

A G E N D A

Ordinary Council Meeting

**Council Chambers,
36 Weld Street
Hokitika**

**Thursday 23 August 2018
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. (G) Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan
Chair of Te Rūnanga o Ngāti Waewae Francois Tumahai
Chair of Te Rūnanga o Makaawhio Tim Rochford



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 AUGUST 2018 COMMENCING AT 11.00 AM

17 August 2018

COUNCIL VISION

We work with the people of Westland to grow and protect our Communities, our Economy and our unique natural environment.

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
December 2017	0	1	0
January 2018	0	0	0
February 2018	0	1	0
March 2018	0	1	0
April 2018	0	0	0
May 2018	0	0	0
June 2018	0	0	0
To 17 August 2018	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 – 26 July 2018 (Pages 5-12)

2.2 Extraordinary Council Meeting – 8 August 2018 (Pages 13-14)

3. PRESENTATIONS:

3.1 11.30 am – Update on Franz Josef Wastewater Treatment Plant.

3.2 12 noon – Medical Students Community Contact Week in Hokitika

Eight Third Year Medical Students will be in attendance as part of their Community Contact Week Programme.

Lunch from 12.30 pm to 1.00 pm.

4. ACTION LIST:

The Action List is attached. (Pages 15-18)

5. REPORTS FOR INFORMATION:

5.1 Procurement Policy (Pages 19-36)

6. REPORTS FOR DECISION:

6.1 Representation Review 2018 (Pages 37-51)

6.2 Earthquake-Prone Building: Update and Proposed Priority Thoroughfares
(Pages 52-71)

6.3 Review of Dangerous and Insanitary Buildings Policy (Pages 72-121)

6.4 Sale and Purchase of Two Parcels of Land in Franz Josef (Pages 122-195)

6.5 Contribution to Establishment of First Permanent New Zealand War Memorial Museum In The French Town Of Le Quesnoy (Pages 196-211)

6.6 Response to announced Crown Policy regarding Mining on Conservation Land and Initiatives regarding Windblown Timber and Stewardship Land

(Pages 212-221)

7. ADMINISTRATIVE RESOLUTION:

Council is required to confirm its seal being affixed to the following document:

7.1 Warrant of Appointment – Wayne Harry KNIGHTBRIDGE (Environmental Health/Regulatory Officer) additional clause to Warrant:

To act in the Westland District as:

- Poundkeeper for any and all public pounds under Council control, including temporary pounds, under s8 of the Impounding Act 1955.

8. 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:

8.1 Confidential Minutes – 26 July 2018

8.2 CE – Six Monthly Review

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
8.1	Confidential Minutes – 26 July 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
8.2	CE – Six Monthly Review	Confidential	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

**Date of next Ordinary Council Meeting – 27 September 2018
to be held in the Council Chambers, 36 Weld Street, Hokitika**

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 26 JULY 2018 COMMENCING AT 11.00 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER

1.1 Members Present

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

Apologies

Crs D.L. Carruthers.

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that the apology from Cr Carruthers be received and accepted.

Staff in Attendance:

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services;
J.D. Ebenhoh, Group Manager: Planning, Community and Environment;
D.R. Inwood, Group Manager: District Assets; D.M. Maitland, Executive Assistant.

1.2 Interest Register

The Interest Register was circulated and no amendments were noted.

Standing Orders – Item 9.12

Items of business not on the agenda which cannot be delayed

Revocation of Resolution – Item 5.2 – New Zealand Ute Muster Event in Hokitika - 14 December 2017

His Worship the Mayor advised that a Notice of Revocation of Resolution had been received.

The Notice had been received in accordance with Section 23 of the Westland District Council Standing Orders. The Notice had been received in the Council Office 5 working days before the meeting and was signed by not less than one third of the members of the Council being Deputy Mayor Lash, Cr Eatwell, Cr Routhan and Cr Neale.

Moved Cr Neale, seconded Cr Eatwell and **Resolved** that the Revocation of Resolution be added to the Council Agenda and discussed.

(a) the reason the item is not on the agenda

The reason the item was not included in the agenda was due to an in-house error which resulted in it not being received by the Chief Executive until Monday 23 July 2018.

(b) the reason why the discussion of the item cannot be delayed until a subsequent meeting

Elected Members had requested that the matter be discussed at this meeting and not deferred to the August Council Meeting.

“5.2 New Zealand Ute Muster Event in Hokitika

His Worship the Mayor advised that the purpose of the report is to outline a proposal for what could be the West Coast’s newest and biggest annual event. The New Zealand Ute Muster would be a four day event that celebrates things unique to the West Coast culture including utes, camping in the outdoors, West Coast food, rivalry and competition. The Mayor further advised that the event needs approval to use Cass Square for its Trade Fair and Sunset Point for camping and assembly facilities.

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

- A) Cass Square and Sunset Point be the event venues for the New Zealand Ute Muster.
- B) A new permanent full-time position for an Events Manager be created at Council to oversee all Council’s event offerings.
- C) A financial budget be prepared and presented to Council of forecast costs for the event.
- D) The event be held each year at Easter Weekend with the inaugural event to be held in 2018.
- E) The event be consulted on through the following platforms: Council’s Facebook page, a notice on Council’s Website, a Statement of Proposal being advertised in the Hokitika Guardian and conversations with local business owners and relevant stakeholders to assess support for the event and financial support (such as sponsorship).”

Deputy Mayor Lash, Cr Eatwell, Cr Routhan and Cr Neale had sought the following:

1. **Resolution D) be revoked as follows:**

“The event be held each year at Easter Weekend with the inaugural event to be held in 2018.”

The Councillors had sought that this resolution be revoked due to Council being unable to exercise prudential governance in compliance with statute in the absence of accurate financial information.

2. **Resolution C) be revoked as follows:**

“A financial budget be prepared and presented to Council of forecast costs for the event.”

The Councillors had sought that this resolution be revoked due to the resolution being made in breach of the conditions of the Local Government Act 2002 (LGA).

Moved Cr Eatwell, seconded Cr Routhan that Items C) and D) of Council Resolution item 5.2 New Zealand Ute Muster Event in Hokitika be revoked.

The motion was lost on a show of hands.

His Worship the Mayor advised that under Standing Orders Clause 26.7 Repeat Notices of Motion – that no similar notice of motion, which in the opinion of the Chairperson, may be accepted within the next 12 months, unless signed by not less than one third of all members, including vacancies.

2. **CONFIRMATION OF MINUTES:**

2.1 **Ordinary Council Meeting – 28 June 2018**

Moved Cr Neale, seconded Deputy Mayor Martin and **Resolved** that the Minutes of the Ordinary Council Meeting, held on the 28 June 2018 be confirmed as a true and correct record of the meeting, subject to the following amendments:

Page 9

8.2 - Representation Review 2018

Remove the paragraph “Council retain 8 elected members representing...”

Page 10

8.5 – 2018 Hokitika Wildfoods Festival Report

Amend reference to *minus* \$49,000.

2.2 Extraordinary Council Meeting – 2 July 2018

Moved Deputy Mayor Lash, seconded Cr Havill and **Resolved** that the Minutes of the Extraordinary Council Meeting, held on the 2 July 2018 be confirmed as a true and correct record of the meeting.

3. PRESENTATIONS:

3.1 AF8 – Jon Mitchell, Programme Manager, Alpine Fault Magnitude 8, Emergency Management

Jon Mitchell, the Programme Manager, Alpine Fault Magnitude 8, Emergency Management attended the meeting and provided a presentation on the Alpine Fault Magnitude 8 (AF8).

Project AF8 is led by Emergency Management Southland on behalf of all 6 South Island CDEM Groups. It is MCDEM funded and is a three year project from July 2016 to June 2019.

Year 1 and 2 goals are to build a collective South Island earthquake response framework for all future Alpine Fault earthquake.

Year 3 goal is the Alpine Fault awareness, resilience and capability building and Science – practitioner partnership.

Project Outcomes:

Improved earthquake understanding of consequences of large Alpine Fault earthquake across the South Island.

Identification of:

- initial response actions
- interdependencies – CDEM Groups, partner agencies, communities
- priorities for response
- opportunities to improve emergency management arrangements

Identification and planning for community resilience.

3.2 Westroads Ltd

Ross Pickworth, Director, Westroads Ltd; Nathan Waters, Trenching Dynamic Manager; Graeme Kelly, General Manager; Peter Cuff, Chairman of Westroads Ltd attended the meeting and provided a presentation on Westroads Ltd as follows:

- First-hand information of where Westroads are today
- Inform Councillors of Westroads current position
- Provide Councillors with an opportunity to seek clarification of any Westroads/Council issues.

Scope of Westroads included:

- People (147 FTE)
- Training
- Plant items including items replaced 2017/18 financial year
- Contracts for Hokitika, Greymouth and Trenching Dynamix
- Company Revenue Growth
- Subvention and Dividends from 1996
- Financial Statistics
- Westroads Strategic Approach – debt, reinvesting profits back into plant, people, depots, providing high returns to shareholders, expanding work base and looking for new business opportunities on and off the West Coast.
- Westroads role in Emergency Response, including resources, experience, commitments and recent role in cyclone events
- Challenges

The meeting adjourned for lunch at 12.54 pm and reconvened at 1.20 pm.

Cr Havill and Cr Routhan were not in attendance when the meeting recommenced. Cr Havill was an apology for the remainder of the meeting.

3.3 Update from Community Development Advisor

The Community Development Officer provided a written update on the work undertaken by Rod Tolley, an International Transport Consultant who champions the development of healthy and sustainable towns where people choose to walk. Mr Tolley had visited Hokitika on 16 March 2018 and walked around the Central Business District with some Council staff and other interested parties.

Mr Tolley had advised that the evidence is now overwhelming that the most liveable, healthy, creative and economically successful cities are the ones where walking and cycling are being embraced and the former dominance of the car is being reduced.”

Mr Tolley had observed various positive and negative things in Hokitika and had provided a series of suggested actions.

Cr Routhan returned to the meeting at 1.22 pm.

The Community Development Advisor then presented an International Charter for Walking and asked His Worship the Mayor to sign the charter. The charter would be to recognise the benefits of walking as a key indicator of healthy, efficient, socially inclusive and sustainable communities and was to acknowledge the universal rights of people to be able to walk safely and to enjoy high quality public spaces anywhere and at any time.

His Worship the Mayor advised he would like to establish a working group for the Hokitika Central Business District (CBD). The group would comprise of His Worship the Mayor, Deputy Mayor Martin and Cr Neale to discuss signage plans and resourcing for the CBD to take it forward to the next years' Annual Plan.

Moved Cr Neale, seconded Deputy Mayor Martin and **Resolved** that Council form a working group titled "Hokitika CBD Masterplan Working Group" with the scope to recommend to Council proposals for CBD masterplan covering multiple aspects of town planning. Accordingly the International Charter for Walking was signed.

4. ACTION LIST:

It was noted that the Action List was not included on the July Agenda, and would be tabled at the August Council Meeting.

5. REPORTS FOR INFORMATION:

5.1 Chief Executive's Report

Moved Cr Neale, seconded Cr Eatwell and **Resolved** that:

- A) The Quarterly Report from the Chief Executive dated 26 July 2018 be received.

Moved Cr Neale, seconded Cr Eatwell and **Resolved** that:

- B) Councillors instruct the Chief Executive to draft a Responsible Campers Bylaw for review at the 23 August 2018 Council Meeting.

6. REPORTS FOR DECISION:

6.1 Sale of Land – 71 Sale Street, Hokitika.

Moved Cr Olson, seconded Deputy Mayor Lash and **Resolved** that approval be granted to sell the land at 71 Sale Street, Hokitika at the 2018 Quotable Value valuation.

6.2 Policy on Statues, Monuments, Memorials and Public Art.

The Community Development Advisor spoke to the report and advised that Council has received adhoc requests for memorials and guidance from Council is sought by adopting the draft policy.

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that following the discussion among the members of the Hokitika Reserves and Environs Community

Group, that Council adopts the draft policy as attached to the Agenda on the future location of statues, monuments, memorials and public art in Hokitika as amended below:

Item 3.10 to be amended to include:

...based on a time definition included in the policy and an escalation process to Council if there is a lack of decision.

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

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 2.57 pm.

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 – 28 June 2018

7.2 Appointment to Westland Holdings Ltd

7.3 Local Bills – Verbal Update from His Worship the Mayor

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
7.1	Confidential Minutes – 28 June 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
7.2	Appointment to Westland Holdings Ltd	Confidential Report to Council	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
7.3	Local Bills	Verbal Update	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

This resolution is made in reliance on Sections 48(1)(a) and (d) 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
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7.1, 7.2, 7.3	Protect the privacy of natural persons, including that of deceased natural persons. Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(a) Schedule 7(2)(i)
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Moved Deputy Mayor Lash, seconded Cr Neale 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 3.22 pm.

8. PUBLIC EXCLUDED INFORMATION RELEASED INTO THE PUBLIC ARENA

The Council resolved in the “Public Excluded” part of the meeting to release the following information in to the public arena:

Moved Deputy Mayor Martin, seconded Cr Neale and **Resolved** that:

1. Council extends an invitation to the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio to attend and participate in Council Meetings and the Business of Council, in acknowledgement of, and to further strengthen, Council's partnership with Mana Whenua of Westland.
2. Council includes the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio as full members of the Finance, Audit and Risk Committee, and the Terms of Reference of that Committee be amended.

**Date of next Ordinary Council Meeting – 23 August 2018
to be held in the Council Chambers, 36 Weld Street, Hokitika**

MEETING CLOSED AT 3.22 PM

Confirmed by:

Mayor Bruce Smith
Chair

Date

MINUTES OF AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON WEDNESDAY 8 AUGUST 2018 COMMENCING AT 8.00 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER

1.1 Members Present

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

Apologies

Crs D.L. Carruthers, R.W. (G) Eatwell.

Moved Cr Routhan, seconded Deputy Mayor Lash and **Resolved** that the apologies from Cr D.L. Carruthers and Cr R.W. (G) Eatwell be received and accepted.

Also in Attendance

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services; D.M. Maitland, Executive Assistant.

1.2 Interest Register

The Interest Register was circulated and amendments to Deputy Mayor Martin's entries in the register were noted.

2. FINANCE AUDIT AND RISK COMMITTEE – TERMS OF REFERENCE

The Group Manager: Corporate Services spoke to this report and advised that the purpose of the report is to establish the terms of reference for the Finance, Audit and Risk Committee.

Moved Cr Neale, seconded Cr Havill and **Resolved** that:

- A) Council adopts the terms of reference for the Finance, Audit and Risk Committee, as attached to the Agenda.
- B) Council instructs the Chief Executive to update Part III of the Delegations Manual – “Delegations to Standing Committees” to reflect these terms of reference.

**Date of next Ordinary Council Meeting – 23 August 2018
to be held in the Council Chambers, 36 Weld Street, Hokitika**

MEETING CLOSED AT 8.11 AM

Confirmed by:

Mayor Bruce Smith
Chair

Date

Council Meetings - Action List

Date of Meeting	Item	Action	Officer	Status
26.10.17	Hokitika Lions Club	Colin Adams Memorial	GMDA	Currently with Hokitika Lions. Noted that this will be completed in July.
22.02.18	New Westland Sports Hub Covered Complex	Ownership of the covered courts being developed at WHS on the condition that a MOU be entered into on terms and conditions satisfactory to the Council	CE	Tenders closed and selected. WHS action to make an application to Lotteries for addition funding.
20.06.18	Board Appointment – Westland Holdings Limited		CE	Completed
20.06.18	Westroads Ltd	Provide documentation to support dividend	CE	
20.06.18	LTP	Make comments to the draft LTP Thank the staff the work involved in the LTP preparation	CE CE	Completed Completed
20.06.18	2018 Review of Various Bylaws and Policy on Dogs	Make the necessary amendments and present the Various Bylaws and Policy on Dogs to the Extraordinary Council Meeting on the 29.06.18	GMPCE	Completed
28.06.18	Westland District NZTA Procurement Strategy Review	Update on Council's Website	CE	Under action – to be combined with procurement policy
28.06.18	Representation Review 2018	Commence an engagement process to discuss future representation of Māori representation	CE	Report for decision Aug 18 council meeting.
28.06.18	Elected Members Allowances and Recover of Expenses Policy	Forward a copy to the Remuneration Authority	GMCS	Completed

28.06.18	Draft Waste Assessment and Draft Waste Minimisation and Management Plan	Proceed to public consultation	GMDA	Actioned. Submissions close at Grey District Council on the 18 August 2018 Council approved/delegated Sarah Hawkins as a representative for the Hearing Committee to hear submissions on the plan in conjunction with a proposed Council hearing panel.
28.06.18	Administrative Resolutions – Warrants of Appointments	Anna Margaret JOHNSON Martin James ROSS John Stafford BAINBRIDGE Erle Edward BENCICH Sarah Elizabeth HAWKINS KARL Andrew JACKSON Vernon Noel MORRIS David Ross INWOOD Simon Thomas EYRE		Completed
28.06.18	Beachfront Development Plan	Inclusion of the concept of a sound shell at the Hokitika Beachfront	GMDA	Beachfront concept under review
28.06.18	Kaniere School Students	Council staff to get back to the Kaniere School Students regarding the proposal	GMDA	Under review with District Assets
28.06.18	Fish on Drains	Council allowed additional blue fish to be installed on the drains in the Hokitika CBD. Council staff to get back to the Kaniere School Students and advise.	GMDA	Under review with District Assets
02.07.18	Long Term Plan	Council directed that it be printed and released, subject to the Audit Report, subject to the inclusion of the Audit Report and minor corrections of spelling	GMCS	Completed

02.07.18	Rates Resolution	Council instructed the CE to strike the rates in accordance with Year 1 of the LTP	GMCS	Completed
02.07.18	Adoption of Reviewed Bylaws and Policy on Dogs	Council approved the revised documents. Update the Council Website Originals to be signed	GMPCPE GMCS EA	Completed
26.07.18	Presentations to Council Meeting	Email the presentations and link to the Mayor, Councillors and Staff	EA	Completed 27.07.18
26.07.18	Formation of Hokitika CBD Masterplan Working Group	Inaugural Meeting of the group		Completed
26.07.18	Responsible Campers Bylaw	Draft for the 23 August Council Meeting	CE	Deferred to the September Council Meeting
26.07.18	Sale of Land – 71 Sale Street, Hokitika	Approved by Council for sale. Convey to Destination Westland	CE/EA	Completed
26.07.18	Policy on Statues, Monuments, Memorials and Public Art	Draft document to be amended Council Website	GMCPPE GMCS	Completed
26.07.18	Invitation to the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio	Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio to attend and participate in Council Meetings and the Business of Council, in acknowledgement of, and to further strengthen, Council's partnership with Mana Whenua of Westland.	CE	Completed 26.07.18
26.07.18	Finance, Audit and Risk Committee	Terms of Reference for the Finance, Audit and Risk Committee to be amended to include the Chairs of Te Rūnanga o Ngāti Waewae and	GMCS	Completed

		Te Rūnanga o Makaawhio as full members of the Finance, Audit and Risk Committee.		
08.08.18	Finance, Audit and Risk Committee	Adopt the Terms of Reference for the Finance, Audit and Risk Committee.	GMCS	Completed
		Instruct the CE to update Part III of the Delegations Manual – Delegations to Standing Committees to reflect the Terms of Reference		Completed

Report



DATE: 23 August 2018
TO: Mayor and Councillors
FROM: Transportation Manager

WESTLAND DISTRICT PROCUREMENT POLICY

1.0 SUMMARY

- 1.1 The purpose of this report is to request Council consider and adopt the WDC Policy on Procurement as presented with this report.
- 1.2 This Policy is essentially a “follow up” document from the Procurement Strategy that was adopted by Council in June 2018 and seeks to set the policy, procedures and guidelines around purchasing of goods and services by the Council and its staff.

2.0 BACKGROUND

- 2.1 For any organisation it is good practice to have clear and concise guidelines in place for the spending of money. When it comes down to public and government money it is a requirement to be able to show transparency in how this money is spent. To not have a clear policy for procurement exposes Council to an unacceptable risk.

3.0 CURRENT SITUATION

- 3.1 Council, currently has no known procurement policy. Rules around spending of NZTA assisted funding in the roading sector has always been governed by specific NZTA procurement requirements and these have generally been what has been used for other large procurement situations such as other infrastructure projects. There has however been only limited guidance in many other areas

4.0 OPTIONS

- 4.1 Option 1 - Status Quo – Don't adopt the Procurement Policy
- 4.2 Option 2 - Adopt the Procurement Policy as it stands and agree to review the document in 3 years time.
- 4.3 Option 3 – Adopt the Procurement Policy along with minor amendments as suggested/agreed upon by Council and then review the policy in 3 years time.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 This is a significant policy, however public consultation is not required as it details procedural matters that relate to how business is conducted within Council itself.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option 1:** Not having a policy exposes Council to an unacceptable level of risk and creates potential for unclear, potentially controversial and challengeable procurement decisions. There could be significant financial implications.
- 6.2 **Option 2:** Preferred option. Council Staff require clear guidelines in order to both protect Council and their own reputations. The risk of challengeable decisions is also better managed when policy procedures are followed.
- 6.3 **Option 3:** As for Option 2.

7.0 PREFERRED OPTION AND REASONS

- 7.1 **Option 2:** Adopt the Procurement Policy as written.
- 7.2 **Reason:** This document is in line with best practice procurement guidelines and seeks to manage Councils risk profile for all procurement activities.

8.0 RECOMMENDATION

- A) **THAT** Council adopts the WDC Procurement Policy 2018

Karl Jackson
Transportation Manager

Appendix 1: Westland District Procurement Policy 2018



POLICY ON PROCUREMENT

Adopted by Council
???

POLICY ON PROCUREMENT



1. INTRODUCTION

- 1.1 This document covers the policy for procurement of all works, goods or services by Westland District Council having regard to budget provisions in the Ten Year Plan/Annual Plan or by specific resolution of Council.

2. POLICY APPLIES TO

- 2.1 In addition to this document, the following documents set out the policies, rules and procedures relating to the WDC Procurement Strategy

3. POLICY STATEMENT

- 3.1 Council will carry out the procurement of works, goods and services in a manner that will support Council's community outcomes, agreed levels of service, organisational goals, strategic challenges and its values.

Council will procure works, goods or services in accordance with the following principles:

- Accountability

Council will be accountable for its performance and be able to give complete and accurate accounts of the use it has put public funds to.

- Openness

Council will be transparent in its administration of funds, both to support accountability and to promote clarity and shared understanding of respective roles and obligations.

- Value for money

Council will use resources effectively, efficiently, economically and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes Council is trying to achieve. The principle of value for money for procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (or whole-of-life cost).

- Lawfulness

Council must act within the law and meet its legal obligations.

- Fairness

Council has a general public law obligation to act fairly and reasonably. It must be, and must be seen to be, impartial in its decision-making.

- Integrity

Anyone who is managing public resources must do so with the utmost integrity.

4. APPLICATION

- 4.1 The policy is intended to provide guidance for all staff (and others) who have delegated authority for procurement. It also applies to the considerations by Council, in its governance role, for funding, procurement and purchasing decisions.

Procurement of works, goods or services valued between \$10,000 and \$50,000 (GST exclusive) requires (wherever possible) three written quotes.

Procurement of works, goods or services valued over \$50,000 (GST exclusive) will be subject to a competitive procurement process and the type of process will take into account the level of risk and the type of works, goods or services to be procured. Competitive processes are set out in more detail in the operational guidelines and include seeking quotes or using a tender or proposal process.

It is noted that in the area of roading and transport procurement where there is New Zealand Transport Agency (NZTA) assisted funding, then Council must follow the NZTA Procurement Manual, both for physical works and professional services.

5. BACKGROUND

The provision of products, services and works by Council suppliers is essential for the delivery of key infrastructure and services to the community. Therefore an effective procurement function can make a significant contribution to the following community outcomes:

- A thriving and diverse local economy
- Sustainable natural and built environment
- An involved community with quality leadership

This policy is part of a procurement framework that guides and assists all procurement activity carried out by Council. The procurement framework includes, but is not limited to:

- Procurement policy (this document): The principles that govern all procurement activity.

- Standard procurement procedures: The processes that must be carried out in a certain way.
- Standard procurement templates: Standard documents that must be used for procurement work.
- Procurement guidelines: Guidance for different procurement activities where there is more flexibility and discretion that may be applied, or where standard procedures are not appropriate.

6. RELATED DOCUMENTS

6.1 Council policies and strategies:

WDC Delegations Manual, WDC Procurement Strategy.

6.2 Relevant legislation includes but is not limited to:

Commerce Act 1986, Sale of Goods Act 1908, Fair Trading Act 1986, Consumer Guarantees Act 1993, Health and Safety in Employment Act 1992, Public Finance Act 1989, Financial Reporting Act 1993, Privacy Act 1993, Official Information Act 1982, Local Government Official Information and Meetings Act 1987, Local Government Act 2002, Building Act 2004, Resource Management Act 1991, Land Transport Management Act 2005, Electronic Transactions Act 2002, Records Act 2005, Public Audit Act 2001; Construction Contracts Amendment Act 2015.

6.3 Central Government guidelines, include but are not limited to:

- Ministry of Business, Innovation and Employment, April 2013, Government Rules of Sourcing, Rules of Planning your Procurement, Approaching the Market and Contracting, www.procurement.govt.nz;
- Office of the Auditor General, June 2008, Procurement Guidance for Public Entities www.oag.govt.nz;
- Office of the Auditor General, June 2007, Guidance for Members of Local Authorities on the Law of Conflicts of Interest;
- Office of the Auditor General, June 2007, Managing Conflicts of Interest: Guidance for Public Entities;
- New Zealand Government Procurement web-site, guidelines on Sustainable Procurement www.business.govt.nz/procurement

6.4 Industry standards and guidelines include but are not limited to:

- NZS 3910: 2013 Conditions of contract for building and engineering construction;
- NZS 3915:2005 Conditions of contract for building and civil engineering construction (where no person is appointed to act as engineer to the contract);
- IPENZ standard contract conditions;
- NZ Institute of Architects Standard Conditions of Contract.
- NZ 3916-2013 NZS 3910: 2013 Conditions of contract for building and civil engineering –design
- 3917-2013 Conditions of contract for building and civil engineering – fixed term.

7. POLICY OBJECTIVES

1. To ensure purchasing decisions are consistent, transparent, fair and lawful.
2. To deliver procurement outcomes that 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.
3. To ensure products, services and works are fit for purpose and are bought using commercially astute and appropriate processes.
4. Support sound environmental procurement and sustainability where feasible to do so.

8. POLICY PRINCIPLES

These principles underpin the intent and implementation of this procurement policy:

- Free from bias and real and/or perceived conflicts of interest.
- Deliver best value for money over the whole life of the goods, service or asset.
- Deliver fit for purpose solutions to meet operational and business needs.
- Ensure purchases are made in an open, fair, transparent and accountable manner.
- Appropriately manage risks associated with procurement processes.
- Promote open and effective competition between capable suppliers.
- Promote efficient purchasing practices and minimise procurement costs.
- Ensure Council's purchasing activities are managed in accordance with its statutory and legal responsibilities.
- Promote Council's commitment to sustainability and environmental protection. This will be pursued by promoting, where legally possible to do so, purchasing

practices which conserve resources, save energy, minimise waste, and will protect the environment and human health whilst maintaining environmental safety and quality.

- Ensure local suppliers have the opportunity to compete for Council business.

9. DEFINITIONS

- **Emergency Procurement:** means Procurement required as part of the response to a sudden unforeseen event, where life, health, property or equipment is at immediate risk, or in order to maintain Council's service delivery to the community.
- **Procurement:** All of the business processes associated with purchasing, from the identification of needs to the end of a contract or the end of the useful life and subsequent disposal of an asset. Procurement starts with identifying a need and planning how to proceed. It includes the specification and sourcing of products or services, negotiation and contracting, the management of supply arrangements, and it finishes with the disposal of products or when the service contracts or agreements come to an end.
- **Value for Money:** Using resources effectively and economically, with due regard for the total costs and benefits of an arrangement, and its contribution to the target outcomes to achieve the most cost-effective outcome for households and businesses. This does not necessarily mean the lowest price, but is the best possible outcome for the whole-of-life cost.
- **Business Case:** Provides the reasoning for undertaking a new project or service. A business case will include background information, the expected benefits of the project, options considered, expected costs, resources required and an analysis of potential risks. The requirement for submitting a business case is usually met by:
 - Long Term Plan or Annual Plan budget processes; or
 - Council or committee reporting.

10. POLICY STATEMENT

10.1 Scope

This Procurement Policy applies to all supply arrangements of any value for products, services or works, procured by or on behalf of Council.

This Procurement Policy states the procurement principles of the Council, and aims to:

- Inform Council staff, and those acting on behalf of the Council, of the objectives, behaviours and principles appropriate when conducting procurement;
- Encourage a common understanding and consistent management practice across the organisation to realise procurement-related benefits;
- Promote transparency in how the Council manages its procurement;
- Ensure procurement practices are always consistent with legislation; and,
- Provide a framework for common understanding of Council procurement practices for potential vendors.

This policy does not apply to the following activities:

- The employment of staff (excluding the engagement of contractors and consultants to supply services);
- The acquisition or lease of land or buildings (excluding the design, construction or refurbishment of buildings);
- Disposals and sales of Council assets;
- Investments, loans, guarantees, or other financial instruments;
- Gifts, donations and grants;
- Licences and agreements regarding commercial operations carried out by third parties (traders) on Council property;
- Non-contractual agreements between public sector agencies, such as memorandums of understanding; and,
- Statutory or ministerial appointments.

10.2 Procurement Planning

- Council will ensure that procurement processes are well conceived and implemented, the right people have been involved at the right time, and risks have been identified and managed.
- Council recognises that poor procurement planning can compromise the efficiency and effectiveness of its procurement process and this typically impacts both Council and suppliers.
- Council shall ensure that adequate preparation has been made prior to market engagement to ensure that its requirements and procurement processes are clear, and that significant expenditure is budgeted in the applicable Annual Plan or Long Term Plans. The extent and nature of procurement planning will be proportionate to the total value, complexity and risks associated with the procurement.

- Purchases should only be made when there is an approved budget, and if the purchase is within delegated financial authority. Any alterations to the purpose of a budget must be considered by Council.
- For significant capital or non-recurring expenditure, a business case should be prepared to support the need for procurement. A business case will usually be prepared and presented to Council as part of the Long Term Plan and/or Annual Plan budget process. The level of detail and analysis in a business case will be proportionate to the value and associated risk of the individual procurement.

10.3 Purchase Orders

A purchase order must be raised for all goods and services prior to purchase. When the total value of a contract is known, a purchase order should be raised for the full amount (including disbursements). Suppliers should include the purchase order number on all invoices relating to that contract.

10.4 Contract Requirements

Any contractual relationship undertaken by Council must meet industry standards, guidelines and best practice, as well as any applicable third party requirements.

10.5 Late Responses

Late tenders or quotations will not be accepted, unless there are exceptional circumstances that have been provided for in the original request for quote, tender or proposal. Late responses must not be accepted if the supplier may have knowledge of the content of any other response or if it would be unfair to any other supplier to accept the late response.

10.6 Procurement Methods

a) Minor Expenditure

Verbal quotes can be used for purchasing goods and services when the transaction value is less than \$1,000. This is an efficient way to explore the market and determine availability and price. Records must be kept of evaluation and decision, proportionate to the value and risk of the individual procurement.

Council may purchase directly from a supplier for purchases less than \$5,000 when the cost of seeking quotes or tenders would be impractical, or disproportionate to the benefits obtained.

b) Moderate Expenditure

Written quotes must be used for expenditure above \$5,000 but below \$50,000. Three quotes should be sourced. All quotes must be sought with identical specifications and work scope and have a set closing date and time. Records must be kept of evaluation and decision, proportionate to the value and risk of the individual procurement.

Council may purchase directly from a supplier for purchases above \$5,000 and below \$50,000 when:

- the required goods or services are available from only one supplier or provider;
- the services required are specialist technical or professional services;
- standardisation or compatibility with existing equipment or services is necessary or desirable;
- Council is part of a joint procurement process - see 6(f);
- no acceptable responses were received through open competition for the same core requirements, carried out within the last 12 months; or,
- the products, services or works are an addition to, and necessary for the complete delivery of an existing supply arrangement, provided that the original supply arrangement was openly advertised and a change of supplier cannot be made for economic, technical or practical reasons.

Approval to procure without three written quotes must be recorded in writing by the appropriate delegated authority.

c) Significant Expenditure

Where the value of goods or works proposed to be purchased exceeds \$50,000, an open request for tenders must be issued (unless the exceptions set out below apply), which contains all of the information that suppliers need to prepare and submit a tender.

A detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process must be available. If evaluation criteria are being

used, an indication of the relative importance of each criterion must also be provided.

A closed tender process, where a pre-qualified list of suppliers is invited to provide a tender, can only be used in the following circumstances:

- the goods or service are only available from a few suppliers;
- the services required are specialist technical or professional services;
- it is not practical or cost-effective to conduct an open tender or proposal;
- Council is part of a joint procurement process - see 10.6(f);
- there is limited time for the procurement process;
- no acceptable responses were received through open competition for the same core requirements, carried out within the last 12 months; or,
- the products, services or works are an addition to, and necessary for the complete delivery of an existing supply arrangement, provided that the original supply arrangement was openly advertised and a change of supplier cannot be made for economic, technical or practical reasons.

