



Notice of Meeting

A meeting of the Tararua District Council will be held in the Council Chamber, 26 Gordon Street, Dannevirke on **Wednesday 30 November 2016** commencing at **1.00 pm**.

Blair King
Chief Executive

Agenda

1. **Present**
2. **Council Prayer**
3. **Apologies**
4. **Notification of Items Not on the Agenda**

Major items not on the agenda may be dealt with at this meeting if so resolved by the Council and the chairperson explains at the meeting at a time when it is open to the public the reason why the item was not listed on the agenda and the reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters not on the agenda relating to the general business of the Council may be discussed if the chairperson explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at that meeting, but no resolution, decision or recommendation may be made in respect of that item except to refer it to a subsequent meeting.

5. **Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business**
6. **Personal Matters**
7. **Confirmation of Minutes**

5

Recommendation

That the minutes of the Council meeting held on 26 October 2016 (as circulated) be confirmed as a true and accurate record of the meeting.

8.	Any Matters Arising from the Minutes not otherwise dealt with in the Agenda	
9.	Community Boards and Community Committees Reports	
9.1	Eketahuna Community Board	11
	Recommendation	
	<i>That the report of the Eketahuna Community Board meeting held on 2 November 2016 (as circulated) be received.</i>	
9.2	Dannevirke Community Board	15
	Recommendation	
	<i>That the report of the Dannevirke Community Board meeting held on 1 November 2016 (as circulated) be received.</i>	
9.3	Pahiatua On Track	21
	Recommendation	
	<i>That the report of the Pahiatua On Track meeting held on 2 November 2016 (as circulated) be received.</i>	
9.4	Woodville Districts' Vision	25
	Recommendation	
	<i>That the report of the Woodville Districts' Vision meeting held on 1 November 2016 (as circulated) be received.</i>	
	Note: Any of the Community Boards and Community Committees may send a representative to address the Council on any issues within the agenda or matters of interest to them.	
10.	Reports	
10.1	Proposed Council Structure, Appointments and Delegations	29
10.2	Provision of Additional Toilets at the Eketahuna Camping Ground	45
10.3	Proposed Submission to the New Zealand Fire Service Commission on Intended Changes to the Fire Levy	61
10.4	Proposed Road Name Change for Sowry Road (No Exit)	87
10.5	Road Closure Requested Under the Tenth Schedule of the Local Government Act 1974	91
10.6	1st Quarter Financial and Performance for the period ended 31 September 2016	101

11. Portfolio Reports

Councillors assigned the responsibility to undertake the portfolio for a specific activity can report back on any of these matters.

12. Mayoral Matters

13. Items not on the Agenda Accepted in Accordance with the Procedure Outlined as per Agenda Item 4

14. Public Excluded Item of Business

Recommendation

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Site options for the Pahiatua Water Supply reservoir

The general subject of each matter to be considered while the public is 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 follows.

<i>General subject 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>
<i>Site options for the Pahiatua Water Supply reservoir</i>	<i>To protect commercial and industrial negotiations</i>	<i>Section (1)(a)(i)</i>

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 Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

s7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

15. Closure



Minutes of the first meeting of the Tararua District Council following the triennial general election held in the Council Chamber, 26 Gordon Street, Dannevirke on Wednesday 26 October 2016 commencing at 1.00 pm.

1. Present

Her Worship the Mayor Elect - Mrs T H Collis, Crs Elect A L Benbow, E J Christison, J E Crispin, S A Hull, C J Isaacson, P A Johns and A J Thompson.

In Attendance

Mr B King	-	Chief Executive
Mr R Taylor	-	Governance Manager
Mr P Wimsett	-	Manager Strategy and District Development
Mr R Suppiah	-	Chief Financial Officer
Mrs K Dever-Tod	-	Manager Assets Group
Mr C McKay	-	Finance Manager
Mr W Labuschagne	-	Project/Management Accountant
Mr C Chapman	-	Alliance Network Manager
Mr D Gerrard	-	Alliance Operations Manager

Representatives from Audit New Zealand for the Annual Report item of business 6.3

1.1 Opening

- 1.1.1 The Chief Executive presided at the commencement of the meeting, and extended a welcome to all those present for the inaugural meeting and congratulated Council members on their election to office for the new term.

2. Apologies

- 2.1 At the request of the Horizons Regional Council Tararua constituency elected representative John Barrow an apology is noted from him for not being able to attend the meeting, and his congratulations are conveyed to the new Council.

3. Declarations Required of the Mayor and Councillors

- 3.1 The Mayor made and attested her declaration pursuant to Schedule 7 Clause 14 of the Local Government Act 2002. The Chief Executive witnessed the making and attesting of the declaration.

3.2 The Mayor assumed the chair of the meeting, and each councillor made and attested their Council member's declaration pursuant to Schedule 7 Clause 14 of the Local Government Act 2002. The Mayor witnessed the making and attesting of each declaration.

3.3 The Mayor adjourned the meeting at 1.15 pm to provide an interval for photos, and invited family members, friends, supporters and staff to join the Council in the staff room for some food and tea/coffee. The meeting resumed at 1.45 pm.

4. Council Meeting Date and Time

4.1 *That the Tararua District Council schedule its meetings on the last Wednesday of each month (except December) commencing at 1.00 pm, and*
That the December Council meeting be held on the second Wednesday of that month.

Crs Johns/Isaacson

Carried

5. Appointment of the Deputy Mayor

5.1 The Mayor exercised her powers provided under Section 41A(3) of the Local Government Act 2002 to appoint Cr A L Benbow to the position of Deputy Mayor.

5.2 Cr Benbow conveyed his thanks and commitment to fulfil this role in the best interests of the district, and working with the Mayor and Councillors to achieve that objective.

6. Reports

6.1 **Acts Pertaining to the Conduct of Business and to Members of Local Authorities**

6.1.1 *That the report from the Chief Executive dated 19 October 2016 concerning a general explanation of acts pertaining to the conduct of business and to members of local authorities with regard to the following (as circulated) be received and noted:*

(a) The Local Government Official Information and Meetings Act 1987

(b) The Local Authorities (Members Interests) Act 1968

(c) Sections 99, 105 and 105A of the Crimes Act 1961

(d) The Secret Commissions Act 1910

(e) The Financial Markets Conduct Act 2013

(f) The Local Government Act 2002 - provisions relating to local governance statements and the Code of Conduct

(g) The Health and Safety at Work Act 2015

And that the Council adopt the draft Code of Conduct, and any previous Code of Conduct is hereby revoked.

Crs Johns/Thompson

Carried

6.2 Adoption of Standing Orders

6.2.1 *That the report from the Governance Manager dated 19 October 2016 concerning the adoption of standing orders (as circulated) be received, and*

That the Council adopt the Local Government New Zealand/EquiP standing orders for the conduct of its meetings, and any previous standing orders is hereby revoked.

Crs Crispin/Benbow

Carried

6.3 Adoption of the 2015/2016 Annual Report

6.3.1 The Mayor welcomed Clint Ramoo and John Whittal from Audit New Zealand to the meeting, and invited them to address the Council.

6.3.2 Clint Ramoo spoke on the outcome of the audit, and his comments included reference to the following matters:

- The additional accounting resourcing provided by the Council assisted to strengthen the links between financial files, assets and statement of service performance measures to significantly improve readiness to make the audit process smoother and provide very good quality information for the Annual Report.
- Audit acknowledge the significant strengthening between financial measures and asset delivery. This shows the community that the Council are focusing both on what service improvements will be delivered, and at what cost.
- There has been a significant improvement in the management of capital expenditure projects, with more oversight, robustness and regular reporting. Adequate planning, scheduling and information to the Council are in place, and the amount of carry forwards has reduced from previous years.
- The focus on developing and establishing the necessary systems and processes representing fit for purpose best practice to manage significant risks is commended.
- The formation of the Audit and Risk Committee with an independent chairperson appointed is complementary to supporting that outcome.
- The audit team note that further work is to be managed through the Alliance, and when this approach is applied they will seek to ensure the awarding of the work follows due process regarding probity and getting value for money.
- There has been quite a significant drop in the valuation of certain asset classes, particularly in roading. This situation is as a result of improved quality data being available on such assets relative to their expected life.

- The need for robust service performance measures and data to monitor service levels is emphasised, acknowledging that various activities must comply with mandatory reporting requirements.
- There must be suitable controls, policies and strategies in place to ensure the Council appropriately manages situations regarding conflicts of interest, including the procurement policy.

6.3.3 Clint Ramoo raised with the Council the matter of ensuring as elected members the risk of fraud is adequately managed, and no subsequent significant events have occurred since balance date.

6.3.4 To provide the necessary verification that the Council is satisfied it has complied with its statutory requirements and responsibilities the Mayor and Chief Executive will sign the letter of representation relating to the audit and Annual Report.

6.3.5 Clint Ramoo advised that an unmodified audit opinion shall be issued in respect of the audit report.

6.3.6 The Mayor thanked Clint Ramoo for his six years service in managing the Council's audit, and welcomed John Whittal who is to undertake this role in the future.

6.3.7 The Mayor acknowledged the work of the Chief Financial Officer and all staff involved in completing the Annual Report.

6.3.8 The Chief Executive acknowledged the importance and value of the audit to provide independent assurance to the community about the Council's performance and accountability for the decisions made throughout the year. He joined with the Mayor in thanking Clint Ramoo for his service as the Council's auditor.

6.3.9 The Chief Financial Officer elaborated on the significant change to the draft Annual Report previously submitted to the Audit and Risk Committee regarding the treatment and recognition of the Eketahuna earthquake claim revenue for damage to the sewer pipe networks.

6.3.10 ***That the report from the Chief Financial Officer dated 19 October 2016 concerning the adoption of the 2015/2016 Annual Report (as circulated) be received, and***

That in accordance with Section 98 of the Local Government Act 2002, the audited Annual Report for the year ended 30 June 2016 is adopted subject to the correction of any typographical errors.

Crs Hull/Isaacson

Carried

6.4 **Draft 2015/2016 Summary Annual Report**

6.4.1 *That the report from the Chief Financial Officer dated 19 October 2016 concerning the draft 2015/2016 Summary Annual Report (as circulated) be received, and*

That the Council approve the draft 2015/2016 Summary Annual Report, subject to changes arising from the quality review, to be provided to Audit New Zealand for auditing.

Crs Johns/Hull

Carried

There being no further business the Mayor thanked those present for their attendance and contributions, and declared the meeting closed at 2.37 pm.

Mayor



Eketahuna Community Board

Minutes of the first meeting of the Eketahuna Community Board following the triennial general election held in the Eketahuna War Memorial Hall, corner of Jones Street and State Highway 2, Eketahuna on Wednesday 2 November 2016 commencing at 10.05 am.

1. Present

Board Members Elect C C Death, D F Eagle and P Wilson.

In Attendance

Mrs T H Collis - Her Worship the Mayor
Mr R Taylor - Governance Manager

1.1 Opening

- 1.1.1 The Governance Manager (acting as the Chief Executive's nominee) presided at the commencement of the meeting, and extended a welcome to all those present for the inaugural meeting and congratulated Community Board members on their election for the new term.

2. Apologies

- 2.1 An apology is noted from Board Member Elect S E Shannon for non-attendance at the meeting.

3. Declarations Required of Community Board Members

- 3.1 Each Community Board member made and attested their board member's declaration pursuant to Schedule 7 Clause 14 of the Local Government Act 2002. The Mayor witnessed the making and attesting of each declaration.

4. Voting Systems for Certain Appointments

- 4.1 *That pursuant to Schedule 7 Clause 25 of the Local Government Act 2002, the Eketahuna Community Board adopt the following system of voting for the election or appointment of:*

- (a) The Chairperson, and*
- (b) The Deputy Chairperson, and*
- (c) A representative of the Board*

System A-

- (a) which requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the Board present and voting; and**
- (b) has the following characteristics:**
 - (i) there is a first round of voting for all candidates; and**
 - (ii) if no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and**
 - (iii) if no candidate is successful in the second round there is a third, and if necessary subsequent, round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and**
 - (iv) in any round of voting, if two or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.**

Eagle/Death

Carried

5. Election of Chairperson

5.1 The Governance Manager invited nominations to elect a Community Board member to the position of Chairperson.

5.2 **Nominations**

C C Death	Nominated:	D F Eagle
	Seconded:	P Wilson

5.3 The Governance Manager called for any further nominations to fill this position.

5.4 There being no further nominations the Governance Manager declared C C Death duly elected as the Eketahuna Community Board's Chairperson.

5.5 Mr Death made and attested the declaration required of the Community Board Chairperson by Schedule 7 Clause 14 of the Local Government Act 2002. The Mayor witnessed the making and attesting of the declaration.

5.6 Mr Death assumed the chair of the meeting, and thanked board members for their support in electing him to continue in the role of Chairperson.

6. Election of Deputy Chairperson

6.1 It is agreed that this item of business be referred to the Board's next meeting as a matter included for consideration on the agenda.

7. Board Meeting Date and Time

- 7.1 *That the Eketahuna Community Board schedule its meetings on the first Friday of each month at 10.00 am in the Eketahuna War Memorial Hall except January when no meeting is held.*

Eagle/Wilson

Carried

8. Reports

8.1 Acts Pertaining to the Conduct of Business and to Members of Local Authorities

- 8.1.1 The Governance Manager gave a general outline of board members obligations and responsibilities to comply with statutory requirements applicable to them as detailed in the report presented to the meeting.

- 8.1.2 The delegation from the Council setting out the functions of the district's two Community Boards was also explained regarding their role as part of the governance structure.

- 8.1.3 *That the report from the Chief Executive dated 25 October 2016 concerning a general explanation of acts pertaining to the conduct of business and to members of local authorities with regard to the following (as circulated) be received and noted:*

- (a) The Local Government Official Information and Meetings Act 1987*
- (b) The Local Authorities (Members Interests) Act 1968*
- (c) Sections 99, 105 and 105A of the Crimes Act 1961*
- (d) The Secret Commissions Act 1910*
- (e) The Financial Markets Conduct Act 2013*
- (f) The Local Government Act 2002 - provisions relating to local governance statements and the Code of Conduct*
- (g) The Health and Safety at Work Act 2015*

Eagle/Death

Carried

8.2 Adoption of Standing Orders

- 8.2.1 *That the report from the Governance Manager dated 25 October 2016 concerning the adoption of standing orders (as circulated) be received, and*

That the Board adopt the Local Government New Zealand/EquiP standing orders for the conduct of its meetings, and any previous standing orders is hereby revoked.

Death/Wilson

Carried

9. Various Other Appointments of Board Representatives

- 9.1 It is agreed that this item of business be referred to the Board's next meeting as a matter included for consideration on the agenda.

10. Update from Charlie Death as Board Chairperson

- 10.1 The Board is to consider options for colours to paint the Eketahuna War Memorial Hall and the Eketahuna Community Centre, and it will look at possibilities for this purpose.
- 10.2 If alternative colours to the status quo are preferred they need to be identified and advised to the Community Assets and Property Manager.
- 10.3 The development of the War Memorial remembrance site is to be completed by Armistice Day, and a ceremony will occur at 11.00 am to recognise this occasion.
- 10.4 A meet the new residents forum will be held on 4 December 2016 at 2.00 pm in the Eketahuna Club, and Board Member Eagle will prepare and send the invitations.
- 10.5 Details of the arrangements for the new residents forum shall be included in the community newsletter.
- 10.6 Board Member Eagle will attend the Tararua College senior prizegiving presentation held tonight at 7.00 pm.
- 10.7 Board Member Wilson will attend the Pukaha Mount Bruce annual supporters evening held on 24 November 2016 at 5.30 pm.
- 10.8 Helen Tickner (Pukaha Mount Bruce General Manager) and Mark Watson will attend the Board's next meeting at 10.30 am to discuss concepts for enhancing the Chorus building porch area.
- 10.9 Janice Percy who recently retired from working at the Eketahuna Service Centre/Library will be invited to join board members for lunch at Pukaha Mount Bruce following the conclusion of the December Board meeting.
- 10.10 Some flowers will be presented to Janice Percy from the Board to acknowledge her service and contribution to the Eketahuna community.
- 10.11 The Board's Deputy Chairperson from the previous term is also to be invited to lunch at Pukaha Mount Bruce, and the Chairperson will contact both of them to convey this invitation.
- 10.12 The Council's decision made following consultation through the 2015/2025 Draft Long Term Plan to progressively exit from providing the kerbside refuse bag collection was outlined, with the private sector now delivering a similar service at a competitive price to the previous cost of purchasing a refuse label.

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 11.20 am.

Chairperson



Dannevirke Community Board

Minutes of the first meeting of the Dannevirke Community Board following the triennial general election held in the Tararua Business Network Training/Seminar Room, 40 Denmark Street, Dannevirke on Tuesday 1 November 2016 commencing at 3.00 pm.

1. Present

Board Members Elect T J Hynes, W R Macdonald, K P Spooner and P F Walshe.

In Attendance

Mrs T H Collis - Her Worship the Mayor
Mr R Taylor - Governance Manager

1.1 Opening

- 1.1.1 The Governance Manager (acting as the Chief Executive's nominee) presided at the commencement of the meeting, and extended a welcome to all those present for the inaugural meeting and congratulated Community Board members on their election for the new term.

2. Apologies

- 2.1 Nil

3. Declarations Required of Community Board Members

- 3.1 Each Community Board member made and attested their board member's declaration pursuant to Schedule 7 Clause 14 of the Local Government Act 2002. The Mayor witnessed the making and attesting of each declaration.

4. Voting Systems for Certain Appointments

- 4.1 *That pursuant to Schedule 7 Clause 25 of the Local Government Act 2002, the Dannevirke Community Board adopt the following system of voting for the election or appointment of:*

- (a) The Chairperson, and*
- (b) The Deputy Chairperson, and*
- (c) A representative of the Board*

System B -

- (a) which requires that a person is elected or appointed if he or she receives more votes than any other candidate; and***
- (b) has the following characteristics:***
 - (i) there is only one round of voting; and***
 - (ii) if two or more candidates tie for the most votes, the tie is resolved by lot.***

Macdonald/Walshe

Carried

5. Election of Chairperson

5.1 The Governance Manager invited nominations to elect a Community Board member to the position of Chairperson.

5.2 **Nominations**

W R Macdonald	Nominated:	T J Hynes
	Seconded:	P F Walshe

5.3 The Governance Manager called for any further nominations to fill this position.

5.4 There being no further nominations the Governance Manager declared W R Macdonald duly elected as the Dannevirke Community Board's Chairperson.

5.5 Mr Macdonald made and attested the declaration required of the Community Board Chairperson by Schedule 7 Clause 14 of the Local Government Act 2002. The Mayor witnessed the making and attesting of the declaration.

5.6 Mr Macdonald assumed the chair of the meeting, and thanked board members for their support in electing him to the role of Chairperson.

6. Election of Deputy Chairperson

6.1 The Chairperson invited nominations to elect a Community Board member to the position of Deputy Chairperson.

6.2 **Nominations**

P F Walshe	Nominated:	W R Macdonald
	Seconded:	T J Hynes

6.3 The Chairperson called for any further nominations to fill this position.

6.4 There being no further nominations the Chairperson declared P F Walshe duly elected as the Dannevirke Community Board's Deputy Chairperson.

7. Board Meeting Date and Time

- 7.1 *That the Dannevirke Community Board schedule its meetings on the first Monday of each month at 1.00 pm except January when no meeting is held.*

Advisory Note

Where the Monday of that month is a statutory holiday the Board's meeting shall be held the following day.

Spooner/Walshe

Carried

8. Reports

8.1 Acts Pertaining to the Conduct of Business and to Members of Local Authorities

- 8.1.1 The Governance Manager gave a general outline of board members obligations and responsibilities to comply with statutory requirements applicable to them as detailed in the report presented to the meeting.

- 8.1.2 The delegation from the Council setting out the functions of the district's two Community Boards was also explained regarding their role as part of the governance structure.

- 8.1.3 *That the report from the Chief Executive dated 25 October 2016 concerning a general explanation of acts pertaining to the conduct of business and to members of local authorities with regard to the following (as circulated) be received and noted:*

- (a) The Local Government Official Information and Meetings Act 1987*
- (b) The Local Authorities (Members Interests) Act 1968*
- (c) Sections 99, 105 and 105A of the Crimes Act 1961*
- (d) The Secret Commissions Act 1910*
- (e) The Financial Markets Conduct Act 2013*
- (f) The Local Government Act 2002 - provisions relating to local governance statements and the Code of Conduct*
- (g) The Health and Safety at Work Act 2015*

Hynes/Walshe

Carried

8.2 Adoption of Standing Orders

- 8.2.1 *That the report from the Governance Manager dated 25 October 2016 concerning the adoption of standing orders (as circulated) be received, and*

That the Board adopt the Local Government New Zealand/EquiP standing orders for the conduct of its meetings, and any previous standing orders is hereby revoked.

Walshe/Spooner

Carried

9. Various Other Appointments of Board Representatives

- 9.1 *That the following appointments be made to represent the Dannevirke Community Board through undertaking the roles as specified:*

Road Safety Group

That P F Walshe be appointed as the Board's representative on the Road Safety Group.

Local Community Groups

That W R Macdonald be appointed as the Board's representative on the Dannevirke Information Centre Management Committee, and

That the below representatives be appointed to liaise with the local community groups stated:

- | | | |
|---|---|--------------------|
| • <i>Dannevirke Brass Band</i> | - | <i>K P Spooner</i> |
| • <i>Dannevirke Chamber of Commerce</i> | - | <i>T J Hynes</i> |
| • <i>Tararua Community Youth Services</i> | - | <i>T J Hynes</i> |

Macdonald/Hynes

Carried

10. Public Forum

- 10.1 *That the Board continue to set aside a maximum period of up to thirty minutes at the commencement of each monthly meeting to provide a public forum section as an item of business on its agenda.*

Macdonald/Walshe

Carried

11. Update on Community Cycle/Walkway Project

- 11.1 The Alliance is to replace the culvert under Cadman Road to the east of the bridge in the vicinity of 41 Cadman Road, with the work anticipated to be completed by the end of November.
- 11.2 The Alliance is to supply a pipe to extend the culvert in the vicinity of 71 Cadman Road for installation through the project coordinating group's contractor. This work will need to have Council sign off once constructed.
- 11.3 The priority for work in the vicinity of King Street is directed to enhancing safety around parking at Dannevirke High School.
- 11.4 At this time no budget is set aside for landscaping in the streets where the trees were removed, and the Alliance is to consider a longer term plan concerning the berms, kerb and channel, carriageways and footpaths relating to these areas.

