

# **A G E N D A**

## **Ordinary Council Meeting**

**Council Chambers,  
36 Weld Street  
Hokitika**

**Thursday 23 March 2017  
commencing at 11.00 am**

His Worship the Mayor R.B. Smith  
Deputy Mayors Cr H.M. Lash and Cr L.J. Martin  
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill ONZM,  
J.A. Neale, G.L. Olson, D.C. Routhan.





# ORDINARY COUNCIL MEETING

**AGENDA FOR AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 MARCH 2017 COMMENCING AT 11.00 AM**

*Tanya Winter*  
*Chief Executive*

*23 March 2017*

## **COUNCIL VISION**

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

This will be achieved by:

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

### **Purpose:**

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

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

## Health & Safety Snapshot

	Accidents	Incidents	Near Misses
November 2015	0	1	0
December 2015	0	0	0
January 2016	0	1	0
February 2016	0	0	0
March 2016	1	0	0
April 2016	0	1	0
May 2016	0	1	0
June 2016	0	1	0
July 2016	0	0	0
August 2016	1	0	0
September 2016	0	1	0
October 2016	0	0	0
November 2016	0	0	0
December 2016	0	0	0
January 2017	0	0	0
February 2017	0	0	1
To the 17 March 2017	0	0	0

### **1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:**

#### **1.1 Apologies & Leave of Absence**

#### **1.2 Interest Register**

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

#### **2.1 Ordinary Council Meeting – 23 February 2017**

Pages 6-14

### **3. GENERAL BUSINESS:**

#### **3.1 Street Litter Bins, Hokitika**

*Ian and Christine Booking from MT Drums will be in attendance at the meeting at 11.30 am to discuss the street litter bins in Hokitika.*

#### 4. ACTION LIST:

*Refer attached.*

Pages 15-19

*Lunch from 1.00 pm to 1.30 pm.*

#### 5. AGENDA ITEMS FOR DECISION:

- 5.1 Transfer of Land for Management to WDPL – Further Information. Pages 20-26
- 5.2 Review of Policy on Recreational and Non-Recreational Occupations on Unformed Legal Road Pages 27-34
- 5.3 Carnegie Building: Management Fee for Westland District Properties Ltd Pages 35-39
- 5.4 Planning Update Through February 2017 Pages 40-49
- 5.5 CCO Structure – Statement of Proposal Pages 50-63
- 5.6 West Coast Wilderness Trail – Project Update Pages 64-68

#### 6. AGENDA ITEMS FOR DISCUSSION:

- 6.1 Franz Josef Wastewater Treatment Plant – Mayor
- 6.2 Shared Landfill in Grey District Council – Mayor
- 6.3 Sunset Point/Beach – Theme and Working Group Terms of Reference – Mayor
- 6.4 Carnegie Building – Working Group Terms of Reference – Mayor

#### 7. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION':

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

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

- 7.1 Confidential Minutes – 23 February 2017

**7.2 Confidential Minutes – 2 March 2017**

**7.3 Tourism Economic Impact Presentation**

**7.4 Mayor and Councillor only session**

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

<b>Item No.</b>	<b>Minutes/ Report of</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
7.1, 7.2	Confidential Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
7.3	Tourism Economic Impact Presentation	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
7.4	Mayor and Councillor only session	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

**Date of next Ordinary Council Meeting – 27 April 2017  
to be held in the Council Chambers, 36 Weld Street, Hokitika**



# Council Minutes

## MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 FEBRUARY 2017 COMMENCING AT 11.30 AM

---

His Worship the Mayor advised that at the conclusion of the Finance, Audit and Risk Committee Meeting and before the Council meeting commenced, the following groups were in attendance for a presentation to sign "A Safe Community Agreement" between Safe Communities Foundation New Zealand to implement an ongoing programme of community safety that enhances the social, cultural, environmental and personal safety of its residents, contractors, visitors and community participants. The parties agreed to develop, support and guide Safe Community Networks locally, regionally, nationally and internationally. The agreement was signed by His Worship the Mayor Bruce Smith, Kees van Beek, Chair, Westland Safe Community Coalition, Mark Boere, Area Commander/Manager West Coast, NZ Fire Service, Claire Robertson, Team Leader, Community and Public Health West Coast, Penny Kirk, Community Advisor, Department of Internal Affairs, Corrina Gestro-Best, CEO, Westreap, Paul Watson, West Coast Prevention Sergeant, NZ Police, Ivan Wilson, West Coast Road Safety Coordinator, Cathy Blincoe, Injury Prevention and Management Consultant, Accident Compensation Corporation, Carl Hutchby, Manager, Te Kaihautu, Poutini Waiora, Tania Peters, Director, Lead Reviewer, Safe Communities Foundation New Zealand, PPSCN Accrediting Centre, International Support Centre.

### **1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:**

#### **1.2 Members Present**

His Worship the Mayor R.B. Smith (Chair)  
Deputy Mayors Crs H.M. Lash and L.J. Martin  
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson, Cr D.C. Routhan.

#### **Apologies:**

Nil.

### **Leave of Absence:**

Cr D.M.J. Havill requested leave of absence for the 25 May 2017 Finance, Audit and Risk and Council Meetings.

Cr D.C. Routhan requested leave of absence for the 22 June 2017 Finance, Audit and Risk and Council Meetings.

Moved Cr Martin, seconded Cr Neale and **Resolved** that the leave of absences for Cr Havill and Cr Routhan for May and June Meetings respectively, be accepted and confirmed.

### **1.2 Interest Register**

The Interest Register was circulated and no amendments were noted.

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

### **2.1 Ordinary Council Meeting – 25 January 2017**

Moved Cr Olson, seconded Deputy Mayor Lash and **Resolved** that the Minutes of the Ordinary Council Meeting held on the 25 January 2017 be confirmed as a true and correct record of the meeting subject to the following amendment:

#### **Page 17**

...to be referred to Deputy Mayor Lash in the first instance as portfolio holder for input and then if necessary to Crs Neale and Deputy Mayor Martin.

## **3. GENERAL BUSINESS:**

### **3.1 Chair of WDPL and HAL**

Ian Hustwick, the Chair of Westland District Property Limited and Hokitika Airport Limited attended the meeting and provided a strategic update on the companies.

Mr Hustwick advised that there are a number of items that the Board are looking at with regard to the companies, with their next meeting to be held on the 3 March 2017.

*His Worship the Mayor thanked Ian Hustwick for attending the meeting and providing an update to Council.*

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

Moved Cr Olson, seconded Deputy Mayor Martin and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 2.00 pm.

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

**4.1 Confidential Minutes**

**4.2 Regional Growth Study**

**4.3 District Economic Stimulus Fund Update (DESF)**

**4.4 CE Performance Review and Contract**

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

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
4.1	Confidential Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
4.2	Confidential Report	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
4.3	District Economic Stimulus Fund (DESF)	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
4.4	CE Performance Review and Contract	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

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



No.	Item	Section
4.1, 4.5, 4.6	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
4.2, 4.3	Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 7(2)(a)
4.4	Protection of privacy of natural persons/organisations. Maintain legal professional privilege	Section 7(2)(g)

Moved Deputy Mayor Martin, seconded Cr Havill and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 2.56 pm.

## 5. AGENDA ITEMS FOR DECISION:

### 5.1 Local Government Commission – Submission on West Coast Governance Arrangements

*The Chief Executive spoke to this report.*

Moved Deputy Mayor Lash, seconded Cr Eatwell and **Resolved** that:

- A) Council approve the joint submission from the West Coast Councils to the Local Government Commission on West Coast governance arrangements.
- B) The Mayor be authorised to sign the submission on behalf of Westland District Council.

### 5.2 CCO Director Appointments

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

*Deputy Mayor Lash and Deputy Mayor Martin declared an interest in this matter.*

Moved Cr Routhan, seconded Cr Olson and **Resolved** that:

- A) Council approves the recommendation of the Chair of Westroads Ltd for appointment of Stephen Lowe to the Board of the company.
- B) Council approves the recommendation of the Chair of Hokitika Airport Ltd for the appointment of Deputy Mayor Martin to the Board of the company.

- C) Council endorses the appreciation from the Chair of Hokitika Airport Ltd of the application from Deputy Mayor Lash.
- D) Cr Durham Havill be appointed as a Council Appointee on Westroads Limited.

**5.3 Planning Update**

*Deputy Mayor Lash spoke to this item and advised that this is the first report to Council in this format.*

*Councillors were then provided with the opportunity to provide feedback on the report tabled before them.*

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

Moved Deputy Mayor Martin, seconded Cr Havill and **Resolved** that Council receive the report.

**5.4 West Coast Wilderness Trail – Project Update**

*The Chief Executive spoke to this report and noted that approval for Kaniere Tram had been received from Heritage New Zealand and accordingly the resource consent can now be issued.*

Moved Cr Martin, seconded Cr Lash and Resolved that Council receive the report and noted their thanks to the Project Manager – West Coast Wilderness Trail for his commitment to the trail.

**5.5 Mayor and Councillors Expenses**

*His Worship the Mayor spoke to this item.*

Mayor	
<b>Telephone costs</b>	Full payment by Council of cell phone rental, data and all associated business call charges.

Moved Cr Havill, seconded Cr Olson and **Resolved** that there be an annual communications allowance of \$400.00 plus reimbursement of actual and reasonable expenses for mobile phone usage for His Worship the Mayor; and that *the Policy on Elected Members’ Allowances and Recovery of Expenses Policy for the period 1 July 2016 to the 30 June 2019 be amended.*

## 5.6 Proposed Sale of Land at Blue Spur to the Adjoining Landowner

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

Moved Cr Carruthers, seconded Cr Olson and **Resolved** that:

- A) Council identifies Part Lot 1 DP 2985 as shown on the plan marked Appendix 1 as available for disposal.
- B) Because of the size, shape and situation of the property Council instructs the Chief Executive to dispose of the land identified in Appendix 1) to the adjoining landowner under Section 40(4) of the Public Works Act 1981, for a sum no less than \$3,000, with all associated costs to be borne by the purchaser.

