



# AGENDA

**Ordinary meeting of the**

**Governance Committee**

**Thursday 28 November 2013  
Commencing at 1.00pm  
Council Chamber  
Civic House  
110 Trafalgar Street, Nelson**

Membership:

Councillors Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillor Luke Acland (Deputy Chairperson), Councillors Eric Davy, Kate Fulton, Brian McGurk, Paul Matheson, Gaile Noonan, and Pete Rainey

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

---

## **Apologies**

### **1. Interests**

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

### **2. Confirmation of Order of Business**

### **3. Public Forum**

### **4. Chairperson's Report**

### **5. GOVERNANCE**

### **6. Psychoactive Substances – Draft Local Approved Products Policy**

**6-21**

Document number A1103811

Recommendation

***THAT the report Psychoactive Substances - Draft Local Approved Products Policy (A1103811) and its attachments (A375102, A375469 and A662745) be received;***

***AND THAT the Statement of Proposal be approved and advertised for consultation in accordance with section 83 of the Local Government Act 2002;***

***AND THAT the consultation period runs from 3 December 2013 to 20 January 2014;***

**AND THAT the hearings and deliberations on the Draft Local Approved Products Policy be carried out by the Planning and Regulatory Committee, with a recommendation made to Council for a final decision.**

**7. Participation in Gigatown Competition 22-27**

Document number A1102924

Recommendation

**THAT the report Participation in Gigatown competition (A1102924) be received.**

Recommendation to Council

**THAT Council does not agree to lead an effort to participate in the Gigatown competition.**

**FINANCE**

**8. Finance Report for the Period Ending 30 September 2013 28-48**

Document number A484035

Recommendation

**THAT the Finance Report for the Period Ending 30 September 2013 (A484035) and its attachments (1633361, 1634497 and 1234107) be received and the variations noted.**

Recommendation to Council

**THAT Council approves the Events contestable funding being accrued and held in a Council reserve until such time as the Economic Development Agency require the funding for events.**

**PUBLIC EXCLUDED BUSINESS**

**9. Exclusion of the Public**

Recommendation

**THAT the public be excluded from the following parts of the proceedings of this meeting.**

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

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<p>Nelmac Appointment of Director November 2013</p> <p>This report contains information relating to the final list of candidates for a Nelmac directorship.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(a) To protect the privacy of natural persons</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

## **10. Re-admittance of the public**

Recommendation

***THAT the public be re-admitted to the meeting.***

### **Note:**

- **Youth Council representatives, Chloe Rumsey and Samantha Stephens, will be in attendance.**

## Psychoactive Substances - Draft Local Approved Products Policy

### 1. Purpose of Report

- 1.1 To approve the Statement of Proposal for a draft Local Approved Products Policy (Attachments 1 and 2) for public consultation using the special consultative procedure set out in sections 83 and 87 of the Local Government Act 2002.

### 2. Recommendation

***THAT the report Psychoactive Substances - Draft Local Approved Products Policy (A1103811) and its attachments (A375102, A375469 and A662745) be received;***

***AND THAT the Statement of Proposal be approved and advertised for consultation in accordance with section 83 of the Local Government Act 2002;***

***AND THAT the consultation period runs from 3 December 2013 to 20 January 2014;***

***AND THAT the hearings and deliberations on the Draft Local Approved Products Policy be carried out by the Planning and Regulatory Committee, with a recommendation made to Council for a final decision.***

### 3. Background

#### The Psychoactive Substances Act 2013

- 3.1 The Psychoactive Substances Act 2013 (the Act) commenced on 18 July 2013 and regulates the importation, manufacture, sale, supply and possession of psychoactive substances, which are the active ingredients in party pills, energy pills and herbal highs.
- 3.2 The purpose of the Act is to regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances.

- 3.3 The Act restricts the purchase and possession to age 18 years or older, introduces controls on advertising, promotion, labelling and signage and prohibits the sale from dairies, conveniences stores, grocery stores, supermarkets, service stations, premises where alcohol is sold or supplied and temporary structures such as tents, marquees, vehicles or conveyances.
- 3.4 The Act creates a licensing process for psychoactive substances. The right to manufacture, import or sell such substances requires a license issued from a new Psychoactive Substances Regulatory Authority (PSRA) and sales must be from a speciality store, which are commonly adult stores, alternative stores or tobacco stores. Current licences are interim only and full licences will need to be applied for once the PSRA issues regulations. Local Government New Zealand (LGNZ) and the Ministry of Health expect that regulations will be in place by the end of March 2014, possibly earlier. Councils will be consulted on the draft regulations. A new product testing regime will be introduced through the regulations, which the Ministry of Health advises will be more rigorous than the current interim product approval process.
- 3.5 There are currently two retailers in Nelson with interim licences – Gizmo Holdings Ltd at 42 Bridge Street and Be Adult Boutique at 18A Vanguard Street. The proposed policy would exclude the Be Adult Boutique from selling approved products because it sits outside the Central City Zone.

### **Local Approved Products Policy (LAPP)**

- 3.6 Under the Act, Councils may develop a Local Approved Products Policy (LAPP), if they choose. These policies are able to include restrictions on the location of premises within the district, including by reference to broad areas, proximity to premises or facilities of a particular kind, such as schools and also proximity to other licensed retailers.
- 3.7 The provisions in respect of Local Approved Products Policies are detailed in Sections 66 - 69 of the Act. They include:
- Section 66 - allows a territorial authority to adopt a policy relating to the sale of approved products which can provide differently for different parts of the district or apply to only a single part. It also makes it clear that "no territorial authority is required to have a local approved products policy".
  - Section 67 - empowers councils to develop joint policies.
  - Section 68 – details the content of such policies as dealing with the location of premises from which approved products may be sold, including proximity to other premises from which such products are sold, and proximity to other premises or facilities, such as early child hood centres, schools, and places of worship.
  - Section 69 - deals with the process for adopting policies (the special consultative procedure under the Local Government Act 2002) and

the requirement those policies must be reviewed within intervals of five years.

### **Enforcement of a LAPP**

- 3.8 The LAPPs are not themselves enforceable under the Act, but it is likely that regulations issued under the Act will ensure that the PSRA either takes into account a council LAPP when issuing a licence or requires a licence to fully comply with the relevant LAPP.

### **Ban, Cap or Sinking Lid Policy as a Local Approved Product Policy**

- 3.9 The Act does not allow Council to ban the sale of psychoactive substances in its district. Nor can it have a policy that is so restrictive that it effectively bans the sale of approved products. LGNZ and the Ministry of Health also advise that Act does not give councils the tools or ability to have a sinking lid policy.

## **4. Discussion**

### **Reasons for having a LAPP**

- 4.1 LGNZ recommends that any territorial authority wishing to adopt a LAPP should ensure that its policy is in place before the regulations come into force. At this stage it does not appear that policies will have retrospective coverage and it may be that licences granted before LAPPs are adopted may not have to comply with the LAPP until the licences come up for renewal (issued for up to 3 years). This means that once regulations are in place, and in the absence of a LAPP, new retail outlets could conceivably get licences from the PSRA to set up anywhere across the city, including close to a school. Having a LAPP provides the community with an opportunity to influence where in the city these retailers may operate and also their proximity to 'sensitive' sites.
- 4.2 The option of a joint policy was discussed between officers at Nelson City and Tasman District Council. However Tasman District wished to move more quickly and chose to continue the policy development process through the election period. Although a joint policy has not been possible, it does make sense to ensure consistency between the policies, where possible.
- 4.3 There is little local or national quantitative data available on the level of harm caused by legal highs. Most information is anecdotal and based on presentations to drug services, emergency departments and individual/families experiences with these substances. The Nelson Alcohol and Drug Service advise that a lot of people of different ages are presenting with problems associated with the use of "legal highs", particularly synthetic cannabis. They say that the legal highs appear to be more addictive and unpredictable in their effects than cannabis. They can trigger mental health issues, personality changes, vomiting, blackouts, seizures and very occasionally kidney failure in some people.



They also advise that withdrawal can be intense. The Nelson Alcohol and Drug Service says that numbers presenting have gone down slightly since the new legislation came into force.

- 4.4 Dr Mark Reeves and Dr Tom Jerram of the Nelson Hospital Emergency Department advise that most people presenting at the hospital under the influence of legal highs are young males in their teens to early twenties and tend to arrive within minutes or hours of smoking the products. It usually takes a few hours before patients are stable enough to go home. However, since the Act came into force the numbers presenting to the Emergency Department have dropped away quite significantly. They advise that alcohol is still by far the most widespread drug the Department deals with, followed by synthetic cannabis.
- 4.5 Both the Nelson Alcohol and Drug Service and the Police would like to see restrictions placed on the location of retail outlets. The Police have written to the Council in support of developing a LAPP and advising that, based on documented harm to personal health and to vulnerable communities from legal highs, they would like to see the following restrictions on licensed retailers:
- limited to the Central Business Zone, the Stoke town centre and the Tahunanui town centre;
  - not within 100m of an early childhood centre, kindergarten, school, library, community centre, reserve, playground or place of worship; and
  - not within 150m of another licensed retailer.

## **Options**

### **Option One**

- 4.6 Proceed with developing a LAPP prior to regulations being approved (expected to be by the end of March 2014). This would ensure the policy is in place before businesses can apply for a full three year licence, so that controls on location can be in place from the start of the process.

### **Option Two**

- 4.7 Wait until regulations are made under the Act and then decide whether to have a LAPP. This is likely to mean that a LAPP developed after licences have been granted cannot be retrospectively applied to an existing business. Potentially a three year licence could be issued to a retail outlet in locations that are considered inappropriate by the Council and community and the LAPP would not apply until the licence came up for renewal.

### **Option Three**

- 4.8 Not have a LAPP for the Nelson City Council area. This would mean that there were no controls over the location of premises wishing to sell psychoactive substances, apart from those already contained in the Act and the NRMP. The NRMP does not permit premises in a residential zone

without resource consent. A consent would need to consider a range of things such as adverse effects on the neighbourhood, minimising risk to people's health and safety and the reasons why siting in the Residential Zone is considered appropriate or necessary.

