

# A G E N D A

## Council

**Thursday  
28 August 2014  
commencing at 9.00 am  
Council Chambers - Hokitika**

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



## COUNCIL MEETING

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA, ON THURSDAY 28 AUGUST 2014 COMMENCING AT 9.00 AM

*Tanya Winter*  
*Chief Executive*

*22 August 2014*

### **Council Vision**

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

*This will be achieved by:*

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

*“Westland, the last best place”*

### **Purpose:**

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

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

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

### **1.1 Apologies**

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

## **2. CONFIRMATION OF MINUTES:**

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

#### **2.1.1 Ordinary Meeting - 24 July 2014**

(Pages 5-11)

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

#### **2.2.1 Executive Committee Meeting – 17 July 2014**

(Pages 12-16)

#### **2.2.2 Minutes of the Public Excluded Portion of the Executive Committee Meeting held on 17 July 2014**

*(Refer Public Excluded Minutes)*

#### **2.2.3 Minutes of the Public Excluded Portion of the Westland District Council Ordinary Meeting held on Thursday 24 July 2014**

*(Refer Public Excluded Minutes)*

## **3. PUBLIC FORUM**

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

## **4. BUSINESS:**

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

*A verbal update will be provided by Mayor Havill.*

### **4.2 Update from Councillors**

### **4.3 Report from Executive Committee Chair – July 2014**

(Pages 17-20)

### **4.4 Approval to Commence Projects in Annual Plan 2014-2015**

(Pages 21-34)

### **4.5 Official Solid Waste Refuse Bags**

(Pages 35-39)

***Morning Tea a 10.30am***

- 4.6 **Draft Policy on Psychoactive Substances for Public Consultation**  
(Pages 40-46)
- 4.7 **Fox Glacier Community Centre Project – Agreement to Transfer Financial Risks to Fox Glacier Community Development Society**  
(Pages 47-51)
- 4.8 **Carry Forwards From 2013-14**  
(Pages 52-55)
- 4.9 **Financial Performance – July 2014**  
(Pages 56-61)

*Lunch at 12.30 pm*

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 **Public Excluded Minutes of Executive Committee Meeting 17 July 2014**

5.2 **Public Excluded Minutes of Meetings of Council 24 July 2014**

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

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of July Public Excluded Executive Committee Minutes	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Public Excluded Minutes of Meetings of Council	Confirmation of July Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

Next Meeting: 25 September 2014 - Ordinary Council Meeting (Fox Glacier)

**MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE RSA MEMORIAL ROOMS, HARI HARI ON THURSDAY 24 JULY 2014 COMMENCING AT 9.02 A.M.**

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**1. MEMBERS PRESENT AND APOLOGIES**

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

Deputy Mayor P.M. Cox

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

**1.1 Apologies**

Nil.

**Staff In Attendance**

T.L. Winter, Chief Executive; G. Borg, Group Manager: Corporate Services; V. Goel, Group Manager: District Assets; J. Ebenhoh, Group Manager: Planning, Community and Environment; D.M. Maitland, Executive Assistant; D.B. Blight (for part of the meeting); R.A. Beaumont (for part of the meeting).

**1.2 Register of Conflicts of Interest**

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

## 2. CONFIRMATION OF MINUTES:

### 2.1 Confirmation of Minutes of Meetings of Council

#### 2.1.1 Ordinary Council Meeting – 26 June 2014

Moved Cr Martin, seconded Cr Montagu and **Resolved** that the Minutes of the Ordinary Council Meeting, held on the 26 June 2014 be confirmed as a true and correct record of the meeting, subject to the following amendments:

Page 5 – Amendment to Venue (Kumara)

Page 10 – “they are urging...”

Page 11 – SCC Meeting.

## 3. BUSINESS:

### 3.1 Mayor’s Report

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

- Proposed Visit of Mayor Kelvin Coe and CE David Ward of Selwyn District Council.
- Noted the success of AgFest.
- Attended the Local Government Conference in Nelson
  - Meeting with Paula Bennett.
  - Meeting with NZTA on the one-road funding model.
- Trustpower Community Awards.
- Tourism West Coast AGM.
- Executive Committee Meeting.
- Meeting with staff from Internal Affairs regarding the Governor General’s Visit in 2015.

Moved Deputy Mayor Cox, seconded Cr Martin and **Resolved** that the Mayor’s verbal report be received.

### 3.2 Update from Councillors

The following verbal updates were then provided by Councillors:

i) **Deputy Mayor Cox**

- Trustpower Community Awards.
- Meeting with Heather and Alistair Cameron regarding a subdivision
- Executive Committee Meeting
- Mayoral Reception – welcoming 20 Japanese students and leaders.
- Attended the Local Government Conference in Nelson.

ii) **Cr Martin**

- Noted it was Māori Language Week.
- Attended the Local Government Conference in Nelson
  - Noted the West Coast was identified as one of the 'tight 5' regions that provides the glue that holds the nation together.
  - Youth engagement in local government.
  - An opportunity to network across the country.
- Local Alcohol Policy regarding establishing a LAP.
- Noted the success of Agfest.
- Trustpower Community Awards.
- Meeting with Heather and Alistair Cameron regarding a subdivision.

iii) **Cr Butzbach**

- District Licensing Committee Meeting.
- Local Alcohol Policy.
- Meeting with Heather and Alistair Cameron regarding a subdivision.
- Upcoming Enterprise Hokitika AGM.
- Noted the success of Agfest.
- Lighting of the Pohutukawa Tree in Stafford Street.
- Welcome to Hokitika packs for new businesses.
- West Coast Wilderness Trail.
- Bike stands in Hokitika.

iv) **Cr Keenan**

- RSA Working Group – Community support for the rebuild project.
- Sport NZ Rural Travel Fund Applications have been assessed, with 6 of the 7 applications being successful.
- Heritage Hokitika Meeting – 22 July 2014.
- Cass Square Cenotaph.
- Gold Rush 150<sup>th</sup> Committee - \$10,000 funding.

- 150<sup>th</sup> celebration baskets, black and gold banners and flags organized.
- Book launch of the “King of Godzone” on the 6 September 2014.
- Weighbridge building due to commence.
- Heritage AGM on the 26 August 2014.
- Tudor Street Pensioner Housing.

v) **Cr Montagu**

- Success of Agfest.
- NZTA.
- Working with Ross and Kumara Communities.

vi) **Cr Hope**

- CCO Review.
- Concerned regarding fly tipping at Hannahs Clearing.
- Diana Falls – roadworks are progressing.
- Slip near Makarora.
- FRAZ – Stakeholders.
- St Johns Facility at Fox Glacier which has fire, search and rescue and ambulance all on the same site, funded through a Charitable Trust.
- Briefing from St Johns in Franz Josef regarding a proposed facility in the Haast Township.
- Broadband roll-out in Haast is slower than expected with gaps at Haast Junction and Okuru.
- Jackson Bay Report.

vii) **Cr van Beek**

- Kawhaka Bridge.
- Chinese Gardens – written a letter of support as an individual.
- Success of AgFest.
- West Coast Wilderness Trail.

viii) **Cr Dawson**

- Executive Committee Meeting.
- Monthly reporting, CCO Review, Insurance, Annual Report Timetable, CCO 6 monthly financials, proposed work plan and action lists to be prepared to schedule the work that is required.
- Executive Committee will be meeting more regularly.

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



#### 4. **PUBLIC FORUM**

The following members of the public were in attendance at the meeting:

##### 4.1 **Lindsay Molloy**

- Mr Molloy introduced Mr Brian Manera, the new Chairman of the Hari Hari Community Association.
- Discussion regarding the proposed Hari Hari Community Facility.
- Thanked Council and Staff for the good working relationship.

*His Worship the Mayor congratulated Mr Molloy on his 10 years' service as Chairman of the Hari Hari Community Association.*

##### 4.2 **Mary Molloy**

- Mrs Molloy spoke regarding the spelling of "Harihari" as one word and asked that it be brought to the attention of Council and staff that the word be spelt as two words 'Hari Hari'.
- Council use of acronyms in reports.
- Concern regarding the use of 1080 and the protection of water supplies.

##### 4.3 **John McIntosh**

- Mr McIntosh spoke regarding the Hari Hari water supply and enquired when the backup generator would be available.
- Suggested that there could be people in Hari Hari trained on the water supply to enable it to be fixed on location.

*The meeting adjourned for morning tea at 9.57 am and then reconvened at 10.32 am.*

**The following items were then taken out of order to the agenda papers:**

#### 3. **BUSINESS cont.**

##### 3.3 **Plan Change 7: Managing Fault Rupture Risk in Westland**

*The District Planner spoke to this report.*

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that Council resolves that the timeframe for issuing a decision on Plan Change 7 be extended under Section 37 of the Resource Management Act, to 24 August 2016.

