

# Report



**DATE:** 25 September 2014

**TO:** Mayor and Councillors

**FROM:** Community Development Advisor

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## **MDI EXPRESSIONS OF INTEREST**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to present the recommendations of the Project Control Group (PCG) regarding prioritisation of Expressions of Interest for Major District Initiative (MDI) funding.
- 1.2** This issue arises from Development West Coast (DWC) funding of \$100,000 made available each quarter for Major District Initiatives in the Westland District.
- 1.3** The matter has come to Council's attention because after 31 December 2014 there will be additional funds available from Development West Coast to draw down for Major District Initiatives in Westland.
- 1.4** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities	A Project Control Group recommending funding for potential projects in Westland.

- 1.5 This report concludes by recommending that Council immediately allocates MDI funding to the two top-ranked projects and considers a range of other recommendations from the PCG, including: deferring allocation of MDI funding to other projects so that further discussion and work can take place relating to those projects; considering the use of future MDI funds for a new Hokitika Swimming Pool Complex, Hokitika Museum extension and a Hokitika Sports Hub; and agreeing that the PCG will meet again after the end of the current financial year to re-assess potential projects and/or consider new proposals with the view of making new recommendations to Council.

## 2.0 BACKGROUND

- 2.1 The available funds under MDI for drawdown by Westland District Council as at 30 September 2014 is \$1,426,576. This amount, which is topped up by \$100,000 per quarter until 2022, will go towards DWC-approved funding of \$455,000 for the proposed Hari Hari Community Centre, \$1,000,000 for the proposed Fox Glacier Community and \$30,656 for Donovan's Store Restoration at Okarito.

<b>Westland District MDI Funding</b>	<b>\$Approved/Available</b>
Committed funds to date	\$2,659,082
Uncommitted funds available to 2022	\$4,040,918
<b><i>Total</i></b>	<b><i>\$6,700,000</i></b>

- 2.2 To ensure a fair process around the allocation of the approximately \$4 million of uncommitted funds, Council called for Expressions of Interest for new projects in the Westland District, with a closing date of 30 June 2014. Nine community groups expressed an interest in MDI funding, discussed it with the Community Development Advisor and submitted Expressions of Interest. A brief description of each of these proposed projects can be found in **Appendix 2**.
- 2.3 At the 24 July 2014 Council meeting, it was agreed to establish a Project Control Group (PCG) to prioritise projects that have expressed interest in MDI funding, using Development West Coast's Facility Proposal Assessment Tool.

## 3.0 CURRENT SITUATION

- 3.1 The MDI Project Control Group, as appointed by Council, and using the DWC Facility Assessment Tool, met on 15 September 2014 and agreed on the following prioritisation of potential projects:

**Table 1: Recommended prioritisation of Expressions of Interest from the MDI Project Control Group**

<i>Order of Priority</i>	<i>Proposed Project</i>
1 <sup>st</sup>	Kidsfirst Kindergarten at Franz Josef Glacier
2 <sup>nd</sup>	Ross Community Hall Enhancement
3 <sup>rd</sup>	Kaniere Community Hub at Kaniere School
4 <sup>th</sup>	Hokitika Riding for the Disabled Project
5 <sup>th</sup>	St John's/DHB Facility at Haast
6 <sup>th</sup>	Westland High School Gym upgrade
7 <sup>th</sup>	Kumara Residents Trust Chinese Gardens
8 <sup>th</sup>	Hokitika Hockey Club Astroturf Playing Surface
9 <sup>th</sup>	Hokitika-Westland RSA proposed facility

- 3.2** In addition to prioritising the Expressions of Interest that were received, the Project Control Group agreed that Council also needs to consider setting aside future MDI funds for a new Hokitika Swimming Pool Complex, an extension of the Hokitika Museum, and a Hokitika Sports Hub. The PCG felt that, aside from the top two ranked projects above, MDI funding allocation should be deferred at this time to allow for more discussion of these ideas as well as the other Expressions of Interest.

#### **4.0 OPTIONS**

- 4.1** That Council allocate no MDI funding at this time to any potential projects.
- 4.2** That Council only allocate funding for the first two proposed projects in the table above, and that the other seven projects be deferred at this time, so that more discussion can take place as per the PCG's recommendations.
- 4.3** That Council allocate funding at this time to more projects than the first two above, against the PCG's recommendations but in order of the PCG's prioritisation.
- 4.4** That Council not accept the recommendations of the Project Control Group in terms of prioritisation, and essentially re-prioritise the Expressions of Interest.

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

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

- 5.2 The public should be invited to make submissions on the MDI projects Council approves, as per DWC policy, before formal applications are made by Council to DWC for MDI funding approval.

