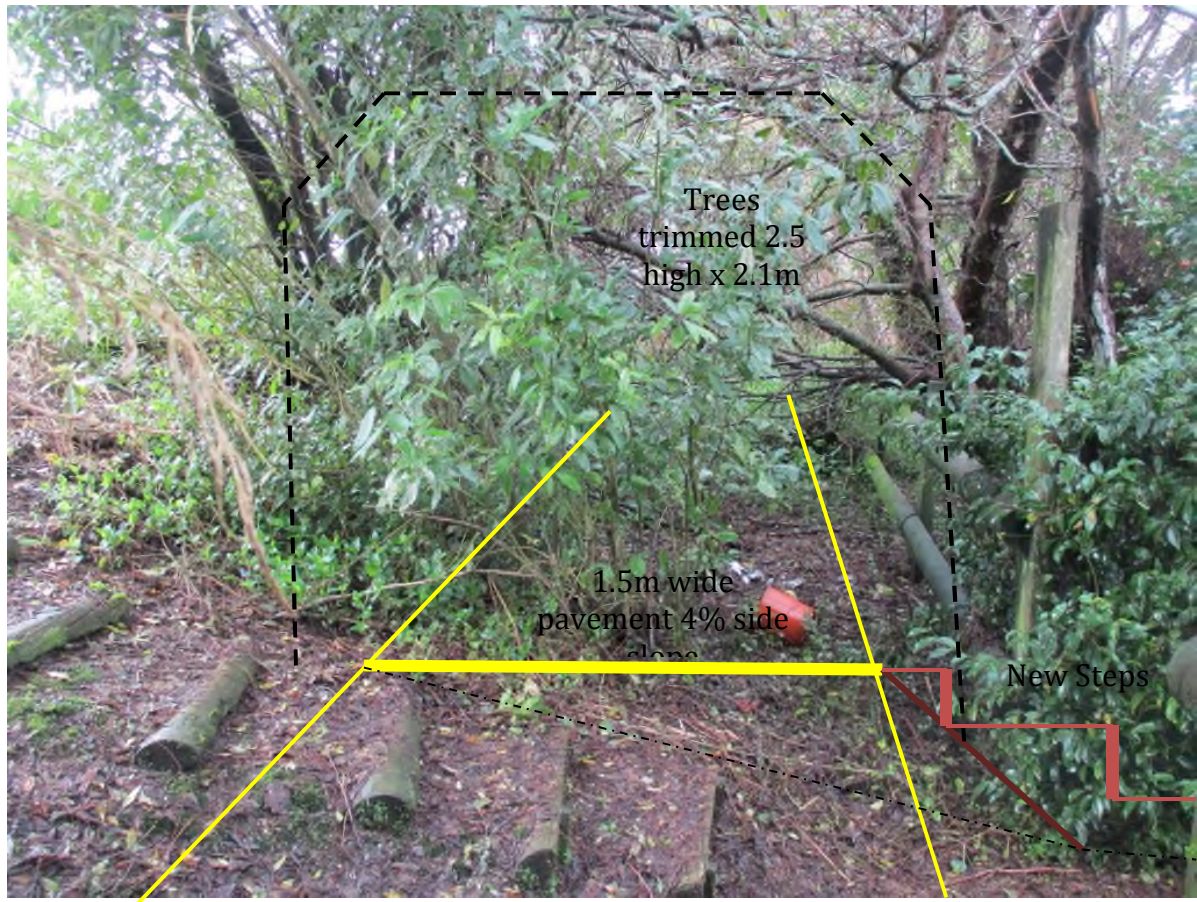
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The information shown on this plan may not be accurate and is indicative only.

The Westland District Council accepts no responsibility for incomplete or inaccurate information.

11. Photographs:



Cross section adjacent to house



Cross section adjacent to farm land.

12. Estimates

The estimated cost of this 250m cycleway trail section is \$37,000.