*Crs Hope and Martin recorded their votes against the motion.*

**3.4 Hokitika-Westland RSA Working Group and Request to Build a New War Memorial Building**

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

- A) Council gives approval to the Hokitika-Westland RSA to build a new facility at the War Memorial site on Sewell Street at no cost to Westland ratepayers; and
- B) Council resolves to disestablish the current working group and acknowledges that the group has met its purpose; and
- C) A memorandum of understanding be developed with Hokitika-Westland RSA for the future maintenance of this new facility to be the responsibility of the Hokitika-Westland RSA.

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

Moved Cr Martin, seconded Deputy Mayor Cox and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 11.05 am.

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

**5.1 Public Excluded Minutes of Meetings of Council 26 June 2014**

**5.2 Major District Initiative (MDI) Funding Process**

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

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of June 2014 Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Major District Initiative (MDI) Funding Process	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

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

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

Moved Cr Martin, seconded Cr Dawson and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and the public be readmitted at 11.29 am.

**MEETING CLOSED AT 11.29 PM.**

**Confirmed by:**

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

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

Next Meeting:

28 August 2014 - Ordinary Council Meeting (Council Chambers)

## Executive Committee Minutes

### MINUTES OF A MEETING OF THE EXECUTIVE COMMITTEE OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 17 JULY 2014 COMMENCING AT 9.00 AM

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#### 1. MEMBERS PRESENT

Cr M.S. Dawson, Chair  
His Worship the Mayor, M.T. Havill  
Deputy Mayor P.M. Cox.

##### 1.1 Apologies

Nil.

##### Also in Attendance for part of the meeting:

T.L. Winter, Chief Executive; G. Borg, Group Manager: Corporate Services and F Theron, Business Support Officer.

##### 1.2 Register of Conflicts of Interest

The Register of Conflicts was circulated and an amendment was made by His Worship the Mayor.

#### 2. CONFIRMATION OF MINUTES

##### 2.1 Confirmation of Minutes of Meeting of Executive Committee

##### 2.1.1 Executive Committee Meeting – 10 March 2014

Moved His Worship the Mayor, seconded Deputy Mayor Cox and **Resolved** that the Minutes of the Meeting of the Executive Committee held on 10 March 2014 be confirmed as a true and correct record of the meeting.

### 3. **PUBLIC FORUM**

There were no members of the public in attendance at the public forum section of the meeting.

### 4. **BUSINESS:**

The Committee noted a requirement to keep track of some recommendations from the Audit Management Report and Cr Dawson requested additional action items on the Workplan.

#### 4.1 **Omnibus Report – Appendix 1**

*The Group Manager: Corporate Services introduced this report.*

Moved Cr Dawson, seconded Deputy Mayor Pauline Cox and **Resolved** that the Omnibus Report be received and recommendations in Appendix 1 be adopted as amended.

##### 4.1.1 **Executive Committee Workplan 2014-15**

Moved His Worship the Mayor, seconded Cr Dawson and **Resolved** that the Executive Committee Workplan 2014-15 be adopted as per Appendix 2 with updated changes, including an additional line for Legislation.

*The Committee requested that the Workplan be included in all Executive Committee Agendas and meetings to be arranged around the Workplan.*

##### 4.1.2 **Monthly Financial Reporting**

Moved His Worship the Mayor, seconded Deputy Mayor Cox and **Resolved** that the update on the Monthly Financial Reporting be received.

*The Committee requested a year-end forecast be included in the reporting pack.*

##### 4.1.3 **CCO Review Implementation**

Moved His Worship the Mayor, seconded Cr Dawson and **Resolved** that the update on the CCO Review Implementation be received.

#### **4.1.4 Insurance**

The Committee reviewed the commercial insurance renewals report. Moved His Worship the Mayor, seconded Deputy Mayor Cox and **Resolved** that the Insurance Report be received.

*The Committee noted the insurance report recommended that updated valuation reports be obtained for the Council's offices and for all water treatment plants and requested management investigate this.*

*The Committee asked management to confirm that Hokitika Airport Limited carries its own Liability Insurance.*

*The Committee also asked management to report back on the Airport Operators cover sitting with Council and not with Hokitika Airport Limited.*

*The Committee asked management to investigate the cost of obtaining Key Person Insurance on the CEO.*

*Management was asked to place the LAPP Member Authority Risk Profile on the next Committee agenda to allow this document to be formally reviewed.*

#### **4.1.5 Rates Review**

Moved Cr Dawson, seconded Deputy Mayor Cox and **Resolved** that the Committee receive the update on the Rates Review.

#### **4.1.6 Timetable for Annual Report**

Moved Deputy Mayor Pauline Cox, seconded by His Worship the Mayor and **Resolved** that the Executive Committee receive the update.

The Committee requested that all Councillors be provided a copy of the draft Annual Report by 30 September 2014.

#### **4.1.7 Half Yearly Accounts From CCO's**

Moved Cr Dawson, seconded His Worship the Mayor and **Resolved** that the report from individual company half yearly report be received.

## 5. MATTERS CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Moved Cr Dawson, seconded His Worship the Mayor and **Resolved** that Council exclude the public in accordance with 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 Confirmation of Minutes

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)(a) and (d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<i>Item No.</i>	<i>Minutes/ Report of</i>	<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
1.	Minutes of 10 March 2014	Minutes of Meeting	Good reasons to withhold exists under Section 7.	48(1)(a)(i) & (d)

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

No.	Item	Section
1.	Protection of privacy of natural persons	Section 7(2)(a)

Moved Deputy Mayor Cox, seconded His Worship the Mayor, and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and the public be readmitted.

**MEETING CLOSED AT 10.05AM**

**NEXT MEETING: TO BE CONFIRMED**

**Confirmed by:**

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**Cr Mark Dawson**  
**Chair**

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**Date**



# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Cr Mark Dawson, Chair of the Executive Committee

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## **REPORT FROM EXECUTIVE COMMITTEE CHAIR – JULY 2014**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to provide an update from the Executive Committee Meeting held on the 17 July 2014.
- 1.2** This issue arises from the requirement to provide good governance in accordance with the Terms of Reference of the Executive Committee.
- 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	Ensuring timely updates are provided of the work that the Executive Committee undertakes.

- 1.4** This report concludes by recommending that Council receives the report.

### **2.0 BACKGROUND**

- 2.1** The Executive Committee met on the 17 July 2014.

### **3.0 CURRENT SITUATION**

- 3.1** A report from the Chair of the Executive Committee is attached at Appendix 1.

#### **4.0 OPTIONS**

4.1 Option 1 is that Council receives the report.

4.2 Option 2 is that Council not receive the report.

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

5.1 This matter is considered administrative and is therefore of low significance.

5.2 The Executive Committee Meeting was advertised in accordance with the Model Standing Orders for Meetings of Local Authorities and Community Boards.

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

6.1 Option 1 – Council receives the report.

- There are no financial implications.
- The matter is administrative.

6.2 Option 2 – Council does not receive the report.

- Not receiving the report will mean that Council does not agree with the workings of the Executive Committee.

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

7.1 Option 1 is the preferred option to enable business as usual to be continued.

#### **8.0 RECOMMENDATION(S)**

A) **THAT** Council receive the report.

**Cr Mark Dawson**  
**Chair, Executive Committee**

**Appendix 1:** Report from Executive Committee Meeting

### **REPORT FROM EXECUTIVE COMMITTEE MEETING**

The Executive Committee held its second meeting on 17 July 2014. As reported verbally to Council at their July meeting the most pleasing aspect from my view was the progress made in developing a Work-plan for the Committee.

The minutes of the Committee meeting are attached to this Council agenda.

#### **1. Executive Committee Work-plan**

The draft plan presented by management was adopted. The plan schedules the deliverables for each activity in the Committee's terms of reference and should assist the Committee perform its duties in a timely manner.

#### **2. Monthly Financial Reporting**

Management presented a report model for discussion and confirmed they were on track to provide July's financial reports at the August Council meeting. The Committee was largely supportive of the report model with the addition of some year-end forecasting

#### **3. CCO Review**

Management simply confirmed the review on Westland District Properties Limited was due on track to be completed by 30 July.

#### **4. Insurance**

The Committee reviewed the Renewals Report provided to Council at their June meeting. Management were requested to provide further information, particularly where the brokers had raised matters in their report. Management was also asked to place the LAPP Member Authority Risk Profile (which had been circulated to Councillors on 15 July) on the next Committee agenda to allow this document to be formally reviewed.

#### **5. Annual Report Timetable**

The Committee was provided with a timetable for the completion of the Annual Report process for the year ended 30 June 2014. Although the October Council meeting has been pushed back a week the timetable allows little time for Councillors to review the final Annual Report before it needs to be adopted. The

committee requested Councillors are provided with a draft report as soon as it is available to allow any issues to be raised and discussed.