- 11.5 This will need to take into account reseals and underground infrastructure programmes of the Council and that of others.

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 3.43 pm.

Chairperson

PAHIATUA ON TRACK INCORPORATED

Minutes of the Pahiatua On Track Incorporated meeting held in the Pahiatua Service Centre Chamber, 136 Main Street, Pahiatua on Wednesday 2nd November 2016 commencing at 5.30pm.

1. Present

Committee Members: Michelle Rankin (Secretary), Brett MacDougall (Deputy Chair), John Arends (Treasurer), Gerry Parker, Nigel Shaw, J Brock, Rhys Punler, T Collis (Mayor)

Members of the Public: Diana Eagle

2. Apologies

L Powick (Chair), Ann Marie Bengston

3. Notification of Items Not on the Agenda

Golf tournament
Town signs at Harvard Park

4. Personal Matters

4.1 Nil

5. Confirmation of Minutes

5.1 **That the minutes of the Pahiatua On Track meeting held on 5th October 2016 (as circulated) be confirmed as a true and accurate record of the meeting.**

John/Michelle

Carried

6. Matters Arising

6.1 Nigel showed the committee at the October meeting the evacuation procedures, and that the Service Centre Chamber does not meet the evacuation standards.

7. Tararua District Council Report Cr Shirley Hull

7.1 Portfolios have yet to be discussed and allocated. The Council's October meeting saw the new Mayor and Councillors sworn in, the review of standing orders and the passing of the Annual Report.

8. Correspondence Inwards

- Tararua Alliance - notice of road closures in the district
- Girl Guides - invitation to attend the unveiling of the mural at Harvard Park

That the inwards correspondence be received.

Gerry/Nigel

Carried

9. Financial Report **John Arends**

9.1 Accounts to be passed for payment:

Wooden Spoon \$402.20 (Wheel Park)
Erica Gleeson \$75.80 (Wheel Park)

9.2 That the financial report be adopted.

John/Gerry

Carried

10. Discretionary Grants

10.1 That Pahiatua On Track approve the application made by Bush Junior Hockey Club, and that the donation of \$2100.00 be granted towards the purchase of hockey goals.

Nigel/Jared

Carried

10.2 That Pahiatua On Track approve the application made by Bush Multisport Trust, and that the donation of \$1167.25 be granted towards the upgrade of gates at the Bush Multisport complex subject to the Wheel Park organisation contributing \$914.25 towards the gate at the Kiwi Street access to the turf.

John/Michelle

Carried

10.3 That Pahiatua On Track request further clarification with the quotes before approving the application made by Pahiatua Information Centre, and a final decision is made.

Michelle/Gerry

Carried

11. Portfolio Reports

11.1 Bridge to the Brewery Walkway **Gerry Parker**

Gerry will follow up with the Council regarding boundary lines.

11.2 Business and Retail Report **Brett MacDougall**

No new updates for November.

11.3 Harvard Plane **John Arends**

Raylene Treder has arranged for another playground designer/builder to assess the slide on the plane and discuss options to make it more user-friendly. Initial estimates are around \$3500.

11.4 Roading **Nigel Shaw**

There is nothing to report.

11.5 Wheel Park**Jared Brock**

It is hoped that stage two will be finished in the next few days. A notice placed in the Bush Telegraph invites submissions on stage three, hopefully to be fully complete by 30th January 2017. It is being well utilised currently.

11.6 Swimming Pool**Jared Brock**

A road trip is planned to the Waipukurau facility to ascertain why it is so successful and see if their policies can be implemented in Pahiatua.

11.7 Community Vehicle Trust**John Arends**

Current usage of the community vehicle is steadily increasing. A meeting is taking place next week with drivers and interested parties to discuss how it is going, consider ways to improve its effectiveness and make their booking system more user-friendly. The vehicle will be sign written on Tuesday.

11.8 Town Centre Upgrade/Main Street

Explore Pahiatua has been released in the Bush Telegraph and the public are invited to the monthly meeting if they would like to comment.

The Christmas lights and flags will be up this week. The Facebook page has been set up so please like it. The website should be live in two to three weeks. The Information Centre is currently working on Explore Pahiatua souvenirs and t-shirts in time for Christmas.

Registrations are coming in for Explore Christmas. Advertising for this event will be a focus for November.

11.9 Christmas Window Promotion

Louise and Michelle are to follow up this matter.

12. New Committee Member

That Rhys Punler is co-opted onto the Pahiatua On Track committee.

Brett/John**Carried****13. Pahiatua On Track Christmas Function**

The committee are undecided on a date, but the preferred venue is for a barbecue/picnic at Carnival Park. A date will be set for January or early February.

14. Carnival Park

Discussion has been deferred to November's monthly meeting. Further discussion is required around how Pahiatua On Track will operate this.

15. Items Not on the Agenda

15.1 Golf Tournament

Rhys has advised that the annual fundraiser golf tournament will be held on 11th February 2017. Fundraising is for the following parks, Harvard, Carnival and the Wheel Park.

15.2 Town Signs at Harvard Park

The committee has approved for John to arrange a local contractor to shift the current Information Centre sign to behind the Harvard plane.

The meeting closed at 7.30pm.

Chairperson

**Minutes of a meeting of Woodville Districts' Vision
held in the Woodville Sports Stadium Supper Room on Tuesday 1 November
2016 commencing at 7.00pm.**

PRESENT

B Hutton, A Devonshire, G Murray, K McIntyre, Cr P Johns, P McCool, D Pretty, M Reuben, V James, R McMillan, J Hawes, M M Oulaghan (Secretary), R Winter (Chair)

APOLOGIES

That an apology be received from S McLeod for non-attendance at the meeting.

R Winter/V James

Carried

PREVIOUS MEETING

That the minutes of the Woodville Districts' Vision meeting held on 4 October 2016 be accepted as a true and correct record subject to correcting the wording relating to the health and safety matter that should read 'fire' and not hire, and clarifying that the Army could assist with building the stands for the water tanks.

R Winter/B Hutton

Carried

MATTERS ARISING

- Water Tanks - Anyone interested in purchasing a water tank should register their interest at the Service Centre. The price might improve through economy of scale.
- Town Signs - This is still to be progressed, with the Chair's assurance that this work would commence.

CORRESPONDENCE

Inwards

- Nil

Outwards

- B Goldsworthy - letter of congratulations

That the correspondence be accepted.

M M Oulaghan/B Hutton

Carried

REPORTS

Treasurer's Report

Reports for both August (as requested at the 4 October meeting) and October were tabled. There is \$60k in various accounts. The cheque account has \$35k.

That the Treasurer's report be accepted.

P McCool/K McIntyre

Carried

Rubbish Collection

There has been miscommunication about the rubbish collection service that is not to cease being available. Rather, the sale of red stickers is discontinued for use alongside the yellow bags.

Fountaine Square

- The new climbing frame has been erected in Fountaine Square and is open for use.
- The installation of new tables is imminent.

Water

The impounded supply has been emptied. It is currently too wet to continue the deepening, widening and shaping work, and it is necessary to wait until it dries out. The small dam should be in place by the end of November.

CCTV Cameras

There was a query from the floor regarding the installation of the CCTV cameras. WDV have paid \$16k towards these cameras. Cr Johns is to speak to P Wimsett concerning progress with this project.

Flooding in Ormond Street

The Council will meet the costs of the survey and legal work to put easements in place on the affected properties. Still waiting for these easements to be submitted to LINZ (Land Information New Zealand). The drain from Weber Street to Station Street needs cleaning out. Cr Johns advised that the Council would keep this clear once the work is done.

Flooding in McLean Street has been caused by sealing the sewage pipes that previously allowed spring water to escape. This is now flooding several properties. The Council is working through this issue, however it is proving complex to correct.

Events and Promotions

Woodfest

The role of event coordinator remains vacant. Without this role Woodfest will not occur. A notice has been placed in the Woodvillean community newsletter seeking a candidate.

Picnic in the Park

In the absence of Woodfest this community event will continue. As usual free children's entertainment will be provided. Bring your own food and enjoy the community atmosphere. Any suggestions for entertainers are most welcome.

That the Picnic in the Park community event be held on Saturday 18 February 2017.

R Winter/M Reuben

Carried

Christmas Parade

- The parade will be held on Saturday 10 December.
- Posters are going in the Woodvillean community newsletter and elsewhere.
- The main signs will be up this week (first week in November).
- The Alliance has advised they will be involved in the parade.
- Everything is on track.

Lindauer Walkway

- There was a positive reply from Susan Chapman of KiwiRail in response to the letter from P Wimsett.
- The artist is well on the way with the walkway impression.

That the walkway from Pinfold Road to the Old Gorge Cemetery be officially called the Gottfried Lindauer Arts Trail.

B Hutton/P Johns

Carried

Lindauer Report - Tabled

External sponsorship is being sought.

That in principle the artist in residence programme be allocated \$2k per annum, and that this funding be reviewed annually.

K McIntyre/R Winter

Carried

A business plan is to be submitted to WDV outlining costs, e.g. accommodation, flights, food etc.

Creative Communities have not assisted in the past, but it is suggested that an application be submitted to this scheme seeking financial assistance of \$1k.

APPLICATIONS

Applications are on hold until a budget has been tabled.

A notice is to be placed in the Woodvillean community newsletter regarding the availability of discretionary funding, and advising groups to apply if they have projects that could be eligible to receive support. It is proposed that a maximum of \$1k per application is granted so that the funding assists up to five groups.

GENERAL BUSINESS

Water Tanks

Cr Johns is to undertake the installation of the water tank for the rose garden. The best location for the second tank is to be discussed with Civil Defence.

Mission Statement/Vision

Having a vision that describes what WDV as an organisation is trying to achieve in the future and how it intends to get there is important. If you are interested in helping create this please advise. There will be a short exercise at the Christmas function.

Mail Delivery

A concern was raised about mail delivery. A letter is to go to New Zealand Post asking for details of the mail contract.

As there is no further business the meeting closed at 8.20pm.

Report

Date : 24 November 2016

To : Mayor and Councillors
Tararua District Council

From : Tracey Collis
Mayor

Subject : **Proposed Council Structure, Appointments and Delegations**

Item No : **10.1**

1. Reason for the Report

- 1.1 This report sets out the proposed Council structure, appointments and delegations applicable to this term of office, subject to review pending the by-election for a further South ward Councillor.

2. Mayor's Role and Powers Under Section 41A of the Local Government Act 2002

- 2.1 The role of a Mayor is:

- (a) To provide leadership to councillors and the people of the district
- (b) To lead development of the Council's plans (including the Long Term and Annual Plans), policies and budgets for consideration by councillors

- 2.2 The Mayor has authority to:

- (a) Appoint the Deputy Mayor
- (b) Establish Council committees, their terms of reference, appoint the Chairperson of each of those committees and the members
- (c) Appoint themselves as the Chairperson of a committee
- (d) Decline to exercise the powers under clause a) and b) above but may not delegate those powers to another person

- 2.3 The Council retains the ability to:
- (a) Remove a Deputy Mayor appointed by the Mayor
 - (b) Discharge or reconstitute a committee established by the Mayor
 - (c) Discharge a committee Chairperson who has been appointed by the Mayor
- 2.4 The Mayor is a member of each committee of Council.
- 2.5 That power was used at the inaugural Council meeting to appoint the Deputy Mayor.
- 2.6 With regard to all other appointments, I have liaised with councillors and developed the following recommendations to be considered at this meeting.

3. Public Forums

- 3.1 Public forums are an option available to provide a defined period, usually at the start of a meeting, which, at the discretion of a meeting, is put aside for the purpose of public input.
- 3.2 Public forums are designed to enable members of the public to bring matters to the attention of the Council.
- 3.3 The standing orders adopted by the Council at its inaugural meeting provide the basis for the public forum as detailed in item 14 on pages 39 and 40.
- 3.4 These provisions specify the following as the way that the public forum shall operate:
- Time limit of up to thirty minutes provided as an agenda item, with individual speakers able to speak for up to five minutes.
 - The Chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time.
 - Questions can be asked of speakers to obtain information or clarification on matters raised.
 - There is no debate or decisions made at the meeting on issues raised during the public forum unless it is related to items already on the agenda.
- 3.5 It is proposed that this facility be provided at future meetings of the Council held each month.

Recommendation

That the Council set aside a maximum period of up to thirty minutes at the commencement of each monthly meeting to provide a public forum included as an agenda item of business, and

That the public forum be conducted in accordance with the provisions of standing orders applicable to this matter.

4. Voting Systems for Certain Appointments

- 4.1 Schedule 7 Clause 25 of the Local Government Act 2002 requires the Council to adopt by resolution either of the following voting systems for the election or appointment of various Council representatives.

System A-

- (a) which requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the Council present and voting; and
- (b) has the following characteristics:
 - (i) there is a first round of voting for all candidates; and
 - (ii) if no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
 - (iii) if no candidate is successful in the second round there is a third, and if necessary subsequent, round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and
 - (iv) in any round of voting, if two or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.

System B-

- (a) which requires that a person is elected or appointed if he or she receives more votes than any other candidate; and
- (b) has the following characteristics:
 - (i) there is only one round of voting; and
 - (ii) if two or more candidates tie for the most votes, the tie is resolved by lot.

Recommendation

That pursuant to Schedule 7 Clause 25 of the Local Government Act 2002, the Council adopts the following system of voting for the election or appointment of various Council representatives.

Then specify either System A or System B (as outlined above)

5. Standing Committees Structure

- 5.1 The standing committees structure has been developed with specific tasks being taken into account.
- 5.2 It also gives due recognition to the separation of regulatory and enforcement functions of the Council from other functions.
- 5.3 Taking into account the above considerations, the following recommendations are made for the Council's consideration.

5.4 Tribunal and Hearings Committee

Recommendation

That the Council establish a Tribunal and Hearings Committee as follows:

Terms of Reference

1. A special group with fully delegated authority to hear and adjudicate on all matters the Council is required to handle in this manner.
2. Meets throughout the district or outside as appropriate.
3. The Chief Executive is authorised to:
 - Make decisions on administrative and process matters relating to resource consent and other applications made under the Resource Management Act 1991, and
 - Decide on applications for which no hearings are required.

Delegations: Resource Management Act 1991

The Tribunal and Hearings Committee have delegated authority:

1. To conduct, consider and determine any matter that require a hearing or related decision under the Resource Management Act 1991.
2. Excepted are those functions, powers and duties that the Act expressly prevents Council from delegating.

Notes: *The above responsibilities under the Resource Management Act include District Plan reviews, plan changes and variations; requirements, designations and heritage orders; applications for resource consents; applications for review of conditions; objections to decisions and conditions.*

This authority does not include the approval of the District Plan or any change to the District Plan. The power to approve the District Plan or any change to the District Plan refers to clause 17 of the First Schedule of the Resource Management Act 1991 and is the final step in the Plan preparation/change process, and does not prevent the Tribunal and Hearings Committee from making decisions on the hearing of submissions or further submissions.

Delegations to Commissioners

Powers of Hearing Commissioner

1. Each member of the Tribunal and Hearings Committee that meets the accreditation requirements of the Resource Management Act 1991 are deemed to be hearing commissioners.
2. When appointed, independent (non-elected) persons that meet the accreditation requirements of the Resource Management Act 1991 are also hearing commissioners.
3. Hearing commissioners deemed or appointed by the Council have delegated authority:
 - To conduct, consider and determine any matter that require a hearing or related decision under the Resource Management Act 1991.
 - Excepted are those functions, powers and duties that the Act expressly prevents the Council from delegating.
 - Subject to the condition that hearings are conducted (if one is required) in accordance with the “Making Good Decisions” Workbook, 4th edition including the “Chairs Supplement” or its successor.

Assignment of Commissioners

1. The Tribunal and Hearings Committee members have delegated authority:
 - To assign councillor hearing commissioners to conduct, consider and determine any matter that require a hearing or related decision to be made by the Tararua District Council under the Resource Management Act 1991.

Notes: *The Council shall determine the appointment of any independent hearing commissioner(s) to determine any matter that requires a hearing or related decision.*

Composition of Commissioner Panels

1. The following requirements apply to the composition of commissioner hearing panels:
 - Two councillor hearing commissioners may consider and determine any matter for which a hearing is not required.
 - One or more independent hearing commissioners may consider and determine any matter for which a hearing is not required.
 - Three or more councillor and/or independent hearing commissioners may conduct the hearing, consider and determine any matter for which a hearing is required.
 - If one or more hearing commissioners are unable to continue (e.g. illness), the commissioner panel can continue to make a determination provided there is at least one hearing commissioner able to hear and/or consider the matter.

Notes: *Delegated authority has also been assigned to the Chief Executive to consider and determine any matter for which a hearing is not required. In the event the Chief Executive elects not to use this delegation for any reason, the matter may be referred to the Tribunal and Hearings Committee for determination.*

Miscellaneous Matters

1. The delegation of authority is subject to the following requirement:
 - That decisions made under delegated authority shall be reported to the next meeting of the Council.

Delegations: Dog Control Act 1996

1. The Tribunal and Hearings Committee have delegated authority:
 - To conduct, consider and determine any matter that require a hearing or related decision under the Dog Control Act 1996.

Notes: The above responsibilities under the Dog Control Act include objections to probationary owner, dog owner disqualification, dangerous dogs, menacing dogs and dog barking abatement notices.

Delegations: Impounding Act 1955

1. The Tribunal and Hearings Committee have delegated authority:
 - To conduct, consider and determine any matter that require a hearing or related decision under the Impounding Act 1955.

Delegations: Reserves Act 1977

1. The Tribunal and Hearings Committee have delegated authority:
 - To hear and determine objections and/or submissions received to proposals for leasing or rental of any reserve land under the Reserves Act 1977.

Membership:

Her Worship the Mayor – Mrs T H Collis
Cr S A Hull

An independent appointed hearing commissioner chair for any such hearing required under the Resource Management Act 1991

5.5 Chief Executive's Performance Appraisal Committee

Recommendation

That the Council establish a Chief Executive's Performance Appraisal Committee to review the performance of the Chief Executive and the accountabilities relating to this position.

Terms of Reference

1. To carry out the regular review of the Chief Executive's performance and accountabilities and to report the outcome along with recommendations for the Council's consideration.
2. To carry out the annual review of the Chief Executive's remuneration, and report the outcome to the Council along with its recommendation.
3. To carry out such matters as may be referred to it by the Council concerning the accountabilities determined for the Chief Executive to achieve.

Membership:

Her Worship the Mayor – Mrs T H Collis (Chairperson)
Deputy Mayor – Cr A L Benbow
Cr S A Hull

Note: *An appointment of a further councillor to this committee may be made at a later date*

5.6 Works Liaison Committee

Recommendation

That the Council establish a Works Liaison Committee to act in an advisory role on the Council's infrastructure by:

Terms of Reference

1. Reviewing and influencing business cases to be considered by the Council on capital programmes prior to the Council adopting the projects into the Long Term or Annual Plan.
2. Monitoring strategy, policy and action plans relating to projects in the Council's capital works sheet, including advising on community consultation.
3. Acting as a community interface for consultation on the thirty-year infrastructure policy and asset management plans.
4. Provide a forum for councillors to raise community concerns with existing contracts or service delivery agreements and to suggest options to address those concerns.

Membership:

Her Worship the Mayor – Mrs T H Collis
Deputy Mayor – Cr A L Benbow
Cr J E Crispin
Cr E J Christison
Cr P A Johns
Cr A J Thompson

5.7 Audit and Risk Committee

Recommendation

That the Council establish an Audit and Risk Committee to consider and, where appropriate, make recommendations to the Council in relation to the following:

Terms of Reference

1. The robustness of the internal control framework and financial management practices
2. The integrity and appropriateness of internal and external reporting and accountability arrangements
3. The robustness of risk management systems, processes and practices
4. Monitor sector best practice and guidance in relation to audit and risk matters

Functions

The Audit and Risk Committee will have responsibility to receive the external audit report(s) and monitor the implementation of recommended actions to be taken by management on significant issues and audit recommendations raised in relation to:

- (a) **Internal Control Framework**
 - (i) Maintaining an effective internal control framework that is sound and effective
 - (ii) Embedding a culture that is committed to probity
 - (iii) The appropriateness of systems, processes and controls in place to present, detect and effectively investigate the risk of fraud
- (b) **Internal Reporting**
 - (i) The processes for ensuring the completeness and quality of financial and operational information being provided to the Council
- (c) **External Reporting and Accountability**
 - (i) The appropriateness of the Council's existing accounting policies and principles

The Audit and Risk Committee will provide oversight of the Council's approach to risk and compliance.

- (d) **Risk Management**
 - (i) Review the risk management policy, framework and associated procedures for effective identification and management of the Council's significant risks and matters of compliance

Attendance at Meetings

- (a) Unless otherwise requested the Chief Executive and the Chief Financial Officer are to attend meetings
- (b) Other parties may be invited to attend by the committee to assist the committee in its work
- (c) There shall be at least one meeting per year, or part thereof, where the external auditors shall attend
- (d) External auditors (or internal auditors) may request a special meeting if they consider this to be necessary

Membership:

- Chairperson - Kevin Ross (external appointee)
- Members - Her Worship the Mayor – Mrs T H Collis
Deputy Mayor – Cr A L Benbow
Cr J E Crispin
Cr S A Hull

5.8 Iwi Liaison Advisory Working Party

Recommendation

That the Council establish an Iwi Liaison Advisory Working Party to provide for the special relationship between Maori and recognise its obligations under the principles of the Treaty of Waitangi.

Terms of Reference

1. Work with Ngati Kahungunu iwi to prepare a new memorandum agreement for consideration by the Council. (Note: the Council already has an existing memorandum of partnership agreement with Rangitane iwi).
2. Facilitate an understanding of issues affecting Maori in the district.
3. Review the existing and expected capacity of Maori to contribute to the Council's decision-making processes as required by the Local Government Act 2002.
4. Develop appropriate communication protocols.

Membership:

Her Worship the Mayor – Mrs T H Collis (Chairperson)
Deputy Mayor – Cr A L Benbow
Cr P A Johns

5.9 District Licensing Committee

Recommendation

That the Council establish a District Licensing Committee to deal with licensing matters for its district under the Sale of Alcohol Act 2012.

Functions

- (a) To consider and determine applications for licences and manager's certificates; and
- (b) To consider and determine applications for renewal of licences and manager's certificates; and
- (c) To consider and determine applications for temporary authority to carry on the sale and supply of alcohol; and
- (d) To consider and determine applications for the variation, suspension, or cancellation of special licences; and
- (e) To consider and determine applications for the variation of licences (other than special licences); and
- (f) With the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and

- (g) To conduct inquiries and to make reports as may be required of it by the licensing authority; and
- (h) Any other functions conferred on licensing committees by or under this Act or any other enactment.