## 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 If no MDI funding is allocated at this time, the advantage is that Council is not exposed to any risks or responsibilities in terms of project over-runs or on-going costs, which DWC requires the Council to cover if necessary. The disadvantage is that projects deemed worthy by the PCG cannot proceed, and MDI funding will be unused. This is not a preferred option.
- 6.2 If funding is allocated at this stage only for Kidsfirst Kindergarten and the Ross Hall Enhancement, the advantages are that this follows the recommendations of the PCG, which are based on an assessment using the DWC's assessment criteria, and these projects can proceed. The disadvantage is that it reduces the amount of funding available for other projects, but the PCG is comfortable with this, given the amount of funding still available between now and 2022. **This is the preferred option.**
- 6.3 Approving allocation of MDI funding for more than the top two projects has the advantage of potentially advancing progress on additional projects. However, the disadvantage is that it goes against the PCG's recommendation that further discussion and investigation take place on these projects as well as the ideas relating to a new swimming complex, museum extension and sports hub. It would reduce the flexibility and availability of funding for any other projects. This is not a preferred option.
- 6.4 Disregarding the recommendations of the PCG altogether and re-prioritising the Expressions of Interest would give Council the most flexibility at this stage. However, it would go against the recommendations of a group that was specifically set up to make recommendations to Council, using the DWC Facility Assessment Tool. The questions asked by the Project Control Group are listed in **Appendix 3**. The PCG arguably has conducted more of an in-depth analysis of the Expressions of Interest than the Council has. This option is not recommended.

## 7.0 PREFERRED OPTION(S) AND REASONS

- 7.1 The preferred option is that Council accepts the recommendations of the MDI Project Control Group and allocates funding at this time to the top two projects only, with the other seven projects being deferred at this time so that more discussion can take place as per the PCG's recommendations. The reasons are outlined above and relate primarily to the robustness of the PCG's process.

They have used the DWC Facility Proposal Assessment Tool for information gathering and prioritising of facility needs within the Westland District.

## 8.0 RECOMMENDATIONS

- A) **THAT** Council receives the recommended prioritisation by the MDI Project Control Group, contained in Table 1 of this report, of Expressions of Interest for MDI funding;
- B) **THAT**, consistent with the requirements of Development West Coast, Council consults with the community on the proposal to allocate and apply to Development West Coast for \$300,000 of MDI funding for the Kidsfirst Kindergarten at Franz Josef Glacier and \$72,000 for the Ross Community Hall Enhancement.
- C) **THAT** Council considers the following additional recommendations from the MDI Project Control Group:
  - i. That Council ask the Kaniere Community Hub for more detail on how the community would benefit from their proposed project.
  - ii. That the Riding for the Disabled be asked to develop detailed plans for future consideration.
  - iii. That Council ask that the proposed St John's facility at Haast only proceed if a joint venture can be worked out with the District Health Board (DHB).
  - iv. That Westland High School be asked for more detail on how the community would benefit from their proposed project.
  - v. That the Kumara Residents Trust, HHC and Hokitika –Westland RSA not be allocated any MDI funds in this current financial year but be asked to consider alternative options.
  - vi. That the Hokitika Hockey Club be asked to look at other funding options as well and to consider how they would fund on-going maintenance of an astroturf surface.
  - vii. That Council consider setting aside future MDI funds for a new Hokitika Swimming Pool Complex, Hokitika Museum extension and for a Hokitika Sports Hub.

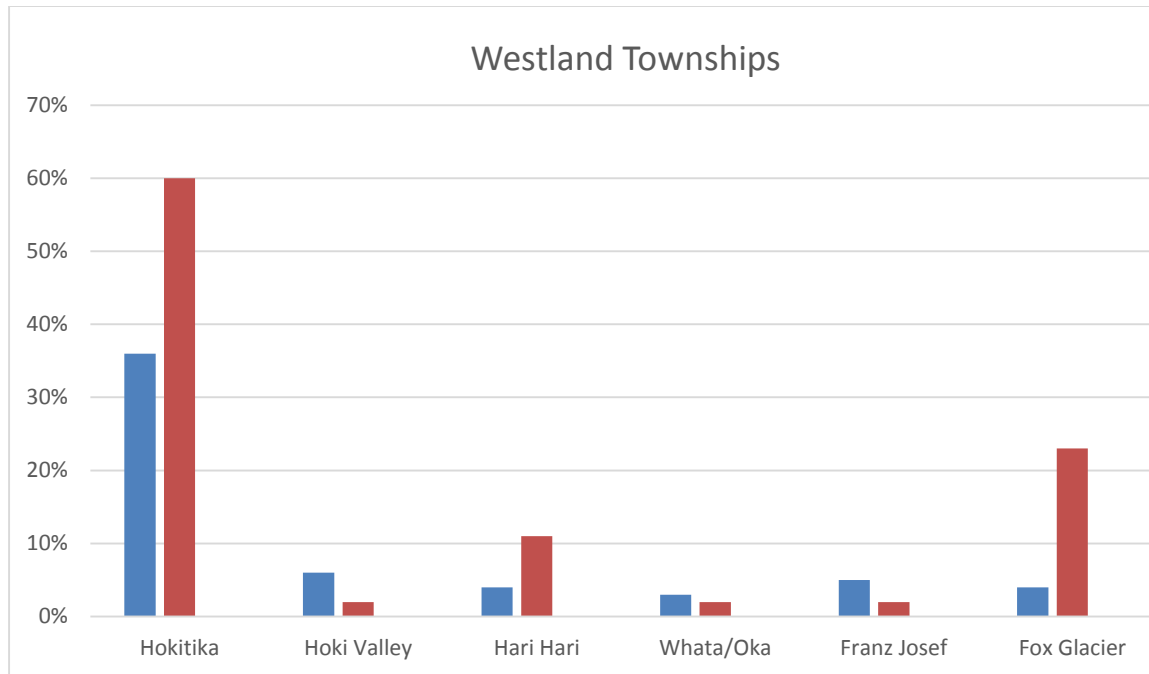
- viii. That the Project Control Group meet again after the end of the current financial year (1 July 2015) to re-assess potential projects and/or consider new proposals with the view of making new recommendations to Council.

