

A G E N D A

Ordinary Council Meeting

**Council Chambers,
36 Weld Street
Hokitika**

**Thursday 28 September 2017
commencing at 9.00 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.



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 28 SEPTEMBER 2017 COMMENCING AT 9.00 AM

22 September 2017

COUNCIL VISION

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

This will be achieved by:

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

Purpose:

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

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

Health & Safety Snapshot

	Accidents	Incidents	Near Misses
September 2016	0	1	0
October 2016	0	0	0
November 2016	0	0	0
December 2016	0	0	0
January 2017	0	0	0
February 2017	0	0	1
March 2017	0	0	0
April 2017	0	0	0
May	0	0	0
June 2017	0	0	0
July 2017	0	1	0
August 2017	0	2	0
September 2017	0	2	0

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Cr Neale.

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Ordinary Council Meeting – 24 August 2017

(Pages 7-13)

3. GENERAL BUSINESS:

3.1 Library Collection Policy

The Library Manager will be in attendance at 10.15 am to provide an update on the Library Collection Policy.

3.2 Presentation of Certificates

Linda Robinson will be in attendance at the meeting at 12 noon to receive a certificate from His Worship the Mayor.

4. ACTION LIST:

The Action List is attached.

(Pages 14-16)

Lunch from 12.30 pm to 1.00 pm.

5. REPORTS FOR DECISION:

- 5.1 Review of Portfolios and Appointments to Council Committees, CCOs and Outside Organisations (Pages 17-28)
- 5.2 Dog Control Hearing Committee – Terms of Reference (Pages 29-33)
- 5.3 Westland District Youth Development Strategy (Pages 34-39)
- 5.4 Hokitika Museum Upgrade and Future Development Options (Pages 40-80)
- 5.5 Waiving of Traffic Management Advertising Fee for the Annual Community Christmas Parade (Pages 81-84)
- 5.6 Westland Holdings Limited – Statement of Intent 1 July 2017 (Pages 85-136)
- 5.7 Annual Report to Alcohol Regulatory and Licensing Authority (Pages 137-150)
- 5.8 To Appoint a Proxy Vote at Special Meeting of Shareholders on the Potential Sale of Civic Assurance House (Pages 151-159)
- 5.9 Sunset Point Erosion (Pages 160-162)
- 5.10 Ross Water Supply Update

A report and update on the Ross Water Supply will be tabled at the meeting.

6. REPORTS FOR INFORMATION:

- 6.1 West Coast Wilderness Trail – Project Update September 2017 (Pages 163-167)
- 6.2 Planning Update Through August 2017 (Pages 168-179)

7. ITEMS FOR DISCUSSION:

- 7.1 Mint Creek Water Supply
- Cr Routhan

8. ADMINISTRATIVE RESOLUTION

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

- 8.1 Warrant of Appointment – Simon Mutonhori (Senior Planner)

To act in the Westland District as:

- An Officer pursuant to Section 174 of the Local Government Act 2002.
- An Officer under the Westland District Council Bylaws.
- An Enforcement Officer pursuant to Section 38 of the Resource Management Act 1991, including the power of entry pursuant to Sections 332 and 333 of the Resource Management Act 1991.

9. 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:

- 9.1 Confidential Minutes – 24 August 2017
- 9.2 Confidential Minutes – 13 September 2017
- 9.3 Agreement for Sale and Purchase of Real Estate
- 9.4 Growth Study

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
9.1	Confidential Minutes – 24 August 2017	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
9.2	Confidential Minutes – 13 September 2017	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
9.3	Agreement for Sale and Purchase of Real Estate	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
9.4	Growth Study	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

**Date of next Ordinary Council Meeting – 26 October 2017
to be held in the Council Chambers, 36 Weld Street, Hokitika**



Council Minutes

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 24 AUGUST 2017 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 Mayors Crs H.M. Lash and L.J. Martin

Crs D.L. Carruthers, R.W. (G) Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson, Cr D.C. Routhan.

Apologies:

Cr J.A. Neale – leave of absence for the 28 September 2017 Council Meeting.

Also in Attendance:

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

1.2 Interest Register

The Interest Register was circulated and no amendments were noted.

1.3 Health and Safety Snapshot

Cr Neale complemented staff on the very few accidents, incidents and near misses as per the Council Agenda.

2. CONFIRMATION OF MINUTES:

2.1 Ordinary Council Meeting – 27-28 July 2017

Moved Cr Routhan, seconded Cr Eatwell and **Resolved** that the Minutes of the Ordinary Council Meeting held on the 27 and 28 July 2017 be confirmed as a true and correct record of the meeting.

The following items were taken out of order to the Agenda papers.

4. ACTION LIST:

His Worship the Mayor went through the Action List in the Agenda and various amendments and updates to the list were provided.

Moved Cr Carruthers, seconded Cr Olson and **Resolved** that the Action List as reviewed be accepted as a true and correct record.

5. REPORTS FOR DECISION

5.1 Fox Glacier Township Development Funding

The Group Manager: Planning, Community and Environment spoke to this report and advised that Council's approval is required to fund Fox Glacier's Township Development Fund for the current financial year at the same rate of \$35,000 as in previous years, while also allocating \$12,000 to the Bruce Bay Community Hall Incorporated from the Reserves Development Fund.

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

- A) The Fox Glacier Community Development Society's share of the Township Development Fund be retained at \$35,000 for the 2017/18 financial year, noting that future years' allocations are subject to the upcoming review of the overall Township Development Fund as part of the development of the Council's 2018-2028 Long Term Plan; and
- B) The Bruce Bay Community Hall Incorporated Society be allocated \$12,000 from the Reserves Development Fund in 2017/18 for repairs and upgrade of the Bruce Bay Community Hall.

5.2 Funding for local share of Regional Mid-Sized Tourism Facilities Grant Fund for Toilets

The Acting Chief Executive spoke to this report and advised that Council approval is sought for the draw-down of a loan to fund the local share of the Regional Mid-sized Tourism Facilities Grant Fund for toilets in the District.

Moved Deputy Mayor Martin, seconded Deputy Mayor Lash and **Resolved** that Council approves the draw-down of the loan to fund the local share of the Regional Mid-sized Tourism Facilities Grant Fund of \$187,000.

5.3 Westland District Property Ltd Access to Museum Buildings (Carnegie Hall and Drummond Hall)

Deputy Mayor Martin noted that he is a Director of Westland District Property Limited and did not vote on this matter.

The Group Manager: Planning, Community and Environment spoke to this report and advised that a decision is sought on whether to renew the current management agreement with Westland District Property Limited (WDPL) for the Carnegie Building; and to seek a Council decision on whether to grant WDPL access to the exhibition area of Hokitika Museum's Drummond Hall, which is temporarily closed to the public.

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

- A) The Council renew the agreement with Westland District Property Ltd for management of public access to the Carnegie Building for another six months, with Council paying a \$20,000 management fee and covering electricity, caretaking and cleaning, security and any necessary repairs from existing Council budgets; and
- B) The Council grant Westland District Property Ltd access to the exhibition space of the Hokitika Museum's Drummond Hall, for the purpose of allowing public access, from Labour Weekend 2017 until the expiry of the temporary management agreement for the Carnegie Building, subject to the conditions outlined in Section 6.9 of the Report to Council.

Cr Neale, Cr Eatwell and Cr Routhan recorded their votes against the motion.

C) Museum Director - Recruitment

Moved Cr Olson, seconded Cr Routhan and **Resolved** that Council directs the Chief Executive to cease the recruitment process for a Museum Director at the present point in time.

Cr Carruthers, Cr Neale and Deputy Mayor Lash recorded their votes against the motion.

D) Renewal of the Revell Street Lease

Moved Cr Carruthers, seconded Deputy Mayor Lash that Council directs the Chief Executive to continue leasing the Revell Street pop up Museum Centre for 6 months.

The motion was put to the meeting and was tied, therefore the motion was lost.

5.4 Waterfront Development Plan

The Property and Projects Supervisor spoke to this report and advised that the purpose of the report is to keep Council informed of the Waterfront Development Plans and seek adoption of the concept plans.

Moved Deputy Mayor Martin seconded Cr Carruthers and **Resolved:**

- A) The Council adopt the Waterfront Development Plan and endorse and approve construction to commence funding from the reserves development contribution.
- B) The Council includes the construction of the access, car parking areas and toilets at Sunset Point in the current round of Mid-Size Tourism Facilities Grant Fund.

6. REPORTS FOR INFORMATION:

6.1 West Coast Wilderness Trail – Project Update August 2017

The Project Manager: West Coast Wilderness Trail spoke to this report and provided an update on the West Coast Wilderness Trail project.

Moved Cr Neale, seconded Cr Eatwell and **Resolved** that the report from the Project Manager: West Coast Wilderness Trail be received.

3. GENERAL BUSINESS:

3.1 Presentations

The following presentations were undertaken:

- Westland’s Richard John Seddon Ambassador Certificate – William David Verrall
- Westland’s Ambassador to the Chinese Community – Michael David Keenan
- Significant Staff Service Award – Shona Maree Winter.

The meeting adjourned for lunch at 12.24 pm and reconvened at 12.56 pm.

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

Moved Cr Neale, seconded Cr Olson and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 12.56 pm.

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

8.1 Westland District Property Limited

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	Verbal Update	Westland District Property Limited	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

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

No.	Item	Section
8.1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

Moved Cr Olson, 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 1.30 pm.

6. REPORTS FOR INFORMATION cont.

6.2 Planning Update Through July 2017

The Group Manager: Planning, Community and Environment spoke to this report and provided an update on Council's planning activities under the Resource Management Act 1991, including resource consent processing, monitoring and enforcement, and policy development, including the review of the Westland District Plan.

Moved Cr Olson, seconded Cr Neale and **Resolved** that the report from the Group Manager: Planning, Community and Environment be received.

8. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION' cont.

Moved Cr Havill, seconded Cr Neale and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 1.41 pm.

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

8.2 Confidential Minutes

8.3 Tourism West Coast Representative

8.4 Update on Dog Control Contract

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

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
8.2	Confidential Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
8.3	Tourism West Coast Nominations	Tourism West Coast Nominations	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
8.4	Update on Dog Control Contract	Update on Dog Control Contract	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

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

No.	Item	Section
8.2, 8.3, 8.4	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
8.4	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied, or who is the subject of the information	Section 7(2)(b)(ii)

Moved Deputy Mayor Martin, seconded Cr Havill and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and accordingly the meeting went back to the open part of the meeting at 2.15 pm.

7. ITEMS FOR DISCUSSION:

7.1 Payment of Living Wage to Employees

Cr Neale raised this item and it was noted that the Chief Executive will come back with a policy regarding this matter.

7.2 Car Charge Stations

Cr Neale raised this item and advised that there is a subsidy available for installation of electric car charging stations. It was agreed that this item be forwarded to Council's Controlled Organisations.

**Date of next Ordinary Council Meeting – Thursday 28 September 2017
to be held in the Council Chambers, 36 Weld Street, Hokitika**

MEETING CLOSED AT 2.19 PM

Confirmed by:

Mayor Bruce Smith
Chair

Date

Action List

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status
26.01.17	Council	74 Revell Street	Carparking for commercial premises to be revisited.	GMDA		Carry forward
26.01.17	Council	Revenue to Council for services provided by Westland District Property Limited	CE and GMCS to review the policy for consistency, ensuring no disconnect between the companies and Council	CE, GMCS		Referred to the LTP Discussions.
26.01.17	Council	Events Liquor Licensing	Meeting required between His Worship the Mayor, Deputy Mayor Lash, Cr Eatwell and Cr Olson with Crown Public Health, and the West Coast Police regarding licensing impacts – Kumara Racing Club and Hokitika Wildfoods Festival.	GMPCE		Meeting held between Mel Aitken, Paul Watson, Cheryl Brunton. The meeting took place in the morning ended prematurely and further discussions will be held. Westland Racing Club are meeting with the group next Monday and also the Kumara Racing Club.
26.01.17 and 23.02.17	Council	Hokitika Carparking Plan	Priority and staff to bring back a concept plan to Council for parking in the CBD. Item to come back to Council for further discussion/input. Further update: District Assets and Planning Teams to peruse the plan with Deputy Mayor Martin and bring it back to Council	GMDA District Assets, Planning and Deputy Mayor Martin		No further action from Planning team in absence of GMDA. On hold. No further action required. Remove from the list. LTP item.
26.01.17	Council	Update on Review of CCO Structure	Mayor and GMCS invite the Tax Team to meet with Elected Members to discuss tax advice.	Mayor & GMCS		Referred to the LTP Workshop.

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status
27.04.17	Council	Household Street Access	Change in policy from sealing driveways to concreting driveways when a street is upgraded or a new house is build. Staff to provide a revised policy on a way forward, including costings.	GMDA		Two driveways were approved to concrete. Work to be done on the policy as the matter is more complex.
29.05.17	Council	Freedom Camping	CE to work with Buller and Grey District Councils and Tasman District Council to develop a freedom camping policy for the West Coast.	CE		Long Term Plan.
22.06.17	Council	Airbnb's	Staff to come back with the existing internal policy on Commercial Rating to the July meeting, including feedback from other Councils.	GMCS, GMPCE		Referred to the Long Term Plan Workshop.
24.08.17	Council	Fox Glacier Township Development Funding	The Fox Glacier Community Development Society's share of the Township Development Fund be retained at \$35,000 for the 2017/18 financial year, noting that future years' allocations are subject to the upcoming review of the overall Township Development Fund as part of the development of the Council's 2018-2028 Long Term Plan; and The Bruce Bay Community Hall Incorporated Society be allocated \$12,000 from the Reserves Development Fund in 2017/18 for repairs and upgrade of the Bruce Bay Community Hall.	GMPCE		Allocation to be actioned.
24.08.17	Council	Funding for local share of Regional Mid-Sized Tourism Facilities Grant	Draw-down of the loan to fund the local share of the Regional Mid-Sized Tourism Facilities Grant Fund of \$187,000	GMCS		Once costs are received, the loan will be drawn-down.
24.08.17	Council	Westland District Property Limited	The Council renew the agreement with Westland District Property Ltd for management of public access to the Carnegie Building for another six months, with Council paying a \$20,000 management	GMPCE		

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status
			<p>fee and covering electricity, caretaking and cleaning, security and any necessary repairs from existing Council budgets; and</p> <p>The Council grant Westland District Property Ltd access to the exhibition space of the Hokitika Museum's Drummond Hall, for the purpose of allowing public access, from Labour Weekend 2017 until the expiry of the temporary management agreement for the Carnegie Building, subject to the conditions outlined in Section 6.9 of the Report to Council.</p>			
24.08.17	Council	Museum Director – Staffing	Recruitment process for a Museum Director to be ceased.	GMPCE		
24.08.17	Council	Waterfront Development Plan	<p>Council adopted the Waterfront Development Plan and endorsed and approved construction to commence funding from the reserves development contribution.</p> <p>The construction of the access, car parking areas and toilets at Sunset Point to be included in the current round of Mid-Size Tourism Facilities Grant Fund.</p>	GMDA		
24.08.17	Council	Living Wage	Policy to be developed on paying of living wage to employees.	GMCS		Policy to be developed.
24.08.17	Council	Car Charging Stations	Item to be referred to the Council's CCOs.	GMDA		To be referred to the CCOs.

Report



DATE: 28 September 2017
TO: Councillors
FROM: His Worship the Mayor

REVIEW OF PORTFOLIOS, AND APPOINTMENTS TO COUNCIL COMMITTEES, CCOS AND OUTSIDE ORGANISATIONS

This report is a refresh of two reports to Council on the 24 November 2016 (deferred) and the 15 December 2016).

1 SUMMARY

- 1.1 The purpose of this report is to review and confirm Council appointments to Committees, Council Controlled Organisations (CCOs) and outside organisations until the next review in September 2018.
- 1.2 This issue arises from either a legislative requirement to appoint elected members to a committee and CCO or requests from community organisations to have a Council representative liaise with their group.
- 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 confirms the changes in **Appendix 1**.

2 BACKGROUND

- 2.1 Council's powers to establish committees and delegate powers comes from s.30(1)(a) of Schedule 7 of the Local Government Act 2002.
- 2.2 Council has one Standing Committee – Finance, Audit and Risk Committee chaired by Deputy Mayor Martin.

- 2.3 Council is party to a number of regional joint committees, and either by legislation or other agreements, has the power to appoint an elected member to these.
- 2.4 Appointments to the CCOs - Westland Holdings Ltd and Tourism West Coast - are outside the appointment process.
- 2.5 There are a number of external organisations that request that Council make an appointment to or have a liaison with. These are not legislatively driven and it is at the sole discretion of Council as to whether a representative is appointed.

3 CURRENT SITUATION

- 3.1 At the inaugural Council meeting held on the 25 October 2016, Council discussed the proposed portfolio listings that had previously been circulated by the Mayor.
- 3.2 This report was brought to the 24 November 2016 Council meeting at Council's request and was deferred to the 15 December 2016 to allow elected members more time to consider putting their names forward for the unfilled positions.
- 3.3 It is also worth noting that since the November meeting Deputy Mayor Lash and Councillor Eatwell raised concerns that they were listed as the liaison for ALL community organisations. It was suggested by them that as the Southern Ward Councillors they take responsibility for liaison with those groups from Whataroa south, and that other Councillors are appointed as liaison for groups Ross north.
- 3.4 It is important to understand the difference between "making an appointment to" and "having a liaison role with." Appointments are usually legislatively or constitutionally driven. In the past Council has "made appointments to outside organisations", such as community associations. There is nothing in these organisations constitutions that requires Council to do this. For this reason, officers are recommending that the term "has a liaison role with" is used.
- 3.5 At this same meeting the Mayor used his powers under section 41A of the LGA and made the following appointments:
 - 3.3.1 Deputy Mayor – Councillor Latham Martin
 - 3.3.2 Deputy Mayor South – Councillor Helen Lash

It is my intention to have only one Deputy Mayor for Westland District Council and this is Deputy Mayor Martin.

- 3.6 The Terms of Reference for the Finance, Audit and Risk Committee and the Planning Committee were adopted at the Ordinary Council Meeting on 24 November 2016.
- 3.7 The intention for a Planning and Building Services Reform Committee will no longer proceed.
- 3.8 Feedback from Councillors has been sought on the proposed changes. It is timely to review progress and performance and relocate new portfolios based on the priorities of the day to ensure Council achieves its objectives.

4 OPTIONS

- 4.1 There are two options available to Council for the appointments:
 - 4.1.1 Confirm the revised elected member representation on portfolios, committees, CCOs and outside organisations attached as **Appendix 1**.
 - 4.1.2 Amend the list.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This decision is administrative and therefore in accordance with Council's Policy on Significance it is deemed to be of low significance.
- 5.2 This matter is internal to Council and therefore consultation is not required.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Appendix 1** is a reflection of a discussion Council has already had.
- 6.2 Amending the list of appointments at the meeting will have little impact. However, if Council wishes to do some significant work on the list, it may mean parts or all of this report is deferred to a future meeting, which will delay confirming appointments.
- 6.3 Elected members are able to claim mileage in accordance with Council's Allowances and Recovery of Expenses Policy, and within budget. The more meetings that are attended where mileage is claimed, the higher the cost.

7 PREFERRED OPTION AND REASONS

7.1 The preferred option is to confirm the revised list of appointments to portfolios, Committees, CCOs and liaison roles with outside organisations as recommended in **Appendix 1**. This will mean these organisations and Committees are able to continue their work.

8 RECOMMENDATIONS

A) **THAT** Council confirms the revised recommendations for portfolios, appointments to Committees and CCOs, and liaison roles with outside organisations, and that **Appendix 1** is updated to reflect the appointments.

Bruce Smith
Mayor

Appendix 1: Appointments to Portfolios, Committees, CCOs and Outside Organisations

COUNCIL PORTFOLIOS

Elected Member	Portfolio	Area of Responsibility	Staff Support
Mayor Bruce Smith			
	Economic Development	<ul style="list-style-type: none"> Joint with Cr Havill 	Chief Executive
	CCO's		Chief Executive
	Destination Westland		
	Advocacy	<ul style="list-style-type: none"> Celebrate success promote Westland Mining 	Chief Executive
	Civil Defence		
Deputy Mayor Latham Martin (Chair - Audit, Risk and Finance Committee)			
	Finance and Corporate Planning	<ul style="list-style-type: none"> Annual Report Audit Risk Annual Plan and LTP Vision 2030/2050 	Group Manager: Corporate Services
	Youth Development	<ul style="list-style-type: none"> Youth Development Strategy 	Community Development Advisor
	Sport and Recreation	<ul style="list-style-type: none"> Community Sports and Rec Complex Development 	Chief Executive
	Māori Development	<ul style="list-style-type: none"> Ngāi Tahu liaison and development 	Strategy and Communication Advisor
Cr Helen Lash			
	Emergency Management	<ul style="list-style-type: none"> Community Response Plans 	Emergency Management Officer
	Regulatory	<ul style="list-style-type: none"> Planning and District Plan Review 	Group Manager: Planning, Community & Environment

Elected Member	Portfolio	Area of Responsibility	Staff Support
Cr David Carruthers			
	Arts, Culture and Heritage	<ul style="list-style-type: none"> Arts Funding Museum Heritage Hokitika 	TBC
	Environment	<ul style="list-style-type: none"> Conservation 	Group Manager: Planning, Community & Environment
Cr Jane Neale			
	Senior Citizens Development	<ul style="list-style-type: none"> Aged Care 	Community Development Advisor
	Library	<ul style="list-style-type: none"> District Library 	Library Manager
RSA – Indoor Event Centre			
	Safer Communities	<ul style="list-style-type: none"> Safe Community Coalition Health Disability Education 	Community Development Advisor
	Sport NZ Rural Travel Fund	<ul style="list-style-type: none"> Allocation Committee Member 	Community Development Advisor
Cr Durham Havill			
	Economic Development	<ul style="list-style-type: none"> Joint with the Mayor 	Chief Executive
	Three Waters	<ul style="list-style-type: none"> Water Supply Wastewater Sewerage 	Group Manager: District Assets
	Transportation	<ul style="list-style-type: none"> Land Transport Roading 	Group Manager: District Assets
Cr Gray Eatwell			
	Community Halls	<ul style="list-style-type: none"> Funding and maintenance Rationalisation or future planning Community plans 	Group Manager: District Assets

Elected Member	Portfolio	Area of Responsibility	Staff Support
Cr Graeme Olson			
	Liquor Licensing	<ul style="list-style-type: none"> • Consents and Hearings • Local Alcohol Policy Development 	Group Manager: Planning, Community & Environment
	Parks and Reserves	<ul style="list-style-type: none"> • Maintenance 	Group Manager: District Assets
	Property	<ul style="list-style-type: none"> • Earthquake prone buildings 	Group Manager: District Assets
Cr Des Routhan			
	Farming and Dairy	<ul style="list-style-type: none"> • Farming and Dairy Advocacy 	TBC
	Solid Waste	<ul style="list-style-type: none"> • Waste Management 	Group Manager: District Assets
	Stormwater Infrastructure	<ul style="list-style-type: none"> • Stormwater 	Group Manager: District Assets

APPOINTMENTS TO COUNCIL COMMITTEES AND CCO'S

Name of Organisation	Appointment
Resource Management Hearings Commissioners	<ul style="list-style-type: none"> Deputy Mayor Martin, Cr Lash, Cr Routhan and Cr Neale be appointed to sit with independent Commissioners in Hearings.
<p>Westland Wilderness Trust</p> <p><i>This is a CCO and is the governance body for the West Coast Wilderness Trail. As required in the constitution two Council reps are required for this Trust. Other trustees are:</i></p> <ul style="list-style-type: none"> Francois Tumahai (Chairperson), Chairman, Te Rūnanga O Ngāti Waewae Two Elected Members, Westland District Council Chris Auchinvole JP Mark Davies, Department of Conservation Cr Anton Becker, Grey District Council Representative from Mawhera Incorporation 	<ul style="list-style-type: none"> Cr Lash and Cr Neale be appointed to the Westland Wilderness Trust.
<p>West Coast Regional Transport Committee</p> <p><i>This Joint Committee is a Committee of Council that is required under section 105 of the Land Transport Management Act. Council is required to appoint one elected member as representative on this Committee.</i></p>	<ul style="list-style-type: none"> Cr Havill be appointed to the West Coast Regional Transport Committee.
<p>Membership of Civil Defence Emergency Management Groups</p> <p>West Coast Emergency Management Group</p> <p><i>Section 13 of the Civil Defence and Emergency Management Act 2002 states that "Each local authority that is a member of a Group with other local authorities must be represented on the Group by 1, and only 1, person, being the mayor or chairperson of that local authority or an elected person from that local authority who has delegated authority to act for the mayor or</i></p>	<ul style="list-style-type: none"> Mayor and Chief Executive be appointed to the West Coast Emergency Management Group.

Name of Organisation	Appointment
<p><i>chairperson."</i></p>	
<p>Hokitika Seawall Joint Committee</p> <p><i>This Joint Committee with the West Coast Regional Council is established to oversee the management of the Hokitika Seawall. Three elected members are required.</i></p>	<ul style="list-style-type: none"> • Cr Carruthers, Cr Routhan, Cr Neale and Cr Eatwell be appointed to the Hokitika Seawall Joint Committee.

LIAISON ROLES WITH COMMUNITY ORGANISATIONS

Organisation	Appointment
Enterprise Hokitika	Cr Eatwell to have a liaison role with Enterprise Hokitika.
Fox Glacier Community Association	Cr Lash to have a liaison role with the Fox Glacier Community Association.
Franz Inc.	Cr Eatwell to have a liaison role with Franz Inc.
Franz Josef/Waiiau Community Forum	Cr Lash to have a liaison role with the Franz Josef/Waiiau Community Forum.
Glacier Country Tourism Group	Cr Eatwell to have a liaison role with the Glacier Country Tourism Group.
Haast Promotions Group	Cr Lash to have a liaison role with the Haast Promotions Group.
Harihari Community Association	Cr Eatwell to have a liaison role with the Harihari Community Association.
Heritage Hokitika	Cr Carruthers to have a liaison role with Heritage Hokitika.
Heritage West Coast	Cr Carruthers to have a liaison role with Heritage West Coast.
Kokatahi/Kowhitirangi Community Association	Cr Olson to have a liaison role with the Kokatahi/Kowhitirangi Community Association.
Kumara Residents Association	Cr Havill to have a liaison role with the Kumara Residents Association.
Ōkārīto Community Association	Cr Lash to have a liaison role with the Ōkārīto Community Association.
Ross Community Society	Cr Olson and Cr Neale to have a liaison role with the Ross Community Association.
Safe Community Coalition <i>The Safe Community Coalition terms of reference do not stipulate membership, however elected members have attended meetings in the past.</i>	Cr Neale to have a liaison role with the Safe Community Coalition.
Whataroa Community Association	Cr Eatwell to have a liaison role with the Whataroa Community Association.