## 5.7 Marks Road Beautification \$10,000

*The Chief Executive spoke to this item.*

Moved Deputy Mayor Martin, seconded Deputy Mayor Lash and **Resolved** that Council approval be granted on application of funds, to release \$10,000 of funding for the Marks Road Reserve to the Haast Promotions Group.

*The Chief Executive will contact the Haast Promotions Group to request an outline of the project before the funds are released.*

## 5.8 Proposed Transfer of Land for Management to WDPL and Write Off of Irrecoverable Rates

**Lot 3 DP 343226 Block I Kaniere Survey District subject to easement and Pt Res 452 Block I Kaniere Survey District Council to WDPL for management purposes and write-off of rates amount of \$2,473.64 on Valuation Number 25760 211 01**

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

Moved Deputy Mayor Martin, seconded Deputy Mayor Lash and **Resolved** that due to new information being received regarding this matter, this item be deferred to the 23 March 2017 Council Meeting.

## 6. AGENDA ITEMS FOR DISCUSSION:

### 6.1 Grease Traps, Franz Josef

*Deputy Mayor Lash spoke to this item.*

It was noted that there are some food businesses in Franz Josef that do not have fat traps installed and that during the quiet time for tourism (April to August 2017) would be a good time for affected businesses to remedy any issue they may have.

*Action Item:*

- *That there be a letter-drop to every business in Franz Josef Township advising of the above.*

## **6.2 Hokitika Carparking Plan**

*Deputy Mayor Martin spoke to this item.*

It was noted that a carparking plan for Hokitika had been circulated via email which change some configurations. It was also noted that any change to configurations would require communication with every business house in Hokitika.

Concern was expressed to the proposed street configuration in Revell Street, Hokitika (one-way).

*Action Items:*

- *The carparking plan was supported.*
- *The District Assets and Planning Teams to peruse the plan with Deputy Mayor Martin to have a look at the next step and bring it back to Council.*

## **6.3 Franz Josef Wastewater Treatment Plant**

*Cr Havill provided an update on the sewerage ponds at Franz Josef.*

*Action Items:*

- *The Chief Executive to send the PDP report to the Mayor and Councillors.*
- *The Chief Executive to get a quote in consultation with Cr Durham Havill for tidying up the existing site.*

## 6.4 Township Development Funds/Community Rates

*Cr Eatwell spoke to this item.*

*It was noted that initial discussions had been held with Ōkārito, Whataroa, Fox Glacier and Bruce Bay communities regarding their community rates and positive feedback had been received to date.*

*Action Items:*

- *Council were in agreement with Bruce Bay being separated from Fox Glacier and Ōkārito being separate from Whataroa.*
- *Existing fund split in Whataroa and Ōkārito and elevated in Fox Glacier and Bruce Bay.*
- *Consultation with the affected communities be undertaken.*

## 6.5 Shared Landfill with Grey District

*His Worship the Mayor spoke to this item and noted that he had discussed the matter with the Group Manager: District Assets on pricing.*

*Action Items:*

- *The Chief Executive to progress the matter.*
- *The Mayors of the respective communities to discuss.*
- *Cr Havill and Cr Routhan to discuss further with Mayor Kokshoorn and come back to Council.*

## 6.6 Annual Plan

*The Group Manager: Corporate Services spoke to this item. The Operations Manager then provided an update for Council.*

*Action Items:*

- *The funds from Whitcombe Valley Road be transferred to Keogans Road to enable sealing.*

Moved Deputy Mayor Martin, seconded Cr Havill and **Resolved** that \$100,000 be transferred from Whitcombe Valley Road to Keogans Road.

*It was noted that the Annual Plan Workshops will be advertised, however the actual detailed operating budgets will not be made available to members of the public.*

**6.7 Waiving of Consent Fees for Community Halls**

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

*Action Items:*

- *That \$10,000 per year be put into a contestable budget to go into the Annual Plan for consent fees for community halls. That this be funded from reserves contributions.*

**6.8 Carnegie Building**

*Moved His Worship the Mayor, seconded Cr Olson and **Resolved** that the item be added to the Council Agenda due to it being 5 months since the Carnegie Building has been open.*

*His Worship the Mayor spoke to this item.*

Moved His Worship the Mayor, seconded Cr Olson and **Resolved** that the management of the Carnegie Building be transferred to Westland District Property Limited with a clause that it does not allow WDPL to lease it for any longer than 6 months.

**MEETING CLOSED AT 4.36 PM.**

Confirmed by:

---

**Mayor Bruce Smith**  
**Chair**

---

**Date**

# Action List

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status
26.01.17	Finance, Audit and Risk Committee	Audit Management Report for the year ended 30 June 2016.	Advise Bede Kearney, Audit Director of future meetings of the Committee.	GMCS		
26.01.17	Finance, Audit and Risk Committee	CCOs Financial Reporting	Write to the CCOs requesting the provision of earlier financial reporting and also agree on an appropriate timeframe going forward; and release of the Audit Management Report for the year ended 30 June 2016.	GMCS		
26.01.17	Finance, Audit and Risk Committee	Treasury Management Workshop	Committee to participate in a Treasury Management Workshop on 23 February 2017.	GMCS		Completed 23.02.17
26.01.17	Finance, Audit and Risk Committee	Quarterly Performance Report to the 31 December 2016	Delete the statement that the Carnegie Building is earthquake prone.	Finance		
26.01.17	Finance, Audit and Risk Committee	Committee Workplan	View the previous Executive Committee Workplan and circulate to the Finance, Audit and Risk Committee and also look at using the Audit Management Report to inform the workplan going forward	Deputy Mayor Martin and GMCS		
26.01.17	Council	Section 33 RMA Transfer of Functions to West Coast Regional Council		GMPCE		
26.01.17	Council	Easter Shop Trading Policy	Undertake Special Consultative Procedure	GMPCE		Completed
26.01.17	Council	Marks Road Reserve \$5,000 Reimbursement	Approve the St John South Westland Area Committee's Request for Reimbursement	GMCS		
26.01.17	Council	West Coast Wilderness Trail	Update regarding archaeological sites, perceived contamination and resource consents; and that monthly resource			

			consents be brought into the monthly reporting to Council.			
26.01.17	Council	Blue Spur Water Treatment Plant PH Correction	Approve the unbudgeted expenditure to a maximum of \$50,000	GMCS		
26.01.17	Council	West Coast Whitebaiters Association Letter	Map required for the 23 February 2017 Council Meeting	GMDA		
26.01.17	Council	Signage on Old Christchurch Road	Advise Councillors when signage has been erected	GMDA		
26.01.17 and 23.02.17	Council	Grey District Council – Offer to Share Butlers Landfill	Council to go back to Grey DC regarding the rate in the dollar amount. To be discussed again at the 23 February 2017 Council Meeting.  Further update: Mayors of the respective communities to discuss.	GMDA  Mayor Smith		
26.01.17	Council	Passing Bays – SH6 and SH73	Write to State Highways Manager	GMDA		
26.01.17	Council	Footpath Repairs/Replacement	Staff to investigate and come back with the budget and prioritisation schedule	GMDA		
26.01.17	Council	Shared Services – Agreements between the Councils	Circulate the two Local Government Commission Reports to the Mayor and Councillors	CE		
26.01.17	Council	Businesses in Weld/Tancred Streets	Pallets with sandbags to be placed accessible for those businesses affected in Tancred/Weld Street. Temporary basis until October 2017.	GMDA		
26.01.17	Council	74 Revell Street	Carparking for commercial premises to be revisited.	GMDA		
26.01.17 and 23.02.17	Council	Hokitika Carparking Plan	Priority and staff to bring back a concept plan to Council for parking in the CBD. Item to come back to Council for further discussion/input.	GMDA		



			Further update: District Assets and Planning Teams to peruse the plan with Deputy Mayor Martin and bring it back to Council	District Assets, Planning and Deputy Mayor Martin		
26.01.17	Council	Events Liquor Licensing	Meeting required between His Worship the Mayor, Deputy Mayor Lash, Cr Eatwell and Cr Olson with Crown Public Health, and the West Coast Police	GMPCE		Invitation Issued
26.01.17	Council	Air B&B	Staff procedure to be circulated to the Mayor and Councillors	Corporate Planner		Completed
26.01.17	Council	Wanganui Flat Subdivision Rating	Background information from Cr Eatwell to be forwarded to staff to research and come back with a recommendation to Council			Completed information forwarded to staff.
26.01.17	Council	Planning Matters	Signage compliance, carparking for resource consents, employment of consultants or contractors, notification of resource consent and decisions on whether to go to a hearing to be referred to Deputy Mayor Lash in the first instance as portfolio holder for input and then if necessary to Crs Neale and Deputy Mayor Martin			System in place
26.01.17	Council	Revenue to Council for services provided by Westland District Property Limited	CE and GMCS to review the policy for consistency, ensuring no disconnect between the companies and Council	CE, GMCS		
26.01.17 and 23.02.17	Council	Community Owned Halls, Council costs for consents charged to the community	Staff to come back to the 23 February 2017 Council Meeting with a report and options.			23.02.17 Council Meeting