**6. CCO Half Yearly Accounts**

Subsequent to the previous Committee meeting the 6 month accounts for all the subsidiary accounts had been provided and were included on the agenda so they could be formally received.

**Cr Mark Dawson**

**Chair, Executive Committee**

# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager – District Assets

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## APPROVAL TO COMMENCE PROJECTS IN ANNUAL PLAN 2014-15

### 1.0 SUMMARY

**1.1** The purpose of this report is to seek Council approval to commence the following projects:

- 1.1.1 Fitzherbert Street Pumping Main Replacement
- 1.1.2 Fitzherbert Street Pump Two Replacement
- 1.1.3 Haast Water Treatment Plant Upgrade
- 1.1.4 Haast Wastewater Treatment Plant Upgrade
- 1.1.5 WDC Office Ground Floor Re-Roof

**1.2** The projects are approved and included in Annual Plan 2014-15.

**1.3** This issue arises from the Financial Management Principles adopted as part of the Annual Plan 2014-15 which requires business case approval to commence projects with budgets above \$100,000.

**1.4** Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having Top Class infrastructure for all communities	Ensuring assets are maintained in good order to achieve maximum design life output
Living the '100% Pure NZ' brand	Ensuring all assets are fully compliant with resource consent conditions where applicable.

- 1.5 This report concludes by recommending that Council approves the commencement of five projects in the Annual Plan 2014-15 and supported by the statements of need/ business cases attached.

## 2.0 BACKGROUND

- 2.1 As part of Annual Plan 2014-15 Council approved a number of projects for the year 2014-15.
- 2.2 The projects requiring business cases for Council approval each have been budgeted above \$100,000.

## 3.0 CURRENT SITUATION

- 3.1 The projects are detailed in attached appendices.
- 3.1.1 Appendix 1: Fitzherbert Street Pumping Main Replacement
  - 3.1.2 Appendix 2: Fitzherbert Street Pump Two Replacement
  - 3.1.3 Appendix 3: Haast Water Treatment Plant Upgrade
  - 3.1.4 Appendix 4: Haast Wastewater Treatment Plant Upgrade
  - 3.1.5 Appendix 5: WDC Office Ground Floor Re-Roof

## 4.0 OPTIONS

- 4.1 Option 1: Approve the statement of need/business cases allowing commencement of the projects
- 4.2 Option 2: Do not approve the statement of need/business cases

## 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The projects are approved and included in the Annual Plan 2014-15 which was subject to consultation in accordance with the Local Government Act 2002.
- 5.2 The decision that this report requires relates to the delegation to expend budgets already approved. As such it is administrative and of low significance.

## 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Approve the business cases allowing the commencement of projects

Under the current financial management principles Council gives approval to commence these projects. A thorough analysis of each project has been undertaken as part of each business case, and this analysis has concluded that all projects are required.

The budgets are approved in the Annual Plan 2014-15.

**6.2 Option 2: Do not approve the business cases.**

Council may decide not to proceed with these projects. Not proceeding with these projects will have the following negative effects:

- a. Potential premature failure of assets
- b. Non-compliance with resource consents
- c. Higher financial costs to replace the failed assets
- d. Failure to meet agreed service levels
- e. Possibly more abatement notices from West Coast Regional Council
- f. Negative feedback from the community.

**7.0 PREFERRED OPTION AND REASONS**

**7.1 Option 1 is the preferred option. Improvements and replacements are required in order to:**

- a. Remain compliant with resource consent conditions
- b. Improve discharge qualities
- c. Meet the agreed service levels
- d. Complete projects as agreed and approved in Annual Plan 2014-15
- e. Meet community expectations

**8.0 RECOMMENDATION**

- A) THAT project 4604-581-11 Fitzherbert Street Pumping Main Replacement proceeds with a completion estimate of \$350,000.**
- B) THAT project 4604-581-13 Fitzherbert Street Pump Two Replacement proceeds with a completion estimate of \$100,000.**
- C) THAT project 4712-581-04 Haast Water Treatment Plant Upgrade proceeds with a completion estimate of \$400,000**
- D) THAT project 4612-581-03 Haast Wastewater Treatment Plant Upgrade proceeds with a completion estimate of \$150,000**

- E) **THAT** project 4400-581-15 WDC Office Ground Floor Re-Roof proceeds with a completion estimate of \$125,000.

**Vivek Goel**

**Group Manager: District Assets**

**APPENDICES: Statement of Need/ Business Case**

Appendix 1: Fitzherbert Street Pumping Main Replacement


Appendix 2: Fitzherbert Street Pump Two Replacement

Appendix 3: Haast Water Treatment Plant Upgrade

Appendix 4: Haast Wastewater Treatment Plant Upgrade


Appendix 5: WDC Office Ground Floor Re-Roof



<b>DEPARTMENT: DISTRICT ASSETS</b> <b>STATEMENT OF NEED / BUSINESS CASE</b> <b>PROJECT No: 4604-581-11</b> <b>TITLE: Fitzherbert Street Pumping Main Replacement</b>	<b>APPENDIX 1</b> 
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<p><b>The Need and Current Situation</b></p> <p>Fitzherbert Street Pumping Main is failing. The pumping main is 40 year old asbestos pipe and has already failed three times in 2013. The 200mm pipe carries 98% of Hokitika waste to the Hokitika Wastewater Treatment Plant.</p> <p>In June 2014 the worst section of the main was replaced, with the intent of laying the remainder of the pumping main alongside the railway line, if approval can be obtained.</p> <p>Any failure on this section of the pumping main results in holding the sewage in the pumping chamber of the pumping station, as the pumps are required to stop to facilitate repairs to the pipe. This may at times result in raw sewage overflows to the Hokitika River. The design capacity of the chamber is limited and not enough to hold large quantities of flows in prolonged periods of shut down because of repairs.</p> <p>Any overflows to Hokitika River will also result in breach of resource consent and lead to abatement notices.</p> <p>The project is approved and included in the 2014-15 Annual Plan.</p> <p><b>SCOPE</b></p> <ul style="list-style-type: none"> <li>• Upgrade the pumping main with a new PE high pressure pipe.</li> </ul>
<p><b>Options and Assessments</b></p> <p><b>Option1: Do Nothing</b> This is not an option. The main is a pumping main which has failed and needs a replacement.</p> <p><b>Option2: Upgrade the pumping main.</b> This is the only options. There is no alternate main to service this section.</p>
<p><b>Cost Estimates</b></p> <p>Annual Plan Budget: <b>\$350,000</b></p> <p>Engineers Estimate: <b>\$350,000.</b></p> <p>The engineer's estimate is based on the current market price and previous contract rates for the above scope of works.</p>
<p><b>Timescale</b></p> <p>To be completed by June 2015</p>

<b>RISK Assessments</b> The project has been assessed for operational risks and identified in the current Asset Management Plan.	
<b>Related Projects</b>  1. In the 2013 -2014 year approximately 670m (the worst section) of the pumping was replaced.	
<b>Recommendation</b>  <b>1. THAT</b> project 4604-581-11 upgrade of Fitzherbert Street Pumping commences with a completion estimate of \$350,000	
Proposed by:  Petrina Cannell                      Peter Anderson Engineer Water Services      Operations Manager  Date: 7/7/14	Finance confirmed:  Gary Borg Group Manager – Corporate Services  Date: 07/08/2014
Recommended :  Vivek Goel Group Manager – District Assets  Date:	Recommended:  Tanya Winter Chief Executive  Date:
If required seek Council approval Refer to Delegations Manual / Governance Policy / Current Annual Plan	

<b>DEPARTMENT: DISTRICT ASSETS</b> <b>STATEMENT OF NEED / BUSINESS CASE</b> <b>PROJECT No: 4604-581-13</b> <b>TITLE: Fitzherbert St Pump Two Replacement</b>	<b>APPENDIX 2</b> 
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<b>The Need and Current Situation</b>  <p>The current pump is over 40 years old and parts are no longer available to make repairs. The pump station has two pumps operating in duty / stand-by system. In 2013 pump No. 1 was replaced. If pump no. 2 were to break down it is unable to be repaired and the station would rely solely on one pump. That situation is not ideal as if there were to be a fault with pump One sewerage would overflow in to the Hokitika River while repairs were being undertaken</p> <p>The project is approved and included in the 2014-15 Annual Plan.</p>
<b>SCOPE</b> <ul style="list-style-type: none"> <li>• Replace existing pump no. 2 with an identical pump as no. 1</li> <li>• Associated pipework replacement and fittings</li> </ul>
<b>Options and Assessments</b>  <b>Option1: Do Nothing</b> This option is not ideal as outlined above.  <b>Option 2: Upgrade as identified in Scope</b> This is the preferred option. The scope is the best solution for the way forward.
<b>Cost Estimates</b>  <b>Annual Plan Budget: \$ 100,000</b>  <b>Engineers Estimate: \$ 100,000</b> These estimates are based on the current industry market prices for the above scope of works and comparable costs associated with replacement of pump no. 1.
<b>Timescale</b>  To be completed by June 2015.
<b>RISK Assessments</b> The project has been assessed for operational risks and identified in the current Asset Management Plan.
<b>Related Projects and Reports</b>