### **Scope of Draft LAPP**

- 4.9 Council officers have prepared a draft Statement of Proposal (Attachment 1), which includes a draft LAPP (Attachment 2), for Council's consideration if it decides on option one. The draft LAPP takes into account concerns expressed by the Nelson Alcohol and Drug Service and the Police about the effects of synthetic cannabis, particularly on young people. It also takes into account Tasman District Council's draft policy and aims to achieve consistency where possible.
- 4.10 The following restrictions on the location of premises are proposed:
- 4.10.1 They may only be located in the Nelson Inner City Centre Zone (as defined in the Nelson Resource Management Plan) and the Stoke town centre - area within boundaries of Putaitai Street, Lichfield Street, Songer Street and Main Road Stoke (see Attachment 3) - on the basis that those areas have high foot traffic and public visibility and therefore make it easier to monitor what is happening. Consideration should be given as to whether allowing premises in Stoke is appropriate, given its proximity to Richmond where premises are proposed to be allowed by Tasman District Council and the proximity of the Stoke centre to surrounding residential areas. The draft LAPP does not include the Tahunanui town centre on the basis that it would be difficult to find a suitable location in Tahunanui that was not within 100m of a "sensitive site" (refer 4.10.2) and the family-focussed Tahunanui Reserve.
- 4.10.2 They may not be located within 100m of a school, early childhood centre, library, playground, hall or community centre. This is broadly consistent with Council's Gambling Policy. The draft Local Alcohol Policy does not specify restrictions on proximity but the Sale and Supply of Alcohol Act 2012 will require the new District Licensing Committees to consider, amongst other things, the number of existing premises and what is happening in the surrounding area.
- 4.10.3 They may not be located within 100m of another licensed premises. 100m was seen as reasonable given the other restrictions on location.

## **5. Next Steps/ Timeline**

- 5.1 If Council opts to take no action, a further report can be provided after the promulgation of the supporting regulations.
- 5.2 If Council decides to proceed immediately with the development of the draft LAPP and adopts the attached draft LAPP, with or without amendment, it is recommended that the following timeline apply:

5.3 The special consultative procedure requires a public notification and submission period of at least one month. The following timeframe is proposed:

- Public consultation: from 3 December 2013 and closing 20 January 2014. This provides longer than the statutory requirement for consultation, in recognition of the holiday period.
- Hearings on submissions: 20 February 2014.
- Deliberations on submissions: 6 March 2014
- Adoption of LAPP: 20 March 2014.

## 6. Conclusion

6.1 Given the level of concern about psychoactive substances within the community and the impact they are already having, especially on the youth of Nelson, officers recommend that a draft policy be consulted on with a view to adopting it before any licences for premises are granted.

Nicky McDonald  
**Manager Policy and Planning**

### Attachments

Attachment 1: Draft Statement of Proposal [A375102](#)

Attachment 2: Draft Local Approved Products Policy [A375469](#)

Attachment 3: Map of approved areas [A662745](#)

Supporting information follows.

<b>Supporting Information</b>	
<b>1. Fit with Purpose of Local Government</b>	This project fits with the purpose because it relates to the performance of regulatory functions under the Sale and Supply of Alcohol Act 2012.
<b>2. Fit with Community Outcomes and Council Priorities</b>	The development of a LAPP is consistent with the Community Outcome of "kind, healthy people" by allowing Council, in consultation with local communities, to develop policies which contribute to a reduction in harm in the community and best meet the needs of local communities.
<b>3. Fit with Strategic Documents</b>	The development of a LAPP is consistent with the health and the safety objectives in the Social Wellbeing Policy 2011. The Policy states that Council will "recognise the importance of programmes that have a health component". The draft LAPP provides an opportunity for the community to review and potentially influence the location of licensed retailers of psychoactive substances in their community.
<b>4. Sustainability</b>	The development of a LAPP is consistent with the Nelson 2060 vision of "strong, healthy, resilient communities".
<b>5. Consistency with other Council policies</b>	The approach recommended in the draft LAPP is broadly consistent with the approach Council has taken towards class 4 gambling machines i.e. in restricting proximity to sensitive sites.
<b>6. Long Term Plan/Annual Plan reference and financial impact</b>	There will be some costs associated with the development of a LAPP, including staff time and costs associated with the special consultative procedure. These would be covered under existing Council operating budgets. There is no mechanism in the Act for cost recovery.
<b>7. Decision-making significance</b>	While this may generate significant public interest, it does not trigger Council's Significance Policy.
<b>8. Consultation</b>	If Council decides to proceed with a LAPP, it must adopt the policy in accordance with the special consultative procedure in section 83 of the Local Government Act 2002. Health professionals, counsellors, schools and other interested groups would be specifically invited to make a submission.
<b>9. Inclusion of Māori in the decision making process</b>	Council will consult with Māori health and social service providers.
<b>10. Delegation register reference</b>	The recommendation reflects the Committee's delegations.



## **Statement of Proposal**

### **Draft Local Approved Products Policy for Psychoactive Substances**

**3 December 2013**

## **STATEMENT OF PROPOSAL**

This statement of proposal has been prepared as provided for in sections 83(1)(a) and 87(2)(a) of the Local Government Act 2002, and section 69 of the Psychoactive Substances Act 2013.

### **1. Introduction**

- 1.1. The Psychoactive Substances Act 2013 ("the Act") commenced on 18 July and regulates the importation, manufacture, sale, supply and possession of psychoactive substances, which are the active ingredients in party pills, energy pills and herbal highs.
- 1.2. The purpose of the Act is to regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances.
- 1.3. The Psychoactive Substances Act 2013 (the Act) prohibits the sale of approved psychoactive substances from certain types of premises such as dairies, convenience stores, grocery stores, supermarkets, service stations, premises where alcohol is sold or supplied, temporary structures such as tents and marquees, and vehicles or conveyances.
- 1.4. The Act creates a licensing process for psychoactive substances. The right to manufacture, import or sell such substances requires a licence issued from a new Psychoactive Substances Regulatory Authority (PSRA) and sales must be from a speciality store, which are commonly adult stores, alternative stores or tobacco stores.
- 1.5. The Act also allows the Council to create a Local Approved Products Policy (LAPP) to restrict the location and density of premises selling psychoactive substances in the district. The Council expects new regulations to be developed under the Act are likely to require the PSRA to take into account a council's LAPP when issuing a licence or require a licence to fully comply with the Policy. A licensee can appeal a decision by the Authority regarding conditions attached to a licence.
- 1.6. The Act does not allow councils to place a ban, cap or sinking lid on retailers of approved products.

### **2. Statutory Processes**

- 2.1. The Nelson City Council is proposing to have a LAPP relating to the sale of approved products within its territorial authority area. Sections 66 to 69 of the Psychoactive Substances Act 2013 set out the matters that may be contained in the policy:
  - (a) the location of premises from which approved products may be sold by reference to broad areas within the district;
  - (b) the location from which approved products may be sold by reference to proximity to other premises from which approved products are sold within the district;

- (c) the location of premises from which approved products may be sold by reference to proximity to premises or facilities of a particular kind or kinds within the district (for example, kindergartens, early childhood centres, schools, places of worship, or other community facilities).
- 2.2. The Act requires that the Special Consultative Procedure under section 83 of the Local Government Act 2002 be followed to develop and adopt the policy. The proposed policy has been advertised in the Nelson Mail and widely distributed through Live Nelson and on Council's website. Written submissions may be made to the Nelson City Council from 25 November until 4.30pm on 20 January 2013. Oral submissions will be heard by Council in 20 February 2014.

### **3. Proposal**

- 3.1. The draft LAPP takes into account concerns expressed by the Nelson Alcohol and Drug Service and the Police about the effects of synthetic cannabis, particularly on young people. It also takes into account Tasman District Council's draft policy and aims to achieve consistency where possible.
- 3.2. The following restrictions on the location and density of premises from which approved products under the Psychoactive Substances Act 2013 are proposed:
- They may only be located in the Nelson Inner City Centre Zone (as defined in the Nelson Resource Management Plan) and the Stoke town centre (area within boundaries of Putaitai Street, Lichfield Street, Songer Street and Main Road Stoke) [refer attachment 2] on the basis that those areas have high foot traffic and public visibility. The proposed boundary would exclude one of the two premises that currently have interim licences to sell approved products in Nelson. The draft LAPP does not include Tahunanui on the basis that it would be difficult to find a suitable location in Tahunanui that was not within 100m of a "sensitive site" (refer 4.10.2) or the family focussed Tahunanui Reserve. Tahunanui is also within a reasonable driving distance of the city centre for those wanting to purchase approved products.
  - They may not be located within 100m of a Premises licensed for the sale of approved products under the Psychoactive Substances Act 2013 are not permitted within 100 metres of a kindergarten, early childhood centre, school, library, community centre, reserve, playground or place of worship.
  - They may not be located within 100m of another licensed premise. 100m was seen as reasonable given the other restrictions on location.

### **4. Reasons for the Proposal**

- 4.1. Having a LAPP will help Council achieve the Nelson 2060 vision of "strong, healthy, resilient communities". Not having a policy would mean that retailers of psychoactive substances could be located near sensitive communities or at inappropriate locations, such as near schools and residential areas.
- 4.2. The objectives of the draft LAPP are to:

- Minimise the harm to the community caused by psychoactive substances by limiting the location and density of the retailers of approved products.
- Ensure that Council and the community have influence over the location and density of retailers of approved products across the city.
- Minimise the potential for adverse effects from the sale of psychoactive substances in residential areas, near recreational facilities and other inappropriate locations.
- Minimise the exposure and potential for harm to vulnerable groups within the community.