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

- Appendix 1:** Top Class Infrastructure for all Westland Communities
- Appendix 2:** Brief Background/Description of Potential Projects Submitted as Expressions of Interest
- Appendix 3:** DWC Facility Proposal Assessment Tool Questions

## Appendix 1

A comparison of which Westland communities have benefited from MDI funding to date to either build new community facilities or to upgrade existing community facilities.



Places that have received MDI funding:

**% of Westland's population**

**% of MDI funds received and/or approved**

**Note:**

1. No MDI funds have ever gone to Kumara, Ross or Haast.
2. Whataroa has been included with Okarito.
3. The Hokitika Gorge Project is in the Hokitika Valley.
4. Population is the normal resident population as at the 2013 Census.

## Appendix 2:

### 1. Kidsfirst Kindergarten at Franz Josef Glacier

In 2010 the idea of a licensed early childhood facility was first mooted in Franz Josef by a group of parents. A community needs survey was carried out in 2011 with more than 50 respondents from Franz Josef, Whataroa, Fox Glacier and Hari Hari representing 80 children. All major employers in this area spoke of the struggle to attract staff due to lack of childcare. There are no teacher-led early childhood education services in or around Franz Josef, the closest is in Hokitika which is 148 kms away. Construction has already commenced in Christchurch and the Kindergarten is expected to open in March, on a site next to the Franz Josef School. MDI funding being sought up to \$300,000.

### 2. Ross Community Hall

In 2007 the Ross Community Association noted that the roof was leaking badly and events which would have used the hall have been unable to use it because of the dampness and mould. The on-going patching has not rectified the problem. The kitchen has been discussed and planned since the early 2000's. The hall has been assessed for earthquake risk. MDI funding being sought: \$72,000.

### 3. Kaniere Community Hub

There has been increasing pressure from parents to provide a large covered space for children. Kaniere School has no space large enough to accommodate children or their families for school gatherings. There is no local community space within easy walking distance and the nearest hall is 5kms away. It will be a unique space designed for modern meeting/conference requirements and community use. MDI funding being sought: \$350,000.

### 4. Riding for the Disabled

Having started in 2010, membership has grown steadily and now RDA want to develop an area which is protected from the weather. They are looking at an indoor area approximately 25x50 metres. Their clients include children and adults with varying disabilities. The programme is unique on the West Coast. Their Expression of Interest needs to be developed into an application in the future.

### 5. St John's /DHB Facility at Haast

St John approached WDC in 2008, seeking lease of Council land in Haast village for a new ambulance station/health clinic. Council at the time agreed in principle. In 2013, Council confirmed the lease of part of its reserve land in Haast village to St



John. Late in 2013, the DHB again restructured and the project has stalled. The project is recommended for the future if it can be a joint venture with the DHB.

6. Westland High School Gym upgrade for sporting and recreational activities

Built in 1967 and extended in the early 1980's, this gym facility needs an upgrade. It is anticipated that this will also include a reseal and upgrade of the netball courts, with the possibility of an astroturf, refurbishment of the gymnasium and a refit of the storage facilities, changing rooms and ablution block, upgraded seating and insulation/ventilation provision. The scope has not yet been priced in detail.

7. Kumara Residents Trust Chinese Gardens

The proposed project is a collaboration of the Kumara community and the Chinese community of Guangdong province. The vision is to honour the Chinese of the past, celebrate the present Chinese who are here and the part they play in the West Coast economy and signal a way to the future. The Trust has contracted Totara Valley Landscape and Tile Ltd to design the Garden and manage the construction.