OTHER APPOINTMENTS

Group	Appointment
Creative Communities Local Assessment Committee	<ul style="list-style-type: none"> • Cr Lash and Deputy Mayor Martin
Development West Coast – Appointment Panel	<ul style="list-style-type: none"> • Mayor Smith
District Licensing Committee Appointment of Deputy Chair	<ul style="list-style-type: none"> • Cr Olson
Sport NZ Rural Travel Fund – Allocation Committee	<ul style="list-style-type: none"> • Cr Neale
Trustpower Community Awards – Judging Panel	<ul style="list-style-type: none"> • Mayor Smith • Deputy Mayor Martin

COUNCIL ORGANISATIONS (COS)

There are three Council Organisations which mean a company or an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons control of 1 or more of the votes at any meeting or the right to appoint trustees

http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171482.html?search=sw_096be8ed815607d8_Council+Organisations_25_se&p=1

COs	Council Representative
Westland Wilderness Trust	<ul style="list-style-type: none"> • Crs Neale and Lash
West Coast Rural Fire Authority	
Tourism West Coast	<ul style="list-style-type: none"> • Cr Eatwell

COUNCIL CONTROLLED ORGANISATIONS (CCOS)

There are four Council Controlled Organisations (CCOs) which means a company or an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons control, directly or indirectly of 50% or more of the votes

http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171482.html?search=sw_096be8ed815607d8_Council+Organisations_25_se&p=1

CCOs	Directors
Hokitika Airport Limited	<ul style="list-style-type: none"> • Deputy Mayor Latham Martin • Richard Benton • Charles Benton • Ian Walker Hustwick • Pauline May Cox
Westland District Property Limited	<ul style="list-style-type: none"> • Deputy Mayor Latham Martin • Richard Benton • Ian Hustwick • Pauline Cox
Westland Holdings Limited	<ul style="list-style-type: none"> • Cr David Carruthers • Cr Des Routhan • Graeme King
Westroads Limited	<ul style="list-style-type: none"> • Peter Cuff (Chairman) • Bryce Thomson (Deputy Chairman) • Maurice (Jacko) Fahey • Durham Havill

Report



DATE: 28 September 2017

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community and Environment

DOG CONTROL HEARING COMMITTEE - TERMS OF REFERENCE

1 SUMMARY

- 1.1 The purpose of this report is to establish the terms of reference for the Dog Control Hearing Committee.
- 1.2 This issue arises from the establishment of this committee by the Mayor and the requirement to clarify its membership, function and purpose.
- 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 terms of reference for the Dog Control Hearing Committee, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Committees of Council are automatically disestablished at the end of each triennium.

Following the local body elections in October 2016, the Mayor, exercising the powers vested by s.41A of the LGA, established the committee structure of Council.

- 2.2 The Mayor is automatically a member of all committees of Council.
- 2.3 Schedule 7 of the LGA details the legislative framework under which committees of Council must operate, including the limitations to authority that can be delegated to a committee.

3 CURRENT SITUATION

- 3.1 In order to enable a committee to be effective in its role Council must formally delegate the relevant authorities and responsibilities. This is conventionally achieved through the adoption of terms of reference.
- 3.2 The terms of reference for the Dog Control Hearing Committee prescribe its scope and remit. It has been reviewed by the Chair.

4 OPTIONS

- 4.1 Option 1: Adopt the terms of reference as attached.
- 4.2 Option 2: Adopt a modified terms of reference.
- 4.3 Option 3: Do nothing, do not adopt terms of reference.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council's policy on Significance and Engagement the adoption of terms of reference is administrative and of low significance. The purpose of a committee is to provide efficient and effective governance in a focus area. The terms of reference enable Committee to carry out its responsibilities as intended by Council and within the framework of the LGA.
- 5.2 The Committee has been established to carry out duties that would otherwise be performed by Council. Therefore no consultation is required.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1 reflects the intent of the Mayor and Council and the terms of reference presented has been reviewed by the Chair.
- 6.2 Option 2 enables the entire Council to have an input to the functions that this Committee should perform. Any amendments must be compliant with the provisions of Schedule 7 of the LGA.
- 6.3 Establishing terms of reference for committees does not in itself elicit any financial consequences. It should be noted that the appointment of elected members as chairs of committees is likely to have implications for their remuneration and in particular the distribution of the pool for compensation for additional duties.

6.4 The operation of formal committees does bring additional administrative burden, due to the LGA requirements for public notification, meeting protocols and the preparation of agendas and recording of minutes.

6.5 The Mayor has indicated that the Committee should meet as required.

7 PREFERRED OPTIONS AND REASONS

7.1 The preferred option is 1: Adopt the terms of reference as attached. This reflects the intentions of Council to delegate specific responsibilities to the Committee.

8 RECOMMENDATIONS

A) **THAT** Council adopts the terms of reference for the Dog Control Hearing Committee as attached as **Appendix 1**.

B) **THAT** Council instructs the Chief Executive to update Part III of the Delegations Manual – “Delegations to Standing Committees” to reflect these terms of reference.

Jim Ebenhoh

Group Manager: Planning, Community and Environment

Appendix 1: Terms of Reference for the Dog Control Hearing Committee



**TERMS OF REFERENCE
DOG CONTROL HEARING
COMMITTEE**

**Adopted by Council
on the 28 day of September 2017**

TERMS OF REFERENCE FOR THE DOG CONTROL HEARING COMMITTEE



1. REPORTING TO

The Committee reports to Council.

2. CONSTITUTION

The Committee will comprise of the following:

Chair: Cr Carruthers
Deputy Chair: Cr Olson
Member(s): His Worship the Mayor

3. MEETING FREQUENCY

The Committee will meet as required.

4. QUORUM

The quorum is a majority of members.

5. RESPONSIBILITY

Hearing and adjudicating objections from dog owners to classifications of dog owners and/or dogs under the Dog Control Act 1996 as per the following sections:

- Objection to classification as probationary owner (s22)
- Objection to disqualification (s26)
- Objection to classification of dangerous dog (s31(3))
- Objection to classification of menacing dog (by nature) (s33B)
- Objection to classification of menacing dog (by breed) (s33D)
- Barking dog abatement notice (s55(2))
- Retention of dog threatening public safety (s71(4))

6. POWERS

All powers necessary to perform the Committee's responsibilities, except the powers that the Council cannot delegate or has retained to itself.

7. APPROVAL

The Terms of Reference were adopted by Council at their meeting held on the 28 day of September 2017.

Report



DATE: 28 September 2017
TO: Mayor and Councillors
FROM: Community Development Advisor

Westland District Youth Development Strategy

1 SUMMARY

- 1.1 The purpose of this report is to ask Council to endorse the Westland District Youth Development Strategy.
- 1.2 This issue arises from the need of Council to be aware of the development of the strategy and the funds set aside by Council for its implementation that have enabled two successful applications to the Ministry of Youth Development in the last two years to access funding for youth projects in Westland.
- 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 endorse the Westland District Youth Development Strategy.

2 BACKGROUND

- 2.1 The Local Government Act 2002 requires Councils to consult with communities and provides for greater participation by communities in decision making. Young people need to be involved in consultation processes.
- 2.2 In 2005, a Youth Council was established which subsequently went into recess due to young people who had been on the Youth Council, leaving the District. However, before it was disbanded, a Youth Policy was established which stated in its Vision Statement - *"The Westland District Council is committed to developing, supporting and promoting initiatives positively to contribute to the safety*

and well-being of young people, their families and communities." The Westland District Council Youth Policy created in 2005 became outdated by Westland Youth Council going into recess.

- 2.3 In 2016, Westland District Council and WestREAP collected 57 responses to an online survey entitled *Youth Development Strategy – "Give Us a Clue"*. Of the respondents, 35 were aged between 12-17 years, 20 were aged between 18-24 years, and one didn't give their age.

When asked broadly what young people would like to see in their community, 62% of respondents said they would like to see more things for young people to do, 22% wanted more young people to be organising things, and 16% said they were pretty happy with things.

Twenty-seven respondents gave more specific suggestions for what they wanted to see in Westland for young people. The most popular theme for what young people wanted to see was more organised social gatherings and events that provide fun and safe places to be and things to do (56% of respondents' suggestions).

Twenty-six percent of respondents' suggestions were themed around being respected and taken seriously, including opportunities to be involved and heard, and people doing something about what young people say. Other themes mentioned by more than one respondent included more positive connections between young people and adults, having a place or activities for young people aged 18-24 to go to that isn't connected with a pub or bar, and inspiring workshops on topics like leadership, self-esteem, and future career options.

- 2.4 The survey showed the need to develop a youth strategy to give young people more things to do but it also showed that young people were not connecting with our community and not having the role models they needed to relate to. From the survey, WestREAP's Schools Coordinator and Council's Community Development Advisor

2.5

Council drafted a youth strategy with advice from Deputy Mayor Martin. Council then budgeted \$20,000 in its 2016/2017 Annual Plan for youth development work.

WestREAP schools Co-ordinator and Council's Community Development Advisor then developed a Youth Connections and Mentoring Programme and at the end of 2016, were successful in obtaining a grant of \$30,000 from the Ministry of Youth Development for WestREAP staff to run the programme at Westland High School and at South Westland Area School in Hari Hari.

3 CURRENT SITUATION

- 3.1 In August 2017, application was made to the Ministry of Youth Development to continue the Youth Connections and Mentoring Project but this time to extend it into youth volunteering, youth internships and youth leadership under the CACTUS (Combined Adolescent Challenge Training Unit and Support) umbrella. CACTUS Westland, which had been in recess for the last three years, came on board and their bank balance of \$2,400 was added to the successful application for \$20,000 along with funds set aside by Council (\$20,000) for the ongoing implementation of the Youth Development Strategy. The detailed programme is currently being fine-tuned by WestREAP'S Schools Coordinator, the CACTUS Trust and Council's Community Development Advisor.
- 3.2 Founded in 1998, CACTUS (was the vision of Rob Fox, Community Constable in Hokitika, to challenge and motivate local youth. In 2000, CACTUS won the National Trustpower Community Award for Volunteers - a trophy which is still held at the Westland District Council. The programme continued until 2014 but then lapsed through lack of funding. CACTUS has continued in a limited capacity in Hari Hari, South Westland, through local community fundraising support, however there is enthusiasm and drive from the young people and wider community to see the programme start up again for all Westland young people.
- 3.3 Over the last four years, as a result of first hand discussions with young people in the District and the 2016 youth survey, it became apparent that Westland needed a youth strategy. The strategy was drafted in 2016, after the survey results were known and has been successfully used for two funding applications to the Ministry of Youth Development. To formalise its status, it is attached for Council endorsement in the Appendix to this report.

4 OPTIONS

- 4.1 Endorse the Westland District Youth Development Strategy.
- 4.2 Not endorse the Westland District Youth Development Strategy.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to endorse the Youth Development Strategy has a low level of significance for Council. Young people in the District have already been consulted and been given an opportunity to have their say on what they see as their needs through individual and group discussions and through a youth survey in 2016. Endorsing the Strategy would support this previous engagement, without committing additional funding.
- 5.2 If Council endorses the strategy, then it is suggested that the portfolio holder for Youth Development and any other interested Councillors meet with WestREAP staff and the Community Development Advisor to find a way forward to continue to implement the strategy.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The advantage of endorsing the youth strategy is that young people in Westland will know that Council supports their ideas and that Council will encourage them to participate in leadership opportunities, mentoring others and taking part in volunteering their time to assist in activities in the community. The disadvantage of not endorsing the youth strategy is that young people in Westland may consider that Council does not care about young people in the District.
- 6.2 The advantage of not endorsing the youth strategy is that Council can commit itself to other projects. The disadvantage of not endorsing the youth strategy is that the needs of connecting young people in the District with other young people are not going to be met, young people who are tomorrow's leaders are not going to have the leadership training and opportunities they need, and they will not be adequately equipped to face the challenges of serving their communities.

7 PREFERRED OPTION AND REASONS

- 7.1 Endorse the attached Youth Development Strategy so that young people in Westland will know that Council supports their ideas and that Council will encourage them to participate in leadership opportunities, mentoring others and taking part in volunteering their time to assist in activities in the community.

8 RECOMMENDATION

- A) **THAT** Council endorses the present Westland District Youth Development Strategy, attached as Appendix One to this report and revokes the Westland District Council Youth Policy of 2005.

Derek Blight
Community Development Advisor

Appendix 1: Westland District Youth Development Strategy

Westland District Youth Development Strategic Plan 2017-2027

Vision: Youth in Westland are secure and confident in their identity and are able to be themselves, so they can develop into who they are meant to be.

Core Values: *Youth development in Westland*

- is Young person centred *Āhuatanga Rangatahi*
- is Relationship Focused *Āhua Whānaunga*
- acknowledges Culture and Context *Tikanga me te Horopaki*
- acknowledges young people as Community Contributors *Iwi Whānui*¹

Mission (our 10 year focus): To build Westland as a region where young people can thrive, develop, take opportunities, contribute to and feel valued by their community.

Our vivid description of success: *Westland is where...*

1. there are stable and diverse education, job and economic opportunities for young people.
2. there are engaged young people, living a good life, who are well connected and active contributors in their community.
3. young people are woven within the social and structural foundation of the District at all levels in a visible and intentional way.
4. young people develop a strong sense of self and place within their community.
5. young people are:
 - connected to and valued by their community and are able to articulate how their community cares about and involves them.
 - widely recognised as individuals who make valuable contributions to others and their communities.
 - proud of who they are and where they are from.
 - invested in by their community to create a successful and sustainable Westland.
6. young people are skilled in:
 - Communication
 - Problem Solving
 - Creative thinking
 - Teamwork
 - Adaptability
 - Resilience

¹ Full descriptions of the Core Values can be found in Ara Taiohi: Code of Ethics for Youth Work in Aotearoa New Zealand, second edition, 2011.

Strategies:

	<i>Westland District Council will:</i>
Leadership & Facilitation	<ul style="list-style-type: none"> ● Champion youth development in Westland and honour this strategic plan, its vision, mission and vivid description of success by weaving young people within the mahi of Council. ● Develop and communicate widely an understanding of what is required for Westland to achieve long term sustainability and transformative intergenerational change within communities - with high quality, successful youth development as a key mechanism to achieve this. ● Influence Westland District communities to follow Council's example. ● Focus on the 'big picture' so the vision for all young people in Westland remains at the centre of all Council decision making on youth development, resourcing and activities. ● Help identify partners and resources to support this strategy.
Collaboration & Consultation	<ul style="list-style-type: none"> ● Expand and strengthen connections with young people and agencies that work with young people in communities in Westland. ● Identify local partners for Council that share their vision for young people in Westland who can progress the mission. Develop and facilitate a forum to connect these partners well. ● Consult widely with young people in Westland to regularly and systematically review progress of this strategic plan. ● Seek the voice of young people wherever possible as a measure of progress towards the mission. ● Communicate and champion the "big picture" for young people in Westland to all people in the District.
Milestones	<ul style="list-style-type: none"> ● Make time to check on progress and celebrate success.
Resilience & Adaptability	<ul style="list-style-type: none"> ● Evaluate, reflect and make changes along the way. ● Have robust and adaptable people, systems and finances.

Report



DATE: 28 September 2017

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community and Environment

HOKITIKA MUSEUM: UPGRADE AND FUTURE DEVELOPMENT OPTIONS

1 SUMMARY

- 1.1 The purpose of this report is twofold: (1) to seek Council agreement to engage SIMCO Consulting Ltd to prepare drawings and assist with the tender process for the strengthening of the Carnegie Building, at an unbudgeted cost of \$75,000, potentially reimbursable by Major Development Initiative (MDI) funds; and (2) to present a report by Gurden Consulting Ltd (GCL) regarding Future Development Options for the rest of the Museum (i.e. the 1973-era Drummond Hall complex).
- 1.2 This issue arises from previous resolutions from Council agreeing to strengthen the Carnegie Building to 100% New Building Standard (NBS) at Importance Level 2 (IL2), and requesting a comprehensive options analysis for the future of the Museum complex as a whole.
- 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 (1) that Council engage SIMCO Consulting Ltd to prepare construction drawings and assist with the tender process for the strengthening of the Carnegie Building, at a presently unbudgeted cost of \$75,000, potentially reimbursable by Major Development Initiative (MDI) funds; (2) that Council receive the report entitled "Hokitika Museum: Consideration of Future Development Options"; (3) that Council further explore Option 5 in the GCL report, as recommended by GCL, by undertaking a study into the establishment of a new museum based on pounamu and other significant stories; (4) that Council, as recommended by GCL, undertake consultation with the other West Coast Councils in relation to establishing a regional archive facility; and (5) that the funding for this work

be limited to \$38,000 sourced from the temporary salary savings arising from two Museum staff vacancies.

2 BACKGROUND

- 2.1 The background to the closure of the Carnegie Building and the adjacent Drummond Hall (including Museum staff offices) is detailed in a 23 March 2017 report to Council from the Chief Executive.
- 2.2 To summarise briefly here, the Carnegie Building was closed on 22 September 2016 due to a detailed seismic assessment (DSA) result of 12% of the national New Building Standard (NBS), compared with anything under 34% NBS being considered earthquake-prone. The adjacent Drummond Hall exhibition space and audio-visual theatre were closed to the public at the same time, due to being within the 10m exclusion zone around the Carnegie Building. In mid-November 2016, Museum staff working in the exclusion zone were relocated to leased premises on Revell St due to safety concerns.
- 2.3 Subsequent peer review and consideration of the Carnegie Building at a lowered Importance Level (2 vs 3) resulted in an assessment by one engineering firm that the Carnegie Building slightly exceeded the 34% NBS and could be opened to the public. At its 23 February 2017 meeting, Council transferred the management of the Carnegie Building to WDPL for a six-month period, and the building opened to the public soon afterwards. Drummond Hall was not reopened at that time.
- 2.4 At its June Council meeting, Council provisionally allocated \$500,000 of Major Development Initiative (MDI) funding to the upgrade of the Carnegie Building. It also requested a comprehensive report on the Hokitika Museum Upgrade Project including options analysis to be brought to Council as soon as possible, so that Council can decide on its preferred project option and begin the detailed design and fundraising processes.
- 2.5 At its July 2017 meeting, Council received initial cost estimates for seismic strengthening of both the Carnegie Building and the Drummond Hall complex, and resolved to upgrade the Carnegie Building to 100% of the New Building Standard at Importance Level 2 (IL2).

3 CURRENT SITUATION

Carnegie Building Strengthening

- 3.1 With the Council resolutions to date, the way forward for the Carnegie Building's seismic strengthening is relatively clear. Design and fundraising is

the next stage. Applications to central government and to Lotteries for capital funding require detailed construction drawings, followed by multiple quotes or a Quantity Survey (QS). The applications to these funding sources are expected to be made later this year and in early 2018, with strengthening work then potentially taking place during winter 2018.

- 3.2 A fee estimate of \$75,000 has been received from SIMCO Consulting Ltd for preparation of the drawings for the strengthening of the Carnegie Building to 100% NBS IL2, along with assistance in the tender process. These drawings are required for the building consent process as well as for the obtaining of multiple quotes and/or a QS for the construction work.

Future Development Options for the Museum

- 3.3 Options for the Museum as a whole, including the Drummond Hall complex and the internal configuration and offerings of the Carnegie Building, are the subject of the attached report from Gurden Consulting Ltd (GCL). This report was requested as per Council's request at its June meeting. An application has been made to Lotteries for funding to reimburse Council for this work.
- 3.4 The GCL report outlines six options in relation to the Drummond Hall complex. On the basis of considerable community consultation as well as technical input from local and national experts, it recommends that work commences towards Option 5 (demolish and build a new purpose-built facility with a new experience), by Council undertaking a study into the establishment of a new museum based on pounamu and other significant stories. It also recommends that Council undertake consultation with the other West Coast Councils in relation to establishing a regional archive facility, as Drummond Hall is not suitable for archive storage.

4 OPTIONS

Carnegie Building Strengthening

- 4.1 In relation to the strengthening of the Carnegie Building, and the recent receipt of a cost estimate from SIMCO Consulting Ltd for preparation of construction drawings and assistance with the tender process, the options are either:
- Option One: Engage SIMCO Consulting Ltd to prepare construction drawings and assist with the tender process for the strengthening of the Carnegie Building, for a cost estimate of \$75,000, potentially reimbursable by Major Development Initiative (MDI) funds.

- Option Two: Do not engage SIMCO for the above work at this stage but instead seek additional quotes or estimates.

Future Development Options for the Museum

4.2 In relation to the GCL report on future development options for the Museum as a whole, there are six options in the report but essentially two main options for decision today:

- Option One: As a starting point, further explore the recommended Option 5 in the GCL report (demolition of the Drummond Hall complex and construction of a new purpose-built facility), by undertaking a study into the establishment of a new museum based on pounamu and other significant stories, and undertaking consultation with the other West Coast Councils in relation to establishing a regional archive facility.
- Option Two: Immediately reject Option 5 in the GCL report and choose another Option for the Drummond Hall complex (e.g. status quo, strengthening only, or strengthening plus enhancements and/or reconfiguration).

5 SIGNIFICANCE AND ENGAGEMENT

5.1 Under the Council's policy on Significance and Engagement, this decision is considered to be of low to moderate significance. It does not have a large financial impact, particularly given funding options outlined below, but the decision on the way forward for the Drummond Hall complex could have a large impact on the future of tourism in Hokitika, as well as the reputation and viability of the Hokitika Museum operation itself.

5.2 Significant consultation has been undertaken by GCL in the preparation of its report, including a forum with representatives from local iwi, the Department of Conservation and heritage organisations. No further consultation is deemed necessary with respect to today's recommendations. Funding of any capital projects that result would be subject to consultation through the Council's Long Term Plan and/or Annual Plan, and any use of MDI funding also requires public consultation prior to application to Development West Coast.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

Carnegie Building Strengthening

- 6.1 Option One of engaging SIMCO Consulting Ltd for preparation of construction drawings and assistance with the tender process, has the advantage of moving the project forward without the delay that would be involved in seeking additional quotes. It also recognises the fact that the SIMCO team (Les Singer, engineer Kevin Simcock, and heritage architect William Fulton) has a combination of expertise and local knowledge that would be difficult for another group to match. Importantly, SIMCO has also reviewed the seismic surveys of the Carnegie Building and has developed cost estimates for the strengthening project. The disadvantage of Option One is that it could be seen as not giving other companies a chance to perform this work, potentially at a lower cost to Council.
- 6.2 Option One would come at an estimated cost of \$75,000 which is currently not provided for in Council's 2017/18 Annual Plan budgets, but this amount could eventually be reimbursed by the \$500,000 in MDI funding that the Council has provisionally allocated to the Museum project. Waiting for the next financial year's budgets to set aside funds for this work would delay the project by nine months.
- 6.3 The advantages and disadvantages to Option Two are essentially the reverse of those for Option One. Seeking additional quotes or estimates for this work could be seen as fairer to other companies and potentially decrease the cost of the work, but there would be delays resulting from this process, and inefficiencies from any other company developing the construction drawings without already having the background that SIMCO has on this project.

Future Development Options for the Museum

- 6.4 The main advantage to Option One, which involves further study into a purpose-built facility to replace Drummond Hall, and discussion with other West Coast Councils around a regional archives facility, is that it has the most potential to lead to a significantly improved cultural tourist attraction with increased economic benefits to the Westland tourism sector. If construction of a new purpose-built facility does not prove feasible, the Council can revert to any of the other options in the GCL report at any time. It should also be pointed out that Option One does not in any way slow down the planned strengthening of the Carnegie Building, nor would it prevent the Carnegie Building strengthening from having priority use of the \$500K in provisionally allocated MDI funds.

- 6.5 The main disadvantage to Option One is that there will be costs involved in this further study. Existing Council and Museum staff are not sufficiently available and suitable to conduct this work directly, so contractor / consultant advice will be required.
- 6.6 Fortunately, the Museum has two staff vacancies at present: Museum Director and Collections Assistant, with a combined budget of approximately \$131,000 per annum. Approximately \$40,000 of that can be seen as needed to offset the unbudgeted payment to Westland District Property Ltd (WDPL) for managing the Carnegie Building for a year. Additionally, while the Council already budgeted for a \$40,000 reduction in admission fee and retail sales revenue for 2017/18 due to the Museum's closure, the Council may wish to try to offset this with the salary savings above. There are also budgeted rental costs of approximately \$1,100 per month for as long as the Museum offices are based at 47 Revell St. This still allows approximately \$38,000 in salary savings to be put towards the study recommended in Option One. Ring-fencing this \$38,000 for the study costs and limiting the study costs to a maximum of this amount would allow the Museum to keep within its 2017/18 budget, and it would also allow the salary savings from the two staff vacancies to offset the budgeted revenue losses and rental payments for the Revell St offices.
- 6.7 There have been costs to date in the preparation of the GCL report, but a Lotteries application for \$20,000 has been submitted and a response is expected next month. Any residual costs of the GCL work to date would reduce the \$38,000 available for further study.
- 6.8 The main advantage to Option Two, not doing further study into a purpose-built facility to replace Drummond Hall and/or a regional archives facility, would be that the costs of further study could be reduced. As stated above, however, there are salary savings available to fund the further study, and the other options around retaining Drummond Hall (strengthening, improving, etc.) all would require some further study to be funded as well – aside from the status quo of doing absolutely nothing to the Drummond Hall complex.

7 PREFERRED OPTIONS AND REASONS

- 7.1 The preferred option in relation to the Carnegie Building strengthening is Option One: to engage SIMCO Consulting Ltd to prepare construction drawings and assist with the tender process for the strengthening of the Carnegie Building, for a cost estimate of \$75,000, potentially reimbursable by Major Development Initiative (MDI) funds. This option is preferred because it keeps the project moving and makes use of a company that already has background on the project.

7.2 The preferred option in relation to future development options for the Museum as a whole is Option One: as a starting point, to further explore the recommended Option 5 in the GCL report (demolition of the Drummond Hall complex and construction of a new purpose-built facility), by undertaking a study into the establishment of a new museum based on pounamu and other significant stories, and undertaking consultation with the other West Coast Councils in relation to establishing a regional archive facility. This is the preferred option at this stage because it has the most potential to create a significantly improved cultural and tourist attraction with economic benefits to the Westland tourism sector, and the study can be funded by existing Museum salary savings. If construction of a new purpose-built facility does not prove feasible, the Council can revert to any of the other options in the GCL report at any time.

8 RECOMMENDATIONS

- A) **THAT** Council engage SIMCO Consulting Ltd to prepare construction drawings and assist with the tender process for the strengthening of the Carnegie Building, at a presently unbudgeted cost of \$75,000, potentially reimbursable by Major Development Initiative (MDI) funds;
- B) **THAT** Council receive the attached report from Gurden Consulting Ltd (GCL) entitled “Hokitika Museum: Consideration of Future Development Options”;
- C) **THAT** Council further explore Option 5 in the attached report, as recommended by GCL, by undertaking a study into the establishment of a new museum based on pounamu and other significant stories;
- D) **THAT** Council, as recommended in the attached report, undertake consultation with the other West Coast Councils in relation to establishing a regional archive facility; and
- E) **THAT** Council funding for the study recommended by the attached report be limited to \$38,000 sourced from the temporary salary savings arising from two Museum staff vacancies.