**5. Other Options Considered by Council (which are not proposed, but on which comments are also welcome)**

Option	Advantages	Disadvantages
Status quo – no policy. Rely on the licensing regime in the Psychoactive Substances Act 2013 and requirement for consent in residential areas under the Nelson Resource Management Plan.	No obvious advantages to the Council or wider community.	Little local control over the location of retail outlets for approved psychoactive substances and therefore the objectives of the draft policy would not be met (refer section 4).
Allow retail outlets in Tahunanui.	No obvious advantage to the Council or wider community although some advantage, in terms of accessibility, to a smaller group in the community who choose to purchase the approved products.	Difficult to find a location in Tahunanui that not was not near a residential area, "sensitive site" or Tahunanui Reserve and therefore the objectives of draft policy would not be met.
Do not allow retail outlets in Stoke.	Acknowledges the proximity of Stoke to residential areas and provides a level playing field across Nelson as approved products would only be available for sale in the Inner City Centre Zone	Reduced accessibility to a smaller group in the community who choose to purchase the approved products.
No restrictions or less restrictive provisions than those proposed on proximity to "sensitive sites" such as schools, early childhood centres, playground, places of worship etc (less than 100m or no restrictions at all).	No obvious advantage to the Council or wider community although some advantage, in terms of accessibility, to a smaller group in the community who choose to purchase the approved products.	Could potentially have retail outlets near sensitive communities or at inappropriate locations, such as near schools and residential areas and therefore the objectives of the draft policy would not be met.
No restrictions or less	No obvious advantage to	Would increase the



Option	Advantages	Disadvantages
restrictive provisions than those proposed on density/proximity of one retail outlet to another (less than 100m or no restrictions at all).	the Council or wider community although some advantage, in terms of accessibility, to a smaller group in the community who choose to purchase the approved products.	availability of approved products which would not meet the objectives of the draft policy.
More restrictive than proposed.	Would be more likely to meet the objectives of the draft policy.	Would be overly restrictive and may not comply with the Act. The Act does not allow Councils to be so restrictive in their policies that they effectively prohibit the sale of approved products.

## 6. Submissions

6.1. Any interested person or body is welcome to make submissions or comments on the proposed approach and the other options which have been considered for the location and density of retail outlets for approved products under the Psychoactive Substances Act 2013 and on any aspect of, or omission from, the attached draft policy. We encourage you to give us your views. Council in making its decision will take account of all the submissions made. There will be a Council hearing in February 2014 for those submitters who indicate they wish to speak in support of their submission.

6.2. Submissions are to be in writing and forwarded to:

Draft Local Approved Products Policy  
Nelson City Council  
PO Box 645  
Nelson 7040  
Or emailed to [submissions@ncc.govt.nz](mailto:submissions@ncc.govt.nz)  
Submissions must be received no later than **4.30pm on 20 January 2013**.

6.3. All enquiries should be directed to Nicky McDonald, Manager, Policy and Planning on 546 0432 or email [nicky.mcdonald@ncc.govt.nz](mailto:nicky.mcdonald@ncc.govt.nz)

## Attachments

Attachment 1: Draft Local Approved Products Policy [1630238](#) (A375469)

Appendix to Draft Local Approved Products Policy: Maps showing buffer zones where retailers of approved products are not permitted [1631943](#) (A662745)

## **DRAFT LOCAL APPROVED PRODUCTS POLICY**

### **1. PURPOSES OF THE POLICY**

- 1.1 The Nelson City Council is proposing to have a policy relating to the location and density of points of sale for products approved under the Psychoactive Substances Act 2013. The policy covers points of sale within the Nelson City Council territorial authority area. Sections 66 to 69 of the Psychoactive Substances Act 2013 set out the matters that may be contained in the policy.

### **2. OBJECTIVES OF THE POLICY**

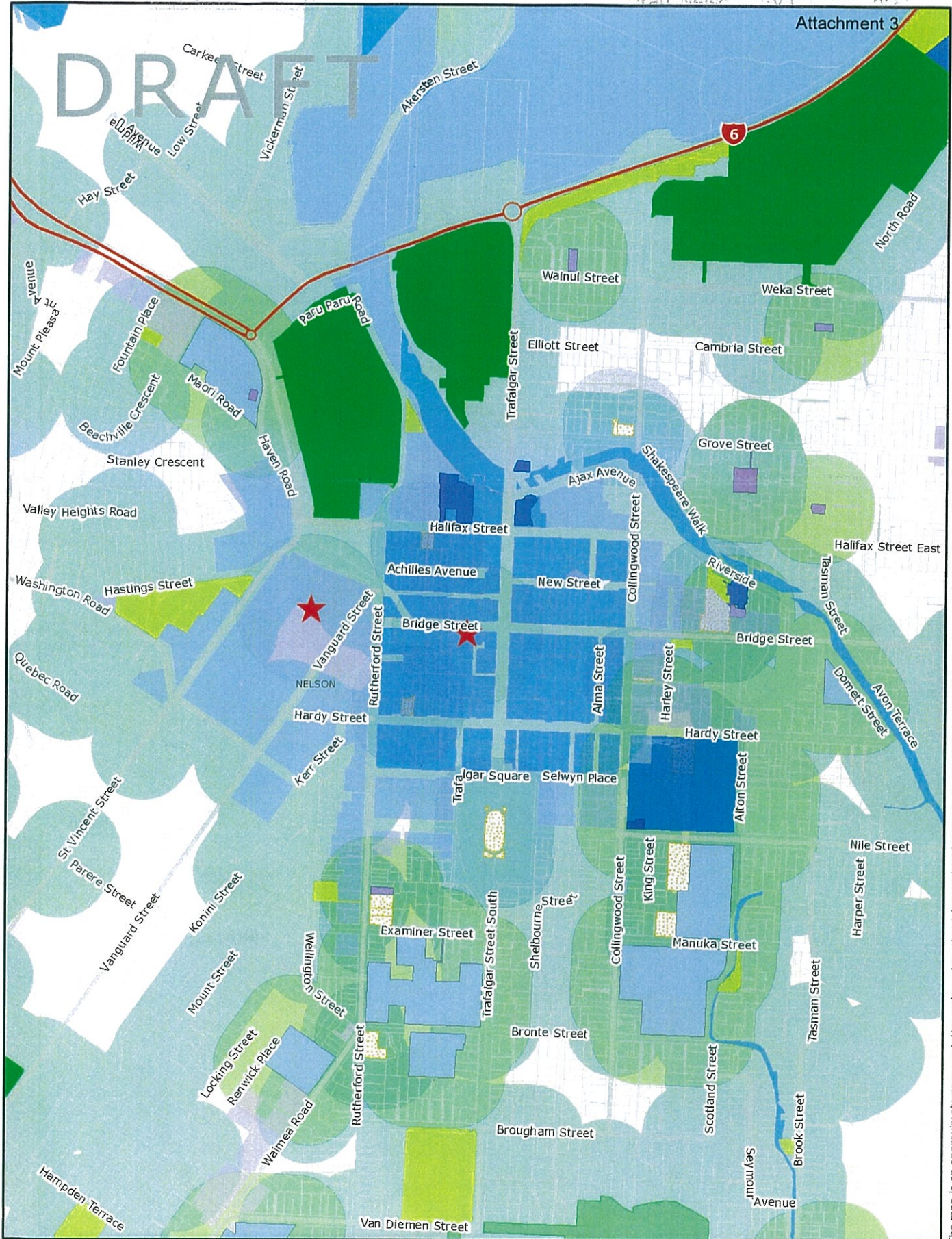
- 2.1 To minimise the harm to the community caused by psychoactive substances by limiting the location and density of the retailers of approved products.
- 2.2 To ensure that Council and the community have influence over the location and density of retailers of approved products in the District.
- 2.3 To minimise the potential for adverse effects from the sale of psychoactive substances in residential areas, near recreational facilities and other inappropriate locations.
- 2.4 To minimise the exposure and potential for harm to vulnerable communities from the sale of psychoactive substances.

### **3. LOCATION OF PREMISES FROM WHICH APPROVED PSYCHOACTIVE PRODUCTS CAN BE SOLD**

- 3.1 Premises licensed for the sale of approved products under the Psychoactive Substances Act 2013 must be located within the central city zone, as defined in the Nelson Resource Management Plan, or the Stoke town centre (area within boundaries of Putaitai Street, Lichfield Street, Songer Street and Main Road Stoke).
- 3.2 Premises licensed for the sale of approved products under the Psychoactive Substances Act 2013 are not permitted within 100 metres of a kindergarten, early childhood centre, school, library, community centre, reserve, playground or place of worship.
- 3.3 New licenses for the sale of approved products under the Psychoactive Substances Act 2013 are not permitted from premises within 100 metres of an existing premise holding a licence (interim or full) to sell approved products.



**DRAFT**



**PSYCHOACTIVE SUBSTANCES POLICY**

RETAILER LOCATIONS with BUFFERS and ZONES  
CITY CENTRE

- ★ Psychoactive Substance Retailers
- Early Childhood Centres
- Schools
- Tavern
- Community Facility
- Recreation/Sportground
- Neighbourhood Park
- Landscape Reserve
- Places of Worship
- Schools Buffer
- Parks Buffer
- Places of Worship Buffer
- Psychoactive Retailers 150m Buffer



Scale 1:10,000 0 100 200 300 400 500 600 Meters



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution-NonCommercial 3.0 New Zealand License. Nelson City Council data must not be sold without prior written consent. For more information please contact us. Cadastral information derived from the Land Information New Zealand. CROWN COPYRIGHT RESERVED.



DRAFT



**PSYCHOACTIVE SUBSTANCES POLICY**

RETAILER LOCATIONS with BUFFERS and ZONES  
TAHUNANUI



- ★ Psychoactive Substance Retailers
- Early Childhood Centers
- Schools
- Schools Buffer
- Teritory
- Community Facility
- Recreation/Sporting ground
- Neighbourhood Park
- Landscape Reserve
- Parks Buffer
- Places of Worship Buffer
- Psychoactive Retailers 150m Buffer