Powers

The licensing committee has all the powers conferred on it by or under the Sale of Alcohol Act 2012 or any other Act, and all powers as may be reasonably necessary to enable it to carry out its functions.

Membership

1. That the Council recommend the Chief Executive appoint David Lea as a Commissioner, and hold the title of Chair of the District Licensing Committee for three years.
2. That the Council recommend the Chief Executive appoint the following people to the District Licensing Committee Members List for three years:
 - Maureen Reynolds
 - Kerry Sutherland
 - Nick Perry
3. That the Council agrees that the selection process for the two list members to sit on a full meeting of the District Licensing Committee will be made by the Commissioner.

Note: Decisions made by the District Licensing Committee in exercising its powers shall be reported to the Council in a timely manner.

6. Other Appointments

6.1 Regional Transport Committee

Recommendation

That Her Worship the Mayor – Mrs T H Collis be appointed as the Council's representative on the Regional Transport Committee, and

That Cr A L Benbow be the deputy representative.

6.2 Regional Emergency Management Committee

Recommendation

That Her Worship the Mayor – Mrs T H Collis be appointed as the Council's representative on the Regional Emergency Management Committee, and

That Cr A L Benbow be the deputy representative.

6.3 Arts Council Tararua and Tararua District Creative New Zealand Grants Scheme Assessment Committee

Recommendation

That Cr C J Isaacson be appointed as the Council's liaison representative with the Arts Council Tararua and as a member of the Tararua District Creative New Zealand Grants Scheme Assessment Committee.

6.4 Manawatu-Wanganui Regional Disaster Relief Fund Trust

Recommendation

That Cr P A Johns be appointed as the Council's representative on the Manawatu-Wanganui Regional Disaster Relief Fund Trust.

6.5 Rural Health Alliance Aotearoa New Zealand

Recommendation

That Cr S A Hull be appointed as the Council's representative to the Rural Health Alliance Aotearoa New Zealand.

6.6 Dannevirke Community Board

Recommendation

That Cr C J Isaacson be appointed as the Council's representative on the Dannevirke Community Board.

6.7 Eketahuna Community Board

Recommendation

That Cr A J Thompson be appointed as the Council's representative on the Eketahuna Community Board.

6.8 Woodville Districts' Vision

Recommendation

That Cr P A Johns be appointed as the Council's liaison representative with Woodville Districts' Vision.

6.9 Pahiatua On Track

Recommendation

That Cr S A Hull be appointed as the Council's liaison representative with Pahiatua On Track.

6.10 Liaison Representatives with Rural Communities

Recommendation

That the following councillors be appointed as liaison representatives with rural communities as specified:

Akitio/Pongaroa:	Cr E J Christison
Norsewood/Ormondville:	Cr A L Benbow
Weber/Wimbledon/Herbertville:	Cr J E Crispin
Makuri:	Her Worship the Mayor – Mrs T H Collis

6.11 Portfolios

Recommendation

That the following appointments be made to undertake the portfolios for the activities as specified:

Finance:	Crs S A Hull (L), A L Benbow and C J Isaacson
Community Relations:	Crs S A Hull (L) and C J Isaacson
Community Facilities/Heritage:	Crs C J Isaacson (L), A L Benbow and S A Hull
Economic Development/Marketing:	Crs A L Benbow (L) and C J Isaacson
One Plan:	Crs A L Benbow (L) and A J Thompson
Youth/Sport:	Crs C J Isaacson (L), E J Christison and S A Hull

Note: (L) indicates the leader portfolio holder for that activity

6.12 Forestry

Recommendation

That the Council oversee the management of its forestry interests, with two workshop presentations to be scheduled on this matter each year from its contractor Forest Owner Marketing Services Limited.

7. Delegation of Functions to Community Boards

- 7.1 Schedule 7 Clause 32(6) of the Local Government Act 2002 requires the Council to consider whether to delegate to a Community Board if the delegation would enable the Community Board to best achieve its role.
- 7.2 It is recommended that the existing delegation established for this purpose be reaffirmed.

Recommendation

That the Council delegate the following functions to the Dannevirke and Eketahuna Community Boards, to:

- 1. Liaise and communicate with individuals, community organisations and special interest groups within the Board's area of responsibility.***
- 2. Advocate for the community on any issue, and make submissions to any organisation relating to a matter of interest to the Board in respect to the Board's geographical area.***
- 3. Facilitate consultation with local residents and community groups on local issues and local aspects of district issues, including input into the District Plan, Long Term Plan and Annual Plan.***
- 4. Make submissions on local issues and local aspects of district issues included in the District Plan, Long Term Plan and Annual Plan.***
- 5. In respect of the Annual Plan and Long Term Plan to:***
 - (a) Prepare an annual submission to the budgetary process of the Council for expenditure within the community and methods of funding.***
 - (b) Identify and make recommendations on priorities for local projects and community issues.***
- 6. Provide preferences for priorities of footpath works within the Board's geographical area.***
- 7. Make submissions on relevant policies that impact on the Board's geographical area.***
- 8. Make submissions to the Council on the levels of service concerning its facilities and activities provided within the Board's geographical area, and maintain an oversight of their delivery.***
- 9. Advise the Council on property related matters concerning the acquisition and sale of such assets of local community significance.***
- 10. Promote the community, and support its economic development.***
- 11. Fix priorities and expend funds within such budgets allocated by the Council for discretionary spending, including assistance towards rates and Council related fees and charges incurred by voluntary community groups.***
- 12. Make annual disbursements to community groups from the General Assistance Grants Scheme.***

13. *Facilitate community events and maintaining services in the Board's geographical area, including providing financial assistance to support such initiatives.*
14. *Consider and report on all matters referred to it by the Council or any issue of interest or concern to the Board, and speak at Council meetings in such circumstances considered appropriate.*
15. *Appoint a Board representative to the Road Safety Group.*
16. *Appoint Board representatives to local community groups.*
17. *Appoint the Board's Chairperson as a member to the Civic Honours selection panel.*
18. *Appoint the Board's Chairperson (or their nominee) as a member of the Trust Power Tararua District Community Awards judging panel.*
19. *Authorise the Board's Chairperson (or their nominee) to be the spokesperson for the Board in all matters within its jurisdiction or of particular interest.*
20. *Advise the Council in advance of considering any actions resulting from exercising its powers, authorities or functions that may have potential implications for the Council.*
21. *Maintain the development, knowledge and skills of board members through attendance at appropriate conferences, courses and training seminars within the budget funding available for this purpose.*

Recommendation

That the report from the Mayor dated 24 November 2016 concerning the Proposed Council Structure, Appointments and Delegations (as circulated) be received, and

That the Council adopt the recommendations set out therein.

Attachments

Nil.

Report

Date : 23 November 2016

To : Mayor and Councillors
Tararua District Council

From : Kathy Dever-Tod
Manager Assets Group

Subject : **Provision of Additional Toilets at the Eketahuna Camping Ground**

Item No : **10.2**

1. Reason for the Report

- 1.1 To present to the Council the business case and preferred option for the provision of additional toilet facilities at the Eketahuna camping ground.

2. Background

- 2.1 The 2015 Long Term Plan provides for the installation of two cabins at the Eketahuna camping ground in 2017/2018. At the beginning of 2016, the managers of the camping ground made a request to the Council to install additional toilet facilities instead of cabins, due to the high demand for the existing facilities, particularly during the summer months. The Eketahuna Community Board supports this request.
- 2.2 The Council considered this matter at a workshop on 27 April 2016. A copy of the memo presented to the workshop is attached to this report.
- 2.3 At the workshop, the Council supported the needs and objectives of the project as outlined in the memo. The Council considered the issues and options for the project, and the following were identified as high level options:
- Portaloos
 - Build more facilities
 - Demand management - regulation
 - Self-contained toilets - summer, all year around
 - Composting toilets

- 2.4 Since the workshop, officers have been discussing the need for additional toilets and options with the camping ground managers. This report presents the evaluation in the form of a business case.

3. Description

- 3.1 The number of visitors to the Eketahuna camping ground has increased year on year as follows since the toilets were upgraded to self-contained bathrooms:

- 2012/13 – 1,362
- 2013/14 – 2,222
- 2014/15 – 3,898
- 2015/16 – 4,875

- 3.2 The managers report that the camping ground is increasingly attracting backpacking tourists. These tourists tend to have their own tent and like to stay in relatively inexpensive sites with kitchen and bathroom facilities on-site. The Eketahuna camping ground fits the bill perfectly.

- 3.3 The camping ground licence for the site limits the maximum overnight occupancy to 50 people. The addition of two additional toilet pans would enable the managers to cater for up to 100 people staying overnight.

- 3.4 The Council at their workshop in May 2016 rated the project objectives as follows:

- Provide sufficient toilet capacity to meet increased demand by summer 2016/2017- **NEED**
- Maximise the use of the existing budget provision for the cabins - **5**
- Minimise additional costs associated with waste disposal - **8**
- Minimise whole of life cost for the provision of toilets - **7**

- 3.5 By agreement with the managers two portaloos were located at the camping ground in October to meet the toilet needs for summer 2016/2017. Meeting the immediate needs in this manner provided the time needed to evaluate and undertake a detailed analysis of the viable options for the best longer-term solution for the site. The managers are aware of the need to provide toilets that are cost effective to operate; they meet the operating costs of the site and retain all the revenue.

4. Options Analysis

- 4.1 The provision of two additional pans formed the basis for analysing the options. There are three broad options available - do nothing, hire and build. Do nothing was discounted from further consideration as it does not meet the project need to increase toilet capacity. Toilet hire can be split into two sub-options:

- Seasonal hire, that is only hire when the camping ground is busy and demand is high
- Long term hire, that is the toilets are there all year around

Build can be split into five sub-options:

- Build toilets and extend the existing septic tank
- Build toilets in a new location at the camping ground and connect them to a new septic tank
- Build toilets, install pump and connect the site to the sewer main in Stanly Street
- Provide a self-contained toilet with a tank that gets pumped out by a sewer truck when full, with the sewage disposed of off site
- Provide a composting toilet-with the human sewage allowed to compost in a specially designed chamber

4.2 In order to establish which options are viable and the relative merit of each, options were rated against the project objectives in the table below. They were rated on a scale of 1-10 against each objective in terms of how well they meet the objective. The scores are multiplied by the rating for each objective, as outlined in 3.4 above, and the results added together to get an overall project score.

	Build Options					Hire Options	
	Tank Pump Out	Compost Toilet	New Septic Tank	Upgrade Current Tank	Connect to sewer main	Short Term Hire	Long Term Hire
Growth Provided For - NEED	✓	✓	✓	✓	✓	✓	✓
Minimise Additional Waste Costs (Capital) (8)	10 (80)	10 (80)	3 (24)	3 (24)	7 (56)	10 (80)	10 (80)
Minimise Whole of Life (7)	5 (35)	6 (42)	7 (49)	7 (49)	10 (70)	3 (21)	1 (7)
Work Within Existing Capital Budget (5)	5 (25)	3 (15)	2 (10)	1 (5)	5 (25)	10 (50)	10 (50)
Total	140	137	83	78	151	151	137

- 4.3 The above analysis identifies that the two options of build a new septic tank and extend the existing tank are considerably less favourable than the other four sub-options. These two options would also trigger resource consent, and it is not certain whether consent for additional toilets would be granted given the proximity of the site to an adjacent stream.
- 4.4 The remaining five other options were further investigated. This involved obtaining quotes for hireage, developing plans and obtaining a quantity survey for the addition of two new toilets to the existing ablutions block, along with quotes to provide a holding tank, composting chamber or a connection to the sewer main.
- 4.5 It was recognised early on that the composting toilet would have high ongoing operating costs, as the compost has to be turned over daily and wood shavings added. The resulting compost then has to be raked out and disposed of. After discussion with the camping ground managers, it was established that the composting toilet systems available in New Zealand do not suit sites where usage is high and the disease status of the users is unknown, as is the case with a camping ground. It was decided that the health risk to the camping ground managers was an unacceptable risk, and on this basis the composting option was deemed not viable and discounted from further investigation.
- 4.6 The additional operating costs of each option were calculated based on the current level of patronage at the site.
- 4.7 The costs of the various options are detailed below:

Option	Building two toilets (Q.S) (\$000's)	Waste disposal (quotes) (\$000's)	Total capital cost (\$000's)	Additional annual operating cost (\$000's)	Whole of life cost (based on 50 life of building)
Holding tank	43	6	49	10	549
Connection to sewer main	43	36	84	2	184
Toilet hireage	Nil	Nil	Nil	5	250

- 4.8 The holding tank option has a high capital cost, and provides a high standard of toilets for users. This option has the highest whole of life cost, and future operating costs will increase if patronage increases.
- 4.9 The hireage of toilets has no capital cost associated with it, but has a moderate level of ongoing operating costs. These costs will increase as patronage increases and more service visits are needed each year. In addition, this option offers a level of service that is well below what paying guests may expect from the camping ground.

- 4.10 The connection to the sewer main has the highest capital cost, but has minimal additional operating costs. This option has the advantage that it addresses all wastewater disposal at the whole site, thus avoiding additional investment in the existing sewage system at a later date.
- 4.11 Based on the above, all three remaining options are viable. The preferred option is a connection to the sewer main. This is because it has the lowest whole of life cost of the remaining options. It also has the benefit that it addresses future investment in the existing septic tank.

5. Significance Assessment

- 5.1 The provision of additional toilets at the Eketahuna camping ground is not considered to be significant in terms of the Council's policy on significance and engagement.

6. Advancing the project

- 6.1 The project business case attached to this report provides the Council with an overview of options to meet the project objectives. Building two new toilets and connecting all ablution facilities at the site to the Stanly Street sewer main is the preferred option. Regardless, there is no capital funding available to advance this project in 2016/2017. Given this, the options available to the Council are:
1. Do nothing - continue with funding cabins at the camping ground in 2017/2018
 2. Allocate the cabin funding to toilet provision in 2017/2018
 3. Allocate the cabin funding to toilet provision and bring the funding forward to 2016/2017 and provide sufficient additional funding to implement the preferred option
- 6.2 Option 1: do nothing is not considered to be viable as it does not address the issue of insufficient toilets at the site. In addition, both the camping ground managers and the Eketahuna Community Board support the allocated funding being spent on toilets rather than new cabins.
- 6.3 Option 2: whilst viable would result in the portaloos needing to stay in place for a year to meet the needs of the site. The disadvantages of this option are that the portaloos offer a much lower level of toilet standard than would be desired for a tourist attraction and they have an annual operating cost of \$4,864. This represents a large increase in costs for the managers of the camping ground.
- 6.4 Option 3: is the recommended option. This option would see work on the toilets begin towards the end of summer 2016/2017, with the new toilets in place and operating before summer 2017/2018.

- 6.5 The quantity surveyors estimate of the cost to extending the existing building to incorporate two new toilets, including moving the existing gas hot water is \$43K. It is possible that the cost of this work will be lower once quotes from local contractors are sought, however it is prudent for the Council to use this cost for the budget in the absence of any further information.
- 6.6 The financial provision in the Long Term Plan for the cabins is \$52K. The capital cost of the preferred option, as outlined in section 4 is \$84K. It is recommended that the Council bring the 2017/2018 funding provision of \$52K forward into the current year, and make an additional provision of \$32K to ensure that this project can be completed in 2016/2017.

7. Consultation

- 7.1 There has been ongoing consultation with the managers of the camping ground on the provision of additional toilets. They have been involved in the investigation of the various short term and longer-term options, the siting of the toilets on the site and the development of costs. The managers support the preferred option identified in the business case.
- 7.2 The community were consulted on the proposal to provide additional cabins at the Eketahuna camping ground as part of the 2015 Draft Long Term Plan. The Eketahuna Community Board supports the use of the Long Term Plan funding to provide additional toilets instead of cabins.

8. Conclusion

- 8.1 There is a need to provide additional toilets at the Eketahuna camping ground to meet the needs of campers and to enable the managers to continue to grow patronage at the site. The existing facilities cannot meet peak demand, with people having to wait until someone finishes showering before they can use the toilet. The number of pans also limits the number of campers permitted to stay on-site overnight.
- 8.2 The immediate need for additional toilets for summer 2016/2017 is being met through the provision of two portaloos on-site. These portaloos provide a much lower level of service than the existing bathrooms and do not represent the best whole of life option for the Council to meet the long-term toilet needs of the site.
- 8.3 The business case has identified a preferred option - build two new toilets and connect the camping ground to the sewer main. This option has the highest capital cost, but the lowest whole of life cost of the viable options.
- 8.4 The budget provision within the 2015 Long Term Plan is insufficient to fund this option, and regardless is not provided for until 2017/2018. Delaying funding the project means that a suboptimal solution, i.e. portaloos will need to remain on-site for an additional year. This has cost implications for the managers of the camping ground and the portaloos are not likely to be viewed very favourably by visitors to the district.

- 8.5 It is recommended that the Council advance this project in 2016/2017 by bringing forward the \$52K funding provision currently in 2017/2018 of the Long Term Plan, and supplementing it with \$32K from reserves to fully fund the preferred option to an amount of \$84K.

Recommendation

That the report from the Manager Assets Group dated 23 November 2016 concerning the Provision of Additional Toilets at the Eketahuna Camping Ground (as circulated) be received, and

That the Council reallocates the funding provision in the 2015 Long Term Plan for the provision of new cabins at the Eketahuna Camping Ground to the provision of additional toilets, and

That the Council support the preferred option identified in the business case, being the provision of two new toilets with a wastewater connection to the Stanly Street main, and

That the Council bring forward the existing funding provision of \$52K from 2017/2018 to the current financial year, and

That the Council allocates additional funding of \$32K from reserves to this project.

Attachments

1. Project Business Case Summary – Eketahuna Camping Ground- Additional Facilities - October 2016
2. Memo for Council Workshop - Eketahuna Camping Ground toilets - April 2016

Project Business Case Summary –Eketahuna Camping Ground – Additional Facilities

PART A – Project Description

Project Title: Eketahuna Camping Ground- Additional Facilities

Project No:

Revision No: 1 November 2016

Reviewed by: Kathy Dever-Tod

Project description, scope and purpose:

The Council has made provision in the LTP for the installation of two cabins at the camping ground in 2017/2018. The camping ground managers requested that Council install additional toilet facilities instead. The Eketahuna Community Board supported this request. The Council at their Councillor workshop in May 2016, agreed to and rated the following project objectives:

- Provide sufficient toilet capacity to meet increased demand by summer 2016/2017- NEED
- Maximise the use of the existing budget provision for the cabins - 5
- Minimise additional costs associated with waste disposal - 8
- Minimise whole of life cost for the provision of toilets - 7

Since the Council workshop, officers have been working through a range of options with the managers of the camping ground have now identified the preferred option.

Draft 2016/2017 Annual Plan assumption – no funding. Provision has been made in 2017/18 to construct two accommodation cabins at the Camping Ground prior to summer 2016/2017, at a cost of \$52K. Revenue and cleaning costs for the cabins are included within the operational grant paid to the managers of the camping ground

Expected \$ and timing	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Business case prepared		x								
Project start date			x							
Project end date			x							

PART B – Issues and Options

Key risks, reflecting on whether capabilities shall be internally or externally sourced, confidence in budget estimate, confidence in achieving predicted whole of life cost, critical interim decisions.

Issue	Impact	Mitigation
Worst case scenario – no provision made for additional toilets	The Camping ground experience is marred by long queues for toilets during busy summer months	Managers provide portaloos for 2016/2017 summer season Ensure that the Camping Ground Managers input is provided into a longer term solution
Most likely case – Council invests in new toilets in 2016/2017, extending the existing building to minimise costs	The camping ground has increased toilet capacity to support tourism growth in the long term	Ensure that the toilet design makes the best use of the existing building envelope and wastewater system. Ensure that the toilets are of a good standard and ongoing cleaning and waste disposal costs are minimised

Alternative practical Options considered to achieve the same outcome (should reflect the purpose)

Options	Brief Analysis of Option	Rating
Do Nothing	<p>Demand for toilets cannot be fully met by the three self-contained bathrooms on site. When the showers are all being used, there is not a toilet available for other campers to use.</p> <p>If Council continues with only three bathrooms, there is not sufficient capacity to meet increased demand during the summer months.</p> <p>This option is therefore not viable</p>	Not viable
Hire options	<p>There are two broad hire options; hire for the busier summer months, and hire all year around.</p> <p>The advantage of these options is that Council investment is not required. The Manager would also be able to return the hired toilets when not needed.</p> <p>The disadvantages are the rental cost for the toilets. The rental cost is \$180 for two per month, plus a weekly servicing fee of \$26/toilet, leading to an annual charge \$4,864. This cost would fall to the Managers of the camping ground. This option also offers the lowest level of toilet standard of any option considered, and a relatively high whole of life cost.</p>	Possible
Council builds two self- contained toilets	<p>There are three sub-options:</p> <p>Composting Toilet: This option involves a self-contained composting toilet. The advantage of this option is that it requires no upgrading of the existing septic tank system. The disadvantages are that this is the highest cost option, which exceeds the LTP provision. It also has high ongoing maintenance costs as the compost has to be turned over every day, additional wood shavings added, and the tank raked out and contents disposed of.. This makes it time consuming to manage and poses an unacceptable health risk to the camping ground managers. They do not suit high use public sites</p>	Not viable
	<p>Holding tank option: This option involves extending the existing building to create two toilets with hand basins, with a tank sunk in the ground and the waste sucked out of the tank depending on use. The advantages of this option is that it is the lowest capital investment and the toilets offer a high level of service. No upgrade to the septic tank is needed. This option has the highest whole of life cost as each time the tank is emptied the cost is \$862. Tank emptying may be required every 14 days during peak periods</p>	Possible

	<p>Connect to sewer main: This option involves building new toilets as above, and running a sewer lateral to the main in Stanly Street, using the existing septic tank to host the pump, that will then pump all waste from the site to the main.</p> <p>The advantages of this option are that it has the lowest whole of life cost, and addresses waste water disposal for the whole site. The toilets also offer a high level of service.</p> <p>The disadvantage is that this option has a high capital cost, which exceeds the capital provision in the LTP.</p>		Preferred Option
Do we have a choice?	¥/N	Council can not continue with the status quo, as demand exceeds supply in the summer months limiting patronage	

PART C– Key Stakeholders

Project Sponsor: Kathy Dever-Tod
Project Leader: Peter Sinclair
Project Team:

PART D

Fit with Council Strategic direction:

what is driver for project - ✓	Required by legislation or new national standards	Meet levels of service	Council (TDC) resolution	Meeting resource consent	Improve efficiencies	Council policy or plan	Customer requests	Nice to have
	✓	✓			✓		✓	

Strategic objectives:	Growth	LOS Increase/decrease	Renewals
Total 100%	50%	50%	

Other benefits:

The licence for the camping ground will be able to extended to provide for an increased maximum visitors due to the additional toilets. The Managers will be able to increase revenue from the camping ground, thus offsetting a greater portion of the camping ground costs

More visitor nights means more spending in the District, thus supporting economic growth

Key constraints/dependencies: (e.g. Key staff, External influences, limitations or available resources and timing)

Portaloos have been provided as an interim measure to meet demand in summer 2016/17. The funding provision is in 2017/2018, but a long-term solution is needed now due to the high costs of hiring portaloos and the low level of service they provide to campers. The level of funding provision is insufficient to provide the preferred option. Obtaining building consent for the two toilets, and a service connection to the new sewer main.