Jim Ebenhoh

Group Manager: Planning, Community and Environment

Appendix 1: Report from Gurden Consulting Ltd: “Hokitika Museum: Consideration of Future Development Options”

Appendix 2: Estimate from SIMCO Consulting Ltd for preparation of construction drawings and assistance with tender process



HOKITIKA MUSEUM

Consideration of Future Development Options

20 September 2017



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Acknowledgements

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Carnegie Building and Drummond Hall

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Executive Summary

The purpose of this report is to assist the Westland District Council in planning the future options for the Hokitika Museum following the decision taken to strengthen the Carnegie Building.

In undertaking the analysis for this report consultation was held with a range of people including museum and Council staff and the Councillor with the Museum portfolio, iwi and heritage group leaders and the Department of Conservation. Senior management staff from Te Papa with planning expertise in museum building, exhibition design audience experience and museum operations have visited and provided advice as have an archive facility design specialist and the regional archivist from Archives New Zealand. Discussions have also been held with Canterbury Museum who have pounamu collections and exhibitions plans. All have also signalled their ongoing support for the project. A planning forum was also held with many of these people.

What emerged from the planning forum is the opportunity to develop a new elevated museum building that could become nationally significant as the centre for pounamu from which other foundation New Zealand, regional and district stories, both Maori and Pakeha, could be told within a wider Hokitika Museum experience. These could include:

- The Maori creation and discovery stories of Maui, Ngahue and Kupe, pounamu and settlement that belong to Westland
- The goldrush, port, immigration and provincial capital
- Forestry and conservation management
- Survival in the wilderness, living on the edge, isolation and innovation

The concept includes a prominent arrival, exhibition spaces, gallery, and education and research functions. While educational, it also needs to be entertaining, fun and leading edge in how the stories are told. In addition to being a daytime attraction, the opportunity for evening experiences would exist which may include potential hospitality and conference related activities.

Raising the importance of the museum to that of national standing elevates the project in terms of visitation, funding, potential partners and sponsorship.

The pounamu theme could be developed in conjunction with and supported by three leading projects currently underway in the region. These are the Ministry of Culture and Heritage and Heritage New Zealand's nation *Landmarks* project that identifies the places New Zealand stories are told, which is set to roll out on the West Coast next year, and the Tourism West Coast/Regional Growth Study ICONS project, both of which have pounamu as a feature. The third is the Maori Tourism Strategy that will also no doubt feature pounamu.

The other major opportunity is the creation of a leading attraction for the region's almost 1 million visitors, nearly all of whom pass through Hokitika. The new museum would become a central hub directing people through the business centre, around the town, to places like the Westland Industrial Heritage Park with its aspirations to become a more prominent visitor attraction and that will soon have a miniature train ride experience, and out to other attractions throughout the district.

The relocation of the Hokitika Library to the Carnegie Building was raised to be explored with this concept. The rationale is based on the annual lease being paid and the synergies between staff, programming and the functions of the two entities. Consideration could also be given to the i-SITE.

The findings from this work are that six options exist for Drummond Hall.

1. Do nothing and set the exhibition area back up as it was.
2. Strengthen the building and set the exhibition up as it was.
3. Strengthen and develop a new enhanced experience attraction in the existing building.
4. Strengthen but with alterations reconfiguring it to a better layout and display.
5. Demolition and build a new purpose built facility with a new experience.
6. Build a new facility at the airport

In addition to the tsunami and flood risk the issues identified in Drummond Hall included cracked flooring in the main hall, floors cracked, slumping and detached from the wall at one point in the storage room, roof leakage, lack of insulation in the walls, a mix of design and functionality that may challenge the modern museum environment.

The first four options are considered the easiest and quickest solutions in the short term given \$0.5 million MDI funding is available for the entire upgrade of the buildings and the project meets both Lottery Environment and Heritage and Ministry of Culture and Heritage (MCH) funding criteria. These are however considered fall-back options should the preferred Option 5, presented in this report, not prove viable. In relation to Option 6, the Carnegie Building is currently considered to be at the heart of Hokitika and an important part of the story of the town, the central location ideal.

In terms of funding the project, a number of government sources exist including the Lottery Environment and Heritage, Significant Projects and Community Facilities funding and the Ministry of Culture and Heritage's Regional Culture and Heritage Fund. The partner organisations have yet to be explored.

The business case behind the sustainability of the museum could be based largely on the entry fee for out of region visitors. The operating expenditure is estimated at \$400,000 on the current model. With an annual visitation at just under 1 million and forecast to increase at 7%, taking a \$15 entry fee for visitors, operating break-even would be at around 2.5% market share. At 10% the income would be \$1.5 million and presents the ability to pay back any capital, return to partners, enhance the museum further and invest back into the further projects in the sector, community and Council.

Pursuing this new option, while requiring more investment, still enables the more simplistic options to proceed should this not prove viable.

Analysis of the storage of archives determined Drummond Hall is not suitable for this in the long term. Its location with a tsunami risk, the low lying nature of the building in relation to flooding, cracked and slumping floors and their departure from the wall, lack of humidity control and insulation in the walls are all contributing factors. Only a small amount of what is being stored is believed to require correct archive storage, the collection being assessed as part of this process. Given the technical nature of an archives facility, its high building and operating costs together with the fact that other West Coast Council and other entities are facing similar issues, pursuing a regional issue is proposed.

Furthermore Drummond Hall could be considered almost at its end of life as an asset and any rectification or refresh of the building would need to be challenged as the best value for money option. Its functionality and nexus to the Carnegie Building are not optimal and the property is poorly configured with the courtyard and public amenities to deliver the best operational and audience experience for the future. There is also real risk, as is often the case, that initial planning

for any repair-based project may not address all the issues, and that there are other issues that have not yet been identified that will become manifest. This would add further cost and delays.

The recommendations in this report are:

1. To undertake a study into the establishment of a new museum based on pounamu and other significant stories, incorporating the strengthened Carnegie Building and a purpose-built replacement for the Drummond Hall complex.
2. To undertake consultation with the other West Coast Councils in relation to establishing a regional archive facility.

Introduction

The purpose of this report is to assist the Westland District Council in scoping the future planning for the Hokitika Museum which has been closed due to the need for seismic strengthening. The project involves consideration of three components: the experience, buildings and the archives.

The process used to undertake this work has involved:

- Consultation with the museum staff, Council officers, the Councillor for the Museum, Manager Westland District Properties, iwi and people involved in heritage organisations
- Discussions with the Lifeline Utilities Coordinator for the West Coast Civil Defence Emergency Management Group.
- Utilising the skills of Te Papa senior management staff to assist with the experience and building planning. This included visits and planning meetings.
- Utilising the skills of an archives buildings specialist and the Archives New Zealand Regional Archivist to assist with assessing the storage and collection.
- Holding a forum with lead representatives from iwi, DOC, heritage organisations, museum staff and the Councillor with the Museum portfolio to explore the future options of the experience and building.
- Liaison with the newly opened Kaikoura Museum to gain an insight into the operations of their facility.
- Consultation with the Ministry of Culture and Heritage.

The result of this work has formed the basis of this report.

The Carnegie Building

The Council has agreed to strengthen the Carnegie Building to 100% NBS at IL2. Considerations of the future use of the building and incorporating any internal alterations should be incorporated in planning for its upgrade. Betterment or upgrading of infrastructure like electrical wiring, plumbing, new fibre cabling, energy savings are encouraged by the government's funding agencies.

Drummond Hall

With Council having made the decision to strengthen the Carnegie Building, the initial discussions focused on Drummond Hall. Drummond Hall incorporates what was originally known as Drummond Hall with research room, exhibition hall and AV room; the Pioneer Hall where the archives are stored and the Courtyard.

There appear to be six options available to the Council for Drummond Hall. These include:

1. Do nothing and set the exhibition back up as it was.
2. Strengthen the building and set the exhibition up as it was.
3. Strengthen and develop a new enhanced experience attraction in the existing building.
4. Strengthen but with alterations reconfiguring it to a better layout and display.
5. Demolition and build a new purpose built facility with a new experience.
6. Build a new facility at the airport

One of the first considerations raised is the fact that the building is within an area subject to flood risk. With the Hokitika business area situated in a low lying area fronted by the river and the Tasman Sea, flooding from four different sources could impact on the museum site.

1. High intensity rainfall exceeding capacity of the stormwater system.
2. Hokitika River overtopping or breach banks.
3. Large waves, possibly combined with storm surge, overtopping foreshore protection works
4. Tsunami waves entering low lying areas

There are works in place designed to reduce the risk of flooding from the first three sources. These include a major upgrade to the town's stormwater and pumping system, river stop bank work and additional rock protection along the foreshore. However the risks of extreme rainfall events exceeding the capacity of pipes and pumps, extreme floods overtopping stopbanks or extreme waves entering the business area remain. Tancred Street near Drummond Hall is just above high tide level and below observed Hokitika river flood levels.

The risk of Tsunami is low but cannot be discounted. A large tsunami would have devastating consequences to the central business area with wave heights of 5 metres possible in an extreme event.

The risk of flooding, particularly that of a tsunami, means the site is unsuitable for the purpose of an archive facility and housing the district's important historical documents. A facility in this location would also not gain formal archival repository status. A further consideration is that Drummond Hall floor level is below the level of the Carnegie Building. The flooding in the June 2015 high rainfall event, (one in 100 year), came close to the level of Drummond Hall floor but did not enter.

While no in-depth building analysis has undertaken in the study, in addition to the flood risk, the following concerns were raised by those viewing the building:

- The floors are cracked in the main hall
- The floors are cracked, slumping and detached from the wall in one location in the archives room
- There is leakage from the roof in the archives room
- There is no insulation in the walls which increases the temperature control costs
- While the building apparently previously functioned well before the archives were moved into the Pioneer Hall, it appears to have a very poor configuration and visitor flow.
- The building is a mix of design, external and internal building materials that does not present well alongside the Carnegie Building.
- The investment in strengthening was not considered value for money in the long term, rather it was seen as delaying an inevitable much bigger investment that would be regretted within a few years.

In considering these factors, given that MDI funding exists and the project would meet both the Lottery Environment and Heritage and Regional Culture and Tourism Fund criteria, adopting Options 1-4 above ultimately strengthening the building would be the cheapest, quickest and easiest option in the short to medium term. This assumes the quotes for the strengthening work of both buildings are in-line with the estimates received and the one third minimum threshold funding requirement of Lottery funding exists. Details on the nature of an enhanced exhibition and any internal reconfiguration has not been considered at this stage. These would come from the work undertaken if the next and preferred option outlined below did not result in feasibility of the new purpose-built replacement for Drummond Hall. Discussion on Option 6 favours the museum remaining in the current location where it is at the heart of the town, is part of the story and ideally located for locals and visitors.

What emerged through the consultation was the opportunity within Option 5 for what is much more than a building project in the creation of a new museum of national significance and a leading tourist attraction for Hokitika.

A Potential New Museum Experience

The approach taken at the planning forum was, rather than start with the building options, to first consider the experience. What emerged is replacing Drummond Hall with a new museum (raised to the height of the Carnegie Building) that centres on the pounamu story leading to the wider stories of the district. The following is the opportunity presented:

The foundation of the museum is in placing local needs and stories, both Maori and Pakeha, as the heart of its purpose or *reo*. On this basis, the museum will also provide the venue for an authentic quality attraction for the domestic and international visitor market.

The new museum concept aims to capitalise on the opportunity sitting with Hokitika given its positioning as the hub of tourism on the West Coast. The majority of the almost 1 million visitors per annum to the Coast pass through the town and growth has been forecast at 7% year on year.

The themes for the museum could include:

- The Maori creation and discovery stories of Maui, Ngahue and Kupe, pounamu and settlement that belong to the Westland
- The goldrush, port, immigration and provincial capital
- Forestry and conservation management
- Survival in the wilderness, living on the edge, isolation and innovation

The concept being proposed incorporates an appropriate arrival feature and experience (something Drummond Hall is unable to provide) coupled with exhibition halls, gallery, education and research spaces, many of which were incorporated in the former museum.

The proposal also recognises the fact that there are two museums in Hokitika, the Westland Industrial Heritage Park equally telling stories of the region's past, with aspirations to become a much more predominant visitor attraction and soon to open a short miniature railway excursion.

While bold, this proposal would then see the museum become a leading attraction drawing visitors through the town and out to other places where stories are told. Daytime and evening features could also be offered, the museum becoming a cultural hub for Hokitika and Westland.

The Pounamu Theme

Local iwi representatives expressed their long held aspiration to present the pounamu story as a leading feature for the West Coast and a point of difference.

This theme fits with national, regional and local planning being undertaken within the Department of Conservation, Ministry of Culture and Heritage and Heritage New Zealand, Regional Growth Study and West Coast Tourism strategies where pounamu has been identified within the *Landmarks* and *Icons* projects.

Landmarks is to be rolled out across the country identifying and linking the places where New Zealand's stories are told. Initiated in Northland, this project moves to Otago and the West Coast next year. The Department of Conservation is currently compiling background work to link these sites and stories, pounamu identified as one.

ICON sites are the key storytelling and actively managed sites by the department. These are Denniston, Brunner and Waiuta. In conjunction with this the department is proposing the telling of the icon story of pounamu.

A Maori Tourism Strategy is being developed; pounamu is likely to be a key stream within this. This and the other themes are also a component of the Heritage West Coast Strategy and Cultural Tourism Project for Hokitika and Westland.

The significance of these stories and their strategic fit with other initiatives would elevate the museum in terms of standing, visitations, funding priorities, potential partners and sponsorship to that of national importance.

No financial modelling for the cost and return on this project has been undertaken as the project has not been scoped. Museum-build and display size and costs vary. Income could be generated through an entry fee, tours and retail sales. In considering the likely demand, West Coast tourism visitor numbers reached 985,631 for the previous year and is forecast to grow by 7% year-on-year. As an example, if an entry fee for visitors to the region was charged and this was \$15, with 2.5% of visitors paying to view the museum the operating break-even for the former museum would be reached. If visitation reached 10%, or around 100,000, revenue would be \$1.5 million. This presents the ability to pay back any capital, return to partners, invest back into the museum and into the further projects in the sector, community and Council.

Canterbury Museum has significant collections of pounamu and is undertaking preliminary planning for an exhibition within their redevelopment. They have offered support and expressed a desire to work together.

The offer of a sculpture with pounamu and precious stones from other countries facilitated by nationally recognised pounamu carver, artist and authority Russell Beck has been received.

Other opportunities include the establishment of the Mana Pounamu national exhibition on a biennale basis and Sister City and international relationships with the jade centres in other countries. These include Itoigawa in Japan, Hotien or Suzhou in China, Cowell in South Australia, Lillooet in British Columbia and Irkutsk in Siberia, Russia.

In considering the long term options for the museum, this proposal offers an opportunity to be explored.

The Relocation of the Library

The relocation of the library to the Carnegie Building was also placed on the table at the forum to be considered within the project. The rationale for considering the relocation of the library is that:

- the Council is paying a significant ongoing lease (\$42,000 + GST pa) with right of renewal and a potential increase in 2018 in the current location.
- there are overlaps in the education and research functions of both entities and the opportunity for joint programming is seen, especially for youth.
- Museum researchers having access to the electronic resources on the library's public computers.
- Both entities' heritage references could be inter-shelved.
- both the library and museum have limited staffing and there may be synergies in the roles of staff
- operational cost efficiencies of amalgamation e.g. staff facilities, shared equipment use
- The library's free wifi is a drawcard for tourists that would serve a greater advantage from a leading tourism attraction that also promotes the district and region based at the Museum.

The negative/contrary aspects initially identified are as follows:

- The layout of the museum – an open plan layout works best for the library collections as users are drawn from one area to another when browsing. This would not happen with the current layout of the Carnegie Building.
- The library environment would be affected as there is lots of light in the present library. The Carnegie Building has very little natural light as there are no low windows.
- Being able to view much of the present library from the Issues desk means potential issues and problems can be resolved immediately. This line of sight will not be possible in the Carnegie Building.
- The current library is 575sqm. This space or preferably more is needed. The Carnegie Building is approximately 360 sqm.

Much more work is required to test the viability of this.

Archives Storage

The expertise of Ashley Francis, who was in a lead role in planning the Auckland, Wellington and Christchurch archives facilities, has helped determine the recommendations for the future of the storage of archives. Ashley's report is appended to this report. The key points from his work are as follows:

Drummond Hall is not suitable for proper archive storage in the long term. As outlined above, there is a risk of flooding associated with the location, heat pumps are being used to maintain a constant temperature and stop fire alarms going off, there is no humidity control in place, no insulation in the walls which will increase temperature control costs, the floor is slumping and detached from the wall where this has occurred and dead rodents have been found. Deterioration will increase the longer they remain in the present storage conditions. While archive material is stored in Drummond Hall it should be shifted above the potential flood level.

The actual amount of material that is truly archival and to be held in perpetuity is considered to be quite small. Archival storage is expensive and only essential material should be stored in this way.

Archive facilities are extremely technical buildings to design in all aspects of detail, particularly the floors and air-conditioning, are expensive to build and operate. The likely capital cost would be in the vicinity of \$1.5 million, the ongoing operating costs with qualified staff \$250,000 per annum. This is a heavy cost burden for a small community and as the other West Coast Councils face similar issues, a regional facility with cost sharing should be considered. This would enable a professional skill resource shared between all Councils. Further it would enable provision of archival storage and skills for the community and businesses.

Expanding on Ashley's report, a model of Councils working together is the Archives Central facility in Fielding. This is jointly owned and utilised by the Hawke's Bay Regional Council, Whanganui District Council, Rangitikei District Council, Manawatu District Council, Palmerston North City Council, Tararua District Council, Horowhenua District Council Ruapehu District Council and Horizons Regional Council.

The alternative to regional archiving is commercial storage in a facility like Iron Mountain (formerly Recall) in Christchurch. The advantages of this are that it would negate the need for capital and related costs however annual storage fees would apply. As disadvantages, the community would lose the ability to readily access stored content, high costs exist for retrieval and transport of files for researchers, assuming they can identify the correct information required, and the archives can suffer damage due to lack of environment and care controls while out. There would also be a reduced digitizing skillbase in the region.

Conclusions in the report are that Drummond Hall should remain while a strategic planning exercise was undertaken to determine the future of the museum and archives. In the long term demolition and creation of a new purpose built structure was seen as the desired outcome.

In relation to the archives, he proposes that a small regional archives facility be investigated with other West Coast councils and interested parties. It is noted that Shantytown is proposing to build an archive facility and has extended an invitation for other parties to be involved.

This report endorses the recommendations from Ashley Francis's report.

Archives Storage Room Issues



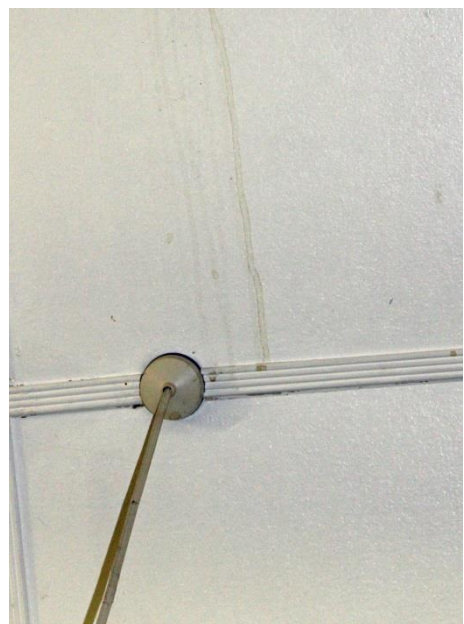
Cracking and subsidence between the walls, pillar and floor



Cracking between the southern wall and floor



Roof leaks



Roof leaks

Project Funding

The new museum experience and archives projects would all meet the criteria for Lottery Environment and Heritage funding and the Ministry of Culture and Heritage's Regional Culture and Heritage Fund. The nationally significant experience proposed would also meet the criteria of the Lottery Significant Projects Fund. Lottery Community Facilities Funding would apply to the library and any other community aspects of the project. The Lottery applications require a minimum of one third funding in hand. The Ministry of Culture and Heritage fund is only available for one third of the project however this is understood to be accessed on a case-by-case basis.

No working or funding partners have been sought at this stage however, given the importance of the facility, there are likely to be a number emerge if the project is advanced.

Funding Source	Purpose	Criteria	Next Closing Date and Timing	Decision
Lottery Environment & Heritage	Building Strengthening for the Carnegie Building and Drummond Hall	33% required to be in hand	21 February 2018 Twice yearly	1 June 2018
Ministry of Culture & Heritage, Regional Culture and Heritage Fund	Building Strengthening for the Carnegie Building and Drummond Hall Exhibition Experience	Funding required should not normally exceed 33% of the project cost however there is understood to be flexibility.	No Date Confirmed. Potentially after the election	
Lottery Community Facilities Fund	Library and Community aspects of the Project	33% required to be in hand	14 March 2018 Twice Yearly	22 June 2018
Lottery Significant Project Fund	Exhibition Experience	33% required to be in hand	21 February As determined by the Minister.	1 June 2018

Timing

While the next application dates have been identified, for the museum concept to reach Detail Design planning, this will take much longer than the closing dates for the next round, potentially requiring a year or more of planning. In the meantime, applications relating to the Carnegie Building strengthening could proceed, using whatever is required of the Council's \$500K provisional allocation of MDI funding to the overall Museum upgrade project.

Project Support

While in the early stages, a high level of planning support has been received for the concept. This includes those attending the forum from both the local runanga, local heritage groups, the Department of Conservation and the senior managers from Te Papa. The Director of the Canterbury Museum has also offered support.

Conclusions and Recommendations

The requirements for earthquake strengthening have presented the Westland District Council with an opportunity to look to the future for both the Carnegie Building and Drummond Hall. While the option exists to view this as a building project with reinstallation of exhibitions, it has created the opportunity for a fresh vision for the museum.

What has emerged from this planning is the seed for something that could place the Hokitika Museum as nationally significant and a leading tourist attraction. The concept of incorporating a national pounamu centre as a centre theme within the museum and linking all the stories told with other attractions in the district and region supports the vision and direction of a number of national and regional organisations and strategies.

One of the challenges seen may be in identifying the funding partnerships for this proposal. This would however be determined if planning proceeds.

High level support has been offered for this concept from a number of organisations.

The commitment required by the Westland District Council is the endorsement and resource to take the project forward.

The recommendations of this report are as follows:

1. To undertake a study into the establishment of a new museum based on pounamu and other significant stories, incorporating the strengthened Carnegie Building and a purpose-built replacement for the Drummond Hall complex.
1. To undertake consultation with the other West Coast Councils in relation to establishing a regional archive facility.

Appendices

Appendix 1

Hokitika Museum & Archives – Review of Options by Ashley Francis

Hokitika Museum and Archive

Review of options

Prepared by Ashley Francis

23 July, 2017

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1

Introduction

This report has been based on a site visit and on meetings with museum and Westland District Council staff on the 19th and 20th of July.

During the visit Les Singer provided an overview of the strengthening work proposed and subsequently I have viewed his cost report.

I have taken advice on the condition of the Drummond Hall roof and the earthquake resistance of both buildings.

I also understand that the Carnegie building will be upgraded to 100% of the NBS IL2 earthquake code.

Summary

With the upgrade of the Carnegie building preceding the opportunity presents itself for the development of a charter and strategic plan for the establishment of the museum and cultural linkages throughout the community.

Drummond Hall should be retained in its present state while the strategic plan is prepared and be used for the storage of the collection and the archives. The future of Drummond Hall needs to be considered in the strategic plan but initial consideration indicates that demolition of the building and replacement with a smaller purpose-built building may be warranted.

The charter and the strategic plan should consider the linkages of the museum with other community cultural assets to ensure that the maximum value is obtained for the community.

The museum collection needs to be appraised and only those items necessary for display in the Museum retained.

The material held as archives will also need appraising and it is probable that much of that material would not need to be archived.

Drummond Hall by virtue of its location where it is susceptible to flooding, its poor condition, internal structure and layout, is unsuitable for an archive. Because of the high degree of

23 July, 2017

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atmospheric control and the floor loadings archives are highly technical buildings and are expensive buildings to construct and operate.

In order to reduce both the capital and operating costs it is recommended that an archive be considered as a West Coast regional asset which would reduce both operating and capital costs substantially.

Present Status

At present options are being considered for the Carnegie building and the Drummond Hall complex. Both buildings represent an earthquake risk.

The Carnegie building is an iconic structure and there appears considerable support for the earthquake strengthening of it up to 100% of the NBS IL2 standard.

Cost options are also being presented for earthquake strengthening of Drummond Hall to the same standard.

At present Drummond Hall is at 38% of the code.

The cost options for Drummond Hall which are being presented include a new roof, covering over of the courtyard, removal of the trees within the courtyard and earthquake strengthening.

The museum which previously was housed within the Carnegie building and the Drummond Hall complex is now closed until the complex is considered safe to reoccupy.

Drummond Hall which was used as an extension to the museum is now used for the storage of artefacts and other objects of the museum collection. It is also used to store the district's archives. The floor in this wing of Drummond Hall appears be subsiding with cracking in the floor and the floor has pulled away from the wall where the subsidence has appeared.

The Archives, Artefacts and Collection

Archives are the paper documents, photographs and fabric items that require storage in archival conditions. Artefacts and the museum collection are comprised mainly of metal or wooden objects and are unlikely to be substantially affected by the current conditions.

23 July, 2017

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Archives

The storage conditions for the regional archives are unsatisfactory in the long-term. There will be deterioration within the archived material and this will increase the longer they remain in the present storage conditions. The factors that are unsatisfactory are as follows:

- At present the area containing the archives is heated by heat pumps but there is no humidity control. The heat pumps will provide some control of temperature and avoid the substantial swings of temperature which are most damaging to the archives. The heat pumps were primarily installed to avoid false fire alarm signals and they have achieved this.
- There is no humidity control within the archive area.
- Dead rodents are evident in the same area that the archives are stored.
- There does not appear to be any substantial insulation, certainly there is none in the walls which are solid concrete and this will substantially increase temperature control costs.
- There is also the risk of flooding associated with Drummond Hall which precludes it and its location from use as an archive.

While the archive material remains in Drummond Hall it should be shifted and stored above any potential flood level.

The artefacts and collection

Generally artifacts and the collection are comprised of metal and wooden objects and while less likely to be affected by the present storage conditions they should nevertheless be assessed and items susceptible to flood damage stored above the flood level.

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Discussion

Archive material

Material transferred to an archive will be held in perpetuity and because of this it is expensive to store. Consequently material being held for archiving should be assessed to determine its suitability for archiving and only essential items stored.

Among the archived material being stored in the Hokitika Museum there appears to be a considerable amount of material that should not be transferred to an archive.

In order to determine the quantum of material that needs to be stored in an archive this material needs to be assessed by a person qualified to do so. Chris Adams from Archives New Zealand, Christchurch, will be able to provide advice on what material to retain for archiving and what can be safely disposed of.

The difficulty with storing archive material is the high cost associated with both the building and with operation of that building into the future.