<b>Recommendation</b>  <b>1. THAT</b> project 4604-581-13 Fitzherbert St Pump #2 Replacement commences with a completion estimate of \$100,000	
Proposed by:  Petrina Cannell                      Peter Anderson Engineer – Water Services      Operations Manager  Date: 7/7/14	Finance confirmed:  Gary Borg Group Manager – Corporate Services  Date: 07/08/2014
Recommended :  Vivek Goel Group Manager – District Assets  Date:	Recommended:  Tanya Winter Chief Executive  Date:
If required seek Council approval Refer to Delegations Manual / Governance Policy / Current Annual Plan	

<b>DEPARTMENT: DISTRICT ASSETS</b> <b>STATEMENT OF NEED / BUSINESS CASE</b> <b>PROJECT No: 4712-581-04</b> <b>TITLE: Haast Water Treatment Plant Upgrade</b>	<b>APPENDIX 3</b> 
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<b>The Need and Current Situation</b>  <p>The Drinking Water Standards New Zealand require all water supplies serving 500 people or less to be upgraded to meet the standards by 1 July 2015. In early 2014 District Assets staff obtained Government subsidy for this project on the proviso that work commenced and was completed by June 2015.</p> <p>The project is approved and included in the 2014-15 Annual Plan.</p>
<b>SCOPE</b> <ul style="list-style-type: none"> <li>• Upgrade of existing water bore</li> <li>• Design and construction of suitable treatment</li> <li>• Construction of treatment plant building</li> <li>• Implementation of SCADA system</li> <li>• Commission and training for operators</li> </ul>
<b>Options and Assessments</b>  <p><b>Option1: Do Nothing</b> This option will forfeit any subsidy from the Government, which will then put the full cost of meeting the standards on to the ratepayer.</p> <p><b>Option 2: Upgrade as identified in Scope</b> This is the preferred option. The scope is the best solution to comply with the standards.</p>
<b>Cost Estimates</b>  <p><b>Annual Plan Budget: \$400,000</b></p> <p><b>Engineers Estimate: \$400,000.</b> These estimates are based on the expert advice and current industry market prices for the above scope of works.</p>
<b>Timescale</b>  <p>To be completed by June 2015.</p>
<b>RISK Assessments</b> <p>The project has been assessed for operational risks and identified in the current Asset Management Plan.</p>
<b>Related Projects and Reports</b>

<b>Recommendation</b>  <b>1. THAT</b> project 4712-581-04 Haast Water Treatment Plant commences with a completion estimate of \$400,000	
Proposed by:  Petrina Cannell                      Peter Anderson Engineer – Water Services      Operations Manager  Date: 7/7/14	Finance confirmed:  Gary Borg Group Manager – Corporate Services  Date: 07/08/2014
Recommended :  Vivek Goel Group Manager – District Assets  Date:	Recommended:  Tanya Winter Chief Executive  Date:
If required seek Council approval Refer to Delegations Manual / Governance Policy / Current Annual Plan	

<b>DEPARTMENT: DISTRICT ASSETS</b> <b>STATEMENT OF NEED / BUSINESS CASE</b> <b>PROJECT No: 4612-581-03</b> <b>TITLE: Haast Wastewater Treatment Plant Upgrade</b>	<b>APPENDIX 4</b> 
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### **The Need and Current Situation**

Haast Wastewater Treatment Plant is and has been consistently in breach of various resource consent conditions. These relate to discharge quality and discharge to the environment. Council has received a number of abatement notices. If the quality of discharge does not improve then further abatement notices will be received along with fines. The plant requires improvements so that it is efficient and the discharge quality is within the consent limits.

The project is approved and included in the 2014-15 Annual Plan and is a carry-over from the 2013-14 Annual Plan at a revised and reduced budget.

### **SCOPE**

- Inlet flow meter
- Modification of inlet pipe
- Relocate and modify outlet flow meter
- Baffle curtains
- New outlet structure & pipework
- Surface aerator

### **Options and Assessments**

#### **Option1: Do Nothing**

This is not an option. Not upgrading will result in non-compliance with resource consent conditions and abatement notices will follow.

#### **Option 2: Upgrade as identified in Scope**

This is the preferred option. The scope is the best solution.

#### **Option 3: Re-scope the project and identify different treatment techniques**

Other treatment options have been looked and assessed against the current need and operation of the report. The current scope identified is the best possible solution.

### **Cost Estimates**


**Annual Plan Budget: \$150,000**

**Engineers Estimate: \$150,000.**

These estimates are based on the expert advice and current industry market prices for the above scope of works.

<b>Timescale</b>  To be completed by June 2014.	
<b>RISK Assessments</b> The project has been assessed for operational risks and identified in the current Asset Management Plan.	
<b>Related Projects and Reports</b>  2. The improvements to the ponds are staged. Further stages may be required depending on the quality of the discharge.  3. The scope of the project is highlighted and recommended in assessment report by Gilles Altner of Global Environmental Engineering Ltd.	
<b>Recommendation</b>  <b>1. THAT</b> project 4612-581-03 improvements to Haast Wastewater Treatment plant commences with a completion estimate of \$150,000	
Proposed by:  Petrina Cannell                  Peter Anderson Supervisor – 3 Waters      Team Leader- Operations  Date: 07/08/2014	Finance confirmed:  Gary Borg Group Manager – Corporate Services  Date: 07/08/2014
Recommended :  Vivek Goel Group Manager – District Assets  Date:	Recommended:  Tanya Winter Chief Executive  Date:
If required seek Council approval Refer to Delegations Manual / Governance Policy / Current Annual Plan	



<b>DEPARTMENT: DISTRICT ASSETS</b> <b>STATEMENT OF NEED / BUSINESS CASE</b> <b>PROJECT No: 4400-581-15</b> <b>TITLE: WDC Office Ground Floor Re-Roof</b>	<b>APPENDIX 5</b> 
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<p><b>The Need and Current Situation</b></p> <p>The ground floor roof over the I-Site and the current Council Office entrance/canopy needs new cladding and framing replacement. There are multiple leaks through the roof that have entered the building on this lower level. Minimal fall, butt jointing of ply and no roof ventilation are some the factors combined in faults and now the roof fails to keep water out. There are areas where the sub framing is rotten and is now unsafe to walk on.</p> <p>It is important to re-roof and frame as necessary to prevent further damage to the building.</p> <p>The project is approved and included in the 2014-15 Annual Plan.</p> <p><b>SCOPE</b></p> <ul style="list-style-type: none"> <li>• Remove existing membrane</li> <li>• Remove rotten timber framing</li> <li>• Replace timber framing and membrane backing as required</li> <li>• Install new membrane roof.</li> </ul> <p><b>Options and Assessments</b></p> <p><b>Option1: Do Nothing</b> This option will result in continued rapid deterioration of the current roof and continued damage to the sub-framing. If chosen this option ensures the cost and effort to complete the upgrade in the future will incur a greater cost to council and run the risk of serious roof failure.</p> <p><b>Option 2: Upgrade as identified in Scope</b> This is the preferred option. The scope is the simplest solution to fix the leaking issues without effecting the structure and appearance of the building.</p> <p><b>Cost Estimates</b></p> <p><b>Annual Plan Budget: \$125,000</b></p> <p><b>Engineers Estimate: \$125,000.</b> These estimates are based on expert advice and current industry market prices for the above scope of works.</p> <p><b>Timescale</b></p> <p>To be completed by June 2015.</p> <p><b>RISK Assessments</b> The project has been assessed for operational risks and identified as moderate.</p>
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<b>Related Projects and Reports</b>	
<b>Recommendation</b>	
<b>1. THAT</b> project 4400-581-14 WDC Office Ground Floor Re-roof commences with a completion estimate of \$125,000	
Proposed by:  Simon Eyre Property and Special Projects Supervisor  Peter Anderson Operations Manager  Date: 7/8/14	Finance confirmed:    Gary Borg Group Manager – Corporate Services  Date: 07/08/2014
Recommended :    Vivek Goel Group Manager – District Assets  Date:	Recommended:    Tanya Winter Chief Executive  Date:
If required seek Council approval Refer to Delegations Manual / Governance Policy / Current Annual Plan	

# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: District Assets

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## **OFFICIAL SOLID WASTE REFUSE BAGS**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to seek Council approval to sell the official refuse bags at a reduced price.
- 1.2** This issue arises as a result of the variations agreed in 2013/14 to provide an improved level of service within the Solid Waste activity. Fortnightly refuse collection of official bags was replaced with 120 litre refuse bins.
- 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	Ensuring the costs invested in any infrastructure returns the value for money and service intended to the ratepayers.