Refer to Appendix B for the estimate details.

APPENDIX A: Item 4 HOKITIKA KIOSK to MAHINAPUA WALKWAY

12. Description:

The existing trail has a 2km section where it meets State Highway 6 from the Golf Links Road track kiosk to the Mahinapua Walkway, that is not formed and hence does not meet the proposed Grade 2 standard for the WCWT.

The quickest and least cost solution is to construct a trail Option A on the wide berm of State Highway 6. Refer the Plan Section 9 below, yellow dotted route from "A" to "B".

An alternative, Option B, that would provide a superior trail experience, tracks over a historic rail bridge and through private land and forest but would be more expensive to build and the route traverses private property. Refer the Plan Section 9 below, light blue dotted route "A" to "C".

13. Summary:

Due to time constraints the two options shall be investigated in parallel with preference for the forest route despite the higher cost. Initial discussions with the two affected private landowners has identified that both parties have indicated general support subject to an agreed route. If either of the landowners is reluctant to commit to a trail through their property without thorough design details the route along the berm of State Highway 6 will need to be formed in the first instance to meet MBEL's targeted completion date.

A Grade 2 Off-Road 2,400m trail to the design standards may be constructed during the first half of 2017 as Option A alongside the state highway for a total item cost of OPTION A = \$144,300.

The Option B 3,230m trail through superior wetland and forest route is considered the best practical long-term outcome. The total cost for OPTION B = \$375,500

The risk associated with the state highway proposal is low although there is an existing landowner access issue with the trail connecting this section with Mahinapau which may also be considered an additional low risk. This issue and trail section would be removed if the alternative Option B, Ngai Tahu land route is formed.

The alternative Option B route is considerably superior will take time to form unless the landowners are immediately supportive. This option should be examined in parallel with the state highway route with an early cut-off for landowner approval before the final decision is made. Rough order estimated cost is \$375,500 compared with \$144,300 for the state highway option.

14. Land Ownership:

Option A is solely on the State Highway 6 road reserve wide eastern side berm. Hence, a Licence to Occupy is required from NZTA.

It should be noted that the connection of this trail to the Mahinapua Walkway is through private land that is subject to an Access Agreement that expires in October 2016. Refer the Plan below “B” to “C”. This Agreement is not secure, nor does it appear satisfactory to either party and is subject to a monthly fee.

Option B requires agreements with NZTA, Department of Conservation, Gavin & Cynthia Hopper and Ngai Tahu Forest Estates Ltd for this preferred alternative forest route to be established. If any one of the landowners show concern with this route WDC would need to complete the state highway route to meet the practical construction timetable required by MBIE albeit still into 2017. In any case, should the preferred route be approved the time period to completion will need an extension. Realistically, the period would need to be extended 6-9 months as shown on the program chart below. However, WDC would be reluctant to accept this route option if MBIE will not sign off on the trail in two sections, the first to Hokitika and the second to Ross as recommended herein.

15. Approvals:

A Licence to Occupy is required from NZTA for both options. The main detail is likely to be the road crossing at the start of this section of trail, albeit only during river flooding for Option B. The eastern berm is sufficiently wide to provide good separation between the road and trail.

Private Access Agreements are required for the preferred forest route as well as with DOC for the connection onto the Mahinapua Walkway, and there are no foreseen objectors to the proposal for option B.

16. Interested Parties:

Whilst approval is not required it is prudent to consult with adjacent landowners, especially the owner that provided access from the state highway to Mahinapua Walkway.