8. Hokitika-Westland Branch RSA

The present building is about to be demolished because of earthquake risks. It was built in the 1930's and is Council owned. The Centre has been the home to the RSA Club for 80 years. This project scored the lowest on the scale in answering the questions below.

### **Appendix 3:**

1. Will the facility contribute to the local and/or regional economy?
2. Is there a significant level of unmet need for the project in Westland?
3. Has there been a long-standing need with some ongoing momentum for the facility?
4. What are the estimated participation levels in the activity or activities to be undertaken at the proposed facility?
5. Does the proposal address the participation levels of key identified groups?
6. Does the proposal have the potential to enhance the active participation?
7. Does the proposal take into account trends in recreation?
8. Does the proposal take into account Westland's demographic and growth trends?
9. Does the organisation have the infrastructural capability to sustain and manage the facility?
10. Does the proposal have flexible operational capabilities?
11. Will the proposed facility enhance community and individual well-being?
12. Does the project have negative impacts?

# Report



**DATE:** 25 September 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: Planning, Community & Environment

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## LTP VISION AND FORECASTING ASSUMPTIONS

### 1.0 SUMMARY

- 1.1** The purpose of this report is to seek Council approval of a new Vision and relevant forecasting assumptions, as part of the preparation of the draft Long Term Plan (LTP) 2015/25.
- 1.2** This issue arises from the August Council workshop on the new LTP, at which the new Vision and forecasting assumptions were considered.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 to introduce a Long Term Plan 2015/25. The matters raised in this report relate to those elements of the current LTP vision as identified:

<b>Vision's Objectives</b>	<b>Achieved By</b>
Having inspirational leadership	It is a role of the Mayor and Council to set the strategic direction of Council. This starts with a vision statement.

- 1.4** This report concludes by recommending that Council adopt the new Vision and the forecasting assumptions (as attached) for use in the draft LTP 2015/25.

### 2.0 BACKGROUND

- 2.1** The Council is currently preparing the LTP 2015/25. A preliminary step is to review elements of the LTP framework, including the Council Vision and the assumptions that Council want to utilise.
- 2.2** It is a legislative requirement that forecasting assumptions are stated in a Council's LTP.

- 2.3 It is a legislative requirement that community outcome statements are included in the Council's LTP. The Council has previously chosen to utilise a 'Vision' as its community outcome statements.
- 2.4 If Council adopts these new provisions at this time, it will provide certainty and stability for the next stages of developing the LTP.

### **3.0 CURRENT SITUATION**

- 3.1 The community has previously identified the need for the Council to develop a Vision which more accurately reflects the new challenges the Council has when planning its business for the next ten years. It is also appropriate that a newly elected Council undertake this exercise for a new LTP.
- 3.2 Forecasting assumptions underpin Council's decisions about how to deliver its services. These are the known (or estimated) external influences that will impact on how the Council should deliver its services in Westland.

### **4.0 OPTIONS**

The Council can:

- 4.1 Adopt the new Vision and forecasting assumptions (as attached to this report).
- 4.2 Choose to adopt alternative or amended versions of the attached Vision and forecasting assumptions.
- 4.3 Continue to carry forward the current Vision. Note: the Council cannot choose to utilise the current forecasting assumptions as the identification of new and relevant assumptions within the LTP is a legislative requirement.

### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance, this matter has been assessed as being of high significance. The Vision is a charter for what the Council will contribute to the District. It underpins the Long Term Plan and sets the scene for the community in regards to what Council thinks is important for current and future generations in terms of community wellbeing. This is of a high level of interest to, and has a high likely impact on, the general public.
- 5.2 The Vision and the forecasting assumptions are elements of the draft LTP which will be taken to the public for consultation in early 2015.

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

- 6.1** Adoption of the attached or an amended version of the Vision and forecasting assumptions at this time will enable the preparation of the LTP to progress. The project is running to a tight timetable and delays in completing project elements may impact on the Council achieving the statutory deadlines for audits and adoption.
- 6.2** A decision to carry forward the existing Vision may have a negative financial impact on some Council services. This is because elements of the current Vision are unlikely to be attainable for the next 3 years at least; for example, the current vision states that the Council will provide “top class infrastructure for all communities”. At the August workshop the Council was clear in its intention to better recognise the purpose of local government and its own financial situation by providing “sound infrastructure” and delivering “core services that meet community expectations and demonstrate value and quality”.

## **7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1** The preferred option is that the Council adopt the new Vision and forecasting assumptions (as attached to this report), as they accurately reflect the purpose of local government, the external influences and the direction that this Council has previously stated it wants to take.

## **8.0 RECOMMENDATION**

- A)** **THAT** the Council adopt the new Vision and forecasting assumptions (as attached to this report).