			Further Update: \$10,000 to be put into a contestable budget to go into the Annual Plan for consent fees for community halls. Funded from reserves contributions	Finance		
26.01.17	Council	Christmas 2017 and New Year	Staff to call for expressions of interest from interested parties to take the item forward. Expressions of Interest to be considered at the 23.03.17 Council Meeting.	Community Development Advisor		Advertised 13.03.17 with expressions closing 07.04.17
26.01.17	Council	Update on Review of CCO Structure	Mayor and GMCS invite the Tax Team to meet with Elected Members to discuss tax advice.	Mayor & GMCS		
26.01.17	Council	Lazar Park Upgrade	Staff to include Lazar Park Upgrade at \$45,000 back into the budget.	GMCS, FM		
26.01.17	Council	Hokitika Foreshore Working Group and Terms of Reference	Meeting to be held as the first step then report back to Council.	Cr Carruthers		
26.01.17	Council	Hokitika-Westland RSA Update – Balance Works	District Assets staff to investigate the \$20,000 available in the reserves account.	GMDA		
23.02.17	Council	Local Government Commission – Submission on West Coast Governance Arrangements	Joint Submission approved and the Mayor to sign.	CE		
23.02.17	Council	CCO Director Appointments	Approval of recommendations to be conveyed to the Chair of Westroads, Hokitika Airport Ltd. Advises Westroads of appointment of Cr Havill as a Council appointee	GMCS		
23.02.17	Council	West Coast Wilderness Trail	Resource Consent can be issued			
23.02.17	Council	Mayor and Councillors Expenses	Update the Policy on Elected Members' Allowances and Recovery of Expenses Policy for the period 1 July 2016 to the 30 June 2019.	CE		
23.02.17	Council	Proposed Sale of Land at Blue Spur to the adjoining landowner	Dispose of the land to the adjoining landowner for no less than \$3,000 with all	GMCS		

			associated costs to be borne by the purchaser.			
23.02.17	Council	Marks Road Beautification	Contact the Haast Promotions Group to request an outline of the project before funds are released.	CE		
23.02.17	Council	Grease Traps, Franz Josef	Letter drop to every business in Franz Josef Township.	District Assets		
23.02.17	Council	Franz Josef Wastewater Treatment Plant	Circulate PDP Report to the Mayor and Councillors; and obtain a quote in consultation with Cr Havill for tidying up the existing site.	CE		
23.02.17	Council	Township Development Funds/Community Rates	Consultation with Whataroa, Ōkārito, Fox Glacier and Bruce Bay communities	GMCS		
23.02.17	Council	Whitcombe Valley Road	Transfer of funds from Whitcombe Valley Road to Keogans Road to enable sealing.	District Assets and Finance		
23.02.17	Council	Carnegie Building	Management of the building be transferred to WDPL with a clause that it does not allow WDPL to lease it for any longer than 6 months.	GMCS		

# Report



**DATE:** 23 March 2017  
**TO:** Mayor and Councillors  
**FROM:** Chief Executive

---

## **TRANSFER OF LAND FOR MANAGEMENT TO WDPL - FURTHER INFORMATION**

### **1 SUMMARY**

- 1.1 The purpose of this Report is to provide Council with further information, as requested, following a Report presented at the last meeting seeking to transfer a property for management purposes to Westland District Property.
- 1.2 This issue arises from a declared interest from an adjacent landowner on the Racecourse Terrace Estate, Hokitika, to purchase a small part of the land to expand his backyard, and the potential to do likewise with other anticipated adjacent landowners in that Estate.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council transfers the property, for management purposes, to WDPL so that a part section can be sold to an adjacent landowner and other prospects be advanced.

### **2 BACKGROUND**

- 2.1 The property, PT RES 452 BLK I KANIERE SD, off Hau Hau Road, is opposite the dump station and adjoining the border of the Racecourse Terraces Estate development. The 7.38ha property is mainly undeveloped scrub; it is NIL rated. A very small corner portion of grassed area is currently leased for \$100 per year by WDPL to a local pony owner.

### **3 CURRENT SITUATION**

- 3.1 The owner of Lot 33 on Racecourse Terraces Estate is keen to purchase a small portion of land, 570 sqm, behind his section to extend his backyard. There is a possibility that future owners of Lots 29, 31, and 32 on the Racecourse Terraces Estate may also wish to extend their backyards.
- 3.2 A map is attached as Appendix 2, together with a cadastral drawing of the proposed section the buyer wishes to acquire, plus a photo of the adjacent land area and a copy of the advertising board showing sold sections.

### **2 OPTIONS**

- 2.1 Option 1 – Do nothing; retain the property within Council.
- 2.2 Option 2 – Transfer the property to WDPL, for management purposes.

### **3 SIGNIFICANCE AND ENGAGEMENT**

- 3.1 This matter is assessed as being of low significance. Transfer of the property to WDPL for management purposes will enable WDPL to obtain commercial opportunity to generate rates for Council.
- 3.2 No consultation is required.

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

- 4.1 Option 1: Do Nothing. Status quo remains and Council retains the property.
- 4.2 Option 2: Transfer the property to WDPL, for management purposes. All legal costs in sales will be passed to prospective buyers. Council will receive future rates and WDPL will earn revenue from commission.

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

- 5.1 The preferred option is Option 2. Transfer the property to WDPL to enable future rates to be earned for Council.

Answers to the questions raised by Council at last meeting:

- How many sections on Racecourse Terrace Estate are sold?  
12 so far. Only 5 sections border the Council land; of these, 2 are sold.
- Will the sale affect Westroads' gravel pit activity on adjacent airport land?

The General Manager Westroads says it will not, and that it is unlikely Westroads will ever need to extend into the council land for gravel.

- Will the land be affected by the flight path of aircraft flying overhead?  
The nearby airstrip is for light aircraft only, the main airstrip flight path goes over the township, not the Terrace sections.
- Is there any other long term opportunity for the land?  
The land overlooks the dump station; it is unlikely to appeal to a buyer for development. Most of the land is on a relatively steep slope, except for a small bit of flat land at the top which the adjacent landowner wishes to purchase.

## 6 RECOMMENDATION(S)

- A) **THAT** Council transfers PT RES 452 BLK I KANIERE SD to WDPL for management purposes with the intention of sale of some small lots.

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

**Appendix 1:** Map showing location of PT RES 452 BLK I KANIERE SD

**Appendix 2:** Racecourse Terraces' Advertising Board

**Appendix 3:** Titan Solutions' survey map

**Appendix 4:** photos of the site

Created By: anonymous  
Print Date: 21/02/2017  
Print Time: 8:57 AM



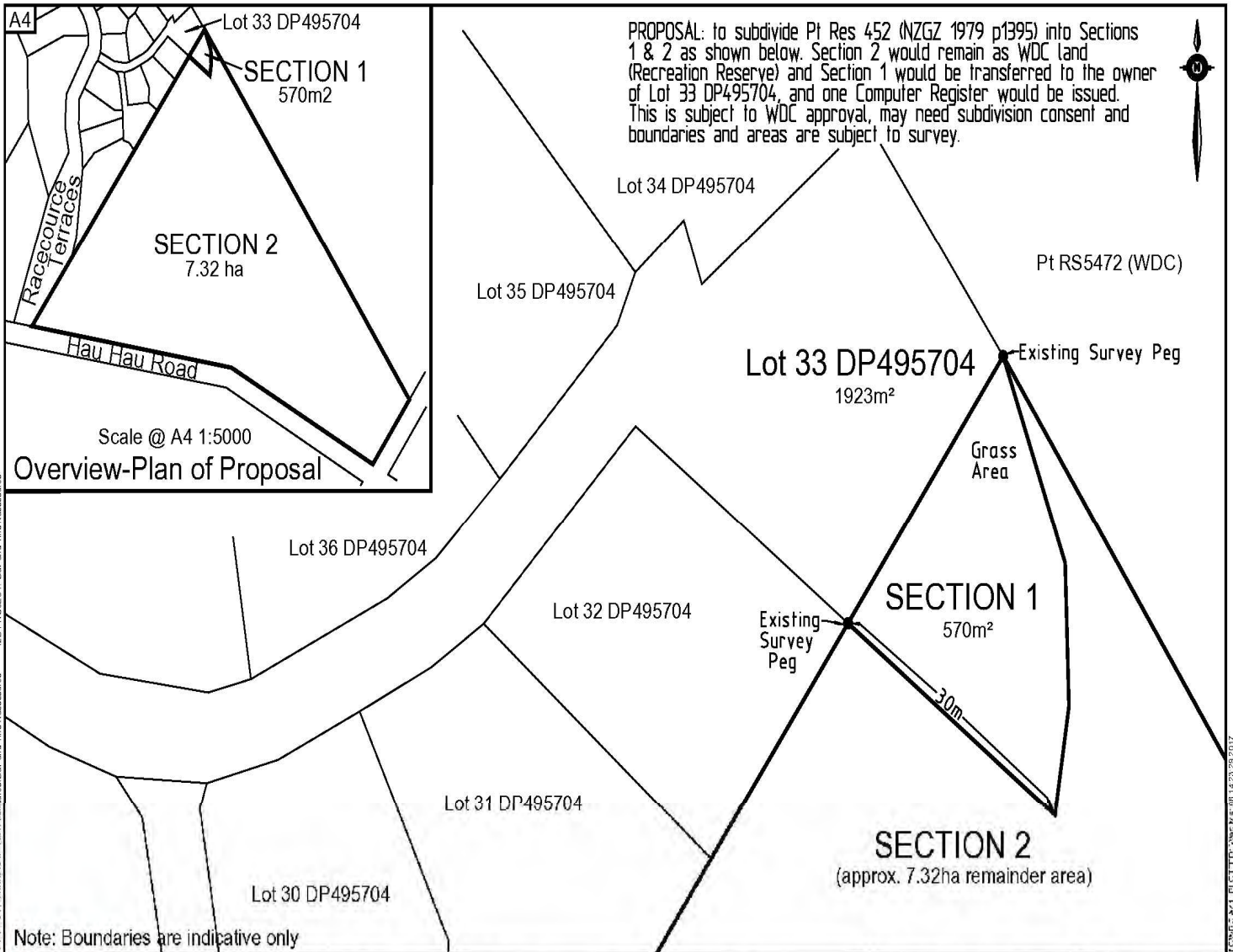
Scale: 1:4274  
Original Sheet Size A4

Projection: NZGS2000 / New Zealand Transverse Mercator 2000  
Bounds: 1435081 88647407 8202771 28196747  
1435872 25624836 8208662 8920123

Sourced from LINZ data. Crown Copyright reserved. Not to be reproduced without permission of Westland DC.  
The information shown on this plan may not be accurate and is indicative only.  
The Westland District Council accepts no responsibility for incomplete or inaccurate information.