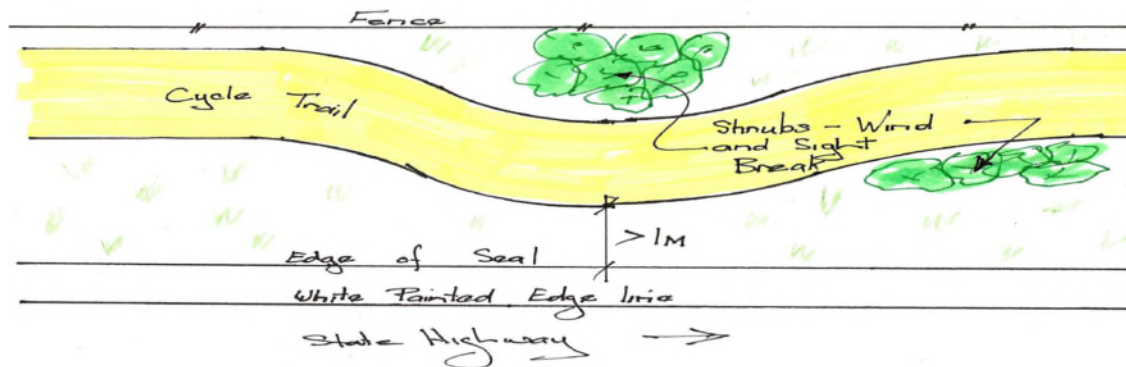
17. Effects and Issues – Option A - State Highway 6:

Any route that is within a busy state highway road reserve does not provide a good riding experience. In this case the issues include:

- State Highway traffic of about 2,500vpd at 100kph
- Straight exposed trail often into head winds.
- There is not shelter along the route.

The traffic on SH6 south of Hokitika is about 2,500vpd travelling at 100kph. Hence shoulder widening is not an option for a Grade 1-2 trail.

Small enhancements could be detailed for Option A, such as the provision of clusters of shrubs to break the straightness of the alignment but would be subject to NZTA approval who generally do not like vegetation close to the road. Reference the following sketch:



18. Effects and Issues – Option B - Preferred Forest Route:

This route will require detailed route planning to ensure the standards are met especially with regard to grade, width and structures. The first component is to obtain Access Agreement although there seems to be an agreement to the principle of an easement through the land at this stage.

Funding is recommended within this Trail Completion Plan to secure access along this route from the various landowners, including DOC, Hopper family and Ngai Tahu Forest Estates Ltd. If this occurs, the construction should revert to this option and additional funds approved.

19. Risks:

The following risks are noted:

- NZTA does not approve the route – Low Risk.
- Landowner agreement for the preferred route is not forthcoming (a) on time – medium risk and (b) in the future – low risk.
- Landowner for access to Mahinapua Walkway will not renew Access Agreement or will require less acceptable conditions – Low Risk.

20. Recommendation:

Every endeavour should be made to construct Option B through the Ngai Tahu forest. This option has complete support of the community, is far superior to Option A but is considerably more expensive. There is however a greater opportunity for volunteer construction work forming the trail through the forest.

21. Construction Timeline:

The following timeline is based on funds available to commit to construction of Option B that will be completed by the end of July 2017.

Month>	26-Aug	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Apply License to Occupy - NZTA	Completion Plan Approval by MBEI												
Access Agreements with Private Owners													
Prepare Specifications													
Call tenders and quotes for work													
Construction-voluntary + contract													