It is extremely important to recognise that the operational costs of an archive considered over its lifetime greatly exceeds the first cost of construction. As a consequence it is extremely important that the quality of both the building and the plant providing the atmospheric conditions are not selected on cost, rather they are performance and quality based so that operational costs are minimised into the future.

The capital cost of a small archive could be \$1.5 million with operating costs of \$250,000 per annum. This is an extremely heavy cost burden for a small community.

The alternatives to archiving locally are:

- Storage in a commercial archive in Christchurch. In this case there would be no capital cost. Storage in a commercial archive would require an extensive assessment and description process to ensure that exactly what is contained in each box in storage is known. With high costs associated with retrieval and transport it is likely that these costs would be prohibitively expensive for researchers and genealogists who have to search through many items to find the information they require. Should the items have to be transported back to the West Coast they will suffer damage due to the lack of environmental controls.

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- In a community such as the West Coast of the South Island cooperation between organisations requiring to archive materials would reduce each organisation's cost to manageable levels. Assuming five such organisations, this would reduce the capital cost by five, with a small additional cost to account for their portion of the archive, and the operational cost would also be reduced by a factor of five. This reduction in cost increases the viability of an archive located on the West Coast.
- A shared facility would enable a shared resource of qualified staff to be available to all Council's and entities involved and they would be able to assist digitising of records.
- The valuable archives from community organisations (that are unlikely to have ongoing funding for storage in a commercial archive) would be able to be stored in such a facility.

An archive is a technically complicated building with attention to detail necessary in almost all aspects of construction but particularly in regard to the floors and air-conditioning. There are construction techniques that will reduce the cost however compromises have to be carefully scrutinised to avoid increasing operational cost.

For further information on archive requirements refer to appendix A.

Artefacts and the collection

There needs to be an assessment undertaken on the artefacts and the collection to determine what items have value for the museum, to remove items which are not required, and generally minimise the space required for the collection.

This assessment should be undertaken by existing staff who organise the museum displays and who will recognise an items value to the collection.

Strengthening the Buildings

The Carnegie Building

I understand that the strengthening the Carnegie Building is considered necessary given the status, location and community support for the building.

While this building is upgraded the museum will be closed. This presents an opportunity for the museum staff to identify how they will use the upgraded building and undertake a strategic planning exercise for the future of the museum.

Drummond Hall

Drummond Hall is in poor condition, the roof has a limited life and the floors are breaking up in one area probably due to subsidence below the floor. The building is unsuitable as an archive as it stands and it would be uneconomic to attempt its conversion to an archive.

At present there is the risk of flooding and unless the archive can be raised above a potential flood level this site is unsuitable as the location for an archive.

Unless something significantly changes the combination of these two factors means that an archive located within Drummond Hall should not be considered.

The cost estimate being prepared for work on Drummond Hall covers a new roof but it does not include repairs to the floor or any internal fit out to raise it to the same standard as the Carnegie Building. These additional costs need to be considered and added to the upgrade cost for Drummond Hall.

These costs and needs should be considered during the development of the strategic plan.

The layout of Drummond Hall is equally not ideal for an extension to the Carnegie building. There are two wings connected by a narrow corridor reducing access, and with the removal of the material to be archived and an assessment of the artefacts held there will be considerable excess space available in this building. If additional space is required for the museum then it would be better to design it fit for purpose.

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Considering the probable costs to bring Drummond Hall up to a reasonable standard for occupation and for use as an extension to the Carnegie building it would appear that there is no justification for any upgrading of the building. Equally the layout of the building does not justify its replacement and a purpose-built smaller extension to the Carnegie building would bring greater benefits at a lower cost.

The Westland Industrial Heritage Park

There are a number of linkages that a new museum could make with other entities to extend cultural connections throughout the region.

The Westland Industrial Heritage Park, for example, represents an extremely good and unique opportunity for further development of community assets and tourism in Westland.

They have an extremely good and diverse collection of machinery which could be one of the best regional collections in the South Island. Many objects have unique connections to the West Coast and have in their own right stories to tell.

The Westland Industrial Heritage Park represents a unique opportunity for Hokitika to display the machinery that was part of the foundation of the West Coast. To be effective in encouraging community involvement it needs to be supported by appropriate signage and advice on how to display the collection.

There is a real risk to the collection in that those people who have done so much to develop the Heritage Park are becoming older and a strategic plan and implementation of that plan is required if the collection is not to be lost.

Providing that those presently involved in the Westland Industrial Heritage Park were interested in developing the area as a community and tourism asset, incorporating the Westland Industrial Heritage Park into the strategic planning required for the Carnegie building would create the linkages and connections necessary for the development of the Westland Industrial Heritage Park.

Charter

A charter is a comprehensive document that forms the basis for an effective strategy and a successful project. It is a logical process that provides confidence to those both developing

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and committing funds to a project and ensures that the primary factors that will contribute to a successful project have been considered.

The document addresses project requirements including the project vision, stakeholder requirements, issues and risks, critical performance factors, project structure and culminates in the strategy to be adopted.

The development of a charter that combines the development of the museum, a possible alliance with the Westland Industrial Heritage Park and the provision of linkages to other community and tourism attractions would form the basis for development into the future.

The format for a charter is attached as Appendix B.

Risk

The demolition of Drummond Hall is key to the further development of the museum and other attractions throughout the Westland district.

There is a very real risk that by delaying any work on Drummond Hall and allowing work to proceed on the Carnegie building the demolition of Drummond Hall will not occur.

In order to minimise this risk, a commitment to further development and linking together of the Westland district community and tourism assets should be made at the same time that the decision to earthquake strengthen the Carnegie building is made.

There is the opportunity to leave a legacy for the community but if the strategic planning is not commenced at the same time as the earthquake strengthening of the Carnegie building then it will be an opportunity lost, probably forever.

A combined charter as outlined above would provide the cornerstone for future community historical and tourism development in the region.

Opportunities

To use the Carnegie building as a cornerstone attraction providing linkages to other historic and tourism destinations throughout the Westland region.

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With the demolition of Drummond Hall a central location is freed up with the potential for:

- A small but unique building that supplements and integrates with the operation of the museum in the Carnegie building. This could be, for example, an audiovisual, high-technology building or a gallery depending on the community requirements.
- An office area linking to the museum ensuring that the valuable space within the Carnegie building is not used for administrative functions.

The combined building area of both these functions would be substantially less than that presently occupied by Drummond Hall and would represent considerable savings over the replacement of Drummond Hall.

Following the construction of these buildings there will be land area free and this could be used to provide tactile and visual linkages to other community assets in Westland. For example, there could be several large pieces of machinery linking to the Westland Industrial Heritage Park, the port and Shantytown, an artificial ice structure linking to the glaziers and directions to other community and tourism assets.

These linkages are extremely important in this central location because the majority of people visiting the museum will be interested in the history of the region.

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Recommendations

It is recommended that:

1. Should work on the Carnegie building proceed to 100% of the NBS IL2 standard then no upgrade work should proceed on the Drummond building and the building be retained for storage while the following work is undertaken:
2. The preparation of a Charter for the Carnegie building as a museum. This work will need to be completed prior to the completion of the upgrade work to the Carnegie building so that the benefits associated with the upgrade of the Carnegie can be fully realised.

The charter and the developed strategy needs to address:

- How the reduced area of the Carnegie building will be used as a museum.
 - The financial provisions required for internal fit out to the Carnegie building to create the new museum.
 - Identification of the cost of demolition of the Drummond building and the preparation of costed proposals for the use of the land.
 - The requirement for a small unique building to supplement the activities of the Museum and complement the Carnegie building.
 - The requirement for office space for the museum.
 - The development of an area linking to other community and tourism assets in the Westland region
 - Identification of whether the Westland Industrial Heritage Park can be incorporated into a regional strategy
 - Identification of the requirements for and costed proposals for the storage of artefacts and objects for rotational items used in the museum collection
3. A West Coast regional archive for the appropriate storage of materials required to be archived be investigated.
 4. Both the collection and the achieved material be assessed to determine what needs to be retained for the future.

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Conclusion

The structural upgrade of the Carnegie building provides the opportunity to develop community and tourism assets increasing the attraction of Hokitika, providing linkages to other assets in the district and leaving a legacy for the future.

The retention of Drummond Hall while the upgrade of the Carnegie building is undertaken provides the opportunity:

- To store the collection
- To undertake the development of a strategic plan addressing the needs of the museum and of the wider communities cultural assets.

Drummond Hall has the following issues which will necessitate substantial expenditure in the near future.

- The roof will require replacement
- The floor in one wing is subsiding and the floors cracking
- A building layout is not designed to support the museum
- There will be considerable surplus area within the building that will be made available once the archives are removed, and the collection assessed.

Consequently the demolition of Drummond Hall and the development of a smaller building designed to suit the purposes of the museum appears to be warranted.

Any surplus land could then be utilised to create an information hub for both the community and tourists.

It is probable that all this work could be undertaken for less than the upgrade cost to Drummond Hall.

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Appendix A

Background: Archive Buildings

Archive buildings hold densely packed records on mobile shelving in order to minimise the storage and consequent construction costs. They are required to maintain a stable storage environment, often at a temperature of 18 degrees centigrade + or - 1 degree. This temperature is often used in New Zealand conditions to avoid unnecessary heating or cooling of the building. In smaller archives a higher temperature may be chosen in order to make working conditions in adjacent areas more acceptable. The important function is to ensure that the temperature is maintained at not greater than + or -1° in order to avoid thermal shock and deterioration in the records.

In addition a relative humidity of 55% + or - 5 % is required and in the conditions existing on the West Coast of the South Island where RH is fairly consistently above 80% this means that at least 25% of the water in the air has to be removed for each air change within the building. Pollution must be excluded from the archive.

These atmospheric requirements demand an airtight building and the cost of maintaining these conditions is a high component of operational cost. In addition there must be no rodent or insect penetration into the archive.

Archive buildings are expensive to construct although there are techniques available to minimise that cost.

It is important to recognise that despite the complexity of the buildings the first cost or construction cost of the building is small compared with the total operational cost of the building over its lifetime. In order to reduce operational cost it is essential that good quality and high-performance plant is used to create the atmospheric conditions as compromises in plant have long-term operational cost implications which far outweigh the initial capital cost.

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Archive buildings are complex.

1. They require extremely well designed and constructed floors that are capable of holding heavy dead loads and enable the smooth operation of compactor shelving throughout their operational life.
2. They must be air and water tight and be well insulated.
3. They must have good fire protection and security systems.
4. They must be located in a low risk area taking into account factors such as flood, tsunami, earthquake (including liquefaction), volcanic activity and industrial and domestic air pollution.

Archive operational areas:

The operational areas provided in an archive include:

- The stack or repository for the records
- An assessment and description area (A&D)

Other smaller requirements include:

- A specialist conservation area
- A digitisation area (can be within A&D)
- An inwards goods area with a provision for fumigation for silverfish and other insects
- Air locks
- A plant area
- A general storage area
- A reading room
- A reception area with overview of the reading room.

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Archived Items

Because of the capital and ongoing storage costs it is extremely important to only store those items which it is essential to protect. There must be a thorough assessment process that removes all items that do not require archiving.

It is also important to have a good cataloguing system for the archive. A large number of documents will be stored and only a few will be retrieved on an annual basis, some more than most. The cataloguing system is core to efficient retrieval and reducing ongoing administration costs.

The primary uses of an archive are researchers and genealogists.

Appendix B

Project Charter

23 July, 2017

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Consulting Limited

AGREEMENT FOR CONSULTANT ENGAGEMENT

File No: 16226

BETWEEN: Westland District Council

AND: SIMCO Consulting Limited

PROJECT: Carnegie Museum Building Strengthening

LOCATION: Hokitika

SCOPE AND NATURE OF SERVICES

STRUCTURAL, ARCHITECTURAL & PROJECT MANAGEMENT

- Documentation
 - To preparation of the drawings for the strengthening of the existing building to 100% NBS IL 2
 - To Project management for the tender process

Fee Estimate \$75,000

CONSTRUCTION

- To observation of construction for the structural and architectural works
- To Project Management through the construction period

Fee Estimate \$33,000

STRUCTURAL ENGINEERING NOTES AND ASSUMPTIONS

- The fees are estimates as the detail will only be apparent as the design proceeds.
- No allowance has been made to undertake soils investigations on the site. It is assumed that maintaining bearing on the ground similar to the existing loads is an acceptable approach to the Westland District Council

The Client engages the Consultant to provide the Services described above and the Consultant agrees to perform the Services for the remuneration provided above. Both Parties agree to be bound by the provision of the Short Form Model Conditions of Engagement (overleaf), including clauses 2, 3, 8, 9 and 10 and any variations noted below. Once signed, this agreement, together with the conditions overleaf and any attachments, will replace all or any oral agreement previously reached between the Parties.

GENERAL

- i) All fees exclude GST.
- ii) Fees exclude work required after Practical Completion Certification.
- iii) The hourly rates are given below:

Director	\$300
Senior Technician	\$110-\$160
- iv) Any variations to the scope of work would be charged as an additional fee on time and reimbursable cost basis.
- v) Payment will be due on our monthly invoice.
- vi) Completion dates are to be agreed.

CLIENT'S NAME AND ADDRESS:

Westland District Council
 Simon.evre@westlanddc.govt.nz
 Attn: Simon Evre

SIGNED FOR THE CLIENT:

NAME:

DATE:

SIGNED FOR THE CONSULTANT:

NAME: Kevin J Simcock

DATE: 5 September, 2017

E: kevins@simcoconsulting.co.nz

P: 0274 341072

SHORT FORM MODEL CONDITIONS OF ENGAGEMENT

1. The Consultant shall perform the Services as described in the attached documents.
2. Nothing in this Agreement shall restrict, negate, modify or limit any of the Client's rights under the Consumer Guarantees Act 1993 where the Services acquired are of a kind ordinarily acquired for personal, domestic or household use or consumption and the Client is not acquiring the Services for the purpose of a business.
3. The Client and the Consultant agree that where all, or any of, the Services are acquired for the purposes of a business the provisions of the Consumer Guarantees Act 1993 are excluded in relation to those Services.
4. In providing the Services the Consultant shall exercise the degree of skill, care and diligence normally expected of a competent professional.
5. The Client shall provide to the Consultant, free of cost, as soon as practicable following any request for information, all information in his or her power to obtain which may relate to the Services. The Consultant shall not, without the Client's prior consent, use information provided by the Client for purposes unrelated to the Services. In providing the information to the Consultant, the Client shall ensure compliance with the Copyright Act 1994 and shall identify any proprietary rights that any other person may have in any information provided.
6. The Client may order variations to the Services in writing or may request the Consultant to submit proposals for variation to the Services. Where the Consultant considers a direction from the Client or any other circumstance is a Variation the Consultant shall notify the Client as soon as practicable.
7. The Client shall pay the Consultant for the Services the fees and expenses at the times and in the manner set out in the attached documents. Where this Agreement has been entered by an agent (or a person purporting to act as agent) on behalf of the Client, the agent and Client shall be jointly and severally liable for payment of all fees and expenses due to the Consultant under this Agreement.
8. All amounts payable by the Client shall be paid within twenty (20) working days of the relevant invoice being mailed to the Client. Late payment shall constitute a default, and the Client shall pay default interest on overdue amounts from the date payment falls due to the date of payment at the rate of 20% and in addition the costs of any actions taken by the Consultant to recover the debt.
9. Where Services are carried out on a time charge basis, the Consultant may purchase such incidental goods and/or Services as are reasonably required for the Consultant to perform the Services. The cost of obtaining such incidental goods and/or Services shall be payable by the Client. The Consultant shall maintain records which clearly identify time and expenses incurred.
10. Where the Consultant breaches this Agreement, the Consultant is liable to the Client for reasonably foreseeable claims, damages, liabilities, losses or expenses caused directly by the breach. The Consultant shall not be liable to the Client under this Agreement for the Client's indirect, consequential or special loss, or loss of profit, however arising, whether under contract, in tort or otherwise.
11. The maximum aggregate amount payable, whether in contract, tort or otherwise, in relation to claims, damages, liabilities, losses or expenses, shall be five times the fee (exclusive of GST and disbursements) with a maximum limit of \$NZ500,000.
12. Without limiting any defences a Party may have under the Limitation Act 2010, neither Party shall be considered liable for any loss or damage resulting from any occurrence unless a claim is formally made on a Party within 6 years from completion of Services.
13. The Consultant shall take out and maintain for the duration of the Services a policy of Professional Indemnity insurance for the amount of liability under clause 11. The Consultant undertakes to use all reasonable endeavours to maintain a similar policy of insurance for six years after the completion of the Services.
14. If either Party is found liable to the other (whether in contract, tort or otherwise), and the claiming Party and/or a Third Party has contributed to the loss or damage, the liable Party shall only be liable to the proportional extent of its own contribution.
15. Intellectual property prepared or created by the Consultant in carrying out the Services ("New Intellectual Property") shall be jointly owned by the Client and the Consultant. The Client and Consultant hereby grant to the other an unrestricted royalty-free license in perpetuity to copy or use New Intellectual Property. Intellectual property owned by a Party prior to the commencement of this Agreement and intellectual property created by a Party independently of this Agreement remains the property of that Party. The ownership of data and factual information collected by the Consultant and paid for by the Client shall, after payment by the Client, lie with the Client. The Consultant does not warrant the suitability of New Intellectual Property for any purpose other than the Services or any other use stated in the Agreement.
16. The Consultant has not and will not assume any obligation as the Client's Agent or otherwise which may be imposed upon the Client from time to time pursuant to the Health and Safety in Employment Act 1992 ("the Act") arising out of this engagement. The Consultant and Client agree that in terms of the Act, the Consultant will not be the person who controls the place of work.
17. The Client may suspend all or part of the Services by notice to the Consultant who shall immediately make arrangements to stop the Services and minimise further expenditure. The Client and the Consultant may (in the event the other Party is in material default) terminate the Agreement by notice to the other Party. Suspension or termination shall not prejudice or affect the accrued rights or liabilities of the Parties.
18. The Parties shall attempt in good faith to settle any dispute by mediation.
19. This Agreement is governed by the New Zealand law, the New Zealand courts have jurisdiction in respect of this Agreement, and all amounts are payable in New Zealand dollars.

Report



DATE: 28 September 2017
TO: Mayor and Councillors
FROM: Community Development Advisor

WAIVING OF TRAFFIC MANAGEMENT ADVERTISING FEE FOR THE ANNUAL COMMUNITY CHRISTMAS PARADE

1 SUMMARY

- 1.1 The purpose of this report is to recommend that Council support the Annual Community Christmas Parade in Hokitika by absorbing the costs of the required newspaper advertising for the road closures.
- 1.2 This issue arises from a letter written by Anna Dyzel, Secretary of the Lions Club of Hokitika, 23 August 2017. The letter is attached to the Appendix to 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 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council absorbs the costs of the required newspaper advertising for the road closures associated with the annual Community Christmas Parade in Hokitika as long as the town has Christmas Parades.

2 BACKGROUND

- 2.1 The annual community Christmas Parade, which has been held for well over 30 years, is one of the largest community events held in Hokitika's CBD. It attracts between an estimated 2,000 and 3,000 people into the CBD as spectators and parade participants, including people from other places of the West Coast. It is, as Dr Anna Dyzel puts it, "an opportunity for everyone who wishes to show some community spirit and support to front up and participate."

3 CURRENT SITUATION

- 3.1 Last year it cost the Lions Club of Hokitika \$468.88 for the required newspaper advertising for the road closures. As of today, the cost of the same advertising in the Hokitika Guardian remains the same. Westland Matters and Council's website will also advertise the road closures but not everyone receives Westland Matters or checks Council's website for information.

4 OPTIONS

- 4.1 Option One: Council absorbs the cost of the required newspaper advertising for the road closures.
- 4.2 Option Two: The Lions Club of Hokitika pays for the cost of the required newspaper advertising for the road closures.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 This matter is of low significance due to the relatively small financial amount being considered, and therefore consultation is not necessary.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The advantage of Council absorbing the cost of the required newspaper advertising is that it would be showing some community spirit for one of the largest annual events in the Hokitika CBD. The main disadvantage of Council absorbing the cost would be that other community groups may approach Council in the future to ask Council to pay for the cost of advertising road closures for other events. There are between 12 and 18 road closures a year that need advertising but most of these are for car rallies. There is also the disadvantage that this option is not in the Council's 2017/18 budget, so would likely result in a nearly \$500 variance against any advertising budget in the Transportation area.
- 6.2 The advantage of the Lions Club paying for the advertising costs is that Council would not have to absorb a variance in its transportation budget when budgets have already been set for the current financial year. The disadvantage of the Lions Club paying for the advertising costs would be that as a local charity, their financial resources available to carry out other charitable work such as the annual Children's Day for the community would be reduced.

7 PREFERRED OPTION AND REASONS

7.1 The preferred option is that Council pays for the road closure advertising fees for the annual community Christmas Parade for as long as the town has Christmas Parades, to show its support and community spirit for one of the largest annual events in the Hokitika CBD.

8 RECOMMENDATION

A) **THAT** Council pays for the road closure advertising fees for the annual community Christmas Parade in the Hokitika CBD for as long as the town has Christmas Parades.

Derek Blight
Community Development Advisor

Appendix 1: Letter from Anna Dyzel, Secretary of the Lions Club of Hokitika to Mayor Bruce Smith.

Appendix 1



**The Lions Club of Hokitika
Charitable Trust**
We Serve

P O Box 184
HOKITIKA 7842

HokitikaLions@HokitikaLions.org.nz

23 August 2017

Bruce Smith, Mayor
Westland District Council

Cc Robin Reeves

Re: Waiving of Traffic management advertising fee for Annual Community Christmas Parade

The Annual Community Christmas Parade is one of the larger community events held in the CBD. We attract 2000-3000 people into the CBD as spectators and parade participants, including from Greymouth and other areas. It is an opportunity for everyone who wishes to show some community spirit and support to front up and participate.

We request that Council considers supporting the Annual Community Christmas Parade by absorbing the costs of the required newspaper advertising for the road closures.

We also acknowledge that the tolerance of motorists for delays is reducing, which is placing our traffic marshals at risk. Can we also therefore request that the road closure be advised via Westland Matters? Perhaps with an explanation that it is an offence under the law to ignore the road closures, with provisions for a fine up to \$500?

Thank you for your consideration.

Yours sincerely

Anna Dyzel
Secretary

Report



DATE: 28 September 2017
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

WESTLAND HOLDINGS LIMITED: STATEMENT OF INTENT 1 JULY 2017

1 SUMMARY

- 1.1 The purpose of this report is to present the Westland Holdings Ltd (WHL) Statement of Intent (SI) for the 3 years commencing 1 July 2017.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.3 This report concludes by recommending that the Committee recommends that Council approves Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2017, attached as **Appendix 1**.

1 BACKGROUND

- 2.1 The statutory provisions concerning a SI are contained in Schedule 8 of the Local Government Act 2002.
- 2.2 Sch. 8(1) outlines the purpose of the SI, being to:
 - 2.2.1 state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
 - 2.2.2 provide an opportunity for shareholders to influence the direction of the organisation; and
 - 2.2.3 provide a basis for the accountability of the directors to their shareholders for the performance of the organisation

- 2.3 Sch. 8.3(b) requires that the board of a council-controlled organisation must deliver to its shareholders deliver the completed statement of intent to the shareholders on or before 30 June each year.

3 CURRENT SITUATION

- 3.1 The WHL SI for the 3 years commencing 1 July 2017 was received on 28 June 2017.
- 3.2 The content of the SI meets the requirements of the Act.
- 3.3 Since the Statement of Intent was completed in June 2017 there has been a change in the directors of WHL, these are now as below:
- 3.3.1 David Carruthers
 - 3.3.2 Des Routhan
 - 3.3.3 Graeme King
- 3.4 The subsidiary company Statements of Intent are attached for information.
- 3.5 This review provides the Committee, on behalf of Council as shareholder, the opportunity to agree a performance monitoring framework. The SIs will inform the CCOs' Annual Reports for the year ended 30 June 2017.

4 RECOMMENDATION

- A) **THAT** the Committee recommends that Council approves the Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2017, attached as **Appendix 1**.

Lesley Crichton
Group Manager: Corporate Services

- Appendix 1:** Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2017.
Appendix 2: Westland District Property Ltd Statement of Intent for the 3 years commencing 1 July 2017.
Appendix 3: Westroads Ltd Statement of Intent for the 3 years commencing 1 July 2017.
Appendix 4: Hokitika Airport Ltd Statement of Intent for the 3 years commencing 1 July 2017.



Westland HOLDINGS

WESTLAND HOLDINGS LIMITED

**HOKITIKA AIRPORT LIMITED
WESTROADS LIMITED
WESTLAND DISTRICT PROPERTY LIMITED**

STATEMENT OF INTENT FOR THE THREE YEARS COMMENCING 1 JULY 2017

1. INTRODUCTION
2. COMPANY MISSION
3. THE OBJECTIVES OF THE COMPANY
4. GOVERNANCE APPROACH
5. NATURE AND SCOPE OF ACTIVITIES
6. SHAREHOLDING
7. ACCOUNTING POLICIES
8. PERFORMANCE TARGETS
9. DISTRIBUTION
10. REPORTING TO SHAREHOLDERS
11. ACQUISITION PROCEDURES
12. COMPENSATION
13. ESTIMATED VALUE OF INVESTMENT
14. OTHER MATTERS

WESTLAND HOLDINGS LIMITED

1. INTRODUCTION

This Statement of Intent (“SI”) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

The SI specifies for Westland Holdings Limited (“WHL”) and its subsidiaries the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the group may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SI is a public and legally required expression of the accountability relationship between the company and its sole shareholder, the Westland District Council (“WDC”). The SI is reviewed annually with the WDC and covers a three year period commencing 1 July 2016.

WHL achieves the following Community Outcome in Westland District Council’s Long Term Plan 2015-25:

ECONOMY: A thriving, resilient and innovative economy creating opportunities for growth and employment.

2. COMPANY MISSION

Investing in, and promoting the establishment of, key infrastructure assets in a commercially viable manner to assist the development of Westland as a world-class destination as stated in Council’s Vision. WHL delivers the objective of “Having inspirational leadership.”

Westland Holdings Limited supports the Westland District Council’s “Vision of Westland” that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

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

Westland Holdings Ltd. Contributes to Westland’s vision by:

- Providing inspirational leadership

3 THE OBJECTIVES OF THE COMPANY LGA Schedule 8, 9 (1) (a)

In addition to the requirements of section 59 of the Local Government Act 2002, the principal objectives of WHL are:

- I. To monitor the performance of each subsidiary company.
- II. To ensure that each subsidiary company has in place active and effective health and safety policies and procedures which provide a safe operating environment for all employees, contractors and affected parties.
- III. To ensure that each subsidiary company operates economically and efficiently, and in accordance with an agreed SI, and to optimize the returns from, and the value of, the subsidiary companies within the parameters set by WDC.
- IV. To ensure, insofar as it is lawfully able and commercially practicable, that the SI of each of the subsidiary companies reflect the policies and objectives of WDC.
- V. To keep WDC informed of matters of substance affecting WHL and the subsidiary companies and, insofar as it is practical and reasonable in the opinion of the directors, provide the opportunity for comment on such matters prior to taking any action.
- VI. To ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies.
- VII. To report to WDC on CCO establishment opportunities, and other investment opportunities that have the potential to enhance the economic well-being of the region, and provide an adequate return.
- VIII. To maintain and improve good governance by regularly and constructively appraising the performance of the subsidiary company directorates, maintaining an appropriate monitoring framework and informing WDC prior to the appointment of new directors.
- IX. To support Westland District Council to review or create policies relevant to the Company.