**Karen Jury**  
**Corporate Planner**

**Appendix 1:** Proposed new Vision and forecasting assumptions for the Long Term Plan 2015/25.

## Appendix 1:

### **COUNCIL VISION**

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

*This will be achieved by:*

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

### **Forecasting assumptions for the Long Term Plan 2015/25:**

The Council must –

Factor in the specific characteristics of this district when carrying out its business, including the small rating base, the large geographic area and the distance between settlements.

Adopt the Statistics NZ medium growth rate as being the most suitable for this Council to use for its financial and infrastructural modelling.

Acknowledge there will be price changes and changing economic drivers that impact on its business and on the community.

Respond to new legislation and other requirements from Central Government, and acknowledge that this responsibility is likely to be accompanied by fluctuating central government financial input.

Provide its community with financial stability and financially sustainable infrastructure and services.

Strengthen its assets and infrastructure and have adequate maintenance and depreciation programmes in place, in anticipation of natural hazard events.

Engage and communicate with the community and be transparent about the job it is doing.

Form better working relationships with Maori and ensure that Maori contribution to Council decision making increases.

Identify opportunities for alignment with other local authorities and agencies so efficiencies and better local community outcomes are achieved.

Ensure that the District Plan review exercise that is underway provides opportunities for alignment with other Councils, efficiencies and positive community outcomes.

# Report



**DATE:** 26 September 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: District Assets

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## **Z-LINE – SEWELL STREET, HOKITIKA**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to seek Council approval for additional expenditure to replace 75 metres of wastewater main through an easement at 131 Sewell Street, Hokitika.
- 1.2** This issue arises from an approach to Council by the property owner informing staff they wish to subdivide and develop the section.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Having expanded development opportunities Having top class infrastructure for all communities	Ensuring the infrastructure is maintained and replaced in a timely and appropriate manner at an optimum cost.

- 1.4** This report concludes by recommending that Council approve replacement of the wastewater main through 131 Sewell Street to the value of \$35,000 excl GST.

### **2.0 BACKGROUND**

- 2.1** Line Z is a 150mm diameter AC wastewater gravity main that was installed in approximately 1974 during the construction of the Hokitika Sewerage Scheme.

- 2.2 This 75 metre section of Line Z is at the end of the 840 metre main that reticulates 89 properties and connects into the Sewell Street main near Hampden Street.
- 2.3 This section of main runs along a 2.5 metre easement parallel to the northern boundary of 131 Sewell Street, Hokitika.

### 3.0 CURRENT SITUATION

- 3.1 The landowner (“Developer”) intends to develop and subdivide 131 Sewell Street into nine sections of between approximately 300m<sup>2</sup> and 370m<sup>2</sup>. The subdivision process is yet to commence.
- 3.2 The developer intends to erect retirement housing on the subdivided sections complete with landscaping. The work is expected to commence within the next 12 months.
- 3.3 The developer has expressed an interest in contributing to the renewal of this main and has offered to backfill the trench if Council purchases all necessary materials and arrange for bedding and laying of the pipe.
- 3.4 This 75 metre section of Line Z is approximately 40 years old and the material is Asbestos Concrete (AC). AC pipe in good condition can be expected to have a total useful life of 50 to 80 years. In Hokitika ground conditions, AC pipes can be expected to be at the lower end of this, with this particular section of reticulation having a possible remaining useful life of less than 10 years.
- 3.5 Although there are no issues on record of blockages or structural failure of this section of pipe, a camera inspection undertaken on Thursday 4<sup>th</sup> September 2014 revealed the pipe gradient to be compromised due to the settlement of sections of the line. This is resulting in large sections of the main being full to capacity all the time and significant concentrations of fat build up occurring.
- 3.6 While the pipe is protected by a legal easement, there are concerns that the existing main is not positioned within the 2.5 metre legal easement.

### 4.0 OPTIONS

- 4.1 Option 1 – Status Quo/Do nothing.
- 4.2 Option 2 – Replace the 150mm diameter AC main with 200mm diameter OPVC this financial year 2014/15.



## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1** As per the Council's policy on significance, this matter is assessed at a low level of significance. Although the Line Z services 89 properties, if this particular section failed the effect to the community and financial implication to Council would not be substantial.
- 5.2** The matter is operational Council business and no public consultation is required. Consultation has occurred with the land owner of 131 Sewell Street.