22. Plan:



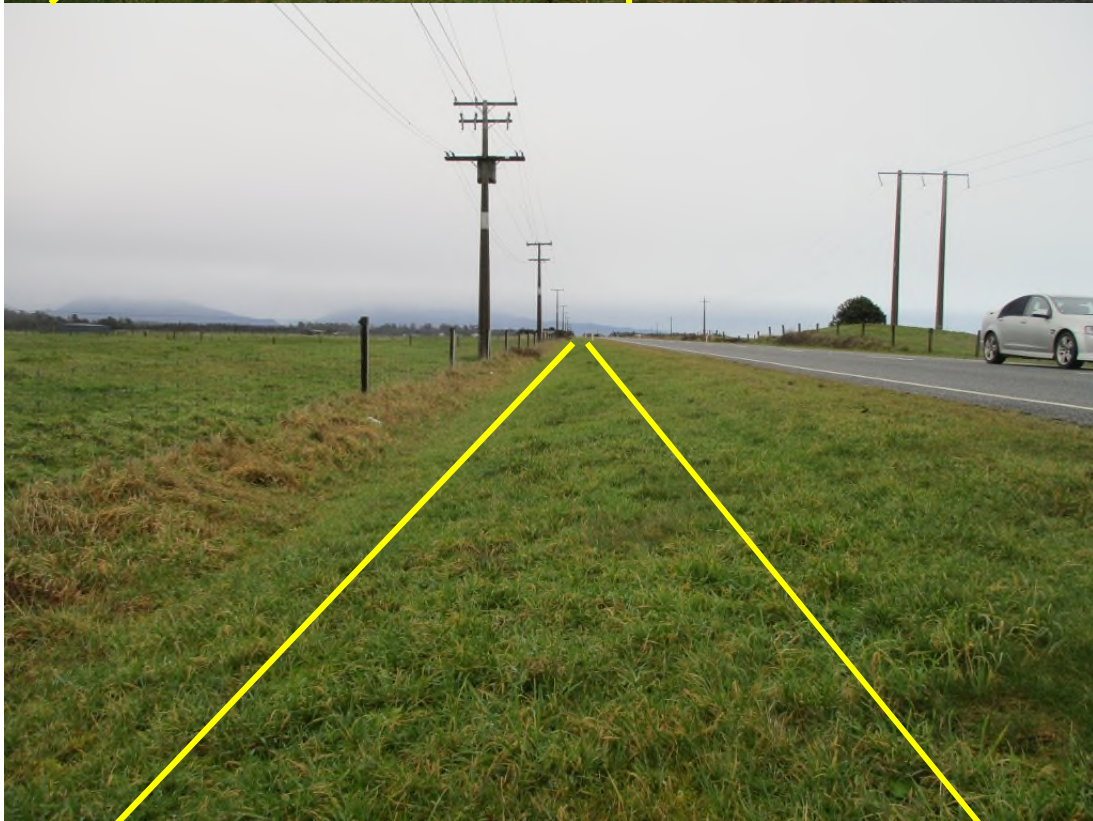
23. Photographs: -

- Option B - Preferred Route



Typical forest

- **Option A - State Highway 6**



24. Detailed Estimates:

OPTION A – State Highway 6 within road berm. Length 2,400m at cost \$144,300

OPTION B – Hopper Family and Ngai Tahu Estate. Length 3,230m at cost \$375,500

Refer to Appendix B for the estimate details.



Bridge in Option B

APPENDIX A: Item 5a RUATAPU - WOODSTOCK

1. **Description:**

The existing trail is a 2km section on State Highway 6. There is a 228m section of trail that can be constructed on unformed legal road through bush. Item 5a refers to this first section of the Woodstock Road to Paiere Road trail with item 5b to follow completing the item on the berm of State Highway 6.

2. **Summary:**

An Off-Road trail to the design standards may be constructed by the end of August 2017 between Woodstock Road and State Highway 6 for a total item cost of \$38,500 (of the \$166,600 total Item 5 costs), subject to resource consent approval and funding availability.

The risk associated with the proposal is low, although the resource consent has two affected parties.

3. **Land Ownership:**

The proposed route is entirely on unformed legal road reserve owned by Westland District Council.

4. **Approvals:**

A Resource Consent is required by Westland District Council for a Restricted Discretionary Activity.

5. **Interested Parties:**

There are two affected parties either side of the road reserve. These parties are Department of Conservation on the southern boundary, and Rod and Brenda Crossman on the northern.

A number of issues have been raised by the latter party and further negotiation is required.

6. **Effects and Issues:**

This alignment provides an excellent off-road experience through a short bush trail, which enhances the riders experience rather than riding on the road.

7. **Risks:**

The following risks are noted:

- Landowners do not approve the route delaying the work – Low Risk.