- 1.4** This report concludes by recommending that Council approves the re-introduction of sale of official bags through various retail points in the district at a sale price of \$2.50 (GST inclusive).

### **2.0 BACKGROUND**

- 2.1** Westland District Council provides a fortnightly refuse and recycling collection within the northern part of the District.

- 2.2 As part of the Annual Plan 2013/14, Council approved and adopted major variations to the current Solid Waste Collection service contract.
- 2.3 The fortnightly collection of the official refuse bags on kerbside was replaced by 120 litre bins.
- 2.4 Council also resolved to continue to accept the official refuse bags free of cost at all transfer stations.
- 2.5 Prior to introduction of the 2 bin collection system, the official refuse bags were available at a cost of \$5.00 (incl GST). In addition to the availability on retail, 26 bags per rating year were also provided to the rate payers as part of their waste management rates collection.
- 2.6 The \$5.00 fee for official bags included the costs of disposal and collection from the kerbside.

### 3.0 CURRENT SITUATION

- 3.1 Council ceased any further sales of the official bags after the implementation of the 2 bin collection system.
- 3.2 Currently there is old stock of bags held at Council and Hokitika Transfer station. Table 1.0 provides an overview of the stock and its retail value if it was sold at the last approved retail fee.

Location	Boxes	Bags per box	Total no of bags	Retail Value @ \$5.00 per bag	Retail Value @ \$2.50 per bag
Council	50	520	26,000	\$130,000	\$65,000
Hokitika Transfer Station	96	520	49,920	\$249,600	\$124,800
<b>Total</b>	<b>146</b>	<b>520</b>	<b>75,920</b>	<b>\$379,600</b>	<b>\$189,800</b>

*Table 1.0: Breakdown of official bags in stock*

- 3.3 The official bags which are still in circulation from past sales are accepted free of cost at all transfer stations.
- 3.4 There is no data available to clearly establish an average weight of the official refuse bag when it is full. However the bags have been designed to hold 12-15 kg of refuse.

- 3.5 In good practice, and in discussions with other authorities and service providers, a figure of an average weight of 5-7 kg is acceptable for the size of Westland District Council official refuse bag.
- 3.6 Under our current fee structure, if the bags are accepted at transfer stations, the disposal fee can be estimated at approximately \$2.50 per bag. This does not include the cost of collection at kerbside.

#### 4.0 OPTIONS

- 4.1 Option 1: Status Quo / Do Nothing
- 4.2 Option 2: Council disposes the current stock of official bags
- 4.3 Option 3: Council offers the bags for free to various charity groups
- 4.4 Option 4: Council approves to sell these bags at a reduced price of \$2.50
- 4.5 Option 5: Council offer a proportion of stock to charity groups and sells the remaining stock at \$2.50 per bag

#### 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 As per Council policy on significance this matter is assessed as low significance.
- 5.2 The matter is operational and no public consultation is required. The proposal to provide the bags at a reduced sale price is considered to be a supplementary service option and will be generally accepted in the wider community.

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

##### 6.1 Option 1: Status Quo / Do Nothing

This option is the current level of service. Official bags are currently not offered through retail. Council still continues to accept the official bags free of cost at transfer stations but presents the opportunity to realise additional revenue.

This is NOT a preferred option.

##### 6.2 Option 2: Council Disposes the current stock of official bags

Council may choose to destroy the current stock. There will be a cost associated in addition to the cost of the bags in stock. Proceeding with this option has a potential for negative publicity with the local community.

The opportunity to generate additional revenue bags is also lost.

This is NOT a preferred option.

### **6.3 Option 3: Council offers the bags for free to various charity groups**

Under this option Council may choose to offer these bags to various charity groups for free. In the past Council has regularly received requests for waiver of disposal costs for refuse brought in by various charity groups including the local charity op-shops.

Proceeding with this option will surely earn goodwill amongst the local charity groups, however as with options 1 and 2, the costs in the bags and the disposal as a result of these free bags, is non-recoverable and the ratepayers will subsidise these costs.

If the Council still wants to proceed with this option, then operational policies will have to be drafted to provide guidelines for staff to administer this grant and this will also set a precedent for any future requests to waive disposal costs from any group or person.

This is NOT a preferred option.

### **6.4 Option 4: Council approves to sell these bags at a reduced price of \$2.50**

Table 1.0 in this report provides the breakdown of the current official bags stock. As explained in point 3.6, at a retail cost of \$2.50 per official bag, the costs of the disposal are recovered.

This option provides another option for consumers wanting to dispose refuse at the transfer station if they run out of space in the bin collected at the kerbside every fortnight. It is also debatable that since a more economical option is available for disposal of refuse by bags; this may help to reduce fly-tipping.

The option also presents an option to generate up to \$189,800 over the period of sale of these bags. Once completely sold there will be no further production of these official bags. However if the demand is identified, Council may choose to investigate restocking and continuing with the scheme.

This is the PREFERRED option.

**6.5     Option 5: Council offer a proportion of stock to charity groups and sells the balance stock at \$2.50 per bag**

Council may choose to have a combination of free charity and sale of bags at a reduced sale price at \$2.50 per bag.

The option presents a combination of goodwill gains and potential to generate revenue. However with any grants approved, operational policies and guidelines will have to be developed as explained in option 6.3 above.

This is NOT a preferred option.

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

**7.1**     Option 4 is the preferred option.

**7.2**     The option provides a mechanism to generate additional revenue

**7.3**     The option also provides a more economical option for users to dispose the refuse by way of official bags and no further gate fees at the transfer stations.

**8.0     RECOMMENDATION(S)**

**A)**     **THAT** Council approves the re-introduction of sale of official bags through various retail points in the district at a sale price of \$2.50 (GST inclusive), and

**B)**     **THAT** Council re-confirms that the official refuse bags will continue to be accepted at all transfer stations managed by the Westland District Council within Westland District free of cost.

**Vivek Goel**

**Group Manager: District Assets**

# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Community Development Advisor

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## DRAFT POLICY ON PSYCHOACTIVE SUBSTANCES FOR PUBLIC CONSULTATION

### 1.0 SUMMARY

- 1.1** The purpose of this report is to seek Council approval of a draft policy on psychoactive substances for public consultation.
- 1.2** This issue arises from the Westland District Council meeting on 17 April 2014 where Council resolved that a Local Approved Product Policy (LAPP) under the Psychoactive Substances Act 2013 be developed through consultation with the community.
- 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>
Involving the community and stakeholders	Consulting with the community and developing policy on this topical issue affecting the community

- 1.4** This report concludes by recommending that Council consult and invite the public to make submissions on the attached LAPP entitled "Availability, Sale and Supply of Psychoactive Substances Policy."



## **2.0 BACKGROUND**

- 2.1** Psychoactive substances are party pills and synthetic cannabis. There has been some well publicised cases of physical harm done by these products so that their safety is in question.
- 2.2** Since the Psychoactive Substances Act came into force on 18 July 2013, the number of retail outlets selling psychoactive products nationwide has decreased, from an estimated 3000-4000 unregulated sellers to less than 170 licensed premises nationwide, a reduction of about 95%. From an estimated 200 products on the market prior to legislation, the number of products available has reduced by over 75% to less than 50 products.
- 2.3** The Act was amended on 7 May 2014 to ban all psychoactive substances from sale until they can be tested. The immediate impact of the Amendment Act has been to remove interim licences and essentially prevent the issuing of new licences, due to adoption of new standards that must be met before test regimes can be approved. This latter requirement has meant that it may be some time before new products are available. Local Government New Zealand (LGNZ) is far from certain about the time that it will take for a testing regime to be approved. At some future point in time, some products may pass the test regimes.

## **3.0 CURRENT SITUATION**

- 3.1** There are currently no known retail outlets in the Westland District, but this situation could change if a retailer opened a local business to sell party pills and/or synthetic cannabis that had been found through testing to have no or minimal harm to people.
- 3.2** The Psychoactive Substances Act 2013 allows Councils to restrict the location of new retail premises. The attached policy is a means of restricting the risk, especially to children and young people, as far as possible within the terms of the Act.

## **4.0 OPTIONS**

- 4.1** Have no policy in place.
- 4.2** Approve the attached “Availability, Sale and Supply of Psychoactive Substances Policy” for public consultation. Psychoactive substances could be allowed in all towns in Westland, in all rural areas or only in Hokitika. The option proposed is a hybrid approach limited to the Hokitika commercial

area and with a suitable buffer zone from schools and key public reserves like Cass Square, the beachfront and the riverfront.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1** This has a low level of significance for Council because it relates to the decision to move to consultation on a policy measure without any financial implications. It does not affect any existing businesses in the District.
- 5.2** The public should be invited to provide the Westland District Council with their input on the proposed policy. The consultation period will be for one month and will be advertised in the Hokitika Guardian and on Council's website.