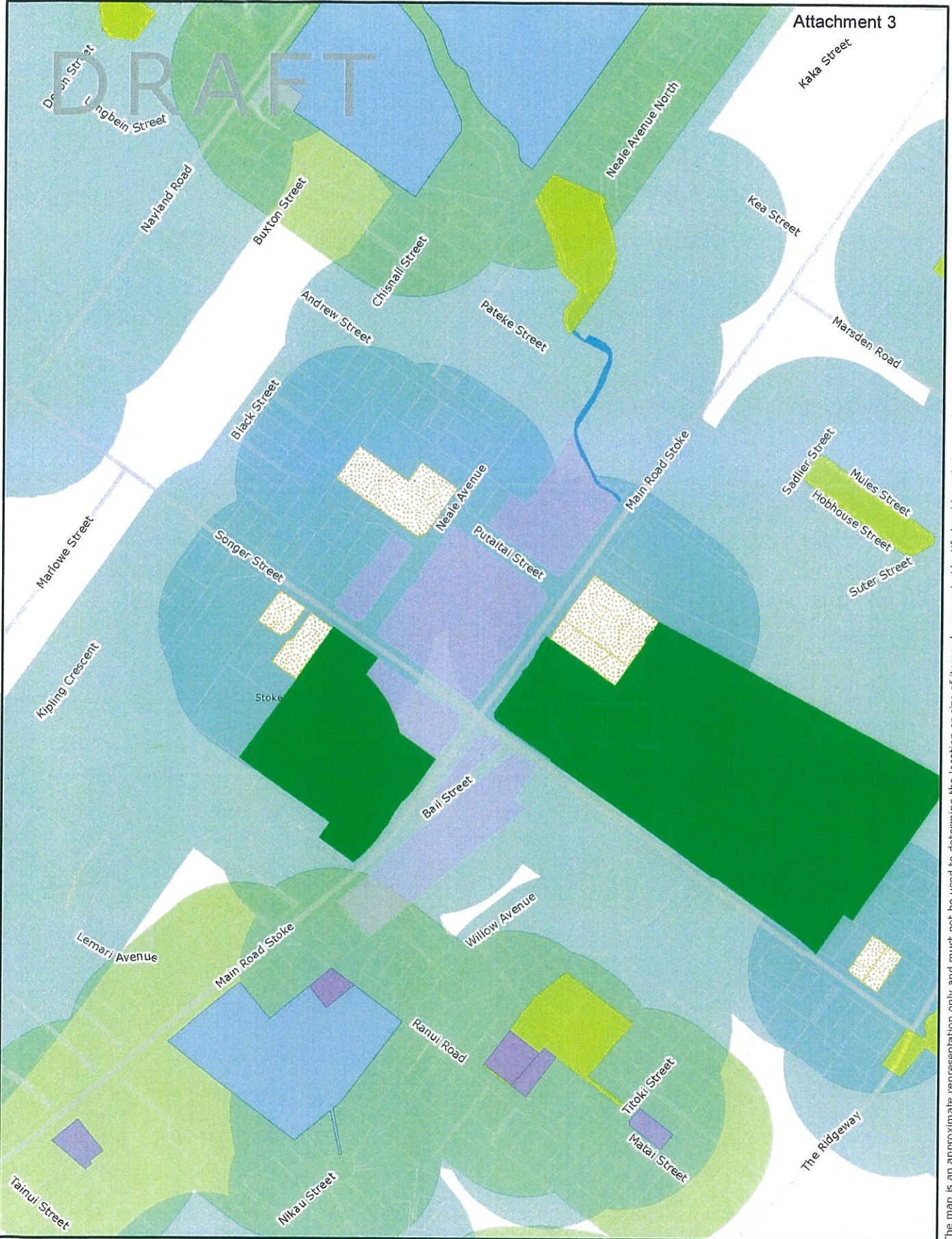
November 2013

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution-NonCommercial 3.0 New Zealand License. Nelson City Council data must not be sold without prior written consent. For more information please contact us. Cadastral information derived from the Land Information New Zealand. CROWN COPYRIGHT RESERVED.

File Ref: 1631943  
MO. Original map size A4.



DRAFT



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is licensed under a Creative Commons Attribution-NonCommercial 3.0 New Zealand License. Nelson City Council data must not be sold without prior written consent. For more information please contact us. Cadastral information derived from the Land Information New Zealand. CROWN COPYRIGHT RESERVED.

**PSYCHOACTIVE SUBSTANCES POLICY**

RETAILER LOCATIONS with BUFFERS and ZONES  
STOKE

- Psychoactive Substance Retailers
- Inner City - Centre
- Inner City - Fringe
- Inner City - Intense Development
- Suburban Commercial
- Early Childhood Centres
- Schools
- Tertiary
- Community Facility
- Recreation/Sportsground
- Neighbourhood Park
- Landscape Reserve
- Places of Worship
- Schools Buffer
- Parks Buffer
- Places of Worship Buffer
- Psychoactive Retailers 150m Buffer



November 2013



---

## **Participation in Gigatown competition**

---

### **1. Purpose of Report**

- 1.1 To decide whether or not to participate in the Chorus-led national competition Gigatown ([www.gigatown.co.nz](http://www.gigatown.co.nz)).

### **2. Recommendation**

***THAT the report Participation in Gigatown competition (A1102924) be received.***

#### **Recommendation to Council**

***THAT Council does not lead an effort to participate in the Gigatown competition.***

### **3. Background**

- 3.1 Gigatown is a year long competition to determine the town in New Zealand that will be the first to receive 1GBPS (gigabyte per second) internet speeds. Chorus will make a special wholesale service available in the winning town at a special price and a \$200,000 fund will be provided to support entrepreneurs and innovators.
- 3.2 Matthew Dodd, business manager at Datacom, has written to the two Councils, the EDA, and Chorus, expressing an interest in the project. He believes having a gigabit network around town would unlock huge commercial and community opportunities. He feels when combined with the lifestyle attractions of our region, becoming Gigatown would stimulate new business establishment, population growth and many millions of dollars of positive economic growth.
- 3.3 The competition is a simple numbers game. The highest number of mentions of the hashtag for a particular town (#gigatownnsn or #gigatownnelson) wins the competition. There will be multiple ways to add to this total depending on the social media site involved.
- 3.4 The competition has started. The first stage started in October 2013 and ends 30 September 2014 when the top five towns move to the second stage, where rankings are reset and the competition starts fresh.
- 3.5 The competition is all-or-nothing: you win or you lose, though losing could have other benefits such as raised community profile and

community goodwill if the community comes together to attempt the goal.

#### **4. Discussion**

- 4.1 There are two options to consider: leading the effort to win the competition or not leading the effort.

##### **Council resources**

- 4.2 Commitment to Gigatown would require officer and budget commitment. No budget has been included in the 13/14 or 14/15 years and no officer time has been earmarked in either year.
- 4.3 The Communications Business Unit has a vacancy in its Online Communications Administrator role, which oversees Council's social media efforts.
- 4.4 If Council agreed to lead the project, the Manager Communications could act as project manager. Other officers with existing community relationships would then participate in the project team, and Senior Leadership Team and Councillors would be asked to commit and make use of their networks. For the communications team, taking on this work would mean that other work would need to be reprioritised. A large degree of community engagement would be required, though there are some physical and online communities already informed about the competition.

##### **Local interest**

- 4.5 Council has been approached by businesses as well as by NMIT to query its commitment to the competition.
- 4.5.1 Datacom is interested in ensuring Nelson is involved and in getting Nelson and Richmond to work together toward the goal. Datacom would like both Councils' communications staff to be involved with the project, and Datacom would contribute to the effort.
- 4.5.2 BlueberryIT: securing the service would be a fantastic enabler for any business community but it needs to be driven by organisations with a wide reach, like local government or education; has contacted NMIT and the Principals Association to engage student population, has support from SANITI. The NMIT marketing team is reviewing its participation level now and has had positive feedback from the Principals Association.
- 4.5.3 Nelson Marlborough Institute of Technology: Tony Gray enquired about a collective effort to support the project after an internal email for NMIT staff was circulated to encourage individual participation.
- 4.6 Bill Findlater of the Nelson Regional Economic Development Agency expressed an opinion that ultra fast broadband, which Nelson has in some parts of the city, is very good for business and schools. Anything

that can speed up internet speeds is good for the business sector. He is familiar with Gigatown and is unable to commit resources (people or budget) to the project. He expressed concern about the all-or-nothing approach and feels Gigatown is only a good return on investment if you're the successful town.

### **Other councils**

- 4.7 Queries made to some of the top 10 towns (as per current Gigatown ratings) to assess their levels of commitment has produced the following information:
  - 4.7.1 Porirua City Council: their communications and marketing manager and marketing and development managers are working together on this project, with significant support from their digitally-savvy mayor and deputy mayor.
  - 4.7.2 Napier City Council: hiring a communications manager who will be responsible, the chief executive is involved with developing the strategy at the moment. Driven by local MP and another business person. No quantifiable financial commitment at this point, still finding their way.
  - 4.7.3 Gisborne District Council: advertising for a part-time project manager and spending approx \$50-100k between staff, PR agency, and other costs. Pushed by the chief executive who is very keen to put money into the project.
  - 4.7.4 Waitaki District Council: very organised, leading the rankings at the moment, no return phone call by the date of this report.
  - 4.7.5 Tasman District Council: Mayor has made public statements about participating, communications team has secured the appropriate online sites, but little effort has yet been put into it.

### **Joint Nelson and Richmond effort**

- 4.8 A proposal has been put forward by Datacom for Nelson and Richmond to join up and act as one town for the competition.
- 4.9 Tasman has indicated that the 'horse may have bolted a bit' but may still be open to discussion. Mayor Kempthorne has done media stories already on Richmond's solo effort.
- 4.10 Datacom approached Chorus to merge the two towns, and Chorus has requested a meeting with the Mayor to explore the idea, which they are open to. There has been no meeting scheduled yet because Nelson hasn't decided how to proceed with the competition.

### **Minimum expected work product for campaign**

- 4.11 An initial consideration of the work that would have to be done throughout the competition would include:



- 4.11.1 Develop a strategic plan: how best to involve the community, who must engage with this competition on social media, and with different platforms offering different results, putting the effort where it will yield the most reward.
- 4.11.2 Business engagement: how to involve the business sectors who have a vested interest. How can they leverage this opportunity and assist with the project.
- 4.11.3 Schools and educational institutions: how to involve younger people who are critical, frequent, savvy users of social media is key.
- 4.11.4 Marketing, communications, and media plans: ongoing efforts to keep awareness high, create 'events' that elevate the profile of the competition and Nelson's position
- 4.11.5 Promotional costs: forms of advertising and marketing that may incur design or print or advertising costs, understanding the competition is primarily online
- 4.12 Implementation of the strategy would take place through 30 September 2014 when the top five teams then move forward to the finals of the competition. Should Nelson be in the top five, the competition would start over again and a new or updated strategy and effort have to be put into place.

**Budget**

- 4.13 There is no existing budget for this work. Council would need to identify savings to allocate to it.

**Recommendation**

- 4.14 Based on advice from the EDA and the lack of allocated officer and budgetary resource, it is recommended that Council not lead the Gigatown competition.
- 4.15 Different community sectors will participate even if Council doesn't lead a coordinated effort, and someone or a group could pick up and run the project on its own.