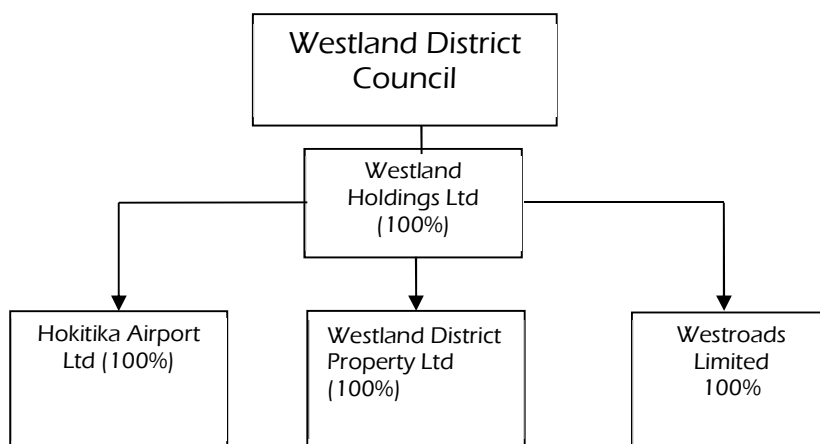
4. GOVERNANCE APPROACH. LGA Schedule 8, 9 (1) (b)

WHL seeks to govern the group in a way that will ensure it:

- achieves the objectives of its shareholders, both commercial and non-commercial, and as detailed specifically in (3) above ; and
- is a good employer in accordance with S:36(2) of schedule 7 of the Local Government Act 2002 and
- exhibits a sense of social responsibility by having regard to the interests of the community in which it operates.
- exhibits a sense of environmental responsibility by having regard to the interests of the community in which it operates.

5. NATURE AND SCOPE OF ACTIVITIES LGA Schedule 8, 9 (1) (c)

WHL is a wholly-owned council-controlled organization (“CCO”) of WDC, which was formed on 24 July 2002. WHL is the controlling entity that provides objective governance of the operating subsidiaries on behalf of WDC. The group structure is as follows:



The current Directors of WDHL are:

- Graeme King (Chair)
- Quentin Hix
- Gabrielle Wall
- Kaye McNabb
- Simon Bastion

6. SHAREHOLDING LGA Schedule 8, 9 (1) (d)

- A shareholding investment in Hokitika Airport Limited (“HAL”) of \$2,718,000 representing 100% of HAL’s share capital.
- A shareholding investment in Westroads Limited (“WL”) of \$3,350,000 representing 100% of WL’s share capital.
- A shareholding investment in Westland District Property Limited (“WDPL”) of \$2,627,000 representing 100% of WDPL’s share capital.

a) Ratio of Shareholders’ funds to total assets.

Shareholders’ funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the company’s Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of shareholders’ funds to total assets shall not be less than 50% for the period covered by this SI. The appropriateness of this target ratio will be reviewed annually by the Directors.

7. ACCOUNTING POLICIES LGA Schedule 8, 9 (1) (e)

The financial statements of WHL are prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with the New Zealand International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate.

The group changed its accounting policies on 1 July 2006 to comply with NZ IFRS.

The Reporting Entity for Accounting and Reporting purposes is Westland Holdings Ltd. The company has a balance date of 30th June.

8. PERFORMANCE TARGETS OF WESTLAND HOLDINGS LIMITED FOR THE THREE YEARS COMMENCING 1 JULY 2017

LGA Schedule 8, 9 (1) (f)

The following performance targets have been set for the 2016/17 financial year, and the two years following:

RELATIONSHIP WITH WDC, AND OTHER GOVERNANCE ISSUES:

Objective	Performance Target
1 To ensure that the financial targets and strategic direction of WHL are in line with the requirements of WDC.	<p>A draft SI for WHL will be submitted for approval to WDC by 1 March each year.</p> <p>A completed SI will be submitted to WDC by 30 June each year.</p>
2 To ensure that WDC is kept informed of all significant matters relating to its subsidiaries on a “no surprises” basis.	<p>At least two progress reports be made to WDC in the financial year (in addition to reporting on specific issues), with at least one presentation made to Councillors. Reports will include financial and non-financial performance.</p> <p>Major matters of urgency are reported to the appropriate Council Committee or the CE of WDC within three days.</p>
3 To ensure that WHL directors add value to the company and that their conduct is according to generally accepted standards.	<p>The Chair will initiate an independent formal evaluation of the WHL directorate biennially, the first was undertaken in the 2013/14 year.</p> <p>The Company will review the training needs of individual WHL directors, and ensure training is provided where required.</p>

4 WHL's process for the selection and appointment of directors to the boards of subsidiaries is rigorous and impartial.

The process followed for each appointment to a subsidiary board is transparent, fully documented and reported to WDC.

FINANCIAL

Objective

Performance Target

5 To ensure that WHL returns a dividend to WDC in accordance with WDC's budgets, and meets other financial targets.

WHL negotiates with WDC to pay an achievable distribution for the 2017/18 financial year prior to finalising WDC's budget.

6 To ensure that the subsidiary companies return a minimum acceptable dividend as per the SI of the subsidiary companies.

WHL meets its budgeted level of distribution income of \$400,000 for the 2017/18 financial year.

SPECIFIC SUBSIDIARY MANAGEMENT AND SUPERVISORY FUNCTIONS:

Objective

Performance Target

7 To ensure that WHL's procedure for appointment to subsidiary directorates are open and in accordance with written policy.

That the adopted Directors Policy be followed for any director appointments made.

8 To ensure that the draft subsidiary company SI's are received on a timely basis for review and comment.

Draft SI's are to be received by 14 February from the subsidiary companies.

9 To ensure that the final subsidiary company SI's are appropriate, measurable, attainable and timely.

Comment on the draft SI's within the statutory timeframe of 30 April each year.

10 To ensure that the final subsidiary company SI's are commercially focused documents, while also being compatible with the strategic aims of WDC to

WHL will direct the subsidiary companies to produce commercially focused draft SI's that are cognizant of their responsibilities to the social and

prudently manage these long term community investments.

environmental needs of the communities of Westland.

WHL will assess the alignment of the SI's with any specifically notified WDC strategic directive.

- 11 To ensure that the subsidiary company reporting is relevant and timely.

Subsidiary company SI's to incorporate specific reporting requirements in accordance with legislation and accepted practice.

All activity reports and formal reporting will be done through the Chairman of WHL and the CE of WDC.

RISK MANAGEMENT PROCESSES:

Objective

- 12 To ensure that there are adequate processes for the identification, assessment and management of the risk exposures of the subsidiary companies.

To ensure that subsidiary companies do not make decisions that could have significant implications for future Council funding.

Performance Target

Subsidiary company SI's to incorporate specific statements regarding the processes for the management of risk exposures, including reputational risk.

Long term investment assessment is carried out for any new projects. These must be assessed and approved by Council prior to initiating significant projects.

Activities that are to be undertaken by WHL are:

- Negotiation of the individual annual SIs for the CCOs that it owns (the subsidiary companies).
- Negotiation of the annual SI between WDC as shareholder and WHL.
- Monitoring the performance of the subsidiary companies that WHL owns.
- Advice to WDC regarding potential CCO establishment opportunities.
- Maintaining a Register of Potential Directors including public advertising.
- Appointment and monitoring of the directors of the subsidiary companies.
- Hosting an annual shareholders' meeting.

The undertaking of any activity not provided for under this SI requires the prior approval of WDC, specifically:

- No subsidiary companies are to be formed by WHL without the prior approval of WDC.
- No shares are to be acquired by WHL or the subsidiaries without the prior approval of WDC.
- No shares held by WHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of WDC.

Over time, WDC may form other CCOs within the WHL structure. WHL is an obvious vehicle for holding the shares in these enterprises; however it remains WDC's intention that the directors' approach to the holding of other shares will be determined on a case-by-case basis. With the position that the directorate holds, within the overall WDC group, it is anticipated that WHL will assist WDC in the identification and assessment of future opportunities.

9. DISTRIBUTION POLICY **LGA Schedule 8, 9 (1) (g)**

Profit retention and dividend policy will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that:

- The amount of the distribution does not limit WHL's ability to fund future capital expenditure requirements to both maintain and expand current operations and address issues relating to the company's debt structure; and with the provisos that:
 - i. The Directors are satisfied that the requirements of section 4 of the Companies Act (the "solvency test") have been satisfied,
 - ii. The amount of the distribution does not exceed the amount of the net profit after tax, plus cash held in reserves, in the year to which the distribution relates, and
 - iii. Total liabilities do not exceed 50% of the total assets.

WHL will endeavor to make distributions of **\$498,000** in the 2017/18 year.

10. REPORTING TO SHAREHOLDERS. LGA Schedule 8, 9 (1) (h)

WHL will provide the following information in order to enable the shareholders to make an informed assessment of the Company's performance.

- a) An annual SI in accordance with Schedule 8 of the Local Government Act 2002 Draft delivered by 1st March, Shareholders comments returned by 1st May, completed Statement of Intent after consideration of Shareholders comments delivered by 30 June and made available to public one month following delivery to shareholders.
- b) A half-yearly financial report in accordance with Section 66, 67 and 71 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Companies Act 1993, the Institute of Chartered Accountants of New Zealand, and any other information that the Directors deem appropriate. Delivered to shareholders no later than 28th February
- c) An annual report in accordance with Section 67 and 71 of the Local Government Act 2002 and the GAAP reporting requirements prescribed from time to time by the Institute of Chartered Accountant of New Zealand, and any other information that the Directors deem appropriate. To be delivered to shareholders by 30th September and no later than 20 days prior to the company's AGM
- d) An annual Shareholders meeting to be held by 31st December each year with not less than 10 days' notice to shareholders.

11 ACQUISITION PROCEDURES LGA Schedule 8, 9 (1) (i)

If the Directors believe they should invest in or otherwise acquire any interest in any other organisation they shall obtain the prior approval of the shareholders by special resolution unless the total cost is less than \$5000.00. In this case prior approval is not required but shareholders will be advised within 10 working days.

12 COMPENSATION. LGA Schedule 8, 9 (1) (j)

Currently there are no activities for which compensation will be sought from WDC

13 ESTIMATE OF THE COMMERCIAL VALUE OF THE COMPANY LGA Schedule 8, 9 (1) (k)

The value of WHL has been defined as the estimated value of shareholders' funds as at 30 June 2016

This value is estimated to be \$12,800.000

The value ascribed to shareholders' funds will be that stated in the annual Statement of Financial Position of the company as at the end of the financial year preceding each SI.

14 OTHER MATTERS LGA Schedule 8, 9 (1) (I)

WHL's directors are appointed by the shareholders to govern and direct WHL's activities. The shareholders expect this responsibility to include such areas of stewardship as:

- Commercial performance
- Non-commercial performance
- Business plans and budgets
- Corporate policies
- Financial and distribution policies
- Management oversight and development
- Delegations or authority
- Identification and management of business risks
- Identification and management of business opportunities
- Internal control systems
- Integrity of management information systems
- Relationships with stakeholders and external parties
- Compliance with relevant law
- Reports to shareholders



Westland
properties

WESTLAND DISTRICT PROPERTY LIMITED

STATEMENT OF INTENT

FOR THREE YEARS COMMENCING 1 JULY 2017

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1. Introduction

This Statement of Intent (SOI) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

The SOI for Westland District Property Limited (WDPL) specifies the objectives, the nature and scope of the activities to be undertaken, the performance targets and other measures by which the performance of the Company will be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between Westland District Property Limited and its sole shareholder Westland Holdings Limited, which is 100% owned by the Westland District Council. The SOI is reviewed annually in association with the Holding Company.

2. Company Mission Statement

The WDPL's Company Mission is: "to manage the ownership and operation of property activities in a commercial and strategic manner".

The Board supports the Westland District Council's Vision for Westland which is: "Westland District Council will facilitate the development of communities within its district through sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders¹.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations."

WDPL contributes to this vision by:

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

3. The Objectives of the Company

As required by Section 59 of the Local Government Act 2002, the principal objectives of WDPL are to:

- Achieve the objectives of its shareholders, both commercial and non-commercial as specified in the SOI.
- Be a good employer in accordance with Section 36(2) of Schedule 7 of the Local Government Act 2002.

¹ In this context a stakeholder is defined as a person, group or enterprise affected by or having an interest in its operations, such as the employees, customers, local community, etc

- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage social and environmental interests when able to do so.
- Conduct its affairs in accordance with sound business practice.

4. Governance

The Directors of WDPL are appointed to govern and direct the company's activities. The directors' role includes:

- a. Strategic Governance
- b. Financial Management
- c. Management Performance Review
- d. Relationships with stakeholders and external parties
- e. Being a good employer

The Board of Directors will provide active Health and Safety leadership and will develop and monitor a comprehensive Health and Safety Plan for the Company.

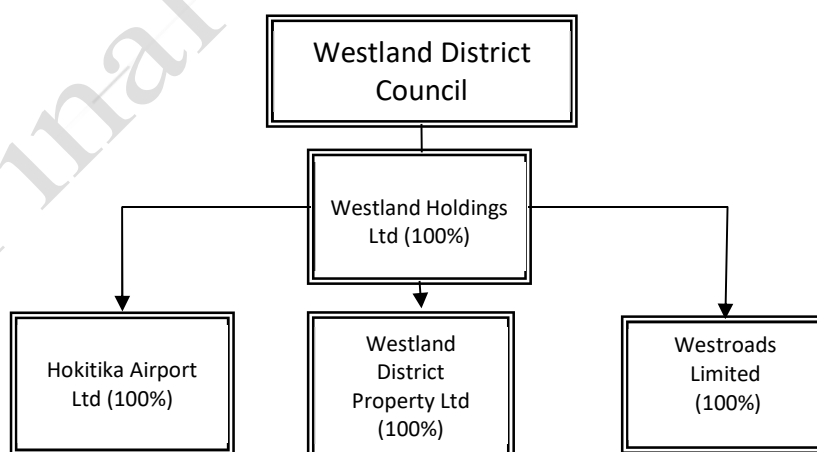
The Company is governed by a four member board of directors:

1. Ian Hustwick (Chair)
2. Pauline Cox
3. Richard Benton
4. Latham Martin

The Directors have been appointed to the Board of WDPL AND Hokitika Airport Limited with the intention to amalgamate once the two companies have been merged.

5. Nature and Scope of Activities

The group structure is:



The primary nature and scope of activities for WDPL is to:

1. Maintain a strategic and commercial focus while managing its property portfolio.
2. To cost effectively manage Councils strategic assets; ie, Hokitika Swimming Pool, Jackson Bay Wharf and Pensioner Housing facilities.
3. Evaluate prospects for further development of Pensioner Housing facilities.
4. In line with Council Policy manage the activities on unformed legal road.
5. In partnership with Westroads develop a strategy for the development and sale of sections at Kaniere Road known as Kaniere Estate.
6. To seek project management opportunities.
7. To explore new opportunities in property management and development with WDC, other CCOs and the wider market

6. Performance Targets

Financial (as per 2012 – 2022 LTCCP)

The Company will report annually to shareholders on the following performance indicators:

- (a) The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 1% and 6% for the year commencing 2015/2016
- (b) The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) of 1% for the year commencing 2015/2016
- (c) Compliance with statutory and regulatory requirements enabling, WDPL, Westland Holdings Limited and WDC to comply with the Local Government Act 2002, Health & Safety & Employment Act 1992 (with amendments), the Companies Act 1993 (with amendments) and the Financial Reporting Act 1993 (with amendments).

Non-Financial

Service performance measures:

- (a) Pensioner Housing occupancy:
Target: annual percentage occupancy to be no less than 95%.
- (b) Swimming pool:
Target: annual total admissions to be +/- 5% those of the previous year. Note: 2015/2016 admissions = 18,919
- (c) Baches on Road Reserve:
Target: annual number of licenses to occupy to be greater than 70.
- (d) Jacksons Bay Wharf:
Target: annual percentage of commercial fishing vessels who use the wharf with Licenses to occupy = 90%
- (e) Leasehold properties:
Target: annual percentage of leasehold properties available for lease = 80%
- (f) Tenant satisfaction:
Target: Tenant satisfaction with the provision of the company's Pensioner Housing rental housing greater than or equal to 90%.
- (g) Time loss through injury
Target: Loss Time Injuries will be 0

7. Shareholders' Funds to Total Assets

- The ratio of shareholder funds to total assets shall be greater than 60 percent.
- Shareholder funds are defined as the paid up capital, plus any tax paid profits earned, and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as Revenue or Capital Reserves.
- Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of WDPL.

8. Distribution Policy

Distributions will be paid, either by way of dividends to Westland Holdings Limited or subvention payment to WDC, as agreed with Westland Holdings Limited.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, and included in the annual Statement of Intent, subject to the following criteria:

A subvention payment is defined as a payment based on a dollar for a dollar of tax loss.

- The amount of any distribution takes into account WDPL's ability to fund future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.
- Total liabilities do not exceed 30% of the total assets without the approval of Westland Holdings Ltd.

9. Capital Expenditure

Capital expenditure will generally be related to the development of existing land and property but will also be considered from time to time in relation to strategic asset developments or acquisitions for the benefit of Westland District and WDPL.

The approval of Westland Holdings Limited must be obtained for any significant purchases or asset developments, including the funding mechanism for the purchase or development, in excess of \$500,000. This figure is to be calculated based on the complete cost of a particular project, even if the expenditure is spread over more than one year and comprises multiple transactions.

10. Acquisition of Other Interests

WDPL will not subscribe for, purchase, or otherwise acquire shares in any company or other organization without first being authorized to do so by a special resolution of shareholders.

11. Commercial Value of Shareholders Investment

The Directors estimate that the commercial value of the shareholders' investment in WDPL will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount

The value of the investment will be reassessed every three years by evaluating movement in asset values. In particular changes to land and improvements as recorded on the tri-annual government valuations.

The Directors may elect to revalue land improvements and investments on an annual basis in line with current Audit New Zealand policy.

12. Risk Management

WDPL shall complete and document a risk management analysis together with strategies for mitigation of these risks.

The Company shall adopt and regularly review a communications policy. (Adopted 12 June 2013.)

WDPL shall work with WDC to agree on formal communication protocols to improve communication with Council's elected representatives, relevant staff and stakeholders.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy. (Adopted 10 September 2013 and reviewed December 2016.)

13. Reporting to Shareholders

The following information will be available to shareholders based on an annual balance date of 30 June:

13.1 Draft Statement of Intent

On or before the 14th February of each year, the Directors shall deliver to the shareholders a Draft Statement of Intent, with tracked changes, in accordance with the requirements of Clause 9 Schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before the 15th of June each year, the Directors shall deliver to the shareholders a Final Statement of Intent in accordance with Clause 9 Schedule 8 of the Local Government Act 2002.

13.3 Half Yearly Financial Report

Within two months after the end of the first half of each financial year, i.e. 28 February, the Directors shall deliver to the shareholders an unaudited report containing the following information:

- a) A Revenue Statement disclosing actual and budgeted revenue and expenditure and comparative figures for the same period in the previous year.
- b) A Statement of Financial Position at the end of the half year i.e. 31 December.
- c) A Statement of cash flows.
- d) A commentary on the results for the six months together with a report on the outlook for the second six months with reference to any significant factors that is likely to have an effect on the Company's performance. This

commentary is to also include an estimate of the financial result for the year under review.

- e) A copy of the Audit New Zealand management report for the previous year.
- f) A non-financial performance report.

13.4 Quarterly Report

Between the annual report and half yearly report WDPL will:

- a) Deliver to WHL a quarterly copy of the management accounts.

13.5 Annual Report

By 30 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceding 30 June, containing the following information as a minimum:

- a) A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b) A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c) A statement of financial position at the end of the year.
- d) A statement of cash flows.
- e) An auditor's report on the above statements and the measurement of performance in relation to objectives.
- f) A non-financial performance report.

13.6 Annual Budget

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the WDC. This budget shall accompany the half yearly financial report.

14. Accounting Policies

The financial statements of WDPL will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors. (See Appendix for Accounting Policy details.)

15. Commercial Value of Shareholders Investment

The commercial value of the shareholders, being Westland Holdings Limited, investment in WDPL is estimated at \$2,575,000 and this value will be verified by way of external valuation.

16. Sale of Goods/Services to Local Authority

It is not considered likely that WDPL will carry out any activities for which the Board will seek compensation from Westland District Council, Westland Holdings Limited or its subsidiaries, other than that related to the sale, rental or leasing of property owned or managed by the Company. Any compensation received and details of the undertaking will be reported in the annual report of Westland Holdings Limited as well as the annual report of WDC.

Any commercial activities carried out for and or by Westland District Property Limited in relation to Westland District Council, Westland Holdings Limited or its subsidiaries will be at market rates and will be reported in the annual report of Westland Holdings Limited as well as the annual reports of Westland District Council and/or its subsidiaries.

17. Financial Forecasts

Assumptions:

- 1) That the transfer of ownership of further assets as originally intended will **not** be completed and as a consequence there will be result in no increase in capital. This assumption means that the company is not in a position to make meaningful returns, as it was set up and as a consequence incurred overheads that were in anticipation of a larger asset base

	Forecast	Forecast	Forecast
	2017/2018	2018/2019	2019/2020
Gross Revenue	\$ 1,079,810.00	\$ 1,100,000.00	\$ 1,152,380.95
Cash Operating Expenditure	\$ 990,000.00	\$ 995,000.00	\$ 1,000,025.25
Depreciation	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00
Trading Profit/(Loss) before Taxation	\$ 47,810.00	\$ 63,000.00	\$ 110,355.70
Subvention Payment	-	-	
Net Profit/Loss before Taxation	\$ 47,810.00	\$ 63,000.00	\$ 110,355.70
Taxation	\$ 13,386.80	\$ 17,640.00	\$ 30,899.60
Dividend			
Earnings Retained	\$ 34,423.20	\$ 45,360.00	\$ 79,456.10
Shareholder Funds	\$ 1,687,561.00	\$ 1,721,984.20	\$ 1,767,344.20
Retained Earnings	\$ 34,423.20	\$ 45,360.00	\$ 79,456.10
Closing Shareholder Funds	\$ 1,721,984.20	\$ 1,767,344.20	\$ 1,846,800.30
Pretax Return on Shareholder Funds	1.06%	3.66%	4.50%

Appendix

Accounting Policy Details

Basis of Preparation

a. Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

b. Measurement base

The financial statements have been prepared on a historical cost basis except for the revaluation of investment property.

c. Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

d. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The only material judgment or estimate applied in these financial statements is that the company expects to recover the cost of its investment in development land.

Significant Accounting Policies

Accounting policies set out below are to be applied consistently to all periods presented in the financial statements. The following particular accounting policies which materially affect the measurement of financial results and financial position are to be applied:

a. Investment Property

Properties leased to third parties under operating leases are classified as investment property.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

b. Property, Plant & Equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

c. Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

i) Impairment of receivables

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, being property plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost includes development costs to date.

e. Financial instruments

The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost (trade and other payables).

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

ii) Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

iii) Cash & cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

iv) Trade & other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

v) **Borrowings**

Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

f. **Goods and services tax (GST)**

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

g. **Leased assets**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Company's balance sheet.

h. **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i. **Revenue**

i) **Leases**

Lease income from property is recognised in the profit or loss on a straight-line basis over the term of the lease.

ii) **Services**

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date.

j. **Lease payments**

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

k. **Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.



Westroads

WESTROADS LIMITED

STATEMENT OF INTENT 2017/18

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1. INTRODUCTION

This Statement of Intent is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

Westroads Ltd is a council controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

Westroads Ltd is a wholly owned subsidiary of Westland Holdings Ltd.

This Statement of Intent covers the 3 year period commencing 1 July 2017.

2. COMPANY MISSION STATEMENT

To deliver a competitively priced and superior service to our clients, while returning an above average rate of return to our shareholders by promoting a culture whereby quality and client requirements are paramount and input from staff is actively encouraged.

Westroads Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

Westroads Limited contributes to the Council's vision by assisting with having top class infrastructure for all communities.

3. THE OBJECTIVES OF THE COMPANY

The principal objective of Westroads Ltd is to operate as a successful business. This will be achieved by:

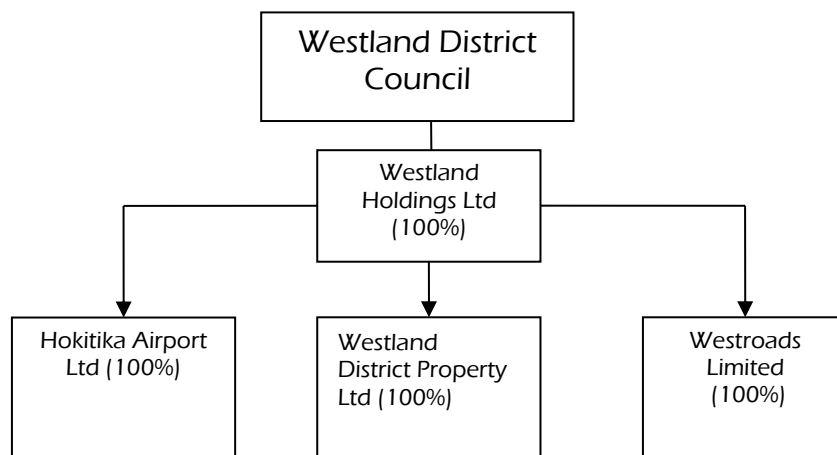
- a. Carrying out its business in an efficient, effective and profitable manner.
- b. Managing all assets and liabilities on a prudent basis.
- c. Meeting the market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis.
- d. Ensuring the Health & Safety of its staff at all times.
- e. Acting as an environmentally conscious Company.
- f. Acting in the best interests of the shareholder

Other primary objectives of Westroads Ltd are:

- a. Returning a distribution to shareholders that makes a significant contribution to Westland District Council's budgeted distributions from its CCTO's.
- b. Maintaining a significant presence in Westland including employing locals and having equipment available throughout the district.
- c. To be successful in bidding for contestable contracts tendered by Westland District Council and other significant organisations and businesses.

4. NATURE AND SCOPE OF ACTIVITIES

The group structure is as follows:



The nature of Westroads Ltd activities will be that of a general contractor and a trading organisation offering goods and services for sale and plant and equipment for hire. Its activities will include:

- a. Drainage, sewerage and water services - operation, installation, maintenance and repairs.
- b. Roads and footpaths, bridges, driveways and car parks - their construction, maintenance, marking, signing, repair and cleaning.
- c. Property maintenance and repairs and construction including plumbing, carpentry, joinery, painting and drainlaying.
- d. Environmental services including refuse collection, litter collection, landfill operation, recycling, vegetation control, rural fire suppression, street cleaning and safety.