Procurement over \$50,000 which is not subject to an open tender process must be approved in writing by the Chief Executive. Procurement which is valued above the Chief Executive's delegated authority and is not subject to an open tender process must be approved by Council.

d) Multi-stage Procurement

An Expression of Interest (EOI) can be used to shortlist potential suppliers before seeking detailed bids from the shortlisted tenderers. An EOI is generally used when the information required from tenderers is specific but Council is unsure of the capability of suppliers to provide the required goods and services.

A Request for Proposal can be a single or a multi-staged process and is used when the project or requirement has been defined, but where an innovative or flexible solution is sought.

e) Emergency Procurement

In an emergency situation, it may be necessary to bypass some aspects of the normal procurement process. Circumstances that mandate Emergency Procurement will normally only be when:

- Life, property or equipment is immediately at risk; or,
- Standards of public health, welfare or safety need to be re-established without delay (such as disaster recovery)

Emergency procurement provisions should only be used in genuinely unforeseen circumstances.

Written records of all transactions must be kept at the time of order.

f) Collective Arrangements

Council may participate in collective buying schemes that offer value for money, such as All of Government supply contracts. In these circumstances, competitive procurement is undertaken by the group as a collective.

g) Standing Arrangements

Standing arrangements are procurement agreements where Council purchases goods or services directly from a provider for a fixed period of time. These can be either direct or established through open tendering. Council can set up standing arrangements after a competitive or negotiated process.

Standing arrangements can be a suitable procurement approach for goods or services that are high value but low risk. Examples include fuel, motor vehicles, air travel and stationery.

h) Petty Cash

Petty cash can be used when money is needed for small purchases under \$30. A receipt is required to validate the expenditure.

10.7 Value for Money and Whole of Life Costs

Council shall take into account the ever-present need to ensure it is getting the very best value for money in order to deliver the most cost-effective outcomes for households and businesses. This means using resources effectively and

economically, weighing up the total costs and benefits of a supply arrangement and the outcome achieved. It is important to note that the best possible value for money is not always the cheapest price.

The relative importance (and weighting) of cost compared to other selection criteria must always be closely scrutinised.

Where practicable, Council shall take into account the Whole of Life Costs rather than just the initial “up-front” cost. Typically this involves consideration of the cost of the initial purchase, plus implementation/transition, support and maintenance, operations, and end-of-life/disposal. From time to time other costs and benefits may also be relevant in the selection decision.

10.8 Sustainability

Council is committed to sustainability, striving to ensure the decisions and actions of today won't compromise what can be achieved in the future.

Sustainability will be considered at every stage in the procurement lifecycle, starting with planning and specifying requirements, then in market engagement, selection of products and/or suppliers, and contracting with suppliers.

Embedding sustainability principles into Council's entire procurement framework will assist Council to procure products, services and works that meet user's needs, deliver long term value for money, maximise social and economic benefits, and minimise damage to the environment.

Sustainability objectives for procurement include:

- Protecting human health;
- Promoting fair working conditions;
- Achieving local outcomes;
- Reducing soil, water and air pollution;
- Reducing energy consumption and climate change;
- Reducing water consumption;
- Reducing materials, packaging and waste; and,
- Protecting habitats and biodiversity.

10.9 Achieving local outcomes

Council will seek to achieve local outcomes through its procurement activity where appropriate to do so, provided that this does not introduce discrimination or compromise the best value for money. Typical examples of local outcomes are local employment, the utilisation of local resources, or local economic development.

Local outcomes may be achieved through:

- Local forums and other forms of supplier engagement to assist prospective suppliers to understand how to effectively compete for Council's business;
- Ensuring that procurement processes are not overly onerous or complicated;
- Considering potential commercial and practical advantages in purchasing locally produced products and services; and,
- Considering local outcomes when planning major procurement activities, packaging work for contracts, developing specifications and defining selection criteria.

All requests for verbal quotes, written quotes and closed tenders must include at least one local supplier, when there is a known supplier that offers the goods or services required.

10.10 Contract Extensions, Variations and Renewals

When the additional costs of a service or project are small in comparison to the costs of undertaking a discrete tender process, a contract extension or variation may be used.

When extension and variations are not specifically provided for within an existing contract, the extension or re-definition of a contract that increases the originally approved contract value must be approved by the Chief Executive. When the additional sum is beyond the delegated authority of the Chief Executive, the contract must be presented to Council for approval.

The refining of service delivery contracts to more closely reflect the amount of work required to maintain services does not need to be openly tendered, but can be managed directly by the appropriate Council officer.

10.11 Employee Responsibilities

- a) Delegations

All procurement activity must be carried out in accordance with the annual budget or specifically approved budgets, and within delegated authority.

Council contractors cannot make purchases or commit to spend on Council's behalf without prior authorisation.

b) Staff Purchasing

The use of Council funds for the purchase of items for personal use is prohibited unless authorized by the Chief Executive and reimbursed.

If staff purchase personal goods and services using discounts obtained through Council buying privileges schemes, the transaction must be paid for by the staff member personally.

c) Endorsement

Generally employees must not endorse any products or services. If an employee receives a request to endorse any product or service they must refer the request to the appropriate Group Manager.

Staff may, with the approval of their manager, act as referees for contractors or consultants who are bidding for external contracts.

d) Conflicts of Interest

Conflicts of interest may arise at any time during the procurement process. All employees must act in accordance with the Conflicts of Interest Policy and declare any real or potential conflicts of interest in writing to their manager.

e) Gifts, Hospitality

Any offers of gifts or hospitality from suppliers must be managed in accordance with the Staff Gifts and Hospitality Policy.

f) Confidentiality

All staff must maintain the confidentiality of a procurement process at all times.

10.12 Suppliers

a) Prequalified Suppliers

Council may assess suppliers of particular goods and/or services against predetermined criteria with no specific contract in mind. Suppliers successful in meeting these criteria will be maintained on a database.

Pre-qualification does not form a contractual or legal relationship between Council and any supplier. While preliminary standard criteria have been met, suppliers may be required to meet other evaluation and performance criteria as part of any specific procurement processes.

b) Notifying Unsuccessful Suppliers

Unsuccessful tenderers for all competitive procurement above \$5,000 should be notified as soon as practicable once a supplier has been selected.

Further information about the successful bid will be provided upon request, subject to the Local Government Official Information and Meetings Act 1987.

10.13 Records Management

Appropriate records of dealings with all suppliers should be kept. This should include details of:

- tender or other comparison processes and selection procedures, including procurement plans;
- copies of all agreements entered into, including purchase orders (this should be in electronic form);
- performance records, including any items under dispute; and,
- correspondence – including, but not limited to, notices, contract variations, contract extensions, and price change documentation.

11. REVIEW PROCESS

This policy will be reviewed in 3 years' time.

12. APPROVAL

This policy was reviewed and adopted by the [Council or Executive Team on 23 August 2018].

Report



DATE: 23 August 2018
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

REPRESENTATION REVIEW

1 SUMMARY

- 1.1 The purpose of this report is for Council to make a decision on the representation arrangements for Local Elections for the next 6 years.
- 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 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopt the representation arrangements as consulted.

2 BACKGROUND

- 2.1 Council is required under section 19H of the Act to undertake a review of the current representation arrangements once in every six years after the first determination.
- 2.2 This period of review will be for the 2019 and 2022 election.
- 2.3 Matters to be undertaken under the review are;
 - 2.3.1 Identifying Communities of Interest.
 - 2.3.2 Effective representation for identified Communities of Interest
 - 2.3.3 Fairness of representation

3 CURRENT SITUATION

- 3.1 At 28 June 2018 meeting, Council resolved that:
- 3.1.1 There would be no change to the current number of Councillors, being 8.
 - 3.1.2 Councillors would continue to be elected under a ward system.
 - 3.1.3 There would be a small change of boundary between the Northern and Hokitika Wards. Map attached as **Appendix 1**.
 - 3.1.4 That Community boards would not be established.
 - 3.1.5 A Maori ward would not be established.

3.2 Consultation with the Community over these decisions then commenced.

3.2 There were four submissions from consultation to the representation review and no one requested to speak to their submission;

Submissions			
Total submissions: 4	Agree	disagree	Not Known
Maintain 8 Councillors by Ward system	1	2	1
Change of Boundary	1	3	-
No Community boards to be established	2	1	1

3.3 Analysis of submissions;

Analysis of submissions	Staff Comment
Total submissions: 4	
Elect members at large as electors should be able to vote for any representative they want regardless of area	Without the ward system it is possible that members could be elected from one area of the District only, there may be sector knowledge, however this could also mean that there is no experience of locality represented on the Council. Members can reside in a different area that they represent.
Analysis of Community interest is too broad and not representative	This is a broad description of Community Interest for the purposes of ward descriptions. Elected Representatives can bring any interest to the table, not just those that relate to the broad statement of interest
Single Transferrable vote should be used instead of First Past the post	The electoral system will be considered outside of this review. The system would need to be in place by September at least 2 years before the next election, and could be used for the 2022 elections.

3.4 As there were submissions on the representation review Council now need to make a final decision.

4 OPTIONS

- 4.1 A) Adopt the representation arrangements as consulted.
- 4.2 B) Make changes to the original decision with further consultation

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The significance is high for representation reviews therefore wider community engagement was necessary and a consultation undertaken.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Council concluded before consultation that the current ward system with 8 Councillors was satisfactory to provide effective representation in the district.
The Ward system has worked well due to the long and narrow geography of Westland District.
With the small boundary change the +/- 10% rule has been satisfied.
With only 4 submissions there has been very little opinion on the representation review decisions consulted on.
- 6.2 Option 2: Council could make changes and consult with the Community again.
The options already considered have worked well historically, any changes are unlikely to provide any further benefit to fair representation and could result in increased costs.

7 RECOMMENDATIONS

- A) **THAT** Council adopt the representation arrangements as consulted.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Map of Boundary adjustment
Appendix 2: Representation Review
Appendix 3: Submissions

Hokitika Ward

Proposed new Ward Boundary

Northern Ward

Existing Ward Boundary

Scale 1:15000
Date 17 May 2018

Proposal to Adjust Ward Boundaries Hokitika Ward to Northern Ward

The information displayed on this map has been taken from Westland District Council GIS databases. It is made available in good faith, but its accuracy and completeness is not guaranteed

23.08.18 Council Agenda



Cadastral Data Provided from LINZ's CRS
(Page 40)
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Westland District Council
Representation Review 2018

Introduction

Council must, in accordance with section 19H of the Local Electoral Act 2001 (the Act) determine by resolution:

- 1) Whether the members of Council are proposed to be elected;
 - By the electors of the District as a whole; or
 - By the electors of 2 or more Wards; or
 - In some cases by the electors of the District as a whole and in the other cases by the electors of each Ward of the District; and
- 2) The proposed number of members to be elected; and
- 3) The proposed name and the proposed boundaries of each Ward and the number of members for each Ward.
- 4) Whether there should be community boards.
- 5) Should Maori Wards be created.

Public notice of the results of the review must be given by 8 September 2018.

Background

Westland District has traditionally elected its members using the ward system.

In determining the existing ward boundaries and representation, Council took into account the traditional communities of interest, the population, the geographic area, and the rateable values of each ward. No community boards have ever existed in Westland.

Current Representation arrangements

Currently the District comprises of 3 Wards.

Northern Ward	All that part of Westland District north of the Mikonui River but excluding Hokitika and Kaniere.
Hokitika Ward	All that part of Westland including the town of Hokitika, the area north to Three Mile and including the areas to the east known as Blue Spur, Brickfield, Kaniere Township and the extension of Kaniere onto the Lake Kaniere Road.
Southern Ward	All that area of Westland south of the Mikonui River.

Ward names, members, population, and ratio of Councillors to population and variation from the District ratio as follows:

Ward	Population	Members	Ct/Population	Variation
Northern Ward	3130	3	1043	93%
Hokitika Ward	3530	3	1177	105%
Southern Ward	2290	2	1145	102%
Total	8950	8	1119	100%

Table 1: Existing Representation Arrangements used for 2013 Election.

Matters to be considered by Council in undertaking the review.

1) *Communities of Interest*

Westland District is a long narrow District with a large and diverse area. The population is not evenly dispersed along the length of the District, with a significant concentration in the main District township (Hokitika), and a larger rural population in the north of the District including Kaniere and Blue Spur.

The existing Ward boundaries recognise the urban nature of Hokitika (Hokitika Ward), the rural principally dairy farming and small support townships of the north (Northern ward), and the geographic isolation and tourism dominated nature of the south (Southern Ward).

2) Effective Representation for identified Communities of Interest

Because of the size and diversity of the District, it is considered that effective representation of communities of interest can only be achieved by Councillors being elected on a ward basis. An “at large” system of election is not considered to be in the best interests of the geographically distinctive communities of interest in Westland.

3) Consideration of whether there should be Community Boards

Westland District currently does not have any Community Boards. The District has a network of existing local community organisations, which are recognised by Council, and consulted with on local issues.

Historically, because of the low population of Westland District, the ward basis of elections and the accessibility of and to Councillors, it is considered that Community Boards are not warranted.

The Council need to consider that this approach is still relevant.

Council should consider;

- Do all communities enjoy fair and effective representation?
- Could improved fair and effective representation be achieved through Community Boards?

Should Council resolve to establish Community Boards, then each board must;

- Consist of no fewer than 4 elected members; and
- The number of appointed members is to be less than half the total number of members.

4) Fairness of Representation

The current situation using the estimated current population figures as at 30 June 2017 is demonstrated by the following table:

Ward	Population	Members	Cr/Population	Variation
Northern Ward	2850	3	950	86%
Hokitika Ward	3860	3	1287	117%
Southern Ward	2080	2	1040	95%
Total	8790	8	1099	100%

Table 2.Existing Representation Arrangements with estimated current population figures at 30 June 2017.

The existing wards have provided fair representation, with a spread of members along the length of the District. The Council may therefore opt for the retention of the existing Wards.

However, the Northern and Hokitika Wards do not comply with section 19V (2) of the Act, as they are outside the ratio of +/-10% of the average population per member.

It is necessary to review the representation arrangements for these two wards.

A review would either be in the nature of a change to representation or by a change to Ward boundaries or a combination of both.

A simple change to representation would result in a situation demonstrated by the following table:

Ward	Population	Members	Cr/Population	Variation
Northern Ward	2850	3	950	97%
Hokitika Ward	3860	4	965	99%
Southern Ward	2080	2	1040	106%
Total	8790	9	977	100%

Table 3. Changed Representation and no change to boundaries.

By increasing the representation in the Hokitika Ward from 3 to 4 allows Council to comply with section 19V (2) of the Act, as all wards then meet the ratio of +/- 10% of the average population per member.

Council may not want to change the number of elected members as there would be financial implications on both the Long Term Plan, and individual member salaries.

An option is to look at the Hokitika Ward and the Northern Ward, and move the boundary of the Hokitika Ward to Pine Tree Road along Blue Spur.

Northern Ward	All that part of Westland District north of the Mikonui River but excluding Hokitika Ward.
Hokitika Ward	All that part of Westland including the town of Hokitika, the area north to Three Mile and including the areas to the east known as Blue Spur and Brickfield as far as Pine Tree Road.
Southern Ward	All that area of Westland south of the Mikonui River.

This option results in the situation demonstrated by the following table:

Ward	Population	Members	Cr/Population	Variation
Northern Ward	3210	3	1070	97%
Hokitika Ward	3500	3	1167	106%
Southern Ward	2080	2	1040	95%
Total	8790	8	1099	100%

Table 4. Changed boundary between Hokitika Ward and Northern Ward.

It is necessary to consider the effect of changes on communities of interest.

Effect on Hokitika and Northern Wards

The proposal to change the boundaries of the Hokitika and Northern Ward affects an estimated population of 360, and will not significantly affect the overall communities of interest, and reflects the rural nature of the area from Pine Tree Road.

Effect on the Southern Ward

There is no effect on the Southern Ward.

5) Maori Wards

Under the Local Electoral Amendment Act 2002, a local authority may resolve to establish Maori Wards or Maori Constituencies.

The decision, if made after a triennial election but no later than two years before the next triennial election, takes effect for the next triennial election and the next.

If a decision is made now, it will not take effect for the 2019 triennial election, but the one after.

Council should consider;

- Whether Maori currently have effective representation on Council.
- Would creation of a Maori Ward improve the concept of fair and effective representation?
- Is it reasonable and practicable?

Council can decide;

- To declare a Maori Ward under s19Z of the Act
- To not declare a Maori Ward
- Wait for a poll demand by a specified number of electors, being equal to or greater than 5% of electors that are eligible to vote under s19ZB of the Act.
- Resolve to hold a poll under s19ZD of the Act.

Westland District Council - Representation Review 2018 Submission

Online Submission received on: 6/07/2018 10:06:42 PM from: Brenda Monk

File saved as: t:\FILES\Submissions\RepresentationReviewSubmissions2018\PDFSubmissions\666-06-07-18-Brenda

SubmitterID	<input type="text" value="666"/>
Date	<input type="text" value="6/07/2018"/>
Via	<input type="text" value="Web"/>
Name	<input type="text" value="Brenda Monk"/>
Filename	<input type="text"/>

Do you agree with the proposed boundary change? **Yes**

Comment:

Do you agree with the member allocations per ward? **Yes**

Comment:

Do you agree with the proposal that no community boards will be elected? **Yes**

Comment:

 Submitter Requires HearingPresenting with a Joint Party? Name of joint party? Requires interpreter? Requirements hearing via AV link?

Westland District Council - Representation Review 2018 Submission

Online Submission received on: 9/07/2018 9:45:38 PM from: Kathy Gilbert

File saved as: t:\FILES\Submissions\RepresentationReviewSubmissions2018\PDFSubmissions\667-09-07-18-Kathy Gil

SubmitterID	<input type="text" value="667"/>
Date	<input type="text" value="9/07/2018"/>
Via	<input type="text" value="Web"/>
Name	<input type="text" value="Kathy Gilbert"/>
Filename	<input type="text" value="T:\FILES\Submissions\RepresentationReviewSubmissions2018\PDFSubmissions\667-09-07-2018-Kathy Gilbert.pdf"/>

Do you agree with the proposed boundary change? **No**

Comment: **Please do away with the Ward system. Councillors should be elected by the district as a whole. Why is this specific question not in this online submission system? It should be as it is at this time that it needs to be addressed, in a democratic manner. The district is no longer the perocial place that it used to be years ago. We need good representation, which means by Councillors who understand the whole picture of the district. The Ward system tends to mean Councillors are prepared to work on issues that mainly affect their Ward, rather than the good of the whole. This issue should be addressed mroe fully.**

Do you agree with the member allocations per ward? **No**

Comment: **Do away with Ward system as the population is no longer big enough and it is no longer able to put up enough willing and able candidates.**

Do you agree with the proposal that no community boards will be elected? **Yes**

Comment:

Submitter Requires Hearing

Presenting with a Joint Party?

Name of joint party?

Requires interpreter?

Requirements

hearing via AV link?

Westland District Council - Representation Review 2018 Submission

Online Submission received on: 9/07/2018 9:45:38 PM from: Kathy Gilbert

File saved as: t:\FILES\Submissions\RepresentationReviewSubmissions2018\PDFSubmissions\667-09-07-18-Kathy Gil

From: R & A Keenan <keenanr@kinect.co.nz>
Sent: Wednesday, 4 July 2018 1:53 PM
To: Consultation Submissions
Subject: CHANGING BOUNDARIES FOR FAIR REPRESENTATION

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Westland District Council

SUBMISSION AND TO CHANGING BOUNDARIES FOR REPRESENTATION

Going by experience representation within Westland District Council seems to be by way of Appointments or Groups whom are actually overpowering the democratic system with predetermined or behind closed door decision making.

Therefore changing the boundary to Pine Tree Road makes very little difference. If standing for Council elections, representing constituents, candidates can stand for any Ward by identifying they are doing so.

With today's technology there should be a very good representation from every small area from Otira through to Jacksons Bay. We have seen much unfairness from this Council...including now Council Controlled Organisations / supported groups which then takes away fair representation.

Council should stay with Core Council Business...representing fairly.

Yours faithfully

Anthea Keenan

Submission on Westland District Council Representation Review 2018

16/07/2018

I do not agree with the proposals that the Council has reached with regard to the representation of people in the Westland district.

I believe that we should vote at large

Communities of Interest. The overview paper suggests: *The existing Ward boundaries recognise the urban nature of Hokitika (Hokitika Ward), the rural principally dairy farming and small support townships of the north (Northern ward), and the geographic isolation and tourism dominated nature of the south (Southern Ward).*

I don't agree with this analysis of "community of interest" – it is extremely broad and only reflects certain areas of each ward.

If we were able to vote for any candidate in the council elections, then we would be able to exercise this community of interest. For instance, last election I found I was only able to use 2 of my 3 votes, and then I wasn't completely happy with the choice of candidates. However a few years ago, when I was still involved in the tourism business, there was an extremely good candidate from the tourism industry in South Westland, but I could not vote for him even though he definitely represented my "community of interest". In 2019, we should not be limited to our own geographical area – the world has shrunk, you don't need to live next door to someone to represent them properly.

We need a much broader choice when we vote for our Councillors. Just as when we vote for the Health Board, being able to choose a candidate from throughout the region gives the electorate a much fairer choice. The proportionality of votes would still stay, as obviously Hokitika township has more voters in a small area than anywhere else in the district, but they may choose to vote for someone from Haast.

STV system.

We should use the STV (single transferable vote) system of voting instead of FPP (first past the post). This is the system used in the district health board elections, and we use MMP at general elections. FPP is outdated and doesn't reflect people's views adequately. The ability to change to STV voting is documented in the Local Electoral Act. This review would be a good time to start the process to change the voting system.

I do not wish to be heard in support of my submission.

Clare Backes
67 Blue Spur Road
Hokitika 7882

Report



DATE: 23 August 2018

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community & Environment

EARTHQUAKE-PRONE BUILDINGS: UPDATE AND PROPOSED PRIORITY THOROUGHFARES

1 SUMMARY

- 1.1 The purpose of this report is to update Council on work related to potentially earthquake-prone buildings (EPB) in Westland District, and to seek Council approval to undertake the required public consultation, under the Special Consultative Procedure as per Section 83 of the Local Government Act 2002, on a proposed set of thoroughfares with sufficient pedestrian or vehicular traffic to warrant prioritisation of any unreinforced masonry (URM) buildings located on them. 'Prioritisation' means the buildings will have shorter timeframes for assessment and any required seismic work.
- 1.2 This issue arises from the requirements of the Building (Earthquake-prone Buildings) Amendment Act 2016, which amended the Building Act 2004 and came into force on 1 July 2017. Territorial authorities have certain responsibilities, which are summarised in this report.
- 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 2018-2028. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives this report, adopts the attached Statement of Proposal for "Proposed Priority Thoroughfares for Potentially Earthquake-prone Buildings," and undertakes a Special Consultative Procedure as per Section 83 of the Local Government Act 2002 on the attached Statement of Proposal, with an opening date of 29 August and a closing date for submissions of 1 October 2018.

2 BACKGROUND

Introduction and Scope

- 2.1 The Building (Earthquake-prone Buildings) Amendment Act 2016 came into force on 1 July 2017. It removed the requirement for Council to have an Earthquake-prone Buildings Policy. Instead there is new national guidance and requirements for all territorial authorities (TAs).
- 2.2 The system applies to buildings or parts of buildings; e.g. an unreinforced masonry parapet can be considered earthquake-prone.
- 2.3 Farm buildings are exempt from this system, as are residential buildings that are less than two storeys, contain less than three household units, or are not used as a hostel, boarding house, etc.

Seismic Risk Areas

- 2.4 The new system categorises New Zealand into three seismic risk areas: high, medium and low, and sets timeframes for each of these areas for identifying potentially earthquake-prone buildings and strengthening earthquake-prone buildings. Westland District is entirely within a high seismic risk area.

Identification of Potentially Earthquake-Prone Buildings

- 2.5 Territorial authorities in high or medium seismic risk areas must identify buildings that are within the following three categories as potentially earthquake-prone:
 - Category A: Unreinforced masonry (URM) buildings (a URM building has masonry walls that do not contain steel, timber or fibre reinforcement. They are older buildings that often have parapets, verandas, balconies, decorative ornaments, or chimneys.)
 - Category B: Pre-1976 buildings that are either three or more storeys or 12 metres or greater in height
 - Category C: Pre-1935 buildings that are one or two storeys
- 2.6 Territorial authorities can also identify buildings as potentially earthquake-prone based on other information (such as assessments), particular construction types (e.g. a timber frame building of two or more storeys on a

significant slope), complex design or construction with known conditions that require further engineering analysis, or ground conditions that could lead to a significant loss of support for a structure (e.g. liquefaction potential).

Notification, Assessment, and Strengthening

- 2.7 Once a TA identifies a potentially earthquake-prone building, it must notify the owner, who then has 12 months to provide a seismic assessment by a qualified engineer or to agree with a previous assessment held by the TA.
- 2.8 The TA then considers the assessment and decides whether a building is earthquake-prone or not. Earthquake-prone buildings are those that have an 'ultimate capacity,' in relation to moderate earthquake shaking, of less than 34% of New Building Standard (NBS). An earthquake-prone building notice (EPB notice) must then be sent to the building owner, providing a certain timeframe (15 years, or 7.5 years for 'priority buildings' described below) for carrying out work to bring the building to 34% or more NBS.
- 2.9 Existing earthquake-prone building notices issued under what was s124 of the Building Act remain in force, and are to be converted to new EPB notices as soon as possible. The applicable deadlines for seismic work in these cases are the earlier of the timeframes given in the s124 notice and the timeframes that would result from the new EPB notices under the new legislation.

'Priority Buildings'

- 2.10 The new legislation introduces a new concept – 'priority buildings' – which accelerates timeframes for buildings that are considered to pose a higher risk to life safety. Potentially earthquake-prone buildings are considered 'priority buildings' based on one of three criteria:
- use (hospital, education, or emergency buildings including civil defence facilities)
 - location (on a strategic transport route so as to prevent emergency response in the event of collapse)
 - a combination of construction type (specifically, unreinforced masonry (URM)) and location (on a part of a road or footpath with sufficient vehicular or pedestrian traffic to warrant prioritisation)
- 2.11 Territorial authorities are required to consult with their community, using the Special Consultative Procedure prescribed by Section 83 of the Local

Government Act 2002, on the thoroughfares considered to have sufficient traffic to warrant prioritisation. The thoroughfares must have URM buildings or parts of URM buildings that could fall in an earthquake.

Timeframes

- 2.12 As the entire Westland District is within the “high” seismic risk area, it has the shortest timeframes for the tasks listed above. Territorial authorities in this area must identify potentially earthquake-prone buildings by 1 July 2022 (1 January 2020 for ‘priority buildings’). Owners of those buildings have 12 months to produce an engineering assessment, and owners of confirmed earthquake-prone buildings must carry out seismic work within 15 years from the issue of a EPB notice (7.5 years for ‘priority buildings’).
- 2.13 Given the timeframes above, priority buildings could have until July 2028 to carry out seismic work, and other buildings could have until July 2038. Given the estimated 30% probability of the Alpine Fault rupturing within the next 50 years, time is of the essence in addressing any earthquake-prone buildings. The sooner Council can identify priority thoroughfares and priority buildings, as well as other potentially earthquake-prone buildings, the sooner the ‘clock’ starts for building owners to obtain assessments and undertake any required seismic strengthening.

3 CURRENT SITUATION

- 3.1 Council staff have begun to identify potentially earthquake-prone buildings under the new methodology, reviewing previous files and conducting some preliminary fieldwork within the Hokitika central business district.

Previous work and existing EPB Register

- 3.2 A desktop exercise carried out by Council staff in 2011 identified 29 URM and pre-1935 buildings throughout the District. (The 1935 date is important because of the strengthening of building requirements after the 1931 Napier earthquake.) Letters were sent to building owners recommending seismic assessments and any necessary seismic strengthening. Under the legislation at that time, these assessments were not mandatory.
- 3.3 Subsequent to this exercise, Council received seismic assessments from building owners for several buildings in the District. As a result, from 2011 through 2016 a total of six buildings were put onto Council’s Earthquake-Prone Buildings Register, as follows:

- Former National Bank (14 Weld St, Hokitika)
 - St Mary's Church (71 Sewell St, Hokitika)
 - Former Department of Conservation office (10 Sewell St, Hokitika)
 - Renton Hardware (21 Hamilton St, Hokitika)
 - Carnegie Building (17 Hamilton St, Hokitika)
 - Ross Community Hall (Moorhouse St, Ross)
- 3.4 Of these six buildings, it appears that only the Carnegie Building received a formal s124 notice to 'start the clock' on the 10-year timeframe for seismic upgrading. A couple other building owners received letters advising them that the buildings were being put on the EPB Register and that there were obligations around this, but these letters probably do not constitute official s124 notices. As a result, new EPB Notices for any of the buildings still considered earthquake-prone (except the Carnegie Building) will have the timeframes calculated under the new legislation.
- 3.5 Thankfully, plans are underway for seismic strengthening of both St Mary's Church and the Carnegie Building, and Ross Community Hall has nearly completed its strengthening work. Once the work has been completed and issued a Code Compliance Certificate, these buildings will not need to be on the EPB Register.
- 3.6 Of the other three buildings on the Register, two (Renton Hardware and the old DOC building) have received additional engineering assessments that state the buildings are not earthquake-prone. Council staff need to determine whether these assessments meet the requirements of the new legislation, in which case these buildings also would not need to be on the EPB Register.
- 3.7 Therefore the old National Bank building on Weld Street is potentially the only one from the existing EPB Register that might remain on the Register, until a more favourable assessment and/or seismic strengthening occurs.

Recent fieldwork

- 3.8 A recent walk-through of the Hokitika central business district by Council building staff identified approximately 16 URM buildings in this area (including some on the EPB Register already) which might be considered 'potentially earthquake-prone.' They also identified some potential 'Category B' and 'Category C' buildings based on age and height. This preliminary list needs further investigation before letters are sent to owners of any of these buildings considered 'potentially earthquake-prone.' The exercise also needs to be extended throughout the District.

Proposed priority thoroughfares

- 3.9 The reason the initial walk-through focused on the Hokitika central business district is that that area is considered to meet the criteria for 'priority thoroughfares' described above, on which URM buildings would be prioritised through halving the normal timeframes for identification and strengthening.
- 3.10 Based on the initial consideration of likely URM buildings throughout the district, and vehicle and pedestrian volumes, it is recommended that the following Hokitika street segments be proposed for community consultation as 'priority thoroughfares':
- Weld Street between Fitzherbert St and Revell St
 - Weld Lane
 - Revell Street between Stafford St and Hamilton St
 - Tancred Street between Stafford St and Hamilton St
 - Sewell Street between Hampden St and Hamilton St
 - Hamilton Street between Sewell St and Revell St
- 3.11 In addition to having URM buildings on them, these are the main shopping streets of the largest business area in Westland District, and thus have significant pedestrian traffic and vehicular traffic. The section of Sewell Street north of Stafford St is included because of the traffic (pedestrian and vehicular) associated with St Mary's School. Hamilton Street is included due to having several shops as well as the Museum complex.
- 3.12 Westland's other townships each have their own 'main street' environments, but generally do not have URM buildings; the few URM buildings that exist are either not situated on thoroughfares with the same amount of pedestrian and vehicular traffic as in central Hokitika, or are set back significantly from those thoroughfares.
- 3.13 The proposed priority thoroughfares are required to be the subject of public consultation through the Special Consultative Procedures prescribed by s83 of the Local Government Act 2002. A Statement of Proposal is attached to this report for Council approval.

Next steps

- 3.14 Following consultation and approval of a final set of priority thoroughfares (with amendment if necessary), Council staff will complete their task of identifying URM buildings on these priority routes, so that building owners

can be informed by 1 January 2020 (ideally well in advance of that) as required by law. The next phase would be identifying URM buildings not on priority routes, and any 'Category B' and 'Category C' buildings. Once notified of potentially earthquake-prone status, building owners must obtain engineering assessments (or agree with Council's assessment) within 12 months.

4 OPTIONS

4.1 Aside from receiving this report, the decision to be made today is whether to adopt the attached Statement of Proposal relating to priority thoroughfares. The options are, generally:

- **Option One: Approve the Statement of Proposal as attached.** This currently includes the main shopping streets in Hokitika as 'priority thoroughfares' due to the existence of URM buildings as well as significant vehicular and pedestrian traffic volume.
- **Option Two: Approve the Statement of Proposal, with amendments.** This option would allow Council to add or remove streets or parts of streets from the proposed list.
- **Option Three: Do not approve a Statement of Proposal at this time.** This option would defer a decision on the Statement of Proposal, which would put on hold any work to identify any 'priority buildings' (URM buildings on priority thoroughfares).

4.2 The recommended option is Option One, as explained further in Section 6 of this report: "Assessment of Options."

5 SIGNIFICANCE AND ENGAGEMENT

5.1 Under the guidance of the Council's Significance and Engagement Policy, the decision to be made today is considered to be of medium significance. It deals with important life safety issues, and the identification of priority thoroughfares which could have implications for an estimated 15 to 20 building owners.

5.2 District-wide consultation is required by the Building Act, in the form of the special consultative procedure under Section 83 of the Local Government Act. This allows for at least a one month submission period on a Statement of Proposal, followed by hearings before the Proposal is adopted.