8. **Alternatives:**

The only alternative is to remain on the sealed roads for this section. This is not the preferred outcome and increases the on-road length by an additional 430m.

9. Construction Timeline:

The following timeline is based on funds available to commit to construction that will be completed by the end of August 2017 for item 5.

The timetable is based on formal sign-off from MBIE of the entire trail from Taramakau to Hokitika this calendar year, and projects that are located between Hokitika and Ross deferred until 2017 to allow better project management and planning.

The chart is for both Item 5a and 5b.

Month>	26-Aug	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Apply License to Occupy - NZTA	Completion Plan Approval by MBIE												
Resource Consent													
Prepare Specifications													
Call tenders and quotes for work													
Construction-voluntary + contract													

10. Plan:

Created By: David Inwood
Print Date: 1/08/2016
Print Time: 12:00 PM



Scale: 1:2000
Original Sheet Size A4

Projection: NZGD48 / New Zealand Map Grid
Bounds: 2338365.48772483, 5818261.88974799
2338754.44080057, 5818745.43896261

Sourced from LINZ data. Crown Copyright reserved. Not to be reproduced without permission of Westland DC.
The information shown on this plan may not be accurate and is indicative only.
The Westland District Council accepts no responsibility for incomplete or inaccurate information.

11. Photographs:



Typical bush area at Woodstock-Rimu Road



Typical Bush area mid-route

12.Estimates

The estimated cost of this section is \$38,500

APPENDIX A: Item 5b RUATAPU - PAIERE ROAD (SH6)

25. Description:

The existing trail has a 2,000m section on State Highway 6, between Woodstock Road and Paiere Road that is not formed and hence does not meet the proposed Grade 2 standard for the WCWT.

The best medium-term and least cost solution is to construct a trail on the wide berm of State Highway 6.

Refer to Appendix A: Item 5a for details on the first section on an unformed road for this section.

26. Summary:

A Grade 2 Off-Road trail to the design standards may be constructed by the end of August 2017 alongside the state highway for a total item cost of \$128,100 (of the total item 5 cost of \$166,600)

The risk associated with the State Highway proposal is low.

27. Land Ownership:

The proposed route is entirely within the State Highway 6 road reserve. There will be a crossing point along the route to alternate sides of the road. A Licence to Occupy is required from NZTA.

28. Approvals:

A Licence to Occupy is required from NZTA.

29. Interested Parties:

Whilst approval is not required it is prudent to consult with adjacent landowners. There has been no communication with neighbouring land owners at this stage.

30. Effects and Issues:

Any route that is within a busy state highway road reserve does not provide a good riding experience. In this case the issues include:

- State Highway traffic at 100kph
- Straight exposed trail often into head winds.
- There is no shelter along the route.
- There will be one state highway road crossing near Paiere Road.

31. Risks:

The following risks are noted:

- NZTA does not approve the route – Low Risk.

32. Alternatives:

There are no short-term alternatives to this trail proposal, however there are long-term investigations for trail alignment around Lake Mahinapua.