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

- 6.1** The advantage of having such a policy on psychoactive substances is that it would deter anyone in the Westland District considering selling psychoactive substances in the future. It means that Council would be prepared with a policy in place should someone decide to set up a business selling psychoactive substances. LGNZ's recommendation is that a policy is still advisable and should be adopted before the gazetting of new retail regulations early in 2015.
- 6.2** The advantage of not having a policy in place is that Council would have more time available for other work that it considers to be a higher priority. The disadvantage of this option is that if someone did decide to set up such a business, Council would have no guiding policy in place. A draft policy is attached to this report so minimal time is envisaged in fine tuning the document and consulting with the community.
- 6.3** Within the option of having a policy, the approach of limiting the location to commercial areas is recommended because of the need to protect all residential areas from undesirable influences. The further limitation to Hokitika's commercial area is recommended because it is more in public view by Westland residents. Townships in Westland are isolated and the influence of psychoactive substances could be unknown. The final step of applying a buffer zone around schools, reserves and churches is to protect children from the substances and their users.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1** The preferred option is that the public are invited to make submissions on the attached draft local approved product policy (LAPP) entitled “Availability, Sale and Supply of Psychoactive Substances.”

## **8.0 RECOMMENDATION**

- A)** **THAT** the public be invited to make written submissions on the attached draft “Availability, Sale and Supply of Psychoactive Substances” Policy during September 2014, with submissions closing on 30 September 2014.

**Derek Blight**

**Community Development Advisor**

**Appendix 1: Availability, Sale and Supply of Psychoactive Products Policy**

**Appendix 1: Map of Hokitika showing buffer zones of 250m around schools and Cass Square**

## **Appendix 1:**



# **Availability, Sale and Supply of Psychoactive Products Policy**

Westland's Vision involves the community and the stakeholders. This is achieved by consulting with the community and developing policy on topical issues that affect the community.

## **Purpose**

The purpose of this Availability, Sale and Supply of Psychoactive Products Policy is:

- To restrict the availability, sale and supply of psychoactive products within the Westland District, in line with the provisions of the Psychoactive Substances Act 2013.
- To recognise that the Act aims to regulate the availability of psychoactive products to protect the health of and minimise risk to users.

## **Background**

- The Act is based on the realisation that some products may, in the future, be on the market again after being tested.
- The Act provides for local authorities to express their preferences about the location of retail premises where such products can be sold. It can restrict the location of retail premises by reference to:
  - a. Broad areas of the District
  - b. Proximity of other premises selling such products
  - c. Distance from educational and religious facilities

## **Aims of the Policy**

1. To limit outlets selling psychoactive substances to commercial areas.
2. To allow no outlets selling psychoactive products within residential areas and within a radius of more than 250 metres of a school, preschool, reserve or church.
3. To allow no outlets selling psychoactive substances in any other towns such as Franz Josef Glacier or any rural areas of Westland.
4. To ensure that no retail outlet selling such products is located within a radius of 250 metres from another approved outlet for such products.

5. New outlets wanting to be established can only be established in the Hokitika Central Business District and then only in the area bordered by Weld Street, Revell Street, Hamilton Street and Sewell Street. (See area bounded by the red line in the attached map) No other locations in the Westland District will be permitted by Council.

### **Reason for Westland District Council Imposing These Restrictions**

- The Act clearly allows local authorities to impose restrictions on where outlets can be located and for distance restrictions between such outlets. Council welcomes this as a means of keeping outlets away from children and young people. It is on that basis that Council has based its policy on the aim of ensuring a 250-metre restriction zone from schools and excluding areas predominantly used for residential and educational purposes where children and young people spend most of their time.

### **Benefit and Enforcement of the Act**

- The Act provides Westland District Council with the ability to develop a policy to provide for local needs.
- Enforcement and monitoring of the Act is carried out by Police and the West Coast District Health Board in conjunction with the Psychoactive Substances Regulatory Authority.

### **Application of the Policy**

- This policy will become effective on the day following it being finally approved by Westland District Council.
- This policy may be reviewed by the Westland District Council at any time, following future changes to the Psychoactive Substances Act.

## Appendix 2



**Map of Hokitika showing buffer zones of 250m around schools and Cass Square**

<b>Buffer zones</b>	<b>Location in Hokitika</b>
Yellow Zone	250 metres around St Mary's School
Pink Zone	250 metres around Cass Square
Green Zone	250 metres around Westland High School
Blue Zone	250 metres around Hokitika Primary School

The area bounded by the red rectangle in the map shows the only two blocks in Hokitika's CBD where an outlet could be established. All other areas in Hokitika are too close to schools, beach or river reserves or residential areas.

# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Community Development Advisor

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## **FOX COMMUNITY CENTRE PROJECT – AGREEMENT TO TRANSFER FINANCIAL RISKS TO FOX GLACIER COMMUNITY DEVELOPMENT SOCIETY**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to seek Council approval to enter into a legal agreement with Fox Glacier Community Development Society to transfer any financial risks associated with the project.
- 1.2** This issue arises from the need for Council to understand their obligations in accepting the Key Performance Indicators.
- 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 top class infrastructure for all communities	Ensuring appropriate community facilities are available for the local communities which support the local vision and economy.

- 1.4** This report concludes by recommending that Council enters into a legal agreement with the Fox Glacier Community Development Society, to ensure that any financial risks associated with the project are solely the responsibility of Fox Glacier Community Development Society.

### **2.0 BACKGROUND**

- 2.1** For a number of years, the possibility of building a community centre for Fox Glacier was discussed at length as the community saw that it was a much

needed community asset missing from the township. Currently, the only available facility is the small hall attached to the Department of Conservation Field Centre which is only slightly bigger than one badminton court.

- 2.2 Local fundraising began in July 2007 through a wide variety of fund raising efforts and to date, including pledges, the amount raised is approximately \$232,000.
- 2.3 At a meeting held 30 June 2009, Council resolved to commit up to \$1,000,000 of Major District Initiative Funding to the Fox Glacier Community Centre.
- 2.4 Council also resolved that their support of the project would be incorporated in the 2009-2019 LTCCP.
- 2.5 In the Getting Real Annual Plan 2013-2014 Statement of Council Created Reserves, Council noted that any recreation contributions for District wide subdivision activity would be placed in Reserve and that \$200,000 of the withdrawals would be used for the Fox Glacier Centre.

### 3.0 CURRENT SITUATION

- 3.1 The table below summarises the funding available for this project to date.

Source	Amount	Total
Lotteries Grant	\$ 390,860	
Fox Glacier fund raising	\$ 232,000	
Council Recreation Contributions	\$200,000	
MDI approval	\$1,000,000	\$1,822,860

- 3.2 Development West Coast's support for the Centre is subject to Council accepting the proposed KPI's and conditions. These are attached in **Appendix 1** to this report.
- 3.3 Two KPI's in particular could have financial implications for Council. These are that "Council will be responsible for any bridging finance or cost over-runs if required" and secondly, that "Council will underwrite the ongoing operation and maintenance of the Centre."
- 3.4 These provisions have been in some previous KPI's for previous MDI projects. Staff consider that there are risks involved with these KPI's, without a formal agreement with the organisation that will be constructing and managing the facility.



- 3.5 Fox Inc. and the Fox Glacier Community Centre Steering Committee have indicated their willingness to work with Council on the project.
- 3.6 Council needs to mitigate this financial risk by ensuring appropriate binding agreements are in place with these organisations. In this case particularly Fox Glacier Community Development Society.

#### **4.0 OPTIONS**

- 4.1 Option 1: Council accepts the KPI's and signs the agreement with Development West Coast, without any contract with the Fox Glacier Community Development Society.
- 4.2 Option 2: Council enters into a legal agreement with the Fox Glacier Community Development Society, which requires them to be responsible for any bridging finance, cost over-runs, or ongoing operation and maintenance of the Centre.
- 4.3 Option 3: Council withdraws its support for the proposed Centre.

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

- 5.1 In accordance with Council's policy on significance this matter is considered to be of high significance. In the absence of any binding agreement with Fox Glacier Community Development Society, there will be financial implications, should any bridging finance be needed, cost over-runs occur, or ongoing funds be needed for operation and maintenance of the new Centre
- 5.2 The Fox Glacier Community Development Society consulted widely with their community in 2007 about the need for the new community centre.

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

- 6.1 Option 1: Accept the KPI's without a contract.
  - 6.1.1 The advantage of this option is that construction would get underway quicker. The disadvantage of this option is that it would open up Council to potential financial claims in the future. This is **NOT** the preferred option.
- 6.2 Option 2: Council enters into a formal agreement with the Fox Glacier Community Development Society.