- 5.3 It is recommended that the Statement of Proposal be advertised in the Hokitika Guardian, in the Westland Matters electronic newsletter, and on the Council website. In addition, it should be circulated to business and community groups and associations.
- 5.4 Submission forms and the Statement of Proposal will be available on the Council website and at Council offices.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 The general options above have been assessed as follows:

- **Option One: Approve the Statement of Proposal as attached.** This option is recommended as it includes the main shopping streets with URM buildings in the largest business area in the District, with sufficient vehicular and pedestrian traffic to warrant prioritisation. It is important to note that even owners of 'priority buildings' (URM buildings on priority thoroughfares) still have at least 8.5 years to complete their seismic strengthening once receiving a letter identifying their buildings as potentially earthquake-prone.
- **Option Two: Approve the Statement of Proposal, with amendments.** This option would allow Council to add or remove streets or parts of streets from the list of proposed priority thoroughfares. This option has some risk involved; it could make the list too short, reducing the number of priority buildings in the Hokitika CBD to be addressed within shorter timeframes, or it could make the list too long, burdening some building owners with what might be considered unnecessary prioritisation of their building work given relatively low traffic and pedestrian counts.
- **Option Three: Do not approve a Statement of Proposal at this time.** This option would only be appropriate if Council did not feel ready to make a decision today. The disadvantage would be that there would be a resulting delay in identifying any 'priority buildings' (URM buildings on priority thoroughfares). The deadline of 1 January 2020 could still be met, but every delay increases the risk of a seismic event occurring prior to building strengthening.
- All options above allow for amendments to be made, following consideration of submissions received in response to the Statement of Proposal.

Financial Implications

- 6.2 In terms of financial implications to Council, there are no differences between the three options at this stage, as the Special Consultative Procedure has to be undertaken for each option. The costs of this will be minimal, as online methods will be used along with some print advertising and hard copies being made available.
- 6.3 In terms of the list of priority thoroughfares, the financial implications are mainly for building owners, and mainly in terms of timing. Earthquake-prone buildings will need to be strengthened regardless of whether they are on a priority thoroughfare or not; being on a priority thoroughfare simply accelerates the timeframe for strengthening. A longer list of priority thoroughfares would mean more building owners would have to undertake the cost of seismic strengthening within the 7.5-year period from receiving an EPB notice, compared to the 15-year period for buildings not on priority thoroughfares.
- 6.4 There is risk involved in extending timeframes by having a shorter list of priority thoroughfares. If a significant seismic event occurred (say) 10 years from now, the priority buildings on priority thoroughfares would have been strengthened, as required by law. If that list of thoroughfares is shorter, more buildings will potentially still be awaiting strengthening. The financial costs to the Council and the community of having too short a list of priority thoroughfares would likely outweigh the direct costs of having a Policy, due to negative outcomes such as death, injury or property damage.

7 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option One, adopting the Statement of Proposal as attached. This option is recommended because it includes the main shopping streets with URM buildings in the largest business area in the District, with sufficient vehicular and pedestrian traffic to warrant prioritisation. While there are other URM buildings elsewhere in the District, these are not located in as heavily trafficked streets, or are set back from those streets.
- 7.2 Given the estimated 30% probability of the Alpine Fault rupturing within the next 50 years, time is of the essence in addressing any earthquake-prone buildings. The sooner Council can identify priority thoroughfares and priority buildings, as well as other potentially earthquake-prone buildings, the sooner

the 'clock' starts for building owners to obtain assessments and undertake any required seismic strengthening.

- 7.3 The Statement of Proposal is considered to represent a logical, balanced approach to the issue of prioritising potentially earthquake-prone buildings based on location. Amendments can be made if necessary, following consideration of submissions received in response to the Statement of Proposal.

8 RECOMMENDATIONS

- A) **THAT** Council receives this report;
- B) **THAT** Council adopts the attached Statement of Proposal for "Proposed Priority Thoroughfares for Potentially Earthquake-prone Buildings"; and
- C) **THAT** Council undertakes a Special Consultative Procedure as per Section 83 of the Local Government Act 2002 on the attached Statement of Proposal, with an opening date of 29 August and a closing date for submissions of 1 October 2018.

Jim Ebenhoh

Group Manager: Planning, Community and Environment

Appendix 1: Statement of Proposal: Proposed Priority Thoroughfares for Potentially Earthquake-prone Buildings

Appendix 1



Statement of Proposal

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

Proposed Priority Thoroughfares for Potentially Earthquake-prone Buildings

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

29 August 2018

THE PROPOSAL:

Under the provisions of the Building (Earthquake-prone Buildings) Amendment Act 2016, the Westland District Council is proposing a list of thoroughfares that have sufficient vehicular or pedestrian traffic to warrant prioritisation, based on potential consequences if part of an unreinforced masonry (URM building) were to fall onto them in an earthquake.

This proposal is now open for public consultation (29 August 2018 through 1 October 2018).

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

GET YOUR SUBMISSION TO COUNCIL BY 5.00PM ON 1 October 2018.

1. Introduction

The system for identifying and managing earthquake-prone buildings changed on 1 July 2017, when the Building (Earthquake-prone Buildings) Amendment Act 2016 came into force. The new system ensures the way our buildings are managed for future earthquakes is consistent across the country, and provides more information for people using buildings. There are new requirements, powers and timeframes to address earthquake-prone buildings.

The new system prioritises identification and remediation of earthquake-prone buildings that either pose a high risk to life safety, or are critical to recovery in an emergency. Certain hospital, emergency, and education buildings that are earthquake prone will be 'priority buildings'. Other earthquake-prone buildings may be priority buildings due to their location, and the potential impact of their failure in an earthquake on people. These buildings must be identified with community input. Priority buildings must be identified and remediated in half the usual time, to reduce the risks to life safety more promptly.

Westland District Council seeks your feedback on proposals for roads, footpaths and other thoroughfares that should be prioritised. Council also seeks your views on whether there are any other thoroughfares that should be included.

This consultation is undertaken in accordance with section 133AF(2)(a) of the Building Act 2004, which requires Council to use the special consultative procedure in section 83 of the Local Government Act 2002 to identify certain priority buildings.

2. New system for managing earthquake-prone buildings

The Building (Earthquake-prone Buildings) Amendment Act 2016 came into force on 1 July 2017. It changes the current system for identifying and remediating earthquake-prone buildings.

The new system ensures the way our buildings are managed for future earthquakes is consistent across the country, and provides more information for people using buildings, such as notices on earthquake-prone buildings and a public register. Owners of earthquake-prone buildings will be required to take action within certain timeframes depending on the seismic risk area their building is located in. Affected owners will be contacted by Council.

Westland District has been categorised as a high seismic risk area. This means that Council must identify potentially earthquake-prone buildings within 5 years, and building owners must strengthen or demolish earthquake-prone buildings within 15 years¹.

More information about the new system can be found at:

<https://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings/>

Priority buildings pose a high risk to life safety, or are critical to recovery in an emergency

The new system prioritises identification and remediation of earthquake-prone buildings that either pose a high risk to life safety, or are critical to recovery in an emergency. These buildings are called 'priority buildings'. Priority buildings must be identified and remediated in half the time allowed for other earthquake-prone buildings, to reduce the risks to life safety more promptly.

This means that Council must identify potentially earthquake-prone *priority* buildings in this district within 2.5 years, and building owners must strengthen or demolish earthquake-prone *priority* buildings within 7.5 years².

Certain hospital, emergency, and education buildings that are earthquake prone are likely to be priority buildings. Some other buildings may also be priority buildings due to their location, and the potential impact of their failure in an earthquake on people.

Further guidance on priority buildings is available at: <https://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings/resources/>

3. Why we're consulting

Your input is required to identify some priority buildings

To determine which other buildings may be priority buildings, Council must identify thoroughfares that have sufficient vehicular or pedestrian traffic to warrant prioritisation, if a part of a URM building were to fall onto them in an earthquake.

Your views on the acceptable level of risk, our buildings, and their uses will inform Council's decision on which thoroughfares to prioritise.

¹ from the date the earthquake-prone building notice is issued.

² from the date the earthquake-prone building notice is issued.

This consultation is in accordance with section 133AF(2)(a) of the Building Act 2004, which requires Council to use the special consultative procedure in section 83 of the Local Government Act 2002 to identify these priority buildings.

4. Have your say

Any interested person or body is invited to make a submission or comments on this Proposal.

Council will take account of all submissions made when making decisions on this Proposal. There will be a Council hearing in October 2018 for those submitters who indicate they wish to speak in support of their submission.

Please submit your feedback to Council by:

- (1) Delivery to the Customer Service desk, 36 Weld Street, Hokitika
- (2) Post to Group Manager: Planning, Community and Environment (Attn: Priority Thoroughfares), Private Bag 704, Hokitika
- (3) Email to consult@westlanddc.govt.nz
- (4) You can also complete submissions at www.westlanddc.govt.nz

All submissions, including name and contact details of the submitter, will be made available to the public and media on Council's website, unless you specifically request that your contact details are kept private.

The timetable related to consultation is as follows:

- 29 August 2018: submissions open
- 1 October 2018 (5pm): submissions close
- TBC (between 1 October and 25 October): hearing of submissions
- 25 October 2018: Council meeting to decide on final list of priority thoroughfares

5. Proposal

5.1 Vehicular and pedestrian thoroughfares with sufficient traffic to warrant prioritisation

Council has applied the following criteria to identify roads, footpaths or other thoroughfares to be prioritised:

1. High pedestrian areas (people not in vehicles)

Description of use	Description of potential area
Areas relating to social or utility activities	Areas where shops or other services are located, such as 'main street' and central business areas in larger towns, including adjacent educational and health facilities
Areas relating to work	Areas where concentrations of people work and move around, such as central business areas in larger towns
Key walking routes	Key walking routes that link areas where people are concentrated, such as walking routes from schools to shops and other services

and

2. Areas with high vehicular traffic (people in motor vehicles/on bikes)

Description of use	Description of potential area
Key traffic routes	Key traffic routes regularly used by vehicles including public transport, such as well-trafficked main streets or sections of state highways and other arterial routes

and

3. Potential for part of an unreinforced masonry building to fall onto the identified thoroughfare³.

³ An unreinforced masonry (URM) building has masonry walls that do not contain steel, timber or fibre reinforcement. URM buildings are older buildings that often have parapets, as well as verandas, balconies, decorative ornaments, chimneys and signs attached to their facades (front walls that face onto a street or open space).

Council seeks your views on whether the following roads, footpaths and other thoroughfares have sufficient traffic to warrant prioritisation. It also seeks your views on whether there are any other thoroughfares that should be included.

Based on there being sufficient traffic and the potential for part of an unreinforced masonry building to fall, and the preliminary assessment that there are URM buildings on these thoroughfares, Council proposes that the following thoroughfares in central Hokitika be prioritised:

- Weld Street between Fitzherbert St and Revell St
- Weld Lane
- Revell Street between Stafford St and Hamilton St
- Tancred Street between Stafford St and Hamilton St,
- Sewell Street between Hampden St and Hamilton St
- Hamilton Street between Sewell St and Revell St


See map on next page which shows these proposed priority thoroughfares.



50 0 50 100 150 200 250 m

Hokitika CBD

**Proposed
Priority
Thoroughfares**

 Priority
Thoroughfare

Scale: 1 : 2000
 Sheet Size: A3
 Aerial photo: Mar 2017
 Projection: NZTM /
 New Zealand
 Transverse Mercator



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 Westland D.C. The
 information shown on
 this plan may not be
 accurate and is
 indicative only.



In addition to having URM buildings on them, these are the main shopping streets of the largest business area in Westland District, and thus have significant pedestrian and vehicular traffic. The section of Sewell Street north of Stafford St is included because of the traffic (pedestrian and vehicular) associated with St Mary's School. Hamilton Street is included due to having several shops as well as the Hokitika Museum complex.

Westland's other townships each have their own 'main street' environments, but generally do not have URM buildings; the few URM buildings that exist are either not situated on thoroughfares with the same amount of pedestrian and vehicular traffic as in central Hokitika, or are set back significantly from those thoroughfares.

Questions

1. Do you agree with the thoroughfares identified for prioritisation?
2. If not, which thoroughfares do you disagree with and why?
3. Are there any other thoroughfares that meet the criteria but are not listed?

6. What happens next?

Once priority thoroughfares have been finalised, Council will look at buildings on those thoroughfares to determine whether they are potentially earthquake prone in accordance with the EPB methodology⁴. Affected building owners will be notified. Owners of potentially earthquake-prone buildings, whether a priority building or not, have 12 months to provide an engineering assessment. Council will then determine whether the building is earthquake prone, and notify the building owner of remediation requirements.

7. Further information

Further information on the new system for managing earthquake-prone buildings can be found at: <https://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings/>

Any enquiries on this Proposal (not submissions) can be directed to Jim Ebenhoh, Group Manager: Planning, Community and Environment, at jim.ebenhoh@westlanddc.govt.nz, ph 03 756 9010, or Fiona Scadden, Acting Building Control Manager, at fiona.scadden@westlanddc.govt.nz, ph 03 756 9010.

Don't forget, get your submission to Council by 5:00pm on Monday, 1 October!

⁴ The EPB methodology is a regulatory tool that sets out the types of buildings that [Council] must identify as potentially earthquake prone.

Report



DATE: 23 August 2018

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community & Environment

REVIEW OF DANGEROUS AND INSANITARY BUILDINGS POLICY

1 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of a revised Dangerous and Insanitary Buildings Policy for public consultation, under the Special Consultative Procedure as per Section 83 of the Local Government Act 2002, to take place during the month of September.
- 1.2 This issue arises from the Policy being overdue for review, and legislative changes that mandate the removal of the “Earthquake-Prone Buildings” part of the Policy as well as consideration of buildings “affected” by dangerous buildings.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the attached Statement of Proposal for the Review of Westland District Council’s Dangerous and Insanitary Buildings Policy, and that it undertakes a Special Consultative Procedure as per Section 83 of the Local Government Act 2002 on the attached Policy, with an opening date of 29 August and a closing date for submissions of 1 October 2018.

2 BACKGROUND

- 2.1 The Building Act 2004 requires every Territorial Local Authority to have a Dangerous and Insanitary Buildings Policy.
- 2.2 Westland District Council’s Policy was last reviewed in 2011 and was due for review by November 2016. The review was delayed due to the 2016 central

government work that led to the new requirements of the Building (Earthquake-prone Buildings) Amendment Act 2016 coming into force on 1 July 2017. This amendment removed the requirement for Council to have an Earthquake-prone Buildings Policy and removed the legal effect of any part of the policy applying to earthquake-prone buildings.

- 2.3 The remaining parts of the policy relating to Dangerous and Insanitary Buildings have retained legal effect pending this review, as per Section 132 (5) of the Building Act 2004, which states, "A policy does not cease to have effect because it is due for review or being reviewed."

3 CURRENT SITUATION

- 3.1 The current Policy has worked well. It is relatively short and straightforward, reflecting the requirements of the Building Act while allowing flexibility for the few issues that arise in the District to be dealt with on a case-by-case basis. It is also virtually identical to the policies of Grey and Buller Districts, which provides for regional consistency.
- 3.2 The two significant changes that are required by legislation to be made the Policy are:
 - i. removal of the earthquake-prone provisions, as per the Building (Earthquake-prone Buildings) Amendment Act 2016; these have been replaced with a new nationally consistent policy; and
 - ii. consideration of "affected" buildings, as per the Building Amendment Act 2013. "Affected buildings" are defined as being "adjacent to, adjoining, or nearby" a "dangerous building." The Council has the power to restrict entry and erect warning signs in relation to buildings it deems "affected."
- 3.3 The removal of the earthquake-prone provisions is relatively straightforward. The addition of consideration of "affected buildings" has involved a bit more work. For example, in addition to including this new category in the Policy, text is proposed to make it clear that simply being "nearby" to a dangerous building will not necessarily make a building "affected," if there is deemed to be a low likelihood of any impact on it from the dangerous building. Buildings that are "adjacent to" or "adjoining" the dangerous building are generally more likely to be considered affected. Each determination is proposed to be made on a case-by-case basis depending on the nature and extent of the danger, and the location and characteristics of the potentially affected buildings.

3.4 Other changes staff consider appropriate, which have been included in the proposed revisions, include:

- Updated references to different agencies (e.g. changing “NZ Fire Service” to “Fire and Emergency NZ,” and “NZ Historic Places Trust” to “Heritage New Zealand”)
- Fuller and clearer explanations of the investigation and enforcement steps that Council can take with respect to dangerous and insanitary buildings, as well as new material in this section with respect to affected buildings
- A clear statement that the Council recognises that West Coasters have a range of financial circumstances and preferences as to the style and condition of buildings they want to live and work in, alongside existing text about Council treating building safety as a serious matter
- Making it clear that the “offensive” trigger for insanitary building classification will primarily be invoked by human health and wellbeing concerns rather than visual or aesthetic concerns

4 OPTIONS

4.1 As review of the Policy is required by law, Council’s general options are as follows:

- **Option One: Approve renewal of existing Policy for consultation without amendment, other than removing the content relating to earthquake-prone buildings.** This option would be simplest but would not be legally compliant, as it would not include reference to “affected buildings” as per recent legislative changes.
- **Option Two: Approve renewal of existing Policy for consultation with amendments as attached.** This option would allow for legal compliance as well as some additional commentary on Westland’s approach to issues.
- **Option Three: Approve renewal of existing Policy for consultation, with different or additional amendments to those attached.** This option allows for different or additional changes to be made at this stage, following Council discussion, prior to consultation.

4.2 The recommended option is Option Two, as explained further in Section 6 of this report: “Assessment of Options.”

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 Under the guidance of the Council's Significance and Engagement Policy, the decision to be made today is considered to be of low significance. It deals with a particular set of regulatory issues that are relevant to, at most, only a handful of buildings in the District. The changes proposed to the Policy are not major.
- 5.2 District-wide consultation is required by the Building Act, in the form of the special consultative procedure under Section 83 of the Local Government Act. This allows for at least a one month submission period on a Statement of Proposal (which in this case would include the draft Policy), followed by hearings before the Policy is adopted.
- 5.3 It is recommended that the Statement of Proposal be advertised in the Hokitika Guardian, in the Westland Matters electronic newsletter, and on the Council website. In addition, it should be circulated to business and community groups and associations.
- 5.4 Submission forms, and the proposed Policy, will be available on the Council website and at Council offices. The website will also contain the existing Policy for comparison purposes, and the tracked-changes version attached to this report can also be made available.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The general options above have been assessed as follows:
- **Option One: Approve renewal of existing Policy for consultation without amendment, other than removing the content relating to earthquake-prone buildings.** This option would be simplest but would not be legally compliant, as it would not include reference to "affected buildings" as per recent legislative changes.
 - **Option Two: Approve renewal of existing Policy for consultation with amendments as attached.** This option is recommended because it allows for legal compliance as well as some additional commentary on Westland's approach to issues.
 - **Option Three: Approve renewal of existing Policy for consultation, with different or additional amendments to those attached.** This option allows for different or additional changes to be made at this stage, following Council discussion, prior to consultation. It would have advantages if

Council were confident that the additional changes were necessary at this time, rather than following submissions.

- All options above allow for further amendments to be made (or proposed amendments to be altered or deleted), following consideration of submissions received in response to the Statement of Proposal.

Financial Implications

- 6.2 In terms of financial implications to Council, there are no differences between the three options at this stage, as the Special Consultative Procedure has to be undertaken for each option. The costs of this will be minimal, as online methods will be used along with some print advertising and hard copies being made available.
- 6.3 Council must have a Dangerous and Insanitary Buildings Policy, so there is no potential to save costs by not having a Policy.
- 6.4 In relation to the content of the Policy, the only financial implications would be if the Policy specified a much more stringent approach that required more resourcing than currently available, and/or that required building owners to spend more on upgrading their buildings than they would under the current or proposed policy.
- 6.5 On the other hand, if the Policy were made too weak, the financial costs to the Council and the community of having an inadequate Policy would likely outweigh the direct costs of having a Policy, due to negative outcomes such as death, injury and/or illness.

7 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option Two, renewing the existing Policy on Dangerous and Insanitary Buildings for consultation with various amendments. This option is recommended because it allows the Policy to reflect recent legislative changes, to incorporate amendments for clarity, to update references to various agencies, and to include more commentary on the Westland approach. Further amendments can be made (or proposed amendments altered or deleted), following consideration of submissions received in response to the Statement of Proposal.
- 7.2 The revised Policy is similar to that of Grey District Council and Buller District Council, with some new commentary and clarification which Grey and Buller may want to consider when they revise their Policies in the future.

8 RECOMMENDATIONS

- A) **THAT** Council adopts the attached Statement of Proposal for the Review of Westland District Council's Dangerous and Insanitary Buildings Policy; and
- B) **THAT** Council undertake a Special Consultative Procedure as per Section 83 of the Local Government Act 2002 on the attached proposed Dangerous and Insanitary Buildings Policy, with an opening date of 29 August and a closing date of 1 October 2018.

Jim Ebenhoh

Group Manager: Planning, Community and Environment

- Appendix 1:** Statement of Proposal: 2018 Review of Westland District Council's Dangerous and Insanitary Buildings Policy
- Appendix 2:** Proposed revised Dangerous and Insanitary Buildings Policy
- Appendix 3:** Proposed revised Dangerous and Insanitary Buildings Policy (showing tracked-changes from November 2011 version)

Appendix 1



Statement of Proposal

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

2018 Review of Dangerous and Insanitary Buildings Policy

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

29 August 2018

THE PROPOSAL:

As required by the Building Act 2004, the Westland District Council has reviewed its Dangerous and Insanitary Buildings Policy and proposes a range of revisions to comply with legislation and to improve accuracy and clarity.

This proposal is now open for public consultation (29 August 2018 through 1 October 2018).

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

GET YOUR SUBMISSION TO COUNCIL BY 5.00PM ON 1 October 2018.

Reason for the Proposal

The Building Act 2004 requires every Territorial Local Authority to have a Dangerous and Insanitary Buildings Policy.

Westland District Council's Policy was last reviewed in 2011 and was due for review by November 2016. The review was delayed due to the 2016 central government work that led to the new requirements of the Building (Earthquake-prone Buildings) Amendment Act 2016 coming into force on 1 July 2017. This amendment removed the requirement for Council to have an Earthquake-prone Buildings Policy and removed the legal effect of any part of the policy applying to earthquake-prone buildings.

The remaining parts of the policy relating to Dangerous and Insanitary Buildings have retained legal effect pending this review, as per Section 132 (5) of the Building Act 2004, which states, "A policy does not cease to have effect because it is due for review or being reviewed."

A copy of the reviewed Dangerous and Insanitary Buildings Policy is attached to this Statement of Proposal, and available at www.westlanddc.govt.nz.

What amendments have been proposed?

The following is a summary of the key changes proposed to the Policy as part of this review. Interested parties are able to view the entirety of the Policy, and compare it with the previous version available at www.westlanddc.govt.nz/bylaws-and-policies, to identify the complete extent of the changes proposed.

Removal of the earthquake-prone building provisions

As per the Building (Earthquake-prone Buildings) Amendment Act 2016, these have been replaced with a new nationally consistent policy. More information is available at <http://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings>.

Consideration of "affected" buildings

As per the Building Amendment Act 2013, "affected buildings" are defined as being "adjacent to, adjoining, or nearby" a "dangerous building." The Council has the power to restrict entry and erect warning signs in relation to buildings it deems "affected."

In addition to including this new category in the Policy, text is proposed to make it clear that simply being "nearby" to a dangerous building will not necessarily make a building "affected," if there is deemed to be a low likelihood of any impact on it from the dangerous building. Buildings that are "adjacent to" or "adjoining" the dangerous building are generally more likely to be considered affected. Each determination is proposed to be made on a case-by-case basis depending on the nature and extent of the danger, and the location and characteristics of the potentially affected buildings.

Other changes

Other changes included in the proposed revisions are:

- Updated references to different agencies (e.g. changing “NZ Fire Service” to “Fire and Emergency NZ,” and “NZ Historic Places Trust” to “Heritage New Zealand”)
- Fuller and clearer explanations of the investigation and enforcement steps that Council can take with respect to dangerous and insanitary buildings, as well as new material in this section with respect to affected buildings
- A clear statement that the Council recognises that West Coasters have a range of financial circumstances and preferences as to the style and condition of buildings they want to live and work in, alongside existing text about Council treating building safety as a serious matter
- Making it clear that the “offensive” trigger for insanitary building classification will primarily be invoked by human health and wellbeing concerns rather than visual or aesthetic concerns

How to make a submission

Any interested person or body is invited to make a submission or comments on the reviewed Policy.

Council will take account of all submissions made when making decisions on the Policy review. There will be a Council hearing in October 2018 for those submitters who indicate they wish to speak in support of their submission.

Please submit your feedback to Council by:

- (1) Delivery to the Customer Service desk, 36 Weld Street, Hokitika
- (2) Post to Group Manager: Planning, Community and Environment (Attn: Review of Dangerous and Insanitary Buildings Policy), Private Bag 704, Hokitika
- (3) Email to consult@westlanddc.govt.nz
- (4) You can also complete submissions at www.westlanddc.govt.nz

All submissions, including name and contact details of the submitter, will be made available to the public and media on Council’s website, unless you specifically request that your contact details are kept private.

All enquiries (not submissions) should be directed to the Group Manager: Planning, Community and Environment, at 03 756 9010 or jim.ebenhoh@westlanddc.govt.nz.

Timetable

29 August 2018: submissions open

1 October 2018 (5pm): submissions close

TBC (between 1 October and 25 October): hearing of submissions

25 October 2018: Council meeting to decide on final content of Policy

Don't forget, get your submission to Council by 5:00pm on Monday, 1 October!



DANGEROUS AND INSANITARY BUILDINGS POLICY



FIRST Adopted by Council on Thursday 21 September 2006

Reviewed during 2011 and amended as a result of the special consultative procedure

**Reviewed again in 2018 and amended as a result of the special consultative procedure and the
Building (Earthquake-prone Buildings) Amendment Act 2016**

Due for further review prior to MONTH 2023

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1. INTRODUCTION AND BACKGROUND

Section 131 of the Building Act 2004 requires territorial authorities to adopt a policy on dangerous and insanitary buildings, and to review this every five years. The requirement for this document to also include a policy on earthquake-prone buildings was removed by the Building (Earthquake-prone Buildings) Amendment Act 2016 and replaced with new national provisions now residing in Subpart 6A of the Building Act 2004. .

The policy is required to state:

1. The approach that the Westland District Council will take in performing its functions under the Building Act 2004;
2. Westland District Council's priorities in performing those functions; and
3. How the policy will apply to heritage buildings.

The policy is also now required by the Building Amendment Act 2013 to take into account affected buildings. "Affected buildings" are defined by section 121A of the Building Act 2004 as buildings adjacent to, adjoining, or nearby a dangerous building.

This document sets out the policy adopted by Westland District Council in accordance with the requirements of the Building Act 2004.

In developing, adopting and reviewing this policy, Westland District Council has followed the consultative procedure set out in section 83 of the Local Government Act 2002, as required by section 132 of the Building Act 2004.

In preparing and reviewing this policy, Westland District Council has made extensive use of the guidance documents provided by the Ministry of Business, Innovation and Employment and its predecessor agencies.

2. BUILDING ACT PRINCIPLES

Section 4 of the Building Act lays down the following principles to be applied in performing functions or duties or exercising powers under the Act:

- (2) *In achieving the purpose of this Act, a person to whom this section applies must take into account the following principles that are relevant to the performance of functions or duties imposed, or the exercise of powers conferred, on that person by this Act:*
- (a) *when dealing with any matter relating to 1 or more household units,—*
 - (i) *the role that household units play in the lives of the people who use them, and the importance of—*
 - (A) *the building code as it relates to household units; and*
 - (B) *the need to ensure that household units comply with the building code:*
 - (ii) *the need to ensure that maintenance requirements of household units are reasonable:*
 - (iii) *the desirability of ensuring that owners of household units are aware of the maintenance requirements of their household units:*
 - (b) *the need to ensure that any harmful effect on human health resulting from the use of particular building methods or products or of a particular building design, or from building work, is prevented or minimized:*
 - (c) *the importance of ensuring that each building is durable for its intended use:*
 - (d) *the importance of recognizing any special traditional and cultural aspects of the intended use of a building:*
 - (e) *the costs of a building (including maintenance) over the whole of its life:*
 - (f) *the importance of standards of building design and construction in achieving compliance with the building code:*
 - (g) *the importance of allowing for continuing innovation in methods of building design and construction:*
 - (h) *the reasonable expectations of a person who is authorized by law to enter a building to undertake rescue operations or firefighting to be protected from injury or illness when doing so:*
 - (i) *the need to provide protection to limit the extent and effects of the spread of fire, particularly with regard to—*
 - (i) *household units (whether on the same land or on other property); and*

- (ii) *other property:*
- (j) *the need to provide for the protection of other property from physical damage resulting from the construction, use, and demolition of a building:*
- (k) *the need to provide, both to and within buildings to which section 118 applies, facilities that ensure that reasonable and adequate provision is made for persons with disabilities to enter and carry out normal activities and processes in a building:*
- (l) *the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value:*
- (m) *the need to facilitate the efficient use of energy and energy conservation and the use of renewable sources of energy in buildings:*
- (n) *the need to facilitate the efficient and sustainable use in buildings of—*
 - (i) *materials (including materials that promote or support human health); and*
 - (ii) *material conservation:*
- (o) *the need to facilitate the efficient use of water and water conservation in buildings:*
- (p) *the need to facilitate the reduction in the generation of waste during the construction process.*
- (q) *the need to ensure that owners, designers, builders, and building consent authorities are each accountable for their role in ensuring that—*
 - (i) *the necessary building consents and other approvals are obtained for proposed building work; and*
 - (ii) *plans and specifications are sufficient to result in building work that (if built to those plans and specifications) complies with the building code; and*
 - (iii) *building work for which a building consent is issued complies with that building consent; and*
 - (iv) *building work for which a building consent is not required complies with the building code.*

3. DEFINITIONS OF BUILDINGS COVERED BY THIS POLICY

The definitions of dangerous, affected and insanitary buildings are set out in sections 121, 121A and 123 of the Building Act 2004 as follows:

121 Meaning of dangerous building

- (1) *A building is dangerous for the purposes of this Act if,—*

- (a) *in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—*
 - (i) *injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or*
 - (ii) *damage to other property; or*
 - (b) *in the event of fire, injury or death to any persons in the building or to persons on other property is likely.*
- (2) *For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority—*
- (a) *may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and*
 - (b) *if the advice is sought, must have due regard to the advice.*

121A Meaning of affected building

A building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—

- (a) *a dangerous building as defined in section 121; or*
- (b) *a dangerous dam within the meaning of section 153.*

(Note: Dangerous dams are dealt with by Regional Councils, so are not covered by this policy.)

123 Meaning of insanitary building

A building is insanitary for the purposes of this Act if the building—

- (a) *is offensive or likely to be injurious to health because—*
 - (i) *of how it is situated or constructed; or*
 - (ii) *it is in a state of disrepair; or*
- (b) *has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or*
- (c) *does not have a supply of potable water that is adequate for its intended use; or*
- (d) *does not have sanitary facilities that are adequate for its intended use.*

4. OVERALL APPROACH

4.1 Policy Principles

Westland District Council has noted that provisions of the Building Act 2004 in regard to dangerous and insanitary buildings reflect the government's broader concern with the health and safety of the public in buildings.

- Council is committed to ensuring that the Westland District is a safe and healthy place to live and work while also ensuring that the District continues to develop and thrive.

Westland District Council has also noted that the development of dangerous and insanitary building policies is up to each territorial authority to determine and has responded accordingly.

4.2 History of the Policy

This policy was first developed and finalised after due consultation with Westland District Council ratepayers and stakeholders in accordance with Section 83 of the Local Government Act 2002. This process involved a submission period and an opportunity for submitters to be heard before the Council decided on final policy content. As a result of that consultative approach, the Council resolved that no part of this policy will apply to Council and Transit New Zealand (now New Zealand Transport Agency)_infrastructure covered by an Asset Management Plan.

The first review of the policy commenced in February 2011 with consultation with the public and building owners. The Council also took advice from a structural engineer who had experience with the aftermath and repair of buildings in Christchurch subsequent to the September 2010 and February 2011 earthquakes.

The second review was due by November 2016, but this review was delayed until 2018 due to the 2016 central government work that led to the Building (Earthquake-prone Buildings) Amendment Act 2016, which came into force on 1 July 2017. This legislative amendment removed the requirement for Council to have an Earthquake-prone Buildings Policy and removed the legal effect of any part of this policy applying to earthquake-prone buildings. The remaining parts of the policy relating to Dangerous and Insanitary Buildings have retained legal effect pending the 2018 review. Section 132 (5) of the Building Act 2004 makes it clear that "A policy does not cease to have effect because it is due for review or being reviewed."

4.3 District Characteristics

The built environment of the Westland District has developed over the last 150 years. European settlement has largely been based around the original early settlements. Construction of buildings has been according to the standards and styles of the period.

Local buildings comprise a range of types and ages with construction techniques ranging from wood and unreinforced masonry buildings to a few modern multi-storey steel and concrete buildings. The great majority of buildings are one or two-storey only.

Westland District Council has experienced a period of steady growth that reflected the confidence in greater agricultural productivity, a growth in tourist activity, increased land prices and an influx of new residents. Tourism activity in particular remains on the rise.

In developing this policy, the Westland District Council must balance the need to protect public health and safety against the economic implications of requiring significant remedial building work and the community's desire to protect heritage structures.