## **5. Conclusion**

- 5.1 Gigatown is a year long competition to determine the town in New Zealand that will be the first to receive 1GBPS (gigabyte per second) internet speeds.
- 5.2 There are existing business, community, and education interests in winning the prize.
- 5.3 A decision needs to be made whether or not Nelson and Richmond combine efforts.
- 5.4 There are significant costs involved with participating, the majority being people resources to engage the various physical and online communities to achieve the goal.
- 5.5 Should the Council decide to proceed, there could be budget and officer resource dedicated, but other priorities would have to be demoted
- 5.6 Regardless of the potential benefits, and because of the all-or-nothing nature of the competition, any investment is speculative.

Angela Ricker  
**Manager Communications**

### **Attachments**

No supporting information follows.

<b>Supporting Information</b>	
<b>1. Fit with Purpose of Local Government</b>	The issue relates to meeting the current and future needs of communities for good-quality local infrastructure and local public services in a way that is most cost-effective for households and businesses.
<b>2. Fit with Community Outcomes and Council Priorities</b>	A strong economy: we all benefit from a sustainable, innovative, and diversified economy.
<b>3. Fit with Strategic Documents</b>	Participation in the Gigatown competition does not contradict existing Council strategies and is consistent with the Regional Economic Development Strategy.
<b>4. Sustainability</b>	The issue will support business growth, help support new business start-ups, attract new economic investment which may lead to new employment opportunities. A high-speed network would help build resilience in the local economy, as Nelson would be a national leader.
<b>5. Consistency with other Council policies</b>	N/A
<b>6. Long Term Plan/Annual Plan reference and financial impact</b>	Reprioritised from existing budgets.
<b>7. Decision-making significance</b>	This is not a significant decision in terms of the Council's Significance Policy.
<b>8. Consultation</b>	Nelson Tasman Economic Development Agency; local businesses have individual contributed comment; Tasman District Council and other local government offices consulted.
<b>9. Inclusion of Māori in the decision making process</b>	N/A
<b>10. Delegation register reference</b>	The recommendations reflect the delegations of the Committee and Council.

---

**Finance Report for the Period Ending 30 September 2013**

---

**1. Purpose of Report**

- 1.1 To inform the members of the Governance Committee on the financial results of activities for the 3 months ending 30 September 2013 compared to budget, and to highlight and explain any material variations.

**2. Recommendation**

***THAT the Finance Report for the Period Ending 30 September 2013 (A484035) and its attachments (1633361, 1634497 and 1234107) be received and the variations noted.***

**Recommendation to Council**

***THAT Council approves the Events contestable funding being accrued and held in a Council reserve until such time as the Economic Development Agency require the funding for events.***

**3. Background**

- 3.1 The commentary is prepared comparing actual amounts with the year to date approved budgets, which include adjustments approved by Council resolution since the Annual Plan was adopted. Budgets are phased evenly throughout the year for operating revenue and expenses, and weighted in the second half of the year for capital. Timing variances against budget are caused when seasonality is a factor (for instance with some classes of maintenance), and when total budgeted income or expenditure occurs within a very short space of time (for example, grants).
- 3.2 Projections for the current year are being worked on currently in preparation for the Annual Plan 2014/15 and reporting will be against these rather than budget for future reports.
- 3.3 Some definitions of terms used within this report:

*Base service provision* – operational/routine costs within the activity such as utilities costs, rent, consumables, insurance, rates and levies, contracts for operation of services (e.g. Nelmac contract for operating the transfer station).

*Capital Related Income* - includes Capital related grants and subsidies from external parties (New Zealand Transport Agency, Tasman District Council, sports bodies, Housing New Zealand and development contributions), and in the current year budget, gifts of property. This continues to be shown below the line this financial year as it often distorts operating results and is only treated as income for Annual Report purposes.

*Depreciation* – includes all depreciation, and any losses on asset disposal/retirement.

*Financial charges* – includes debt interest, bank fees, interest rate swap margins, treasury and rating agency fees.

*Operating income* – all income other than rates including metered water, grants, fees, rentals, and recoveries.

*Programmed maintenance* – scheduled corrective or predictive planned maintenance. Also includes such service costs as community programmes, costs of executing central government programmes and contracts, and provision of grants and subsidies.

*Rates* – includes the general rate, wastewater, stormwater and flood protection rates, and targeted rates for Solar Saver.

*Staff expenses* – salaries plus business unit overheads such as training, super, professional fees, office accommodation expenses.

*Unprogrammed maintenance* – also called reactive maintenance. Response to asset failures (eg broken pipes), weather events, vandalism.

#### 4. Discussion

- 4.1 For the 3 months ending 30 September 2013, there is an operating surplus of \$340,000, compared with the budgeted deficit of \$1.4 million, \$1.7 million better than budgeted. The reasons for budgeting for a deficit are loan-funded items such as grants for capital expenditure, desludging of the Nelson North Waste water treatment plant ponds and the recovery from the December 2011 rainfall event, along with unfunded depreciation on some assets, particularly subsidised roading.
- 4.2 Operating income and expenditure are discussed by activity.

#### 5. Transport

- 5.1 The transport activity has a \$752,000 deficit to September, \$293,000 worse than the budgeted deficit. The reasons for the budgeted deficit is the unfunded depreciation on the portion of roading assets funded by NZTA.

##### Transport activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b><u>Income</u></b>						
Rates	(2,018,893)	(2,026,076)	(2,026,076)	( )	(8,104,305)	
Operating Income	(1,819,430)	(1,257,541)	(1,351,056)	(93,515)	(5,404,225)	
Total Income	(3,838,323)	(3,283,617)	(3,377,133)	(93,515)	(13,508,530)	
<b><u>Expenses</u></b>						
Staff	498,298	580,916	532,775	(48,141)	2,131,100	
Base Service Provision	1,756,823	1,761,042	1,545,173	(215,868)	6,180,693	5.2
Unprogrammed Maintenance	396,208	223,222	106,654	(116,568)	426,616	5.3
Programmed Maintenance	19,858	9,621	151,844	142,223	607,376	5.4
Financial Charges	242,477	220,611	247,829	27,218	991,315	
Depreciation	1,175,789	1,240,076	1,251,355	11,279	5,005,420	
Total Expenses	4,089,454	4,035,488	3,835,630	(199,858)	15,342,520	
Net (Surplus)/Deficit	251,130	751,871	458,498	(293,374)	1,833,990	5.1

- 5.2 Over budget by \$216,000 primarily in subsidised roading due to timing issues - significant sealed pavement maintenance prior to the reseal programme and street lighting power (impact of winter months).
- 5.3 Over budget by \$117,000 primarily in 2011 Emergency response and UFB utilities remediation (which is recoverable in operating income).
- 5.4 Programmed Maintenance is \$142,000 under budget due to the Studies and Strategies budgets (such as parking strategy and the Waimea Road Access strategy) which is a timing issue.

## 6. Water

- 6.1 The water activity has a \$85,000 surplus to September, \$84,000 better than budgeted.

### Water supply activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b><u>Income</u></b>						
Rates	0	0	0	0	0	
Operating Income	(2,710,827)	(2,727,484)	(2,843,295)	(115,810)	(11,373,179)	6.2
Total Income	(2,710,827)	(2,727,484)	(2,843,295)	(115,810)	(11,373,179)	
<b><u>Expenses</u></b>						
Staff	136,251	172,740	165,611	(7,129)	662,442	
Base Service Provision	622,231	641,788	740,914	99,126	2,963,657	6.3
Unprogrammed Maintenance	417,721	497,661	548,315	50,653	2,193,258	
Programmed Maintenance	1,364	1,472	29,930	28,458	119,719	
Financial Charges	319,756	315,129	320,776	5,646	1,283,102	
Depreciation	976,955	1,013,543	1,036,500	22,958	4,146,001	
Total Expenses	2,474,278	2,642,332	2,842,045	199,713	11,368,179	
Net (Surplus)/Deficit	(236,549)	(85,152)	(1,250)	83,902	(5,000)	6.1

- 6.2 Water revenue is under budget to September by \$116,000. This income is difficult to budget for as it is influenced by variable factors such as weather and economic activity which affect water volumes.
- 6.3 Base expenditure is \$99,000 below budget mainly in the water treatment plant and headworks maintenance due to timing of expenditure.

## 7. Wastewater

- 7.1 The wastewater activity has a \$12,000 surplus to September, \$836,000 better than budgeted. The reason for the budgeted deficit is the desludging of the Nelson North Wastewater Treatment Plant ponds of \$3.3 million which has been loan funded to spread the cost and recognise the benefit over many years.

Wastewater activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b><u>Income</u></b>						
Rates	(1,609,056)	(1,700,012)	(1,700,012)	0	(6,800,048)	
Operating Income	(503,898)	(834,957)	(895,674)	(60,717)	(3,582,696)	
Total Income	(2,112,955)	(2,534,969)	(2,595,686)	(60,717)	(10,382,744)	
<b><u>Expenses</u></b>						
Staff	125,288	152,372	134,584	(17,788)	538,337	
Base Service Provision	1,626,306	1,435,761	1,637,971	202,210	6,551,883	7.2
Unprogrammed Maintenance	193,151	143,937	130,073	(13,864)	520,291	
Programmed Maintenance	12,491	53,498	752,922	699,425	3,011,689	7.3
Financial Charges	0	0	5,642	5,642	22,569	
Depreciation	723,831	737,119	757,969	20,849	3,031,875	
Total Expenses	2,681,065	2,522,687	3,419,161	896,474	13,676,644	
Net (Surplus)/Deficit	568,111	(12,283)	823,475	835,758	3,293,900	7.1

7.2 Base expenditure is \$202,000 below budget to September of which \$52,000 is the Nelson Regional Sewerage Business Unit (NRSBU) charge to Council which is a timing difference. Consultancy and legal fees relating to the Nelson North Waste Water Treatment Plant remediation (\$110,000) are under budget, expenditure is no longer required.

7.3 Programmed maintenance is \$699,000 under budget mainly due to the desludging expenditure which has not yet been incurred.