PART E – Budget and Timeline

Project Cost	Rates	Reserves	Loans	Grants / subsidy	Total Cost
Business case cost					

Total construct cost		\$75K			\$75K
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Impact on Council operating costs – long term - ✓	Minor ✓	Moderate	Significant
Will this result in the need for additional staff to operate?	No		

Financial delegation level (who will make the decision to proceed) - ✓	Procurement Approach
Line Manager ✓	Direct purchase Quotes ✓ Tender
Group Manager	
CE	
Council	

PART F - Stakeholder Engagement

Other departments (✓ level of input required)

	IT	Customer Service	Finance	Governance (consultation)	Regulatory	Alliance	Assets
Minor			✓	✓	✓		
Moderate						✓	✓
Significant							

Memo

Date : 21 April 2016

To : Mayor and Councillors
Tararua District Council

From : Kathy Dever-Tod
Manager Assets Group

Subject : **Eketahuna Camping Ground – Provision of additional toilet facilities**

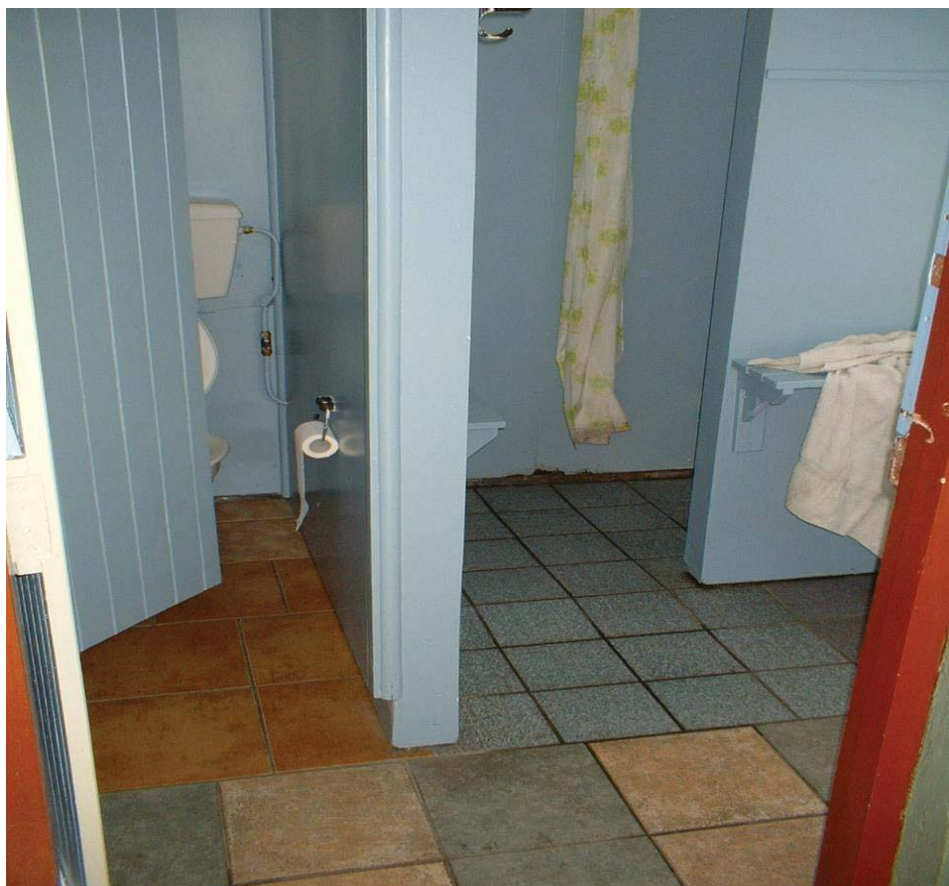
1 Introduction

- 1.1 The Council has made provision in the LTP for the installation of two cabins at the camping ground in 2017/2018. The camping ground managers have recently requested that Council install additional toilet facilities instead. The Eketahuna Community Board supports this request. This memo outlines the issues with the current facilities and invites Councillors to engage in a workshop process to determine the best option(s) to address them.

2 Description of Issues

- 2.1 The number of campers visiting the camping ground is increasing year on year. This means that the overall usage of the bathroom facilities is increasing.
- 2.2 Historically the camping ground bathroom facilities consisted of one bathroom for men and one for woman. Both bathrooms were of the same design, as shown in the photograph below. The toilet within each bathroom was separate from the shower, with one single hand basin in a common area. The shower area was small with little room to dry and change and the shower curtain offered limited privacy from the shared basin area.
- 2.3 The bathroom facilities were upgraded in 2014/2015 in consultation with the managers of the camping ground. The building was extended, and a new bathroom added. The existing bathrooms were converted. All three bathrooms are fully self-contained units, as shown on the next page. The bathrooms offer more room to shower and change and are suitable for persons with disabilities.
- 2.4 Feedback regarding the upgraded bathrooms has been very positive, from both users and the managers of the camping ground.

10.2 Provision of Additional Toilets at the Eketahuna Camping Ground
Attachment 2 Memo for Council Workshop - Eketahuna Camping Ground toilets - April 2016



- 2.5 Whilst there are now three toilet pans, whereas previously there were two, the changes to the bathroom design means that when someone is using the shower, no one else can use the toilet. This is not a large issue when there are a low number of campers, however in the last two years there has been an increase in the number of visitors staying at the camping ground as part of a group.
- 2.6 The number of visitors to the campground is a lot higher in the summer than in the winter. Any investment in bathroom facilities needs to accommodate this change in demand.
- 2.7 The budget provision for the cabins is \$52K. The cost of providing the recent toilets in the Dannevirke Domain was \$42K, including the building consent. The budget provision for the cabins is therefore sufficient to provide a toilet block, of a similar design to the new Domain toilets, i.e. two pans, at the camping ground.
- 2.8 The camping ground is serviced by a domestic septic tank. The system overflowed in the summer of 2011 and required extensive work to improve its performance, as shown in the photograph below. The system capacity was not increased at the time the work was undertaken.



- 2.9 Increasing the number of toilets at the site would require a building consent. As part of that consent application, the Council would be required to demonstrate that there was sufficient provision for the disposal of wastewater generated by the additional pans. It is most likely that given the history of the septic tank, the wastewater disposal system would need extending/upgrading. There is no budget provision for obtaining resource consent and upgrading the current septic system.

- 2.10 The need for new toilets will lessen as the weather cools. However, there is a need to address the toilet issue before the next camping season (October), if the needs of groups are to be met. It is unlikely that the consenting issues associated with the septic tank system would be resolved in time to enable toilets to be built and commissioned before summer 2016/2017.

3 **Project Objectives**

- Provide sufficient toilet capacity to meet increased demand by summer 2016/2017
- Maximise the use of the existing budget provision for the cabins
- Minimise additional costs associated with waste disposal
- Obtain the best whole of life cost for the provision of toilets

When evaluating the options, consideration needs to be given to demand, supply and cost. As a first step in the option analysis, Councillors will be asked at the workshop to confirm the objectives, and establish those that are absolute needs, and the relative importance of the remaining objectives

4 **Options**

- 4.1 The camping ground is subject to the Camping-Grounds Regulations 1985. There is no requirement under the regulations for a camping ground to provide bathroom facilities. The regulations merely require that any facilities provided are kept clean and in good repair at all times. Therefore the number of pans required, is not governed by legislation
- 4.2 For the purposes of the option analysis, it is recommended that the provision of two additional pans be used as the basis for determining options
- 4.3 At the workshop Councillors will be asked to identify all viable options

Report

Date : 24 November 2016

To : Mayor and Councillors
Tararua District Council

From : Blair King
Chief Executive

Subject : **Proposed Submission to the New Zealand Fire Service Commission on Intended Changes to the Fire Levy**

Item No : **10.3**

1. Reason for the Report

- 1.1 To present for the Council's consideration a proposed submission back to the New Zealand Fire Service Commission on intended changes to the fire levy.

2. Background

- 2.1 The Commission and rural fire authorities are to be amalgamated into the new unified organisation, to be called Fire and Emergency New Zealand (FENZ), under a Bill being considered by Parliament. The Council has previously submitted on this Bill advising their concern whether the amalgamation will provide at least the same level of service for the same cost to ratepayers.
- 2.2 The current consultation is on the levy. Whilst the original business case being promoted for the creation of FENZ used words such as "efficiency" and "reducing duplication", we note this change requires a 30% increase in funding gained from levies in year 1.
- 2.3 Cabinet has agreed that FENZ would require additional funding for:
- a) the absorption of rural fire costs (estimated at \$22 million per annum);
 - b) new ongoing operating and capital funding (\$191 million over four years) to:
 - i. address gaps in rural fire services, such as fire reduction activities, urgent capital upgrades, personal protective equipment, training etc.;
 - ii. support local committees;
 - iii. provide additional support for volunteers including incentives for employers and volunteers, and wellbeing initiatives; and
 - iv. scale up the corporate functions, (e.g. finance, information and communications) required in a larger organisation.
 - c) transition costs (\$112 million to be repaid through levy over ten years).

- 2.4 The consultation for the 2018/19 levy will include all aspects of the new funding arrangements that will come into effect on 1 July 2018, such as:
- assessing levy on material damage insurance rather than fire insurance
 - assessing levy on third party motor vehicle insurance
 - differential rates for residential and non-residential policies
 - revised caps for residential property and personal property; and
 - new exemptions from the levy (if made under regulations)

3. Concerns from Local Government New Zealand

- 3.1 Currently the local government sector is a major funder of rural and voluntary fire services. Councils contribute by funding and/or purchasing many resources, as well as owning facilities, for example:
- machinery and equipment;
 - vehicles;
 - facilities;
 - training; and
 - uniforms
- 3.2 In addition, councils also make financial provision when negotiating contracts with local infrastructure providers to ensure critical machinery is available for use in the event of a local emergency. The total cost of this contribution has never been assessed accurately.
- 3.3 With regard to the consultation on the levy and proposed regulations as to what classes of property should be exempt from paying a FENZ levy, it is concerning that too few exemptions are proposed. Local Government New Zealand believes that the number of exemptions should be expanded - we see no credible rationale for infrastructure such as storm and wastewater networks contributing to the cost of fire and emergency services.
- 3.4 Our sector would be very concerned if the new Fire and Emergency Service is found to cost more than the amount currently paid by ratepayers.

4. Key Points for the Submission from the Tararua District Council

- 4.1 We are concerned that the 30% increase in levy required to fund this combined Fire and Emergency Service creates a significantly higher total cost to ratepayers, with no corresponding improvement in the level of service provided. The levy increase in year one alone of \$115m in 2017-18, from \$367.9m to \$483.1m, where rural fire costs are estimated at \$22m annually, implies the new levy is to fund a historic deficit in the New Zealand Fire Service renewal and capital programme. Councils are already significant contributors to both the New Zealand Fire Service through insurance, and also providers of Rural Fire and Civil Defence resilience. It would be appreciated if information were provided as to the financial impact by sector from this new levy.

- 4.2 We note that on day 1 of the proposed FENZ structure, the districts Rural Fire assets are to be available without restriction to the new organisation, then up to four years to negotiate a transfer. We believe the funding shown in the consultation document needs to have a specific capital component for purchase of these existing rural fire assets to enable this transfer of Council assets to be negotiated in good faith.
- 4.3 We also note in 1.15 it states FENZ will no longer require rural fire recovery as a funding source, and this new levy will be the single main funding source. We would appreciate clarification of whether rural land owners will still require fire cover for what used to be rural fires, and also whether commercial premises will no longer receive bills for false alarms.

5. Significance Assessment

- 5.1 The matter of the Council making a submission on an issue of concern to its district is consistent with its advocacy role, and is within its discretion to determine.

6. Conclusion

- 6.1 To formalise the proposed submission regarding this matter the following recommendation is made for the Council's consideration

Recommendation

That the report from the Chief Executive dated 24 November 2016 concerning a Proposed Submission to the New Zealand Fire Service Commission on Intended Changes to the Fire Levy (as circulated) be received, and

That the key points set out in this report be confirmed as the basis of the submission to emphasise the Council's concern regarding the 30% increase in levy to fund the new combined Fire and Emergency New Zealand structure will create a significantly higher cost to ratepayers than the existing arrangements without any corresponding increase to the level of service provided, and

That the submission be forwarded to the New Zealand Fire Service Commission signed on the Council's behalf by the Mayor and Chief Executive.

Attachments

1. Fire Levy Consultation Document



Funding Fire and Emergency Services for all New Zealanders

PUBLIC CONSULTATION

*A public consultation paper on the setting of the rates of levy on
contracts of fire insurance for the 2017/18 financial year*

www.firelevy.co.nz

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*Paul Swain,
Chair of the
Board of the New
Zealand
Fire Service
Commission*

The levy – why it's time for a change

Firefighters are at the heart of our communities. Every day New Zealanders rely on 11,600 volunteer and 1,780 career firefighters to protect their lives and property in urban and rural environments.

For many years now firefighters have done far more than just fight fires. As our fire services have evolved, the public now calls on us to respond to a variety of incidents such as motor vehicle accidents, spills of hazardous materials, and natural disasters.

Come what may, New Zealand's firefighters stand ready to serve their communities.

After nationwide consultation, the way we deliver fire and emergency services is about to undergo the most significant change in 70 years, to ensure we have a fit for purpose organisation that can deliver the services our communities want and need.

From 1 July 2017, the New Zealand Fire Service (NZFS), National Rural Fire Authority (NRFA), and 38 Rural Fire Authorities (RFAs) will amalgamate to become one organisation – Fire and Emergency New Zealand (FENZ).

Non-fire incidents now account for a large and growing part of fire services' activities in New Zealand, yet those services remain principally funded through a fire insurance levy that hasn't been increased in almost a decade.

Structures dating from the 1940s and legislation from the 1970s are no longer adequate for fire services in this day and age. The recent Fire Services Review asked the sector what needed to change, and the feedback was clear – 21st century challenges require a 21st century solution.

The creation of FENZ will allow for a more coordinated fire and emergency service across New Zealand. Firefighters will have the legal mandate to do the additional jobs the public now expects from them, thanks to new legislation currently before Parliament.

But bringing 626 operational units, and about 14,000 firefighters and support staff together is not a simple or quick task. We need to invest the right amount of time and money to ensure we get it right. The end result will be a unified fire service that can adapt as the risks and needs across our communities change.

In the 2017/18 financial year, both the urban and rural services that FENZ will provide will be funded from the fire levy, alongside contributions from the Government.

To maintain the current level of services provided, and establish FENZ over the next four years, the Board is proposing to increase the rates of levy.

For the average home owner, the increase equates to an extra \$36.00 a year, or around 70 cents per week.

New Zealand Fire Service Commission

In return the public will see the establishment of a modern, fit-for-purpose fire and emergency organisation that is strongly connected to its communities. Among other things, this will enable the establishment of local committees to advise the Board on risks in their area and the level of response required.

It will also fund better resources for volunteers, strengthen rural fire services and build capability in specialist areas like hazardous materials.

The Board is aware that for New Zealanders, every dollar counts. However, there has not been an increase in the levy for eight years. An increase is now required to bring New Zealand's fire services together, and create an organisation that has the legal mandate and necessary funding to continue providing the expanded fire and emergency response our communities expect.

This document outlines the Board's proposal, and the consideration we have given to alternatives. We welcome your feedback on the proposal as we take the next steps towards unifying fire services for a safer New Zealand.

Hon Paul Swain
Chair

New Zealand Fire Service Commission

This section outlines the reasons for the proposed increase to the levy rates to fund Fire and Emergency New Zealand

Levy changes to support new fire services

A unified fire organisation to be set up from 1 July 2017

- 1.1. A review of New Zealand's fire services was completed in 2015. In response to its findings, the Government decided to set up a unified, national organisation that integrates urban and rural fire services.
- 1.2. New Zealand's fire services are currently provided by the New Zealand Fire Service Commission (the Commission) and rural fire authorities. The Commission includes the New Zealand Fire Service (NZFS) and the National Rural Fire Authority (NRFA).
- 1.3. The Commission and rural fire authorities will be amalgamated into the new unified organisation, to be called Fire and Emergency New Zealand (FENZ).
- 1.4. Cabinet has agreed that FENZ would require additional funding for:
 - a. the absorption of rural fire costs (estimated at \$22 million per annum);
 - b. new ongoing operating and capital funding (\$191 million over four years) to:
 - i. address gaps in rural fire services, such as fire reduction activities, urgent capital upgrades, personal protective equipment, training etc.;
 - ii. support local committees;
 - iii. provide additional support for volunteers including incentives for employers and volunteers, and wellbeing initiatives; and
 - iv. scale up the corporate functions, (e.g. finance, information and communications) required in a larger organisation.
 - c. transition costs (\$112 million to be repaid through levy over ten years).
- 1.5. FENZ is intended to deliver more flexible fire and emergency services, with resources used more efficiently to better support firefighters. Local committees will be established to ensure FENZ provides services that are closely matched to community risks and needs.
- 1.6. The Fire and Emergency New Zealand Bill was introduced into Parliament in June 2016. A transition programme is working to set up FENZ from 1 July 2017.

Review identified problems with changing expectations and funding

- 1.7. The review, and earlier reviews, identified issues with the changing role and expectations of fire services, and with the funding model for fire services.
- 1.8. For some time now, the public has called on the fire services to respond to a wide range of non-fire emergencies, as well as the core activities of firefighting and fire prevention. Firefighters are called out to medical emergencies, flooding, spills of hazardous substances, and road accidents.
- 1.9. Non-fire activity is an increasing part of firefighters' work. For example, attendance at vehicle accidents has increased by 15 percent in the past four years.

New Zealand Fire Service Commission

- 1.10. These activities are resource intensive. They require specialist equipment, training, and increasingly, a greater focus on health and safety to protect the public and our people.
- 1.11. Despite the considerable expansion in the role of fire services, the funding model has not substantively changed since 1994. Funding does not align with the range of services provided for the public good, or with the use of services. This creates inequity between those who fund the fire services (people and entities with fire insurance) and those who use fire services (almost everyone). In addition there has been a prolonged and systemic under-investment in rural fire.

Multiple funding sources replaced by one source of funding for FENZ

- 1.12. Funding for the Commission currently comes from:
- a levy on contracts of fire insurance
 - false alarms
 - cost recovery from hazardous substances and vegetation fires outside of urban fire districts
 - interest and surcharge (from levy)
 - interest (from balances)
 - design review unit
- 1.13. Funding for rural fire services, provided by Rural Fire Authorities, currently comes from:
- local government through rates
 - the Rural Fire Grant Assistance Scheme
 - the Department of Conservation
 - forest owners and land holders through levies
 - cost recovery from people responsible for rural fires
- 1.14. FENZ will be primarily funded by a modernised and expanded levy on insurance contracts. Together with other sources of funding, such as a Government contribution towards the cost of non-fire public good activity, it is anticipated that FENZ will have a sustainable, stable and equitable funding system to enable it to deliver services to all New Zealanders.
- 1.15. There will no longer be a need for multiple, separate, funding streams for rural fire services, such as cost recovery, the Rural Fire Fighting Fund, current rural fire funding and levies on forest owners.

Levy on insurance contracts will be modernised and expanded

- 1.16. The Fire and Emergency New Zealand Bill will amend the mechanism for calculating the levy, making it fairer, and reflecting the wider scope of activities undertaken by our fire services.
- 1.17. The changes will simplify the levy, making it easier to administer, and making it harder to avoid paying the levy.

1.18. Modernising the levy will be achieved by:

- enlarging the levy base by calculating the levy on material damage¹ insurance contracts rather than only fire insurance contracts
- decreasing the types of property currently exempt from the levy
- potentially applying different rates of levy to residential and non-residential property
- potentially increasing the cap on the residential levy to reflect changes in property values.

Consultation programme for the next three years

1.19. It was initially thought that consultation for the 2017/18 financial year levy rates would be undertaken on the basis of the new funding arrangements, as set out in 1.18 above.

1.20. However, given current information limitations, applying the new funding arrangements in the 2017/18 financial year would involve significant risk that the levy would be set at a rate that generated too little income for FENZ to deliver its activities. Conversely a levy set too high would impact unnecessarily on policy holders. Furthermore, implementing major changes in the 2017/18 financial year would increase costs for insurers (and consequently further raise the cost of insurance).

1.21. Therefore the Minister of Internal Affairs agreed to delay the full implementation of the new funding arrangements until 1 July 2018.

1.22. The consultation for the 2018/19 levy will include all aspects of the new funding arrangements that will come into effect on 1 July 2018, such as:

- assessing levy on material damage insurance rather than fire insurance
- assessing levy on third party motor vehicle insurance
- differential rates for residential and non-residential policies
- revised caps for residential property and personal property; and
- new exemptions from the levy (if made under regulations).

1.23. In the financial year commencing 1 July 2019 and for the two financial years that follow, three-year rates will be applied with full implementation of the levy provisions contained in the new legislation.

1.24. There will be public consultation when the rates are set, making the funding and costs of fire services more transparent to the public.

This consultation is on the rates of the levy that will fund FENZ in 2017/18

1.25. The purpose of this document is to consult the public on the rates of levy for the first year of FENZ, that is, 1 July 2017 to 30 June 2018.

1.26. The Board will consider submissions before recommending the proposed levy rates to the Minister of Internal Affairs. After considering the proposal, the Minister will present a recommendation to Cabinet. The approved rates will then be set by an Order in Council.