5. DANGEROUS AND INSANITARY BUILDINGS POLICY

5.1 Policy Approach

Conversions of existing buildings, lack of maintenance, lack of appropriate facilities, overcrowding and un-consented alterations can cause serious health and safety problems.

The failure to obtain a building consent or the use of buildings for unauthorised purposes can pose a danger to the occupants as well as users. Dangers may include danger of collapse, inadequate fire protection or means of escape.

The development of the New Zealand Building Code and associated standards has created, over time, an effective "raising of the bar" for the standards which buildings and Building Owners must meet. Existing buildings must be maintained appropriately in order to continue to meet such standards.

The Council is actively involved in educating the public on Building Act matters with a view to encourage owners to obtain building consent where necessary.

Westland District Council recognises that West Coasters have a range of financial circumstances and preferences as to the style and condition of buildings they want to live and work in. At the same time, the Council treats building safety as a serious matter; buildings must be safe for their intended use and for Occupiers.

Accordingly, in applying the “offensive” trigger for insanitary building classification under Section 123 of the Building Act, the Council will prioritize human health and wellbeing rather than aesthetics. A building simply looking poorly maintained might offend some people, but would not normally trigger an insanitary building classification, unlike a building that released objectionable odours or discharges. The other triggers for an insanitary building classification, (“is...likely to be injurious to health”, “has insufficient or defective provisions against moisture penetration so as to cause dampness in the building...”, “does not have a supply of potable water that is adequate for its intended use”, or “does not have sanitary facilities that are adequate for its intended use”) are less subjective than the “offensive” trigger, and it is clear how the Council will be guided by these.

Similarly, the Section 121 definition of a dangerous building is focused on avoiding injury, death or property damage - more tangible and less subjective outcomes than avoiding offence – so the Council will be clearly guided by this definition.

5.2 Identifying Dangerous or Insanitary Buildings, and Affected Buildings

The Council will identify potentially dangerous or insanitary buildings, and affected buildings, on the basis of:

1. Complaints from members of the public.
2. Advice received from Council staff.
3. Complaints or advice from other agencies (e.g. local health providers, NZ Police, trades people).

5.3 Assessment/Prioritisation Criteria

The Council will assess potentially dangerous or insanitary buildings, and affected buildings, in accordance with sections 121, 121A, or 123 of the Act as appropriate and in terms of the level of risk to public health, safety or property that is presented.

The Council will give priority to buildings that have been determined to present such a high level of risk as to warrant immediate action to remove the risk.

Options for such immediate action include:

- Prohibiting any person from occupying or using the building;

- If necessary, erecting barriers and warning signs, plus securing the building to prevent entry until such time as remedial action can be taken;
- Except in the case of affected buildings, undertaking remedial action under s129 of the Building Act. Note that, in the case of insanitary buildings, the Council reserves the right to use its powers to abate nuisance available under s34 of the Health Act 1956.

Where the Council undertakes remedial action under either s129 of the Building Act or s34 of the Health Act, all costs will be recoverable from the building owner(s) as provided for in the relevant legislation.

Buildings that are determined to present a serious risk which is not immediate will be subject to the minimum timeframes for reduction or removal of the danger or preventing the building from remaining insanitary (being not less than 10 days) as set out in s125(1) (d) of the Act.

In addition to remedial action, the Building Act 2004 also empowers the Council to prosecute Building Owners. And this power may be considered at times by the Council.

5.4 Investigation and Enforcement Process – Dangerous, Affected or Insanitary Buildings

The Council will:

1. Respond to and investigate all building complaints received.
2. Identify from these investigations any buildings that are dangerous or insanitary.
3. Identify any ‘affected buildings’ that are (according to the definition in s121A of the Building Act) “adjacent to, adjoining or nearby...a dangerous building.” Simply being “nearby” to a dangerous building will not necessarily make a building “affected” if there is deemed to be a low likelihood of any impact on it from the dangerous building. Buildings that are “adjacent to” or “adjoining” the dangerous building are generally more likely to be considered affected. Each determination will be made on a case-by-case basis depending on the nature and extent of the danger, and the location and characteristics of the potentially affected buildings.
4. Assess the level of risk presented by the building (or, in the case of an affected building, *to* the building) and, if required, take immediate action.

5. Except in the case of an affected building, inform the owner and occupier of the building to take action to reduce or remove the danger or insanitary condition, as required by s124 and s125 of the Act.
6. Liaise with Fire and Emergency New Zealand when Council deems it appropriate, in accordance with s121 (2) of the Act which provides that:

“For the purpose of determining whether a building is dangerous in terms of subsection (1) (b), a territorial authority-

(a) may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
(b) If the advice is sought, must have due regard to the advice.”

7. Where the building is a heritage building listed in Council’s District Plan or a building listed in the Heritage List / Rārangī Kōrero, Heritage New Zealand shall also be advised and consulted.

If the building is found to be dangerous or insanitary but does not present an immediate risk the Council may:

8. Put up a hoarding or fence to prevent people from approaching the building nearer than is safe.
9. Attach in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building.
10. Issue a notice that complies with Section 125(1) of the Building Act 2004 requiring work to be carried out on the building, within a time stated in the notice being not less than 10 days, to reduce or remove the danger or prevent the building from remaining insanitary. Such a notice must be in writing, fixed to the building in question, state whether a building consent is required, and be given to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.
11. Issue a notice that complies with Section 125(1A) of the Building Act, restricting entry to the building for particular persons or groups of persons. Such a notice must be in writing, be fixed to the building in question, and be given to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.

12. Contact the owner at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with.
13. Where the danger is the result of non-consented building work, request the owner to provide an explanation as to how the work occurred and who carried it out and under whose instructions.
14. If notices are not complied with, pursue enforcement action under the Building Act 2004 and Health Act 1956 and recover actual and reasonable costs.

If the building is found to be an affected building, but does not present an immediate risk, the Council may:

15. Put up a hoarding or fence to prevent people from approaching the building nearer than is safe.
16. Attach in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building.
17. Issue a notice that complies with Section 125(1A) of the Building Act, restricting entry to the building for particular persons or groups of persons. Such a notice must be in writing, be fixed to the building in question, and be given to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.
18. If notices are not complied with, pursue enforcement action under the Building Act 2004 and recover actual and reasonable costs.

5.5 Interaction between this Policy and Related Sections of the Act

Section 41 of the Building Act 2004 provides for situations where, because of the urgency of the work to be done, it is not practical to apply for a building consent before the work is undertaken. In cases where a building is assessed as being immediately dangerous the Council may not require a building consent to be obtained for any building work considered to be immediately necessary to remove the danger. However, prior to any action being taken it is essential that building owners provide a written proposal of any proposed works to the Council for agreement on the matter.

5.6 Record Keeping

Any buildings identified as being dangerous or insanitary will have a requisition placed on the Council's records for the property on which the building is situated until the danger or insanitary condition is remedied.

In addition, the information will be placed on any Land Information Memorandum (LIMs) and will be available for public release in accordance with the provisions of Local Government Official Information and Meetings Act 1987.

6. **HERITAGE BUILDINGS**

Heritage buildings are those listed in Council's District Plan Schedule, Marae and buildings listed in the New Zealand Heritage List / Rārangī Kōrero. The Building Act 2004 recognises that special provision shall be made for such buildings. Westland District Council believes it is important that its heritage buildings are maintained so they are not dangerous or insanitary, in order to protect people and retain these important connections to the District's history and unique character. However, Westland District Council does not wish to see the intrinsic heritage values of these buildings adversely affected by building work.

Heritage buildings will be assessed in the same manner as other potentially dangerous or insanitary buildings (as per ss121-123 of the Act), and discussions will be entered into with the owner and Heritage New Zealand (pursuant to s125(2)(f) where the building is contained in their List) to identify a mutually acceptable way forward which meets heritage objectives and Building Act requirements included in this Policy as near as is reasonably practicable in the circumstances.

Council will serve notices requiring upgrading or demolition or part demolition within specified timeframes, and/or restricting entry, in consultation with building owners. A copy of any notice issued under s124 of the Act will be sent to Heritage New Zealand in the case of all heritage buildings. Any upgrading work must take into account the principles of the International Council on Monuments and Sites (ICOMOS) NZ Charter, any advice from Council's heritage staff or other heritage professionals or organizations where applicable, and should be designed to involve minimal loss to heritage fabric.

In addition and in consultation with the building owner, an option exists to close part or parts of a heritage building until such time as an appropriate remedial solution can be found.

Demolition is an option of last resort for heritage buildings.

7. OBJECTIONS

In the first instance, building owners or other directly affected parties who wish to object to a building being (or not being) declared dangerous, affected or insanitary should record their objections in writing to the Council's Chief Executive Officer, who will undertake an investigation of the circumstances of the building and the reasons behind the Council's decision on the matter and arrange for the Council or an appropriate Committee to review the decision and if necessary to hear evidence from parties involved. The Council's decision will be provided by way of response to an objection.

The Council reserves the right to recover actual and reasonable costs incurred in conducting review and objection processes, in accordance with fees set from time to time.

Priority will be given to objections where the building has been declared to be of such a risk as to require immediate remedial action so that no undue delays are caused.

7.1 Determinations

Further legal remedies and application to the Ministry of Business, Innovation and Employment for a Determination are also available to Building Owners. Building owners and a variety of other interested parties can formally object to the Council's decision through the right to apply to the Chief Executive of the Ministry of Business, Innovation and Employment for a determination. Determinations can be applied for concerning the Council's decisions to issue or not issue a consent or code compliance certificate, or to exercise its powers concerning dangerous, affected or insanitary buildings. Sections 176 – 190 of the Building Act lay out the requirements for determinations.

8. ECONOMIC IMPACT OF POLICY

The economic impact of this policy is assessed as being minor, since there are relatively few issues arising with respect to dangerous and insanitary buildings each year.

9. REVIEW

Pursuant to section 132 of the Building Act 2004 this policy is required to be reviewed by the Council every 5 years. Any amendment or replacement of the policy must be in accordance with the Local Government Act 2002 Special Consultative Procedure.

This policy was first adopted by the Westland District Council on Thursday 21 September 2006.

It was first reviewed and amended in 2011 and was adopted on 25 August 2011 for the purposes of commencing the special consultative procedure pursuant to Section 132 of the Building Act 2004.

The revised Policy was adopted after amendments were made as a result of the special consultative procedure on 24 November 2011.

A further review was undertaken in 2018 and a proposed revised Policy was adopted on 23 August 2018 for the purposes of commencing the special consultative procedure. The revised Policy was adopted after amendments were made as a result of the special consultative procedure on DATE.

The policy is due for review by DATE.

[Appendix 3*](#)

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**DANGEROUS, ~~EARTHQUAKE PRONE~~ AND
INSANITARY BUILDINGS POLICY**



[NEW PHOTO ABOVE: DANGEROUS OR INSANITARY BUILDING (NOT IN DISTRICT)]

FIRST Adopted by Council on Thursday 21 September 2006

Reviewed during 2011 and amended as a result of the special consultative procedure

Reviewed again in 2018 and amended as a result of the special consultative procedure and the Building (Earthquake-prone Buildings) Amendment Act 2016

Due for **further** review prior to **November 2016**MONTH 2023

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7

1. INTRODUCTION AND BACKGROUND

Section 131 of the Building Act, 2004 requires territorial authorities to adopt a policy on dangerous, ~~earthquake-prone~~ and insanitary buildings, and to review this every five years. The requirement for this document to also include a policy on earthquake-prone buildings was removed by the Building (Earthquake-prone Buildings) Amendment Act 2016 and replaced with new national provisions now residing in Subpart 6A of the Building Act 2004. by 31 May 2006.

~~This document sets out the policy adopted by Westland District Council in accordance with the requirements of the Building Act, 2004.~~

The policy is required to state:

1. The approach that the Westland District Council will take in performing its functions under the Building Act 2004;
2. Westland District Council's priorities in performing those functions; and
3. How the policy will apply to heritage buildings.

The policy is also now required by the Building Amendment Act 2013 to take into account affected buildings. "Affected buildings" are defined by section 121A of the Building Act 2004 as buildings adjacent to, adjoining, or nearby a dangerous building.

~~This document sets out the policy adopted by Westland District Council in accordance with the requirements of the Building Act 2004.~~

In developing, ~~and adopting~~ and reviewing its earthquake-prone buildings ~~this~~ policy, Westland District Council has followed the consultative procedure set out in section 83 of the Local Government Act 2002, as required by section 132 of the Building Act 2004.

In preparing and reviewing this policy, Westland District Council has made extensive use of the ~~Department of Building and Housing's~~ guidance documents provided by the Ministry of Business, Innovation and Employment and its predecessor agencies.

2. BUILDING ACT PRINCIPLES

Section 4 of the Building Act lays down the following principles to be applied in performing functions or duties or exercising powers under the Act: ~~The subclauses appropriate to this policy are as follows:~~

- (2) *In achieving the purpose of this Act, a person to whom this section applies must take into account the following principles that are relevant to the performance of functions or duties imposed, or the exercise of powers conferred, on that person by this Act:*
- (a) *when dealing with any matter relating to 1 or more household units, —*
 - (i) *the role that household units play in the lives of the people who use them, and the importance of—*
 - (A) *the building code as it relates to household units; and*
 - (B) *the need to ensure that household units comply with the building code:*
 - (ii) *the need to ensure that maintenance requirements of household units are reasonable:*
 - (iii) *the desirability of ensuring that owners of household units are aware of the maintenance requirements of their household units:*
 - (b) *the need to ensure that any harmful effect on human health resulting from the use of particular building methods or products or of a particular building design, or from building work, is prevented or ~~minimised~~ minimized:*
 - (c) *the importance of ensuring that each building is durable for its intended use:*
 - (d) *the importance of ~~recognising~~ recognizing any special traditional and cultural aspects of the intended use of a building:*
 - (e) *the costs of a building (including maintenance) over the whole of its life:*
 - (f) *the importance of standards of building design and construction in achieving compliance with the building code:*
 - (g) *the importance of allowing for continuing innovation in methods of building design and construction:*
 - (h) *the reasonable expectations of a person who is ~~authorised~~ authorized by law to enter a building to undertake rescue operations or firefighting to be protected from injury or illness when doing so:*
 - (i) *the need to provide protection to limit the extent and effects of the spread of fire, particularly with regard to—*
 - (i) *household units (whether on the same land or on other property); and*

- (ii) other property:
- (j) the need to provide for the protection of other property from physical damage resulting from the construction, use, and demolition of a building:
- (k) the need to provide, both to and within buildings to which section 118 applies, facilities that ensure that reasonable and adequate provision is made for ~~people~~ persons with disabilities to enter and carry out normal activities and processes in a building:
- (l) the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value:
- (m) the need to facilitate the efficient use of energy and energy conservation and the use of renewable sources of energy in buildings:
- (n) the need to facilitate the efficient and sustainable use in buildings of—
 - (i) materials (including materials that promote or support human health); and
 - (ii) material conservation:
- (o) the need to facilitate the efficient use of water and water conservation in buildings:
- (p) the need to facilitate the reduction in the generation of waste during the construction process.
- (q) the need to ensure that owners, designers, builders, and building consent authorities are each accountable for their role in ensuring that—
 - (i) the necessary building consents and other approvals are obtained for proposed building work; and
 - (ii) plans and specifications are sufficient to result in building work that (if built to those plans and specifications) complies with the building code; and
 - (iii) building work for which a building consent is issued complies with that building consent; and
 - (iv) building work for which a building consent is not required complies with the building code.

3. DEFINITIONS OF BUILDINGS COVERED BY THIS POLICY

The definitions of dangerous, ~~earthquake-prone~~affected and insanitary buildings are set out in sections 121, ~~121A and~~ 123 of the Building Act 2004 as follows:

121 Meaning of dangerous building

- (1) A building is dangerous for the purposes of this Act if, —

- (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause –
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
 - (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely ~~because of fire hazard or the occupancy of the building.~~
- (2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority –
- (a) may seek advice from ~~members of the New Zealand Fire Service employees, volunteers, and contractors of Fire and Emergency New Zealand~~ who have been notified to the territorial authority by the ~~Fire Service National Commanderboard of Fire and Emergency New Zealand~~ as being competent to give advice; and
 - (b) if the advice is sought, must have due regard to the advice.

122 ~~Meaning of earthquake-prone building~~

- ~~(1) A building is earthquake prone for the purposes of this Act if, having regard to its condition and to the ground on which it is built, and because of its construction, the building –~~
 - ~~(a) will have its ultimate capacity exceeded in a moderate earthquake (as defined in the regulations); and~~
 - ~~(b) would be likely to collapse causing –~~
 - ~~(i) injury or death to persons in the building or to persons on any other property; or~~
 - ~~(ii) damage to any other property.~~
- ~~(2) Subsection (1) does not apply to a building that is used wholly or mainly for residential purposes unless the building –~~
 - ~~(a) comprises 2 or more storeys; and~~
 - ~~(b) contains 3 or more household units.~~

The definition of moderate earthquake is laid down in the Building Regulations, 2005 as:

~~“... in relation to a building, an earthquake that would generate shaking at the site of the building that is of the same duration as, but that is one third as strong as, the earthquake shaking (determined by normal measures of acceleration, velocity and displacement) that would be used to design a new building at the site.”~~

121A Meaning of affected building

- A building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—
- (a) a dangerous building as defined in section 121; or
- (b) a dangerous dam within the meaning of section 153.

(Note: Dangerous dams are dealt with by Regional Councils, so are not covered by this policy.)

123 Meaning of insanitary building

A building is insanitary for the purposes of this Act if the building —

- (a) is offensive or likely to be injurious to health because —*
 - (i) of how it is situated or constructed; or*
 - (ii) it is in a state of disrepair; or*
- (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or*
- (c) does not have a supply of potable water that is adequate for its intended use; or*
- (d) does not have sanitary facilities that are adequate for its intended use.*

4. OVERALL APPROACH

4.1 Policy Principles

Westland District Council has noted that provisions of the Building Act 2004 in regard to dangerous, ~~earthquake prone~~ and insanitary buildings reflect the government’s broader concern with the health and safety of the public in buildings ~~and, more particularly, the need to address human safety in the event of an earthquake.~~

Council is committed to ensuring that the Westland District is a safe and healthy place to live and work while also ensuring that the District continues to develop and thrive. ~~This policy supports the following outcomes from the Westland District Long Term Plan:~~

- ~~● Community Outcome — Health: Healthy communities with access to quality facilities and services.~~
- ~~● Community Outcome — Safety: A District that is a safe place to live.~~
- ~~● Community Outcome — Environment: The distinctive character of the environment is appreciated and maintained.~~

- ~~Community Outcome—Identity: A “happening” region with a strong community spirit and distinctive lifestyle.~~

Westland District Council has also noted that the development of dangerous, ~~earthquake prone~~ and insanitary building policies is up to each territorial authority to determine and has responded accordingly.

4.2 History of the Policy

This policy was first developed and finalized after due consultation with Westland District Council ratepayers and stakeholders in accordance with Section 83 of the Local Government Act 2002. This process involved a submission period and an opportunity for submitters to be heard before the Council decided on final policy content. As a result of that consultative approach, the Council resolved that no part of this policy will apply to Council and Transit New Zealand (now New Zealand Transport Agency) infrastructure covered by an Asset Management Plan.

The first review of the policy commenced in February 2011 with consultation with the public and building owners. The Council also took advice from a structural engineer who had experience with the aftermath and repair of buildings in Christchurch subsequent to the September 2010 and February 2011 earthquakes.

The second review was due by November 2016, but this review was delayed until 2018 due to the 2016 central government work that led to the Building (Earthquake-prone Buildings) Amendment Act 2016, which came into force on 1 July 2017. This legislative amendment removed the requirement for Council to have an Earthquake-prone Buildings Policy and removed the legal effect of any part of this policy applying to earthquake-prone buildings. The remaining parts of the policy relating to Dangerous and Insanitary Buildings have retained legal effect pending the 2018 review. Section 132 (5) of the Building Act 2004 makes it clear that “A policy does not cease to have effect because it is due for review or being reviewed.”

4.3~~2~~ District Characteristics

The built environment of the Westland District has developed over the last 150 years. European settlement has largely been based around the original early settlements. Construction of buildings has been according to the standards and styles of the period.

Local buildings comprise a range of types and ages with construction techniques ranging from wood and unreinforced masonry buildings to a few modern multi-storey steel and concrete buildings. The great majority of buildings are one or two-storey only.

Westland District Council has experienced a period of steady growth that reflected the confidence in greater agricultural productivity, a growth in tourist activity, increased land prices and an influx of new residents. Tourism activity in particular remains on the rise.

~~Westland District is in a zone of high to moderate seismic activity, with the alpine fault bordering the district, but due to the mountainous terrain—a very low density of building stock exists close to the Main Divide. Farm Buildings and Recreational Huts make up the greater percentage of buildings in this higher risk location of the District. However, the townships of Franz Josef/Waiaua and Fox Glacier are in very close proximity to the alpine fault.~~

~~It is estimated that a movement in the alpine fault could produce shaking intensities in the region of 8 on the Modified Mercalli Scale over much of the District with intensities of 9 on the Mercalli Scale being experienced in the immediate vicinity of the fault line. (Reference: “Probability and Consequences of the Next alpine fault Earthquake—Geotech Consulting Ltd”). Additionally, it is estimated that the next large to great earthquake rupture has a likelihood of being between 25%–33% probability in the next 50 years.~~

In developing this policy, the Westland District Council must balance the need to protect public health and safety against the economic implications of requiring significant remedial building work and the community’s desire to protect heritage structures.

~~Dangerous and Insanitary Buildings are addressed in this first part of the Policy, while Earthquake Risk Buildings are addressed in the second part.~~

5. DANGEROUS AND INSANITARY BUILDINGS POLICY

5.1 Policy Approach

Conversions of existing buildings, lack of maintenance, lack of appropriate facilities, overcrowding and un-consented alterations can cause serious health and safety problems.

The failure to obtain a building consent or the use of buildings for unauthorised purposes can pose a danger to the occupants as well as users. Dangers may include danger of collapse, inadequate fire protection or means of escape.

The development of the New Zealand Building Code and associated standards has created, over time, an effective “raising of the bar” for the standards which buildings and Building Owners must meet. Existing buildings must be maintained appropriately in order to continue to meet such standards.

The Council is actively involved in educating the public on Building Act matters with a view to encourage owners to obtain building consent where necessary.

Westland District Council recognises that West Coasters have a range of financial circumstances and preferences as to the style and condition of buildings they want to live and work in. At the same time, ~~t~~The Council treats building safety as a serious matter; buildings must be safe for their intended use and for Occupiers.

Accordingly, in applying the “offensive” trigger for insanitary building classification under Section 123 of the Building Act, the Council will prioritise/prioritize human health and wellbeing rather than aesthetics. A building simply looking poorly maintained might offend some people, but would not normally trigger an insanitary building classification, unlike a building that released objectionable odours or discharges. The other triggers for an insanitary building classification, (“is...likely to be injurious to health”, “has insufficient or defective provisions against moisture penetration so as to cause dampness in the building...”, “does not have a supply of potable water that is adequate for its intended use”, or “does not have sanitary facilities that are adequate for its intended use”) are less subjective than the “offensive” trigger, and it is clear how the Council will be guided by these.

Similarly, the Section 121 definition of a dangerous building is focused on avoiding injury, death or property damage—damage - more tangible and less subjective outcomes than avoiding offence – so the Council will be clearly guided by this definition.

5.2 Identifying Dangerous or Insanitary Buildings, Buildings, and Affected Buildings

The Council will identify potentially dangerous or insanitary buildings, and affected buildings, on the basis of:

1. Complaints from members of the public.
2. Advice received from Council staff.
3. Complaints or advice from other agencies (e.g. local health providers, NZ Police, trades people).

5.3 Assessment/~~Prioritisation~~Prioritization Criteria

The Council will assess potentially dangerous or insanitary buildings, and affected buildings, in accordance with sections 121~~(1)~~, 121A, or 123 of the Act as appropriate and in terms of the level of risk to public health, ~~or~~ safety or property that is presented.

The Council will give priority to buildings that have been determined to present such a high level of risk as to warrant immediate action to remove the risk.

Options for such immediate action include:

- Prohibiting any person from occupying or using the building;
- If necessary, erecting barriers and warning signs, plus securing the building to prevent entry until such time as remedial action can be taken;
- Except in the case of affected buildings, undertaking remedial action under s129 of the Building Act. Note that, in the case of insanitary buildings, the Council reserves the right to use its powers to abate nuisance available under s34 of the Health Act, 1956.

Where the Council undertakes remedial action under either s129 of the Building Act or s34 of the Health Act, all costs will be recoverable from the building owner(s) as provided for in the relevant legislation.

Buildings that are determined to present a serious risk which is not immediate will be subject to the minimum timeframes for reduction or removal of the danger or preventing the building from remaining insanitary (being not less than 10 days) as set out in s1254(1) (de) of the Act.

In addition to remedial action, the Building Act 2004 also empowers the Council to prosecute Building Owners. and And this power may be considered at times by the Council.

5.4 Investigation and Enforcement Process -- Dangerous, Affected -or Insanitary Buildings

The Council will:

1. Respond to and investigate all building complaints received.
2. Identify from these investigations any buildings that are dangerous or insanitary.
3. Identify any 'affected buildings' that are (according to the definition in s121A of the Building Act) "adjacent to, adjoining or nearby...a dangerous building." Simply being "nearby" to a dangerous building will not necessarily make a building "affected" if there is deemed to be a low likelihood of any impact on it from the dangerous building. Buildings that are "adjacent to" or "adjoining" the dangerous building are generally more likely to be considered affected. Each determination will be made on a case-by-case basis depending on the nature and extent of the danger, and the location and characteristics of the potentially affected buildings.
4. Assess the level of risk presented by the building (or, in the case of an affected building, to the building) and, if required, take immediate action.

54. ~~Except in the case of an affected building, i~~Inform the owner and occupier of the building to take action to reduce or remove the danger or insanitary condition, as required by s124 and s125 of the Act.

65. Liaise with ~~the New Zealand Fire Service~~Fire and Emergency New Zealand when Council deems it appropriate, in accordance with s121 (2) of the Act which provides that:

"For the purpose of determining whether a building is dangerous in terms of ~~s121~~ subsection (1) (b), a territorial authority-

- (a) ~~m~~May seek advice from ~~members of the New Zealand Fire Service~~employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the ~~Fire Service National Commander~~board of Fire and Emergency New Zealand as being competent to give advice; and
- (b) *If the advice is sought, must have due regard to the advice."*

76. Where the building is a heritage building listed in Council's District Plan or a building listed in the ~~New Zealand Historic Places Register~~Heritage List / Rārangī Kōrero, ~~the New Zealand Historic Places Trust~~Heritage New Zealand shall also be advised and consulted.

If the building is found to be dangerous or insanitary but does not present an immediate risk the Council may:

87. Put up a hoarding or fence to prevent people from approaching the building nearer than is safe.

9. Attach in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building.

10. ~~Attach written notice to the building~~Issue a notice that complies with Section 125(1) of the Building Act 2004 requiring work to be carried out on the building, within a time stated in the notice being not less than 10 days, to reduce or remove the danger or prevent the building from remaining insanitary. Such a notice must be in writing, fixed to the building in question, state whether a building consent is required, and be given

8. ~~Give copies of that notice~~ to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as ~~the New Zealand Historic Places Trust~~Heritage New Zealand, if the building is a registered heritage building.

119. Issue a notice that complies with Section 125(1A) of the Building Act, restricting entry to the building for particular persons or groups of persons. Such a notice

must be in writing, be fixed to the building in question, and be given to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.

12. Contact the owner at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with.
13. Where the danger is the result of non-consented building work, ~~the owner will formally be requested~~request the owner to provide an explanation as to how the work occurred and who carried it out and under whose instructions.
14. ~~If notices are not complied with, p~~Pursue enforcement action under the Building Act 2004 and Health Act 1956 and recover actual and reasonable costs.

~~All owners have a right of objection as defined in the Act, which can include applying to the Department of Building and Housing for a determination under s 177(e) of the Act. However a formal objection process will be available whereby written objections may be lodged with the Council for a hearing and review by the Council or an appropriate Council Committee. Council will reserve the right to recover costs of this process from Objectors and/or Building Owners.~~

If the building is found to be an affected building, but does not present an immediate risk, the Council may:

15. Put up a hoarding or fence to prevent people from approaching the building nearer than is safe.
16. Attach in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building.
17. Issue a notice that complies with Section 125(1A) of the Building Act, restricting entry to the building for particular persons or groups of persons. Such a notice must be in writing, be fixed to the building in question, and be given to the building owner, occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.
18. If notices are not complied with, pursue enforcement action under the Building Act 2004 and recover actual and reasonable costs.

5.5 Interaction between this Policy and Related Sections of the Act

Section 41 of the Building Act 2004 provides for situations where, because of the urgency of the work to be done, it is not practical to apply for a building consent before the work is undertaken. In cases where a building is assessed as being immediately dangerous the Council may not require a building consent to be obtained for any building work considered to be immediately necessary to remove the danger. However, prior to any action being taken it is essential that building owners provide a written proposal of any proposed works to the Council for agreement on the matter.

5.6 Record Keeping

Any buildings identified as being dangerous or insanitary will have a requisition placed on the Council's records for the property on which the building is situated until the danger or insanitary condition is remedied.

In addition, the information will be placed on any Land Information Memorandum (LIMs) and will be available for public release in accordance with the provisions of Local Government Official Information and Meetings Act 1987.