## 8. Stormwater

8.1 The stormwater activity has a \$65,000 surplus to September, on budget.



Stormwater activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(953,470)	(874,862)	(874,863)	( )	(3,499,450)	
Operating Income	0	0	0	0	0	
Total Income	(953,470)	(874,862)	(874,863)	( )	(3,499,450)	
<b>Expenses</b>						
Staff	168,584	120,903	116,712	(4,192)	466,846	
Base Service Provision	70,964	63,884	73,001	9,116	292,003	
Unprogrammed Maintenance	532,794	141,518	116,745	(24,773)	466,979	
Programmed Maintenance	0	0	0	0	0	
Financial Charges	231,319	192,314	194,282	1,968	777,129	
Depreciation	445,977	420,994	437,498	16,504	1,749,993	
Total Expenses	1,449,638	939,613	938,238	(1,376)	3,752,950	
Net (Surplus)/Deficit	496,168	64,751	63,375	(1,376)	253,500	8.1

**9. Flood Protection**

9.1 The flood protection activity has a \$175,000 deficit to September, \$46,000 worse than budgeted.

Flood protection activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(30,537)	(97,621)	(97,621)	0	(390,483)	
Operating Income	0	0	0	0	0	
Total Income	(30,537)	(97,621)	(97,621)	0	(390,483)	
<b>Expenses</b>						
Staff	578	14,866	824	(14,041)	3,297	
Base Service Provision	1,148	0	2,321	2,321	9,282	
Unprogrammed Maintenance	8,829	224,848	186,500	(38,348)	746,000	
Programmed Maintenance	0	0	0	0	0	
Financial Charges	402	2,005	3,717	1,712	14,869	
Depreciation	31,061	31,216	33,259	2,043	133,035	
Total Expenses	42,017	272,934	226,621	(46,313)	906,483	
Net (Surplus)/Deficit	11,481	175,313	129,000	(46,313)	516,000	9.1

## 10. Environment

- 10.1 The environment activity has a \$356,000 surplus to September, \$371,000 better than budgeted.

This activity includes civil defence and rural fire activities, consents and compliance, environmental programmes, and solid waste activities.

### Environment activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(1,477,022)	(1,351,332)	(1,346,058)	5,274	(5,384,232)	
Operating Income	(2,036,160)	(2,141,141)	(2,326,505)	(185,363)	(9,306,019)	10.2
Total Income	(3,513,182)	(3,492,473) <sup>*</sup>	(3,672,563)	(180,089)	(14,690,251)	
<b>Expenses</b>						
Staff	1,398,487	1,337,536	1,450,775	113,239	5,803,100	10.3
Base Service Provision	1,550,578	1,551,718	1,899,898	348,179	7,599,590	10.4
Unprogrammed Maintenance	16,480	24,839	40,299	15,460	161,197	
Programmed Maintenance	114,984	68,261	137,050	68,789	548,200	
Financial Charges	66,781	49,253	53,245	3,992	212,979	
Depreciation	96,558	104,557	105,575	1,018	422,298	
Total Expenses	3,243,868	3,136,164 <sup>*</sup>	3,686,841	550,677	14,747,364	
Net (Surplus)/Deficit	(269,314)	(356,309) <sup>*</sup>	14,278	370,587	57,113	10.1

- 10.2 Building Services fees are \$70,000 below budget reflecting lower level of activity – this is largely offset by lower staff costs. Solid Waste revenue is \$126,000 under budget reflecting lower volumes.
- 10.3 There has been less staff time spent than budgeted particularly in Environmental Advocacy, Building Services and Resource management planning.
- 10.4 Base expenditure is \$348,000 under budget. Resource management planning is underspent \$100,000 relating to the timing of the work. Solid Waste is underspent \$220,000 due to Emissions trading scheme pricing and new contract pricing which are likely to be savings.

## 11. Social

- 11.1 The social activity has a \$14,000 surplus to September, \$54,000 better than budgeted.

Social activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(2,498,454)	(2,669,902)	(2,669,902)	0	(10,679,607)	
Operating Income	(561,640)	(532,441)	(762,849)	(230,408)	(3,051,396)	11.2
Total Income	(3,060,094)	(3,202,343)	(3,432,751)	(230,408)	(13,731,003)	
<b>Expenses</b>						
Staff	1,176,155	1,175,844	1,267,221	91,377	5,068,884	11.3
Base Service Provision	847,780	962,126	1,038,019	75,893	4,152,075	
Unprogrammed Maintenance	97,815	31,023	84,686	53,662	338,742	
Programmed Maintenance	627,405	621,330	671,487	50,156	2,685,946	
Financial Charges	67,921	66,041	88,356	22,315	353,423	
Depreciation	274,623	331,763	322,658	(9,105)	1,290,631	
Total Expenses	3,091,700	3,188,128	3,472,425	284,298	13,889,701	
Net Surplus/Deficit	31,606	(14,215)	39,675	53,890	158,698	11.1

11.2 Festivals income is \$106,000 under budget mainly as the Arts Festival and Opera in the Park had not occurred at September. Arts Festival revenue was received October/November of \$201,000. School of Music and Theatre Royal recoveries are \$30,000 below budget reflecting delays in the transfer and Founders Park income is \$35,000 below budget due to phasing of budget (book fair proceeds are received later in the year).

11.3 Staff costs are under budget at Marsden cemetery (as operations have been contracted to NELMAC since the budgets were prepared), Community Properties and Brook Camp.

## 12. Parks and Active Recreation

12.1 The parks and active recreation activity has a \$188,000 surplus to September, \$435,000 better than budgeted. The reasons for the budgeted deficit are the grant for capital expenditure for the Saxton cycle track (\$855,000) along with the ongoing December 2011 rainfall event recovery (\$212,000).

Parks and active recreation activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b><u>Income</u></b>						
Rates	(3,051,653)	(2,826,026)	(2,826,620)	(594)	(11,306,478)	
Operating Income	(624,595)	(1,020,496)	(1,111,866)	(91,370)	(4,447,462)	
Total Income	(3,676,249)	(3,846,522)	(3,938,485)	(91,963)	(15,753,940)	
<b><u>Expenses</u></b>						
Staff	240,362	235,308	263,865	28,556	1,055,459	
Base Service Provision	1,039,962	1,143,533	1,284,761	141,229	5,139,044	12.2
Unprogrammed Maintenance	370,381	694,307	523,433	(170,874)	2,093,733	12.3
Programmed Maintenance	306,556	392,138	880,047	487,909	3,520,187	12.4
Financial Charges	593,081	530,953	551,212	20,259	2,204,849	
Depreciation	642,970	662,121	681,888	19,767	2,727,550	
Total Expenses	3,193,313	3,658,360	4,185,206	526,846	16,740,822	
Net Surplus/Deficit	(482,936)	(188,162)	246,721	434,883	986,882	12.1

- 12.2 Base expenditure is \$141,000 lower than budget mainly in Saxton Stadium \$42,000 due to closure, Golf course \$22,000, Sports Parks \$30,000 and swimming pools \$20,000.
- 12.3 Unprogrammed maintenance is over budget by \$171,000 due to ongoing 2011 Emergency recovery work in Landscape reserves.
- 12.4 Saxton Cycle Track and Brook Sanctuary grant for capital expenditure has not been paid, resulting in \$214,000 and \$128,000 underspend to September. Esplanade reserves maintenance is \$88,000 underspent also.

**13. Economic**

- 13.1 The economic activity has a surplus of \$128,000 to September, \$128,000 better than budgeted.

Economic activity performance for the period ending 30 September 2013

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(363,143)	(366,884)	(366,884)	( )	(1,467,536)	
Operating Income	0	0	0	0	0	
Total Income	(363,143)	(366,884)	(366,884)	( )	(1,467,536)	
<b>Expenses</b>						
Staff	3,434	2,310	4,282	1,972	17,127	
Base Service Provision	174,136	190,250	177,271	(12,980)	709,082	
Unprogrammed Maintenance	0	1,832	5,462	3,630	21,849	
Programmed Maintenance	127,094	41,350	177,174	135,824	708,696	13.2
Financial Charges	3,035	2,683	2,696	12	10,782	
Depreciation	0	0	0	0	0	
Total Expenses	307,698	238,425	366,884	128,459	1,467,536	
Net Surplus/Deficit	(55,445)	(128,459)	0	128,459	0	13.1

13.2 As Opera in the Park is in February, there has been no spending on the EDA grant for Opera in the Park (\$50,000 to September). The Events contestable fund (\$54,000 to September) has not been paid across to the EDA and it is proposed that this is held in the Council books in a reserve until such time as the EDA require it.

## 14. Corporate

14.1 The corporate activity has a \$547,000 surplus to September, \$162,000 better than budgeted.

**Corporate activity performance for the period ending 30 September 2013**

	YTD Actual Prior yr	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
<b>Income</b>						
Rates	(55,694)	(1,057,028)	(1,055,954)	1,074	(4,223,816)	
Operating Income	(2,981,295)	(2,885,285)	(2,941,326)	(56,041)	(11,765,302)	
Total Income	(3,036,989)	(3,942,313)	(3,997,280)	(54,966)	(15,989,118)	
<b>Expenses</b>						
Staff	1,245,688	1,488,701	1,434,536	(54,165)	5,738,144	
Base Service Provision	372,919	455,016	545,591	90,576	2,182,365	
Unprogrammed Maintenance	13,065	13,608	17,884	4,276	71,536	
Programmed Maintenance	20,899	9,293	117,839	108,545	471,354	14.2
Financial Charges	1,148,623	1,120,866	1,116,179	(4,687)	4,464,715	
Depreciation	281,578	307,751	380,051	72,300	1,520,205	
Total Expenses	3,082,772	3,395,234	3,612,080	216,846	14,448,319	
Net Surplus/Deficit	45,783	(547,079)	(385,200)	161,879	(1,540,799)	14.1

14.2 The strategy work is \$41,000 under budget and it is likely there will be no further expenditure this year. Forestry programmed maintenance is under budget for the year by \$35,000 as well as Civic House \$24,000.

**15. Capital Related Income**

15.1 The capital related income is \$1.2 million under budget to September, \$1.7 million due to the fact that the property transfers of the School of Music and Theatre Royal have yet to occur.

15.2 Offsetting this, NZTA capital related subsidies are \$756,000 below budget due to timing of projects.

**16. Capital Expenditure**

16.1 Capital expenditure is \$2.5 million below budget to September. Please see Attachments 2 to 4 for more information on this variance. \$1.4 million of this relates to the property transfers of the School of Music and Theatre Royal have not yet occurred.

Whilst the projected spend is below budget, the majority of capital and renewals tenders have either been awarded or are on site (with a small number to be awarded before Christmas). Invoices for work done will start to come in for payment and officers are comfortable as to where the capital works programme is at.

**17. Outstanding Rates**

17.1 The first instalment of \$14.151 million was due on 27 August 2013. Of this instalment, \$866,816 was still outstanding at 31 August 2013 (93.9% collected) and \$201,295 was still outstanding for the previous

rating year. Although the 93.9% collected is below the target collection of 95%, Council continues to have good debt collection compared to other local authorities.