¹ Material damage includes damage through fire, flood, burglary, earthquake or similar events

Proposed levy rates to fund all activities and costs of new organisation

- 1.27. In the 2017/18 year, the levy funding for FENZ, will continue to be assessed on contracts of fire insurance (rather than material damage insurance). The current exemptions set out in the Fire Service Act 1975 will remain in place.
- 1.28. The level of funding, that is, the rate of levy, has not increased for eight years, putting our fire services under increasing pressure. The level of funding does not reflect increases in inflation over the last eight years or the wider range of services now undertaken.
- 1.29. In recent years, the additional activities that fire services are called on to perform have made up an increasing proportion of the overall workload. For example, in 2014/15 the proportion of non-fire incidents which NZFS responded to was 38 percent of the total, up from 31 percent five years earlier.
- 1.30. Medical emergencies have been a major driver of growth in non-fire responses, mostly due to partnerships between the NZFS and ambulance services (such as the Memorandum of Understanding with St John Ambulance).
- 1.31. It is anticipated that the need to respond to this wider range of incidents will continue to grow as the public's expectation of modern fire services evolves.
- 1.32. The levy rate proposed will generate revenue to fund fire services to perform the increasing range and volume of activities expected by the public.
- 1.33. In addition, the levy rates will fund the ongoing support activities expected of the new organisation, FENZ. These activities include such things as investment in rural fire services, and better support for volunteers.
- 1.34. Given the scale of change required to create FENZ, the Board considered that changes to the types and level of service should not be considered in the 2017/18 year.
- 1.35. The Board considers there is insufficient information to accurately set differential levy rates and/or levy caps for the residential and non-residential sectors in the 2017/18 financial year. Furthermore, the Board considers that these changes are better considered alongside the other changes such as moving to material damage and the reduction of exemptions in the 2018/19 year consultation.
- 1.36. As the Board proposes no change in service levels and no changes in levy caps or differential levy rates, the Board has determined to undertake public consultation on a single proposal for the 2017/18 levy rates.

This section outlines the Board's proposed rates of levy

Board's proposal to set the rates of levy

2.1. The Board proposes that for contracts of fire insurance made in the year commencing 1 July 2017, the rates of levy from 1 July 2017 be set as outlined in Table 1a.

Table 1a: The Board's proposed rates of levy

Category	Current 2016/17 levy	Proposed 2017/18 levy	Difference
Residential	7.60 cents per \$100 insured (insured amounts capped at \$100,000 for residential buildings and \$20,000 for contents) Maximum levy payable per house is \$76 and \$15.20 for personal property	10.60 cents per \$100 insured (insured amounts capped at \$100,000 for residential buildings and \$20,000 for contents) Maximum levy payable per house is \$106 and \$21.20 for personal property	An increase of 3.0 cents per \$100 insured (a maximum increase of \$30.00 per annum for residential buildings and \$6.00 per annum for contents)
Non residential	7.60 cents per \$100 insured (uncapped)	10.60 cents per \$100 insured (uncapped)	An increase of 3.0 cents per \$100 insured (e.g. an additional \$3,000 per annum for those with insurance of \$10 million)
Motor vehicles (less than 3.5 tonne)	\$6.08 (flat rate)	\$8.45 (flat rate)	An increase of \$2.37 per vehicle per annum

2.2. The Board has considered:

- The estimated cost of operating FENZ in the 2017/18 year (see Table 2);
- Cabinet's decision on new funding arrangements for FENZ (April 2016)²;
- Letter of Expectations from the Minister of Internal Affairs (May 2016)³;
- The cost of transition to FENZ;
- Repayment of the capital injection from the Crown that funds the cost of transition (see Table 5);
- The estimated Crown contribution for non-fire public good activity;
- Sundry revenue projected in the 2017/18 financial year (see Table 7); and
- The availability of property and motor vehicle insurance data.

² Cabinet Minute: EGI-16-MIN-0064 at www.dia.govt.nz/Fire-Services-Transition

³ Refer to www.dia.govt.nz/Fire-Services-Transition

Table 1b: Forecast impact of the Board's proposed rates of levy on categories

Levy collected	Current 2016/17 levy		Proposed 2017/18 levy		Difference	
	Amount (\$million)	Percentage of total levy take	Amount of total levy take	Percentage of total levy take	Amount	Percentage
Residential	133.8	36.4%	177.0	36.6%	43.2	0.2%
Non residential	217.7	59.2%	284.1	58.8%	66.4	-0.4%
Motor vehicles (less than 3.5 tonne)	16.4	4.5%	22.0	4.6%	5.6	0.1%
Total	367.9	100%	483.1	100%	115.2	0%

2.3. Table 1b above demonstrates the percentages of levy paid under the current and proposed rates remain largely consistent.

This section outlines matters considered by the Board in setting the proposed rates of levy

Considerations in proposing the levy rates

- 3.1. The cost of FENZ for its first year (commencing 1 July 2017) is forecast as \$534.8 million (see Table 2). This includes the costs of existing fire services and the additional costs approved by Cabinet for the change to a unified fire service organisation, including more support for volunteers and rural fire.
- 3.2. After taking account of other funding sources for FENZ (see Table 7), it is estimated that \$483.1 million of levy funding will be needed in the financial year from 1 July 2017.

Different funding options considered and discounted

- 3.3. The Board considered a range of funding options to avoid or minimise a levy rates increase. However after analysis of the timing, costs, levels of revenue and authorisation needed, the Board determined these options were not feasible and therefore not appropriate for consultation.
- 3.4. The following options were considered and discounted.
 - 3.4.1. **Sale and lease back of assets:** While this would lower short term costs, it would embed long term financing charges in the form of lease payments, putting greater burden on future levy payers and weakening the Board's ability to incur debt in the future.
 - 3.4.2. **Delaying or rephasing capital expenditure:** The Board operates a capital programme of approximately \$50 million per annum to maintain its operational assets (valued at \$700 million). Approximately \$40 million of the \$50 million relates to operational fleet and fire stations (including the Christchurch rebuild and seismic strengthening of stations). Health and safety considerations contributed to the Board's decision against delaying or rephasing capital expenditure because:
 - **deferral of the fleet programme** would continue to increase the average age (currently 14.9 years), increase maintenance cost and the likelihood of breakdowns, and impact on vehicle service providers and vehicle suppliers. Deferring replacement would increase costs in the future.
 - **deferral of the property programme** would extend the rebuild of Christchurch stations beyond the timeframe agreed with the Christchurch community, and delay the repositioning of Christchurch stations according to the risk profile of the community. It would leave firefighters in temporary accommodation. Deferring seismic strengthening would mean some stations would not meet earthquake standards in timeframes set by councils and may have to be closed.

New Zealand Fire Service Commission

- 3.4.3. **Reducing operating costs:** the Board believes that in the short term there is no ability to reduce costs without compromising service or increasing cost in the long term, due to the high fixed cost base (people, stations, appliances).
- 3.4.4. **Borrowing to support a lower rate of levy:** While Cabinet has agreed that FENZ would be funded by increased levy, the Board did consider whether borrowing money would support a reduced levy increase. However, the Board's current borrowing powers are insufficient to meet the increased costs. Any additional borrowing facility would require an increase in levy to repay the cost of borrowing, and approval from the Government.

Impact of broader factors was considered

- 3.5. The Board also considered broader factors that affect the amount of levy required and generated, and the impact of these factors on policy holders:
- **Economic:** The estimated growth in residential housing stock over the coming years, the forecast increase in motor vehicle numbers, and economic growth⁴ were considered insufficient to ensure the required level of growth in the levy base;
 - **Differential levy rates:** There is information to determine the impact of differential levy rates on residential and non-residential policy holders. Any differentiation in levy rates would need to be done in conjunction with a revision of the residential levy cap. Therefore the same levy rate should continue to be applied to both residential and non-residential property (and the current residential cap would remain the same); and
 - **Public good activity:** While there is an increasing public demand for non-fire responses, this would be funded through the Crown public good contribution (up to \$10 million in 2017/18 financial year), managed through baseline, within current organisational capacity and subsidised by other payers.
- 3.6. Furthermore the Board considered the scale of change for both the existing Commission and rural fire authorities to create FENZ, and believes it is more important that FENZ's focus is on managing this change rather than making further changes to the operating model in the 2017/18 year.

Proposed approach for 2017/18

- 3.7. Having considered the above factors, the Board decided that the only feasible option was to fund its costs in the 2017/18 financial year through a proposed increase in the rates of levy, as outlined in Table 1a.

⁴ Data from the Reserve Bank, Treasury, Statistics New Zealand, commercial banks

Proposed rate is calculated on the levy base of property and vehicle assets

- 3.8. Operating FENZ for the year commencing 1 July 2017 is estimated to cost \$534.8 million⁵. This cost includes the amalgamated urban and rural fire services, the cost of transition and the first repayment of the capital injection.
- 3.9. After allowing for other sources of funding the Board must generate \$483.1 million⁶ from levy to operate FENZ.
- 3.10. Levy is generated on the value of insured property which includes motor vehicles over 3.5 tonne. Levy on this property is expressed as a rate per \$100 of insured value.
- 3.11. Levy on motor vehicles under 3.5 tonne is expressed as a flat rate of \$6.08 per vehicle.
- 3.12. Levy collection data shows that levy is calculated on a common base⁷ of approximately \$484.2 billion of assets insured against fire.

Levy collection is affected by the time lag in levy payments

- 3.13. Consideration must be given to the fact that the overall amount of levy that will be collected in the 2017/18 financial year is affected by the timing of the renewal of insurance contracts.
- 3.14. Levy is paid to the Board on the 15th day of the second month following the contract being entered. Therefore levy at the new proposed rates will not be received until 15 September 2017. Before this date levy will be paid at the existing rates.
- 3.15. In addition historic data shows that a higher than average proportion of levy is received in each of the first two months of the financial year. Fire insurance contracts covering approximately 20 percent of the levy base are renewed before the beginning of July, leading to approximately 20 percent of the levy revenue being received in the first two months of the financial year.
- 3.16. Therefore the levy collected in the first two months will be assessed on approximately twenty percent of the levy base, (\$100.3 billion of assets at 7.6 cents per \$100). The levy collected for the next 10 months will be assessed on \$383.9 billion of assets at the new rate.

⁵ See Table 2: FENZ capital and operating expenditure in 2017/18

⁶ See Table 7: FENZ costs and funding for its first year

⁷ Common base is the amalgamation of the property and vehicle asset bases.

3.17. The first two months of the 2017/18 financial year are forecast to generate \$76.23 million of levy (\$100.3 billion of assets multiplied by 7.6 cent per \$100).

3.18. FENZ is forecast to require funding of \$483.1 million in the 2017/18 financial year. Therefore the remaining \$406.87 million of levy must be generated in the remaining 10 months of the financial year from \$383.9 billion of assets.

Levy rate set for property insurance

3.19. To generate this levy, the Board proposes a rate of 10.60 cents per \$100, which is the financial result of \$406.87 million divided by \$383.9 billion.

Levy rate expressed differently for motor vehicle insurance

3.20. The amount of levy that will be generated from motor vehicle insurance forms part of the total amount of levy generated from the common asset base.

3.21. However the levy rate for motor vehicles (under 3.5 tonne) is expressed differently from the rate on property insurance, as the rate for motor vehicle insurance is expressed as a flat rate per vehicle.

3.22. To maintain the current level of service and to contribute to the new ongoing support costs of FENZ, the Board proposes to increase the flat rate by the same proportion as proposed for the levy on property.

3.23. The flat rate will increase to \$8.45 per vehicle, an increase of \$2.37 per year or approximately 5 cents a week.

This appendix outlines the forecast cost of FENZ in its first year

Appendix 1: The cost of operating FENZ

- 4.1. The cost of FENZ for its first year (commencing 1 July 2017) is forecast as \$534.8 million, made up of capital and operating expenditure as shown in Table 2.

Table 2: Forecast FENZ capital and operating expenditure in 2017/18

\$ millions	2017/18 financial year		
	Operating expenditure	Capital expenditure	Total
NZFS and NRFA costs	364.0	53.6	417.6
Rural fire funded transfer	22.0		22.0
New ongoing support expenditure (rural and volunteer)	39.4	8.8	48.2
Transition costs	26.6	11.4	38.0
Repayment of capital injection	9.0		9.0
Total	461.0	73.8⁸	534.8

- 4.2. The estimated costs for the operating and capital expenditure were developed by the Board with the support of specialist financial skills from KPMG and PricewaterhouseCoopers. Consideration was given to the level of funding required for FENZ to deliver its functions in a cost-efficient way.
- 4.3. The current operating costs of the Commission (NZFS and NRFA) and the estimated costs for rural fire will be transferred to FENZ on 1 July 2017.
- 4.4. The estimated cost of \$22 million for rural staff and their associated training was determined through a costing exercise undertaken by MartinJenkins in 2015. The actual costs will form part of the ongoing baseline of FENZ.
- 4.5. Cabinet approved forecast operating costs of FENZ made up of:
- \$303 million for change costs⁹, comprising:
 - \$191.2 million for additional operating costs over four years from the 2017/18 financial year; and
 - up to \$112 million transition costs over four years from the 2016/17 financial year, funded by a repayable capital injection.
 - The transfer to the baseline¹⁰ for FENZ on 1 July 2017 of:
 - the estimated rural fire baseline of \$22 million; and
 - the Commission's baseline of \$417.6 million (see Table 3)

⁸ See Table 6: FENZ estimated capital expenditure in 2017/18

⁹ Cabinet Minute: EGI-16-MIN-0064, paragraph 3, www.dia.govt.nz/Fire-Services-Transition

¹⁰ Cabinet Minute: EGI-16-MIN-0064, paragraph 22.1, <http://www.dia.govt.nz/Fire-Services-Transition>

- Repayment of the capital injection¹¹, starting with \$9 million in the 2017/18 financial year.
- 4.6. Two reviews in the 2016/17 financial year will inform funding decisions for FENZ for future years. The first is a baseline review of the operation and performance of the Commission to consider the effectiveness and efficiency of current services, functions, structures and costs. The second is a comprehensive analysis of the costs of rural fire services.
- 4.7. The Commission's baseline costs of \$417.6 million are made up of the running costs of the NZFS and the NRFA.

Table 3: Commission baseline (NZFS and NRFA costs)

	\$ millions
Employee and volunteer benefits expenditure	268.2
Finance	1.0
Fleet running	15.2
Information & Communications Technology	16.2
Occupancy (Property maintenance, rates, power etc, for over 400 properties)	17.2
Operational clothing, equipment and consumables	1.4
Travel (mainly for volunteer and career operational training)	10.0
Publicity and advertising – primarily Fire Safety	4.8
Depreciation	53.6
Other (Includes grants and donations, insurance, professional fees, office equipment, consumables)	30.0
Total	\$417.6

- 4.8. New ongoing support costs of \$191.2 million have been forecast over four years.

¹¹ Cabinet Minute: EGI-16-MIN-0064, paragraph 22.3, <http://www.dia.govt.nz/Fire-Services-Transition>

Table 4: New ongoing support costs over four years

\$ millions	2017/18	2018/19	2019/20	2020/21	Total
Operating expenditure	39.4	32.5	41.5	42.5	155.9
Capital expenditure	8.8	14.9	5.8	5.8	35.3
Total	48.2	47.4	47.3	48.3	191.2

4.9. The \$48.2 million of costs (operating and capital expenditure) expected to be incurred in the 2017/18 financial year will be spent on providing more support for:

- closing rural fire service gaps in areas such as fleet, equipment and property maintenance, protective equipment and clothing and a national rural fire reduction programme;
- volunteers, in areas such as recognition programmes for both volunteers and employers, and wellbeing initiatives for volunteers; and
- supporting local committees and enhancing the corporate functions required in a larger organisation.

4.10. These costs will be funded in part through an increase in the rates of levy.

4.11. The indicative allocation of transition costs over four years is shown in Table 5.

Table 5: Expected allocation of transition costs

\$ millions	2016/17	2017/18	2018/19	2019/20	Total
Funded by repayable capital injection	27.2	38.0	28.1	18.7	112.0

4.12. An estimation of up to \$38 million of transition costs are expected to be incurred in the 2017/18 financial year. This will fund activities such as:

- d. establishing local committees
- e. supporting workforce
- f. stakeholder engagement
- g. asset management and due diligence
- h. ICT due diligence, strategy and planning
- i. operational systems and process
- j. the transition programme office.

4.13. FENZ is forecast to incur capital expenditure of \$73.8 million in the 2017/18 financial year.

Table 6: FENZ estimated capital expenditure in 2017/18

\$ millions	Current activities	Transition	New ongoing support	Total
Fleet Expenditure	15.9		2.0	17.9
Property Expenditure (including seismic strengthening and Christchurch rebuild)	23.0		1.7	24.7
ICT Expenditure	3.8	11.4	0.2	15.4
Plant and Equipment Expenditure	2.0		4.9	6.9
Regional Expenditure (such as minor property works and plant)	1.6			1.6
Strategic Projects Expenditure (such as leadership training and ICT platforms)	7.3			7.3
Total	53.6	11.4	8.8	73.8

This Appendix outlines the funding arrangements for FENZ in its first year

Appendix 2: FENZ funding arrangements

5.1. The cost of operating FENZ for the year commencing 1 July 2017 is estimated at \$534.8 million.¹²

5.2. In addition to the levy, FENZ will have three other sources of funding in the 2017/18 financial year:

- a repayable capital injection from the Crown of up to \$38 million¹³ to fund transition (part of the Crown capital injection of up to \$112 million over four years);
- a Public Good contribution from the Government of up to \$10 million, subject to budget processes, to fund non-fire public good activities such as rescues, responding to floods and other emergencies; and
- other income generated by FENZ (estimated to be \$3.7 million in the 2017/18 financial year).

5.3. Table 7 sets out the income required from the levy (\$483.1 million) after allowing for the three other sources of funding available.

Table 7: FENZ costs and funding for its first year

2017/18	\$ millions
Cost of operating FENZ (see Table 2)	534.8
Funding from	
Repayable capital injection	38.0
Crown contribution (subject to annual budget process)	10.0
Other income and cost recoveries	3.7
Remaining funding – required from levy	483.1

¹² See Table 2: FENZ capital and operating expenditure in 2017/18

¹³ See Table 5: Expected allocation of transition costs

This appendix lists the proposed activities of Fire and Emergency New Zealand

Appendix 3: Objectives and functions of FENZ

Under the Fire and Emergency New Zealand Bill, the Board must consult on the activities FENZ proposes to undertake in the 2017/18 financial year. The functions FENZ must and may undertake are set out in the Bill.

- 6.1. FENZ will integrate the existing operational and administrative activities of the Commission (including the NZFS and the NRFA), and rural fire authorities.
- 6.2. FENZ's main objective is to reduce the incidence of unwanted fire and the associated risk to life and property. In relation to FENZ's main functions, its objectives are protecting and preserving life, preventing or limiting injury, and preventing or limiting damage to property, land, and the environment.
- 6.3. The Bill sets out the main functions FENZ must perform across urban and rural areas. These functions include promoting fire safety, providing fire prevention, response, and suppression services, responding to hazardous substances incidents, rescuing trapped people (example: from traffic accidents), and urban search and rescue.
- 6.4. FENZ also must perform other functions under the Bill, for example, supporting volunteers, setting up and supporting local committees, administering the levy, carrying out fire control measures such as permitting and setting fire plans. In addition, FENZ has functions and powers under other Acts, such as providing readiness and response for Civil Defence emergencies, or providing advice to building consent authorities under the Building Act 2004.
- 6.5. The Bill also includes additional functions which FENZ may carry out. FENZ may only carry out these functions to the extent FENZ has the capability and capacity to do so, and it maintains its capability and capacity to perform its main functions efficiently and effectively. Additional functions include responding to medical emergencies, severe weather events, maritime incidents, attending traffic accidents, performing technical rescues (for example, line rescues), responding to substance emergencies, and promoting safe practices for hazardous substance handling.
- 6.6. We anticipate that with the integration of the urban and rural fire services' functions FENZ will continue to be ready for and respond to fires and other emergencies much as urban and rural firefighters currently do. For example firefighters and brigades who currently respond to medical emergencies will carry on doing this.

This glossary explains the terms used in this document

Glossary

Term	Definition
Board	The Board of the Commission, and once the new legislation is in force, of Fire and Emergency New Zealand.
Cap	An upper limit on either the amount of levy paid or the amount on which levy is calculated.
Commission	The New Zealand Fire Service Commission: the Crown entity responsible for delivering certain fire and emergency services.
Contracts of fire insurance	Defined under section 2(1) of the Fire Service Act 1975 as an agreement whereby any asset is insured against loss or damage from fire, whether the agreement includes other risks or not; but does not include any contract of marine insurance or any contract of reinsurance.
Differential levy rates	The setting of different rates of levy for residential and non-residential property.
Exemptions	Assets specified in the Fire Service Act 1975 or through regulations that are not assessable for levy.
FENZ	Fire and Emergency New Zealand.
Fire services	The delivery of fire responses and fire prevention.
Levy	The amount payable on a contract of fire insurance.
Levy base	The value of insured assets in New Zealand on which levy is payable.
Levy rates	The rates applied to asset value to calculate the amount of levy payable.
Material damage insurance	Insurance covering physical loss or damage to property e.g. through fire, flood, burglary, earthquake or other similar events.
NRFA	The National Rural Fire Authority: a function of the Commission that provides coordination and support to the rural fire sector.
NZFS	The New Zealand Fire Service: a part of the Commission.
Other income	Income that is not derived from levy, for example, interest income, fees for alarm monitoring.
Public good contribution	Funding provided by the Crown for non-fire public good activity, such as responding to floods, or rescuing animals.
Rural Fire Authorities	Bodies responsible for fire control under the Forest and Rural Fires Act 1977.
Transition	Establishing Fire and Emergency New Zealand by amalgamating the Commission and Rural Fire Authorities.

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Submission form

This form is for submissions on the rates of levy on fire insurance contracts and on FENZ's proposed activities for the 2017/18 financial year. We will consider submissions before reporting to Government with recommendations.

This document and this submission form are also on the website www.firelevy.co.nz

Please return your submission by 5pm 30 November 2016

By email:	levyconsultation@fire.org.nz
Or by mail:	Levy Consultation team New Zealand Fire Service Commission PO Box 2133 Wellington 6140

This submission was completed by:

Name:	
Address:	
Email:	
On behalf of:	<input type="checkbox"/> An individual <input type="checkbox"/> A group or organisation (please specify) _____ <input type="checkbox"/> Other (please specify) _____
Position:	

Official Information Act considerations

Your submission will be held by the Board. Submissions may be subject to a request to the Board under the Official Information Act 1982.

Please let us know below if you object to the release of any information in your submission. In particular, let us know which part(s) you consider should be withheld, and any reason(s) for withholding the information, for example, personal details, or commercial information. We will consider all such objections when responding to requests under the Official Information Act.