~~6. EARTHQUAKE PRONE BUILDINGS POLICY~~

~~6.1 Policy Approach~~

~~Because of the high to moderate seismic risk, with the alpine fault extending through the length of the District, Westland District Council has pursued a policy of encouraging the strengthening of earthquake prone buildings through the building consent process and at times when alterations are being considered. It was clear during the review of the original policy that building owners took the opportunity of undertaking seismic upgrading work when other building work was carried out.~~

~~In developing this policy further the Westland District Council must balance the need to protect public health and safety against the economic implications of requiring significant remedial building work and the community's desire to protect heritage structures. In some instances, property owners have acted on their own accord and have carried out strengthening work.~~

~~Some buildings have also been strengthened in accordance with the requirements of Section 46 of the Building Act 1991 and as a result of the previous version of this policy.~~

~~In developing its approach to this policy, Westland District Council has to consider key issues of:~~

- ~~Economic impacts of progressively strengthening building stock in anticipation of an earthquake that could damage the building stock.~~
- ~~Economic impacts of NOT strengthening building stock and incurring the cost of repair / replacement all at the same time and at the same time that infrastructure may be damaged and require repair as the result of an earthquake.~~
- ~~The level of risk to human life and safety which can be tolerated over both the short and long term if building strengthening is delayed.~~

~~In considering the key issues, the Council needs to achieve a balance between a number of conflicting issues and concerns:~~

- ~~The safety of the public when an earthquake event occurs.~~
- ~~The likelihood, severity and potential timing of a major earthquake and effects on different locations within the District.~~
- ~~The economic impact on the District of a major earthquake.~~
- ~~The relative age and condition of non-residential buildings within the District.~~
- ~~The costs of undertaking a comprehensive review of potentially earthquake-prone buildings and the availability of funding for this work.~~
- ~~The costs of planned and progressive strengthening of buildings versus the economic impact of catastrophic failures caused by an earthquake.~~
- ~~The costs to building owners of undertaking various levels of strengthening work and the potential economic impact (including loss of businesses) to the District.~~
- ~~The risk that buildings which are uneconomic to strengthen will be demolished and that the character of the built environment in Westland District will alter as a result.~~
- ~~The potential loss of heritage buildings as the result of this process.~~
- ~~The need for statutory compliance by Building Owners and the Council.~~

~~Westland District Council's Earthquake-Prone Building Policy needs to reflect Council's approach to reduce earthquake risk over time, but in a way that is acceptable~~

~~to its ratepayers in terms of the key well-beings; economic, social, environmental and cultural.~~

~~6.2 Identifying Earthquake-Prone Buildings~~

~~As part of the policy review process, a list of buildings in Westland considered to be "possible earthquake-prone buildings" was compiled (acknowledged to be a desktop exercise and not an exhaustive list) and the Council has elected to liaise with the owners of those buildings about this policy.~~

~~The following criteria will now apply;~~

- ~~1. When a Building Consent Application is received; or;~~
- ~~2. When a "Change the Use" occurs; or~~
- ~~3. When complaints are made or concern is received about the state of a building and the Council considers there are grounds for further investigation and assessment.~~

~~Notwithstanding the above, any building identified as earthquake-prone shall be modified to compliance with NBS within 10 years of the adoption of this policy.~~

- ~~4. When information is received by the Council that confirms a building subject to this policy is earthquake-prone.~~

~~6.2.1 Building Consent Applications~~

~~On receipt of an application for a Building Consent relating to alterations to an existing building involving an alteration greater than 30% of the existing building, the Council will require an assessment of structural strength of the entire building or parts of the building. Such an assessment will address whether or not the building could be earthquake-prone.~~

~~Where a Building Consent is applied for and a satisfactory assessment of structural strength of the building, or relevant parts of the building, has NOT been accepted by the Council, then a Building Consent will not be issued or progressed further, until the Council has been satisfied that the building currently meets the minimum requirements of this policy for structural strength, or will do so upon completion of the proposed works.~~

~~6.2.2 "Change the Use" Applications~~

~~All owners wishing to change the use of a building must advise the Council of their intentions and the Council must be satisfied that the requirements of~~

~~section 115 of the Building Act 2004 can be met after the change of use has occurred.~~

~~Section 115 of the Act requires that, where the use of a building changes, and prior to issuing a code compliance certificate, the Council must be:~~

~~*“satisfied, on reasonable grounds, that the building, in its new use, will –
(i) comply, as nearly as is reasonably practicable and to the same extent as if it were a new building, with the provisions of the building code that relate to –
(A) means of escape from fire, protection of other property, sanitary facilities, structural performance...”*~~

~~6.2.3 Complaints~~

~~Potentially earthquake prone buildings may also be identified as the result of complaints about a specific building or following investigations into complaints about dangerous or insanitary buildings.~~

~~6.2.4 Ten year period~~

~~Any building not subject to the criteria provided for in 6.2.1 – 6.2.3 (above) and identified as being earthquake prone must be modified to the standard described in 6.3.2 within a period of 10 years.~~

~~6.2.5 Other information~~

~~Additionally, information is made available to the Council from time to time that indicates that particular buildings are (or could be) earthquake prone. Such information will be used, where appropriate, to place buildings on the Earthquake Prone Buildings Register.~~

~~6.3 Assessment and Strengthening Criteria~~

~~For practical purposes relating to this policy, Westland District Council will define earthquake prone buildings as those that have ultimate strength less than 33% of the strength required under the earthquake loading standards for new buildings, (New Building Standard), with the exception of those buildings that have special strategic “Life Lines” importance to Westland District as set out in Section 6.3.2 of this policy.~~

~~The Council will require prior assessment and reporting by an appropriately qualified person or persons of the structural strength of a building, at the Building Owner’s expense. Such assessment will be provided to the Council before a Building Consent is issued for any structural work on the building or parts of the building.~~

~~Where the building (or part of the building) is assessed as being potentially earthquake prone the Council will require the building owner to undertake, the~~

~~strengthening work detailed in the Structural Strength Assessment Report that has been accepted by the Council in conjunction with the work that prompted the need for the assessment.~~

~~Notwithstanding the above, if at any time a building poses a risk to persons or property due to the risk of partial or total collapse in an earthquake, then the Council may declare the building dangerous and proceed in accordance with adopted policy in that regard.~~

~~6.3.1 Assessment Process, Criteria and Cost~~

~~Assessment of whether or not a building is earthquake prone will be undertaken by an appropriately qualified person – i.e. a Chartered Professional Engineer with expertise in Earthquake Engineering and preferably recognised by the New Zealand Society of Earthquake Engineers. The Council anticipates that in the majority of occasions that the Building Owner will commission Structural Strength Assessment Reports on affected buildings. However the Council recognizes, that at times to fulfill its statutory obligations, some investigation and assessment may have to be commissioned by the Council and recovered from the Building Owner.~~

~~In addition to the more generic risks of the likely probability and magnitude of an earthquake affecting the building, assessments will take into account the following factors specific to the building and its site:~~

- ~~• Hazard – geographic proximity to an earthquake hazard/fault line.~~
- ~~• Vulnerability of site – building site conditions, especially with regard to liquefaction risk and soil types.~~
- ~~• Vulnerability of building – construction methods, materials, maintenance, current condition, height, design and loadings.~~
- ~~• Importance – of building and/or contents, e.g. strategic value of the building.~~
- ~~• Damage – risk of the building damaging neighbouring property.~~
- ~~• Exposure – the numbers of people using the building and frequency of use.~~

~~In all situations Building Owners will be required to fund 100% of costs incurred in assessment and strengthening of a building, including Objection Hearings Panel, Council staff, consultancy and legal costs, unless the Councils Funding Policy specifically contains provision for remission due to public benefit.~~

~~6.3.2 Strengthening Requirements~~

~~Westland District Council will use the New Zealand Society for Earthquake Engineering Recommendations as its preferred basis for defining technical requirements and criteria. These Recommendations are designed to be used in conjunction with AS/NZS 1170 Loadings Standard, NZS 3101 Concrete Structures Standard, NZS 3404 Steel Structures Standard and other materials Standards as well as NZS 3604:2011 Light Timber Frame Construction.~~

~~Where a building is formally identified as being earthquake prone, the Westland District Council will apply the following strengthening criteria:~~

~~“A Buildings” with special post disaster functions, “Life Lines” importance as defined in AS/NZS 1170.0: 2002, Importance Level 4, to be strengthened to a minimum of 67% of New Building Standard.~~

~~“B Buildings” that contain people in crowds or contents of high value to the community as defined in AS/NZS 1170.0: 2002, Importance Level 3, to be strengthened to a minimum of 34% of New Building Standard, with strengthening to 67% of New Building Standard to be strongly encouraged.~~

~~“C Heritage” buildings listed in Council’s District Plan Schedule, Marae and buildings listed in the New Zealand Historic Places Trust Register to be strengthened to a minimum of 34% of New Building Standard.~~

~~“C Heritage” buildings listed in Council’s District Plan Schedule, Marae and buildings listed in the New Zealand Historic Places Trust Register to be strengthened to a target of 67% of New Building Standard.~~

~~“D Buildings” with an Importance Level of less than 3 as defined in AS/NZS 1170.0: 2002 and identified as being earthquake prone to be strengthened to a minimum of 34% of New Building Standard.~~

~~6.4 Liaison with Building Owners and Taking Action on Earthquake Prone Buildings~~

~~Before exercising its powers under section 124, Westland District Council will seek to discuss options for remedial action with affected building owners to reach agreement on the best approach to deal with the danger. The building owner will then be required to submit a formal proposal to Council which confirms the works to be undertaken to strengthen the building, remove the danger or remove the building.~~

~~In the event that discussions do not result in a mutually acceptable proposal, Westland District Council may serve a formal notice on the building owner to strengthen or~~

~~demolish the building. A Building Consent will not be issued that could extend the building life or maintain/increase the level of danger to building occupants or neighbouring persons/buildings, unless the Building Consent also includes strengthening of the building/parts of the building, to the Councils' satisfaction.~~

~~Westland District Council will:~~

- ~~i. Advise and liaise with the owners of buildings identified as earthquake prone.~~
- ~~ii. Encourage building owners to carry out an independent assessment of the structural performance of those buildings identified as earthquake prone.~~
- ~~iii. Serve formal notices on owners of earthquake prone buildings in accordance with the building act 2004, requiring them to remove the danger.~~
- ~~iv. Allow building owners to object to the classification of the building within 12 months of receipt of the notice.~~

~~6.5 Interaction Between Earthquake Prone Building Policy and Related Sections of the Act~~

~~6.5.1 Section 112: Alterations to Existing Building~~

~~Whenever a building consent application is received for significant upgrading or alteration of a building that is or could be earthquake prone, then, irrespective of the general priorities set by Westland District Council for dealing with earthquake prone buildings, the Council will not issue a building consent unless it is satisfied that the building is not earthquake prone and that the building work will not detrimentally affect the building's compliance with the Building Code. The obligation rests upon the Building Owner to show that the building is not of lesser levels of earthquake resistant strength than shown in this policy.~~

~~6.6 Recording a Building's Earthquake Prone Status~~

~~Westland District Council will keep a register of all earthquake prone buildings noting the status of requirements for improvement or the results of improvement as applicable.~~

~~In addition, the information will be placed on any Land Information Memorandum (LIMs) and will be available for public release in accordance with the provisions of Local Government Official Information and Meetings Act 1987. The information will be available at the Council offices and via the LIM process.~~

67. HERITAGE BUILDINGS

Heritage buildings are those listed in Council's District Plan Schedule, Marae and buildings listed in the New Zealand ~~Historic Places Trust Register~~ Heritage List / Rārangī Kōrero. The Building Act 2004 recognises that special provision shall be made for such buildings. Westland District Council believes it is important that its heritage buildings ~~have a good chance of surviving a major earthquake~~ are maintained so they are not dangerous or insanitary, in order to protect people and retain these important connections to the District's history and unique character. However, Westland District Council does not wish to see the intrinsic heritage values of these buildings adversely affected by ~~structural improvement measures~~ building work.

Heritage buildings will be assessed in the same manner as other potentially dangerous ~~earthquake prone~~ or insanitary buildings ~~and~~ (as per ss121-123 of the Act), and discussions will be entered into with the owner and ~~the New Zealand Historic Places Trust~~ Heritage New Zealand (pursuant to s125(2)(f) where the building is contained in their ~~Register~~ List) to identify a mutually acceptable way forward which meets heritage objectives and Building Act requirements included in this Policy as near as is reasonably practicable in the circumstances.

Council will serve notices requiring upgrading or demolition or part demolition within specified timeframes, ~~and/or restricting entry~~, in consultation with building owners. A copy of any notice issued under s124 of the Act will be sent to ~~the Historic Places Trust~~ Heritage New Zealand in the case of all heritage buildings. Any upgrading work must take into account the principles of the International Council on Monuments and ~~S~~ites (ICOMOS) NZ Charter, any advice from Council's heritage staff or other heritage professionals or ~~organisations~~ organizations, where applicable, and should be designed to involve minimal loss to heritage fabric.

In addition and in consultation with the building owner, an option exists to close part or parts of a heritage building until such time as an appropriate remedial solution can be found.

~~The Council accepts that Heritage Buildings may need to be subject to a program of strengthening to be undertaken over a designated timeframe in order to achieve either 67% or higher of the New Building Standard. Such a program would commence with a detailed assessment and concept plan for comprehensive strengthening that can be subject to a staged building consent process.~~

~~Waivers of modifications of the building code will be considered on a case by case basis and seismic strengthening methods that respect heritage values will be supported.~~

~~It is not expected that Council Funding of Structural Strength Assessments and Strengthening Works will occur. The Councils' Funding Policy will also be relevant to this matter.~~

Demolition is an option of last resort for heritage buildings.

78. OBJECTIONS

In the first instance, building owners or other directly affected parties who wish to object to a building being (or not being) declared dangerous, ~~earthquake-prone~~affected or insanitary should record their objections in writing to the Council's Chief Executive Officer, who will undertake an investigation of the circumstances of the building and the reasons behind the Council's decision on the matter and arrange for ~~an appropriate Committee of the Council~~ or an appropriate Committee to review the decision and if necessary to hear evidence from parties involved. The ~~Committee~~Council's decision will be provided by way of response to an objection.

~~Further legal remedies and application to the Department of Building and Housing for a Determination are also available to Building Owners.~~

The Council reserves the right to recover actual and reasonable costs incurred in conducting review and objection processes, in accordance with fees set from time to time.

Priority will be given to objections where the building has been declared to be of such a risk as to require immediate remedial action so that no undue delays are caused.

8.1 Determinations

~~Further legal remedies and application to the Ministry of Business, Innovation and Employment for a Determination are also available to Building Owners.~~ Building owners and a variety of other interested parties can formally object to the Council's decision through the right to apply to the Chief Executive of the ~~Department of Building and Housing~~Ministry of Business, Innovation and Employment for a determination. Determinations can be applied for concerning the Council's decisions to issue or not issue a consent or code compliance certificate, or to exercise its powers concerning dangerous, ~~earthquake-prone~~affected or insanitary buildings. Sections 176 – 190 of the Building Act lay out the requirements for determinations.

89. ECONOMIC IMPACT OF POLICY

The economic impact of ~~the dangerous and insanitary buildings section of~~ this policy is assessed as being minor, since there are relatively few ~~such~~ arising with respect to dangerous and insanitary buildings each year.

~~The economic impact on the District of an earthquake involving the alpine fault is likely to be very substantial given the probability of a significant earthquake that is predicted to adversely affect building structures in the District. Given the high level of risk (in terms of both severity and likelihood), it would seem reasonable for Westland District Council to pursue a much more proactive stance on earthquake-prone buildings. However, the Council is sensitive to issues such as the limited rating base and potential costs to Building Owners.~~

910. REVIEW

Pursuant to section 132 of the Building Act 2004 this policy is required to be reviewed by the Council every 5 years. Any amendment or replacement of the policy must be in accordance with the Local Government Act 2002~~4~~ Special Consultative Procedure.

This policy was first adopted by the Westland District Council on Thursday 21 September 2006. It was first reviewed and amended in 2011 and was adopted on 25 August 2011 for the purposes of commencing the special consultative procedure pursuant to Section 132 of the Building Act 2004.

The revised Policy was adopted after amendments were made as a result of the special consultative procedure on 24 November 2011.

A further review was undertaken in 2018 and a proposed revised Policy was adopted on 23 August 2018 for the purposes of commencing the special consultative procedure. The revised Policy was adopted after amendments were made as a result of the special consultative procedure on DATE.

The policy is due for review by ~~November 2016~~DATE.

Report

DATE: 23 August 2018

TO: Mayor and Councillors

FROM: Chief Executive

SALE & PURCHASE OF TWO PARCELS OF LAND IN FRANZ JOSEF

1 SUMMARY

- 1.1 The purpose of this report is to seek approval for the purchase of two parcels of land in Franz Josef owned by Destination Westland to Council.
- 1.2 This issue arises from the need for Council to extend the Franz Josef waste water treatment system upgrade initially onto Lot 5 DP 419200 and possibly later onto SEC 1 SO 11501.
- 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 2017, which will be set out in the next Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council approves the sale and purchase of the two parcels of land.

2 BACKGROUND

- 2.1 The two parcels of land in Franz Josef were transferred in ownership from Council to Westland District Property Ltd in April 2011. One is behind the old Scenic Circle Hotel and the other is part of the Waiho River bed.

3 CURRENT SITUATION

- 3.1 Council is currently working to upgrade the waste water treatment plant at Franz Josef and part of this development requires that the plant extend onto LOT 5 DP 419200 and possibly later onto SEC1 SO 11501.

- 3.2 Council's District Asset Group Manager has advised there is an urgent need for confirmation of land acquisition so that a Notice of Requirement for the designation on a portion of these land parcels, which also allow for potential future expansion, be completed with the Court by 31 August 2018 so that Consent applications be lodged and Affected Party Approvals obtained.

4 OPTIONS

- 4.1 Status quo; i.e., decline Council's request to purchase the two land parcels.
- 4.2 Purchase the two land parcels to Council.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This matter is deemed to be of medium significance, given the need to upgrade the waste water treatment plant at Franz Josef to cater for an expanding visitor population. The project timeline requires notification to the Environment Court of land agreement by 31st August.

6 ASSESSMENT OF OPTIONS INCLUDING FINANCIAL IMPLICATIONS

- 6.1 The property on State Highway 6 25800-48902 received two varying valuation prices. We believe the QV valuation to be the more accurate based on the information provided.
- 6.2 The property Waiho River 25800-49301 – we have selected the lower of the two valuations.
- 6.3 Sale and purchase of the two parcels of land will enable Council's upgrade to proceed and will secure the resource for the protection of further expansions of the stop bank, if and when required.

7 PREFERRED OPTION AND REASON

- 7.1 Preferred option is to sell the land to Council so that the waste water treatment plant upgrade in Franz Josef be completed.

8 RECOMMENDATION

8.1 THAT approval be granted for the sale and purchase of the two parcels of land, Lot 5 DP 419200 and SEC 1 SO 11501 as follows:

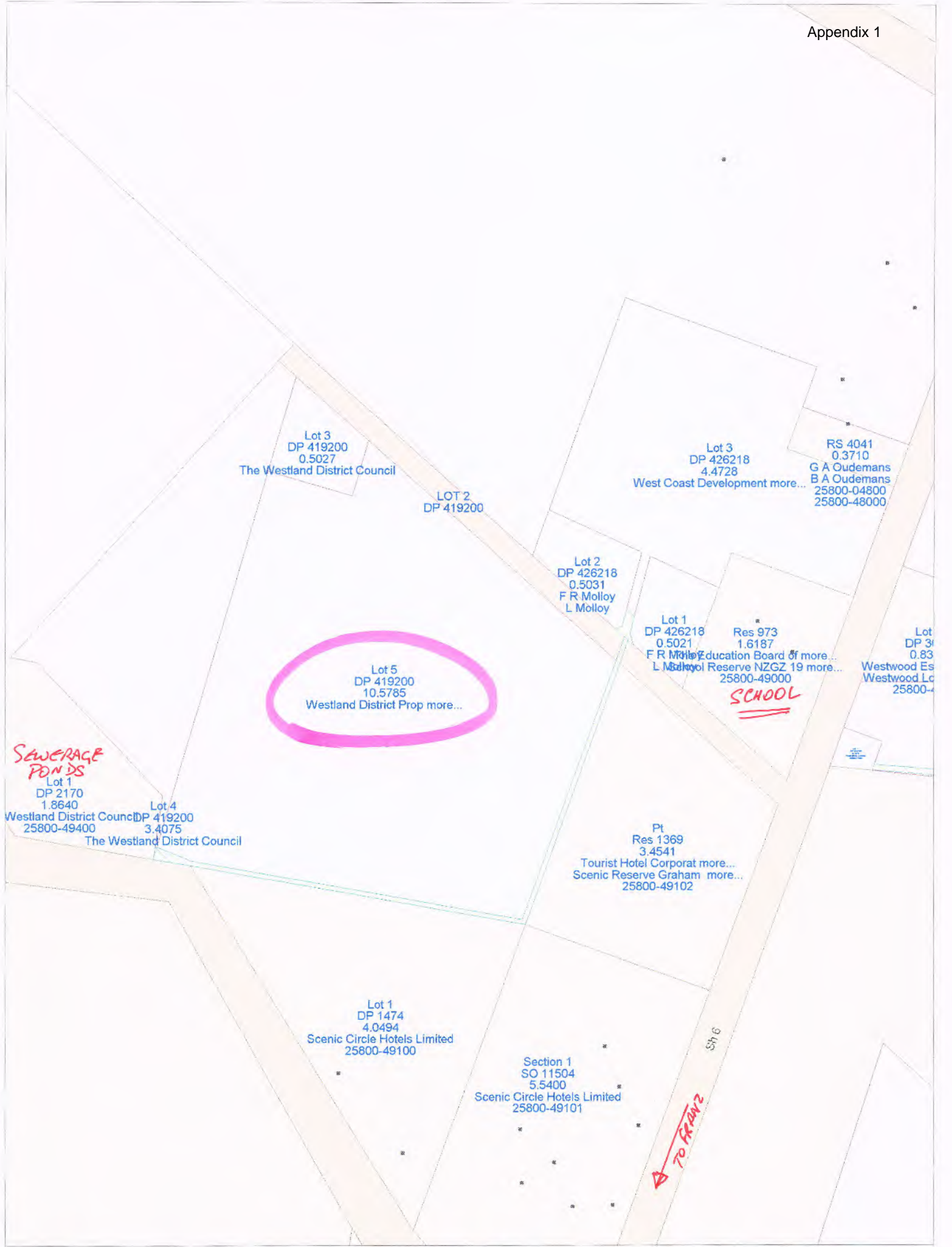
State Highway 6	25800-48902	\$240,000	2018 QV Valuation
Waiho River	25800-49301	\$45,000	2018 Preston Rowe Paterson

Simon Bastion
Chief Executive

Appendix 1 – Location of land parcels and Waste Water Treatment Plant

Appendix 2 – QV Valuation

Appendix 3 – Preston Rowe Paterson Valuation



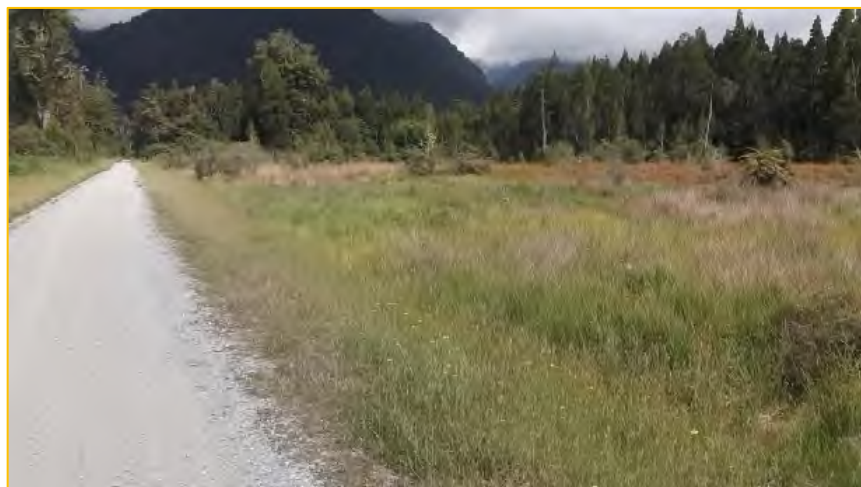




Quotable Value Limited
www.qv.co.nz

State Highway 6
Franz Josef

MARKET VALUATION
For
Destination Westland Ltd



Como House, Level 1
51 Tancred Street
Hokitika

PO Box 109
Hokitika 7842

Phone: 03 755 8685
Fax: 03 341 1635
Email: Hokitika@qv.co.nz



Our Ref: 25800/48902 (607595)

7 August 2018

Destination Westland Ltd
PO Box 22
Hokitika 7842

VALUATION

Instruction details

Property address: State Highway 6
Franz Josef

Inspection: A full property inspection was completed on 6 December 2017 and the property has not been reinspected for the purpose of this report.

Purpose of valuation: Market Value –Possible Sale.

Instructed by: Mark Jurish – Destination Westland Ltd

Valuation as at 3 August 2018

The property valued comprises a vacant block of land comprising 10.57 hectares just west of State Highway 6, 1500 metres north of the Franz Josef Township. The regular shaped block is vacant with cover comprising light bush and some partly cleared areas. The back boundary is close to the Waiho River and flooding has been an issue within this location during recent years.

Based on sales evidence detailed within this report, together with our knowledge of this locality, we consider the market value of the subject property, as unencumbered by any mortgage or charge, to be as follows:

Land value	\$	240,000
Value of improvements	\$	0
Market value	\$	240,000

This valuation is exclusive of Goods and Services Tax, if any. This valuation is subject to the attached valuation conditions and is based on a selling period of three to six months. The valuer has no financial interest or otherwise in the property and no relationship with the vendors, purchasers or agents.

Risk summary

The table below indicates significant risk factors referred to in this report.

FACTORS	RISK			COMMENTS
	LOW	MED	HIGH	
Location				Close to Franz Josef – development potential.
Title planning				Fee Simple Title. Partly within the flood zone.
Condition				Unmaintained vacant land.
Land site				Good access and frontage.
Saleability				Generally low demand for vacant land but has potential.
Price stability				Values for vacant land have eased in recent years but recent sales suggest values have stabilised.

Market evidence

In order to establish the market value for the subject property we have, in accordance with normal valuation practice, considered and analysed a number of sales.

The method of valuation used is usually referred to as the direct comparison approach. This approach involves the analysis of sales and making comparisons with the subject property after allowance for differences such as location, dwelling size, quality, views, other buildings, layout, other improvements, building platform, land size, contour and special features.

A selection of the sales considered is summarised as follows:

Address	Sale date	Gross price
Waiho Flat Rd, Franz Josef	May 2018	\$250,000
Cron St, Franz Josef	May 2017	\$300,000
20C Ferguson Pl, Tatare	Dec 2017	\$75,000
State Highway 6, Tatare	Jun 2017	\$75,000
6B Potters Lane, Tatare	May 2018	\$95,000
Paganini Rd, Franz Josef	Oct 2015	\$250,000
Cook Flat Rd, Fox Glacier	Apr 2018	\$158,000
Franz Alpine Resort	Oct 2017	\$565,000
Tatare, Franz Josef	Jun 2013	\$299,000

Full details of these sales including photographs are included in the Sales Evidence section.



Comments on subject property and sales

The property was previously part of a larger grazing property which was subdivided in 2010. Parts of the property had been developed in pasture however there are no permanent fences and there has been no stock grazed for many years.

Land in this location was subject to flooding after a flood protection wall was breached and substantial damage was caused to a large hotel complex and the Franz Josef sewerage pond. The location is naturally at risk of flooding and this is recognised by the zoning on part of the property however a substantial flood wall has now been erected providing long term protection.

The property market within Franz Josef and the wider South Westland locality had been subdued for several years with low sales volume. The decline in tourism after the Christchurch earthquakes and the Global Financial Crisis has impacted on the Glacier region. The proposed re-zoning of part of the Franz Josef Township to reflect the position of the Alpine Fault had also created uncertainty.

However the last three summers have seen an increase in tourist numbers with many accommodation providers reporting very strong occupancies. The proposed rezoning has now been withdrawn. This has reflected on the property market with three motel premises having sold and three sales of vacant commercial land indicating that there is confidence returning to the market.

Flood damage to several properties on the banks of the Waiho River has also created a residential rental shortage. Residential activity has increased with a modest lift in value levels.

Although demand for vacant land within the wider Franz Josef location is generally low and due to an oversupply of residential and lifestyle blocks particularly north of the township, the highest and best use of the subject property is for development in the future. With ongoing issues with the river, particularly on the south side, the Franz Township is naturally expanding to the north.

A range of vacant land sales have been analysed to provide a direct comparison to the likely value of the property. Smaller lifestyle block up to one hectare are generally selling in the \$65,000 to \$80,000 range.

The property at the end of Cron Street which sold in June for \$300,000 is a larger block of 30 hectares and is generally level with open pasture and scattered vegetation. It has creek frontage and there is currently no legal access. This property is closer to the township and has been purchased for future development and has three titles. In general this block is considered to be superior to the subject.

The 1.87 hectare property fronting Paganini Road which sold in October 2015 for \$250,000 is a rear bush covered site which was undeveloped when sold. The land has potential for development.

The Waiho Flat sale in May this year for \$250,000 is a larger block of nearly 40 hectares comprising river flats in native pastures and light regrowth. Potential is limited due to hazard area zoning.



PROPERTY DESCRIPTION

Legal description

Appellation	Lot 5 Deposited Plan 419200
Computer register (Certificate of Title)	476515
Land area	10.5785 hectares
Tenure	Fee Simple
Owner	Westland District Property Limited (Destination Westland Ltd)

Noted on the register are the following:

Saving and excepting all minerals within the meaning of the Land Act 1924 on or under the land

Subject to Section 315 Land Act 1948

Subject to a right (in gross) to drain sewage over part marked C on DP 419200 in favour of The Westland County Council created by Transfer 63106.5 - 25.3.1981 at 2:07 pm

Subject to a right to drain sewage over part marked C, D on DP 419200 created by Easement Instrument 8044374.1 - 14.1.2009 at 9:00 am

10125782.1 Mortgage to Westpac New Zealand Limited - 21.7.2015 at 2:36 pm

Land description

The property is generally of a rectangular shape with the northern boundary formed by a no exit legal road with a frontage of 288 metres. The depth on the eastern boundary is approximately 240 metres which increases to 250 metres on the western boundary. A smaller title of 5027 m², in another ownership, bisects the property in the north western corner.

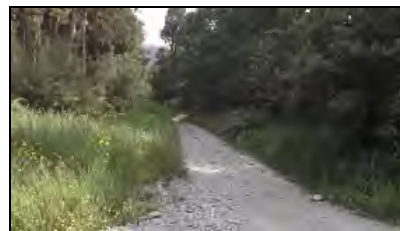
There is also frontage to a legal road at the south western corner with a formed road on the river stopbank used to access the sewerage ponds which adjoin the property to the west.

The majority of the land has a bush and regenerating cover except for a semi cleared strip at the road frontage and an open area towards the southern boundary. Contour is generally level to slightly undulating. The cleared area at the road frontage is a mix of fern, moss and typical swamp grasses reflecting the low lying and general poorer quality land. The cleared land toward the southern boundary was formerly used in conjunction with adjoining land as part of a grazing property however is now overgrown in rank grasses.

An easement to drain sewerage runs along the eastern boundary from the road frontage and then along the southern boundary to the sewerage ponds and there is four wheel drive access formed. Electricity, water supply and sewerage disposal are all located close to the property.



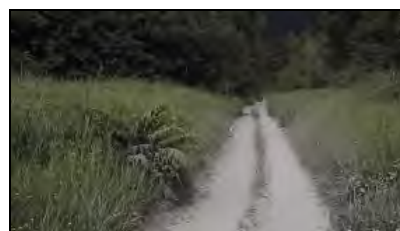
Cleared land at frontage



Track on eastern boundary



Southern boundary



Track on boundary



Open area of pasture

Location

The property is positioned 200 metres west of State Highway 6 and 1500 metres north of Franz Josef. The local primary school is on the highway corner and the Top Ten Holiday Park is to the north. There are several motels and lifestyle properties within this general location.

Franz Josef is a developing tourist orientated township, which relies heavily on the drawcard of the famous Franz Josef Glacier. Services available include a primary school, convenience shopping, numerous tourist shops, several hotels and accommodation facilities are available. The Department of Conservation Visitors Centre is also located within the township. Recent development in the township includes a hot pools tourist attraction, new hotel and motel complex's and a community health centre.

Hokitika the main servicing town for the Westland District is situated 140 km north and offers a wide range of shopping, banking and legal facilities.

Location Maps





Zoning

Operative plan

The majority of the property is zoned Rural under the Operative Westland District Resource Management Plan.

The plan states in the policy unit description. Performance standards ensure that in terms of environmental effects, including the effects of the location of activities, the impact on natural and physical resources within the zone is minimised. An increase in population in the rural area will have benefits for rural communities in terms of increased use of local services and facilities but must also be weighed against any impact on land use and the wider environment. Neither subdivision nor new dwellings are therefore permitted as of right and will be carefully considered.

Permitted Activities include (inter alia) any agricultural, existing residential, forestry below an altitude of 1000 metres (except clearance of indigenous vegetation as specified in section 5.6.2.1C of the plan) prospecting or recreational activity.

Subdivision to a minimum site area of 5000m² is a discretionary activity

The present rural/residential use is considered a permitted activity under the operative plan.




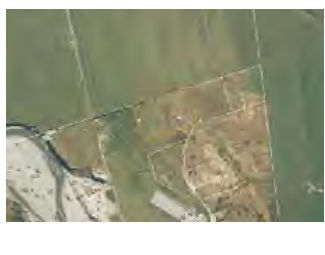

The small strip on the southern boundary is within the general flood hazard area which recognises the natural hazards associated with the Waiho River.


Improvements description


There are no improvements on this property.

SALES EVIDENCE


A selection of the sales considered are detailed as follows:

 <p>Photo date - 3 August 2018</p>	Waiho Flat Rd, Franz Josef		
	Sale date	May 2018	A level block fronting the Waiho Flat Road and close to the Waiho River. Generally open grazing in native pastures and improved by a farm shed.
	Sale price	\$250,000	
	Floor area (m ²)	-	
Land area (ha)	39.9090		
 <p>Photo date - 22 November 2017</p>	Cron St, Franz Josef		
	Sale date	May 2017	Three adjoining titles north of the existing Franz Josef Township. Light bush and open grazing with future development potential. Poor access and creek frontage.
	Sale price	\$300,000	
	Floor area (m ²)	-	
Land area (ha)	30.3463		
 <p>Photo date - 31 May 2018</p>	20C Ferguson Pl, Tatara		
	Sale date	Dec 2017	Vacant lifestyle block within a small subdivision north of Franz Josef. Dwelling built since sale.
	Sale price	\$75,000	
	Floor area (m ²)	-	
Land area (m ²)	5167		
	State Highway 6 Tatara		
	Sale date	Jun 2017	A rear undeveloped block with shared right of way access from the highway.
	Sale price	\$75,000	
	Floor area (m ²)	-	
Land area (m ²)	8000		
 <p>Photo date - 15 May 2010</p>	6B Potters Lane, Tatara		
	Sale date	May 2018	An undeveloped block within a small subdivision north of Franz Josef. Established in pasture and used for stock grazing.
	Sale price	\$95,000	
	Floor area (m ²)	-	
Land area (ha)	1.1715		

 <p>Photo date - 3 February 2016</p>	Paganini Rd, Franz Josef		
	Sale date	Oct 2015	A rear site with a bush cover behind existing residential development. No internal roading.
	Sale price	\$250,000	
	Floor area (m ²)	-	
Land area (ha)	1.8775		

 <p>Photo date - 7 August 2018</p>	Cook Flat Rd, Fox Glacier		
	Sale date	Apr 2018	This is a lifestyle block with good frontage and potential. Generally in pasture. Corner site adjoining motels.
	Sale price	\$158,000	
	Floor area (m ²)	-	
Land area (m ²)	5004		

No photo available	Franz Alpine Resort		
	Sale date	Oct 2017	This is a mortgagee sale of a large area of bush covered land adjoining development within the Franz Alpine Resort. Was zoned for future development.
	Sale price	\$565,000	
	Floor area (m ²)		
Land area (ha)	76.3235		

 <p>Photo date - 2 February 2014</p>	Tatara, Franz Josef		
	Sale date	Jan 2013	Bare land on the northern side of Franz Josef comprising cleared creek flats and some bush. Has highway frontage and has potential for some commercial development.
	Sale price	\$299,000	
	Floor area (m ²)	-	
Land area (ha)	23.7575		

Note: Floor areas exclude garaging.



OTHER INFORMATION

Sales in the subject property's street

Address	Sale date	Sale price
2576 A Franz Josef State Highway	25/11/2005	\$80,000
2736 Franz Josef State Highway	28/09/2005	\$266,875
0 Franz Josef State Highway	06/03/2002	\$50,000

These sales are included to give a background to sales activity in the subject property's immediate location.

Recent sales history for subject in last 10 years:

Sale date	Sale price
01/03/2011	\$300,000

Sales held on the QV database as at the date of this report.