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

- 6.1** Option 1 – This is not the preferred option.
  - 6.1.1** The developer has indicated an intention to commence construction on retirement housing on this land within the next 12 months. These properties will be fully landscaped and any work post development to replace the main will incur additional reinstatement costs as per the easement agreements. The costs of replacing the pipe at a later stage will come at a higher cost.
- 6.2** Option 2 – This is the preferred option.
  - 6.2.1** Given the depth of the pipe to achieve flow under gravity, working within a 2.5 metre easement in the future once properties have been developed will be near impossible and of significant financial cost compared with the current situation.
  - 6.2.2** The works are not budgeted in the current Annual Plan but can be funded from the wastewater depreciation reserves.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1** Option 2 – It is a sensible solution both financially and in terms of construction methodology to replace Line Z now rather than in the future once driveways, courtyards and gardens have been established.

## **8.0 RECOMMENDATIONS**

- A)** **THAT** Council approves the early replacement of 75 metres of the Line Z wastewater main through 131 Sewell Street.

- B) THAT** Council purchase all necessary materials and lay the pipe to a total value of \$35,000 excl GST to be funded from the wastewater depreciation reserves and on the condition that the developer backfills the trench under supervision from District Assets Staff.

**Vivek Goel**

**Group Manager: District Assets**

**Appendix 1:** Plan of 131 Sewell Street

## Appendix 1



Scale : As Shown

Date : September 2014

### Appendix 1 Proposed Line Z Wastewater Main Replacement 131 Sewell Street Hokitika

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



Cadastral Data Derived from LINZ's CRS  
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# Report



**DATE:** 25 September 2014

**TO:** Mayor and Councillors

**FROM:** Chief Executive

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## **HIGHWAY TOURISM SIGNAGE**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is for Council to consider funding replacement highway tourism signage.
- 1.2** This issue arises from the current signage falling into disrepair and the Mayors and Chairs forum wishing to take a regional approach in response to this issue.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Having inspirational leadership Having top class infrastructure for all communities Living the '100% Pure NZ' brand	The West Coast Councils, Development West Coast, and Tourism West Coast working together to ensure that appropriate highway tourism signage is renewed.

- 1.4** This report concludes by recommending that Council allocates \$5,665 (plus GST) as its share of replacement highway tourism signage.

### **2.0 BACKGROUND**

- 2.1** The West Coast Councils are trying to work collaboratively on projects that will benefit the region economically.

- 2.2 At their meeting on 11 August 2014 the Mayors and Chairs of the West Coast, along with Development West Coast (DWC), considered a funding request from Tourism West Coast (TWC) to replace the highway tourism signage that spans the whole West Coast region (**Appendix 1**).
- 2.3 Those in attendance agreed in principle, subject to the approval of the different Councils and the Tourism West Coast board, to jointly fund \$33,989.98 (GST excluded) to replace the signs on the proviso that Tourism West Coast will fund 1/6<sup>th</sup> of the cost. This will bring the cost for each participant to \$5,665 (plus GST).

### 3.0 CURRENT SITUATION

- 3.1 Tourism West Coast has provided draft images of the signage (**Appendix 2**). Approval for the signage is yet to be obtained from NZTA. It is expected that the new signs will be located near the current Heritage Highway signage.
- 3.2 All other West Coast Councils, DWC and TWC have now approved their share. Westland District Council is the last to consider this request.
- 3.3 This project has not been provided for in operating budgets.

### 4.0 OPTIONS

- 4.1 Option 1: Council supports the request and allocates \$5,665 to this project.
- 4.2 Option 2: Council declines the request.

### 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on Significance this matter is assessed to be of low significance. However, the project is not budgeted for in Council's current Annual Plan.
- 5.2 Public consultation is not required on this decision. If the funding is approved Tourism West Coast will manage this project, and they plan to consult with tourism operators regarding the imagery on the signs.

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

- 6.1 The advantage of Option 1 is that Council would be supporting a regional initiative that all other Councils, DWC and TWC have also supported. The region will get new signage on State Highway 6, in the most prominent places. The disadvantage of this option is that Council has not budgeted for the project so any contribution would need to be declared as a variance.

- 6.2 The advantage of Option 2 is Council would incur no unbudgeted expenditure. The disadvantage is that Council would not be part of a regional project, and other contributors would have to decide whether to make up the shortfall or not proceed with the project.

## 7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1. This would enable Council to demonstrate that they are serious about being part of regional initiatives. While this project is not budgeted for, a sum of \$5,665 is not a large amount of money. Of the two sign types, one is a Glacier Highway sign, which you could argue benefits the Westland District more than other parts of the Coast due to the glaciers being located here.

## 8.0 RECOMMENDATION

- A) **THAT** Council approve funding of \$5,665 (plus GST) to support a regional project to install new highway tourism signage.
- B) **THAT** Council acknowledges that this project is not in the Annual Plan and that the contribution to this project is unbudgeted expenditure.