## **18. Borrowings**

- 18.1 A summary of the borrowings and interest rate position as at 30 September 2013 is attached (Attachments 7 and 8).

## **19. Conclusion**

- 19.1 The net operating surplus of \$340,000 is \$1.7 million better than budget for the 3 months ending 30 September 2013.

Nikki Harrison

**Chief Financial Officer**

## **Attachments**

- Attachment 1: Nelson City Council Summary Performance [A484006](#) (1633361)  
Attachment 2: Capital Expenditure by Activity [A484006](#) (1633361)  
Attachment 3: Capital Expenditure Over \$750,000 [A484006](#) (1633361)  
Attachment 4: Capital Expenditure Graph [A484006](#) (1633361)  
Attachment 5: Outstanding Rates [A484006](#) (1633361)  
Attachment 6: Balance Sheet [A484523](#) (1634497)  
Attachment 7: Council Borrowings and swaps [A484006](#) (1633361)  
Attachment 8: Interest Rate Position Report [A484006](#) (1633361)  
Attachment 9: Debtors Report [A793514](#) (1234107)

No supporting information follows.

## Nelson City Council summary performance for the period ending 30 September 2013

	YTD Actual Prior yr 000s	YTD Actual 000s	YTD Approved Budget 000s	YTD Budget Var 000s	YTD Budget Var % 000s	Full year approved Budget 000s	Full year Annual Plan Budget 000s
<b>Revenue</b>							
Rates	12,058	12,970	12,964	(6)	0.0%	51,856	51,856
Water supply	2,694	2,531	2,816	284	10.1%	11,263	11,263
<b>Activity income</b>							
Transport	1,819	1,258	1,351	94	6.9%	5,404	5,404
Water supply	17	196	27	(169)	-614.7%	110	110
Wastewater	504	835	896	61	6.8%	3,583	3,583
Stormwater	0	0	0	0	N/A	0	0
Flood protection	0	0	0	0	N/A	0	0
Environment	2,036	2,141	2,327	185	8.0%	9,306	9,306
Social incl arts and heritage	562	532	763	230	30.2%	3,051	3,051
Parks and active recreation	625	634	1,112	477	42.9%	4,447	4,447
Economic	0	0	0	0	N/A	0	0
Corporate	2,981	2,885	2,941	56	1.9%	11,765	11,765
Total revenue	23,296	23,983	25,197	1,213	4.8%	100,786	100,785
<b>Activity Expense</b>							
Transport	4,089	4,035	3,836	(200)	-5.2%	15,343	15,343
Water supply	2,474	2,642	2,842	200	7.0%	11,368	11,368
Wastewater	2,681	2,523	3,419	896	26.2%	13,677	13,677
Stormwater	1,450	940	938	(1)	-0.1%	3,753	3,753
Flood protection	42	273	227	(46)	-20.4%	906	906
Environment	3,244	3,136	3,687	551	14.9%	14,747	14,747
Social incl arts and heritage	3,092	3,188	3,472	284	8.2%	13,890	13,890
Parks and active recreation	3,193	3,272	4,185	913	21.8%	16,741	16,782
Economic	308	238	367	128	35.0%	1,468	1,468
Corporate	3,083	3,395	3,612	217	6.0%	14,448	14,448
Total expense	23,656	23,643	26,585	2,942	11.1%	106,341	106,382
Net operating (surplus)/deficit	360	(340)	1,389	1,728	124.5%	5,554	5,597
Capital related income	676	706	1,932	1,227	63.5%	12,883	12,883



A484006

**Capital Expenditure****Total Council - by Activity**

Activity	Actual YTD \$(000)	Budget YTD \$(000)	Variance YTD \$(000)	Annual Budget plus C/fwd \$(000)	Latest Forecast \$(000)	Significant variances against budget
Transport	1,326	2,223	-898	14,822	14,822	Cable Bay, Maitai shared path projects later in year
Water supply	989	1,017	-28	6,779	6,779	
Wastewater	1,446	732	714	4,883	4,883	Arapiki/Quarantine Trunk main early in year
Stormwater	145	450	-305	3,002	3,002	
Flood protection	258	152	106	1,012	1,012	
Environment	36	18	18	121	121	
Social	136	1,570	-1,434	10,466	10,466	School of Music and Theatre Royal transfers later in year
Parks and active recreation	806	1,430	-624	9,534	9,534	Delays in the Trafalgar Centre upgrade
Economic	0	0	0	0	0	
Corporate	498	778	-281	5,187	5,187	
	<u>5,640</u>	<u>8,371</u>	<u>-2,731</u>	<u>55,806</u>	<u>55,806</u>	
Financial reserves	450	450	0	3,000	3,000	
Nelson Regional Sewerage BU	297	122	175	815	522	
	<u>6,387</u>	<u>8,943</u>	<u>-2,556</u>	<u>59,621</u>	<u>59,328</u>	

# Capital Expenditure

3 Months to 30 September 2013

## Total Council

	Actual YTD \$(000)	Annual Budget plus C/fwd \$(000)	Contract Completion Date	Latest Forecast \$(000)	Comments
--	-----------------------	---	--------------------------------	-------------------------------	----------

## Major projects (over \$750,000 in any column)

### Infrastructure

Arapiki / Quarantine Trunk Main	1,248	1,568	Dec-13	1,568	
Maitai Pipeline Duplication	825	4,186	Jun-14	4,186	
Marsden Valley Trunk Main	10	1,503	Jun-14	1,503	
Maitai Walkway	40	2,902	Jun-14	2,902	
Princes Drive	309	1,046		1,046	
Waimea/Motueka Intersection	305	1,251	Nov-13	1,251	
Cable Bay Rd	70	1,986		1,986	
Observatory Hill Reservoir & Pump	19	985		985	

### Community Services

Land Purchase: General Reserve	1	1,189	Mar-14	1,189	
Trafalgar Centre North Upgrade	25	3,253		3,253	
Theatre Royal	2	6,590	Apr-14	6,590	
Nelson School of Music	0	2,404	Apr-14	2,404	

### Corporate

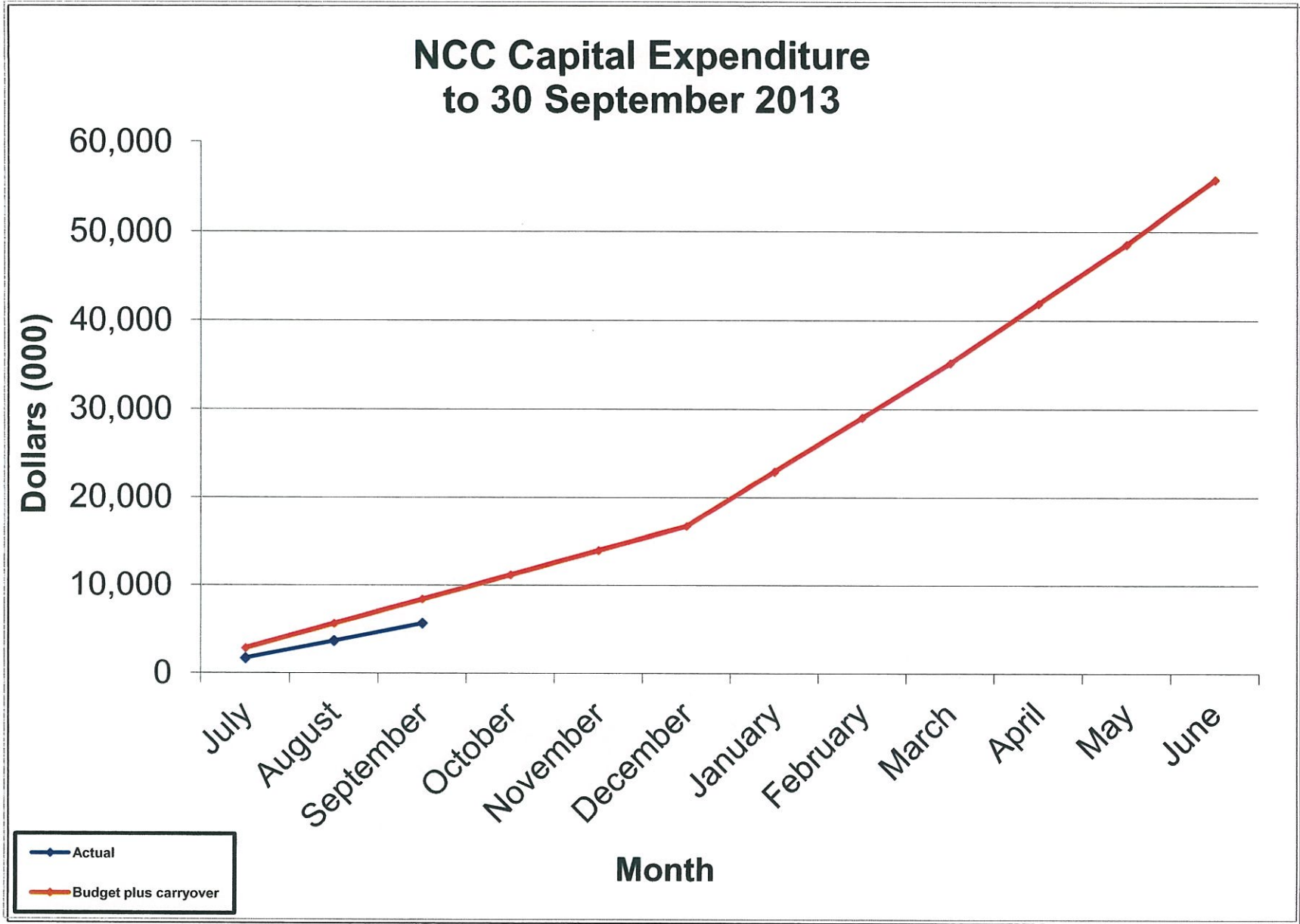
Strategic Land Purchases	114	2,397	Nov-13	2,397	
--------------------------	-----	-------	--------	-------	--

<b>Total other (under \$750,000)</b>	2,671	24,548		24,548	
--------------------------------------	-------	--------	--	--------	--

<b>Council Total</b>	5,640	55,806		55,806	
----------------------	-------	--------	--	--------	--