New Zealand Fire Service Commission

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Please note any objections here:

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Proposed rates of levy for the 2017/18 year

	Proposed 2017/18 levy	Difference
Residential	10.60 cents per \$100 insured (insured amounts capped at \$100,000 for residential buildings and \$20,000 for contents) Maximum levy payable per house is \$106 and \$21.20 for personal property	An increase of 3.0 cents per \$100 insured (a maximum increase of \$30.00 per annum for residential buildings and \$6.00 per annum for contents)
Non residential	10.60 cents per \$100 insured (uncapped)	An increase of 3.0 cents per \$100 insured (e.g. an additional \$3,000 per annum for those with insurance of \$10 million)
Motor vehicles (less than 3.5 tonne)	\$8.45 (flat rate)	An increase of \$2.37 per vehicle per annum

Please provide your feedback on the proposed rates of levy:

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Please provide your feedback on the proposed FENZ activities.

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I also want to make comment on:

.....

.....

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Please list any documents that you have attached to support your submission:

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New Zealand Fire Service Commission

Report

Date : 17 November 2016

To : Mayor and Councillors
Tararua District Council

From : Kudzai Mvere
Land Information Assistant

Subject : **Proposed Road Name Change for Sowry Road (No Exit)**

Item No : **10.4**

1. Reason for the Report

- 1.1 This report presents for consideration a proposal to change the name of Sowry Road (No Exit), Woodville that adjoins Woodlands Road (depicted in the attached map).

2. Statutory Authority Applicable to Road Name Changes

- 2.1 The Council's authority to name any road is contained within Section 319 (j) of the Local Government Act 1974.
- 2.2 This contains the following provision:
The Council shall have power in respect of roads to do the following:
"To name and to alter the name of any road and to place on any building or erection on or abutting on any road a plate bearing the name of the road"
- 2.3 The Council is required as soon as is practicable to send a copy of the relevant resolution altering the name of the road to the Register-General of Land and the Surveyor-General.

3. Background to Proposed Road Name Change

- 3.1 This road is currently known as Sowry Road (No Exit). There is another Sowry Road further along the road parcel, and the two ends do not meet up and have different numbering schemes. This has the potential to cause confusion for emergency services.

- 3.2 In addition, 'No Exit' is not a standard road suffix according to National Addressing Standards. The proposed road name change will correct both issues.

4. Significance Assessment

- 4.1 The proposed actions recommended are not considered significant in terms of the Council's policy on significance and engagement.

5. Consultation

- 5.1 The resident owning a property bounding onto the road has been notified of the proposal to re-name Sowry Road (No Exit) and is in favour of the change.
- 5.2 The affected property owner has submitted 'Byre Road' as the proposed road name requested in writing.
- 5.3 The response to name this road 'Byre Road' is attached to this report.
- 5.4 Woodville Districts' Vision at their October meeting received details of this proposal, and did not raise any issues regarding this matter.

6. Conclusion

- 6.1 The naming of this road has been initiated to conform to National Addressing Standards.
- 6.2 The resident with a property bounding this road would like the road name change to proceed in order to meet National Addressing Standards and alleviate any potential confusion for providing directions to emergency services.

Recommendation

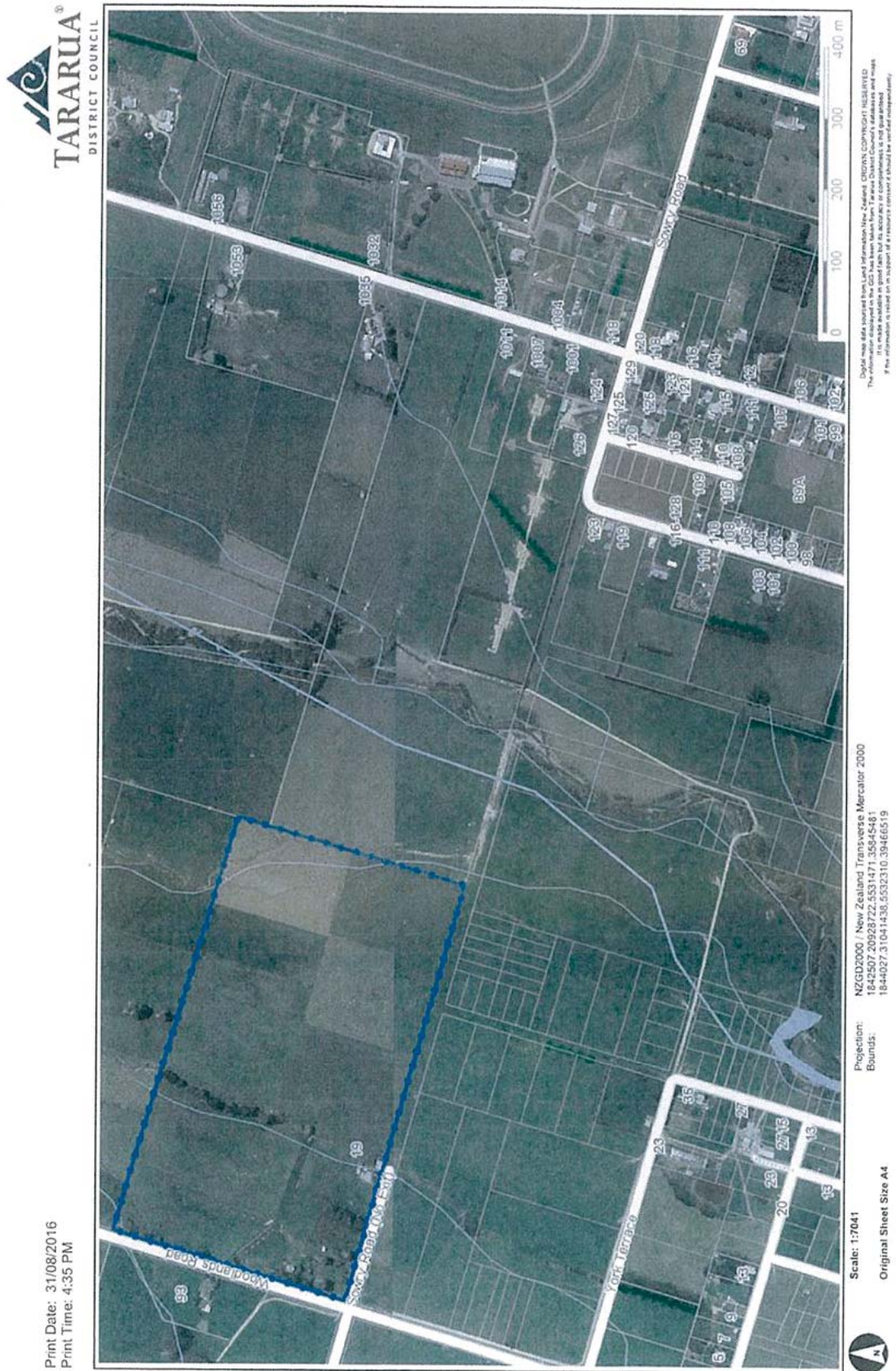
That the report from the Land Information Assistant dated 17 November 2016 concerning a Proposed Road Name Change for Sowry Road (No Exit) (as circulated) be received, and

That to conform with National Addressing Standards and alleviate any potential confusion for providing directions to emergency services the Council changes the name of Sowry Road (No Exit) adjoining Woodlands Road, Woodville to hereby be known as Byre Road.

Attachments

1. Aerial Map View - Byre Road
2. Letter of Endorsement from E E Hartstone

10.4 Proposed Road Name Change for Sowry Road (No Exit)
Attachment 1 Aerial Map View - Byre Road



24 AUG 2016

I would like Sowry Road (No Exit)
changed to Byre Road.
Byre

Eileen Hartstone

When the road was first formed,
Mrs Hartstone's father always called
it Byre Road.

Report

Date : 22 November 2016

To : Mayor and Councillors
Tararua District Council

From : Chris Edsall
Alliance Manager

Subject : **Road Closure Requested Under the Tenth Schedule of the Local Government Act 1974**

Item No : **10.5**

1. Reason for the Report

- 1.1 The Bush Cycle Tour Committee has made application for a road closure for Kohinui Road on Sunday 12 March 2017. This closure has been requested under the Tenth Schedule of the Local Government Act 1974.
- 1.2 In accordance with the Act, consultation with the Police has been undertaken. The Police have not indicated they have any concerns. No public objections have been received in response to advertising placed in the Bush Telegraph on Monday 7 November 2016.

Recommendation

That the report from the Alliance Manager dated 22 November 2016 concerning a road closure application under the Tenth Schedule of the Local Government Act 1974 (as circulated) be received, and

That pursuant to Section 342 (1) (b) and the Tenth Schedule of the Local Government Act 1974, the Council resolve to close the following road for the purpose of allowing the Bush Cycle Tour Committee to hold the annual Bush Cycle Tour event.

Road name: Kohinui Road

Date of closure: Sunday 12 March 2017

Period of closure: 6.30 am to 2.30 pm

Conditions Applied to the Granting of this Road Closure

- 2.1 That the Tararua Alliance in conjunction with the organiser will assess shortly prior to this event the condition of the road involved to determine its suitability for this purpose.***
- 2.2 That if the Tararua Alliance identify the road as being in an unsuitable condition arising from this assessment then they have the discretion to request the organiser to withdraw the road from the route of this event.***
- 2.3 That shortly after the event has been held the Tararua Alliance shall carry out a drive over of the road that was closed for this event to assess its condition.***

Advisory Note

That should the Council incur any additional maintenance costs as a consequence of the event then those expenses shall be recovered from the event organiser.

Attachments

- 1. Bush Cycle Tour Road Closure Application, March 2017



APPLICATION FOR TEMPORARY ROAD CLOSURE

To Tararua Alliance
P O Box 7
DANNEVIRKE 4942

Phone (06) 374-5431
E-Mail info@tararua.govt.nz
Website www.tararua.govt.nz

Application made under Tenth Schedule of the
Local Government Act 1974

Date Received

Application Fee: **\$100.00**

Receipt No: Please Invoice

THE APPLICANT

All contact details must be in New Zealand

Name of
Applicant:
*e.g. Club or
Organisation*

The Bush Cycle Tour

Contact Person: KEVIN LASKEY

Mailing Address: LASKEYS AUTO 191 Main Street Pahiatu

Contact: Daytime: 06 3767502 Mobile: 021 803238
After Hours: " Fax: "

Email Address: laskeysauto@extra.co.nz

(Attach a separate sheet if required)

ATTACHMENTS

The following documents are attached to this application: (tick all enclosed)

- ☒ Map/s of locations where road closure is requested
- ☒ Traffic Management Plan (including safety plan and emergency access arrangements)
- ☒ Copies of relevant insurance documentation
- ☒ Details of steps you will take to inform local landowners/residents of your event and access provisions
- ☒ Details of how your application will benefit the Tararua District
- ☒ Other documentation in support of your application

(specify)

The Bush Cycle Tour is run as an Annual Event, with all proceeds made, being returned to the Bush Community. This cycle Tour is a great promotion of cycling in and around the Tararua Districts.

Please provide as much detail as you can about your proposed closure. Failure to supply adequate detail may result in your application being declined.

The information you have provided on this form is required so that your application for road closure can be processed under the Tenth Schedule of the Local Government Act 1974. The information will only be used for this purpose.

Under the Privacy Act 1993, you have the right to see and correct personal information the Council holds about you.

We will do a Mailbox Notice, delivered to every mailbox, the week prior to the cycle tour taking place. This is to notify everyone concerned so that they can plan stock movements and any other use of the roads being used for the Cycle Tour.

CONDITIONS OF APPLICATION

The following standard conditions are attached to this application for road closure:

- ☐ Applications must be received **not less than 16 weeks prior** to the date of the proposed closure. An application fee of \$100 applies.
- ☐ The applicant will be liable for the cost of advertising associated with this road closure application. Under the terms of the Local Government Act procedure, the closure must be advertised prior to its consideration by Council, in order to allow an opportunity for public objection. Council will arrange the appropriate advertising in its standard format, and the costs will be passed on to the applicant.
- ☐ Council will consult with the New Zealand Police as required under the terms of the Local Government Act.
- ☐ This application, and any public or Police objections, will be considered at an ordinary meeting of the Tararua District Council. The Tararua District Council reserves the right to decline any application for road closure at its discretion.
- ☐ Should this application for road closure be approved, the following standard conditions will apply:
 - 1) That the Council's Alliance Manager or (nominee) in conjunction with the event organiser will assess within one week prior to this event, the condition of the roads involved and whether the pavement can cope with the event.
 - 2) That if the Alliance Manager (or nominee) identifies any road or roads as being unlikely to cater for the event without significant remedial work, then he has the discretion to request the organiser to withdraw such road/s from the route of this event.
 - 3) That within 48 hours after the event has been held, the Alliance Manager (or nominee) and event organiser shall jointly carry out a drive over of the roads that were closed for this event to assess their condition.
 - 4) That should the Council incur any additional maintenance costs as a consequence of this event being held, then these expenses shall be recovered from the rally organiser.
- ☐ Council further reserves the right to impose any other reasonable conditions in relation to a road closure as it deems appropriate.
- ☐ Successful applications will require a further advertisement to notify the public of the date and time of the road closure/s. This will again be arranged by Council on behalf of the applicant, and the actual cost passed on.

SPECIAL CONDITIONS OF APPLICATION – MOTOR SPORT EVENTS

The following additional special conditions attached to this application for road closure **apply to motor sport events** within the Tararua District:

- ☐ Applications must be received **not less than 26 weeks prior** to the date of the proposed closure for motor sport events. The application fee of \$100 still applies.
- ☐ This Council has excluded or restricted the frequency of use for future motor sport events on certain roads in our District.

The following roads are **excluded from use for motorsport events**:

- Puketoi Road
- Bartons Line
- Whenuahou Road
- Saunders Road
- Pori Road
- Haunui Road
- Bowen Road
- Central Mangaone Road
- Mangaone Valley Road
- Central East Road
- Tawataia Road
- Pukehoi Road
- Kopikopiko Road

The following roads are restricted to use for motor sport events every three years at the discretion of this Council:

- Mangahei Road
- Blairgowrie Road

- ☐ The Council will charge a bond of up to \$2,000.00 per event to the organisers that is refundable provided no damage is caused to the roads used. The Alliance Manager (or his nominee) has been authorised to use their discretion to determine the amount of the payment required for this purpose, taking into account the size of the event and the extent of the routes included in the application seeking the proposed road closures.
- ☐ **No motor sport road closures will be considered** over the months of July, August, September and October inclusive.
- ☐ Organisers of events are advised that a charge for the inspections by Tararua Alliance may be made to cover the hours and kilometres involved with processing applications, and overseeing the event.
- ☐ Event Organisers must outline the potential tangible benefits to the District as part of their application.
- ☐ All residents/property owners on roads being the subject of applications for closure must be contacted by the applicant to inform them of the proposed event, and to obtain their agreement if they are satisfied that the intended closure is approved. A survey schedule containing these details will form part of any road closure application presented to the Council for its consideration. Where any person contacted by the applicant indicates their opposition to the closure sought, the applicant shall inform them of their right to forward a written objection to the Council that it will consider prior to deciding whether to grant the application.

Bush Tour
100 km, 50 km, and 15km rides
2. Intersection Middle Road / Kohinui Road

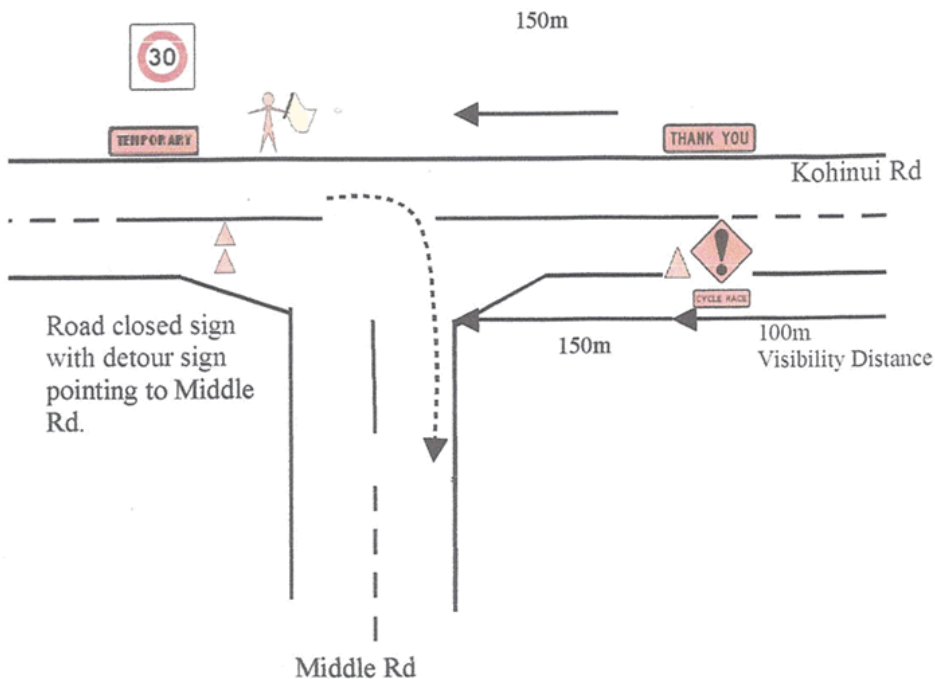
RCA = TDC

- Riders will have to obey the road rules
- Marshal will be present merely to show the fun ride participants which way to go
- Marshal to stand where clearly visible to all traffic

Equipment:

- 1 x TW2.13 Advance Warning "Cycle Race"
- 1 x TW17 Thank You
- 1 x 900 mm High Cone
- 1 x High Visibility Vest
- 1 x 30 speed limit sign
- 1 x 100 speed limit sign

Road Closure after the start of all rides (after 10.00am until 2.00pm)



The 30 sign will have a 100 sign backing onto it.

Bush Tour
100km, 50km and 15km rides
18. Intersection Kohinui Road / SH2

RCA = Transit

- Warning of cycle ride on Kohinui Rd
- In Mangatainoka (70 km/h)
- Riders will not pass through this intersection

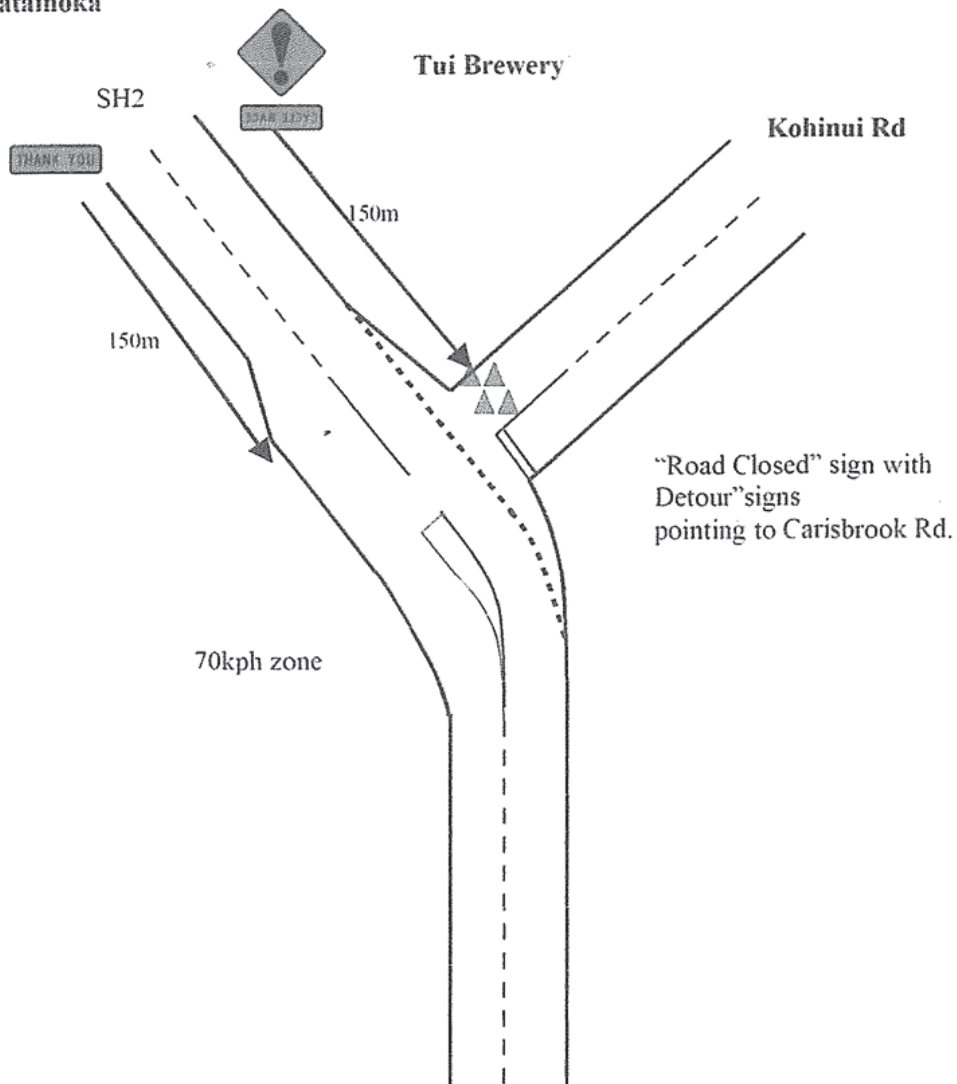
Equipment Required

- 1 x TW2.13 Advance Warning "Cycle Race"
- 1 x TW 17 Thank You
- 4 x 900 mm High cone
- 1 x TW 20 Road Closure Ahead
- 2 x TW 2 !

Road Closure after the start of all rides (after 10.00am until 2.00pm)

A sign with 'Kohinui Rd traffic' and a detour sign will be placed south of the SH2/Carisbrook Rd intersection.