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

**Appendix 1:** Memo from Tourism West Coast  
**Appendix 2:** Mock ups of the new signage



## Appendix 1



### Great Coast Road and Glacier Highway, Touring Route Signs.

1. Over the last 2.5 years TWC has worked on approvals for touring route signage. This started as a request for a single name which was never going to be achieved due to the diverse nature of the West Coast landscapes. However TWC identified that most 'highways' and 'routes' were already named by the existing Heritage Highway signs. TWC then submitted to the 3 district councils the names 'Great Coast Road' from Westport turn off to Kumara Junction and 'Glacier Highway' from Kumara Junction to Haast River Bridge. These names were approved.
2. These approvals were also agreed by the West Coast Regional Council and then ratified by NZTA. Base designs have been completed and funded by MRI signage budget held by Development West Coast.
3. TWC has met with OPUS about the location of these signs and this has enabled TWC to calculate the number of large and small signs required. With this information TWC has received quotes from 3 sources and has identified Fulton Hogan as the most complete and competitive supplier.
4. To supply 6 large signs for each highway (Total 12) plus supply 8 smaller roundels for each highway (Total 16) plus install signs per OPUS GPS locations and NZTA safety specifications = \$33,989.98+gst. Funding will be sought from Development West Coast and/or the West Coast Regional Council.
5. TWC need to liaise with regions/operators about which 4 activity icons they want and to seek a body to own the signs. Maintenance, insurance and replacement. NZTA will cover weed spraying and foliage removal. TWC will approach the Regional Council on this matter.

*6 large each coast & glacier*



GREAT COAST ROAD - SIGN VISUAL

PAGE  
1 OF 1







GLACIER HIGHWAY - SIGN VISUAL

PAGE  
1 OF 1



Appendix 2



# Report



**DATE:** 25 September 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## ADMINISTRATION OF RESERVE FUNDS (RSA, WEST COAST WILDERNESS TRAIL, THREE MILE RESERVE)

### 1.0 SUMMARY

- 1.1** The purpose of this report is to seek Council approval for the creation of two new financial reserves and the correction of an errant transfer of funds between financial reserves.
- 1.2** This issue arises from a requirement for sound financial management and to demonstrate compliance with the Reserves Act 1977.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Ensuring funds held on behalf of the community are applied to their intended purpose.
Having inspirational leadership	Acting on sound principles and in good faith.

- 1.4** This report concludes by recommending that Council instructs the Chief Executive to:
- 1.4.1** Create a Restricted Reserve fund for the Hokitika War Memorial Reserve Land
- 1.4.2** Create a Council Created Reserve fund for the West Coast Wilderness Trail Partners Programme Contributions

- 1.4.3 Transfer \$80,000 to the Three Mile Domain fund from the following sources, whilst retaining the allocations within the fund for the respective communities:
- |                                 |          |
|---------------------------------|----------|
| 1.4.3.1 Whataroa Township Fund: | \$35,000 |
| 1.4.3.2 Ross Township Fund:     | \$26,500 |
| 1.4.3.3 Fox Township Fund:      | \$15,500 |
| 1.4.3.4 Haast Township Fund:    | \$ 3,000 |

## 2.0 BACKGROUND

### 2.1 Hokitika War Memorial Reserve

- 2.1.1 Since 2009 West Coast Concepts Ltd have leased part of Section 1, S.O. 308494, being the car park adjacent to the vacant RSA building at 24 Sewell Street, Hokitika.
- 2.1.2 This site is designated a Local Purpose Reserve
- 2.1.3 Section 80(1) of the Reserves Act 1977 (the Act) prescribes that 'the funds of an administering body received under this Act shall, save as otherwise authorised or required by this Act or any other Act, be applied in purchasing, taking on lease, managing, administering, maintaining, protecting, improving, and developing the reserves under its control, and for no other purpose.'
- 2.1.4 Management of the lease was assumed by Westland District Properties Ltd (WDPL) in 2011, who received all retrospective and continuing lease payments from the lessee.
- 2.1.5 In July 2014 an amount of \$16,996.33 plus GST, representing the sum of all historic lease payments collected by WDPL, was paid to Council. Two further amounts of \$942.80 and \$389.58 plus GST for continuing lease payments were paid over in September 2014.

### 2.2 West Coast Wilderness Trail

- 2.2.1 The Partners Programme was created in September 2013 to finance the marketing of the cycle trail.
- 2.2.2 In November 2013 Grey District Council contributed \$13,750 plus GST as 50% of opening costs of the cycle trail.
- 2.2.3 As at 30 June 2014 a total of \$7,375 plus GST had been collected from Council's partners.
- 2.2.4 The sum of these amounts, \$21,125, was included in the carry overs report approved at the August 2014 Council meeting.
- 2.2.5 A further \$4,720 plus GST was collected in the first two months of the financial year 2014-15.