- e. Vehicle and equipment management services including maintenance workshops and assorted engineering services.
- f. The supply of goods, materials, services and equipment for sale or hire.
- g. Landscaping services including maintaining reserves, general horticultural, silviculture services and household rubbish maintenance and services.
- h. The manufacture and supply of crushed metal and aggregate.
- j. Any other relevant activity as determined by the Directors from time to time.

5. **GOVERNANCE**

The company is governed by a four member board of directors' chaired by Peter Cuff. Additional directors are:

Durham Havill
Maurice Fahey
Bryce Thomson

The director's role includes

- a. Strategic Governance
- b. Financial Management
- c. Management Performance Review
- d. Overseeing Tender Prices for Major Tenders

The board has a director rotation policy in place whereby 1 director retires each year in rotation. Directors are able to make themselves available for re-appointment.

Board evaluation will be conducted annually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

6.1 **PERFORMANCE TARGETS**

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10% for the 3 years commencing 1 July 2017.
- A return of an annual dividend to the shareholder within a range of 40-70% of the company's net profit after tax, after adjusting for returns to shareholders via subvention payment.
- Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act.

6.2 SOCIAL PERFORMANCE

We are committed to:

- Attracting and retaining the best people for our organisation.
- Maintaining a high level of transparent and effective communication with our shareholder.
- Being an asset to the community through returns to the Shareholder, Westland District Council.
- Being an asset to the community by supporting local community initiatives.
- Providing employment in the district and ensuring the community receives competitive prices for work done.

Our people and communities:

- We utilise a wide range of training schemes via the industry training organisation's to continuously extend the skills of our staff, and ensure that they are up to date with professional and technical current practice. Performance reviews are undertaken for all management and staff on an annual basis.
- We are committed to work together to ensure safe and sustainable working conditions for our employees. The company provides inoculations for employees and monitors hearing, eyesight, and lung functions to ensure we have a healthy staff.
- Protective equipment is issued and required to be worn by all staff.

MEASURING OUR PERFORMANCE

1. Use Employee Safety statistics to monitor work place safety such as:-
 - Number of full day time off workplace accidents and incidents - Target Zero
 - Number of incidents notifiable to Department of Labour - Target Zero
 - Continue to Promote Zero harm – Safety first
2. Training Expenditure as a % of Revenue Target 8%
3. Staff Turnover Rates

7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS

The ratio of consolidated shareholder funds to total assets shall be greater than 45 per cent.

Shareholders' funds are defined as the paid up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of Dividends to Westland Holdings Limited or subvention payment to Westland District Council in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited and, subject to the following criteria:

- Westroads Ltd. will utilise Group losses to the maximum extent available and pay for the use of the losses at the current tax rate by way of a subvention payment.
- The amount of any distribution shall take into account Westroad Ltd's ability to fund future capital expenditure requirements, to maintain and expand its operations, to meet its obligations under the Companies Act 1993 and to address matters related to the debt structure of the company.

9. CAPITAL EXPENDITURE

The boards policy is to replace plant & equipment on a wear and tear basis, with major items being submitted to the board for approval. Additional capital expenditure is approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$750,000 for any one project, including the funding mechanism for the purchase or development.

10. PROCEDURES FOR ACQUISITION OF OTHER INTERESTS

The company will not subscribe for, purchase, or otherwise acquire shares in any Company or other organisation without first being authorised to do so by special resolution of shareholders and Council.

11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The Directors estimate that the commercial value of the shareholders' investment in Westroads Ltd will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular changes in land and improvements as recorded on the tri-annual government valuations.

12. RISK MITIGATION

The company shall develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June.

13.1 Draft Statement of Intent

On or before 14th February each year, the Directors shall deliver to the shareholders a Draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before 15th June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

13.3 Half Yearly Report

On or before 28th February each year, the Directors shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- a) A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports.
- b) A statement of financial position at the end of the half year.
- c) A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the company's performance, including an estimate of the financial result for the year based on that outlook.
- d) A report on non financial performance measures.
- e) A copy of the Audit New Zealand management report for the previous year.

13.4 Annual Report

By 30 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceeding 30 June, containing the following information as a minimum:

- a. A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows
- e. A report on non financial performance measures
- f. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 Annual Budget

An annual budget shall be provided for the coming financial year the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council.

13.6 Quarterly Report

A quarterly report containing financial information as agreed between Westroads Ltd and Westland Holdings Ltd shall be supplied between the half year report and the annual report.

14. ACCOUNTING POLICIES

REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Westroads Limited is ultimately owned by Westland District Council.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of the Company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002.

BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and Tier 2 POE Accounting Standards. They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZIFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The financial statements were approved by the board of directors on 30 September 2016

Measurement Base

The financial statements have been prepared on a historical cost basis except for land and buildings which are revalued every three years. The next revaluation is due in June 2017

Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – Depreciation and estimated useful lives of property, plant and equipment

Note 14 – Employee entitlements

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year ended 30 June 2016.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied:

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

With the exception of land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are measured at revalued amount less subsequent depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income

INTANGIBLE ASSETS

Indefinite useful lives

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable assets of the acquiree and is included in intangible assets. If the value of goodwill is lower than the net fair value, the difference will be recognised in the surplus or deficit.

Definite useful lives

Mining licences that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. There is no remaining useful lives for the mining licences.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. In the case of development land inventory, cost includes any development costs to date. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

CONSTRUCTION WORK IN PROGRESS

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of

fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amounts of assets and are recognised in the profit or loss.

Impairment of receivables

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Non-financial assets

The carrying amounts of the Company's non-financial assets, being property, plant and equipment and mining licences, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

FINANCIAL INSTRUMENTS

The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Financial liabilities

Financial liabilities comprise: trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

EMPLOYEE BENEFITS

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases. The leased assets are not recognised on the Company's balance sheet.

PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

REVENUE

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of materials, transfer usually occurs when the product is dispatched to the customer.

Services

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of

goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term-highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the statement of financial position.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The amendments to the following standards and interpretations are not expected to have a significant impact on the company's operations:

NZ IFRS 9: Financial Instruments – Classification and Measurement (effective for the financial year ending 30 June 2018).

NZIFRS 15: Revenue from Contracts and Customers (effective for the financial year ending 1 January 2018)

15. SALES OF GOODS/SERVICES TO LOCAL AUTHORITIES

The company will provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis

16. FINANCIAL FORECASTS (\$000s)

CONSOLIDATED

	Budget 2017/18	Forecast 2018/19	Forecast 2019/20
Gross Revenue	21,816	21,925	22,145
Cost of Sales	15,252	15,329	15,482
Gross Profit	6,564	6,597	6,663
Other Income	255	255	255
Administrative expenses	5,443	5,443	5,497
Finance costs	373	373	377
Net Profit Before Tax	1,003	1,036	1,044
Tax Expense	191	208	217
Subvention Payments	320	295	270
Net Profit for the Year	492	534	557
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income for the year	492	534	557
Other Performance Targets			
Dividends	131	161	181
Earnings Retained	361	373	376
Closing Shareholder's Funds	8,236	8,609	8,985
Pre Tax & Subvention Return on Ave Shareholder's Funds	12.18%	12.04%	11.62%

Subventions payments to be paid instead of dividends

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1. INTRODUCTION

- 1.1 This Statement of Intent is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.
- 1.2 Hokitika Airport Ltd is a council controlled organization for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.
- 1.3 This statement sets out the objectives and scope of activities proposed to be carried out by Hokitika Airport Limited in the 3 year period commencing 1st July 2016.

2. COMPANY MISSION STATEMENT

To maximize opportunities for the development of commercial and tourism based aviation in Westland and the promotion of Westland as a destination.

Hokitika Airport Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

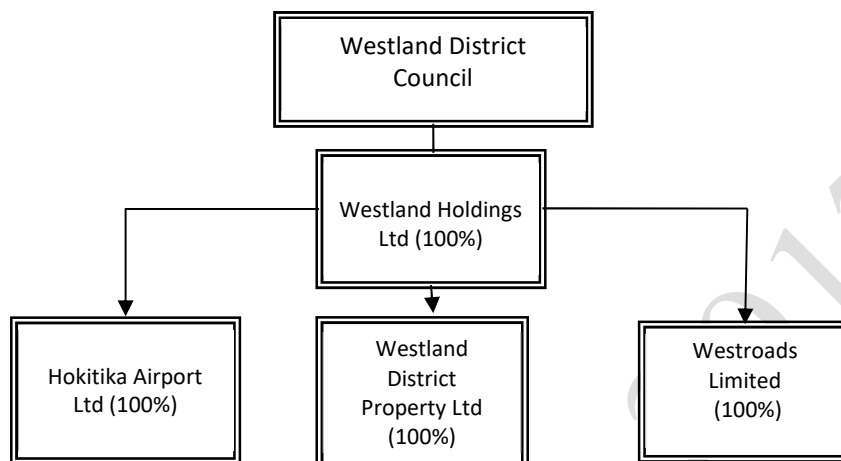
- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

3. THE OBJECTIVES OF THE COMPANY

- 3.1 The Directors will maintain and improve airport services to a high standard and enhance airport facilities whilst continuing to operate the Company as a commercially successful business. To achieve this, the company intends to:-
 - (a) Maintain the value of the shareholders' investment.
 - (b) Provide quality, efficient and cost-effective services on a commercially competitive basis.
 - (c) Ensure that pricing strategies are market sensitive and on a commercial basis.
 - (d) Strive to minimize operating costs.
 - (e) Maintain a high level of safety and security in its operations.
 - (f) Manage its financial assets and liabilities on a prudent basis.
 - (g) Act with social responsibility.
 - (h) Be a good employer.
 - (i) Grow and diversify revenue streams from business development.
 - (j) Operate the Hokitika Airport and Franz Josef Heliport sustainably.
 - (k) Continue to protect Hokitika Airport and Franz Josef Heliport for growth of business.

4 NATURE AND SCOPE OF ACTIVITIES

The group structure is:



- 4.1 The primary nature and scope of activities for the Company is to operate, manage and develop facilities in Westland. These activities include:
- (a) The provision, maintenance, upgrading and extension of services and facilities for the landing and take-off of aircraft, having regard to statutory and regulatory requirements of the Civil Aviation Authority of New Zealand.
 - (b) The provision and maintenance of facilities for the Airport Company and general businesses located at airports and heliport.
 - (c) The management of airport land holdings.
 - (d) The provision and leasing of secure storage facilities at Hokitika Airport
- 4.2 To continue the development of the Glacier Country Aerodrome Reserve to provide a safe heliport facility and explore opportunities for further enhancements to the area.
- 4.3 To offer services to other local airports, airfields and seaports.
- 4.4 The development and management of facilities that will support Westland District Council's vision for Westland, with the promotion of Westland as a destination.
- 4.5 To become involved in strategic projects which will benefit the District, as opportunities arise.

5. GOVERNANCE

The Company is governed by a board of up to three directors chaired by Linda Robinson. The director's role includes:

- Strategic Governance
- Financial Management
- Contractor Performance Review

Directors retire at the Annual General Meeting and can make themselves available for re-appointment, generally on a three year term.

The directors are:

Ian Hustwick	January 2017
Pauline Cox	January 2017
Richard Benton	January 2017
Latham Martin	March 2017

The Board of Directors will provide active Health and Safety leadership and will develop and monitor a comprehensive Health and Safety Plan for the Company.

The Directors have been appointed to the Board of Hokitika Airport Limited AND Westland District Properties, with the intention to amalgamate once the two Companies have been merged.

6. PERFORMANCE TARGETS

The Company will report to shareholders on the following performance indicators:

- a) The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 0.5% to 5%.
- b) The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) within the range of 0.5% to 5%.
- c) Compliance with statutory and regulatory requirements enabling Hokitika Airport Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002.
- d) HAL will endeavour to achieve the highest storage occupancy possible

7. SHAREHOLDERS FUNDS TO TOTAL ASSETS

The ratio of shareholder funds to total assets shall be greater than 70%.

Shareholder funds are defined as the paid up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either Revenue or Capital Reserves.

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

8. DISTRIBUTION POLICY

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, and included in the annual Statement of Intent.

The amount of any distribution takes into account Hokitika Airport Limited's ability to fund agreed future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.

Total liabilities do not exceed 30% of the total assets without the approval of Westland Holdings Limited.

9. CAPITAL EXPENDITURE

Capital expenditure will maintain, enhance and develop facilities controlled by Hokitika Airport Limited in accordance with the objectives of the company.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$500,000 for any one project including the funding mechanism for the purchase or development. This figure to be calculated based on the complete cost of a particular project even if the expenditure is spread over more than one year and comprises multiple transactions.

10. ACQUISITION OF OTHER INTERESTS

The company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by special resolution of Westland Holdings Ltd and Westland District Council.

11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The Directors estimate that the commercial value of the shareholders' investment in Hokitika Airport Ltd will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular changes in land and improvements as recorded on the tri-annual government valuations.

12. RISK MANAGEMENT

The company shall develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June.

13.1 Draft Statement of Intent – By 14th February

On or before 14th February each year, the Directors shall deliver to the shareholders a Draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002. Westland Holdings Limited will report to Hokitika Airport Limited comments on the Draft Statement of Intent by 30th April each year.

13.2 Completed Statement of Intent – By 15th June

On or before 15th June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

13.3 Half Yearly Report - by 28th February

On or before 28th February each year, the Directors shall deliver to the shareholders an unaudited Half Yearly Report containing the following information as a minimum in respect of the half year under review:

- a. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports.
- b. A statement of financial position at 31st December.
- c. A statement of cash flows.
- d. A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance, including an estimate of the financial result for the year based on that outlook.
- e. The Westland Holdings Limited board will receive a copy of the Management Report from Audit NZ from the previous year.
- f. A non-financial performance report.

13.4 **Annual Report - by 15th September**

On or before 15th September each year, the Directors shall deliver to the shareholders an Annual Report and audited financial statements in respect of the financial year, containing the following information as a minimum:

- a. A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows
- e. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 **Annual Budget**

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council. This budget shall accompany the half yearly financial report.

13.6 **Quarterly Report**

Between the annual report and half yearly report WDPL will

- (a) Deliver to WHL a quarterly copy of the management accounts.

14. **ACCOUNTING POLICIES**

The financial statements of Hokitika Airport Limited will be prepared in accordance with the

requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors.

15. SALE OF GOODS/SERVICES TO LOCAL AUTHORITY

The company may provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis.

16. FINANCIAL FORECASTS (\$000s)

	Forecast 2017/18	Forecast 2018/19	Forecast 2019/2020
Gross Revenue	615	635	655
Operating Expenditure	439	445	450
Depreciation	110	110	110
Gross Profit	66	80	95
Subvention Payment	0	0	0
Net Profit/Loss before Taxation	66	80	95
Taxation	18	16	28
Net Profit/Loss after Taxation	48	64	67
Other Comprehensive Income			
Total Comprehensive Income	48	64	67
Dividends	0	0	0
Earnings Retained	190	254	321
Closing Shareholder's Funds	2908	2972	3039
Tax Paid Return on Ave Shareholder's Funds	1.63%	2.15%	2.20%

Report



DATE: 28 September 2017

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community & Environment

ANNUAL REPORT TO ALCOHOL REGULATORY AND LICENSING AUTHORITY

1 SUMMARY

- 1.1 The purpose of this report is to provide Council with a copy of its draft Annual Report on Sale and Supply of Alcohol, which is required to be filed with the Alcohol Regulatory and Licensing Agency (ARLA) by 30 September 2017 for the year ending 30 June 2017. The report also recommends that Council appoints two new members to the DLC.
- 1.2 This issue arises from the requirement of Section 199 of the Sale and Supply of Alcohol Act 2012 for a Council to file an annual report on the activities of its District Licensing Committee (DLC) within three months of the close of any financial year.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the Annual Report to ARLA, for the year ending 30 June 2017, as attached to this report, and that Council appoints two new members to the DLC.

2 BACKGROUND

- 2.1 The Sale and Supply of Alcohol Act 2012 came into force on 18 December 2014. It is a requirement that the Council provides an annual report to the ARLA by 30 September of each year. There is a standard list of topics to be covered in the report, including the number of DLC hearings held, matters relating to any Local Alcohol Policy (LAP), information on the number of licenses issued and fees collected by type, and a list of all licensees.

- 2.2 The previous annual report (for year ending 30 June 2016) was received by Council in September 2016.
- 2.3 A November 2015 report from the Community Development Advisor reviewed progress towards creating a LAP. At that meeting, Council agreed to defer creating a LAP until at least April 2016, until it could be seen whether other Councils had been successful in having their policies approved, and Local Government New Zealand (LGNZ) had developed further LAP guidance document for Councils. Council also agreed at that meeting to extend the term of the Alcohol Working Group (Councillors Butzbach, Martin and Montagu) to the end of that triennium. The current triennium's Alcohol Working Group is Deputy Mayor Lash, Councillor Olson and Councillor Routhan. This Group has not yet met.
- 2.4 It is still possible to have a joint West Coast LAP with the Grey and Buller District Councils, or at least consistent LAPs in terms of opening and closing hours, etc. Grey District Council is currently not planning on introducing a LAP, and Buller District Council has revoked its previous proposed LAP and is starting the process anew. In Westland, there are mixed views on the need for a LAP.
- 2.5 In the meantime, the District Licensing Committee (DLC) is continuing to operate as it was appointed in late 2013, and its activity within the past year is summarised in the attached draft Annual Report to ARLA. The DLC is empowered under Section 187 of the Act to consider and determine applications for licences, managers' certificates, temporary authorities and related matters. There is a potential shortage of DLC members at present, as explained further below.

3 CURRENT SITUATION

Annual Report to ARLA

- 3.1 The Council and its District Licensing Committee have had an active year, with 130 managers' certificates granted or renewed, 40 on- and -off licences issued or renewed, and 51 special licenses issued.
- 3.2 It is now time for the Council to submit its Annual Report to ARLA.

DLC membership

- 3.3 There is a potential shortage of DLC members at present. The DLC needs a Chairperson (either the Chair or the Deputy Chair) plus two members to hold a hearing, and with the resignation and subsequent passing of Zelda Martin

there are now only two members (Timothy Teen and Richard Gardiner) to sit with Chairperson Bryce Thomson or Deputy Chairperson Graeme Olson. This puts the timely resolution of hearing matters at risk in the event that a DLC members is unavailable for a period of time.

- 3.4 It is a requirement of the Act for DLC members to have experience with alcohol licensing matters, but not to be currently involved in the industry or to be a Council employee. The relevant provisions of the Act are as follows:

192 Territorial authority to establish and maintain list of licensing committee's members

(2) A territorial authority must not approve a person to be included on the list unless that person has experience relevant to alcohol licensing matters.

(5) A person must not be included on the list if—

(a) the territorial authority believes that person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or

(b) the person is a constable, a Medical Officer of Health, an inspector, or an employee of the territorial authority.

- 3.5 Because of the requirement to have experience with alcohol licensing matters but no current ties to the industry, DLC members are often former licensees who have moved out of the industry, or former licensing inspectors who are no longer Council employees.
- 3.6 Staff recommend that the Council appoint Richard Simpson as a member of the DLC. Mr Simpson is former Planning and Regulatory Manager at Westland District Council and has many years of experience with alcohol licensing matters in that capacity.
- 3.7 Staff also recommend that the Council appoint Jim Butzbach as a member of the DLC, to take effect at the expiration of his current employment contract with the Council (due to the prohibition on DLC members being Council employees). Mr Butzbach is a former Westland District Councillor and was Deputy Chairperson of the DLC in the previous triennium.
- 3.8 Appointments are valid for 5 years, and can be renewed. The appointments of existing DLC members and Chairperson Thomson will need to be reviewed in late 2018, five years after their initial appointment.

3.9 Members of the DLC receive \$51 per hour for their duties.

4 OPTIONS

Annual Report to ARLA

4.1 Section 199 of the Sale and Supply of Alcohol Act 2012 does not require that the Annual Report be approved at a formal Council meeting. The Annual Report is primarily an administrative document summarising statistics and activity related to alcohol licensing activities. Regardless, the Council may wish to formally receive the Annual Report.

4.2 **Option 1:** The Council receives the report.

4.3 **Option 2:** The Council does not receive the report.

DLC membership

4.4 **Option 1:** The Council appoints Richard Simpson and Jim Butzbach as DLC members.

4.5 **Option 2:** The Council does not appoint one or both of Richard Simpson and Jim Butzbach as DLC members, and/or appoints additional DLC members. This option could be supplemented with a call for expressions of interest from the Westland community.

4.6 **Option 3:** The Council does not appoint any additional DLC members but continues to work with the minimum numbers it has at present.

5 SIGNIFICANCE AND ENGAGEMENT

5.1 In accordance with the Council's policy on Significance and Engagement, this decision is regarded as being of low significance. No policy decisions or financial commitments are required. The Annual Report is primarily an administrative report to central government on the activities of the Council with regard to the Sale and Supply of Alcohol Act 2012. The appointment of DLC members is also administrative in nature.

5.2 No engagement or consultation is required for the purposes of this report. The Council's activities in this area over the past year have been undertaken in consultation with other agencies including NZ Police and Community and Public Health, as well as with licensees and managers.

- 5.3 The Council has the option of calling for expressions of interest for DLC membership, but this is not a requirement.
- 5.3 The Annual Report is required to be available for inspection at Council offices and on the Council website for a period of five years.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

Annual Report to ARLA

- 6.1 **Option 1:** That Council receives the report, has the advantage of giving the report official recognition, thereby letting ARLA and the community know that Elected Members are aware of the Council's activities in relation to the Sale and Supply of Alcohol Act 2012.
- 6.2 **Option 2:** That Council does not receive the report, is legally acceptable but not optimal. The disadvantage of not receiving the report is that there would be a missed opportunity to let ARLA and the community know that Elected Members are aware of the Council's activities in this area.

DLC membership

- 6.3 **Option 1:** That Council appoints Richard Simpson and Jim Butzbach as DLC members, would have the advantage of expanding the pool of DLC members so that there is less risk of delayed hearings as a result of non-availability of DLC members. The recommended additional members have experience with alcohol licensing matters. The only disadvantage to this option could be if the Council or the community wanted a publicly advertised expressions of interest process for these roles.
- 6.4 **Option 2:** That Council does not appoint one or both of Richard Simpson and Jim Butzbach as DLC members, and/or appoints additional DLC members, would have the advantage of allowing the Council to consider other suitable candidates and/or call for expressions of interest from the Westland community. This could be seen positively by the community. The key disadvantage of this option is that it could take an extra 2 months or so to call for expressions of interest and have them considered by Council, during which time the effective and timely scheduling of hearings may be constrained.
- 6.5 **Option 3:** That Council does not appoint any additional DLC members, has no clear advantages. It would negatively impact on the effective and timely scheduling of hearings if any of the current DLC members are unavailable for any length of time.

7 PREFERRED OPTIONS AND REASONS

- 7.1 With regard to the Annual Report to ARLA, the preferred option is Option One, that Council receives the report. In summary, this option would let ARLA and the community know that Elected Members are aware of the Council's activities in relation to the Sale and Supply of Alcohol Act 2012.
- 7.2 With regard to DLC membership, the preferred option is Option One, that Council appoints Richard Simpson and Jim Butzbach as DLC members. This would allow the DLC to expand its pool of experienced members in order to better ensure the effective and timely scheduling of hearings.

8 RECOMMENDATIONS

- A) **THAT** Council receive the attached draft Annual Report to the Alcohol Regulatory and Licensing Agency, for the year ending 30 June 2017.
- B) **THAT** Council appoint Richard Simpson as a member of the Westland District Licensing Committee, for a five-year term.
- C) **THAT** Council appoint Jim Butzbach as a member of the Westland District Licensing Committee, for a five-year term to take effect upon the expiration of his current employment contract with Westland District Council.

Jim Ebenhoh

Group Manager: Planning, Community & Environment

Appendix 1: Annual Report to the Alcohol Regulatory and Licensing Authority for Year Ending 30 June 2017 (with two appendices)

29 September 2017

Secretary
Alcohol Regulatory and Licensing Authority
Ministry of Justice Tribunals Unit
Level 1
86 Customhouse Quay
Wellington 6011

Dear Secretary

**ANNUAL REPORT TO THE ALCOHOL REGULATORY AND LICENSING AUTHORITY:
WESTLAND DISTRICT LICENSING COMMITTEE**

Herewith is the Annual Report of the Westland District Council regarding the Westland District Licensing Committee, prepared pursuant to the provisions of Section 199 of the Sale and Supply of Alcohol Act 2012 for the year ended 30 June 2017. With no public hearings, it was a slightly quieter year for the DLC than the previous year.

1. Overview of the Westland District Licensing Committee Workload

- One District Licensing Committee (DLC) has been appointed for Westland, as per Council resolution of 28 November 2013. The DLC now consists of Chairperson Bryce Thomson (former Councillor) Deputy Chairperson Graeme Olson (current Councillor; appointed to replace outgoing Councillor Jim Butzbach after the October 2016 elections), Timothy Teen (former licensee) and Richard Gardiner (previous licensing inspector). Mr Thomson, Councillor Olson and Mr Teen have all undertaken recent training with regard to their duties. Unfortunately, in the past year one DLC members, Zelda Martin, resigned due to illness and has since passed away. The Council is currently considering adding 1 or 2 new members to the DLC member list.
- I have been delegated the duties of Secretary of the DLC, as part of my role as Group Manager: Planning, Community and Environment. I understand that the Chief Executive of each Territorial Authority is still technically the Secretary of the DLC, which is why I sign my reports and licences as “For Secretary, Westland District Licensing Committee.” If this is incorrect please advise me.

- Over the past year, only one staff member has been actively involved in alcohol licensing duties as a licensing inspector. From February 2015, Wayne Knightbridge has been Chief Licensing Inspector as part of his role of Environmental Health and Regulatory Officer. Council officer Eddie Newman Warren Godfrey remains a warranted Licensing Inspector to back up Mr Knightbridge if necessary. Both inspectors have undertaken training tailored to District Licensing inspection work, including training under the new Act.
- Our DLC is supported by a committee adviser who, as a Business Support Officer, also works on resource consent and environmental health matters.
- The District Licensing Committee conducted no public hearings in the year ending 30 June 2017. There were 3 public hearings in the previous year, no public hearings the year before that, and one public hearing in the year ending 30 June 2014. The Licensing Inspectors, Police, and Community & Public health have been successful in resolving nearly all issues with applicants without the need for a hearing.