Mangatainoka



Bush Tour
100km, 50km and 15km Rides
1. Kohinui Road Start/Finish Area

RCA = TDC

- Marshals to stand where clearly visible to traffic
- All Finish Line Marshals are to wear High Visibility Vests
- Riders will be required to obey all road rules
- Riders will be neutralised to the start (riders will not be stopped for more than one minute)

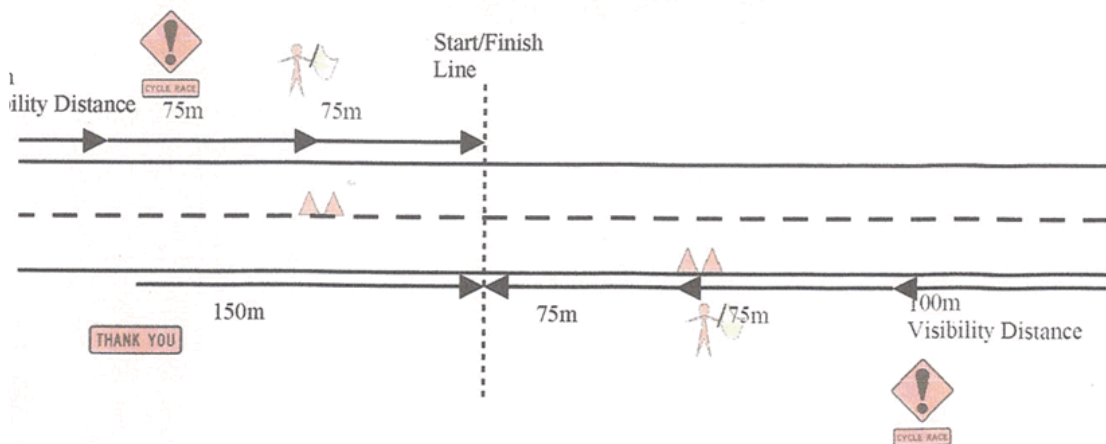
Equipment Required

2 x TW2.13 Advance Warning "Cycle Race"

1 x TW 17 Thank You

6 x 900 mm High cone

* High Visibility vests for all finish line marshals and officials





Report

Date : 24 November 2016

To : Mayor and Councillors
Tararua District Council

From : Cameron McKay
Finance Manager

Subject : **1st Quarter Financial and Performance for the period ended 31 September 2016**

Item No : **10.6**

Contents

1. Executive Summary
2. Summary of Activity Financial Results and Variances
3. Summary of Service Performance Results
4. Capital Expenditure Report
5. Rates Debtors Report
6. Treasury Report
7. Compliance Report
8. Appendices

Appendix 1: Executive Performance Dashboard

1. Executive Summary

	1 st Quarter 2015/16 Actual 000's	1 st Quarter 2016/17 Actual 000's	1 st Quarter Budget 000's	Variance to Budget 000's
Revenue	8,669	8,312	8,736	(424)
Operating Expenditure	9,990	9,710	9,306	(404)
Operating Surplus/(Deficit)	(1,321)	(1,372)	(570)	(828)
Other Gains/(Losses)	-	-	-	-
Total Comprehensive Revenue & Expense	(1,321)	(1,372)	(570)	(828)

Table 1 : Summary Income Statement

1.1 Operating Revenue

The unfavourable variance to budget is mainly due to timing for receiving NZTA roading subsidies (\$400,000). This is specifically related to the renewals programme which will commence during the drier summer months. This is forecast to meet the year end budget.

Other unfavourable variances are noted in the following activities:

- Animal Control: \$43,000 variance relates to uncollected dog registration fees. The Animal Control Officers will increase their focus in this area by seizing dogs where pound capacity allows and issuing infringements where possible
- Commercial Investments: \$130,000 variance is due to timing of receipt for forestry harvesting.
- Health & Safety: \$26,000 variance is due to fewer building consents in the first quarter than expected. This variance is forecast to be reduced as consent applications increase during the summer months.

We have recorded higher revenue than expected in two activities, Solid Waste and Support. The reason for the increase in Solid Waste revenue is due to receiving the final insurance claim for the Pahiatua Recycling Centre. However, there has also been lower refuse label sales as Council has started to exit from refuse collection.

Refer to Section 3.1 for variance analysis at an activity level.

1.2 Operating Expenditure

Operating expenditure for the 1st quarter is over budget by \$404,000. The major variations are included below.

Roading has brought forward \$451,000 of mainly pavement maintenance works in preparation for the renewals programme that will be undertaken over the summer construction season. Also, the Alliance have completed significant unsealed road metaling in the first quarter.

It is expected that operational expenditure will be within budget at year end.

During election year, representation is budgeted to make a loss as Council funds the election from the Election reserve. This reserve will run into deficit as the result of last year's by-election and the up-coming by election. We will increase funding of the Election Reserve in the Annual Plan to catch-up the shortfall.

Waste water has an unfavourable variance of \$35,000. This is mainly due to \$25,000 of rates being incorrectly budgeted for in the Parks and Reserves activity. The remaining variance relates to resource consent renewals.

Water Supplies has an unfavourable variance of \$16,000 mainly due to additional costs incurred due to the water quality issue with the Pahiatua Bore. This resulted in the water supply becoming unsecured and therefore we will have ongoing unbudgeted costs for water chlorination.

The following activities have significant favourable variances:

- Commercial Investments: The variance of \$58,000 relates to timing of forestry operations
- Health & Safety: The favourable variance of \$47,500 is mainly due to timing of staff costs. \$22,000 of this is to fund staff costs during the planned back-scanning project programmed for the university holidays.
- Support Activities: \$60,000 variance relates to lower staff costs than budgeted due to timing of staff recruitment.

Refer to section 3.2 for variance analysis at an activity level.

1.3 Debt Financing Cost

Interest expense is tracking close to budget. Our effective interest rate was 4.8% compared to a budgeted rate of 5.1%.

1.4 Cash Flow

Council's cash position compared to budget is lower than budget due to delay in receipt of NZTA subsidies.

1.5 External Debt

The core debt as at 30 September is \$10 million, with \$9million with the Local Government Funding Agency (LGFA) and \$1million drawn on the Westpac MOCL.

This has since been repaid by borrowing \$1million from LGFA on a 6 month term at a very favourable rate of 2.29%.

With significant capital projects (especially in Water and Wastewater activities) planned this year, we anticipate our core debt to increase close to \$12 million, which is still consistent with our forecast.

LGFA debt is at varying terms ranging from 6months - 7 years

1.6 Operating Results

Council is currently in an unfavourable position. This is mainly due to timing of NZTA subsidies for capital works, and timing of Roading maintenance.

1.7 Treasury Position

Council's average investment interest rate of 2.62% is lower than our budgeted investment rate of 3.6%.

This is due to the Reserve Bank of New Zealand keeping the Official Cash Rate (OCR) at 2.00%. The impact of this is on call investments held for working capital is receiving less than 1.00% interest.

Despite this, Council has been able to achieve through active treasury management high deposit returns on term investments of 6 months maturity. This has resulted in only a \$9,000 unfavourable variance to budget.

1.8 Capital Expenditure

We are currently under budget. A significant portion of work will be undertaken in the next six months given the favourable weather conditions.

1.9 Service Performance Measures

Overall results and forecast show that we are tracking to improve from last year's results. Occupancy of commercial buildings continues to be an issue, however, the Dannevirke Depot in Thyra street is subject to a sale and purchase agreement, and the Woodville Depot will be listed with an agent.

2. Activity Financial Results and Significant Variances

The following table summarises the financials at the activity level.





	Actual 30 September 2016 \$	Budget 30 September 2016 \$	Variance in Dollar \$
Activity revenue	8,269,189	8,665,056	(395,867)
Activity Expenditure	6,585,588	6,224,903	(360,685)
Total	1,683,601	2,440,153	(756,552)

Table 2 : Summary Activity Financial Results and Significant Variances

Note: *The revenue excludes finance income, depreciation and finance charges, other gains/loses but includes support activities' overhead allocations.*

In the detailed activity income and expenditure, we have also included the "End of Year Forecast Variance".

The legend to explain the traffic lights are:

	Forecast to be on target at Year End
	Minor Variance to budget expected at year end
	Significant unfavourable variance to budget expected at year end
	Significant favourable variance to budget expected at year end

2.1 Revenue

	Budget	Actuals	Variance	End of Year Forecast Variance	Explanation
Building Communities & Leadership					
Community Support	92,205	95,115	2,910	●	
Representation	283,317	272,887	-10,430	●	Timing - Once the electoral officer has received all invoiced costs relating to the Election, she will invoice for recoveries from the other agencies
Community & Recreation Facilities					
Cemeteries	87,730	96,781	9,052	●	Higher plot sales than budgeted
Community Buildings	216,060	212,870	-3,190	●	
Housing	83,430	87,810	4,380	●	
Libraries	286,623	288,169	1,546	●	
Parks and Reserves	341,073	341,754	681	●	
Public Conveniences	64,296	64,296	0	●	
Service Centres	134,361	134,307	-54	●	
Swimming Pools	129,837	129,837	0	●	
District Promotions and Development					
Commercial Investments	145,147	14,174	-130,973	●	Variance relates to timing of forestry revenue.
District Promotions and Develop	185,404	183,375	-2,029	●	
Regulatory Services					
Animal Control	261,547	218,157	-43,390	●	Variance relates to uncollected dog registration revenue. The ACO's will increase their focus in this area by seizing dogs where pound capacity allows and issuing infringements where possible.
Emergency Management	100,854	97,479	-3,375	●	
Health & Safety	257,386	231,414	-25,972	●	The unfavourable variance relates mainly to building consent revenue. They are expected to increase during the summer building months.
Resource Management	78,344	86,123	7,779	●	The property market is experiencing high demand as the Auckland House price effect moves across the country. Therefore, this has led to higher than expected demand on LIM requests
Roading and Footpath					
Roading	3,814,830	3,414,619	-400,212	●	Variance relates to the time of receipt of subsidy. This is mainly due to capital works as the construction programme for items such as resealing is during the drier summer months
Footpaths	247,511	257,815	10,304	●	
Solid Waste Management	505,019	527,623	22,604	●	Council received a final insurance claim for the Pahiatua fire of \$46,000. However, offsetting this is lower refuse label sales as Council has started to exit from refuse collection
Stormwater Drainage	183,438	183,686	249	●	
Waste Water	518,226	526,985	8,760	●	
Water Supplies	526,315	530,175	3,860	●	
Support Activities	122,105	273,739	151,634	●	Higher revenue mainly due to higher rates penalties recorded than budgeted
Total Year to Date	8,665,056	8,269,189	-395,867		

Table 3 : Summary Activity Revenue Results and Significant Variances

2.2 Expenditure

	Budget	Actuals	Variance	End of Year Forecast Variance	Explanation
Building Communities & Leadership					
Community Support	85,422	91,749	-6,327	●	
Representation	176,945	242,286	-65,341	●	This variance is due to the cost incurred for the local body elections. This is funded for over a 3 year period and the variance in election year is funded from the election special reserve.
Community & Recreation Facilities					
Cemeteries	72,455	78,978	-6,523	●	Internment fees are higher than budget due to increased grave digging costs
Community Buildings	80,902	64,736	16,166	●	The variance relates to painting of 2 buildings that has yet to start. The tenders for both buildings closed in early November
Housing	139,760	120,216	19,544	●	The variance relates to painting that has yet to start. The tenders closed in early November
Libraries	165,353	179,110	-13,757	●	An unfavourable variance of \$28,000 relates to budget timing for Kotui Software. Staff costs are lower than budget by \$20,000
Parks and Reserves	271,872	266,436	5,436	●	
Public Conveniences	44,950	49,470	-4,520	●	The cleaning contracts for Public Conveniences was recently tendered. This will result in an unexpected cost increase of \$32,000 for the year
Service Centres	76,461	68,844	7,617	●	
Swimming Pools	88,367	83,617	4,750	●	
District Promotions and Development					
Commercial Investments	160,812	103,065	57,747	●	The variance relates to timing of forestry operations.
District Promotions and Development	149,824	163,528	-13,704	●	The variance is due to Council approving a grant for the Ferry Reserve upgrade (\$17,500). This has been funded from reserves
Regulatory Services					
Animal Control	56,984	60,506	-3,522	●	
Emergency Management	67,376	65,126	2,250	●	
Health & Safety	197,353	149,824	47,529	●	The favourable variance is mainly due to staff costs. During the summer holidays, it is expected that students will be hired to assist with Council's back-scanning and digitisation project.
Resource Management	66,272	78,300	-12,028	●	The variance relates to costs incurred to date for the Proposed Plan Change 1. Forecast budgets indicate that a slight budget over-run of \$10,000 is expected by year end.
Roading and Footpath					
Roading	1,657,972	2,109,339	-451,367	●	This unfavourable variance is mainly due to timing of pavement maintenance works in preparation for the renewals programme, and unsealed road metaling. We are forecasting to be within our full year budget.
Footpaths	28,998	17,607	11,391	●	
Solid Waste Management	430,077	386,138	43,939	●	The favourable variance is due to lower transportation and refuse dumping costs than budgeted. This is forecast to be close to budget by year end as volumes increase over the summer period
Stormwater Drainage	50,801	57,792	-6,991	●	
Waste Water	192,759	228,098	-35,339	●	The unfavourable variance is mainly due to rates being \$25,000 higher than budgeted, which will be corrected in the Annual Plan. This was budgeted for in the Parks and Reserves activity. \$12,000 relates to consent renewal
Water Supplies	251,387	268,129	-16,742	●	The overspend in Water Supplies relates mainly due to unexpected costs due to the water quality issue in Pahiatua
Support Activities	1,711,801	1,652,696	59,105	●	The favourable variance is due to lower staff costs than budgeted. However, note that additional resources have since been required.
Total Year to Date	6,224,903	6,585,588	- 360,685		

Table 4 : Summary Activity Expenditure Results and Significant Variances

3. Summary Cost of Service Performance

As this is the first quarter report, the key emphasis for us was:

- To ensure systems/processes are in-place for reporting against these measures.
- Looking at last year's results – ensure action plans are in place if targets were not met.
- For some measures, targets have increased – again to ensure we are on track to achieve them.
- Some measures will only be measured at year-end so we need to ensure we have planned or are planning for them.
- Review customer requests regularly and ensure they are in the right category, followed up and closed promptly upon resolution of issues.

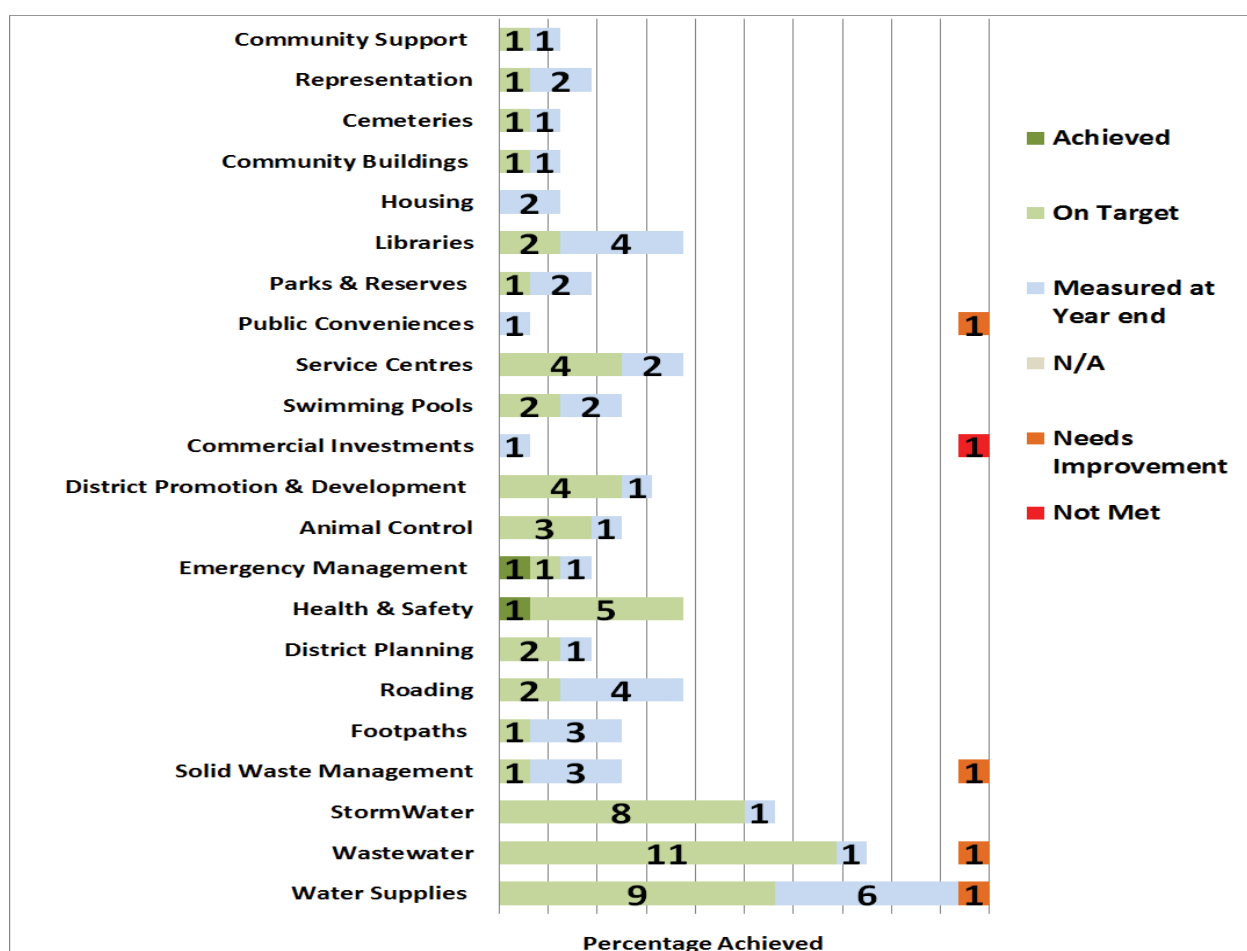


Table 5: Service performance results

The service performance measures that are “Not Achieved” or “Needs Improvement” are:

• • /N	• Activity	• Performance Measure	• Last Year's Results	Target 2015/16	• Results to 31 Dec 2015	• Comments																
1.	Commercial Investments	Occupancy of commercial buildings each year	Not Achieved	100%	Not Achieved	<p>The yards in Thyra Street in Dannevirke and Vogel Street in Woodville are currently not occupied.</p> <p>The Dannevirke property is subject to a sale and purchase agreement. The Woodville property will be listed with an agent.</p>																
2.	Public Conveniences	The number of complaints received per annum about the condition of public toilets	Not Achieved 73	<50	Needs Improvement 22 Of the 22 complaints, 0 related to the cleanliness of the toilets, 16 to the maintenance and 6 to vandalism	<p>The number of customer requests received relating to public toilets:</p> <table><tr><th>Year</th><th>No of Service requests</th></tr><tr><td>2016/17</td><td>22</td></tr><tr><td>2015/16</td><td>73</td></tr><tr><td>2014/15</td><td>67</td></tr><tr><td>2013/14</td><td>47</td></tr><tr><td>2012/13</td><td>44</td></tr><tr><td>2011/12</td><td>40</td></tr><tr><td>2010/11</td><td>24</td></tr></table> <p>In September 2016, the Council entered into new contracts for public toilet cleaning in Dannevirke, Woodville and Pahiatua. The new contracts are designed to address historical cleanliness issues by increasing the frequency of cleaning of high use facilities. The maintenance reporting processes have also been streamlined</p>	Year	No of Service requests	2016/17	22	2015/16	73	2014/15	67	2013/14	47	2012/13	44	2011/12	40	2010/11	24
Year	No of Service requests																					
2016/17	22																					
2015/16	73																					
2014/15	67																					
2013/14	47																					
2012/13	44																					
2011/12	40																					
2010/11	24																					

• • /N	• Activ ity	• Performance Measure	• L ast Year's Results	Target 2015/16	• ts Resul ts to 31 Dec 2015	• Comments
3.	Wastewater	Number of schemes that are current	3 Not achieved	5	4 Needs Improvement	Council has lodged consent applications for Pahiatua and Eketahuna wastewater facilities. Hearing dates are being arranged by horizons for the end of the 3 rd quarter
4.	Water Supplies	Drinking water clarity	4 Achieved	<5	3.4 Needs Improvement	<p>17 complaints were received regarding clarity for the 1st quarter</p> <p>Woodville – 9 (two of these were the same caller over a weekend. All of the other six relate to different houses in different streets on different days. However, for 2 CRMs, the caller have said their taps have run clear after 10mins so not caused by a major issue.</p> <p>Pahiatua – 5 in total of which two were in the same street and were rectified once the mains were flushed.</p> <p>Dannevirke – 3 (all totally separate one-off incidents)</p>

Table 6: Service performance where results were “Not Achieved” or “Needs Improvement”

4. Capital Expenditure

Total capital expenditure completed for the 1st quarter was \$2.9 million compared to a full year budget of \$20 million.

The table below summarises the capital expenditure report.

Note: dollar amounts are in \$'000

	Carry forward Budget to 2016/17	Planned Budget 2016/17	Authorised Revision	Total Annual Budget	Actual 30 September 2016	Total Budget Remaining	%
Growth	15	82	-	97	-	97	0%
Level of Service	4,547	6,290	-	10,854	1,500	9,354	14%
Renewals	1,517	7,520	-	9,037	1,435	7,602	16%
Grand Total	6,079	13,909	-	19,988	2,935	17,053	15%

Table 7: Summary of Capital Expenditure

The following table provides an overview of the budgets and spend to 30 September 2016 at a Group of Activity level.

	Carry forward Budget to 2016/17	Planned Budget 2016/17	Authorised Revision	Total Annual Budget	Actual 30 Sept 2016	Total Budget Remaining
Communities and Recreational Facilities	722	1,296		2,018	134	1,884
District Promotion and Economic Development	10	20		30	-	30
Regulatory Services	111	6		117	182	(65)
Roading and Footpath	1,498	7,729		9,227	1,109	8,118
Solid Waste Management	73	60		133	7	126
Stormwater Drainage	128	843		971	35	936
Wastewater	1,486	2,067		3,553	376	3,177
Water Supplies	1,466	1,058		2,524	659	1,865
Support	585	830	-	1,415	433	982
Grand Total	6,079	13,909	-	19,988	2,935	17,053

Table 8: Capital Expenditure by Group of Activity

5. Debtors Report

Council's manages the rates debtors by classifying them to categories based on risk. This allows staff to take a risk-based approach to managing rates debtors.

We use internal resource and also the MWLASS debt management services (DMC) to manage/collect rates debtors in arrears.

The following tables and graph summarises the rates debtors arrears as at 30 September 2016. While the total arrears was \$915,661 owing at 30 June 2016 there were also current rates and penalties owing bringing the brought forward balance to \$1,822,820 at 1 July 2016.

The categories in the dotted lines (*table 10*) are the high risk debtors. The total arrears owing is 5% of total rates for the year and the "high risk" debtors are 2% of total rates.

A report will be tabled in the February Council meeting to get approval to go through the abandoned land process. If approved we will then advertise in the newspapers in March 2017 for the last known owner to come forward and clear the rate arrears in full. If the payment has not been made after waiting the required month, we can seek judgement through the District Court to allow us to sell the property. This will occur in the April/May period 2017. The property must be sold through a tender process and will be advertised in the newspapers and by letter to surrounding owners and any interested parties if and when judgement has been approved.