### **2.3     Three Mile Reserve**

- 2.3.1   Until the Annual Plan 2014-15 was adopted, this Local Purpose Reserve had been incorrectly classified as a Council Created Reserve in Council's Annual Plans and Annual Reports.
- 2.3.2   In July 2013, among a series of omnibus recommendations adopted as part of the Annual Plan 2013-14, Council resolved to reallocate a total of \$80,000 from the Three Mile Domain fund among four Township Development Funds. These are correctly categorised as Council Created Reserves.
- 2.3.3   Although the intended application of these funds may have been for land classified as reserves, the township development funds are not restricted or described in this way. Furthermore, since the Three Mile Reserve was correctly reclassified, the substance of the transaction is that funds were transferred from a Restricted Reserve to Council Created Reserves. This creates the perception of non-compliance with the Act.

## **3.0     CURRENT SITUATION**

### **3.1     Hokitika War Memorial Reserve**

- 3.1.1   The lease held by West Coast Concepts Ltd is being reassigned to Council, removing WDPL from the relationship. Future lease payments will be paid directly to Council.
- 3.1.2   It is proposed that a Restricted Reserve fund is created to which these payments will be allocated specifically for the maintenance and development of this and similar reserves under Council's control. This would then comply with Section 80(1) of the Act.

### **3.2     West Coast Wilderness Trail**

- 3.2.1   Partners' contributions continue to be collected and correctly recognised as income in Council's financial records. There is no budget for marketing expenditure of the cycle trail in the Annual Plan 2014-15.
- 3.2.2   It is proposed that a Council Created Reserve fund be created to which these payments will be allocated specifically for the marketing of the cycle trail.

### **3.3     Three Mile Reserve**

- 3.3.1   The balances transferred from this reserve remain in the four township development funds and the Community Development Advisor, who oversees these funds, has been briefed.
- 3.3.2   It is proposed that these balances remain designated for the communities identified, but are transferred back to the Three Mile Reserve fund.

## **4.0 OPTIONS**

**4.1** Option 1: Do nothing

**4.2** Option 2: Council rejects some or all of the recommendations

**4.3** Option 3: Council resolves in favour of all three recommendations

## **5.0 SIGNIFICANCE AND CONSULTATION**

**5.1** In accordance with Council's Policy on Significance this matter is assessed to be of low significance.

**5.2** The actions recommended are largely administrative and do not represent any departure from the operating budget for 2014-15. The statutory compliance issues concerning Hokitika War Memorial Reserve and Three Mile Reserve are matters of disclosure. The West Coast Wilderness Trail Partners Programme involves a relatively small number of commercial operators and the matter concerns public relations and community engagement. Nevertheless, the cycle trail is a high profile project with national recognition, the mishandling of which may carry some reputational risk.

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

**6.1** Options 1 and 2:

**6.1.1** Lease payments in respect of the Hokitika War Memorial Reserve, not expended on local purpose reserves in the year in which they are collected, will be appropriated to Council's general reserves. This amount is \$17,939.13 in respect of the year ended 30 June 2014. This will contravene the Act, exposing Council to potential litigation, penalties and reputational damage.

**6.1.2** Partner contributions not expended on marketing of the cycle trail in the year in which they are collected will be appropriated to the Council's general reserves. This amount is \$21,125 for the year ended 30 June 2014. Cycle trail marketing expenditure will be limited to those contributions received in the current financial year to avoid adverse variances against budget. Council will be exposed to reputational risk and potential damage to stakeholder relationships.

**6.1.3** Council's financial statements will continue to contain disclosures that will appear contradictory and non-compliant. This will bring an administrative burden of producing an audit trail that demonstrates that the funds are expended in a way that is in accordance with the provisions of the Act.

**6.2 Option 3:**

- 6.2.1 Council's financial statements will be demonstrably compliant with the Act.
- 6.2.2 The measures are financially prudent, matching funds to their prescribed purpose.
- 6.2.3 Council will be seen to be fulfilling its community commitments.

**7.0 PREFERRED OPTION AND REASONS**

- 7.1** Option 3 is the preferred option. Council's statement of reserve funds will accurately reflect the substance of its financial commitments and will demonstrate statutory compliance. Council will be seen to have engaged with the community and acted faithfully.

**8.0 RECOMMENDATIONS**

- A)** **THAT** Council instructs the Chief Executive to create a Restricted Reserve fund for the Hokitika War Memorial Reserve Land
- B)** **THAT** Council instructs the Chief Executive to create a Council Created Reserve fund for the West Coast Wilderness Trail Partners Programme Contributions
- C)** **THAT** Council instructs the Chief Executive to transfer \$80,000 to the Three Mile Domain fund from the following sources, whilst retaining the allocations within the fund for the respective communities:
  - i) Whataroa Township Fund: \$35,000
  - ii) Ross Township Fund: \$26,500
  - iii) Fox Township Fund: \$15,500
  - iv) Haast Township Fund: \$3,000

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

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