	Lara Kelly 021 0478356 lara@titansolutions.co.nz	<b>JOB TITLE:</b> Proposal: Subdivide Pt Res 452 into Sections 1 & 2, Section 1 to be Transferred	<b>CLIENT:</b> G&T Schist	<b>DATE:</b> 8 March 17
			<b>DRAWING:</b> A4 LS DETAIL	<b>REVISION:</b> 2
			<b>SCALE (A4):</b> 1:500	<b>RC No.:</b> N/A



# Report



**DATE:** 23 March 2017  
**TO:** Mayor and Councillors  
**FROM:** Chief Executive

---

## REVIEW OF POLICY ON RECREATIONAL AND NON-RECREATIONAL OCCUPATIONS ON UNFORMED LEGAL ROAD

### 1 SUMMARY

- 1.1 The purpose of this report is to recommend that Council review its 29 September 2016 Policy on Recreational and Non-Recreational Occupations on Unformed Legal Road.
- 1.2 This issue arises following the discovery of additional existing baches and other structures on unformed legal road, the difficulty of policing limited occupancy periods, the request by many bach owners for a longer Licence to Occupy period to increase their security of tenure, and the need for more flexibility regarding non-recreational activity on unformed legal road.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which are set out in the 2015-2025 Long Term Plan. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopt the proposed amendments to the 29 September 2016 Policy, as outlined in this report.

### 2 BACKGROUND

- 2.1 Westland District Property Ltd (WDPL) took over management of Occupations on Unformed Legal Road on 1 July 2011. The existing Policy at that time was reviewed on 11 December 2012, then again on 17 April 2014, on 14 August 2015 and more recently on 26 September 2016.
- 2.2 Licence to Occupy fees make an important contribution to WDPL (\$130,000pa); 25% of this goes to Council.

### 3 CURRENT SITUATION

- 3.1 The process regarding baches and other occupations on unformed legal road has improved following progressive reviews of the policy. An example of this is that all new baches require building consent and resource consent as any other new building. Also, existing (old) baches, other occupations and non-recreational activities, when and where identified, are being gradually 'legalised' under this policy via Licences to Occupy.
- 3.2 In addition, there is increased activity relating to non-recreational use of unformed legal road; for example, agriculture, bee hives, and commercially related activities such as Waiatoto River Safaris' request to place a container on road reserve to store life jackets for their jetboat clients.
- 3.3 Current policy limits the number of baches to 76, with maximum occupancy 12 consecutive weeks, 26 weeks per year. No baches may be built on other than the 5 rivers nominated in the policy. No commercial structures are permitted 'including for agricultural and mining activities'.
- 3.4 WDPL has reached the policy limit of 76 bach sites. Existing (old) baches on the Kakapotahi, Karangarua, Taramakau and Waikukupa rivers, and seven whitebaiting structures along the Wanganui River have recently been identified. There may be others; these need to be licenced.
- 3.5 Given the financial investment that bach owners have made, many ask if more security of tenure could be provided by extending the period of Licence renewal from five to ten years.

### 4 OPTIONS

- 4.1 Option 1: Maintain the status quo; retain the 29 September 2106 Policy.
- 4.2 Option 2: Review the Policy. The main issues are:
  - 4.2.1 To retain, remove or lift the cap on bach numbers to enable WDPL to capture identified existing (old) baches and progress new opportunities.
  - 4.2.2 Whether to remove the reference to maximum periods of occupancy as it cannot be policed, and simply replace it with 'no permanent occupation permitted'.

- 4.2.3 To remove the limit on rivers where baches may be placed, as it disables WDPL capturing identified existing (old) baches as well as pursuing new opportunities.
- 4.2.4 To extend the renewal period of Licences to Occupy from 5 to 10 years, to give added security of tenure to bach owners, or not.
- 4.2.5 To further specify conditions regarding non-recreational activities on unformed legal road, or generalise the policy for non-recreational or commercial on a 'case by case' basis with consultation between WDPL and WDC management.

## **5 SIGNIFICANCE AND ENGAGEMENT**

- 5.1 Policy amendments to Occupations on Unformed Legal Road are deemed of low to moderate significance as primarily seek to clarify arrangements that currently exist. The policy is in relation to unformed legal road, which is generally in sparsely populated areas, so it is likely to only affect potential neighbours of these activities as well as owners of activities that may wish to locate on unformed legal road. Affected parties will have opportunities through the resource consent process to express their views on individual proposals.
- 5.2 Engagement between Council, WDC management and WDPL has already taken place on several occasions and the Department of Conservation's views in discussions have also been taken into account, so wider public consultation is not considered necessary.

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

- 6.1 Option 1, maintaining the status quo, has the disadvantage that it would restrict WDPL from capturing existing occupations where no licence has yet been issued and limit non-recreational opportunities that might be well-suited for unformed legal road locations. This option would also reduce the income to Council as well as WDPL. On the other hand, keeping the September 2016 policy would potentially better address stakeholder concerns around proliferation of baches, or competition with land developers. It strikes a reasonable balance on non-recreational activity, by allowing existing residential uses to continue subject to conditions, and by allowing certain rural commercial activities such as agricultural and mining as long as they do not have buildings on the legal road.

- 6.2 Option 2 has the advantages of potentially increasing the economic activity that would arise from construction of more baches (up to 100 from the current cap of 76), providing flexibility around future bach locations (as well as accepting existing ones that are 'discovered'), and allowing for business opportunities that might be well-suited for particular unformed legal road locations.. Having a less proscriptive/more flexible policy on non-recreational uses, with "approvals on a case-by-case basis" being evaluated through consultation between WDPL and WDC management is expected to improve the working relationship between the two organisations.

## 7 PREFERRED OPTION AND REASONS

- 7.1 Option 2 is preferred by WDPL, as the proposed amended policy attached as Appendix 1 is seen to strike the most reasonable balance between allowing for economic activity and revenue to arise from the use of unformed legal road, whilst ensuring that there is not a proliferation of baches or other occupations, nor indiscriminate non-recreational activity on unformed legal road locations.

## 8 RECOMMENDATION

- 8.1 **THAT** Council considers whether to adopt the revised policy on "Recreational and Non-Recreational Occupations on Unformed Legal Road" attached as Appendix 1 to this report.

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

Appendix 1. Policy on Recreational and Non-Recreational Occupations on Unformed Legal Road, dated 29 September 2016; with proposed tracked changes.

POLICY ON RECREATIONAL  
AND NON-RECREATIONAL  
OCCUPATIONS ON UNFORMED  
LEGAL ROAD.

Revised and Adopted by Council:  
~~29 September 2016~~

# POLICY ON RECREATIONAL AND NON-RECREATIONAL OCCUPATIONS ON UNFORMED LEGAL ROAD.

## 1. INTRODUCTION

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

Contact person for queries: Jim Ebenhoh  
Email: [jim.ebenhoh@westlanddc.govt.nz](mailto:jim.ebenhoh@westlanddc.govt.nz)  
Phone: 03 756 9035

## ~~2. BACKGROUND~~

~~Council adopted the revised Policy on “Recreational and Non-Recreational Occupations on Unformed Legal Road” at their meeting on the 29 September 2016, subject to baches being capped at 76.~~

## 3. CONDITIONS APPLYING TO ALL OCCUPATIONS ON UNFORMED LEGAL ROAD:

- On behalf of Council, Westland District Property Ltd (WDPL) manages unformed legal roads in Westland.
- Council retains ultimate responsibility for any decisions made relating to the management of unformed legal roads, including policy-setting.
- Owners of occupying activities must have a Licence to Occupy Unformed Legal Road (unless otherwise stated in this policy) and must comply with the conditions of that Licence to Occupy.
- Occupying activities must not interfere with the public right to pass and re-pass along unformed legal road. Related to this:
  - No fences are to be erected across legal road without a sty, unlocked gate or other means of public passage.



- 'Private property' / 'Keep out' signs or similar are only allowed on private buildings and must not be posted in such a way that they are seen as applying to the legal road itself.
- Occupying activities must be ultimately relocatable (for example, wooden structures on piles rather than brick building on concrete slab).
- The holders of a Licence to Occupy must have the necessary building consents and resource consents and are responsible for obtaining them.
- Council, upon recommendation from WDPL, will set the scale of annual licence fees for occupying activities on unformed legal road as part of its Annual Plan.
- *This policy will be reviewed in line with the Long Term Plan every three years; ~~beginning with the 2018-28 Long Term Plan~~ unless otherwise agreed with Council.*

4. **ADDITIONAL CONDITIONS APPLYING TO ALL BACHES AND OTHER RECREATIONAL OCCUPATIONS ON UNFORMED LEGAL ROAD:**

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

- Baches (including their associated structures) or other recreational structures on existing sites with a gross floor area of less than 100 square metres (sqm) may increase their gross floor area up to 100sqm; those with gross floor area greater than 100sqm may not increase their gross floor area. Baches (including their associated structures) or other recreational structures on new sites must have less than 100sqm gross floor area.
- Baches (including their associated structures) and other recreational structures shall be single storey and shall be clad and/or painted in a colour scheme of suitably recessive colours so that the structure blends into the surrounding environment.
- ~~The maximum length of time a bach can be occupied is 12 consecutive weeks. In addition, the maximum period of time a bach can be occupied over a single calendar year is a total of 26 weeks.~~ Permanent residential occupation is not permitted.
- WDPL and Council management reserve the right to classify a structure as a bach, ~~another~~ recreational structure, or a non-residential recreational structure. This will be determined at the time of application for the Licence to Occupy.
- The maximum number of baches on unformed legal road in the District shall be ~~76~~ 100.

- ~~No new baches shall be permitted other than at Bruce Bay and on the Paringa River, Waita River, Wanganui River, and Waiaototo River.~~
- Leases shall be granted for ~~five~~ ten years at a time.