- 6.2.1 This agreement will require the society to be responsible for any bridging finance, cost over-runs, or ongoing operation and maintenance of the Centre. The option also mitigates the risk associated with financial implications of cost over-runs for Council. The disadvantage of this option is that it may delay the commencement of construction of the new Centre by a few weeks.

This is the **PREFERRED** option.

**6.2 Option 3: Council withdraws its support for the project.**

- 6.2.1 This is not a preferred option. The Council has committed and approved the project. Proceeding with this option presents an inherent reputational risk.

**7.0 PREFERRED OPTION AND REASON**

- 7.1 Option 2 is the preferred option.

- 7.2 The option mitigates any future financial risk to Council.

**8.0 RECOMMENDATION**

- A. **THAT** Council instructs the Chief Executive to prepare and enter into a legal agreement with Fox Glacier Community Development Society to ensure that any financial risks associated with the project – “Fox Glacier Community Centre” is solely the responsibility of Fox Glacier Community Development Society.

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

**Appendix 1: KPI's as proposed in the DWC – agreement with Council**

## Appendix 1:

### Key Performance Indicators

Agreement to accept key performance indicators between **Development West Coast** and **Westland District Council**

1. That the Westland District Council is to provide a construction timeline for the project.
2. That the Westland District Council is to confirm that all funding is in place for the project prior to the commencement of the project.
3. That the Westland District Council will be responsible for any bridging finance or cost over-runs if required.
4. That Development West Coast will pay Westland District Council up to \$1,000,000.00 (in arrears) on receipt of invoices in line with the construction timeline as detailed in the Funding Agreement.
5. That the drawdown of MDI funding will be in line with the budgeted 45% local (other funding) and 55% from MDI funds.
6. That the Westland District Council will underwrite the ongoing operation and maintenance of the Fox Glacier Community Centre.
7. That Development West Coast will not provide any additional capital funding for this project nor future operational or maintenance funding for the project.

for Development West Coast  
Date:

for Westland District Council  
Date:

# Report



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## **CARRY FORWARDS FROM 2013-14**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to seek approval for projects and activities to have funding carried forward from 2013-2014 to 2014-2015 so that they can be completed.
- 1.2** This issue arises from good practice in financial management in local government.
- 1.3** The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
- (b) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (c) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4** Council seeks to meet this obligation 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 top class infrastructure for all communities	Ensuring delivery against planned activities and projects.

- 1.5 This report concludes by recommending that Council approves a list of projects and activities to be carried forward from the financial year ended 30 June 2014 into the 2014-15 financial year.

## **2.0 BACKGROUND**

- 2.1 At the end of each financial year it is common for several projects and items of expenditure to be partially completed, deferred or committed but not started.
- 2.2 A carry forward is any project or budget funded in a previous year that was approved by Council in the Annual Plan for that year and has its funding carried forward so that the project can be completed in a subsequent year.
- 2.3 A key element of approving a carry forward is ensuring the funding is available to pay for the project. If a project is proposed to be carried forward without funding this will result in an adverse variance against the budget for the current year.
- 2.4 The types of items carried forward are:
  - 2.4.1 Capital projects partially completed.
  - 2.4.2 Projects funded by third parties.
  - 2.4.3 Long term operational projects.
  - 2.4.4 Activities whose frequency is less than annual but for which the funding is phased evenly over more than one financial year.

## **3.0 CURRENT SITUATION**

- 3.1 Council is expecting an adverse financial result for 2013-2014 with a significant variance to budget. Nevertheless, there remain projects to which Council is committed. Those that were planned to be funded from Rates will now need to be funded from general reserves, thereby exacerbating the adverse variance to budget.
- 3.2 The amounts carried forward are estimated by deducting expenditure to date from original budget and adjusted by any known variations; as advised by budget managers.
- 3.3 The attached Table A. represents the projects / budgets staff recommend be carried forward. These total \$980,995, of which \$265,970 was designated funded by Rates in the Annual Plan 2013-14.
- 3.4 It is proposed that a provision is created in respect of expense items and management of all carry overs is included in Council's monthly reporting.

## **4.0 OPTIONS**

- 4.1 Approve Table A to be carried forward.
- 4.2 Amend Table A by either adding or deleting items.
- 4.3 Do nothing.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1** This matter is of low significance; however some communities may consider a project important to them and be disappointed if a project is not carried forward.
- 5.2** All of these items were consulted on when they were included in the 2013-2014 Annual Plan.

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

- 6.1** Option 4.1 is financially prudent insofar as it promotes the application of funds to their intended purposes. While it represents an adverse variance of up to \$300k for the year ended 30 June 2014, these projects are already in progress, or are inevitable occurrences.
- 6.2** Option 4.2 may involve a departure from the Annual Plan 2013-14. Officers have included projects by exception and there is minimal scope for mitigating any adverse operating variance; since most of those included are already contracted. However it may be financially prudent to remove any expenditure that is not essential.
- 6.3** Option 4.3 will mean only the budgets and projects in the Annual Plan 2014-15 will proceed. Any necessary expenditure against these existing projects will create adverse variances against the Annual Plan 2014-15. This is not financially prudent, since it would contravene the accruals principles that:
  - 6.3.1** Income should be matched to corresponding expenditure
  - 6.3.2** Liabilities and obligations are recognised in the period in which they arise.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1** Option 4.1 is the preferred option since it enables Council to further fulfil its commitments and objectives, and is financially prudent.

## **8.0 RECOMMENDATION(S)**

- A) THAT** Council approves the carry forward of projects and items of expenditure contained in Table A.

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

**Appendix: Table A. Carry Over Schedule 2013-2014 to 2014-2015 Financial Year**

## Appendix 1

Table A. Carry Over Schedule 2013-2014 to 2014-2015 Financial Year

Activity	Budget \$	Spent \$	Carry Over \$	Detail	Funded by	Notes
Museum	16,000		16,000	Museum Donations - for Exhibitions	Donations	\$10k Mont D'Or Mining; \$6k Anon
			<b>16,000</b>		<b>Donations Total</b>	
Wastewater	175,000	90,000	80,000	Franz Josef WWTP	Loan	Capital Project From 2013-14 budget year - WIP
Council HQ	150,000	125,473	24,500	Council Office Layout Capital	Loan	Residue after compliance expenditure; add to 14/15 project
Solid Waste	25,000	-	25,000	Hokitika Leachate Management	Loan	Capital Project From 2013-14 budget year
			<b>129,500</b>		<b>Loan Total</b>	
Corporate Services	343,345	168,469	150,000	LTP Audit Fees	Rates YE 2014	From 2013-14 budget year
Planning & Regulatory	20,000	-	20,000	BCA re-accreditation	Rates YE 2014	From 2013-14 budget year
Rural Fire	3,500	286	3,000	Kanieri Rural Fire - To Replace Hoses	Rates YE 2014	From 2013-14 budget year
Cemeteries	10,000	-	3,000	Hokitika Cemetery Capital Development	Rates YE 2014	Capital Project From 2013-14 budget year
Parks & Reserves	10,000	-	10,000	Cass Square Statues	Rates YE 2014	Capital Project From 2013-14 budget year
Planning & Regulatory	102,767	57,690	35,500	District Plan review - e.g. Plan Change 7	Rates YE 2014	From 2013-14 budget year
Corporate Services	50,000	5,530	44,470	Rating System Review	Rates YE 2014	Project From 2013-14 budget year
			<b>265,970</b>		<b>Rates YE 2014 Total</b>	
Wastewater	50,000	6,000	30,000	Hokitika WWTP Resource Consent	Renewal reserve - Depreciation	Capital Project From 2013-14 budget year
Land & Buildings	30,000	-	30,000	Upgrade fire-alarm system - Museum	Renewal reserve - Depreciation	Capital Project From 2013-14 budget year
			<b>60,000</b>		<b>Renewal reserve - Depreciation Total</b>	
Community Halls	290,000	-	290,000	Hari Hari Community Facility	Reserves	Pending renewed business case
Swimming Pools	115,000	64,600	50,400	Ross Pool Liner	Reserves	Capital Project From 2013-14 budget year
Township Maintenance	100,000	-	100,000	Franz Josef Urban Revitalisation	Reserves	RMA reserve
Cycle Trail	55,000	-	48,000	Franz Josef Cycle Trail	Reserves	Capital Project From 2013-14 budget year
			<b>488,400</b>		<b>Reserves Total</b>	
Cycle Trail	-	-	21,125	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	Created for marketing initiatives
	<b>-</b>	<b>-</b>	<b>21,125</b>		<b>Stakeholder Contribution Total</b>	
	<b>1,545,612</b>	<b>518,048</b>	<b>980,995</b>		<b>Grand Total</b>	

# Report

**WESTLAND**  
DISTRICT COUNCIL



**DATE:** 28 August 2014

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## **FINANCIAL PERFORMANCE - JULY**

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to introduce Council's draft new monthly financial reporting suite.
- 1.2** The 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 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 top class infrastructure for all communities Living the '100% Pure NZ' brand	Providing timely, accurate and meaningful financial reporting. Ensuring robust financial controls are in place. Ensuring funds are deployed in accordance with agreed objectives. Fit for purpose management reports

- 1.4** This report concludes by recommending that Council receive the Financial Performance Report to 31 July 2014.