Rating valuation (as at 01/09/2017) Valuation reference 25800/48902

Capital value	\$225,000
Land value	\$220,000
Value of improvements	\$5,000



VALUATION CONDITIONS

Definition of market value

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Land survey

We have made no survey of the property and unless otherwise stated assume that all improvements lie within the title boundaries. No guarantee is given that the land is not subject to statutory rights not recorded on the relevant Computer Register and not apparent from normal inspection of the property. We assume no responsibility in connection with such foregoing matters.

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Professional indemnity insurance

We certify that Quotable Value holds current professional negligence insurance for an amount not less than the subject valuation.

Purpose

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IVS Framework
IVS 101 Scope of Work
IVS 102 Investigations and Compliance
IVS 103 Reporting
IVS 104 Bases of Value
IVS 105 Valuation Approaches and Methods
IVS 400 Real Property Interests
ANZVGN 1 Valuation Procedures – Real Property
ANZRPGN 1 Disclaimer Clauses & Qualification Statements

Thank you for the opportunity to provide valuation services. This report was carried out by David Shaw. David has been valuing since 1984, he has the qualifications and experience to carry out a valuation of this nature. This valuation report has been completed in accordance with the New Zealand Institute of Valuers (NZIV) and Property Institute of New Zealand (PINZ) Code of Ethics, and Valuation Standards.

Please do not hesitate to contact me should you require any further assistance or clarification.

Yours faithfully
QV Valuations

A handwritten signature in blue ink, appearing to read 'David J Shaw', with a horizontal line extending to the right.

David J Shaw
REGISTERED VALUER
NZIV, MPINZ
Holding an Annual Practising Certificate

Appended
1. Copy of computer register



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**

Search Copy



Identifier 476515
Land Registration District Westland
Date Issued 30 April 2010

Prior References

WSSA/92

Estate Fee Simple
Area 10.5785 hectares more or less
Legal Description Lot 5 Deposited Plan 419200

Proprietors

Westland District Property Limited

Interests

Saving and excepting all minerals within the meaning of the Land Act 1924 on or under the land

Subject to Section 315 Land Act 1948

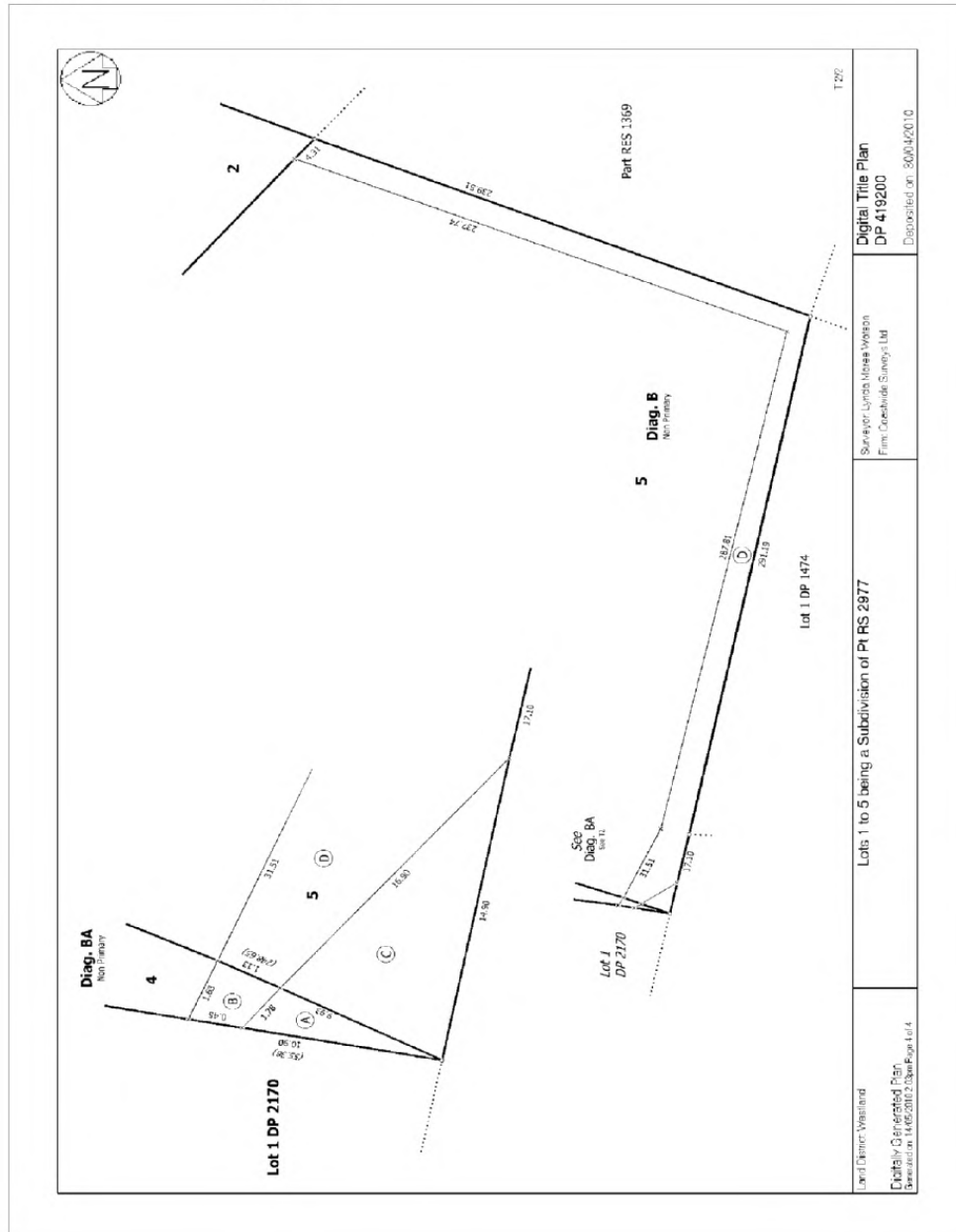
Subject to a right (in gross) to drain sewage over part marked C on DP 419200 in favour of The Westland County Council created by Transfer 63106.5 - 25.3.1981 at 2:07 pm

Subject to a right to drain sewage over part marked C, D on DP 419200 created by Easement Instrument 8044374.1 - 14.1.2009 at 9:00 am

10125782.1 Mortgage to Westpac New Zealand Limited - 21.7.2015 at 2:36 pm

Identifier

476515



Transaction Id
Client Reference Franz Josef

Search Copy Dated 3/08/18 11:40 am, Page 3 of 3
Register Only



Quotable Value Limited
www.qv.co.nz

Waiho River
Franz Josef
South Westland

MARKET VALUATION
For
Destination Westland Ltd



Como House, Level 1
51 Tancred Street
Hokitika

PO Box 109
Hokitika 7842

Phone: 03 755 8685
Fax: 03 341 1635
Email: Hokitika@qv.co.nz



Our Ref: 25800/49301 (607595)

7 August 2018

Destination Westland Ltd
PO Box 22
Hokitika 7842

VALUATION

Instruction details

Property address: Waiho River, Franz Josef
South Westland

Inspection: A full property inspection has not been completed for the purpose of this report. The property was inspected in late 2017.

Purpose of valuation: Market Value – Possible Sale.

Instructed by: Mark Jurish – Destination Westland Ltd

Valuation as at 3 August 2018

The property valued comprises an irregular shaped block of 45 hectares, 500 metres west of the Franz Josef Township. The land adjoins the Franz Helipads at the south with the northern boundary being the recently constructed flood wall near the sewerage ponds. Due to historical erosion the property is totally part of the Waiho Riverbed.

Based on sales evidence detailed within this report, together with our knowledge of this locality, we consider the market value of the subject property, as unencumbered by any mortgage or charge, to be as follows:

Land value	\$	100,000
Value of improvements	\$	0
Market value	\$	100,000

This valuation is exclusive of Goods and Services Tax, if any. This valuation is subject to the attached valuation conditions and is based on a selling period of three to six months. The valuer has no financial interest or otherwise in the property and no relationship with the vendors, purchasers or agents.

Risk summary

The table below indicates significant risk factors referred to in this report.

FACTORS	RISK			COMMENTS
	LOW	MED	HIGH	
Location				Close to Franz Josef but poor access.
Title planning				Within the Flood Hazard Policy Unit.
Condition				Eroded to the river.
Land site				Eroded to the river.
Saleability				Limited potential.
Price stability				Some confidence in the market however rural values have declined.

Market evidence

In order to establish the market value for the subject property we have, in accordance with normal valuation practice, considered and analysed a number of sales.

The method of valuation used is usually referred to as the direct comparison approach. This approach involves the analysis of sales and making comparisons with the subject property after allowance for differences such as location, dwelling size, quality, views, other buildings, layout, other improvements, building platform, land size, contour and special features.

A selection of the sales considered is summarised as follows:

Address	Sale date	Gross price
State Highway 6, Haast	May 2017	\$230,000
Whitcombe Valley Rd, Kowhitirangi	May 2017	\$170,000
State Highway 6, Waitaha	Jun 2018	\$135,000
Waiho Flat Rd, Franz Josef	May 2018	\$250,000
State Highway 6, Franz Josef	Feb 2018	\$400,000
Cron St, Franz Josef	May 2017	\$300,000
Tatare, Franz Josef	Jan 2013	\$299,000
State Highway 73, Taipo	Mar 2018	\$85,500

Full details of these sales including photographs are included in the Sales Evidence section.



Comments on subject property and sales

The property comprises a large irregular shaped block of land which has been eroded by the Waiho River over a number of years and now forms part of the riverbed.

Although relatively close to the Franz Josef Township there is only formed access to the northern end and depending on the river flow foot access can also be restricted. Existing rock walls that protect the township and the highway are positioned to the east and north. Without a significant change in the river flow, such as breaking the banks on the southern side of the river, this land is likely to remain part of the river bed.

As such the potential use of the land is extremely limited. Some recreational activities would suit the landscape however health and safety issues would be a limiting factor and the land is within the flight path of the helicopters which are based on the adjoining property.

There are limited sales of land that has been totally eroded however a range of sales have been considered to determine the market value.

The most likely purchaser of the property would be for strategic purposes for long term infrastructure protection of development.

The value of the property has been assessed at \$100,000 which equates to \$2,200 per hectare.



PROPERTY DESCRIPTION

Legal description

Appellation	Section 1 Survey Office Plan 11501
Computer register (Certificate of Title)	WS5C/1242
Land area	45.2500 hectares
Tenure	Fee Simple
Owner	Westland District Property Limited (Destination Westland Ltd)

Please refer to the attached Certificate of Title for any interests noted.

The Certificate of Title appears free of any detrimental registrations or encumbrances that may affect value or negotiability.

Land description

This is an irregular shaped parcel of land which is approximately 1.5 km in length and 500 metres wide in the middle.

The southern boundary is 300 metres west of the highway running through the township and is close to the helipad facility. A flood protection wall protects the township and the helipad however this section is unprotected and although the main channel changes course the property forms part of the river system and there is no vegetation cover. There is no formed access to the southern part of the property.

The northern boundary joins a rock wall which protects the Franz Josef sewerage ponds and properties on the western side of State Highway 6 north of the township. The wall was recently rebuilt and extended after significant flooding in the area.

Vehicle access is available along the top of the wall from the highway to the ponds. The land is used for gravel extraction and can be accessed by four wheel drive vehicles.

Location

The property is positioned 500 metres west of the Franz Josef township and extends to the north.

Franz Josef is a developing tourist orientated township, which relies heavily on the drawcard of the famous Franz Josef Glacier. Services available include a primary school, convenience shopping, numerous tourist shops, several hotels and accommodation facilities are available. The Department of Conservation Visitors Centre is also located within the township.

Hokitika the main servicing town for the Westland District is situated 140 km north and offers a wide range of shopping, banking and legal facilities.

Overall, this is an attractive South Westland township with appealing rural and mountain views.



Zoning

Operative plan

The property lies within the Waiho River Flood Hazard Policy Unit and is identified as being within the general flood hazard area. This area comes within the rural zone of the Westland District Resource Management Plan.

This wider area is subject to flood risk if the Waiho River changes course by breaching the south stopbank. Dwellings are restricted discretionary activities because of this potential flood risk. In certain locations on the flats they may not be suitable because of the potential flood risk which cannot be adequately avoided, remedied or mitigated.

The plan states in the policy unit description. Performance standards ensure that in terms of environmental effects, including the effects of the location of activities, the impact on natural and physical resources within the zone is minimised. An increase in population in the rural area will have benefits for rural communities in terms of increased use of local services and facilities but must also be weighed against any impact on land use and the wider environment. Neither subdivision nor new dwellings are therefore permitted as of right and will be carefully considered.

Permitted Activities include (inter alia) any agricultural, existing residential, forestry below an altitude of 1000 metres (except clearance of indigenous vegetation as specified in section 5.6.2.1C of the plan) prospecting or recreational activity.



Subdivision to a minimum site area of 5000m² is a discretionary activity.



The Waiho River Severe Flood Hazard Policy Unit and Zone comprises land south of the confluence of the Callery and Waiho Rivers which is immediately south of the SH6 Waiho River Bridge. The Waiho River has been aggrading substantially in the last 60 years as a result of complex alluvial processes. The construction of stopbanks has accentuated this problem. At Waiho River Bridge, for example, the average riverbed level has risen by approximately 5m in the last 20 years. The level of aggradation has reached a stage where a damaging flood event is likely to occur in any given year.


Improvements description


There are no improvements on the property.

SALES EVIDENCE

A selection of the sales considered are detailed as follows:

No photo available	State Highway 6, Haast		
	Sale date	May 2017	Adjoining the highway at Haast Junction the land is predominantly river flats in grazing but is partly eroded. Commercial potential.
	Sale price	\$230,000	
	Floor area (m ²)	-	
	Land area (ha)	4.8682	
No photo available	Whitcombe Valley Rd, Kowhitirangi		
	Sale date	May 2017	A large block of land with extensive river frontage which has been badly eroded. Approximately 125 hectares in bush and some river bed grazing. No formed access.
	Sale price	\$170,000	
	Floor area (m ²)	-	
	Land area (ha)	372.3108	
 <p>Photo date - 6 May 2008</p>	State Highway 6, Waitaha		
	Sale date	Jun 2018	An irregular shaped block adjoining the Kakapotahi River south of Ross. Mixed contour with some river flats.
	Sale price	\$135,000	
	Floor area (m ²)	-	
	Land area (ha)	16.3825	
 <p>Photo date - 3 August 2018</p>	Waiho Flat Rd, Franz Josef		
	Sale date	May 2018	A level block fronting the Waiho Flat Road and close to the Waiho River. Generally open grazing in native pastures and improved by a farm shed.
	Sale price	\$250,000	
	Floor area (m ²)	-	
	Land area (ha)	39.9090	
No photo available	State Highway 6, Franz Josef		
	Sale date	Feb 2018	A former deer block which adjoins the highway south of Franz Josef. Extends through to the river frontage. Mix of bush and poorer pasture.
	Sale price	\$400,000	
	Floor area (m ²)	-	
	Land area (m ²)	97.3236	

 <p>Photo date - 22 November 2017</p>	Cron St, Franz Josef		
	Sale date	May 2017	Three adjoining titles north of the existing Franz Josef Township. Light bush and open grazing with future development potential. Poor access and creek frontage.
	Sale price	\$300,000	
	Floor area (m ²)	-	
Land area (ha)	30.3463		

 <p>Photo date - 2 February 2014</p>	Tatare, Franz Josef		
	Sale date	Jan 2013	Bare land on the northern side of Franz Josef comprising cleared creek flats and some bush. Has highway frontage and has potential for some commercial development.
	Sale price	\$299,000	
	Floor area (m ²)	-	
Land area (ha)	23.7575		

No photo available	State Highway 73, Taipo		
	Sale date	Mar 2018	A bush block within the Taipo Valley, four kilometres upstream from the highway. There is a four wheel drive track to the property which is partly eroded.
	Sale price	\$85,500	
	Floor area (m ²)	-	
Land area (m ²)	132.8785		

Note: Floor areas exclude garaging.



Recent sales history for subject in last 10 years:

Sale date	Sale price
01/03/2011	\$70,000

Sales held on the QV database as at the date of this report.

Rating valuation (as at 01/09/2017) Valuation reference 25800/49301

Capital value	\$70,000
Land value	\$70,000
Value of improvements	\$0



VALUATION CONDITIONS

Definition of market value

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Yours faithfully

QV Valuations

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David J Shaw

REGISTERED VALUER

NZIV, MPINZ

Holding an Annual Practising Certificate

Appended

1. Copy of computer register



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**

Search Copy



Identifier **WS5C/1242**
Land Registration District **Westland**
Date Issued 25 September 1989

Prior References

GN 83541.1

Estate Fee Simple
Area 45.2500 hectares more or less
Legal Description Section 1 Survey Office Plan 11501

Proprietors

Westland District Property Limited

Interests

Subject to Part IV A Conservation Act 1987
Subject to Section 11 Crown Minerals Act 1991

Transaction Id
Client Reference Franz Josef

Search Copy Dated 3/08/18 11:40 am, Page 1 of 2
Register Only

Rural

PRP Preston
Rowe
Paterson

National Property Consultants

Preston Rowe Paterson is one of New Zealand's most experienced and well-regarded property services companies with expertise across the full spectrum of property classes.

Specialising in valuation, advisory and property management, we provide value added and risk adverse solutions to a wide range of property decision makers including; owners, investors and tenants.

Above all else we believe that our people are our most important asset. Our team prides itself on its integrity, honesty and transparency.

Our services include:

- Real Estate investment valuation
- Real Estate development valuation
- Property consultancy & advisory
- Transaction advisory
- Property & asset management
- Listed fund, property trust advisors
- Super fund and syndicate advisors
- Plant and machinery valuation
- General insurance valuation
- Property market research

Preston Rowe Paterson is a growing and sustainable international business that harnesses the energy of local ownership that ensure expert local knowledge in all the areas we operate in.



PRP West Coast Limited

GST No: 66-808-386

Unit B, 64 High Street
PO Box 238
Greymouth, 7840

Phone: 03 768 0397
Fax: 03 768 7397
Email: westcoast@prpnz.nz

www.prpnz.nz

Director(s)

Brian Blackman
Dip Urb Val, FNZIV, Registered Valuer
M 027 252 4397
E brian.blackman@prpnz.nz

Mark Bolland
B Com (VPM), MPINZ, Registered Valuer
M 027 694 7041
E mark.bolland@prpnz.nz

Peter Hines
B Com (VPM) ANZIV, Registered Valuer
M 027 252 0397
E peter.hines@prpnz.nz

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Executive Summary

This executive summary must be read in context of and in conjunction with the full valuation report of which this executive summary forms part. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary.



Instructions

Instructions

Property Address:	Waiho Riverbed, Franz Josef
Instructing Party:	Mark Jurisich
Instructions:	To determine the market value of the subject properties for sale purposes.
Date of Valuation:	14 July 2018
Prepared For:	Destination Westland
Special Instructions:	Nil
Assessed Interest:	Market Value
Basis of Valuation:	Market Value on the basis of Vacant Possession
Purpose of Valuation:	For sale purposes
Date of Inspection:	14 July 2018
Date of Valuation:	14 July 2018

Date: 14/08/2018
 PRP Ref: 3013720
 Waiho River Bed, Franz Josef, West Coast 7886

Property Details

Property Type:	Vacant Land
Brief Description:	<p>Destination Westland is considering selling two parcels of land to the Westland District Council. These two parcels of land are situated at Franz Josef.</p> <p>The first parcel is situated east of the existing sewerage ponds and runs through to the road running behind Franz Josef Holiday Park. The majority of the property is in regenerating native bush with a small area of rough grazing.</p> <p>Currently part is used by a former motorbike tours. We assume there is no lease.</p> <p>We note parts of this property was inundated by flood waters that destroyed the adjacent hotel. However, recent raising of the flood wall may mitigate this issue.</p> <p>The second parcel of land is located within the Waiho Riverbed, running behind the heliport down to the existing sewerage ponds. It is gravel riverbed and the actual Waiho River was flowing through the property on inspection. Almost all, except the small portion adjacent to the sewerage pond is outside the flood protection walls.</p> <p>In reality this is useable except for extraction of gravel of flood works.</p> <p>We would expect only a limited demand for either parcel of land if offered on the open market.</p>
Registered Proprietor:	Westland District Property Limited
Zoning:	Mixed – Westland District Council
Total Area:	A) 10.5785 ha B) 45.25 ha

Recent Sales History

Sale Date:	A) March 2011 \$200,000 B) March 2011 \$70,000
	Both sales were for purchase from the Westland District Council.

Valuation Summary	
Valuation Approaches:	Direct Comparison Approach, Summation Approach
A) Market Value (Lot 5 DP419200) :	\$160,000 (One hundred and sixty thousand dollars) exclusive of GST
B) Market Value (Section 1 SOP11501):	\$45,000 (Forty five thousand dollars) exclusive of GST
	This valuation excludes GST (if any).
	It also excludes any minerals, timber, sphagnum moss content or stock plant and machinery associated with the property.
A) Market Value \$/Ha:	\$15,123
B) Market Value \$/Ha:	\$994
Expected Selling Period:	9 to 12 months
Market Commentary:	The demand for properties such as this in the Franz Josef area would be limited due to the potential for flooding and a large amount of land, especially vacant sections and lifestyle blocks currently for sale.

Considerations	
Currency of Valuation:	For sale purposes.
Pecuniary Interest:	The valuer has no pecuniary or other interest.
Reliant Party Statement:	The valuation and all valuation services are provided by us solely for the use of the client.
Third Party Disclaimer:	You will not release any part of our valuation or consultancy report of its substance to any third party without the written consent of one of our Directors.

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Risk Profile:

Our risk profile summaries important valuation indicators from our Valuation Report.

Market Risk:	
Overall Risk:	High
Marketability:	Low
Sales Demand:	Very Limited
Recent Market Direction:	Flat
Market Volatility:	Low
Stock Supply:	Limited
Expected Selling Period:	9 to 12 months
Probable Buyer Profile:	Local Authority or Government Agency

Asset Risk – Property:	
Overall Risk:	Medium
Overview:	Vacant Land
Use:	Vacant
Estimated Capital Expenditure Requirements:	Nil
Other:	Waiho River

Asset Management Risk:	
Overall Risk:	Low
Asset Complexity:	Low (Vacant)
Current Property Management:	Owner occupied
Quality of Property Management:	Average

Valuer:



Signature of Valuer/Director: on behalf of
PRP West Coast Limited
Peter Hines
B Com (VPM) ANZIV
Registered Valuer

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1 Assumptions and Special/Critical Assumptions

For standard 'Assumptions' made in this report, refer to 'Sections 3.5 Extent of Investigations', '3.6 Nature and Source of the Information Relied Upon', '20 Terms and Conditions' and comments contained in our report.

Our valuation is subject to the following special/critical assumptions: - **N/A**

1.1 Valuation Standards/Definitions

This valuation has been prepared with conformity to the International Valuation Standards 1 July 2017 as well as the Australian and New Zealand Valuation and Property Standards.

This valuation complies with the provisions of the residential valuation standing instructions version 1.1.

Market Value as stipulated by the International Valuations Standards and endorsed by The Property Institute of New Zealand is:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction, after proper marketing and where the parties each acted knowledgeably, prudently and without compulsion" **

* IVS 2017. Adopted by PINZ on 1st July 2017.

2 Scope of Works

2.1 Identification and Status of Valuer

PINZ and NZIV Compliance

We confirm the following:

- The Valuer's fee is not contingent upon any aspect of the report.
- The Valuer has satisfied continuing professional development (CPD) requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer holds a current annual practicing certificate and is an Associate Member of the New Zealand Institute of Valuers.
- The valuation was performed in accordance with the applicable ethical code and performance standards.
- The Valuer has no pecuniary or other interest that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion.
- PRP Greymouth holds Professional Indemnity Insurance appropriate for the value level in the report.

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2.2 Client/Instructing Party

PRP File Reference:	3013720
Client Name:	Mark Jurisich
Client Company:	Destination Westland
Matter:	Market Value on the basis of Vacant Possession

2.3 Instructions/Basis of Value

Date of Instruction:	10 July 2018
Property Address:	Waiho Riverbed, Franz Josef
Interest to be Valued:	Fee Simple
Basis of this Valuation:	Market Value on the basis of Vacant Possession
Purpose of Valuation:	For sale purposes
Special Instructions:	N/A

2.4 Valuation Dates

Date of Valuation:	14 July 2018
Date of Inspection:	14 July 2018
Date of Issue:	15 August 2018

2.5 Extent of Investigation

We confirm the following:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has made a personal inspection of the property and its readily accessible places.
- No-one, except those specified in the report, has provided professional assistance in preparing the report.

2.6 Nature and Source of the Information Relied upon

We have been provided with the following information:-

N/A

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2.7 Recommended Documents to Sight

General Documents:

A **General** document reports on an effect that is common to the area/location and does not have an adverse impact on marketability and value specific to the subject property.

We recommend the following General Documents should be sighted by any party considering taking an interest in this property: **Nil**

Critical Documents:

A **Critical** document reports on an effect that is specific to the subject property and is considered to have a potential negative impact on marketability and value.

We recommend the following Critical Documents should be sighted any party considering taking an interest in this property: **Nil**

2.8 Restrictions on Use, Distribution or Publication

The Valuation and all Valuation Services are provided by Us solely for the use of the Client. You will not release any part of Our valuation or consultancy report or its substance to any third party without the written consent of one of Our Directors. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions must be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided. You are obligated to provide any such recipient with a copy of these Terms and Conditions.

If You release any part of the valuation or consultancy advice or its substance with Our written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this Valuation, Valuation Services, Services or consultancy advice.

You are agree that We do not and will not assume any responsibility to any person other than the Client for any reason whatsoever including, without limiting the generality of the foregoing, for breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reason of or arising out of the provision of the Valuation, Valuation Services or Services and notwithstanding that any damages have been suffered or incurred by that person as a result of the provision of this Valuation or those Valuation Services to the Client or the use of either of them (or any part of either of them) by the Client for any purpose whatsoever.

2.9 Valuation Standards/Definitions

This valuation has been prepared with conformity to the International Valuation Standards 1 July 2013 as well as the Australian and New Zealand Valuation and Property Standards.

Market Value as stipulated by the International Valuations Standards Council and endorsed by The Property Institute of New Zealand is:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction and where the parties each acted knowledgeably and without compulsion" **

* IVSC 2013. Adopted by PINZ on 1st April 2014.

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3 Title Details

Title details are summarised as follows:-

The property is held by way of two separate titles which are legally described as follows:-

Freehold Titles:

	Description	CT.	Land Area
(a)	Lot 5 Deposited Plan 419200	476515	10.5785 ha
(b)	Section 1 Survey Office Plan 11501	WS5C/1242	45.2500 ha

All the above freehold titles are owned by Westland District Property Limited.

The titles are subject to various easements, registrations and mortgages as per title (please refer to individual Certificates of Title).

These registrations are reasonably standard and do not have any significant detrimental effect on the value of the property.

This valuation assumes the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing except as may be disclosed by inspection of a current Certificate of Title (search copies attached).

Title & Easements

As discussed with the applicant due to the number of titles we have not obtained new copies of the search of the Certificate of Titles. We have viewed the title searches from our previous valuation and have viewed the preview of the current title search. If you require new searches to be completed please contact us.

Should any notations have been placed on title since the date of search which defect the Valuation or Valuation Services We reserve the right to reconsider our valuation findings herein.

That this valuation has been prepared on the understanding that no notations, encumbrances, easements, rights of way or encroachments exist by or on the subject property other than those detailed herein. We have not sighted boundary markers and for the purposes of this valuation, have assumed that all improvements have been erected within the legal confines of the land and that no adjoining improvements encroach onto the boundaries.

4 Statutory Valuation

A) Rating Valuation

Valuation Number:	25800/48902
Valuation Date:	01/09/2017
VALUE COMPONENT	AMOUNT
Land Value	\$220,000
Improvements Value	\$ 5,000
Capital Value	\$225,000

We point out that the rating valuations are assessed under statutory criteria and may not reflect the market value at any point in time.

Rates

The current annual Westland District Council rates are \$1260.47 inclusive of GST.

B) Rating Valuation

Valuation Number:	25800/49301
Valuation Date:	01/09/2017
VALUE COMPONENT	AMOUNT
Land Value	\$70,000
Improvements Value	\$
Capital Value	\$70,000

We point out that the rating valuations are assessed under statutory criteria and may not reflect the market value at any point in time.

Rates

The current annual Westland District Council rates are \$91.97 inclusive of GST.

5 Location

5.1 Physical Location

The subject properties are situated west and north/west of the township of Franz Josef.

Parcel 1 is situated to the existing Franz Josef sewerage ponds and also has a frontage to an unnamed road running in a westerly direction adjacent to the Franz Josef Holiday Park.

The second title is situated in the actual Waiho Riverbed and runs from the heliport to the sewerage pond, predominately outside the flood protection wall.

5.2 Surrounding Development

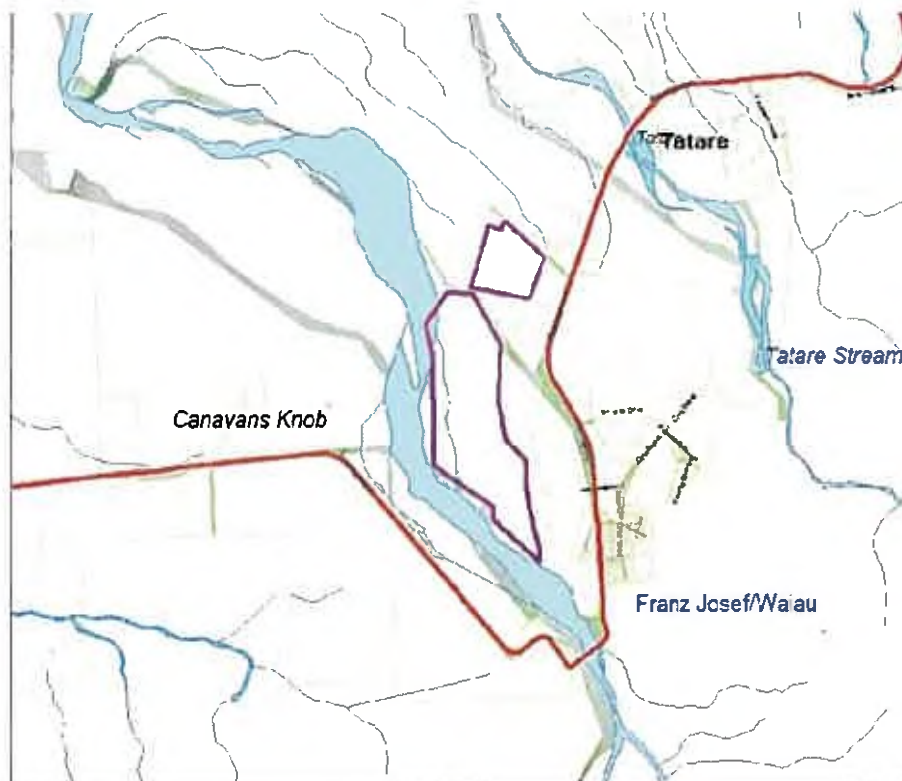
The properties are adjacent to all development within Franz Josef.

5.3 Proximity to Amenities

Franz Josef offers a wide range of services and amenities. These are mainly tourist orientated but also includes a primary school, preschool child education facility, small supermarket, service station, police station and medical centre.

There is also a wide range of tourist orientated businesses ranging from guiding operations, scenic helicopter flights and accommodation complexes.

Location Map:



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6 Environmental Matters

We have not been provided with a full environmental audit of the property.

Should an environmental audit be available that shows any detrimental effect on value, it should be referred to valuer for comment on our valuation. In the event that this is made available, to us, we reserve the right to reconsider our valuation, herein.

Site Description - Environmental Risks

That We have endeavoured to comment on all areas of Environmental concern based on Our superficial inspection of the property. An actual environmental audit may reveal matters that affect Our valuation herein that were not readily discernible at the time of inspection. In such an event, We reserve the right to reconsider our Valuation figure herein;

You acknowledge and recognise that We are not expert in identifying environmental hazards and compliance requirements affecting properties. We have, however, endeavoured to superficially identify all matters of environmental concern and the effect they might have on the value of the property. However, We will not be held liable nor responsible for any failure to identify all such matters of environmental concern and the impact, which any environmental related issue has on the property and its value including loss arising from site contamination; or the non-compliance with any environmental laws; or costs associated with the clean up of a property in which an environmental hazard has been recognised, including action by the Ministry for the Environment, Environmental Protection Authority, the relevant local authority or any other entity to recover clean up costs pursuant to the Resource Management Act 1991, or any other applicable laws or by-laws.

7 Resource Management/Planning

Resource Management/Planning details, which we have obtained from our online enquiries, are summarised as follows:-

Territorial Authority:	Westland District Council
Plan Name/Scheme:	Westland District Plan
Plan Status:	Operative 1 June 2002
Zoning:	Parcel 1: Mixed in a Rural Policy Unit & Waiho River Severe Flood Hazard Zone under the Waiho River Severe Flood Hazard Policy Unit Parcel 2: Waiho River Severe Flood Hazard Zone under the Waiho River Severe Flood Hazard Policy Unit

**Zoning Description/
Permitted Activity:**

Waiho Flood Hazard Zone:

The Waiho River Severe Flood Hazard Zone is prone to a catastrophic event, either as a result of a flood within the Waiho or a dam break within the Callery Gorge. There is no flood warning time available, and together with the limited resources in the area, means that the safe evacuation of the area cannot be guaranteed. Accordingly, the only secure solution is to remove the risk by not populating the area.