33. Construction Timeline:

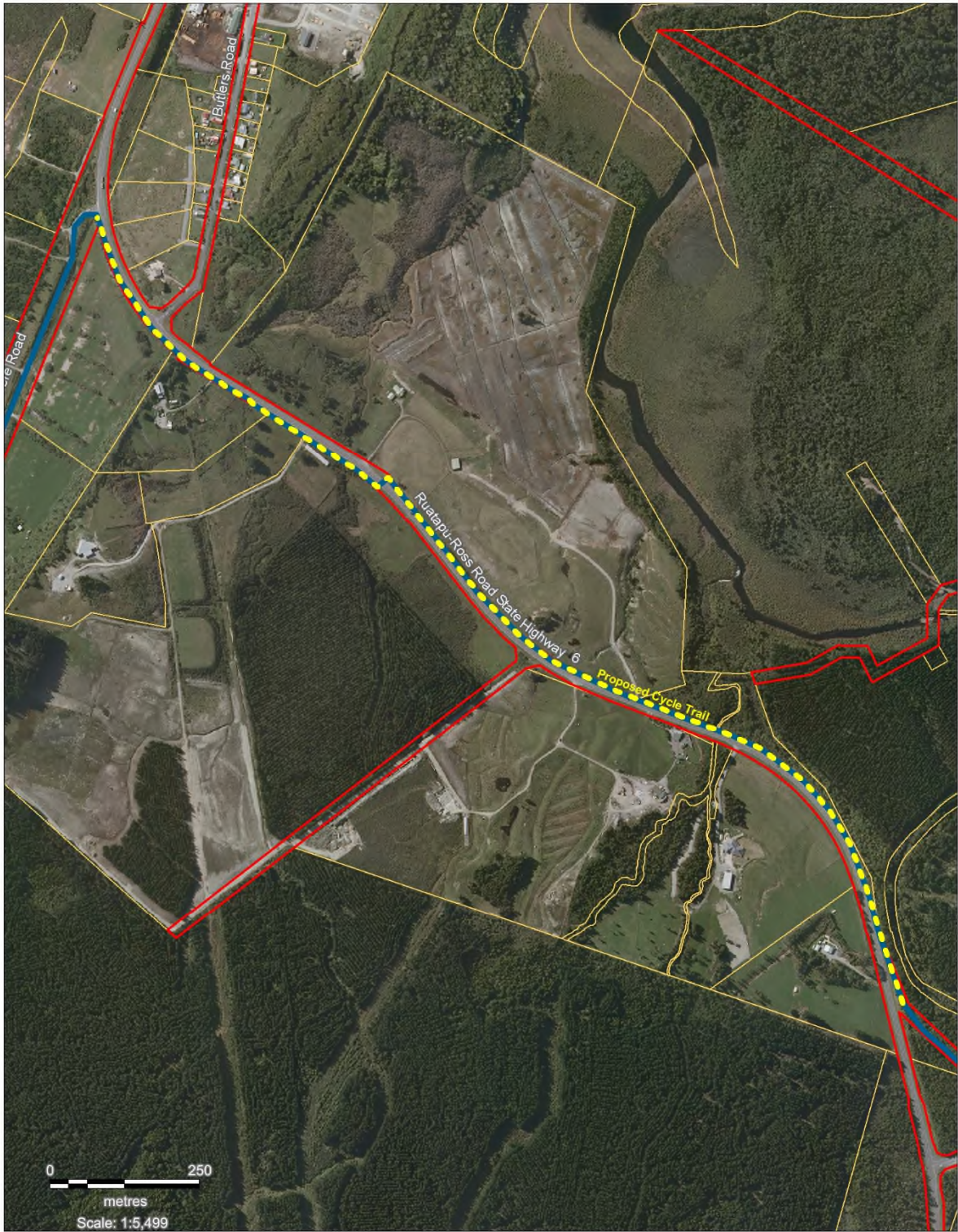
The following timeline is based on funds being available to commit to construction that will be completed by the end of November 2017.

The timetable is based on formal sign-off from MBIE of the entire trail from Taramakau to Hokitika this calendar year, and projects that are located between Hokitika and Ross may be deferred 2017 to allow better project management and planning.

The chart is for both Item 5a and 5b.

Month>	26-Aug	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Apply License to Occupy - NZTA	Completion Plan Approval by MBIE												
Resource Consent													
Prepare Specifications													
Call tenders and quotes for work													
Construction-voluntary + contract													

34. Plan:



Scale 1:5500
Date 13/10/15
WCWT Proposed route along SHW 6
Between Woodstock Rimu Road and Paiere Road

The information displayed on this map has been taken from Westland District Council's GIS and Databases. It is made available in good faith, but its accuracy and completeness is not guaranteed

WESTLAND
DISTRICT COUNCIL
Cadastral Data Derived from LINZ's CRS
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35. Photographs:



36. Detailed Estimates:

The estimated cost of this 2,000m trail section is \$128,100 (total cost for item 5 is \$166,600).