2. DLC Initiatives

- In the year ending 30 June 2015, Westland District Council created the new role of Environmental Health and Regulatory Officer and tasked this role with being the Chief Licensing Inspector under the Sale and Supply of Alcohol Act 2012 (SASAA). Since beginning this role at the start of February 2015, Wayne Knightbridge has devoted about 40% of his time to alcohol-related matters, and this is planned to continue. This appointment has raised the profile of SASAA licensing within the District and enabled a greater depth of work and investigation into licensing matters. Previously the role had been attached to two building inspector roles who were not able to devote as much time to SASAA licensing issues.
- During the past year, the DLC implemented a website-based system for advertising licence applications. This takes the place of the requirement for advertising in newspapers. The intent to do so was advertised in local newspapers, so that interested parties now know to check the Council website for the latest applications. There is also an option to subscribe to notifications via the Council's "Westland Matters" newsletter service. We consider this to be a positive step in terms of customer service, using an innovative feature of the SASAA.

3. Local Alcohol Policy

- Until 19 December 2013, the Westland District Licensing Agency Strategy Statement served as the DLA's Sale of Liquor Policy.
- In 2013 Council commenced active discussion with neighbouring TAs concerning the possibility of a joint Local Alcohol Policy (LAP).

- After the October 2013 elections, Council appointed a working party consisting of three Councillors to: consult with stakeholders and agencies to consider the best ways for the Council to meet with objectives of the Act; consider the Buller and Grey District Council's LAP models; consider the need or not for a Westland LAP; and consider the work and decisions of the DLC and report to Council if required.
- The above working party had discussions with Council staff about a potential LAP and were informed of the situation regarding appeals to other Councils' LAPs and progress with other LAPs on the West Coast. At its November 2015 meeting, Westland District Council agreed to defer creating a LAP until at least April 2016, in order to receive guidance from Local Government New Zealand (LGNZ) about drafting a LAP as well as to monitor progress of other Councils. Council also agreed at that meeting to extend the term of the Alcohol Working Party to the end of the triennium (October 2016). A new Alcohol Working Party has been appointed for the current triennium but has not yet met to discuss a LAP.
- It is still possible to have a joint West Coast LAP with the Grey and Buller District Councils, or at least consistent LAPs in terms of opening and closing hours, etc. Grey District Council has decided not to proceed with a LAP at present, and Buller District Council has revoked its previous proposed LAP and is starting the process anew.
- Progress has been made, in terms of initial discussions with key stakeholders about a potential LAP. The Council's Community Development Advisor has had discussions with representatives of the hospitality industry, Council's current licensing inspectors, the Council working party mentioned above, staff at neighbouring Councils, NZ Police, and Community & Public Health. Background information including a recent report on alcohol-related harm on the West Coast by the regional Medical Officer of Health has also been assembled to inform the development of a potential LAP. Our current Council has yet to formally consider the matter of a LAP.

4. Current Legislation

- Understanding of the current legislation seems to be improving in the community.
- There does appear to be confusion about whether BYO components of community functions such as racing and sporting events can be allowed under the Act without an on-licence. The DLC has required an on-licence for BYO, as special licences cannot provide for BYO. This could be a potential area for legislative change, to allow special licences to provide for BYO. It could also be helpful to clarify the responsibilities of licence holders with respect to monitoring the BYO activity, e.g. whether there are the same requirements to ensure no intoxication takes place as with direct sale and supply of alcohol.

5. Other Matters: Enforcement and Inspections, and Liaison with Other Agencies

- Committee staff continue to meet at least every 3 months with their counterparts at other West Coast Councils, with NZ Police in Hokitika and elsewhere on the West Coast, and with the Medical Officer of Health and representatives of Community and Public Health. This liaison and information-sharing has been useful for the ongoing processing of alcohol-related applications, monitoring and enforcement issues, Local Alcohol Policy discussions, and the development of shared or similar forms under the new Act.
- In addition, within Westland there are monthly meetings between the Police Harm Reduction Officer, the Medical Officer of Health representative, and the Chief Licensing Inspector, to discuss issues, upcoming renewals or new licence applications.
- There are scheduled night-time monitoring visits every three months undertaken jointly by the Police, a Medical Officer of Health representative, and the Chief Licensing Inspector.
- The Chief Licensing Inspector continues to monitor licensed premises, both in terms of how the premises comply with signage and other similar requirements, and also with how the premises actually operate during their busier hours later in the evening. He often does this in his capacity as the Council's Environmental Health Officer, as part of his site visits in relation to the Food Act 2014.
- No suspensions were sought by the DLC this year.
- The Council has two bylaws that relate to liquor. The first is the Westland District Wildfoods Festival and Other Events Bylaw that controls the taking of liquor into various parts of Hokitika during the Wildfoods Festival and other events. The second is the Liquor Ban Bylaw that prohibits the consumption of alcohol in certain commercial and residential areas of Hokitika during specific hours. It is possible that at least one additional community will be added to the Liquor Ban Bylaw in the near future. Franz Josef township has shown interest in having parts of the township subject to a liquor ban, although this interest appears to have waned in the past couple years.

6. Key Contacts

- DLC Secretary – Jim Ebenhoh – 03 756 9035 – 027 886 0420 – jim.ebenhoh@westlanddc.govt.nz
- Licensing Inspector – Wayne Knightbridge – 03 756 9037 – 027 801 6864 – wayne.knightbridge@westlanddc.govt.nz
- Support/Admin personnel – Amy Jones (Committee Advisor) – 03 756 9039 – amy.jones@westlanddc.govt.nz

7. Statistical Information

- The annual return of statistics for the year ended 30 June 2017 is attached.
- A list of all licensed premises as of 30 June 2017 in the Westland District is attached.

Sincerely

Jim Ebenhoh

**Group Manager: Planning, Community and Environment
for Secretary, District Licensing Committee**

Attachments:

Annual return of statistics for the year ended 30 June 2017

List of all licensed premises in the Westland District as of 30 June 2017

TERRITORIAL AUTHORITY: Westland District Council
ANNUAL RETURN FOR YEAR ENDING: 30 June 2017

On-licence, off-licence and club licence applications received:

Application Type	Number received in Fee Category: Very Low	Number received in Fee Category: Low	Number received in Fee Category: Medium	Number received in Fee Category: High	Number received in Fee Category: Very High
On-licence new		3	5	3	
On-licence variation					
On-licence renewal	1	5	8	1	1
Off-licence new			4		
Off-licence variation					
Off-licence renewal			8	1	
Club licence new					
Club licence variation					
Club licence renewal					
Total number	1	8	25	5	1
Total Fee paid to ARLA (GST incl)	\$17.25	\$276.00	\$1,293.75	\$431.25	\$172.50

Annual fees for existing licences received:

Licence Type	Number received in fee category: Very Low	Number received in fee category: Low	Number received in fee category: Medium	Number received in fee category: High	Number received in fee category: Very High
On-licence	2	15	20	11	2
Off-licence			19	4	1
Club licence		1			
Total number	2	16	39	15	3
Total Fee paid to ARLA (GST incl)	\$34.50	\$552.00	\$2018.25	\$1293.75	\$517.50

Managers' certificate applications received:

	Number received
Manager's certificate new	58
Manager's certificate renewal	72
Total number	130
Total Fee paid to ARLA (GST incl)	\$3737.50

Special licence applications received:

	Number received in category: Class 1	Number received in category: Class 2	Number received in category: Class 3
Special licence	7	11	33

Temporary authority applications received:

	Number received
Temporary authority	15

Permanent club charter payments received:

	Number received
Permanent club charter payments	0

Business Name	Address1	Address2	Address3
Alice May	PO Box 54	Franz Josef 7856	
Aurora Restaurant	19 Tancred Street	Hokitika 7810	
Beachfront Hotel Hokitika & Super Liquor Hokitika	111 Revell Street	Hokitika 7810	
Blue Ice Café	PO Box 23	Franz Josef 7856	
Café Neve	PO Box 71	Fox Glacier 7859	
Cook Saddle Café and Saloon	PO Box 29	Fox Glacier 7859	
de Havilland Landing	PO Box 76	Hokitika 7842	
Distinction Fox Glacier	PO Box 90	Fox Glacier 7859	
Empire Hotel	19 Aylmer Street	Ross	
Fat Pipi Pizzas	49 Revell Street	Hokitika 7810	
Fitzherbert Street Four Square Supermarket	143 Fitzherbert Street	Hokitika 7810	
Fox Glacier Inn & Pod Hostel	PO Box 148	Fox Glacier 7859	
Fox Glacier General Store Limited	PO Box 28	Fox Glacier 7859	
Franz Josef Four Square Supermarket	PO Box 65	Franz Josef 7856	
Franz Josef Oasis	PO Box 138	Franz Josef 7856	
Full of Beans Café	PO Box 137	Franz Josef 7856	
Haast Beach General Store	PO Box 25	Haast 7844	
Haast Food & Accommodation Centre	PO Box 55	Haast 7844	
Haast World Heritage	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Hard Antler Bar & Restaurant	C/- PO Box 51	Tapauni 9542	
Heartland Hotel Fox Glacier	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Heartland Hotel Franz Josef Glacier (Mueller Wing)	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Heartland Hotel Glacier Country	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
High Peaks Hotel	167 Cook Flat Road	Fox Glacier 7859	
Hobnail Café	PO Box 38	Fox Glacier 7859	
Hokitika Chartered Club	PO 102	Hokitika 7842	
Hokitika New World	116 Revell Street	Hokitika 7810	
Hari Hari Motor Inn	42 Main Road	Harihari 7863	
Kaniere Hotel	289 Kaniere Road	Hokitika 7811	
King Tiger Restaurant & Bar	PO Box 76	Franz Josef 7856	
Kokatahi Hotel	113 Upper Kokatahi Road	RD 1	Hokitika 7881
Kumara Racing Club	PO Box 302	Hokitika 7842	
Lake Mahinapua Hotel	PO Box 50	Franz Josef Glacier 7856	
Lake Moeraki Wilderness Lodge	Private Bag 772	Hokitika 7842	
Matheson Café	PO Box 86	Fox Glacier 7859	
Pioneer Hotel	80 Gibson Quay	Hokitika 7810	
Priya Indian Restaurant	79 Revell Street	Hokitika 7810	
Pukeko Store and Café	PO Box 24	Harihari 7863	
Rain Forest Retreat	C/- Liquor Licensing Bureau (South Island) Ltd	PO Box 182	Arrowtown
Ross Store	9 Moorhouse Street	Ross 7812	
Royal Mail Hotel Woodstock	PO Box 139	Hokitika 7842	
Scenic Hotel Franz Josef Glacier	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
Snakebite Brewery	PO Box 69	Franz Josef 7856	
South Westland Salmon Café	State Highway 6	Lake Paringa Post Centre	South Westland 7834
Stafford Street Four Square	140 Stafford Street	Hokitika 7810	
Stations	PO Box 62	Hokitika 7842	
Stella Café - Delicatessen & Cheesery	84 Revell Street	Hokitika 7810	
Stoneoven Bakery Café	103-105 Revell Street	Hokitika 7810	
Stumpers Bar & Café	PO Box 35	Hokitika 7842	
Te Waonui Forest Retreat	C/- Meares Williams, Solicitors	PO Box 660	Christchurch 8140
The Landing Bar	PO Box 76	Franz Josef 7856	
The Last Kitchen	PO Box 128	Fox Glacier 7859	
Theatre Royal Hotel	81 Seddon Street	Kumara 7832	
Weheka Accommodation Ltd	PO Box 90	Fox Glacier 7859	
West Coast Wine Company	PO Box 188	Hokitika 7842	

Report



DATE: 28 September 2017
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

TO APPOINT A PROXY TO VOTE AT SPECIAL MEETING OF SHAREHOLDERS ON THE POTENTIAL SALE OF CIVIC ASSURANCE HOUSE

1 SUMMARY

- 1.1 The purpose of this report is for Council to appoint a proxy to vote as he or she thinks fit, on Council's behalf for the resolution as stated for the potential sale of Civic Assurance House, at a special meeting of shareholders of the company, to be held on 5 October 2017.
- 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.
- 1.3 This report concludes by recommending that Council approves the appointment of the recommended proxy to vote as he or she thinks fit on the resolution as stated.

2 BACKGROUND

- 2.1 Council was advised at the Finance, Audit and Risk Committee Meeting on the 27 July 2017 of information regarding the potential sale of Civic Assurance House. Attached as **Appendix 1**.
- 2.2 Councillors discussed the proposal at the time, and the appetite based on the proposed information was in favour of a sale of the building.
- 2.3 Informal notice of meeting was provided with the background information in **Appendix 1**.

3 CURRENT SITUATION

3.1 A notice of special meeting of shareholders has now been received, which will be held at Civic Assurance House, 116 Lambton Quay, Wellington on Thursday, 5 October 2017, commencing at 11.30 am. Attached as **Appendix 2**.

3.2 The text of the special resolution below:

3.2.1 *“To approve the Directors using their best endeavours to achieve a satisfactory price for the sale of Civic Assurance House through the use of one or more professional real estate firms. It will be the Board’s decision as to what constitutes a satisfactory sales price.*

That the directors of the Company are authorised to finalise the sale, and the terms of conditions of the sale (acting in their view in the best interests of the Company) and to enter into and sign all documents and to take any and all other actions that they may deem necessary or appropriate to effectuate the purposes of this resolution.”

3.3 A shareholder may exercise the right to vote on the special resolution by being present only by a representative or proxy pursuant to clause 14.3 of Civic’s Constitution.

3.3.1 In order to facilitate a quorum, Civic Assurance have been consulted, and Council have been advised of suitable representatives/proxies, John Hannan and Sylvia Jackson. Only one proxy would be allowed to vote, and in the instance of the first named proxy not being available the second named would vote on Council’s behalf

4 OPTIONS

4.1 Option One: Appoint proxy recommendation to vote or abstain on the special resolution as stated on Council’s behalf as he or she thinks fit.

4.2 Option Two: Appoint proxy recommendation to vote on the special resolution as stated as directed by Council.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 Under the Council's policy on Significance and Engagement, the decision to appoint a proxy to vote on the special resolution on Councils behalf, is considered to be administrative and to be of low significance. Therefore, consultation is not required.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Council can only exercise its right to vote through a representative/proxy on the special resolution to be present at the meeting. The proxy recommendation will allow for a quorum. By allowing the proxy to vote as he or she sees fit, will allow information presented at the meeting, previously unknown to Council to be taken into account, which may affect the vote.
- 6.2 Option 2: Council can instruct the proxy to vote as directed however, there may be previously unknown information presented at the meeting that would change Council's direction.

7 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1: To appoint the recommended proxy to vote as he or she sees fit on the special resolution as stated, allowing for all information presented at the special meeting to be taken into account.

8 RECOMMENDATION

- A) **THAT** Council approves the appointment of the recommended first and second proxy to vote on its behalf on the special resolution as he or she thinks fit, at the special meeting of shareholders to be held on Thursday, 5 October 2017 at 11.30 am.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Informal notice of meeting
Appendix 2: Notice of Special Meeting of Shareholders

Robin Reeves
Acting Chief Executive
Westland District Council
Private Bag 704
HOKITIKA 7842

28 June 2017

Dear Robin

INFORMAL NOTICE OF MEETING

Information for Potential Sale of Civic Assurance House

In my letter of 20 March 2017 accompanying the Statement of Intent and Annual Report for Civic Financial Services Limited I mentioned that Civic was intending to hold a Special General Meeting in September for shareholders to vote on whether the Company should sell Civic Assurance House.

This meeting has now been scheduled to be held in the Company's Boardroom, Level 3, Civic Assurance House, 116 Lambton Quay, Wellington on Thursday 5th October 2017 commencing at 11:30 am. Formal notification and voting papers will be sent to you before the end of August.

This informal notice is to provide you with relevant information that will allow you sufficient time to assess the proposal and make an informed decision. The attached explanatory note provides you with relevant details on the building and the impact and process of the potential sale.

You are a valued shareholder of the Company; as such I encourage you to read through this information and cast your vote once you have received your voting papers.

Yours sincerely


Ian Brown
Chief Executive
DDI: 04-978-1263
Email: ian.brown@civicfs.co.nz

POTENTIAL SALE OF CIVIC ASSURANCE HOUSE

Your Board is putting forward a proposal to all shareholders of Civic Financial Services Limited ("Civic") to consider whether Civic should sell or retain ownership of Civic Assurance House at 114-118 Lambton Quay, Wellington.

You will be invited to vote on this at a Special General Meeting ("SGM") to be held in Wellington at 11:30am on Thursday 5 October 2017.

BACKGROUND

Building

In 1963 the directors of Municipalities Cooperative Insurance Company Limited, one of the companies that merged in 1989 to form Civic, agreed to erect a building in Lambton Quay. The Local Government Building, which was renamed Civic Assurance House in 2007, was completed in 1967. The building cost just over \$1 million to construct and today is valued at just under \$8 million.

Until recently Civic and a number of local government entities occupied the building but at present only two, being Civic and SOLGM, remain as tenants. The remainder of the current tenants include consultants, legal service providers, retail outlets, eateries and charitable organisations.

Operations

Your Board decided at the end of 2016 to withdraw Civic's application for a full insurance licence and not offer property insurance. This decision was not taken lightly, but in the current market Civic cannot write insurance profitably. However, Civic will be able to provide property insurance through Civic Property Pool (CPP) in the future if this is what the sector wants and market conditions favour doing so.

Civic continues to administer the local government SuperEasy KiwiSaver Scheme and the SuperEasy scheme and the four local government mutual pools: LAPP, Riskpool, CLP and CPP.

PROPOSAL

As at 31 December 2016 the net equity of Civic was \$17.2 million which includes a \$3.2 million net deferred tax asset.

As it will not be offering insurance, Civic is able to return some of its capital to shareholders. Your Board signalled in the 2017 Statement of Intent that it would ask shareholders whether they wished to retain ownership of Civic Assurance House or whether they wished to sell the building.

If shareholders supported a sale and a satisfactory price can be obtained, then the building will be sold and the sale price of the building net of selling costs will be distributed to shareholders.

Current Valuation

Civic Assurance House was valued at \$7.9 million on 31 December 2016. Two subsequent independent valuations have valued the building between \$7.8 - \$8.1 million and \$7.5 - \$8.0 million. These valuations take into account the age, state and earthquake rating (50% of NBS) of the building. The building currently has 85% occupancy with a weighted average lease term of two years. Obviously if the building had a greater occupancy it would be valued higher. We are however, with the current earthquake rating, having difficulty letting the vacant space.

Impact of Sale

Over the last five years Civic assurance House has generated an average net income of \$0.368 million per annum. In December 2011 the building was valued at \$6.9 million. In December 2016 the building was valued at \$7.9 million. The five year capital growth has therefore been 2.73% per annum. The five year return (income and capital) to 31 December 2016 for the building has been 7.96% per annum.

On the assumption Civic Assurance House was able to be sold for a value of \$7.8 million – \$8.0 million and allowing for estimated transaction costs of \$0.4 million the sale price could return a special fully imputed cash dividend of around 68 cents per share. Resident withholding tax will not be deducted from the dividend payment.

For Westland District Council's holding of 28,356 shares that approximates to \$19,282.08 plus \$7,498.59 imputation credits. These imputation credits fully offset the amount of tax that the shareholders would otherwise be liable to pay on those dividends.

If shareholders support the sale and a special dividend is paid obviously both Civic's profit and possible future dividends to shareholders would reduce. The 2017 Statement of Intent projects that Civic will continue to produce a surplus if Civic Assurance House is sold and the net proceeds from the sale are distributed to shareholders.

If the property sale is supported by shareholders a two month tender process will be initiated. If a satisfactory price is obtained through this process there is expected to be a one month settlement period. Distribution of the net proceeds of the sale via a special dividend would be completed within two months of the settlement date.

Impact of Retention of Civic Assurance House

If Shareholders vote against the sale of Civic Assurance House, Civic would retain the property income stream (both operating and capital).

Civic would also investigate using a portion of Civic's capital to carry out earthquake strengthening of Civic Assurance House. This would only be undertaken if it was considered the cost would lead to greater occupancy, rental returns and capital growth.



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given pursuant to clause 13.6.1 of Civic Financial Service Limited's (Civic) Constitution that a Special Meeting of Shareholders will be held at Civic Assurance House, 116 Lambton Quay, Wellington on Thursday, 5 October 2017, commencing at 11:30 am.

1. Special Business

The special business of the meeting will be to consider and if thought fit, approve the resolution set out below relating to the potential sale of Civic Assurance House.

Refer explanatory note (appended)

2. Text of Special Resolution

"To approve the Directors using their best endeavours to achieve a satisfactory price for the sale of Civic Assurance House through the use of one or more professional real estate firms. It will be the Board's decision as to what constitutes a satisfactory sales price.

That the Directors of the Company are authorised to finalise the sale, and the terms of conditions of the sale (acting in their view in the best interests of the Company) and to enter into and sign all documents and to take any and all other actions that they may deem necessary or appropriate to effectuate the purposes of this resolution."

3. Proxies/ Appointed Representatives

A shareholder may exercise the right to vote on the special resolution by being present by a representative or proxy pursuant to clause 14.3 of Civic's Constitution. A proxy or representative must be appointed by notice in writing signed by the shareholder. Such notice must be lodged at the registered office of the Company by 11.30am on 4 October 2017.

C Bedford
Chief Operating Officer, Civic Financial Services Ltd
Phone: (04) 978 1264
Email: caroline.bedford@civicfs.co.nz
23 August 2017

CE	Mayor	GM PCE	GM DA	GM CS	EA	
✓				✓		
Q				Q		

ATTENDANCE AT MEETINGS OF THE COMPANY

The Constitution provides for members to be represented at meetings of the Company only by proxies or appointed representatives.

Clause 14.3 (as amended in May 2004) provides:

“A shareholder may exercise the right to vote by being present by a representative or by proxy.

The representative or proxy for a shareholder is entitled to attend and be heard and vote at a meeting of shareholders as if the representative or proxy were a shareholder.

A proxy must be appointed in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding twelve months.

No proxy is effective in relation to a meeting unless a copy of the notice of appointment is produced to the registered office of the company not later than twenty-four hours before the start of the meeting.

A shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy”.

Accordingly, proxies/notification of appointed representatives must be in my hands by 11.30am 4 October 2017.

It would be appreciated if shareholders, when considering who to appoint as their representative/proxy holder, would contact Caroline Bedford thereby facilitating a quorum for the AGM.

Caroline Bedford
Chief Operating Officer
Phone: (04) 978 1264
Email: caroline.bedford@civicfs.co.nz
Fax: (04) 978 1260

**Civic Financial Services Limited
Proxy Form**

The _____
(Council Name)

of _____ being a shareholder of Civic Financial Services Limited
(formerly New Zealand Local Government Insurance Corporation Limited) hereby appoints

_____ of _____ or, failing him/her

_____ of _____ as its proxy to vote for
it and on its behalf at the Special Meeting of Shareholders of the Company to be held on 5 October 2017 and
at any adjournment thereof.

We direct our proxy/corporate representative to vote in the following manner.

Unless otherwise directed as below, the proxy will vote or abstain from voting as he or she thinks fit.

Agenda Item

Sale of Civic Assurance House

To approve the Directors using their best endeavours to achieve a satisfactory price
for the sale of Civic Assurance House through the use of one or more professional
real estate firms. It will be the Board's decision as to what constitutes a satisfactory
sales price.

In Favour (✓)	Against (✓)
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That the Directors of the Company are authorised to finalise the sale, and the terms
of conditions of the sale (acting in their view in the best interests of the Company)
and to enter into and sign all documents and to take any and all other actions that
they may deem necessary or appropriate to effectuate the purposes of this resolution.

EXECUTED this _____ day of _____ 2017.

Signature of Shareholder(s)

Position(s) Held

**Please return to: Chief Operating Officer, Civic Financial Services Ltd, PO Box 5521, Wellington 6140, or
fax (04) 978 1260, or email to admin@civicfs.co.nz
to be received prior to 11:30 am 4 October 2017.**

Report



DATE: 28 September 2017
TO: Mayor and Councillors
FROM: Transportation Manager: District Assets

SUNSET POINT EROSION.

1 SUMMARY

- 1.1 The purpose of this report is to advise Council that an unbudgeted expenditure item is required to maintain the existing Rock Armour of the protection works.
- 1.2 This issue arises from continual rapid deterioration of the seawall protecting Sunset Point and the protection of the Old Hokitika Landfill (dump) that underlies the whole area.
- 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:
 - A) Council spend \$2,880 (160 tonne) on heavy shot angular rock to repair areas of recent damage from continual attack from high seas.
 - B) Council budgets in the Long Term Plan a sum of \$37,500 annually for maintenance of the erosion protection works at Sunset Point.

2 BACKGROUND

- 2.1 The Westland District Council has committed funding of \$250,000 in 2016/ 2017 to stabilise the area north of the Tambo being attacked by the sea.
- 2.2 Birchfields Ross Mining Ltd reinforced the area South of the Tambo by raising the land by 1.5 metres with heavy mine rock. This extremely generous

contribution would have cost a similar amount to the above if the work had been contracted out.

2.3 The estimated cost of the historical work pre 2017 is \$1,050,000.

To date the total investment by the Community in protecting Sunset Point is estimated at \$1,550,000.

3 CURRENT SITUATION

3.1 Damage is occurring at Sunset Point in heavy sea conditions. The damage to the rock protection is being repaired as each event occurs. To delay these repairs would allow greater damage and higher costs.

3.2 At present there is no maintenance fund to maintain this Westland District Council asset. A conservative yearly maintenance budget would need to be 2.5% of the value of this high risk asset.

3.3 An annual maintenance fund of $\$1,500,000 \times 2.5 / 100 = \$37,500$ is required to maintain and protect the assets at Sunset Point.

4 OPTIONS

4.1 Council has made a decision to maintain and develop Sunset Point as a local attraction for locals and visitors.

5 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

5.1 Council needs to commit long-term to funding the maintenance of this asset.

6 PREFERRED OPTION(S) AND REASONS

6.1 The preferred option is to continue commitment to protecting the Council's assets and development at Sunset Point.

6.2 Significant investment has been made recently to protect and enhance this area and ongoing maintenance is necessary.

7 RECOMMENDATION(S)

A) **THAT** Council approves the unbudgeted of \$2,880 for urgent repair work to the rock armour protection before a potentially dangerous contamination situation occurs; and

- B) **THAT** Council supports this financial inclusion in the future maintenance budget of \$37,500 /year for maintenance work at Sunset Point.

Alistair McPhee
Transportation Manager

Report



DATE: 28 September 2017

TO: Mayor and Councillors

FROM: Project Manager: West Coast Wilderness Trail

WEST COAST WILDERNESS TRAIL – PROJECT UPDATE SEPTEMBER 2017

1. SUMMARY

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

2. BACKGROUND

- 2.1 A report was submitted to Council in September 2016 providing an update status on the outstanding cycleway activities required to be actioned for completion by mid-August 2017. This included five (5) projects identified by MBIE that need to be actioned. Four (4) of those projects requiring action relate directly to the trail being on State Highway 6 and the need for a safer trail alignment.
- 2.2 Monthly report updates will continue to be provided to Council for the period of the Project Completion Plan that was to be delivered by August 2017, and the trail will then be capable of achieving 'Great Ride' status. This date now requires review due to Council resourcing and unrealistic deadlines. A revised realistic deadline was then targeted for mid October 2017, however this date is now unknown due to financial shortfall.