Subdivision and development are non complying activities and is extremely unlikely to be approved unless it can be established beyond reasonable doubt that the proposed development would not be subject to a natural hazard risk. Therefore under these zonings permitted activities are any agricultural/forestry subject to:

- (i) No buildings are permitted.
- (ii) Compliance with the Standards set out.
- (iii) No modification to or effect outstanding natural features of the landscape.

Any building in this area will require resource consent and may in fact need to be notified. Any building in the area will be tagged under the Building Act as built in a hazard zone.

We note however in recent years subdivision of land and new houses have been allowed in this zoning.

Rural Policy Unit:

Any agricultural or forestry activity, subject to no buildings are permitted in association with these activities; compliance with the standards for permitted activities in the Rural Zone; no modification to or effect on any outstanding natural features and landscapes or any area of significant indigenous vegetation or habitat and no modification to or effect on the coastal environment.

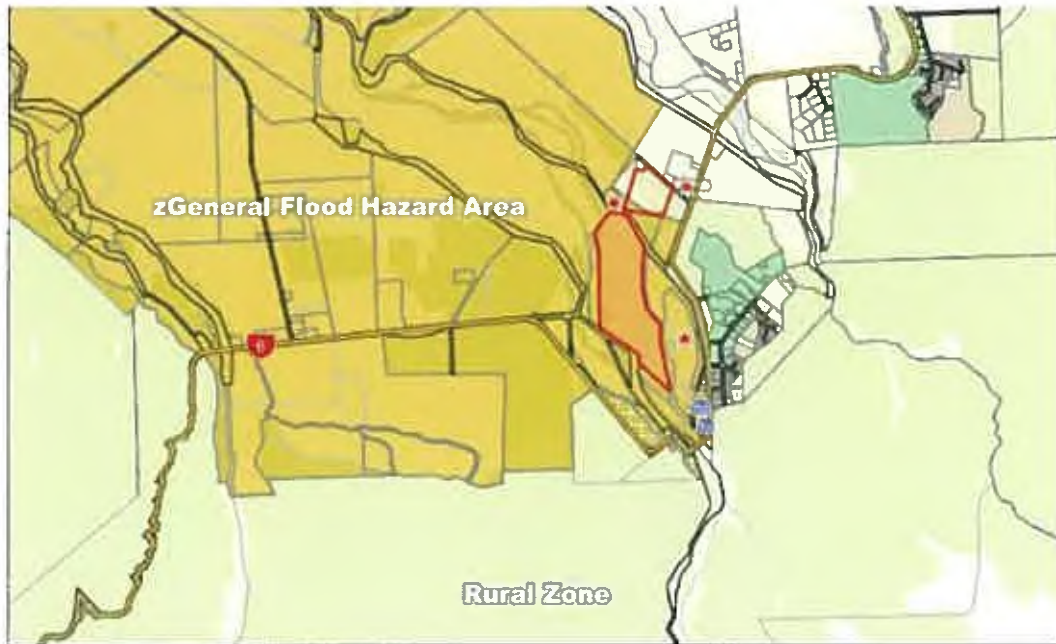
Zoning Effect/Conformity: Existing Use Rights
Heritage Notations: We have undertaken a search.
Building Consent: Nil
Resource Consent: Nil

From the West Coast Regional Council website the following consents are held:

Parcel 1 – Nil

Parcel 2 – Numerous consents regarding gravel extraction, flood control works and the likes.

Zoning Map:



Town Planning

That information has been obtained verbally from representatives of the Westland District Council or the Council's web site and this valuation is issued on the understanding that such information is correct. The Town Planning information should be checked by You. We will not assume any liability or negligence for our reliance on the Local Authority's verbal advice or information obtained from its web site.

That information has been obtained verbally from representatives of the Buller Council and other relevant central and local government bodies (together the Authorities) or their web sites and this valuation is issued on the understanding that such information is correct. The information should be checked by You. We will not assume any liability or negligence for our reliance on the Authorities' verbal advice or information on their web sites.

LIM Report

We have not been provided with a Land Information Memorandum for the subject property. Our valuation is conditional upon the buildings conforming with By-Laws and that there are no outstanding council/regulatory requirements over this property. Should a Land Information Memorandum show this not to be correct, we reserve the right to reconsider our valuation.

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8 Land Description & Services

8.1 Land Dimensions

A more precise understanding of the land's dimensions and areas can be obtained from the Plan/s, titles and photos appended.

Parcel 1:

Parcel 1 is a slightly irregular shaped parcel of land that is basically rectangular in shape with angled northern most boundary. The property has a southern boundary of 291.19 metres and an eastern boundary of 239 metres. This gives an overall area of 10.5785 hectares.

The land itself is predominately flat in contour and level and forms very gently towards the north-western boundary. The property has a frontage to the flood wall adjacent to the sewerage pond and also has a reasonably long frontage of approximately 288 metres to an unnamed legal road adjacent to the northern boundary. This runs in a westerly direction adjacent to the Franz Josef Holiday Park.

The land itself has a mixed cover with a large proportion of the property being regenerating native bush with areas of scrub and rough grazing.

The land was partially inundated in a large flood which breached the flood protection wall some three years ago and destroyed the adjacent Scenic Circle Hotel. The water flowed over the floodwall adjacent to the State Highway, through the hotel and through the bush and land associated with the subject property.

With the raising of the floodwall, this problem has been mitigated to a certain degree.



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Parcel 2:

Parcel 2 is a large irregular shaped parcel of land which runs adjacent to the heliport down to the existing sewerage ponds. This offers a total area of 45.52500 hectares.

The land itself comprises part of the actual Waiho Riverbed and on the date of inspection the actual river was flowing through the subject property. It has a cover of river gravels. The vast majority of the property with the exception of a small area adjacent to the sewerage ponds is outside the flood protection wall and therefore is not protected.

This limits its desirability and development potential and its most likely use would be for gravel extraction and/or river protection works.



8.2 Improvements

There are no improvements associated with the property.

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9 Photos

Parcel 1:



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Parcel 2:



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10 General and Market Commentaries

Local Property Climate for This Class of Property:

The demand for property in the Glacier Region is mixed depending upon the category of the property.

The demand for residential houses in the Glacier Region is two fold. Firstly from permanent residents who wish to own their own homes, and secondly from business owners who require staff accommodation. With the upturn in the tourist industry over the past two years, demand for residential houses has increased recently and upward pressure on prices is occurring with only two residential houses currently listed for sale within the district.

Franz Josef is one of the iconic tourist destinations in New Zealand and we understand in excess of 1.1 million visitors to the region each year, with a large proportion visiting the Glacier Region. The last two tourist seasons have been some of the best for some time with increasing visitor numbers leading to increased employment opportunities within the township as businesses are running at or near full capacity. This has led to increasing pressure on both values and rental levels.

Sale prices achieved vary quite considerably. Entry level houses generally start around \$240,000 to \$300,000, these are typically small three bedrooms homes. Larger homes attract interest from both types of potential property owners.

We note with the upturn in the tourist industry, there is also upward pressure on rentals within the town and a number of property investors are purchasing for residential investment purposes. We also note that generally, rentals are between \$80 and \$120 per room per week.

Commercial land also has a mixed demand with new businesses opening up each season on the back of two good tourist seasons with most existing businesses enjoying growth. However, a lack of quality, well located land hinders the number of sales. Demand has, to a certain effect, been influenced by the introduction of the Fault Rupture Avoidance Zone (FRAZ) which has now been withdrawn but uncertainly still exists. s

Valuer's Commentary:

The demand for the subject properties would be very limited if offered on the open market due to concerns associated with the Waiho Rover, both past, present and future. The smaller block would suit some non residential use but there is very little uses for the river block.

11 Sales

Address	Sale date	Sale Price	Area	VI	LSP	LSP/ha	
Waiho Flat Rd	29/05/2018	\$ 250,000	39.9000	\$ 20,000	\$ 230,000	\$ 5,764	Grazing Block
Gibb Rd	15/03/2018	\$ 500,000	127.3200	\$ 25,000	\$ 475,000	\$ 3,731	Mixed Bush
Franz South Bank	8/02/2018	\$ 400,000	97.3200	\$ 20,000	\$ 380,000	\$ 3,905	Grazing
Franz Josef	31/05/2017	\$ 300,000	30.3500	\$ 5,000	\$ 295,000	\$ 9,720	Mixed Bush
Waiho Flat	7/04/2017	\$ 65,000	4.2445	\$ -	\$ 65,000	\$ 15,314	Grazing
Fox	26/10/2016	\$ 650,000	55.4100	\$ 20,000	\$ 630,000	\$ 11,370	Vacant Block
Franz	1/08/2016	\$ 160,000	30.3463	\$ 5,000	\$ 155,000	\$ 5,108	Grazing Block
Callery	2/10/2017	\$ 565,000	76.3235	\$ 50,000	\$ 515,000	\$ 6,748	Heliport Site
Hokitika River	1/05/2017	\$ 170,000	372.3100	\$ -	\$ 170,000	\$ 457	(M/ee sale) Callery Subdivision
Waiho River	1/03/2011	\$ 70,000	45.2500	\$ -	\$ 70,000	\$ 1,547	WCRC Block
Waiho River	1/03/2011	\$ 200,000	10.5700	\$ -	\$ 200,000	\$ 18,921	Subject
Waiho River	1/03/2011	\$ 300,000	93.5855	\$ -	\$ 300,000	\$ 3,206	Subject Adjacent sewerage Ponds

Commentary:

None of the above sales are truly comparable but give guidance to values. The main issues is the effect of the Waiho Flat Rover which limits potential development.

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12 Valuation Approach & Methodology

Introduction:

To consider our valuation of the subject property we have, where appropriate, adopted the following valuation approaches to establish the Highest and Best Use Market Value.

International Valuation Standards describe "Highest and Best Use" as being:

"The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property being valued".

Direct Comparison Approach:

To consider our valuation using this approach we have had regard to the individual characteristics of the subject property relative to our analysis of the available market evidence.

Having regard to the current market conditions relative to the locality of Franz Josef, we are of the opinion that based on location, age and quality of improvements and site area, a suitable value would be \$0.

On a direct comparison basis we would expect Parcel 1 to sell between \$150,000 and \$170,000, while Parcel 2 between \$40,000 and \$50,000.

Summation Approach:

To consider our summation approach in the case of non-strata property we have: -

- Assessed an estimate of land value;
- Added an estimate of depreciated replacement cost for the improvements;

Parcel 1:

	Improvements		Nil
	Land	10.57 ha @ \$15,000/ha	\$158,550 say \$160,000

Parcel 2:

	Improvements		Nil
	Land	45.25 ha @ \$1,000/ha	\$45,250 \$ 45,000

Both of the above values are excluding GST if any.

Reconciliation of Approaches:

Both methods of valuation give indicated range for Parcel 1 of between \$150,000 and \$170,000 and for Parcel 2 \$40,000 to \$50,000 respectively.

We believe a centre point of this would be appropriate.

Sales Evidence:

Where sales data has been obtained from a government sourced or commercially available database (such as Valbiz/Property Guru/REINZ) we have considered it to be the most current sales data available. However sales which have occurred during the course of the last three months of sales, which have been the subject of deferred settlement terms, may not necessarily appear immediately in available records. Accordingly with this type of transaction, we only rely on separate enquiries to attempt to obtain all available sales data.

It is noted that we have relied on sales data information services as being a true and correct reflection of the terms of any sale considered at arm's length. We have not sighted copies of transfer notices, nor have we sighted copies of contract documents between the vendor and purchaser which may reveal matters that affect the sale price and necessitate adjustment to apply to the subject property. In the event that contract documents reveal matters that necessitate adjustment of the sales evidence, we reserve the right to reconsider our valuation herein.

13 Goods and Services Tax Approach

When analysing the sales and/or leasing evidence relied upon for this valuation, we have attempted to ascertain whether or not the sale price/rental is inclusive or exclusive of Goods and Services Tax (GST). The sales and/or leasing evidence does not identify whether or not the sale price/rental is inclusive or exclusive of GST. Where we have not been able to verify the matter of GST, we have assumed that the sale price is inclusive of GST (if any) for residential properties and plus GST (if any) for non-residential properties. Should this not be the case for any sale and/rental evidence relied upon, we reserve the right to reconsider our valuation.

14 Terms and Conditions

Explanation

1. The following terms and conditions are the standard terms and conditions that apply to all Valuations or the Valuation Services or consultancy services and Services provided by PRP West Coast Limited.
2. These terms and conditions form part of the appointment of PRP West Coast Limited by the Client to provide the Services.
3. The Valuation and all Valuation Services are provided by PRP West Coast Limited subject to these Terms and Conditions.

Definitions

4. The following definitions apply to these Terms and Conditions and the provision of our Valuations, Valuation Services and Services:

'Client' shall mean **Destination Westland**

'Confidential information' means information that:

- (a) Is by its nature confidential;
- (b) Is designated by Us as confidential;
- (c) You know or ought to know is confidential; and Includes, without limitation;
- (i) Information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services; and the Quotation / scope of works which We have provided to You.

'Date Of Valuation' means, in relation to any Valuation, Valuation Services, Services or consultancy services or advice, the date of inspection or the specific date as at which our opinions are stated to apply (the Relevant Date).

'Director' means a Director noted on the New Zealand Companies Office records for PRP West Coast Limited

'Disbursements' mean out-of-pocket expenses such as travel and accommodation costs, Title searching costs, Costs associated with procuring expert reports or certificates of compliance from relevant professionals or authorities, which may be required to assist in ascertaining the value of the property. These expenses will be passed on to you at cost.

'Fee' means the amount agreed to be paid for the Services by You as set out in the Quotation.

'Parties' means You and/or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Relevant Date' means the specific date that our opinion is stated to apply where we are instructed to value at a specific date other than the date of inspection.

'Services' means the Valuation, Valuation Services, asset management, property management, facilities management or consultancy services or advice provided by Us pursuant to these Terms and Conditions and the Quotation.

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'Valuation' shall include a Valuation, Valuation services, or feasibility study, made or given in relation to any real or personal property, freehold or leasehold property, asset, liability or item or items of plant and machinery, proposed development, infrastructure, carbon, water or native title property right, business, fixtures, fittings or other property.

'Valuation Services' , shall include any oral or written advice, opinion, recommendation or statement communicated to the Client by Us consequent upon or incidental to the request for a Valuation;

'Valuer' means the individual valuer that has undertaken the valuation or valuation services.

'We', 'Us', 'Our (s)' means PRP West Coast Limited, our employees, contractors, servants and agents.

'You', 'Your' means the Client engaging Us to perform the Valuation, Services or Valuation Services.

Scope of Work/Quotation

5. Prior to commencing work We will provide you with a Quotation that sets out who the report is for; the purpose for which the report is being prepared and the fee to be charged. You agree that:
 - (a) you will not use any advice we provide for any purpose other than as stated in the Quotation;
 - (b) you will not pursue any claim against Us for any loss you suffer because you have used Our advice for any other purpose;
 - (c) you will keep this report confidential, unless otherwise agreed by Us in writing.

Your Obligations

6. You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Valuation, Valuation Services or Services. You also accept all risk and any loss that might occur should you withhold any relevant information from Us.
7. You warrant that all third-party expert or specialist reports provided to Us by You for the purpose of Us providing the Valuation, Valuation Services or Services are provided with the authority of the authors of those reports.
8. You authorise and licence Us to incorporate Your intellectual property within Our report(s).
9. The Valuation and all Valuation Services are provided by Us solely for the use of the Client and any "Other Intended User" noted in the Scope of Works. You will not release any part of Our valuation or consultancy report or its substance to any third party without the written consent of one of Our Directors. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions must be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided. You are obligated to provide any such recipient with a copy of these Terms and Conditions.

10. If You release any part of the valuation or consultancy advice or its substance with Our written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this Valuation, Valuation Services, Services or consultancy advice.
11. You agree that We do not and will not assume any responsibility to any person other than the Client for any reason whatsoever including, without limiting the generality of the foregoing, for breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reason of or arising out of the provision of the Valuation, Valuation Services or Services and notwithstanding that any damages have been suffered or incurred by that person as a result of the provision of this Valuation or those Valuation Services to the Client or the use of either of them (or any part of either of them) by the Client for any purpose whatsoever.
12. You must pay our Fees within 14 days of the date of a correctly rendered invoice (A full GST invoice with payment options will be emailed separately to the applicable party at the same time the report is submitted) unless otherwise dealt with in the Quotation. Fees that remain unpaid for a period of 30 days or more will attract an administration charge of 2% of the total of the invoice calculated per month or part thereof. Unpaid accounts of over 90 days can/will be passed to our collection agency and all debt collection costs and all legal and related costs incurred in the recovery of any unpaid account will be charged to the invoiced party in addition to the outstanding amount.
13. You agree that We reserve the right to reconsider or amend the Valuation, Valuation Services, Services or consultancy advice, or the Fee set out in Our Quotation to You, if we identify information or facts that were not provided to Us in the at the time of quoting that reveal that the task is much greater than we initially anticipated from the information you provided. In such circumstances, once We have identified additional issues that necessitate additional work, we will advise you of the additional fees for additional time required to complete the task.
14. You agree that neither the whole nor any part of Our Valuation or the substance of any of Our Valuation Services or Services may be communicated to any third party (whether by way of inclusion in a document, circular, statement, prospectus, Product Disclosure Statement (PDS), public offer document or otherwise) without first obtaining the written consent of one of Our Directors. Neither the whole nor any part of Our valuation report or Valuation Services report or any reference to it may be included in any published document, circular or statement, prospectus, Product Disclosure Statement (PDS), public offer document, nor published in any way, without written approval by one of Our Directors as to the form and context in which our Valuation or Valuation Services may appear. Notwithstanding the foregoing, the Client agrees that in the event that it does communicate to a third party the whole or any part of this Valuation or the Valuation Services it shall also communicate to that third party these Terms and Conditions. Furthermore You agree to indemnify Us in the event of any failure to do so.
15. You agree that every right, immunity, exemption and limitation or liability in these terms and conditions shall continue to have its full force and effect in all circumstances notwithstanding any breach of contract or the Terms and Conditions hereof by Us or any person entitled to the benefit of these Terms and Conditions.
16. You agree that if any provision or any part of a provision hereof is unenforceable for any reason whatsoever, such unenforceability shall not affect any other part of such provision or any other provision of these Terms and Conditions.

Date: 14/08/2018
PRP Ref: 3013720
Waiho River Bed, Franz Josef, West Coast 7886

Intellectual Property

17. All Our intellectual property contained within any advice We provide, remains Our property. We only grant you licence to use Our intellectual property to carry out the purpose for which the advice was provided.

Property or Valuation Circumstance Specific Qualifications, Assumptions and Conditions Precedent within our reports

18. We are providing You with our professional opinion as valuers. Our opinion is usually provided by way of a valuation report. That report will set out a number of important qualifications, assumptions and conditions precedent which We may need to make, in addition to these Terms and Conditions, relative to the circumstances of the particular property or properties (real or personal property) under consideration.
19. You agree to read these qualifications, assumptions and conditions precedent carefully, and understand that if the assumptions that we have made or relied on are circumstances that do not prevail or eventuate, or are found later to be inaccurate, Our opinion as to value may be materially different. You agree to solely bear the risk in relation to any loss you might suffer, should this occur.
20. The qualifications, assumptions, and conditions precedent that We make will usually depend on the circumstances of the property being valued and are made in relation to matters that We do not have expertise to verify or We cannot verify information provided to Us within the time required to complete the valuation. These will be set out in detail in the Valuation, Valuation Service report or Services report that We provide to You.
21. These qualifications, assumptions and conditions precedent typically will relate to:-
- (a) Land contamination and environmental risk;
 - (b) Town Planning Information;
 - (c) Town Planning and Development Controls and Consents;
 - (d) Title including Notifications on Title such as Easements, Caveats, Restrictions and other dealings;
 - (e) Building Areas;
 - (f) Building Structural Integrity;
 - (g) Building compliance with the New Zealand Building Code;
 - (h) Pest Infestation;
 - (i) Leases, Licences and Tenancies;
 - (j) Plant and Equipment within Buildings;
 - (k) The veracity of and sources of Sales and Letting Information and Transaction Data;
 - (l) The nature of forecasting, future value assessment and discounted cash flow analysis;
 - (m) The basis of Value where access to the property is restricted; and
 - (n) Whether or not the property has been completed as part of a development
22. You agree that we will include property specific qualifications, assumptions and conditions precedent within Our reports as circumstances require. Furthermore You agree that it is Your responsibility to carefully read and consider these qualifications, assumptions and conditions precedent and discuss them with Us if they cause You any concern.

15 Specific Assumptions, Terms and Conditions

The Client acknowledges:-

Publication Report Disclaimer

1. The information provided within this publication should be regarded solely as a general guide. We believe that the information herein is accurate however no warranty of accuracy or reliability is given in relation to any information contained in this publication. Nor is any responsibility for any loss or damage whatsoever arising in any way for any representation, act or omission, whether expressed or implied (including responsibility to any person or entity by reason of negligence) accepted by PRP West Coast Limited or any of its associated offices or any officer, agent or employee of PRP West Coast Limited

Weather Tightness

2. Whilst we have set out obvious issues noted during our physical inspection, we are unable to state that the property is free of any further defects and we have not inspected any inaccessible or unexposed parts of the property. Our valuation is based on the assumption that unless otherwise stated that the external cladding complies with the requirements of the relevant Standards, Code of Practice and Local Authority requirements and that materials used are fixed in strict accordance with their manufacturer's recommendations. We assume that there are no weather tightness issues with the cladding or design features. Should it be known that our assumptions are incorrect, then the valuation provided should be disregarded and the valuer should be provided the opportunity to undertake a reassessment in light of the new information.

Methamphetamine

3. You acknowledge and recognise that We are not expert in identifying methamphetamine/drug use or clandestine/drug labs and methamphetamine manufacture on the property. We have, however, endeavoured to superficially identify all matters of concern and the effect they might have on the value of the property. However, We will not be held liable nor responsible for any failure to identify any such matters concerning methamphetamine use or their manufacture and the impact, which any related issue has on the property and its value including loss arising from property contamination; or the compliance with any New Zealand laws; or costs associated with the clean up of a property in which an methamphetamine hazard has been recognised, including action by the Ministry of Health, Ministry for the Environment, Environmental Risk Management Authority, Department of Building and Housing, Housing New Zealand Corporation, New Zealand Police, New Zealand Fire Service, Ministry of Social Development, the relevant local authority or any other entity to recover clean up costs pursuant to the Health Act 1956, Hazardous Substances and New Organisms Act 1996, Building Act 2004, Residential Tenancies Act 1986 and Resource Management Act 1991, or any other applicable laws or by-laws.

Date: 14/08/2018
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Waiho River Bed, Franz Josef, West Coast 7886

16 Market Value "As Is"

We are of the opinion that the **Market Value "As Is"** of **Waiho River Bed, Franz Josef, West Coast 7886** is in the sum of

- A) Market Value (Lot 5 DP419200) :** **\$160,000**
(One hundred and sixty thousand dollars)
exclusive of GST
- B) Market Value (Section 1 SOP11501):** **\$45,000**
(Forty five thousand dollars)
exclusive of GST

as at the date hereof and subject to:-

1. The assumption that the valuation figures herein is **Inclusive** of **Goods and Services Tax (if any)**;
2. The property having vacant possession as at the date of valuation;
3. The comments contained herein; and
4. The terms and conditions contained herein.

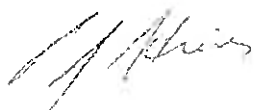
17 Mortgage Recommendation

The subject property, Waiho River Bed, Franz Josef, West Coast 7886, is suitable for first mortgage lending subject to the risks identified in Section 10 of this report.

This report can be relied upon for first mortgage lending by the instructing party and their specific mortgage insurers (if applicable).

Reliance on this report should only be taken upon sighting the original document that has been signed by the Valuer. The opinion of value expressed in this report, has been arrived at by the Valuer whom has undertaken the valuation in accordance with the instructions given.



Valuer:



Signature of Valuer/Director: on behalf of
PRP West Coast Limited
Peter Hines,
B Com (VPM) ANZIV,
Registered Valuer

Date: 14/08/2018
PRP Ref: 3013720
Waiho Riverbed, Franz Josef, West Coast 7886

Appendix B Certificate of Title

	COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952	
Guaranteed Search Copy issued under Section 172A of the Land Transfer Act 1952		
Identifier	WS5C/1242	
Land Registration District	Westland	
Date Issued	25 September 1989	
Prior References		
GN 83541 1		
Estate	Fee Simple	
Area	45 2500 hectares more or less	
Legal Description	Section 1 Survey Office Plan 11501	
Proprietors		
Westland District Property Limited		
Interests		
Subject to Part IV A Conservation Act 1987		
Subject to Section 11 Crown Minerals Act 1991		
<hr/>		
<small>Transaction Id</small>	<small>Guaranteed Search Copy Dated 10/07/18 8:55 am, Page 1 of 2</small>	
<small>Client Reference</small>	<small>Register Only</small>	

Date: 14/08/2018
 PRP Ref: 3013720
 Waiho Riverbed, Franz Josef, West Coast 7886

Identifier **WS5C/1242**

RS 6224
4 010 No.

Crown Land Reserve From Site
Sec 58 Land Act 1963

PLAN OF RS 6224

LAND DISTRICT WESTLAND
SHANTY REG & PLAN
BMP# 261 SHEET NO. 133/RS3

IRALA HERBERT WESTLAND COUNTY
Prepared by: D. D. ANDERSON
Scale: 1:1500 Date: 14th JAN 1982

Map No. 4 010 No.
Designated as CROWN LAND

Drish Deryn Anderson of P.O. Box 148
Herbert Street, Invercargill, Otago, New Zealand
is the Author of this Plan and she is entitled
to the fee of the same. The fee of this Plan is
payable to the Registrar of Land and is subject to
the provisions of the Registration Act 1963.

Prepared by: D. D. ANDERSON
Date: 14th JAN 1982

Approved by: G. D. ANDERSON
Date: 14th JAN 1982

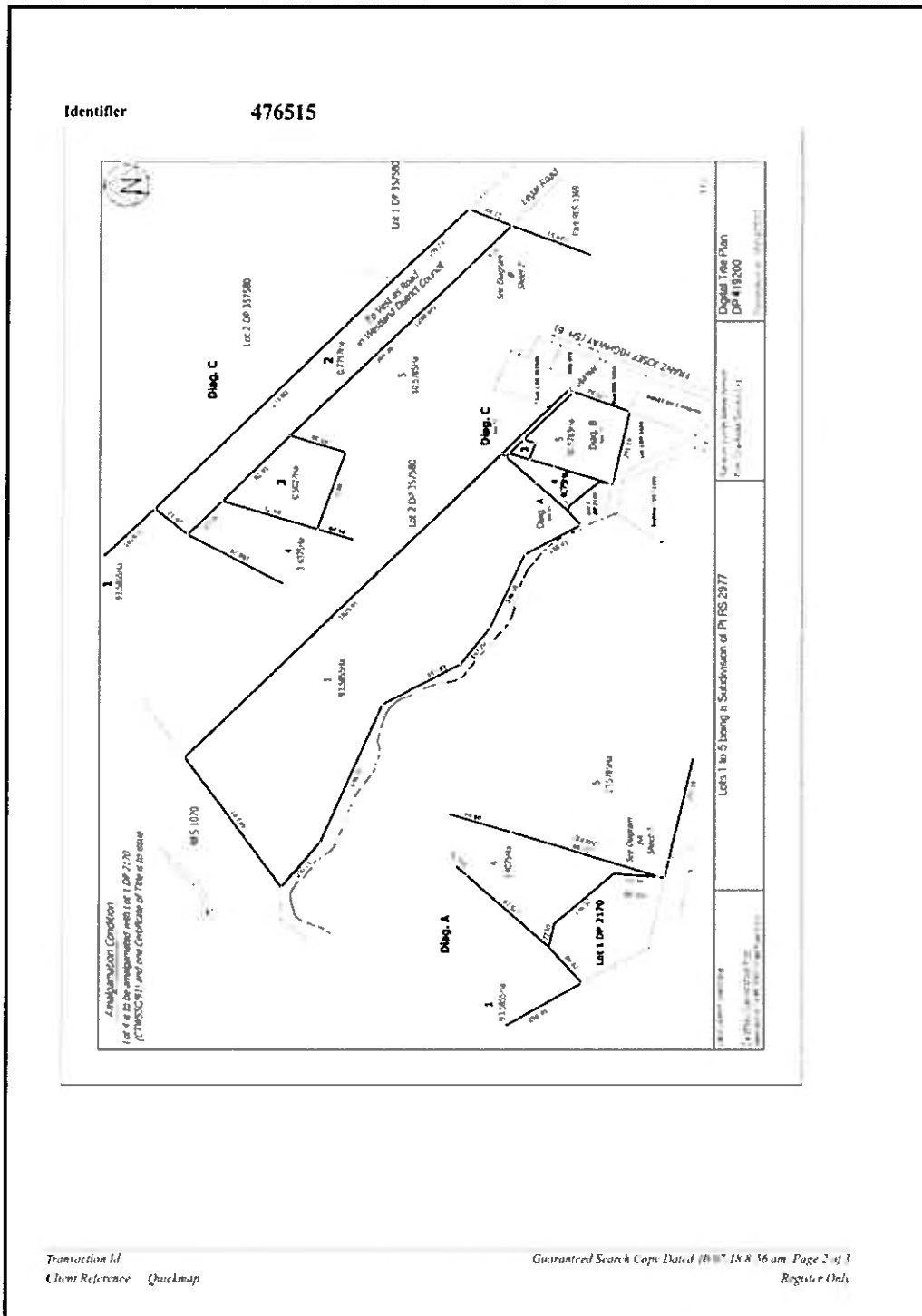
Registered by: G. D. ANDERSON
Date: 14th JAN 1982

Fee: \$0 10 501

Transaction Id: [View/Print Search Copy](#) Dated: 10/07/2018 8:55 am Page 2 of 2

Client Reference: [Quickmap](#) Register Only

Date: 14/08/2018
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 Waiho Riverbed, Franz Josef, West Coast 7886



Date: 14/08/2018
 PRP Ref: 3013720
 Waiho Riverbed, Franz Josef, West Coast 7886

Report



DATE: 23 August 2018
TO: Mayor and Councillors
FROM: Chief Executive

CONTRIBUTION TO ESTABLISHMENT OF FIRST PERMANENT NEW ZEALAND WAR MEMORIAL MUSEUM IN THE FRENCH TOWN OF LE QUESNOY

1 SUMMARY

- 1.1 The purpose of this report is to consider a contribution from Council towards the establishment of the first permanent New Zealand War Memorial Museum in the French Town of Le Quesnoy.
- 1.2 This issue arises from an email received from a Trustee of the Trust established to acquire and run a New Zealand War Memorial Museum in the historic town of Le Quesnoy, France.
- 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 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council make a contribution towards the War Memorial.

2 BACKGROUND

- 2.1 The New Zealand Memorial Museum Trust – Le Quesnoy is raising funds to purchase and repurpose the historic former Mayor’s residence in Le Quesnoy, France, which has been the headquarters for the local Gendarmerie since 1952. The site will be developed to include upgraded accommodation for visitors and a new annex. The project is named the New Zealand War Memorial Museum, Le Quesnoy. The historic building and annex will form a Museum that will tell the soldiers’ extraordinary stories and exhibit educational and interactive historic collections from both World Wars.

- 2.2 During World War 1, 70,000 New Zealanders served in Europe and on the Western Front. As the only colonial division in the British Third Army, it led the “Advance to Victory”. New Zealanders led the way for 49 of the 56 hard fought miles over 77 days from Hebuterne¹, to Le Quesnoy.
- 2.3 The Hokitika Museum started a WW1 database in 2013 with a list of names provided by the RSA. With so few resources, gathering the data has been an ongoing project. At the moment the Museum is unable to advise the number of Westlanders who took part in the Battle for Le Quesnoy, only the deaths. There were at least 13 individuals that paid the ultimate price and were buried in or around Le Quesnoy. They are made up of 8 men who were born in Westland and 5 who enlisted from the Westland area, born elsewhere.
- 2.4 The listing of names is attached as **Appendix 1**.
- 2.5 The flyer received is attached as **Appendix 2**.

3 CURRENT SITUATION

- 3.1 The New Zealand Memorial Museum Trust – Le Quesnoy is seeking a contribution towards the Trust. Advice has been received that there is now an emerging consensus that many Councils are committing to making contributions, some of which have been quite substantial.

4 OPTIONS

- 4.1 **Option 1:** Council approves a contribution as requested by the New Zealand Memorial Museum Trust.
- 4.2 **Option 2:** Council rejects the request altogether.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council policy on Significance and Engagement, the matter is considered to be of low significance.
- 5.2 Input has been sought from the Hokitika Museum who started a WW1 database in 2013 with a list of names provided by the RSA. With so few resources, gathering the data has been an ongoing project.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option 1:** Council approves a contribution as requested by the New Zealand Memorial Museum Trust – Le Quesnoy.

This is the preferred option.

- 6.2 **Option 2:** Council rejects the request altogether.

This is **NOT** the preferred option.

- 6.3 Any one-off approval would represent unbudgeted costs and accordingly would need to be funded from general reserves.

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

- 7.1 Option 1 is the preferred option as this acknowledges the contribution made by the people of the West Coast in the early 20th Century.