5. **ADDITIONAL CONDITIONS APPLYING TO NON-RECREATIONAL OCCUPATIONS ON UNFORMED LEGAL ROAD:**

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

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

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

# Report



**DATE:** 23 March 2017  
**TO:** Mayor and Councillors  
**FROM:** Chief Executive

---

## CARNEGIE BUILDING: MANAGEMENT FEE FOR WESTLAND DISTRICT PROPERTIES LTD

### 1 SUMMARY

- 1.1 The purpose of this report is to approve a management fee and operating costs for Westland District Properties Ltd (WDPL) to manage the Carnegie Building on behalf of Council.
- 1.2 This issue arises from Council resolving to transfer the management of the Carnegie Building to WDPL at the 23 February 2017 meeting without a budget.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council agree on an appropriate management fee to WDPL and how the operating costs of the Carnegie Building will be funded while the building is managed by WDPL.

### 2 BACKGROUND

- 2.1 In early 2016 Council undertook Initial Seismic Assessments (ISA) on its buildings. Those that were assessed as being under 34% of the New Building Standard (NBS), i.e. earthquake-prone, were prioritised and Detailed Seismic Assessments (DSA) were undertaken in mid-2016.
- 2.2 The Carnegie Building was not included in the ISA assessments, although the adjacent 1970s-era Museum complex was assessed at 25% NBS in the ISA and then at 38% NBS through the DSA.

- 2.3 For the Carnegie Building, a DSA was the first step. Opus assessed the Carnegie Building at 12% NBS. This DSA was peer reviewed by Hadley-Robinson who are specialist heritage engineers. Hadley-Robinson suggested the building could be assessed as high as 28% NBS, and Opus agreed it could be 20% or higher. This effectively resulted in a range of 20%-28% NBS.
- 2.4 In late 2016 it was brought to Council's attention that the way a building is categorised impacts on the assessment. Elected members agreed that further commentary on this factor be provided by Simco. Simco proposed that the Carnegie Building be categorised as IL2 instead of IL3 (the importance level category used by OPUS and Hadley-Robinson), and that this would increase the upper-end 28% figure to 36%. According to Opus, applying the IL2 rating to the 20%-28% range at IL3 results in the Carnegie Building having a range of 25%-34% NBS. In any case, at the lowest possible importance level and the highest assessment granted by any of the three engineering firms, the Carnegie Building just barely exceeds the earthquake-prone threshold of 34%.
- 2.5 On 22 September 2016, after the first DSA, the Acting Chief Executive made the decision to close the Carnegie Building. This was supported by a s124 notice from the Building Control Manager, requiring the building to be closed, and appropriate signage was erected. After the DSA was peer reviewed and the ratings increased to 20-28% NBS, the signage was amended, but the building remained closed as it was still considered earthquake-prone at IL3.
- 2.6 In mid-October the Chief Executive became aware of concerns that Museum staff based in the adjacent 1970s-era Museum complex were still working within the 10m exclusion zone around the Carnegie Building. An alternative office space was identified at 47 Revell St, a lease was signed by the Chief Executive on 1 November, and in mid-November the Museum staff relocated.

### **3 CURRENT SITUATION**

- 3.1 While elected members have supported the Chief Executive's decision to relocate Museum staff out of the Carnegie Building, concerns have been raised by some of them that the building is now vacant. With a DSA of between 20% and 34% depending on which end of the range and which IL rating is used, it is a matter of judgement as to whether the building is safe for occupation or not.
- 3.2 At their meeting on 23 February 2017 Council resolved the following:

## Carnegie Building

*Moved His Worship the Mayor, seconded Cr Olson and Resolved that the item be added to the Council Agenda due to it being 5 months since the Carnegie Building has been open.*

*His Worship the Mayor spoke to this item.*

*Moved His Worship the Mayor, seconded Cr Olson and Resolved that the management of the Carnegie Building be transferred to Westland District Property Limited with a clause that it does not allow WDPL to lease it for any longer than 6 months.*

- 3.3 Council staff met with WDPL on Monday 27 February 2017 where it was revealed by the Chair of WDPL that \$20,000 had been allocated to WDPL to manage the Carnegie Building, and that all costs in relation to operating the building would be covered from the Museum budget. These costs (approximate per annum) are:
- Electricity - \$10,000
  - Caretaking and cleaning - \$7,000
  - Repairs and Maintenance - \$4,000
- TOTAL - \$21,000**
- 3.4 On Friday 3 March 2017 the Chief Executive sent an email to all elected members stating her concerns with the allocation of funding for this purpose without a formal Council resolution.
- 3.5 On Monday 6 March 2017 the Mayor emailed the Chief Executive requesting that the following be placed on the 23 March 2017 Council agenda:
- a) Transfer of \$20,000 from the Museum budget to WDPL for the management of the Carnegie Building.
  - b) Confirmation that existing operating costs of the building remain with Council via the museum budget.

## 4 OPTIONS

- 4.1 Council has several options available to it in relation to the management fee:
- 4.1.1 Approve a \$20,000 management fee to WDPL
  - 4.1.2 Don't approve a management fee
  - 4.1.3 Approve a different amount as a management fee
- 4.2 Council could choose to fund the management fee from the Museum budget or another budget, such as the Carnegie Building budget (cost centre 3830).

- 4.3 Similar options are available in relation to the operating costs:
  - 4.3.1 Council continues to fund the operating costs of the Carnegie Building out of the Museum budget
  - 4.3.2 Council doesn't fund the operating costs
  - 4.3.3 Council funds part of the operating costs
- 4.4 Council could also choose to fund these from the Museum budget or from an alternative budget as outlined in 4.2 above.

## **5 SIGNIFICANCE AND ENGAGEMENT**

- 5.1 In accordance with Council's policy on Significance and Engagement the decision to approve a management fee and operating costs so that WDPL can manage the Carnegie Building is deemed to be of low significance. The amounts are small in relation to Council's overall operating budget. Also, this decision is entirely reversible.
- 5.2 Engagement and consultation is not deemed necessary for this decision.

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

- 6.1 The advantages of approving a management fee for WDPL is that it recognises there are real and true costs of managing a facility like the Carnegie Building. The disadvantages is that this will show as an unbudgeted negative variance against the Museum or another cost centre.
- 6.2 The 2017-18 budget for the Carnegie Building has been prepared on the basis that the building would remain closed. Therefore the operational costs outlined in 3.3 above have been reduced accordingly to reflect a smaller Museum operation in Revell Street. If the operational costs are to be met by Council these will need to be put back into the Museum budget for 2017-18.

## **7 PREFERRED OPTION AND REASONS**

- 7.1 Whatever option Council chooses must be open and transparent so that the community are aware of the financial implications of Council's decisions. It would be most open and transparent for WDPL to assume the operating costs of the Carnegie Building, without a management fee, so that the net cost or benefit of the venture can be easily accounted for. The second-most-transparent option would be to provide the management fee out of the Council's Carnegie Building budget, rather than the Museum budget, as the activity relates more directly to the use and promotion of the Carnegie

Building than the Museum function. Either of these two options would reflect the ratepayer's expectation that their contribution towards the Museum function would be related to the Museum services promised in the Council's Long Term Plan, rather than to an as-yet-unknown activity in the Carnegie Building.

## 8 RECOMMENDATIONS

- A) **THAT** Council agree on an appropriate management fee to Westland District Properties Ltd for managing the Carnegie Building.
- B) **THAT** Council agree on how the operating costs of the Carnegie Building will be funded while the building is managed by Westland District Properties Ltd.

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

# Report



**DATE:** 23 March 2017

**TO:** Mayor and Councillors

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

---

## **PLANNING UPDATE THROUGH FEBRUARY 2017**

### **1 SUMMARY**

- 1.1 The purpose of this report is to provide the second in an ongoing series of monthly reports to the Council on its planning activities under the Resource Management Act 1991, including resource consent processing, monitoring and enforcement, and policy development including the review of the Westland District Plan.
- 1.2 This issue arises from Elected Members' request to be better informed on planning matters.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives this report and provides any further feedback on what it would like to see in future reports.

### **2 BACKGROUND**

- 2.1 Council's planning department performs a number of functions under the Resource Management Act 1991 (RMA), including resource consent processing, monitoring and enforcement, and policy development including the review of the Westland District Plan.
- 2.2 Currently, in addition to this monthly report, Elected Members receive a weekly list of resource consents received, and a quarterly report on performance and statutory timeframes for the issuance of resource consents.



2.3 On 23 February the Council received its first written monthly report. It covered the matters below, which are also the subject headings for this month's report:

- Resource consent applications received, by type and location
- Resource consents issued, by type and location, and compliance with statutory timeframes
- Resource consent applications notified (limited or full public), by type and location
- Resource consent applications that went to or are going to a hearing (due to submitters wishing to be heard)
- Status of significant resource consent applications not otherwise covered by the above
- Significant compliance monitoring and enforcement activity
- Progress with the District Plan Review
- Process improvements of note

2.4 This month's report also adds a discussion about commissioners.

2.5 Like monthly financial reports, the monthly planning report focuses on the previous calendar month – in this case the month ending 28 February. A verbal supplement to this report will be provided at the upcoming Council meeting on any significant matters arising since the close of the previous calendar month.

### **3 CURRENT SITUATION**

#### **3.1 Resource consent applications received**

3.1.1 A total of 7 complete applications were received in February 2017, down from 9 in January. In terms of their activity status under the District Plan:

- 2 are controlled activities (the Council must approve them as long as they meet controlled activity standards); one is for a

house in the rural zone (Rimu), and the other is for a two-lot subdivision in Haast (St John's site).

- 3 are discretionary activities (the Council can approve or decline them); two are for houses in rural zones (Okarito and near Jackson Bay) which do not meet the controlled activity standards, and one is for the two-lot subdivision allowing the aforementioned house near Jackson Bay.
- 2 are restricted discretionary activities (the Council can approve or decline, but must restrict its analysis to matters specified in the District Plan); these are for mining activities in the Stafford area.

3.1.2 In terms of location, 3 are in the wider Hokitika area (including Rimu, and Stafford), 2 are near Jackson Bay, 1 is in Okarito and 1 is in Haast township.

3.1.3 Further details of each application received are not provided in this report but have been included in the weekly e-mail updates to Elected Members on the consents received. The updates include the name of the applicant, the location, and the proposed activity.