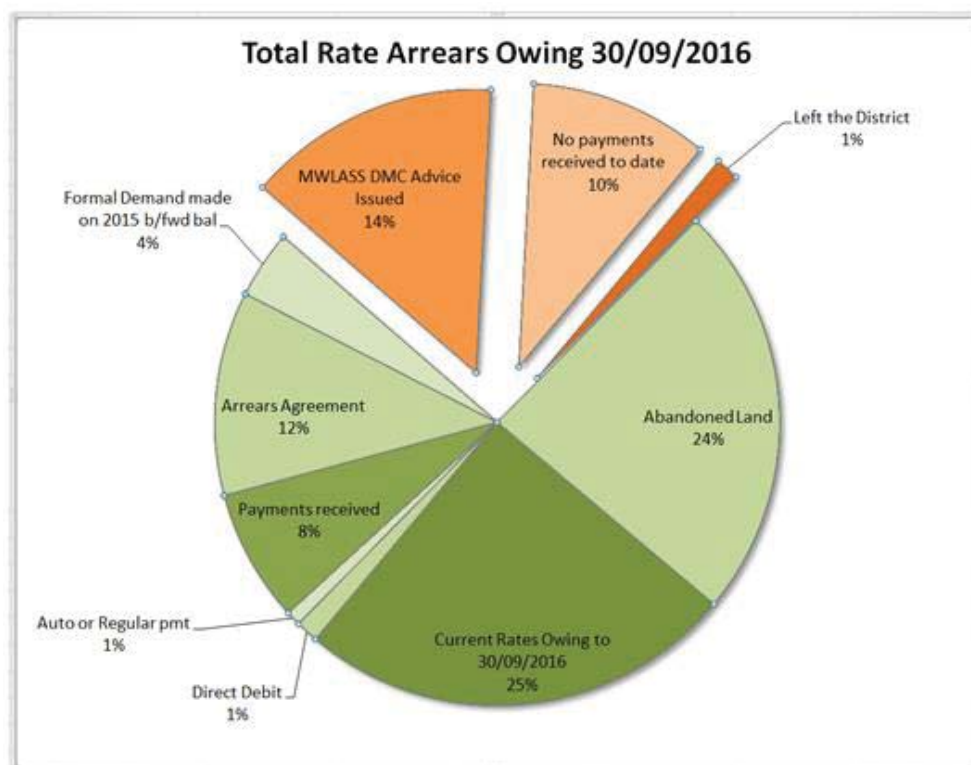


Table 9: Total rate arrears owing by category

With DMC focusing on the high risk debtors highlighted above in orange, Council's focus will be on the abandoned land and debtors who are starting to miss payments (current rates owing category above).

We will be endeavouring to contact these ratepayers by telephone and any ratepayers that need their current agreements increased to meet Council requirements. If these efforts are unsuccessful, any arrears will be placed with DMC for collection.

	No of Rating units	Total Rate	Total Arrears	Total Rate	No of Rating units	Total Arrears	No of Rating units	Total Rate	Total Arrears	Total Rate
	Arrears	Arrears Owing	Penalty Owing	Arrears as at	1/07/2016	b/fwd 1/07/2016	Arrears	Arrears Owing	Penalty Owing	Arrears as at
	30/09/2016	30/09/2016	30/09/2016	30/09/2016	1/07/2016	b/fwd 1/07/2016	30/06/2016	30/06/2016	30/06/2016	30/06/2016
Payments received Arrears cleared	280	-	250.00					0	-16,216	
Direct Debit	917	\$ 26,209.43	848.17	\$ 27,057.60	945	\$ 69,076.86	4	8,479	0	8,479
Automatic or Regular payment	18	\$ 15,856.52	1,548.18	\$ 17,404.70	53	\$ 105,753.60	3	5,472	533	6,005
Arrears with payments received	67	\$ 106,509.05	51,810.80	\$ 158,319.85	512	\$ 729,609.26	23	44,060	34,431	78,491
Arrears Agreement	110	\$ 223,408.00	19,823.67	\$ 243,231.67	107	\$ 333,004.44	64	157,588	2,195	159,783
Formal Demand made on op/bal	22	\$ 70,406.25	10,524.99	\$ 80,931.24	4	\$ 13,158.13	2	4,242	1,294	5,536
At MWLASS Collections	77	\$ 230,564.58	71,700.91	\$ 302,265.49	4	\$ 39,374.92	19	98,671	32,273	130,944
Advised of Agreement	0	\$ -	-	\$ -			0	0	0	0
No payments received for the year	139	\$ 180,604.96	33,574.68	\$ 214,179.64			57	62,413	11,709	74,121
In dispute	0	\$ -	-	\$ -			0	0	0	0
Gone no Address	6	\$ 16,608.06	11,178.25	\$ 27,786.31	11	\$ 38,873.14	19	23,519	11,810	35,328
Abandoned Land	30	\$ 308,354.14	185,615.53	\$ 493,969.67	30	\$ 493,969.67	28	261,531	155,442	416,973
	1,666	1,178,521	386,625.18	\$ 1,565,146.17	1,666	\$ 1,822,820.02	219	665,975	231,470	915,661
Total paid each year on Arrears										\$743,197.49

Table 10: Rate arrears breakdown by category

Rates Debt
Updated 31 Oct 2016



- Tararua District Council

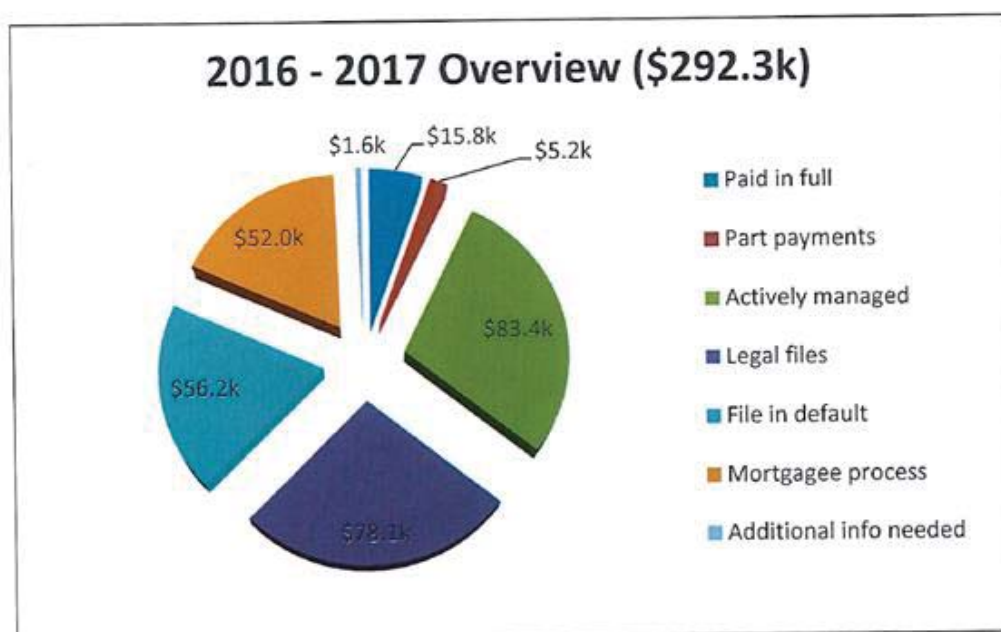


Table 11: Rate arrears breakdown by category

6. Treasury Report

6.1 Compliance with Investment Policy

The following report details the specific requirements of the Investment Policy. No breaches were noted.

6.2 Cashflow management and Liquidity

Council continues to manage its cash to ensure optimum results for ratepayers. We have an agreement in place with LGFA to enable Council to borrow short-term commercial paper to assist with cashflow management. The interest rates charged on these are currently very favourable. This allows Council to put cash on favourable term deposits, minimising the amount of cash sitting on low interest call savings account.

6.3 Debt Ratios

Debt is to be managed within the following limits subject to the Council continuing to control and maintain its share of the roading network requirements in the event of civil emergencies:

Item	Borrowing Limit	Actual
Net external debt as a percentage of total revenue	<50%	13.84%
Net Interest on external debt as a percentage of total revenue	<7%	0.93%
Net Interest on external debt as a percentage of annual rates income (debt secured under debenture)	<10%	1.46%
Liquidity (External term debt+ committed loan facilities +cash and cash equivalents TO existing external debt)	>110%	217%

Table 12: Compliance with Debt Ratios

6.3.1 Policy Statements

S/N	Policy Statements	Results	Comments
1	Council will manage its debt in accordance to limits set.	✓	Council has complied with all limits above.
2	New borrowings and refinancing existing debt should be evaluated for cost effectiveness and compliance with policies.	✓	Council has entered into external borrowings of \$1,000,000. This is of a short-term nature as the borrowing rates were favourable.
3	Council assets may be pledged as security where it is advantageous and cost effective to do so	✓	Council has not pledged any assets as security. As part of its banking agreements (for borrowing) Council has in place a Deed of Charge over rates with the BNZ and Westpac.
4	Council should retain tax-deductible debt ahead of non-tax deductible debt provided the benefits of doing so continue to exceed the risks.	✓	This will be reviewed in line with Council's review of the group structure.
5	Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.	✓	Council has not acted as guarantor to any institutions or organisation.
6	Council may authorise use of special funds to reduce the requirement for external debt where there is financial benefit to borrow internally.	✓	Council continues to use special funds (depreciation funds only) for internal borrowings for capital expenditure where it is beneficial to do so.
7	Capital works will be funded through raising new debt or by utilising depreciation reserves when such reserves exist for the classes of assets. The use of long-term loan funds will be restricted to capital items only.	✓ ✓	As above Loans (internal and external) are only used for capital expenditure.

Table 13: Compliance with Liability Management Policy

6.3.2 Risk Management Compliance with Liability Management Policy

S/N	Policy Statements	Results	Comments															
1	Total amount of debt should be spread across the range of financial institutions and maturity dates	✓	Council term debts are with LGFA, with maturity dates ranging from 0.5 – 7 years. Council has a credit line of \$3 million with Westpac.															
2	Variable debt compared to fixed debt should be no greater than 45% of total external 12 month core debt amount.	✓	Council’s current fixed to floating debt is 86% fixed to 14% floating.															
3	Hedging instruments can be used but they should not increase Council’s overall risk.	✓	Most of Council’s term debt is hedged using the swaps. The overall all-up fixed rate cost of borrowing is approximately the weighted average swap rate of 4.33%															
4	Council’s portfolio shall be arranged to provide, at all times, sufficient funds for planned expenditure and to allow for payment of its obligations as they fall due	✓	Council has placed investment in deposits of varying maturities with none greater than 6 months providing sufficient funds for planned and unplanned expenditure.															
5	The risk of default in respect to any individual investment will be minimised by the selection of quality investments spread across different entities.	✓	<div>Council’s investment spread is as follows:</div> <table><tr><th>Institution</th><th>Amount (\$m)</th><th>%</th></tr><tr><td>BNZ</td><td>7.55</td><td>71.3</td></tr><tr><td>Westpac</td><td>2.65</td><td>25</td></tr><tr><td>Domain Boards</td><td>0.39</td><td>3.7</td></tr><tr><td>TOTAL</td><td>10.59</td><td></td></tr></table> <div>Domain Board investments are either with Westpac or BNZ.</div>	Institution	Amount (\$m)	%	BNZ	7.55	71.3	Westpac	2.65	25	Domain Boards	0.39	3.7	TOTAL	10.59	
Institution	Amount (\$m)	%																
BNZ	7.55	71.3																
Westpac	2.65	25																
Domain Boards	0.39	3.7																
TOTAL	10.59																	
6	Council may invest in equity instruments where they meet Council’s strategic goals.	✓	No new equity investment.															

Table 14: Compliance with Risk Management Policy

7. Financial Prudence benchmarks and indicators

As part of the Local Government reforms, a set of financial prudence measures and indicators were introduced and Council is required to report against these in the Annual Report.

A total of seven measures were introduced. The seven benchmarks were organised around the three elements and financial prudence – affordability, sustainability and predictability. The desired outcome of this reform is to:

- Encourage and provide local government an opportunity to showcase excellence and to share best practice.
- Lift the local authority performance and avoid the need for central government intervention in individual authorities

The following table details the measures and Council's results:

S/ N	Elements	Benchmark Name	Measure	Results		Comments
				Annual Plan	1 st Quarter Results	
1.	Affordability Benchmarks	Rates Benchmark	Rates income complies with the limits set in the Financial Strategy	✓	✓	3.90% was the limit set with the rates increase being at 1.71%
2.		Debt Benchmark	Debt complies with the limits set in the Council's Financial Strategy	✓	✓	Refer to <i>Table 7: Compliance with Debt ratios</i> of this report
3.	Sustainability Benchmarks	Balanced Budget Benchmark	Revenue equals or exceeds operation	✓	✗	Expenditure is currently higher than Revenue. This is due to timing of receipt of subsidies for capital works.
4.		Essential Services Benchmark	Capital expenditure on five core network infrastructure equals or exceeds depreciation on those five services	✓	✓	
5.		Debt Servicing Benchmark	Borrowing cost less than 10% of operating revenue	✓	✓	
6.	Predictability Benchmarks	Operations Control Benchmark	Net cashflows from operations equals or exceeds budget	N/A	✗	Due to timing of subsidy revenue. Expect to be met at year end
7.		Debt Control Benchmark	Net debt is less than or equal to net debt in LTP	N/A	✓	

Table 15: Financial Prudence benchmarks and indicators

8. Compliance Exception Report

8.1 Investment Policy

No non compliance noted.

8.2 Liability Management Policy

No non compliance noted.

8.3 Accounting Standards

No non-compliance noted.

8.4 Rating Remissions Policy

All remissions provided were compliant with policy.

8.5 Specific Policy on Giving of Securities

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts or business units, when the purposes of the loans are in line with Council's strategic objectives. Council has not provided any guarantees as of 30 June 2016.

8.6 Local Government Act (LGA)

Council has adopted the 2015/16 Annual Report on 26 October prior to the statutory deadline of 31 October.

The Summary Annual Report is tabled at this meeting (30 November 2016) and has been made publically available on the 26 November 2016. This is within the one month statutory deadline of the adoption of the Annual Report.

The Annual Plan process has commenced with the project plan set. We expect to adopt this before the 30 June 2016 deadline.

Recommendation

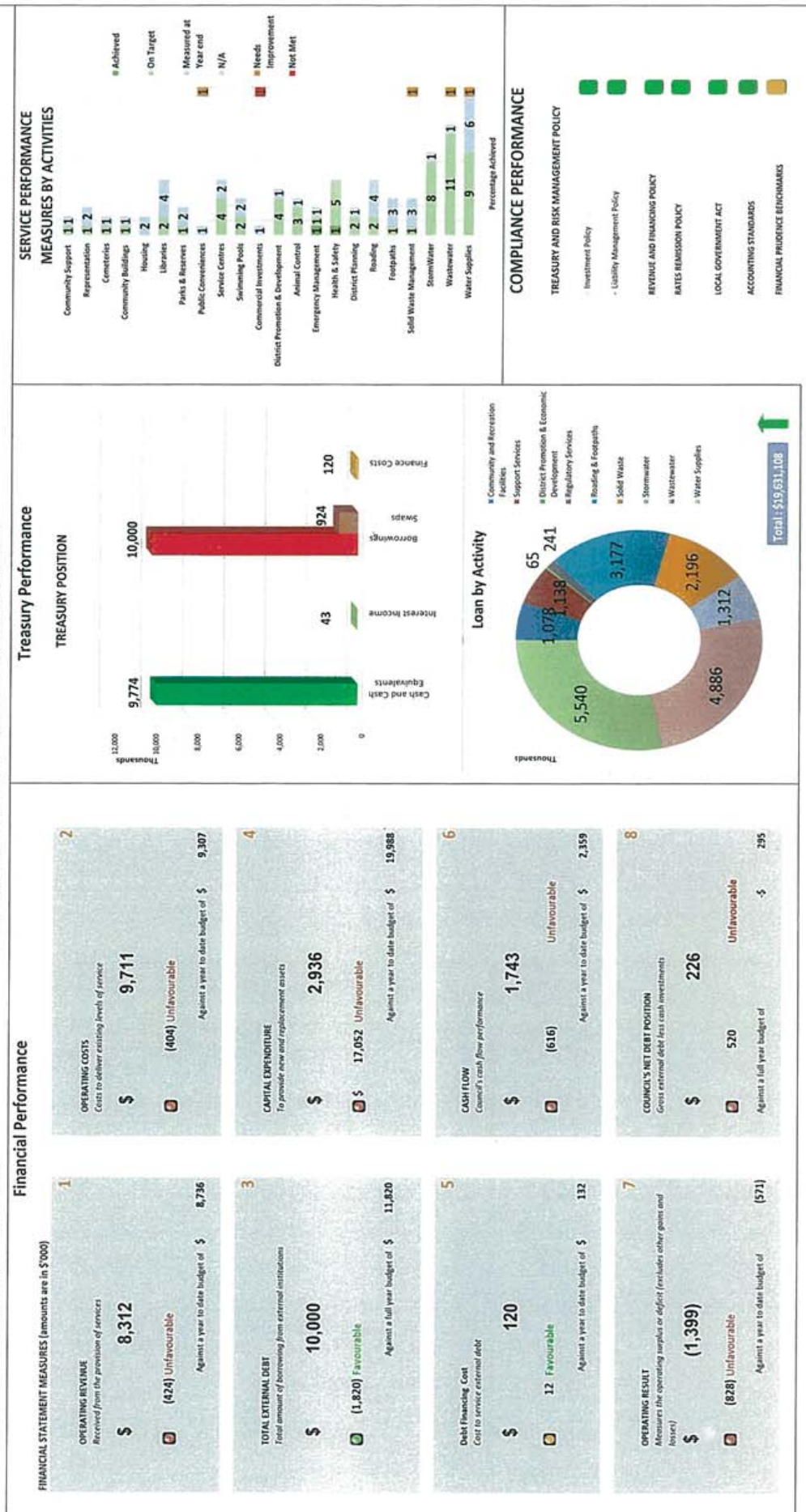
That the report from the Finance Manager dated 24 November 2016 concerning the 1st Quarter Financial and Performance for the period ended 31 September 2016 (as circulated) be received and noted.

Attachments

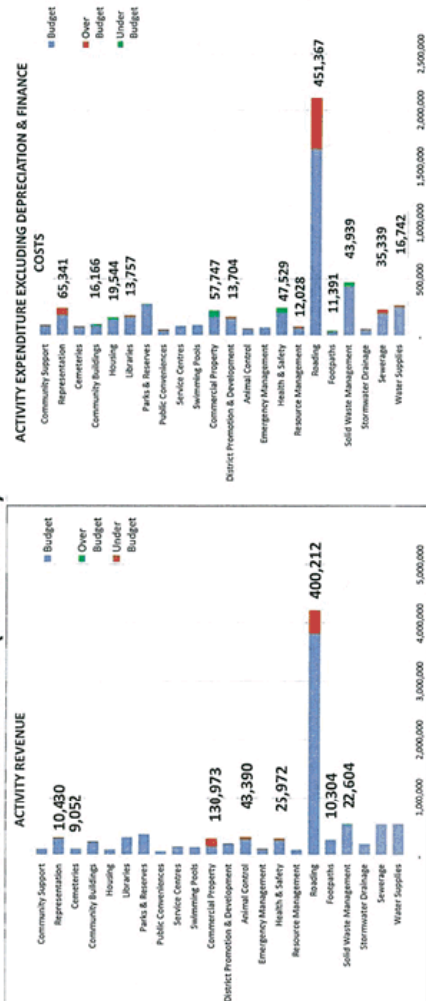
1. Appendix 1: Executive Performance Dashboard

EXECUTIVE SUMMARY (Dashboard)

2016/17 1st Quarter Performance Dashboard

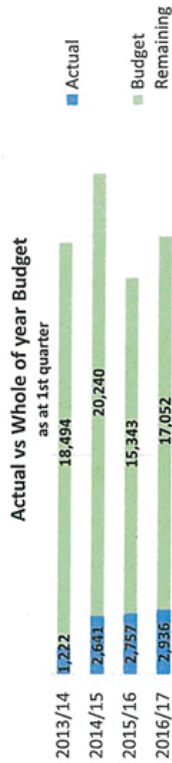
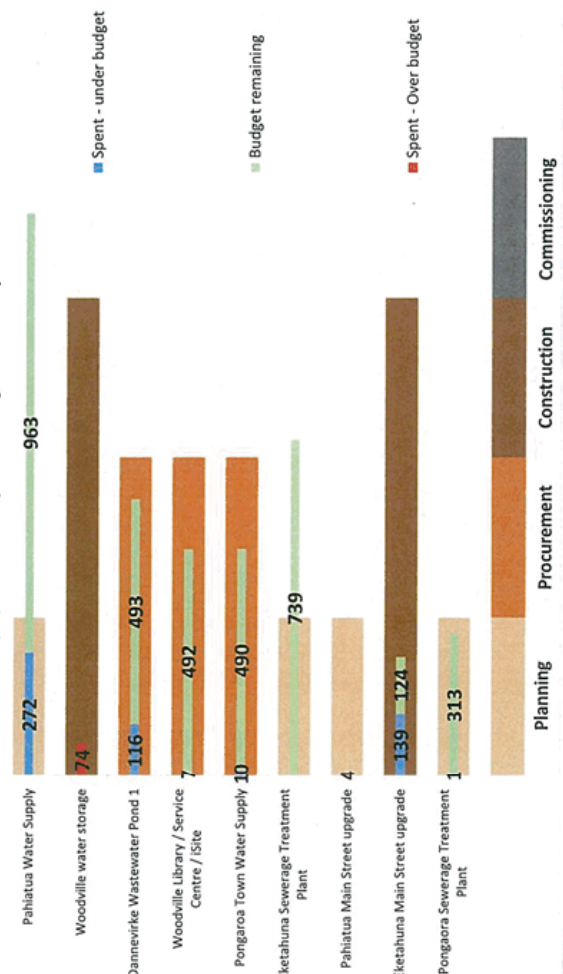


EXECUTIVE SUMMARY (Dashboard)



Key Capital Projects progress

Phase project is currently in and budget vs actual spent



Capital Project Status



Started projects - Budget vs Actual

Whole of year Budget and Actual of started projects



Projects are deemed started when in Planning, Procurement, Construction, Commissioning or Completed phase.

Capital expenditure (000's)