APPENDIX B – Estimate Chart

WEST COAST WILDERNESS TRAIL			0	1	2	3	4	5	6	7	8	9			10	11	12	13		Admin, Design, Consents, Supervise									
Rough Order Estimates			Existing Trail	Trail of Flat Area prepared	Sub-base Fill 200mm gravel	Special Earthworks	Removal of Vegetation	Removal of Trees	Board Walks no sides	Board Walks with sides	Bridge	Small Culverts	Large Culverts	Side Swales & Small Cross Drains	Various (road Crossings, toilets, etc)	Fencing	Deer Fence	Sign Posts	Sub-Total	Resource / Building Consent	Land Access - Legal & Survey	Contingency	Engineering Costs	Section Cost	MBIEs funds available				
Item	Description	Route Distance Metres	\$0.00	\$40.00	\$35.00	Varies	\$7.00	Varies	\$420.00	\$660.00	\$2,000.00	Varies	Varies	Varies	Varies	\$20.00	\$35.00	\$2.00		Varies	Varies	20%	20%						
1	Taramakau Bridge to Kumara Tramway	800																											
	Temporary Section grass verge	180		\$7,200														\$360	\$7,560										
	Temporary Section with bush	380		\$15,200	\$6,650	\$1,000	\$2,660			\$45,700								\$760	\$71,970	\$6,855	\$1,500								
	Permanent Section - end of NZTA works	240		\$9,600		\$1,500	\$1,680											\$480	\$13,260										
	TOTAL		\$0	\$32,000	\$6,650	\$2,500	\$4,340	\$0	\$0	\$45,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600	\$92,790	\$6,855	\$1,500	\$18,558	\$18,558	\$138,261		\$50,000			
2	Old Kaniere Tramway	1130																											
	Tramway Embankment	1115		\$44,600			\$7,805					\$4,500	\$10,000				\$4,000	\$2,230	\$73,135	\$10,970	\$1,500						\$86,500		
	Bridge Crossings	15				\$3,000		\$1,500			\$33,000							\$30	\$37,530	\$3,960							\$32,500		
	TOTAL		\$0	\$44,600	\$0	\$3,000	\$7,805	\$1,500	\$0	\$0	\$33,000	\$4,500	\$10,000	\$0	\$0	\$4,000	\$0	\$2,260	\$110,665	\$14,930	\$1,500	\$22,133	\$22,133	\$171,361		\$119,000			
3	Hokitika Bridge to Golf Link Road	257																											
	SH6 westside - within shrubs and trees	87		\$2,373		\$2,714	\$609	\$1,500							\$2,500			\$174	\$9,869		\$1,500								
	Grass Embankment	170		\$6,800		\$7,293								\$1,020				\$340	\$15,453										
	TOTAL		\$0	\$9,173	\$0	\$10,007	\$609	\$1,500	\$0	\$0	\$0	\$0	\$0	\$1,020	\$2,500	\$0	\$0	\$514	\$25,322	\$0	\$1,500	\$5,064	\$5,064	\$36,951		\$25,000			
4	Hokitika Kiosk to Mahinapua Walkway	2400																											
	SH6 Road Crossing	15	\$0	\$100											\$1,000			\$30	\$1,130		\$1,500								
	SH6 eastside	2385		\$95,400										\$716				\$4,770	\$100,886										
	TOTAL		\$0	\$95,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$716	\$1,000	\$0	\$0	\$4,800	\$102,016	\$0	\$1,500	\$20,403	\$20,403	\$144,322		\$45,000			
5	Woodstock Rimu to Paiere Road SH6	2228																											
	Old Road Formation	228		\$9,120	\$7,980		\$1,596					\$3,000			\$1,000			\$456	\$23,152	\$4,630	\$1,500								