3.1.4 A recent consent application of note is the application from Kumara Residents Trust for the Chinese Memorial Gardens, received on 8 March. Several other applications have been received in March to date.

### **3.2 Resource consents issued**

3.2.1 Nine consents were issued in January, up from 3 in January. The breakdown of these consents is as follows:

- Three for rural dwellings (controlled activity): 2 at Rimu and 1 at Whataroa
- One commissioner's decision on a dwelling in the rural zone using unformed legal road off One Mile Road north of Hokitika (discretionary activity).
- Two for rural subdivisions (two new lots at Kawhaka, and 1 new lot at Blue Spur)
- One for rural dwellings at Kawhaka with a reduced riparian setback (discretionary activity)
- One for helicopter hangars at Franz Josef (discretionary activity)
- One to Westland District Council for the Hokitika Seawall work done over 3 years ago (restricted discretionary activity)

- 3.2.2 Unfortunately only three of these met statutory timeframes for issuance – those being the three rural dwellings that were controlled activities. The Hokitika Seawall consent was subject to a long delay as a result of communication challenges between the Regional Council and the District Council. The consent mentioned above off One Mile Road was over the 100 days allowed for notified consents, due to staff changes in 2016. Staff changes in 2016 also led to the two linked Kawhaka consents going over time. The final two that went over the 20 working day limit for non-notified consents did so as a result of unexpected unavailability of a key contractor. These two consents took 21 and 29 working days respectively.
- 3.2.3 These results are disappointing but reflect to some degree a historical backlog that the team is now getting on top of. March should see an improvement, and when a Planning Manager joins the team the results should be 100% statutory compliance.
- 3.2.4 To illustrate the recent improvement, 8 consents have already been issued in March as of the time of the writing of this report (15 March), and 7 of 8 were issued within statutory timeframes. This includes consents for the West Coast Wilderness Trail, the St John's subdivision in Haast township, and a truck stop / service station on Fitzherbert St in Hokitika.

### **3.3 Resource consent applications notified**

- 3.3.1 One application was limited notified (to specified parties) in February, compared to zero in January. To put this in context 17 applications were limited notified in the calendar year 2016.
- 3.3.2 No applications were fully publicly notified in February or January. To put this in context, only 1 application was fully publicly notified in the calendar year 2016 (modification of St Mary's Church in Hokitika), 1 in 2015 (Renton's building demolition in Hokitika), and 1 in 2014 (Westland Milk Products expansion in Hokitika).
- 3.3.3 So far in March, some applications have been found to have affected parties, but these only proceed to limited notification if the applicants are unsuccessful in gaining affected party approval (APA).

### **3.4 Resource consent applications that went to or are going to a hearing**

- 3.4.1 The outcome of notification is not always that a hearing occurs. Sometimes there are no submitters, or the submitters are in support of

the project. Other times the submitters and the applicant agree to consent conditions before a hearing.

3.4.2 A hearing was held before Commissioner Don Turley on 27 February for Tuffy Investments Ltd (campground in Davie St, Hokitika). The Council planner's recommendation was to decline the application. The applicant's right of reply has been received and the commissioner is expected to release a decision by the end of April.

3.4.3 One upcoming hearing is currently scheduled and will have occurred by the time of this Council meeting:

- Okuru Enterprises Ltd (water extraction facility at Tuning Fork Creek, Okuru): 17 March. The Council planner's recommendation is to approve the application, subject to conditions. Two submitters in opposition are expected to speak at the hearing.

### **3.5 Status of other significant consents not otherwise covered above**

3.5.1 No other consents in progress, other than those mentioned above, are considered to require a status update in this section. Enquiries to the planning department from Elected Members as to the status of any consent are welcome at any time.

3.5.2 In general a common status not covered by the above sections is "on hold." There are a few reasons why an application may be on hold. One is that it could be on hold for further information under s92 of the RMA. If a consent is accepted as complete, Council has only one opportunity to 'stop the clock' and issue a Request for Further Information (RFI) in this way; the clock is restarted when the information is provided by the applicant. Another reason is that it could be on hold at the applicant's request to seek affected party approval (APA). It could also be on hold at the applicant's request to provide further information that might resolve an issue prior to it going to a hearing. There are now limits in the RMA on how long an application can be on hold in total, though this limit is fairly generous at 130 working days.

### **3.6 Significant compliance monitoring and enforcement activity**

3.6.1 After discussion with Deputy Mayor Lash as agreed by Council's previous resolution, one verbal discussion was held recently with a shop owner about unconsented, offsite signage. The shop owner told Council staff that she had received permission from another Elected

Member, and the matter was therefore left. This sort of situation makes it difficult for staff to perform their compliance monitoring and enforcement function, and it potentially creates an uneven playing field when other businesses are complying with the District Plan rules. It is hoped that a Council-approved compliance monitoring and enforcement strategy, referred to below, will give Elected Members the comfort they need to allow staff to perform their statutory functions. The District Plan Review should also give Elected Members and the community more comfort with the rules that need to be enforced.

- 3.6.2 The rest of this section is largely the same as in last month's report.
- 3.6.3 The West Coast Regional Council has been undertaken compliance visits and reports for our Council in relation to mining activities. They have issued some warning letters rather than abatement notices at this stage. There are reportedly dozens of mining operations that have the required resource consents from the Regional Council but not from Westland District Council. When the transfer of RMA functions in relation to mining goes ahead, the Regional Council will be in a good position to provide a seamless service in relation to these operations – i.e. informing operators that they need a consent in relation to the Westland District Plan, and then processing the applications. The Regional Council is planning to consider the transfer of functions at its April meeting.
- 3.6.4 The Council's Senior Planner has begun work on a draft compliance monitoring and enforcement strategy, in collaboration with other West Coast Councils. The principles of the strategy will include a graduated approach prioritising education, then gradually moving through formal measures as required, e.g. warning letters and abatement notices, before any more serious action such as prosecution is taken.
- 3.6.5 One of the first steps for the compliance work is a stocktake of all existing resource consent conditions that are supposed to be monitored, and a review of the files to see what has actually been monitored. Another task will be identifying any types of activity that are perceived to be occurring frequently without the necessary consent (e.g. offsite signage) and doing a similar stocktake to understand the scale of the issue. This will assist in discussions with Elected Members about approach and priorities.

### **3.7 Progress with the District Plan Review**

- 3.7.1 This section is largely the same as in last month's report. A verbal update will be presented at the 23 March Council meeting to discuss options around the District Plan Review and the priorities set by the previous Council.
- 3.7.2 Council resolved to withdraw Plan Change 7 (Managing Fault Rupture Risk in Westland) in December 2016. No other changes have yet been made as part of the District Plan Review, which was due to occur in 2012.
- 3.7.3 The previous Council approved a work plan for a 'rolling review' that would complete the District Plan Review by 2022; however, the current Council may consider this to be more urgent. In any case, a meeting is being arranged with a subset of Councillors to discuss the way forward, as per the resolution at the December 2016 meeting.
- 3.7.4 The Council has \$98,000 budgeted in the current financial year for consultant assistance on the District Plan Review, and just over \$100,000 for the 2017/18 financial year. It is unknown at this stage whether this year's funding will be carried over; it depends on discussions with Elected Members about the pace and priorities for the Review, as well as the overall financial situation in the planning area.
- 3.7.5 It is important to note that the District Plan Review will take place in the context of Local Government Commission (LGC) investigations into shared services and/or amalgamation with respect to RMA functions. A decision will need to be made whether to progress the Westland District Plan Review or defer it further until the outcome of the LGC work is known, e.g. whether the intention is to have one District Plan, three Unitary Plans, etc.
- 3.7.6 It is likely that a separate report will be presented to Council in April on the District Plan Review and how this relates to work at the regional scale.

### **3.8 Process improvements of note**

- 3.8.1 It has been made clear that the Council is somewhat interested in the detail of the improvements that are being made in response to recent reviews of the Council's planning function, though it is more

interested in seeing results in terms of timeliness and improved public perception of customer service in this area.

- 3.8.2 As mentioned in last month's report, system improvements have been made recently to track the status and progress of resource consents electronically. A duty planner system has been set up so that there is a clear person to handle planning enquiries nearly all hours of the working day. Public enquiries and pre-application meeting notes are now recorded, kept in a central location, and referred to when actual applications are received. New templates have also been introduced for key reports such as the Section 95 determination around affected parties and notification.
- 3.8.3 Plans for the near future include the development of flow charts to help ensure that no steps are missed or mishandled in the consenting process. Further system improvements are largely awaiting the appointment of further resource in the form of a new Planning Manager. No consultants are currently engaged in this work due to funding constraints.
- 3.8.4 The Group Manager: Planning, Community and Environment intends within the next month to finalise criteria and procedures for a "key account management" system, and for a system to manage public complaints. This will be reported to Council in April.
- 3.8.5 On the resourcing front, the Planning Manager position has recently been advertised nationwide, with a closing date of 3 April. The Group Manager: Planning, Community and Environment continues to be based in the Planning department area, undertaking some of the key Planning Manager responsibilities as time and ability allows.

### **3.9 Commissioners**

- 3.9.1 Discussions have been held with multiple applicants recently about the cost of resource consent hearings, particularly unexpected commissioner costs. The intent is now to discuss potential hearing costs, including the hourly rate of commissioners, before a hearing is scheduled. While applicants cannot choose their own commissioner, and in some cases it may be necessary to bring in a relatively high-cost commissioner to consider particularly complex technical or legal issues, up-front communication is expected to improve customer satisfaction in this area. In addition, an hourly rate cap is being considered for all but exceptional circumstances. An estimate of

hearing costs is only ever going to be a rough estimate, rather than a quote or a guarantee, as the amount of time that a commissioner will require depends on a number of factors such as how many submitters will speak and for how long, etc. But knowing the hourly rate of the commissioner can provide certainty on at least one factor.