8 **RECOMMENDATION(S)**

- A) **THAT** Council contributes \$1,300 (\$100 for each soldier that lost their lives in France) to the New Zealand War Memorial Museum in Le Quesnoy, France.
- B) **THAT** Council notes the contribution will be unbudgeted expenditure funded from general reserves.

Simon Bastion
Chief Executive

Appendix 1: Listing of names
Appendix 2: Flyer received

Appendix 1

According to the data, there were at least 13 individuals that paid the ultimate price and were buried in or around **Le Quesnoy**. They are made up of 8 men who were born in Westland and 5 who enlisted from the Westland area, born elsewhere. Here are some of their details:

<u>Service</u> <u>man's</u> <u>Surname</u>	<u>Forenames</u> <u>or initials</u>	<u>Service</u> <u>Numbe</u> <u>r</u>	<u>Date of</u> <u>Birth</u>	<u>Date of death</u>	<u>Last rank</u> <u>held</u>	<u>Place of</u> <u>Birth</u>	<u>Address</u> <u>before</u> <u>enlistment</u>	<u>Cause of</u> <u>death</u>	<u>Age at</u> <u>death</u>	<u>Place of</u> <u>death</u>	<u>Memorial/cemetery/crematorium</u>
Banks	Henry Dunbar	33098	10 Apr 1881	04 Nov 1918	2nd Lieutenant	Hokitika		Killed in Action		France	Le Quesnoy Communal Cemetery Extension, Nord, France
Comport	Henry	56416	12 Sep 1897	08 Oct 1918	Rifleman	Rimu	Rimu, Woodstock, Hokitika	Killed in Action	21	France	Anneux British Cemetery, Nord, France
Cunningham	William	23/1365	16 Dec 1890	29 Oct 1918	Sergeant	Auckland	Arahura	Killed in Action	28	France	Cross Roads Cemetery, Fontaine-Au-Bois
Foote	William Edward	73013	4 Jun 1894	11 Oct 1918	Private	Hokitika		Died of Wounds	23	France	Beaulencourt British Cemetery, Ligny-Thillooy, Pas-de-Calais, France
Hamilton	John (Jack)	26/1001	23 Aug 1890	08 Oct 1918	Rifleman	Ireland	Hokitika	Killed in Action	32	France	Honnechy British Cemetery, Nord, France
Hansen	Andrew Otto	71599	1 Feb 1896	08 Oct 1918	Private	Woodstock	Hende's Ferry, South Westland	Killed in Action	22	France	Honnechy British Cemetery, Nord, France
Irwin	Andrew	23/2010	19 Dec 1873	03 Sep 1918	Private	Ireland	Wanganui	Killed in Action	44	France	Grevillers (New Zealand) Memorial, Grevillers British Cemetery, Pas-de-Calais, France
Muir	Alfred	69968	20 Jan 1896	23 Oct 1918	Private	Ross		Died of Disease	23	France	Solesmes Communal Cemetery, Nord, France
Park	William Henry	32961	2 Apr 1896	24 Oct 1918	Corporal	Ashburton	Okarito	Killed in Action	22	France	Cross Roads Cemetery, Fontaine-au-Bois, Nord, France
Payn	John Francis	52645	31 Aug 1895	03 Oct 1918	Private	Kumara	Methven	Killed in Action	23	Le Cateau, France	Flesquieres Hill British Cemetery, Nord, France
Priest	Percy Cuthbert Turnbull	43498	16 Sep 1886	23 Oct 1918	Driver	Hokitika		Killed in Action	32	France	Vertigneul Churchyard, Romeries, Nord, France
Rudkin	Edgar Ralph	70651	11 Sep 1896	13 Sep 1918	Rifleman	Kumara		Died of Wounds	22	France	Euston Road Cemetery, Colincamps, Somme, France
Spencer	Dudley	56484	18 Feb 1878	12 Sep 1918	Rifleman	Nelson	Mananui, Westland	Killed in Action	40	France	Villers Hill British Cemetery, Villers-Guislain, Nord, France

New Zealand War Memorial Museum

Le Quesnoy, France

Remembering the New Zealanders who fought and died for our freedom in World War I and World War II.

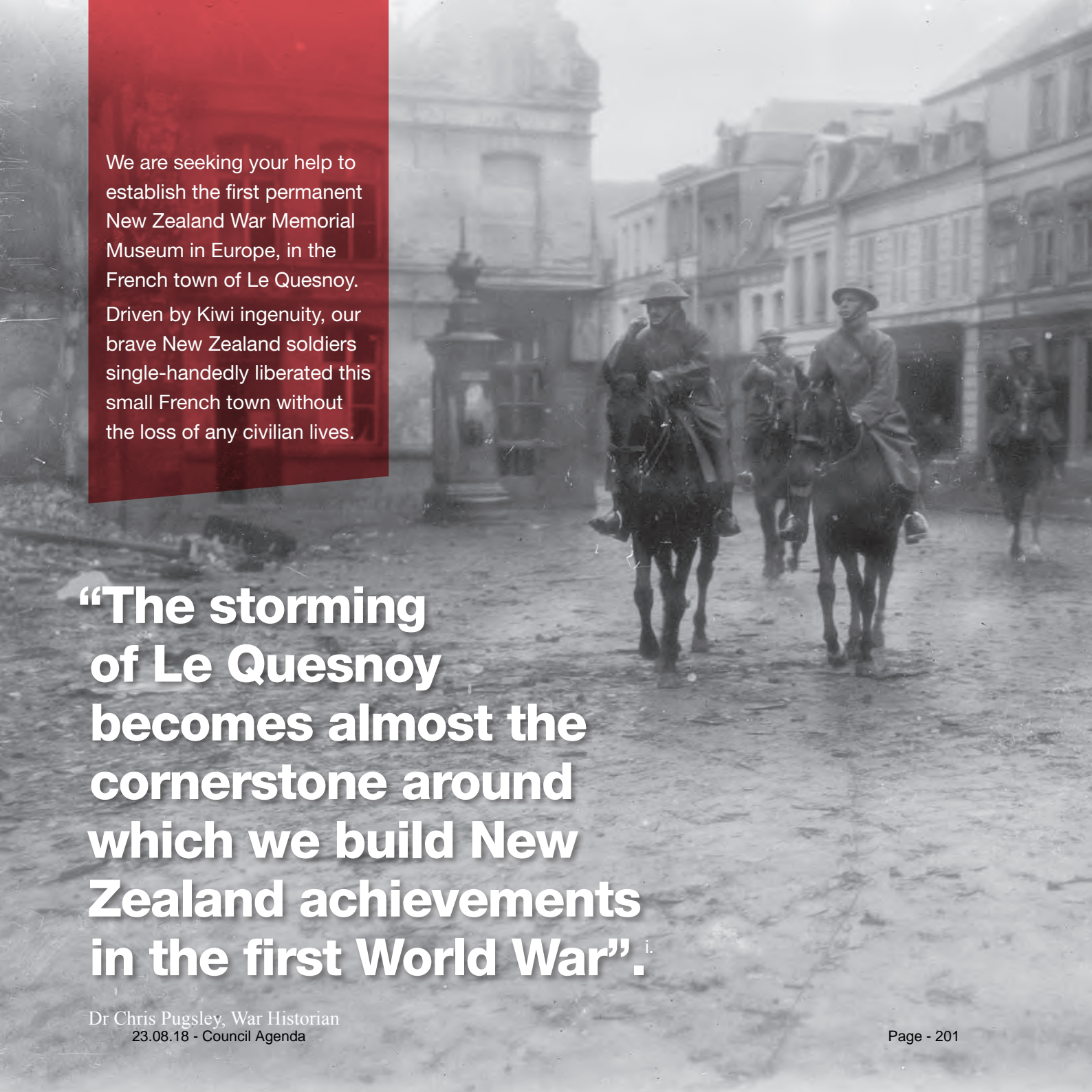
George Edmund Butler, Capture of the walls of Le Quesnoy.

23.08.18 - Council Agenda



NEW ZEALAND
WAR MEMORIAL MUSEUM
LE QUESNOY FRANCE
— A PLACE TO REMEMBER —

Page - 200



We are seeking your help to establish the first permanent New Zealand War Memorial Museum in Europe, in the French town of Le Quesnoy. Driven by Kiwi ingenuity, our brave New Zealand soldiers single-handedly liberated this small French town without the loss of any civilian lives.

“The storming of Le Quesnoy becomes almost the cornerstone around which we build New Zealand achievements in the first World War”.



New Zealand's Great Achievement

The New Zealand Memorial Museum Trust – Le Quesnoy is raising funds to purchase and repurpose the historic former Mayor's residence in Le Quesnoy, France, which has been the headquarters for the local Gendarmerie since 1952. The Mayor and Council of Le Quesnoy are providing their full support to this special project.

The site will be developed to include upgraded accommodation for visitors and a new annex. The accommodation is much needed, as visitor lodgings are sparse in Le Quesnoy. This project is named the New Zealand War Memorial Museum, Le Quesnoy.

The Trust aims to complete the fundraising by November 2018, marking the centenary of the liberation of Le Quesnoy by New Zealand soldiers on 4th November 1918.

Together the historic building and annex will form a museum that will tell the soldiers' extraordinary stories and exhibit educational and interactive historic collections from both World Wars.

New Zealanders, young and old, are eager to retrace their loved ones' steps, as well as to visit and base themselves in a permanent location where they can pay their respects and learn more about the sacrifices their forefathers made.

Sarah Ulmer, the Olympic cyclist, recalls the time she visited Le Quesnoy and felt overwhelmingly proud to be a New Zealander.

“To see the gratitude and respect that the locals have for New Zealanders today was just awesome, there are streets named after New Zealand, there are pubs named after New Zealand and the whole town knows the story so well, to be a Kiwi in a small foreign town like that is just amazing.”ⁱⁱ

France, in the early morning, after its capture.
The building on the left is the city hall which was destroyed by bombing. Photograph taken by Henry Armytage Sanders on the 5th of November, 1918.
Divisional commanders entering Le Quesnoy, France, after its capture. Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013708-G. Alexander Turnbull Library, Wellington, New Zealand.

Ingenuity From The Uttermost Ends Of The Earth

During World War 1, 70,000 New Zealanders served in Europe and on the Western Front. The majority of those served with the New Zealand Division.

By 1918, this Division was one of the most formidable fighting divisions of the British Expeditionary Force on the Western Front. As the only colonial division in the British Third Army, it led the 'Advance to Victory' ⁱⁱⁱ. New Zealanders led the way for 49 of the 56 hard fought miles over 77 days from Hebuterne to Le Quesnoy.

During that period the Division was engaged in 55 days of combat and sustained over 10,400 casualties with more than 2,700 dead. Figures as staggeringly incomprehensible today as they were long ago. The New Zealand Division was well aware that a significant number of people lived

in Le Quesnoy under German occupation. To ensure the least amount of damage to the town and potential loss of residents' lives, artillery was instructed not to fire beyond the ramparts into the town. Instead, Livens Projectors placed by the Royal Engineers fired 300 flaming oil drums onto the ramparts of the west walls, to create smoke and obscure the Germans' response. The 'flaming oil drums' were a supporting device to aid our infantry attack.

Our soldiers utilised their Kiwi ingenuity and accessed Le Quesnoy by placing long ladders against the fortified walls surrounding the town; and in a hand to hand battle, took the Germans prisoner without the loss of any civilian lives.



New Zealand military transport moving along a road in Le Quesnoy, France during World War I. Shows lorries and horse-drawn wagons. Photograph taken 30 October 1918 by Henry Armytage Sanders.

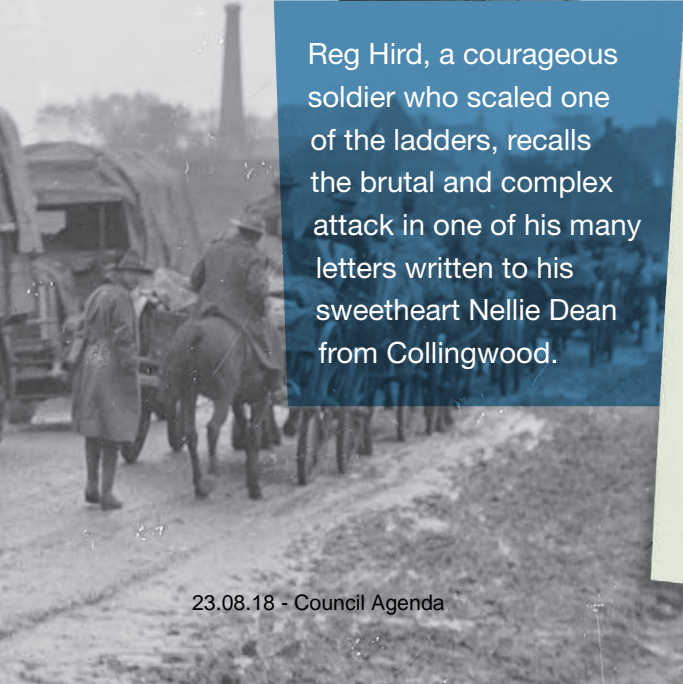
Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013696-G. Alexander Turnbull Library, Wellington, New Zealand.

23.08.18 - Council Agenda

Dear
Nellie
...with love



Reg Hird, a courageous soldier who scaled one of the ladders, recalls the brutal and complex attack in one of his many letters written to his sweetheart Nellie Dean from Collingwood.




France NOV 18

At 5.30am every man was at his post and the barrage opened and it was a barrage! Just one mighty crash, I never heard anything like it before. The ground shook and trembled and the bursting shells lit the ground up. It was like Hell let loose. Volunteers were called for men to place long ladders against the wall for the storming party to get over. Well I volunteered for one and had a good mate. The smoke screen was intensified and we slipped down into the moat and got almost to the foot of the wall when he spotted us and opened out on us from the top of the wall with machine guns and rifles and not more than 40 feet from our heads. How on earth he did not kill the pair of us I don't know.

He tore the ground up at our feet but we placed the ladder and took off for our lives. It was lucky for us that he had to shoot down at us and not straight at us, else napoo! We got behind an angle in the wall and dashed back into the thick screen and got back safely and after a severe fight we had won the inner rampart and were faced by another moat and the walls of the citadel. It was just about 12 o'clock now and we had a bit of a spell for a while but by 4 o'clock we had got a footing on the walls of the citadel and after a sharp fight had captured the whole garrison of 2000 men one of the greatest feats yet done by the New Zealand troops.

We marched up to the city square and it was a splendid reception that we got from the civilian population. There were over 1000 of them and they swarmed out of the tunnels and cellars where they had been hiding while the fighting was on. They cheered and feted and even kissed us. Little boys and girls hung onto our hands and it was impossible to march along. Young and old put their arms around our necks and it got quite embarrassing but poor souls they had been harshly treated.^{iv}



The cost in human terms was enormous for a country whose population only just exceeded one million.

Three New Zealand soldiers with a six inch trench mortar at Le Quesnoy, France, during World War I. One of the soldiers is sponging out between the rounds. Photograph taken by Henry Armytage Sanders in October 1918. *Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013686-G. Alexander Turnbull Library, Wellington, New Zealand.*

Research undertaken by New Zealand historians indicates that 135 New Zealanders were killed that day. Many of our young men, some only in their twenties, had survived the sacrifice of the Division from the Somme to Passchendaele, only to be killed just seven days before the end of World War 1.

The cost in human terms was enormous for a country whose population only just exceeded one million.

23.08.18 - Council Agenda

During 32 months of service in France and Belgium, the New Zealand Division was to incur in the region of 48,000 casualties. Over 12,400 men are buried in France and Belgium.ⁱⁱⁱ

Reg was one of the lucky ones to make it home after the end of the War. On the 9th of July 1919 he arrived in Collingwood, proposed to Nellie and they then became engaged.



Our Special Bond

This special connection between New Zealand and France remains today and, in particular, the people of Le Quesnoy maintain a strong affinity with their Kiwi visitors.

The Captain of the 2000 All Blacks, Todd Blackadder, recalls his own visit to Le Quesnoy.

“We walked around the town... (to the memorial) and we laid a wreath there. I was standing next to a Frenchman who had tears streaming down his face. He was moved by the generosity of the New Zealanders all those years ago.”^v

Le Quesnoy is continually grateful to New Zealand soldiers and has remembered them with warmth over the last 100 years.

Marie-Sophie Lesne, the Mayor, said the people of Le Quesnoy would never forget the sacrifice made by such a small nation from so far away.

“We will always be very grateful to the men from your country for liberating our town. They rest here with us and our bond is very strong with New Zealand. It will never be forgotten.”^{vi}

A crowd, with umbrellas, stand around a New Zealand regimental band playing in Le Quesnoy, the day after its capture. Photograph taken by Henry Armytage Sanders on the 5th of November 1918.

Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013705-G. Alexander Turnbull Library, Wellington, New Zealand.



23.08.18 - Council Agenda

Flag presented to the town of Le Quesnoy by the New Zealanders. Photograph taken late November 1918 by Henry Armytage Sanders.

New Zealand flag presented to Le Quesnoy. Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013787-G. Alexander Turnbull Library, Wellington, New Zealand.



The New Zealand War Memorial Museum, Le Quesnoy

The New Zealand Memorial Museum Trust – Le Quesnoy will create a museum complex with functional exhibition floor space.

The New Zealand War Memorial Museum, Le Quesnoy will focus on New Zealand's military involvement in Europe and our significant contributions in both World Wars. An integral part of the experience will involve the The New Zealand War Memorial Museum, Le Quesnoy supporting research into our service record in Europe,

and the location of New Zealand graves and our monuments to the missing.

Alongside the The New Zealand War Memorial Museum, Le Quesnoy will also be self-catering accommodation for visitors. This unique project also aims to support and contribute economically to the French community and region where New Zealand remains honoured and respected beyond living memory.



You Can Preserve History

Almost 100 years on, New Zealand has no permanent or dedicated war memorial museum in Europe to honour and preserve our legacy; no place to tell the many remarkable stories of bravery and sacrifice.

Imagine being a young person today and giving up your freedom and potentially your life to fight in a war on the other side of the world. We cannot possibly comprehend what it must have felt like for the thousands of young New Zealanders who through accident of birth fought and

died in the two World Wars of the Twentieth Century. We want to encourage and inspire each person who reads this to put themselves in the shoes of another.

Our vision is to remember the New Zealanders who fought and died for our freedom and to illustrate New Zealanders' role in both World Wars in Europe, by establishing the first permanent New Zealand War Memorial Museum in the town of Le Quesnoy.

**PRESERVE OUR HISTORY AND HELP
TURN THIS VISION INTO A REALITY.**





This 17th century former Mayor's residence in Le Quesnoy, France, has been the headquarters for the local Gendarmerie since 1952. The Mayor and Council of Le Quesnoy are providing their full support to this special project. The site will be developed to include upgraded accommodation for visitors and a new annex. The annex will be designed to provide a modern and secure repository for the records and memorabilia of New Zealand's participation in both World Wars.

New Zealand War Memorial Museum Le Quesnoy, France

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FOUNDER AND GENERAL SECRETARY

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STRATEGIC ADVISERS

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Rt. Hon. Sir Lockwood Smith *KNZM PhD*

If you have any queries or you would like any further information, please feel free to contact Sarah at nz.lequesnoy@gmail.com or PO Box 105190, Auckland 1143. Alternatively visit our website:

www.nzwarmemorialmuseum.co.nz

Acknowledgements

Special thanks to Rachel and Charlotte Hird for their generous permission to use images, excerpts and other content from their book 'Good bye Bill Massey No More

Khaki' - the story of Reg Hird's experiences in World War I told through letters and postcards to his sweetheart Nellie Dean.

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- ii. "NZ2012.com Sarah Ulmer on Le Quesnoy", YouTube video, 2011.
- iii. Chapter 3, The Battle of the Sambre: The liberation of Le Quesnoy by Herbert Farrant, "The Great Adventure Ends - New Zealand and France on the Western Front", edited by Nathalie Philippe with Christopher Pugsley, John Crawford and Matthias Strohn, 2013.
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- v. "After The Final Whistle: The First Rugby World Cup and the First World War", Stephen Cooper and Jason Leonard, 2015.
- vi. "Anzac Day: French town Le Quesnoy remembers Kiwis who saved their town in World War I", article for Stuff.co.nz, Marty Sharpe, 2017.



New Zealand 4.5 howitzers and soldiers, in an orchard in Le Quesnoy, France, 29 October 1918. Photograph taken by Henry Armytage Sanders. The loader (with one sleeve rolled up) has been identified as A C Hall by one researcher, and as Hamish Howard by a second researcher. The second researcher has also identified the layer (man smoking a pipe) as Geoffrey Challies.

Royal New Zealand Returned and Services' Association: New Zealand official negatives, World War 1914-1918. Ref: 1/2-013684-G. Alexander Turnbull Library, Wellington, New Zealand.

LEST WE FORGET

1918 – 2018

Report



DATE: 23 August 2018
TO: Mayor and Councillors
FROM: Chief Executive

RESPONSE TO ANNOUNCED CROWN POLICY RE MINING ON CONSERVATION LAND AND INITIATIVES REGARDING WINDBLOWN TIMBER AND STEWARDSHIP LAND

1 SUMMARY

- 1.1 The purpose of this report is to seek approval to participate in a regional response to the Crown's policy announcement on no new mining on Conservation land, noting that access to low quality Stewardship land and windblown timber will be ancillary matters that will form part of a response to the Crown.
- 1.2 This issue arises from a discussion at a recent Mayors and Chairs meeting.
- 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 adopt a series of recommendations to participate in the regional response./

2 BACKGROUND

- 2.1 The West Coast Mayors and Chairs have had a number of meetings following the announcement that the Crown intends banning (new) mining on Conservation land. Obviously, with especially gold mining on the Conservation estate on the Coast well-established and making an important contribution to the economy and job creation, the announcement (with no consideration for the economic impact it will have an economy recovering from great adversity in recent years). The Mayors and Chairs acknowledged the need for a concerted response to this announcement. Ancillary issues that were identified for discussion with the Crown include:

- The need for access to Stewardship land. The practical reality that conservation principles apply to such land under management by DOC is a concern and a missed opportunity to use poor quality tracts of land.
- The need to access wind-blown timber in the Conservation Estate for commercial purposes following the recent cyclones.

The Mayors and Chairs are still in a process of formulating the most appropriate strategy and it would be imprudent to speculate on it at this point. Rather than doing so, a set of broad principles is suggested:

The need for a formal mandate to the Mayor (or the person acting in that role in the absence of the Mayor) arises in relation to:

- Participating in the Regional response based on a set of broad principles that Council may wish to formulate. Given the fluidity of the situation, the mandate must be sufficiently broad so as to not limit Council's participation in the Regional response;
- Committing Council to contributing financially to such regional response.

Broad principles that Council may wish to consider include:

- The response must be as a Region, united in purpose and methodology. This should ideally extend to actions of groups outside of the Mayors and Chairs.
- The West Coast has the basis of strong argument to be offered in relation to the Crown announcement. The response should be factual rather than overtly emotional and attacks on individuals should be avoided.
- For that reason, the factual base for any argument/response must be beyond reproach and must be able to hold up in the face of scrutiny and, more importantly, attack.
- An important aspect of our combined response should be a professional PR campaign to put a balanced, factual position out there aimed at garnering public support for our factual response. We have to expect that a campaign to discredit the Regional response will be lodged and have to accept that networks for misinformation and coercion are well-established.
- We will be under intense media and public scrutiny. Our conduct amidst challenge to our response and its factual base must, at all times remain assertive, but respectful.
- A key aspect to the response should be that the Crown:
 - o consults with affected Regions before it makes policy statements and that such consultation is actively integrated into the Policy that is then announced. The very same Crown expects local authorities to consult extensively with their communities (something which we

gladly do) **before** Policy is made, and it would be good for the Crown to do the same.

- considers the impact of any Policy indications on Regions before such indications are given.
- Considers the impact of any policy indications on local iwi and the treaty before such indications are given.

An ancillary matter that needs to be considered is the reality that the first tranche of projects under the Provincial Growth Fund is in the process of being considered. Whilst this should not be a consideration amidst the right of a Region to record its opposition to/concerns re a Crown Policy announcement, we have to be sensitive to the reality that we cannot expect the Crown to have an open hand to a Region which criticizes it overly. A key aspect of the Regional response is how it is presented. This report promotes a constructive, respectful yet assertive approach which should not impact on any PGF decisions for the Region.

2 CURRENT SITUATION

- 2.1 There have been a number of meeting with Mayor's and Chairs plus industry stakeholders. The Mayors and Chairs are still in a process of formulating the most appropriate strategy and it would be imprudent to speculate on it at this point.
- 2.2 On the 21st July a protest march coordinated by Go West Coast occurred on the Taramakau Bridge. This was in the form of a large procession of trucks associated with the industries - including mining and transport firms and support industries.
- 2.3 On the 14th August the West Coast Regional Council endorsed a Proposed Local Bill to see similar legislation put in place following Cyclone Ita become permanent.

3 OPTIONS

3.1 Option 1:

1. Council approves participation in a Regional response to the Crown's policy announcement on no new mining on Conservation land, noting that access to low quality stewardship land and wind-blown timber will be ancillary matters that will form part of a response to the Crown.
2. Council mandates the Mayor (or the Councillor acting as Mayor in the absence of the Mayor) to participate in formulating an appropriate response and to commit a maximum of \$20,000 towards the cost of such

a response, subject to the following broad principles being complied with:

- a. The response must be as a Region, united in purpose and methodology. This should ideally extend to actions of groups outside of the Mayors and Chairs.
 - b. The Coast has the basis of strong argument to be offered in relation to the Crown announcement. The response should be factual rather than overtly emotional and attacks on individuals should be avoided. However, as first step, it should be established what exactly are the implications of the Policy announcement, i.e. is Stewardship land involved in the Policy and, if so why, what constitute “new” mining, i.e. is moving a mining operation from one block to an adjacent block already approved by DOC deemed as “new.”
 - c. For that reason, the factual base for any argument/response must be beyond reproach and must be able to hold up in the face of scrutiny and, more importantly, attack.
 - d. An important aspect of our combined response should be a professional PR campaign to put a balanced, factual position out there aimed at garnering public support for our factual response. We have to expect that a campaign to discredit the Regional response will be lodged and have to accept that networks for misinformation and coercion are well-established.
 - e. We will be under intense media and public scrutiny. Our conduct amidst challenge to our response and its factual base must, at all times remain assertive, but respectful and any physical or verbal aggression should be avoided.
3. A key aspect to the response should be that the Crown:
- a. consults with affected Regions before it makes policy statements and that such consultation is actively integrated into the Policy that is then announced. The very same Crown expects local authorities to consult extensively with their communities (something which we gladly do) **before** Policy is made, and it would be good for the Crown to do the same.
 - b. considers the social and economic impact of any Policy indications on Regions before such indications are given.
 - c. Considers the impact to local iwi and obligations to the treaty before such indications are given.
4. The Mayor provides Councillors with regular updates on the development of an appropriate Regional response and, if required call an extraordinary Council meeting to attend to business that falls outside of the mandate as outlined above.

3.2 **Option 2:**

That Council does not participate in a Regional response to the Crown Policy announcement that there will no new mining on conservation land.

4 **SIGNIFICANCE AND ENGAGEMENT**

5.1 The item is significant however urgency makes any public consultation on the matter impossible.

5 **ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

5.1 **Option 1:**

1. Council approves participation in a Regional response to the Crown's Policy announcement on no new mining on conservation land, noting that access to low quality Stewardship Land and wind-blown timber will be ancillary matters that will form part of a response to the Crown.
2. Council mandates the Mayor (or the Councillor acting as Mayor in the absence of the Mayor) to participate in formulating an appropriate response and to commit a maximum of \$20,000 towards the cost of such a response, subject to the following broad principles being complied with:
 - a. The response must be as a Region, united in purpose and methodology. This should ideally extend to actions of groups outside of the Mayors and Chairs.
 - b. The Coast has the basis of strong argument to be offered in relation to the Crown announcement. The response should be factual rather than overtly emotional and attacks on individuals should be avoided. However, as first step, it should be established what exactly are the implications of the Policy announcement, i.e. is Stewardship land involved in the Policy and, if so why, what constitute "new" mining, i.e. is moving a mining operation from one block to an adjacent block already approved by DOC deemed as "new"
 - c. For that reason, the factual base for any argument/response must be beyond reproach and must be able to hold up in the face of scrutiny and, more importantly, attack.
 - d. An important aspect of our combined response should be a professional PR campaign to put a balanced, factual position out there aimed at garnering public support for our factual response. We have to expect that a campaign to discredit the Regional response will be

lodged and have to accept that networks for misinformation and coercion are well-established.

e. We will be under intense media and public scrutiny. Our conduct amidst challenge to our response and its factual base must, at all times remain assertive, but respectful and any physical or verbal aggression should be avoided.

3. A key aspect to the response should be that the Crown:

a. consults with affected regions before it makes policy statements and that such consultation is actively integrated into the Policy that is then announced. The very same Crown expects local authorities to consult extensively with their communities (something which we gladly do) **before** Policy is made, and it would be good for the Crown to do the same.

b. considers the social and economic impact of any Policy indications on Regions before such indications are given.

c. Considers the impact to local iwi and obligations to the treaty before such indications are given.

4. The Mayor provides Councillors with regular updates on the development of an appropriate Regional response and, if required call an extraordinary Council meeting to attend to business that falls outside of the mandate as outlined above.

Benefits (now and into the future)
It builds on provisional work already done by the West Coast Mayors and Chairs.
It represents Council showing responsible leadership in a matter that has the potential to impact significantly on the West Coast economy.
It promotes a responsible, respectful yet assertive approach based on fact and prevents action that can provide supporters of the Policy to portray the Coaster as anything but having a legitimate position in this.
It promotes a clear focus on providing New Zealanders with an objective, balanced, facts based picture of how the Policy will impact on the Region.

Negatives (now and into the future)
Questions can be raised whether this option aligns with the Purpose of Local Government as outlined in S. 10 of the Local Government Act 2002.
Emotions on this matter run high and there is no guarantee that all concerned will comply with the broad principles.

Legal/Statutory Implications:

Council has identified the need to actively promote the local and regional economy as part of its fulfilment of its purpose (S.10, Local Government Act) and role (S.11, Local Government Act) and to promote the social, economic and cultural wellbeing of its community per S.14 of the Act. In terms of S.12 of that Act, council has the authority to do anything (the general competence provision) to achieve its goals.

On that basis, it can be accepted that Council has authority to commit to this option, subject to compliance with the remainder of the Act (i.e. decision-making, etc.).

Financial Implications:

At this stage, a nominal figure of \$20,000 is mentioned as part of the suggested mandate to the Mayor.

Likely costs: additional travel costs, contribution to Public Relations

The standard accounting and financial procedures will apply in relation to the actual payment of any funding.

This is not budgeted for. Options for Council to fund the expenditure includes:

- an over-expenditure on the current budget on the basis that any available funding from savings on other projects at the end of the financial year be applied to fund the over-expenditure.

Strategic Implications:

Strategically, it is necessary to record Council's concern about and therefore opposition to the Policy as announced by the Crown.

Working together as a Region to do so is strategically prudent on the basis that the principles formulated be accepted by all.

Does It Fall Within/Meet The Purpose Of Local Government In The Grey District?:

On the basis that Council agrees for a Regional response and to be part of that response, it is suggested that it will comply with S.10.

Existing Decision/Policy Impact

N/A.

5.2 Option 2:

That Council does not participate in a Regional response to the Crown Policy announcement that there will no new mining on conservation land and determines whether any response is required

Benefits (now and into the future)
Council avoids the controversy.

Negatives (now and into the future)
Council must accept that there will be criticism from within its community and the wider Region.

Legal/Statutory Implications:

For the same reasons as Option 1, Council can take the decision. This option is sustainable only if:

- Council decides to prepare a response of its own and not part of the region, or
- That the Policy as announced has no impact that warrants Council's attention.

Financial Implications:

Nil.

Strategic Implications:

Once Council has determined that a response to the Policy announcement is warranted, it has to determine how best to promote the response, on its own or regionally.

On the face of it, a responsible regional response may well be strategically stronger, but aligning all parties to Council's Principles as outlined may prove difficult.

Does It Fall Within/Meet The Purpose Of Local Government In The Westland District?:

It will depend on a decision on the need for a response and the response if approved.

Existing Decision/Policy Impact

N/A.

6 PREFERRED OPTION(S) AND REASONS

- 6.1 The preferred option is Option 1 due to the fact that Council has a responsibility under the Local Government Act to act in the interest of the district to promote the social, economic and cultural wellbeing of its community

7 RECOMMENDATION(S)

- 7.1 Council approves participation in a Regional response to the Crown's Policy announcement on no new mining on conservation land, noting that access to low quality stewardship land and wind-blown timber will be ancillary matters that will form part of a response to the Crown.

Council mandates the Mayor (or the Councillor acting as Mayor in the absence of the Mayor) to participate in formulating an appropriate response and to commit a maximum of \$20,000 towards the cost of such a response, subject to the following broad principles being complied with:

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 - b. considers the social and economic impact of any Policy indications on Regions before such indications are given.
 - c. Considers the impact to local iwi and obligations to the treaty before such indications are given.
6. The Mayor provides Councillors with regular updates on the development of an appropriate Regional response and, if required call an extraordinary Council meeting to attend to business that falls outside of the mandate as outlined above.

OR

That Council does not participate in a Regional response to the Crown Policy announcement that there will no new mining on conservation land.

Simon Bastion
Chief Executive