	SH6 to Paiere Road	2000		\$80,000									\$5,000		\$2,500			\$4,000	\$91,500										
	TOTAL		\$0	\$89,120	\$7,980	\$0	\$1,596	\$0	\$0	\$0	\$0	\$3,000	\$5,000	\$0	\$3,500	\$0	\$0	\$4,456	\$114,652	\$4,630	\$1,500	\$22,930	\$22,930	\$166,643		\$45,000			
1 to 5 incl	TOTAL	6815	\$0	\$270,393	\$14,630	\$15,507	\$14,350	\$3,000	\$0	\$45,700	\$33,000	\$7,500	\$15,000	\$1,736	\$7,000	\$4,000	\$0	\$13,630	\$445,445	\$26,416	\$7,500	\$89,089	\$89,089	\$657,539		\$284,000			
			Note 1. shaded number is suitable for volunteer in-kind or sponsored work.										Note 2. shade number is WDC in-house cost - in part or full - some could also be in-kind/mate's rates.										Total per Metre		\$96.48	\$133,078	Hokitika - Ross Stage 2		
	Preferred Option																					Short Fall	\$240,461	\$417,078					
4b	Hokitika Kiosk to Mahinapua Walkway	3230																											
	SH6 Underbridge Crossing	63		\$2,520	\$2,500													\$126	\$5,146										
	SH6 Road Crossing Flood Option	140		\$5,200	\$2,500										\$1,000			\$280	\$8,980		\$1,500								
	Historic Bridge Crossing	72									\$18,000							\$144	\$18,144										
	Land Edge Swamp Length	542		\$19,280			\$949		\$25,200			\$1,500		\$500		\$3,000		\$1,084	\$51,513	\$5,000	\$2,500								
	Forestry Route	2553		\$102,120	\$22,339	\$5,000	\$17,871	\$2,500			\$10,000	\$3,750	\$5,000	\$2,553				\$5,106	\$176,239		\$2,500								
	TOTAL		\$0	\$129,120	\$27,339	\$5,000	\$18,820	\$2,500	\$25,200	\$0	\$28,000	\$5,250	\$5,000	\$3,053	\$1,000	\$3,000	\$0	\$6,740	\$260,021	\$5,000	\$6,500	\$52,004	\$52,004	\$375,530					
																								Total per Metre	\$116.26				
1 to 5 incl	TOTAL - with Preferred item 4	7645	\$0	\$304,013	\$41,969	\$20,507	\$33,170	\$5,500	\$25,200	\$45,700	\$61,000	\$12,750	\$20,000	\$4,073	\$7,000	\$7,000	\$0	\$15,570	\$603,451	\$31,416	\$12,500	\$120,690	\$120,690	\$888,747		\$284,000			
																								Total per Metre	\$116.25	\$133,078			
																								Short Fall	\$471,669	\$417,078			



West Coast Wilderness Trail – Project Initiative

Appendix 2

WEST COAST
WILDERNESS TRAIL

GOVERNANCE

Project Sponsor

Westland District Council (Control)

Trail Owner

- Developer
- Banker
- Bylaw
- Project Management

Indemnity
Health & Safety
Public Liability

TRAIL PROJECT TEAM

- (Charitable Status, Landowner Discussions)
PROJECT/EXPERT ADVISORY GROUP
- Project Management Planning
 - Build Trail
 - Prepare Applications
 - Reporting

IMPLEMENTATION TEAM

- Contractors
- Volunteers
- Lions Club
- Heritage Hokitika

WEST COAST WILDERNESS TRUST

- Market Trail
- Fundraise

TRAIL MAINTENANCE TEAM

- Maintain Trail
- Asset Management

NZ CYCLE TRAIL (MBIE)

- Design Code
- Audit
- Funding

Consultancy Agreement

MOU

Contract 2016-17-07

Admin

Funds
Reports