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

3. CURRENT SITUATION

Project Completion Plan

- 3.1 Item 1 Taramakau. This section of cycle trail has now been completed in the form of 'temporary' and 'permanent' portions. The temporary section remains under the jurisdiction of Fulton Hogan/NZTA as it lies within a major construction zone.
- 3.2 Item 2 Hokitika-Kaniere Tramway. The trail construction tender 16-17-10 was awarded to Westroads and the trail construction is completed. The remaining work on this trail section is construction of two bridges. Westroads were the successful tenderer and the bridge project has been put on hold while funding issues are resolved. Consideration is being given to complete the pile and abutments but await confirmation of funding before proceeding with the bridge structure. Heritage NZ are required to be in attendance for the first item. Expected completion date is now unknown due to lack of funding to complete the remaining works.
- 3.3 Item 3 Golf Links Road. Contract 16-17-11 was successfully completed and within the engineers estimate. A financial claim for the construction cost was lodged with NZTA to seek recompense for the work, and Licence to Occupy has been granted by NZTA.
- 3.4 Item 4 Mahinapua. Contract 16-17-14 is partially constructed in a number of different locations. This is a complex trail construction and has been split into four zones. Zone four is the most complex at the southern leg as there is no formal road access to the site. Work has recently commenced on this zone following a helicopter drop of gear and equipment and also installation of a conveyor belt across the DoC walkway bridge. The walkway/cycleway is currently closed while this construction work takes place. A recent tender for the bridges on this project has not been able to be awarded as there are insufficient funds to award and complete the work. Expected completion date is now unknown due to lack of funding to complete the works.
- 3.5 Item 5 Ruatapu. There has been further delay with the State Highway section of the trail due to the findings of a Road Safety Audit which doesn't favour Council. There are also insufficient funds to complete this work. Note: the tender for this project was for only half of the actual State Highway length but will now require a variation to cover the full length. The off-road alternative could not be resolved in the immediate future.

Financial

- 3.6 The financial status of our Project Completion Plan has now reached a position where no further new works can commence. This will potentially impact on the construction of five bridges. This includes two bridges on Hokitika-Kaniere Tramway and three on Mahinapua. The deficit is expected to be in the order of \$350k, however, this is subject to final completion costs of other projects still under construction. Discussions are underway with MBIE about this funding gap and project completion. The elections are impacting on any government commitments.
- 3.7 The internal finance and risk audit process that had been implemented consisting of the Chief Executive, Group Manager: Corporate Services and Project Manager has not met to discuss any potential risks in recent time.

General

- 3.8 All works on the three (3) future priority projects have been put on hold due to the current financial issue that will affect Trail Completion. The trail completion must be signed off before this funding is available from Government. The affected projects are; Kawhaka emergency weirs, Old Christchurch Road and Kaniere Road.
- 3.7 The Trustpower project for bridge replacement at Hurunui Jacks has gathered momentum and the planning phase for construction is underway. There will be a trail deviation for a short time period while this work is being undertaken.

4. OPTIONS

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

5 SIGNIFICANCE AND ENGAGEMENT

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

6. RECOMMENDATION

- A) **THAT** Council receives this report.

David Inwood

Group Manager: District Assets

Project Manager: West Coast Wilderness Trail

Appendix 1: Photos of Mahinapua Trail Construction



Conveyor Belts on DoC walkway bridge



Mini Digger and Tipper



Mananui entry from historic site



Mananui zig zag #1

Report



DATE: 28 September 2017

TO: Mayor and Councillors

FROM: Group Manager: Planning, Community and Environment

PLANNING UPDATE THROUGH AUGUST 2017

1 SUMMARY

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

2 BACKGROUND

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

2.3 Since February, the Council has received written monthly reports covering the matters below, which are also the subject headings for this month's report:

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

2.4 Like monthly financial reports, the monthly planning report focuses on the previous calendar month – in this case the month ending 31 August.

3 CURRENT SITUATION

3.1 Resource consent applications received

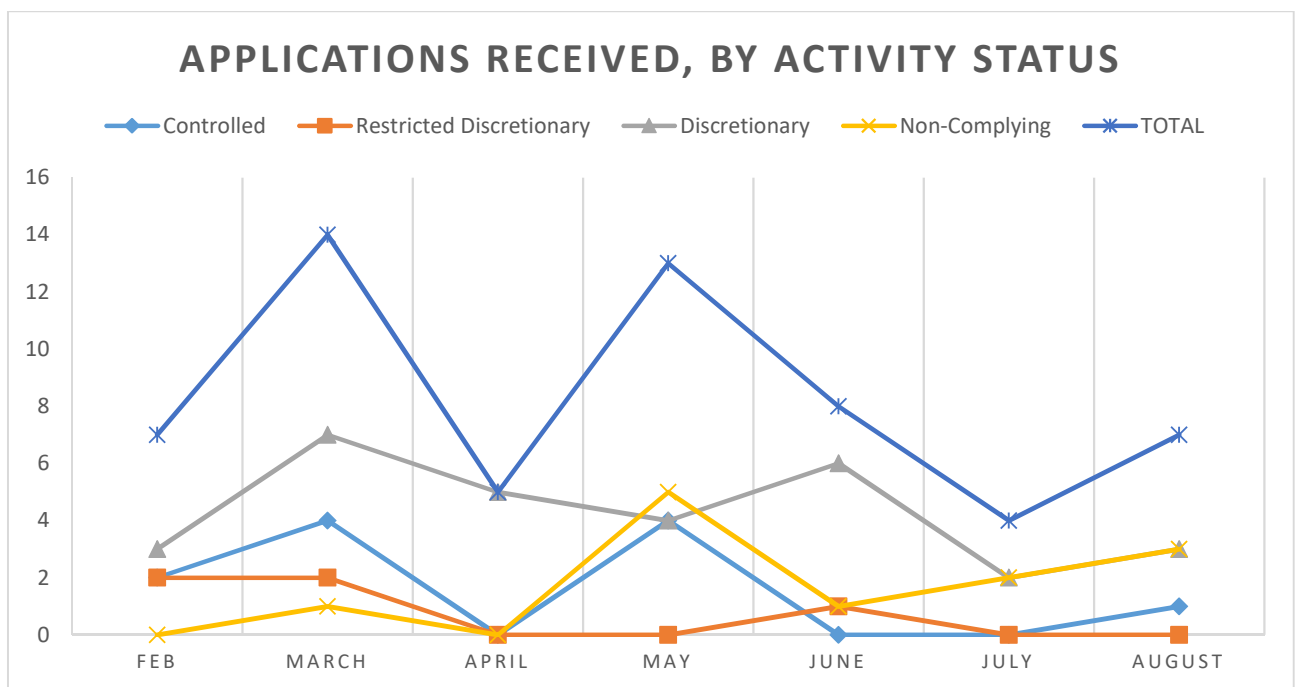
3.1.1 A total of 7 complete applications were received in August 2017, up from 4 in July. It is normal for a quiet period through winter before spring brings an influx of activity.

3.1.2 In terms of their activity status under the District Plan:

- Three are for discretionary subdivisions and associated land use consents to build dwellings in the Rural Zone (the Council can approve or decline them). Two are for two-lot subdivisions, one at Haast which excludes residential use, and the other adjacent to Butlers Landfill. The third application is for approval to build residential dwellings on each of those new lots proposed adjacent to Butlers Landfill.
- Three are for non-complying activities (the Council can approve or decline them, but to be approved they must not be contrary to the objectives and policies of the District Plan). One is for a

recession plane encroachment to construct a carport, at Whitcombe Terrace, Hokitika, another is for modification of a category I listed historic site being the upgrade of Mahinapua Rail Bridge for the use of the West Coast Wilderness Trail, and the other is an undersized subdivision in the Rural Zone to separate a cell tower from the balance land at Ross.

- One application received was deemed to be a controlled activity (the Council must approve unless there is a lack of information to determine if it is a controlled activity). This was a two lot subdivision at Brittan Street, Hokitika.



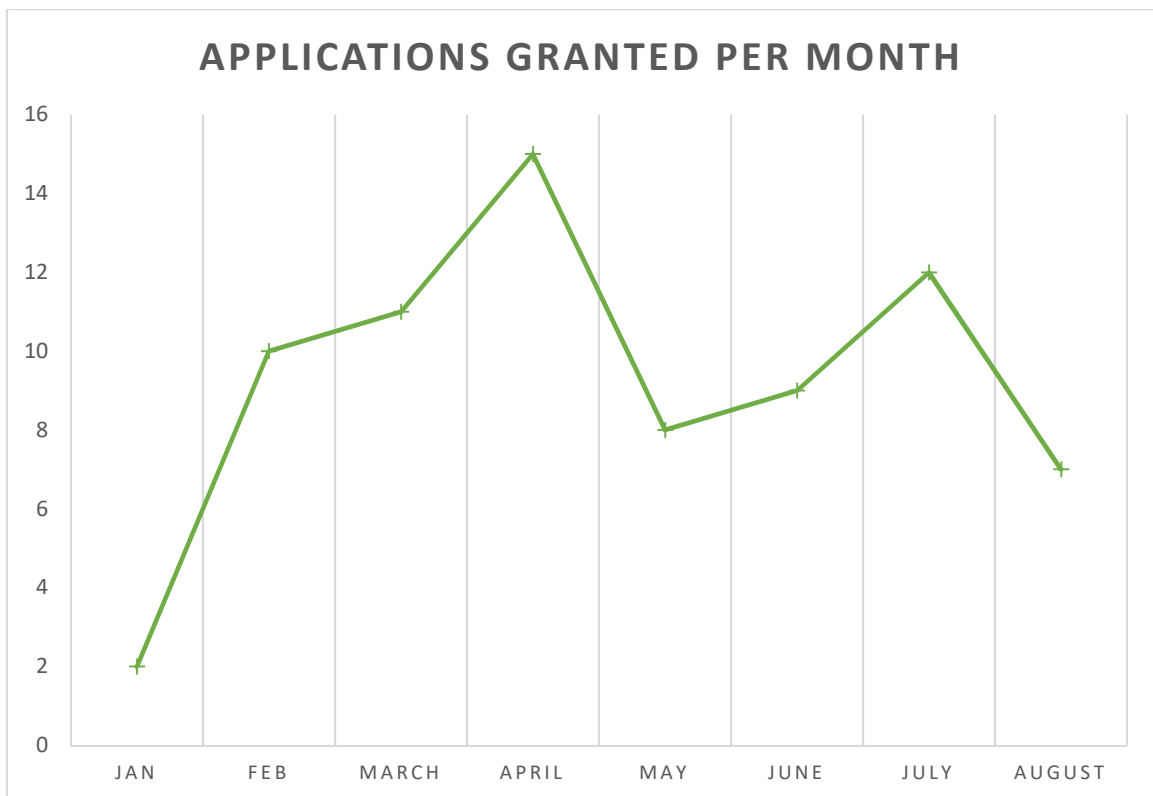
3.1.3 Further details of each application received are not provided in this report but have been included in the weekly e-mail updates to Elected Members on the consents received. The updates include the name of the applicant, the location, and the proposed activity.

3.2 Resource consents issued

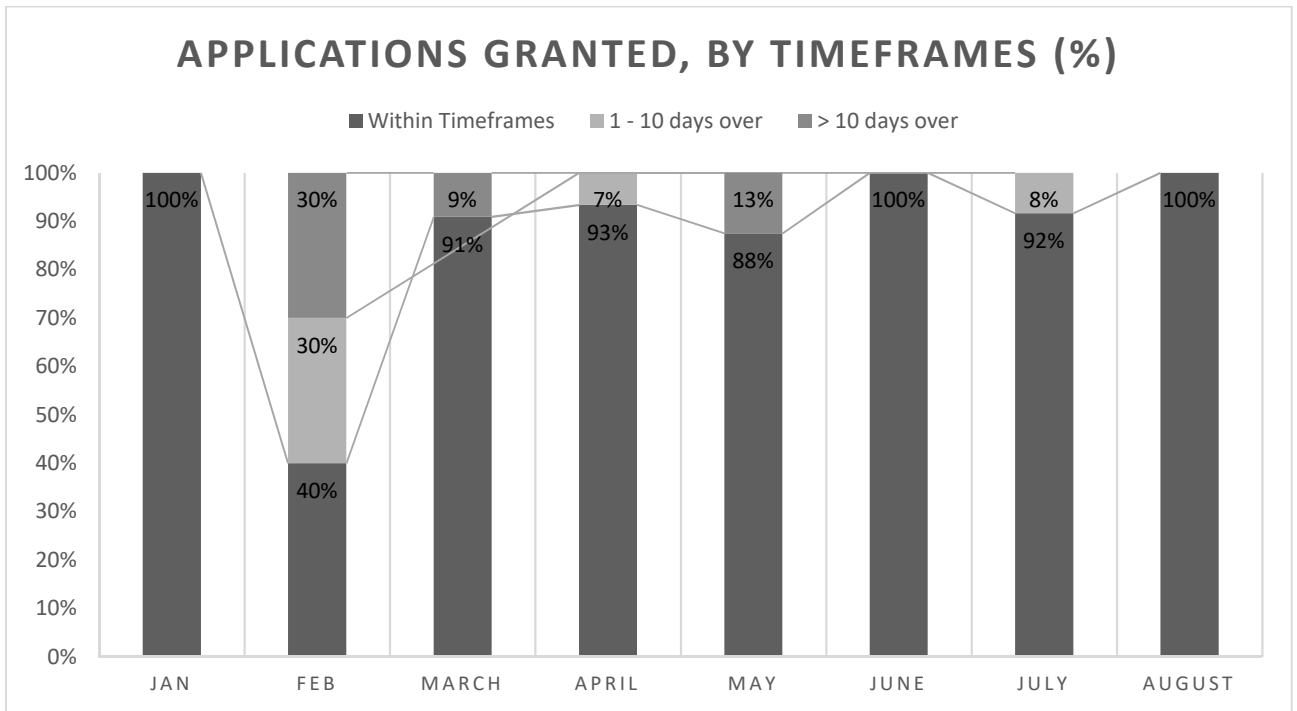
3.2.1 A total of 7 consents were issued in August, down from 9 in May and June and down from 12 in July. The breakdown of these consents is as follows:

- One for AJD Cameron for a 10 lot Subdivision at Sewell Street, Hokitika.
- One for AJD Cameron setback reductions for dwellings associated with the subdivision.
- One for AK & DK Godfrey Family Trust to operate a helicopter operation off Whitcombe Valley Road.
- One for HL & IG Lee to subdivide land into three allotments.
- One for HL & IG Lee to erect a residential dwelling in Rural Zone associated with the subdivision.
- One for DE Hanham to subdivide property held as eight sections into two allotments.
- One for MC & TM Turner to subdivide off an undersized allotment for a cell tower from the balance land creating two allotments.

3.2.2 Compliance of processing timeframes achieved 100% for August.



3.2.3 While the AJD Cameron consent took a large amount of time to complete the process, it had been on hold at the applicant's request for a long period of time which accounts for the timeframe.



3.3 Resource consent applications notified

3.3.1 Applications found to have potentially affected parties only proceed to limited notification if the applicants do not attempt or are unsuccessful in gaining affected party approval (APA). Applications are only fully publicly notified (wider than specified parties) if effects on the wider environment are deemed to be more than minor.

3.3.2 In August, no applications were limited notified to potentially affected neighbouring parties. This is the same as in May, June and July. To put this in context, 17 applications were limited notified in the calendar year 2016.

3.3.3 No applications were fully publicly notified in August, or in the calendar year 2017 to date. To put this in context, only 1 application was fully publicly notified in the calendar year 2016 (modification of St Mary's Church in Hokitika), 1 in 2015 (Renton's building demolition in Hokitika), and 1 in 2014 (Westland Milk Products expansion in Hokitika).

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

- 3.4.1 The outcome of notification is not always that a hearing occurs. Sometimes there are no submitters, or the submitters are in support of the project. Other times the submitters and the applicant agree to consent conditions before a hearing.
- 3.4.2 Commissioner Don Turley released his decision on 14 August, approving the Godfreys' helipad at Kowhitirangi. An appeal was lodged with Environment Court prior to the appeals period closing on 5 September.
- 3.4.3 Following Environment Court Mediation for Tuffly Investments we are awaiting final design plans for Davie Street road design, stormwater, lighting, planting and a campground management plan to be submitted by the applicant.
- 3.4.4 Following a pre-hearing meeting, an application for mining near Blue Spur (Prospect Resources) has been withdrawn.

3.5 Status of other significant consents not otherwise covered above

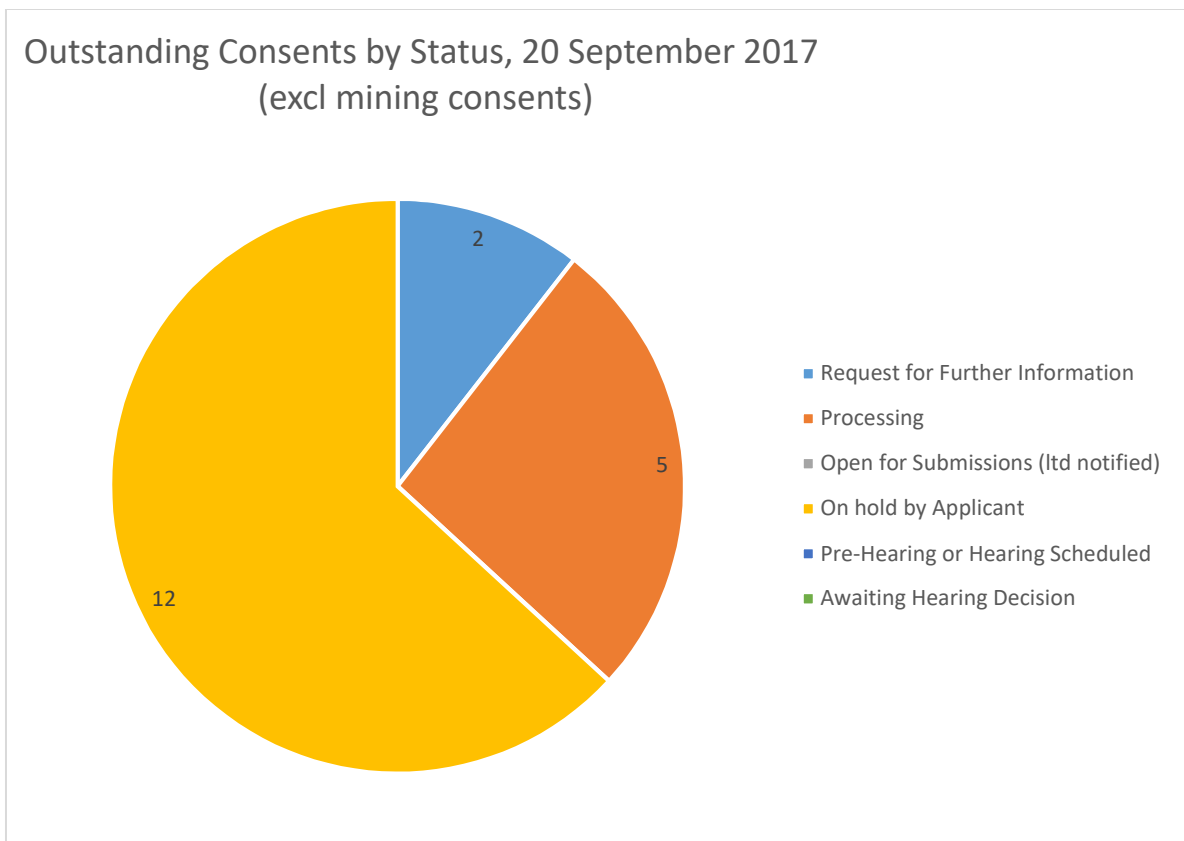
- 3.5.1 No other consents in progress, other than those mentioned above, are considered to require a status update in this section. Enquiries to the planning department from Elected Members as to the status of any consent are welcome at any time.

3.6 Number and type of 'live consents'

- 3.6.1 As at 20 September 2017, there are currently 33 resource consent applications showing in the Council's system as 'live,' i.e. a decision has not yet been made. Of these, over 60% are pre-2016, which indicates that there are a number of applications that have stalled for one reason or another.
- 3.6.2 Of these 33, 14 are mining related applications which have largely halted due to the applicants placing them on hold for further information or obtaining affected party approval. These are now with the West Coast Regional Council who will likely work through closing them off.

3.6.3 Of the others (non-mining), 10 are currently being worked on and 9 are historic and require answers from applicants as to whether they wish to proceed.

3.6.4 The status of the live applications is shown below, indicating that being on hold by the applicant (including for seeking affected party approvals) is a common status. This is especially the case for older applications.



3.6.5 The pre-2016 backlog decreased by 16 since the last report. This was due to transfer of mining functions (14 consents) and pragmatic outcomes for an historic issue (AJD Cameron consents). The intention is to work through the remaining 6 pre-2016 applications to resolve them and ultimately update the system. This will include encouraging applicants with older applications to move forward with their applications or withdraw them.

3.7 Commissioners

3.7.1 There are no updates in this area. A range of commissioners is being used for hearings as required, and customers are being informed of their hourly rates.

3.8 Significant compliance monitoring and enforcement activity

- 3.8.1 There are no significant updates to last month's report. A few issues are being looked into on the basis of complaints, including commercial activities in the Rural Zone.
- 3.8.2 Significant monitoring and enforcement activity is likely to remain on hold, until the Compliance and Enforcement Policy is put before Council, which is intended for next month.

3.9 Progress with the District Plan Review

- 3.9.1 The vast majority of the District Plan is 5 years overdue for review.
- 3.9.2 As reported earlier, the working party of three RMA-trained Councillors recommend a concentrated, integrated, comprehensive review within the next few years. The working party's consensus is that a Scoping Discussion Document for community consultation would be a sensible first step, an example of which was attached to June's planning update report.
- 3.9.3 In June the Council agreed to contribute \$25,000 per year for the next two years (2017/18 and 2018/19) for a project management role to achieve one District Plan for the West Coast Region. This has since also been agreed by Grey District Council but was not agreed to by Buller District Council at its 26 July meeting.
- 3.9.4 Each District including Westland will still need to conduct significant work on its own mapping and analysis; for example, in identifying significant natural areas or significant landscapes. Because of this, any regional effort should be seen as additional to, rather than in place of, the Council's District Plan Review work. The remaining District Plan Review budget after any regional Project Manager is funded will likely need to be supplemented to ensure timely progress including input to the regional process.
- 3.9.5 At this stage it appears that there will not be support from all councils, to input financial support for a project manager, for a combined District Plan Review. At a staff level however, Planning Managers in both Grey District and Westland District have made a commitment to support each other through resourcing where possible by seeing what issues can be worked through in a unified way.

3.9.6 A further meeting of the Council's District Plan Review working party (the RMA-accredited Deputy Mayor Martin, Councillor Lash and Councillor Neale) will be convened shortly to confirm next steps.

3.10 Process improvements of note

3.10.1 New templates have been formulated for report writing, and forms have been developed to accommodate the upcoming changes to the RMA.

3.10.2 An annual customer satisfaction survey was recently completed, along with similar studies for building control, environmental health and alcohol licensing customers, and results will be reported as part of the 2016/17 Annual Report.

3.11 Resourcing issues

3.11.1 Simon Mutonhori started 4 September as Senior Planner. The additional resourcing will enable more focus on policy over the coming months.

3.11.2 It is considered that less consents will need to be outsourced to external consultants with the arrival of Simon, however the occasional perceived conflict of interest may result in using an independent contractor.

3.12 RMA Amendments

3.12.1 As of 18 October 2017, new activity statuses will be introduced by the Resource Legislation Amendment Act 2017 Act being: boundary activities (Council must exempt 'boundary activities' from needing a resource consent if neighbour approval is provided) and marginal/temporary breaches (Council may exempt 'marginal or temporary' activities from needing resource consent).

3.12.2 A Special Consultative Procedure will need to be undertaken under section 36 of the RMA to allow us to apply fair and reasonable charges for the processing of these new activity statuses. **Attached** is a Statement of Proposal for public notification which would begin on 18 October and run for one calendar month to 20 November. Anyone wishing to speak to their submission would do so in an open public Council Meeting which could take place during the December Council meeting.

4 OPTIONS

- 4.1 The key options, aside from whether to receive this report or not, are to approve the process and costs associated with the Special Consultative Procedure (SCP) around the new fee structure referred to above, or not to approve the SCP.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to be made today is of low significance however it would allow the process to be completed by the beginning of the 2018 year.
- 5.2 No consultation or engagement has been undertaken in relation to the content of this report.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 If the recommendation for the Special Consultative Procedure is not approved, the Planning Department will not be able to recover processing costs incurred in relation to boundary activity and marginal or temporary activity statuses. It is estimated that a minimum timeframe of 2 hours per application would apply to processing each application which equates to \$150 of staff charge out time. It is recommended that a deposit of \$300 be required with the lodging of an application and any staff time over and above this be charged at the standard hourly rate. It is unlikely that more than two hours would be spent on processing these activities. This can be compared with the standard deposit of \$600 for general land use activities, \$400 for setback reductions and \$8000 for subdivisions.

7 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is that Council approves the attached Statement of Proposal and associated Special Consultative Procedure for the setting of fees in relation to boundary activities and marginal of temporary activities, and receives this report.

8 RECOMMENDATIONS

- 8.1 **THAT** Council approves the attached Statement of Proposal and associated Special Consultative Procedure for the setting of fees in relation to boundary activities and marginal of temporary activities and receives this report.

Fiona Scadden
Planning Manager

Attachment: Statement of Proposal

STATEMENT OF PROPOSAL

Resource Management Act – Fees and Charges Boundary activities and marginal or temporary non-compliances

Reason for the Proposal

Recent amendments to the Resource Management Act 1991 have created additional activities which require associated charges. These include:

- Boundary activities – Council must exempt ‘boundary activities’ from needing a resource consent if neighbour approval is provided.
- Marginal/temporary breaches – Council may exempt ‘marginal or temporary’ activities from needing resource consent.

These activities come into effect on 18 October 2017, and in order for Council to charge for their processing, fees need to be set. The fees are required to cover the reasonable costs of processing the applications.

The proposed fees are a deposit, with the total cost of processing the application determined following at the end of the process. It is proposed that the existing hourly rates specified in the schedule of fees and charges are used.

As these are new activities a deposit structure is considered appropriate to ensure that the fair costs associated with processing the application are paid.

- Boundary activities – deposit of \$300
- Marginal or temporary activities – deposit of \$300

Legislation

The fees are made in accordance with section 36 of the Resource Management Act 1991.

Submissions

Written submissions may be made until noon Monday **18 November 2017**.

Those who make a written submission may also make an oral submission.

Oral hearings are scheduled for 14th December at the Council Chambers in Hokitika. Time to be advised. Please indicate on your submission form if you wish to speak to your submission.

Further information

Further information, including a submission form, is available from Council’s isite, from the Council’s website www.westlanddc.govt.nz or you may request a copy to be emailed or posted to you by calling 0800 747 834. If you have any questions please contact Fiona Scadden, Planning Manager.