- 3.9.2 At least two Councillors are now accredited hearing commissioners. Opportunities will be discussed and explored for these Council commissioners to gain experience with resource consent hearings, perhaps as part of a panel with an experienced independent commissioner. Eventually the lower rates generally charged by Council commissioners may be of some benefit to the community.

#### **4 OPTIONS**

- 4.1 As this is a report for information purposes, the options are simple; Council can receive the report or not receive the report.
- 4.2 Elected Members are invited to provide feedback on the content and format of the report, so that as it evolves from month to month it can be of greater benefit. It was noted last month that Elected Members would like to see a simple 'dashboard' that provides a sense of volume, type, location and timeliness of consents, rather than a text-heavy report. This will be a priority for next month.

#### **5 SIGNIFICANCE AND ENGAGEMENT**

- 5.1 The decision to be made today is of low significance as it is simply to receive the report or not.
- 5.2 No consultation or engagement has been undertaken in relation to the content of this report, aside from discussions with Elected Members about the type of information that would be helpful. More feedback is welcome.

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

- 6.1 There are no significant differences between the options of receiving the report or not, aside from a possible perception that receiving the report would signal that the Council is interested in these matters and finds the information useful.



**7 PREFERRED OPTION AND REASONS**

7.1 The preferred option is that Council receives this report and provides verbal feedback on what it would like to see in future reports.

**8 RECOMMENDATION**

A) THAT Council receives this report.

**Jim Ebenhoh**

**Group Manager: Planning, Community and Environment**

# Report



**DATE:** 23 February 2017  
**TO:** Mayor and Councillors  
**FROM:** Group Manager: Corporate Services

---

**The main risk to this proposal is that if shares transfer to Council, under Section CW 10 of the Income Tax Act 2007 this could be a deemed distribution and create a potential tax liability of \$1.2m.**

**We are awaiting further comment from Audit NZ.**

**PWC have been asked to provide contact details of other client councils who have undertaken similar processes. GB**

## **CCO STRUCTURE – STATEMENT OF PROPOSAL**

### **1 SUMMARY**

- 1.1 The purpose of this report is to present the Statement of Proposal to reorganise Westland Holdings Ltd and subsidiaries for adoption and public consultation.
- 1.2 This issue arises following direction from Council that an alternative structure be investigated.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 [LGA] and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25 [LTP] . These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the statement of proposal for the reorganisation of Westland Holdings Ltd and subsidiaries.

### **2 BACKGROUND**

- 2.1 At its Ordinary Meeting on 24 November 2016 Council resolved to:
  - 2.1.1 Disestablish Westland Holdings Ltd [WHL] and

2.1.2 Merge Hokitika Airport Limited [HAL] and Westland District Property Limited (WDPL).

2.2 The intention of this decision was to eliminate perceived unnecessary overhead and install direct reporting lines between Council and its operating subsidiaries.

2.3 This follows a review of the group structure that Council completed in 2014.

### 3 CURRENT SITUATION

3.1 Further analysis has been undertaken and alternative structures have been considered. These are illustrated in the Statement of Proposal, attached as **Appendix 1**, which recommends a simplified group structure that will be achieved via amalgamations.

3.2 The proposal differs from that presented in 2014 because no transfer of undertakings or assets is anticipated, other than shareholdings.

3.3 The companies were invited to comment on concept.

### 4 OPTIONS

4.1 Do nothing

4.2 Adopt the statement of proposal attached as **Appendix 1**.

4.3 Adopt a modified statement of proposal

### 5 SIGNIFICANCE AND ENGAGEMENT

5.1 The decision to adopt a statement of proposal is in itself administrative and of low significance. By reference to Council's policy on Significance and Engagement the matter considered in the Statement of Proposal attached as **Appendix 1** is deemed to be of moderate significance.

5.2 Westland Holdings Ltd and Hokitika Airport are identified in the policy as strategic assets and technically the proposal concerns changes in their ownership.

5.3 This proposal is not included in Council's LTP and s97 LGA prescribes that a decision to transfer the ownership or control of a strategic asset to or from a local authority can only be taken if provided for in a long-term plan.

- 5.4 However, Council remains the ultimate parent entity and no intention is expressed to change the deployment of the physical assets that the companies manage on Council's behalf nor is any transfer of undertakings proposed. In Council's opinion therefore the proposal does not require an LTP amendment and is outside the scope of s97.
- 5.5 Nevertheless, experience from the review conducted in 2014 indicates there is considerable public interest in the Council Controlled Organisations and the activities they deliver.
- 5.6 Furthermore, the options considered in the proposal have implications for the shareholding in Westroads Ltd, which is a consequence of the suggested amalgamation process and was not initially identified in the Council resolution.
- 5.7 Should Council, after consultation, ultimately decide to proceed with the restructure the decision would be difficult and potentially expensive to reverse.
- 5.8 For these reasons Council is advised to undertake a Special Consultative Procedure in accordance with s82 LGA.

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

- 6.1 Do nothing  
Since the matter is considered sufficiently significant to require consultation the matter cannot proceed without a statement of proposal.
- 6.2 Adopt the Statement of Proposal attached as **Appendix 1**.  
A formal consultation on this matter gives Council to fully examine the potential consequences of the matter and for the community to provide input to the process. In doing so Council may identify downstream consequences or affected parties not currently recognised. Council can consult via its existing media, as expressed in the Statement of Proposal, at relatively low cost.
- 6.3 Adopt a modified statement of proposal  
Council make wish to amend the proposal so long as any amendments remain consistent with the intention and relevant legislation.

## **7 PREFERRED OPTION AND REASONS**


- 7.1 The preferred option is 2: Adopt the Statement of Proposal attached as **Appendix 1**. This represents the intentions expressed by Council and reflects the most viable and efficient options based on the analysis completed to date. It would allow consultation to proceed.

## 8 RECOMMENDATIONS

- A) **THAT** Council adopts the Statement of Proposal attached as **Appendix 1**.

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

**Appendix 1:** Statement of Proposal to Reorganise Westland Holdings Ltd and its Subsidiaries including consultation plan



Statement of Proposal under  
Special Consultative Procedure  
as per Section 83 of Local  
Government Act 2002:

Proposal to Reorganise  
Westland Holdings Limited  
and Subsidiaries

February 2017

Submit online at  
[www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)

# Summary

---

## The proposal

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

- Amalgamate Westroads Ltd with Westland Holdings Ltd
- Amalgamate Westland District Property Ltd with Hokitika Airport Ltd.
- Complete a restructuring of shareholdings to the effect that the shares of each of the two company combinations are held directly by Council.

## Reason for the proposal

Westland District Council is seeking to establish a leaner structure for its Council Controlled Organisations (CCOs)<sup>1</sup> that will provide more cost effective governance and facilitate strategic alignment.

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

The assets and activities that the companies manage and deliver are not affected by this proposal.

Council is seeking community views on the proposed reorganisation of Westland Holdings Limited and its subsidiaries.

## More Information

### Copies of the Proposal

Copies of this proposal are available online at [www.westland.govt.nz](http://www.westland.govt.nz) and at Council offices at 36 Weld Street, Hokitika, or you can call us on 0800 474 834 to receive a copy by e-mail.

## Next steps and decision-making

After receiving submissions and hearing community views, Council will make a decision about whether to proceed with the proposal to

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

---

<sup>1</sup> The organisations considered in the review are technically classed as council controlled trading organisation (CCTOs), which are CCOs that trade to make a profit.

## Key dates

23 February 2017	Council adopts Statement of Proposal for consultation with community
6 March 2017	The proposal opens for community consultation
5-9 <sup>th</sup> January 2015	Information is published in a local newspaper to let the community know that the proposal is being consulted on
Mid-January 2015	A public information session will be held in the Council Offices in Hokitika
30 <sup>th</sup> January 2015	Public submissions on the proposal close at 4pm
Mid-February 2015	Hearings held by Council to hear those who wish to speak to their submissions
26 <sup>th</sup> February 2015	Council makes a decision whether to proceed with the proposal or not or to proceed in an amended form



# Have Your Say

---

## Making a submission

Council wants to hear whether you support the proposal to reorganise Westland Holdings Limited and its subsidiaries. Have your say and it will be considered by Council as part of the decision-making process.

The proposal is open for submissions from 5<sup>th</sup> January 2015 to 30<sup>th</sup> January 2015.

There are several ways you can make a submission.

### Online

Fill in a submission form at [www.westland.govt.nz](http://www.westland.govt.nz)

### Post

Westland Holdings Reorganisation submission  
Westland District Council  
Private Bag 704  
Hokitika 7842

### Deliver

Bring your submission in to the Westland District Council Offices, 36 Weld Street, Hokitika.

If you would like a hard copy submission form, you can download one from [www.westland.govt.nz](http://www.westland.govt.nz) or collect one from the Council offices or at Council libraries.

You can also phone us on 0800 474 834 and we will post one to you.

When making a submission please make sure you include:

- Your name and email or postal address
- Whether you wish to speak in support of your submission at the Council hearing.

## Closing date:

Submissions must be received by Council no later than 4pm, 30<sup>th</sup> January 2015.

Once the submission period is closed, Council will notify submitters who wish to speak of the date and time at which the Council hearing will be held.

Please note: All submissions are public documents and will be uploaded onto the Council's website with the names and contact details of the submitters included.

## Information Session

Elected members and Council staff will be available to answer questions at an information session to be held at Westland District Council Offices in Hokitika in mid-January 2015.