## 2.0 BACKGROUND

- 2.1 In 2013 Council's financial reporting and control mechanisms were found to be inadequate. This manifested itself in the following ways:
  - 2.1.1 Council activities were not sufficiently funded, characterised by significant adverse variances to budget and abandoned projects.
  - 2.1.2 Steep increases in rates requirements for the years ended 30 June 2014 and 2015 as Council sought to stabilise its financial position and maintain levels of service.
  - 2.1.3 Cash shortages, to the extent that emergency borrowings had to be arranged at short notice in June 2013.
- 2.2 Council responded to this situation by:
  - 2.2.1 Adopting the 'Getting Real' Annual Plan 2013-14
  - 2.2.2 Prioritising financial control as one of its primary objectives for the triennium.
- 2.3 Council has received financial information only quarterly, as part of the Quarterly Report. Process inefficiencies, questionable data integrity and underutilised systems further diluted the value of this information.
- 2.4 Early in 2013 Council acquired the MagiQ budgeting and reporting tool from Napier Computer Systems. This has yet to be used.

## 3.0 CURRENT SITUATION

- 3.1 In April 2014 finance staff commenced an overhaul of the data structure in Council's accounting system and chart of accounts with a view to efficiently producing a multi-layered financial reporting suite.
- 3.2 This process continues, but progress has been sufficient to allow the production of the report attached as **Appendix 1**, containing:
  - 3.2.1 Cost of service statement
  - 3.2.2 Revenue and expenditure charts
  - 3.2.3 Variance commentary

Future reports may include:

  - 3.2.4 Projects report
  - 3.2.5 Balance sheet ratios
  - 3.2.6 Carry forwards

**3.3** This will be an iterative process initially as Council and staff using the information provide feedback on the format and content, and controls continue to improve, particularly with regards to completeness versus timeliness.

**3.4** It is expected that MagiQ will be operational by October 2014.

#### **4.0 OPTIONS**

**4.1** Receive the report

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

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

#### **6.0 RECOMMENDATION**

**A) THAT** Council receives the financial performance report to 31 July 2014.

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

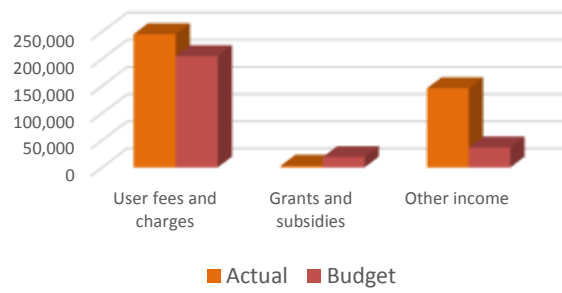
**Appendix 1: Financial Performance Report 31 July 2014**

## Appendix 1: Financial Performance Report 31 July 2014

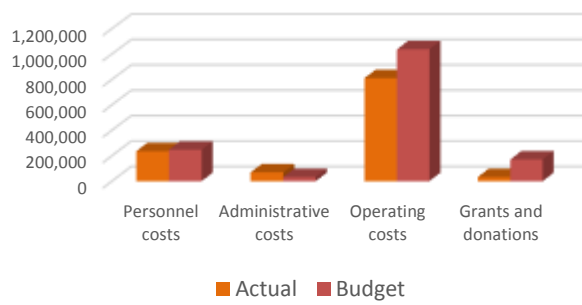
### Cost of service statement

WESTLAND DISTRICT COUNCIL Cost of service statement								
	Actual	July Budget	Variance	Actual	Year to July Budget	Variance	Full year 2014-2015 Budget	Balance
<b>Operating revenue</b>								
User fees and charges	245,518	204,851	↑ 40,667	245,518	204,851	↑ 40,667	1,967,048	↓ (1,721,530)
Grants and subsidies	12,964	19,180	↓ (6,216)	12,964	19,180	↓ (6,216)	3,059,974	↓ (3,047,010)
Other income	145,887	36,966	↑ 108,922	145,887	36,966	↑ 108,922	894,687	↓ (748,800)
<b>Total revenue (A)</b>	<b>404,369</b>	<b>260,997</b>	<b>↑ 143,372</b>	<b>404,369</b>	<b>260,997</b>	<b>↑ 143,372</b>	<b>5,921,709</b>	<b>↓ (5,517,340)</b>
<b>Operating expenditure</b>								
Personnel costs	236,174	248,554	↑ 12,380	236,174	248,554	↑ 12,380	3,128,999	↑ 2,892,825
Administrative costs	68,948	69,954	↑ 1,005	68,948	69,954	↑ 1,005	541,419	↑ 472,471
Operating costs	951,217	933,868	↓ (17,349)	951,217	933,868	↓ (17,349)	8,901,924	↑ 7,950,707
Grants and donations	33,173	275,063	↑ 241,889	33,173	275,063	↑ 241,889	352,909	↑ 319,736
<b>Total operating expenditure (B)</b>	<b>1,289,513</b>	<b>1,527,439</b>	<b>↑ 237,926</b>	<b>1,289,513</b>	<b>1,527,439</b>	<b>↑ 237,926</b>	<b>12,925,251</b>	<b>↑ 11,635,739</b>
<b>Net operating cost of services - surplus/(deficit) (A - B)</b>	<b>(885,144)</b>	<b>(1,266,442)</b>	<b>↑ 381,298</b>	<b>(885,144)</b>	<b>(1,266,442)</b>	<b>↑ 381,298</b>	<b>(7,003,542)</b>	<b>↑ 6,118,399</b>
<b>Other expenditure</b>								
Interest and finance costs	99,416	73,658	↓ (25,757)	99,416	73,658	↓ (25,757)	900,711	↑ 801,296
Overheads	517,407	423,146	↓ (94,261)	517,407	423,146	↓ (94,261)	5,289,327	↑ 4,771,920
Depreciation	471,345	415,578	↓ (55,767)	471,345	415,578	↓ (55,767)	5,194,722	↑ 4,723,378
<b>Total other expenditure (C)</b>	<b>1,088,167</b>	<b>912,382</b>	<b>↓ (175,785)</b>	<b>1,088,167</b>	<b>912,382</b>	<b>↓ (175,785)</b>	<b>11,384,761</b>	<b>↑ 10,296,593</b>
<b>Total expenditure (D = B + C)</b>	<b>2,377,680</b>	<b>2,439,821</b>	<b>↑ 62,141</b>	<b>2,377,680</b>	<b>2,439,821</b>	<b>↑ 62,141</b>	<b>24,310,012</b>	<b>↑ 21,932,332</b>
<b>Funded by</b>								
Rates	855,112	948,845	↓ (93,733)	855,112	948,845	↓ (93,733)	11,386,142	↓ (10,531,030)
Overhead recoveries	517,407	438,830	↑ 78,577	517,407	438,830	↑ 78,577	5,485,381	↓ (4,967,974)
<b>Total funded (E)</b>	<b>1,372,519</b>	<b>1,387,676</b>	<b>↓ (15,157)</b>	<b>1,372,519</b>	<b>1,387,676</b>	<b>↓ (15,157)</b>	<b>16,871,523</b>	<b>↓ (15,499,004)</b>
<b>Net cost of services - surplus/(deficit) (A + E - D)</b>	<b>(600,792)</b>	<b>(791,149)</b>	<b>↑ 190,356</b>	<b>(600,792)</b>	<b>(791,149)</b>	<b>↑ 190,356</b>	<b>(1,516,780)</b>	<b>↑ 915,988</b>

Operating revenue



Operating expenditure

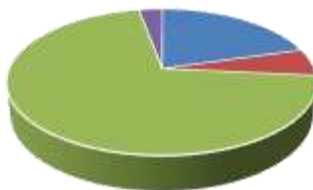


Operating revenue  
Actual year to July



■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure  
Actual year to July



■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

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## Variance Analysis

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### Revenue

Grants and subsidies:

Other income: Received \$88,208 as insurance claim not budgeted in annual plan.  
Received \$16,107 donation for museum whereas budgeted only \$2500 for whole year.

### Expenditure

Grants and donations: Allocated \$140,000 for township development but did not use.  
\$65,000 for Glaciers budgeted but not use.  
\$39,000 set as promotional grant did not spent.