# Statement of Proposal

---

## Introduction

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

## Council Vision

In September 2014 Council adopted a new strategic vision:

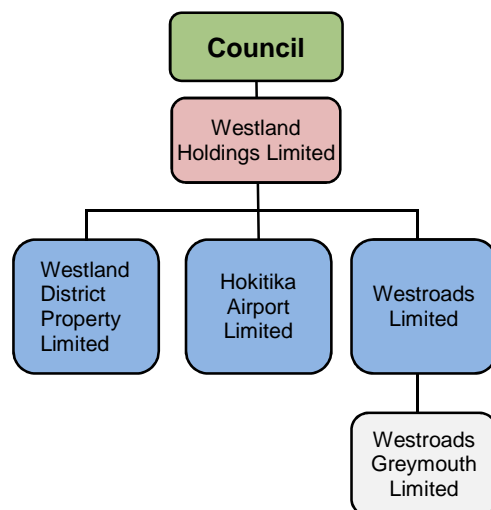
*Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.*

*This will be achieved by:*

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

## Background

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



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

## Review Approach

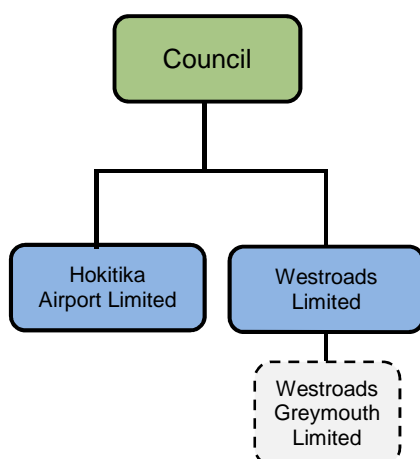
The review was informed by an analysis of key governance and reporting documents, such as the CCOs' constitutions and Statements of Intent, and the available Annual Reports of Council and the CCOs. The review was also informed by a survey of and targeted interviews with past and present elected members,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

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

## The Proposal

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

### Proposed Structure



### The Proposal

Council is proposing to:

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

## Reason for the proposal

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

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

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

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

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

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

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

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

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

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

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

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

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

## Advantages of the proposed option

The advantages of the proposal are that:

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

## Disadvantages of the proposed option

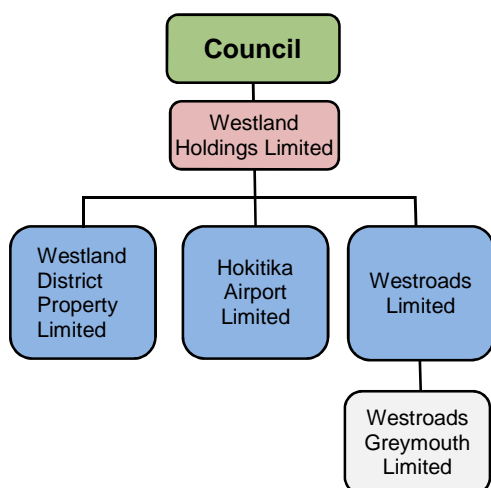
The disadvantages of the proposal are:

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

## Other options considered

### Option A – Status Quo

#### Structure



#### Description

Under this option:

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

The advantages are:

- There would be no need to change the structure.

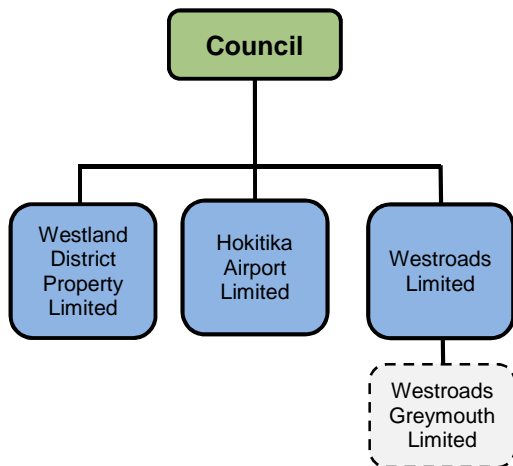
The disadvantages are:

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

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

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

#### **Structure**



#### **Description**

Under this option Council would:

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

The advantages are:

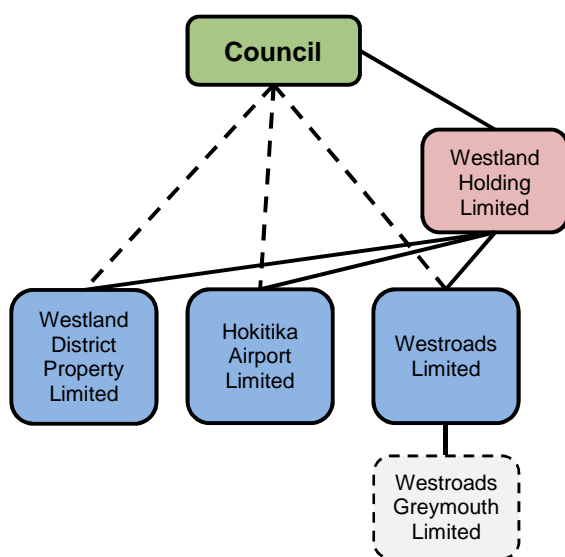
- It simplifies the governance structure of Council's operating entities, provides for greater clarity of accountability between the operating companies and Council, and makes it easier for Council to exercise its shareholder role.
- It provides for a closer relationship and understanding of important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

The disadvantages are:

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

## Option C – Modified Status Quo

### Structure



### Description

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

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

The advantages are:

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

The disadvantages are:

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

# Report



**DATE:** 23 March 2017  
**TO:** Mayor and Councillors  
**FROM:** Project Manager: West Coast Wilderness Trail

---

## WEST COAST WILDERNESS TRAIL – PROJECT UPDATE

### 1.0 SUMMARY

- 1.1 The purpose of this report is to provide an update to Council on the West Coast Wilderness Trail (WCWT) project.
- 1.2 This report arises from the obligation to keep Council fully informed on the progress of the project. In particular it aims to provide Council with reassurance that the adopted Project Completion Plan and project management framework is in place for the remaining milestones that require completion in order for it to be declared officially open.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the report.

### 2.0 BACKGROUND

- 2.1 A report was submitted to council in September 2016 providing an update status on the outstanding cycleway activities required to be actioned for completion by mid-August 2017. This included five (5) projects identified by MBIE that need to be actioned. Four (4) of those projects requiring action relate directly to the trail being on State Highway 6 and the need for a safer trail alignment.
- 2.2 Monthly report updates will continue to be provided to council for the period of the Project Completion Plan which is to be delivered by August 2017, and the trail will then be capable of achieving 'Great Ride' status.



- 2.3 The Nga Haerenga (the journeys) Great Rides currently consists of 22 trails throughout New Zealand covering 2,600km. In addition to the 'Great Rides' there are also 2,600km of 'Heartland Rides', a vision to link the trails with the support of NZ Cycle Trail Inc (NZCT) and NZ Transport Agency (NZTA).

### 3.0 CURRENT SITUATION

#### Project Completion Plan

- 3.1 Item 1 Taramakau. Physical work has been completed through the Stage 1 bushland section and riders are able to now utilise this trail (refer photos Appendix 1). Currently only riders moving in a southerly direction will benefit from the trail until the boardwalk has been completed. There is no indication from the contractor when the final section will be completed. This trail section is being project managed and funded by NZTA.
- 3.2 Item 2 Hokitika-Kaniere Tramway. All planning matters have been resolved and the tender is awaiting release. The two bridges will be down-scoped in size due to funding limitations and a third bridge altered to be a culvert, as reported in the previous monthly report. Physical works has commenced at the eastern end on Hokitika-Kaniere Tramway to assist in the realignment of a fence onto legal road boundary and assist affected adjoining landowners (refer Appendix 1 photo) before the tender 16-17-10 is advertised.
- 3.3 Item 3 Golf Links Road. Tender 16-17-11 has closed and been awarded to Westroads Hokitika. The successful tender was within engineers estimate. Physical work is expected to commence in about three weeks' time. This work will be actioned and completed under the project management of Westland District Council and cost reimbursement sought from NZTA.
- 3.4 Item 4 Mahinapua. More than 2,300m of trail on Department of Conservation and Ngai Tahu land has been pre-cleared in preparation for the contractor to construct the trail. Full approval has been received from all affected parties to enable the project to proceed. There are a number of engineering challenges with this trail at specific locations that will require good methodology to ensure the work is carried out to specification. A geotechnical inspection has yet to be completed on the western abutment for the Lake Tarleton outfall waterway bridge. The Department of Conservation working party of about 50 people will assist in clearing the trail of vegetation cuttings on Thursday 23 March. Further work has been progressed in conjunction with DoC for the reopening of the old Mahinapua Creek rail bridge.
- 3.5 Item 5 Ruatapu. Traffic data is being sought from NZTA and the new cycle trail design will be finalised by early May.

## **Financial**

- 3.6 There has been minimal capital expenditure on the West Coast Wilderness Trail in recent months, however we are about to move into a major spending period with both physical works and technical designs. A review of all construction costs was undertaken at the end of February and will continue to be monitored and reported as tenders are awarded.
- 3.7 An internal finance and risk audit process has been implemented consisting of the Chief Executive, Group Manager: Corporate Services and Project Manager. This may require further review in the absence of Group Manager: Corporate Services.

## **General**

- 3.8 Projects identified as being suitable for Maintaining Great Rides funding application will be submitted to MBIE for re-evaluation by the closure date of 31 March 2017.
- 3.9 The third shelter has remained untouched since last report due to other priorities and resourcing.
- 3.10 There was a recent radio interview with Jonathan Kennett on Radio NZ about cycle touring in New Zealand. The West Coast Wilderness Trail was mentioned as being “connected to the environment” in the final statement of the programme.  
<http://www.radionz.co.nz/national/programmes/sunday/audio/201836303/jonathan-kennett-touring-aotearoa>

## **4.0 OPTIONS**

- 4.1 The options available to Council are that Council can choose to receive this report or not receive it.

## **5.0 SIGNIFICANCE AND ENGAGEMENT**

- 5.1 This matter is of low significance as it merely provides Council with an update on progress on a project that is already approved and funded.
- 5.2 Engagement and consultation is not required.

## **6.0 RECOMMENDATION**

- 6.1 THAT Council receives this report.

**David Inwood**

**Project Manager: West Coast Wilderness Trail**

Taramakau Cycle Trail Construction completed



Taramakau Cycle Trail Construction – near completion



Hokitika-Kaniere Tramway fence realignment and preliminary access



Mahinapua Alignment – Lake Tarleton outfall bridge site