Vested Assets	450	3,000		3,000	
---------------	-----	-------	--	-------	--

Nelson Regional Sewerage business unit	297	815		522	
--	-----	-----	--	-----	--



# Outstanding Rates

# Attachment 5

Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	Commercial included in total
30 June 2007	180,780	0	180,780	0	
30 June 2008	340,391	0	340,391	0	
1 September 2008	907,606	633,127	0	274,479	
1 December 2008	677,694	591,693	? ?	86,001	
1 March 2009	852,643	644,579	169,842	38,222	
4 June 2009	607,313	425,511	181,802	0	
30 June 2009	294,833	0	294,833	0	
1 September 2009	907,209	711,869	0	195,340	
13 October 2009	355,162	246,305	0	108,857	
31 December 2009	337,758	175,274	106,774	55,710	
1 March 2010	630,376	445,311	175,929	9,136	
1 June 2010	660,645	464,202	195,213	1,230	
30 June 2010	337,253	0	337,030	223	
1 September 2010	835,862	650,520	0	185,342	
1 November 2010	260,349	161,242	0	99,107	
1 December 2010	688,461	528,857	129,635	29,969	
31 December 2010	245,476	150,655	78,443	16,378	
1 March 2011	644,113	498,068	141,592	4,453	
1 June 2011	601,476	421,150	178,873	1,453	
30 June 2011	338,162	0	338,162	0	
October 2011	373,025	252,535	0	120,490	
November 2011	246,409	0	166,278	80,131	
1 December 2011	777,480	578,542	150,757	48,181	145,274
5 March 2012	649,187	514,491	129,140	5,556	58,517
30 May 2012	816,798	592,400	224,213	185	181,182
30 August 2012	923,938	753,415	0	170,523	187,299
3 December 2012	793,522	593,648	165,742	34,132	175,194
1 March 2013	1,117,653	704,633	406,606	6,414	198,492
4 June 2013	786,550	540,429	243,165	2,956	151,587
31 August 2013	1,068,111	866,816	0	201,295	220,266

## Nelson City Council

### Abbreviated Balance Sheet

		30/09/2013	31/08/2013	31/06/2013
<b>Current Assets</b>				
	Cash and Bank	34,169	367,249	329,368
Bank Deposits	Investments	0	750,000	0
	Rates Debtors	(5,735,042)	(4,070,089)	(660,948)
Amounts due from customers.	Trade Debtors	14,539,613	12,345,192	16,391,347
	Debtors and Accruals	2,781,533	2,719,889	1,631,615
		<u>11,620,272</u>	<u>12,112,240</u>	<u>17,691,381</u>
<b>Current Liabilities</b>				
Cash Book Balance	Bank Overdraft	(44,857)	0	0
Amounts owed to suppliers.	Creditors	(11,435,124)	(10,982,313)	(15,956,066)
	Commercial paper	(39,721,160)	(39,715,701)	(39,718,002)
Term Loans to be paid in 12 months	Current Portion of Term Liabilities	(8,812,500)	(5,612,500)	(10,265,000)
		<u>(60,013,640)</u>	<u>(56,310,514)</u>	<u>(65,939,068)</u>
	<b>Net Working Capital</b>	(48,393,368)	(44,198,274)	(48,247,687)
<b>Non Current Assets</b>				
Shares in Subsidiaries etc	Investments	27,906,383	27,900,280	27,894,177
Total value, net of depreciation of all	Fixed Assets	1,204,563,473	1,204,151,183	1,203,776,550
		<u>1,232,469,856</u>	<u>1,232,051,463</u>	<u>1,231,670,726</u>
<b>Non Current Liabilities</b>				
	Term borrowings	(11,421,372)	(11,421,372)	(11,421,372)
Money borrowed that requires payment after 12 months	Other Term Liabilities	(1,481,003)	(1,472,936)	(1,456,894)
		<u>(12,902,375)</u>	<u>(12,894,308)</u>	<u>(12,878,266)</u>
		<u>1,171,174,113</u>	<u>1,174,958,880</u>	<u>1,170,544,773</u>
<b>Shareholder Funds</b>				
	Ratepayers Equity	332,130,313	335,891,710	330,964,360
	Reserves	839,043,800	839,067,171	839,580,414
		<u>1,171,174,113</u>	<u>1,174,958,880</u>	<u>1,170,544,773</u>

## Council Borrowings & Swaps

The Council borrowing as at 30 September 2013, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate	Full Year Plan Borrowings
		\$000	\$000	\$000	\$000	
Oct 2013	Call	3,100		3,100	3.80%	
Oct 2013	CP	19,859		19,859	2.84%	
Oct 2013			400	400	3.69%	
Nov 2013	CP	9,930		9,930	2.84%	
Dec 2013			8,000	8,000	3.70%	
Dec 2013		3,110		3,110	3.63%	
Dec 2013		2,600		2,600	3.63%	
Dec 2013	CP	9,929		9,929	2.84%	
Mar 2019	LGFA FRN	5,000		5,000	3.29%	
May 2021	LGFA FRN	5,000		5,000	3.31%	
<b>Total Borrowings</b>		<b>58,528</b>	<b>8,400</b>	<b>66,928</b>		<b>102,743</b>

The weighted average interest rate was **3.13%**

Made up of:

NCC	3.05%
NRSBU	3.70%

### Council Interest rate swaps

Weighted average **4.27%**

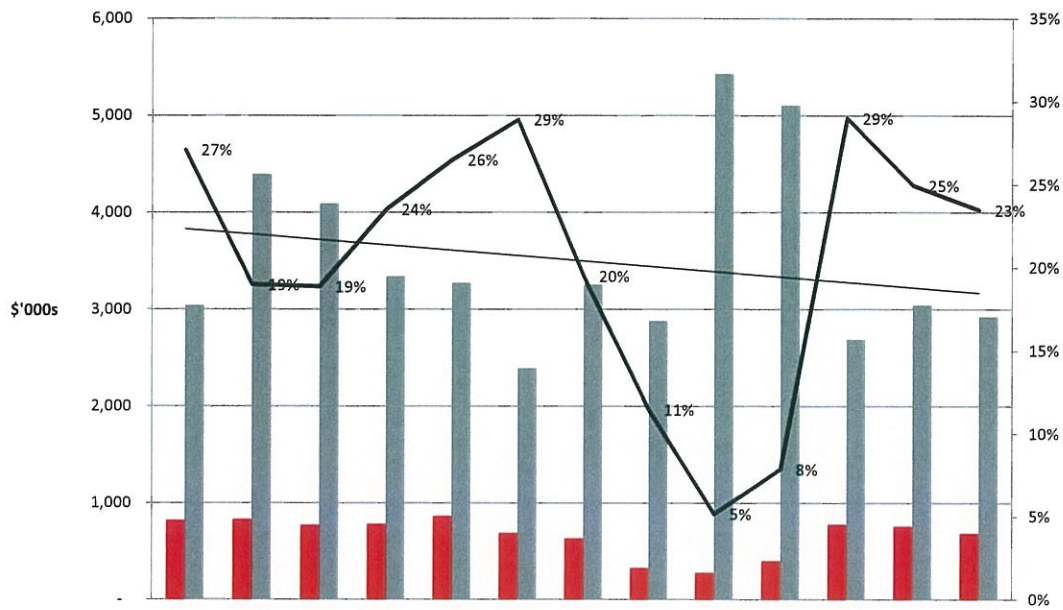
Deal Date	Pay/Rec Fixed	Bank	Amount (\$millions)	Start Date	Maturity Date	Swap Rate	Fwd Start / Blend	
							Start Date	Maturity Date
11-May-12	pay	WPC	4.00	26-Oct-10	28-Apr-16	4.300%		28-Oct-14
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-May-15	4.235%		27-May-15
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-Aug-21	4.835%	27-May-15	27-Aug-21
29-Jul-10	pay	WPC	4.00	27-Sep-10	27-Sep-18	5.250%		
29-Jul-10	pay	WPC	5.00	27-Aug-10	27-May-20	5.365%		
4-Aug-10	pay	WPC	4.00	27-Jan-11	29-Jan-19	4.750%		27-Jan-17
3-Sep-10	pay	WPC	5.00	27-Mar-11	27-Jun-19	4.980%		
3-Sep-10	pay	WPC	6.00	27-Apr-11	27-Oct-17	4.820%		
12-Mar-12	pay	WPC	5.00	27-May-11	27-Aug-16	3.580%		27-Aug-14
3-Mar-11	pay	BNZ	3.00	27-Nov-11	27-Nov-15	4.560%		
11-May-11	pay	ANZ	5.00	27-Sep-11	27-Sep-18	4.450%		27-Sep-16
11-May-11	pay	ANZ	4.00	27-Jan-12	27-Apr-18	4.485%		27-Apr-16
11-May-11	pay	ANZ	3.00	27-Jan-12	27-Jan-17	3.980%		27-Jan-15
11-May-11	pay	ANZ	3.00	27-Sep-11	27-Mar-22	3.960%	27-Mar-14	27-Mar-22
2-Aug-12	pay	ANZ	2.00	27-Mar-13	27-Jun-22	3.860%		
2-Aug-12	pay	ANZ	2.00	27-Apr-13	27-Oct-21	3.820%		
2-Aug-12	pay	ANZ	2.00	27-May-13	27-Nov-20	3.770%		
2-Aug-12	pay	ANZ	2.00	27-Jun-13	27-Sep-19	3.660%		
12-Nov-12	pay	BNZ	3.50	21-Dec-12	21-Dec-14	2.620%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-21	3.830%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-19	3.570%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-17	3.220%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-15	2.770%		
			76.50					

Nelson City Council Interest Rate Position			
<b>12 month forecast core debt:</b>	<b>\$96.5m</b>	<b>30-Sep-13</b>	
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	79%		
Policy Compliance	<b>Y</b>		
<b>Liquidity Ratio:</b>	<b>110%</b>		
Actual	131%		
Policy Compliance	<b>Y</b>		
<b>Fixed Rate Maturity Profile:</b>			
Years	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>5 years plus</b>
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	23%	35%	42%
Policy Compliance	<b>Y</b>	<b>Y</b>	<b>Y</b>
<b>Funding Maturity Profile:</b>			
Years	<b>0 - 3 years</b>	<b>3 - 5 years</b>	<b>5 years plus</b>
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	54%	34%	11%
Policy Compliance	<b>Y</b>	<b>Y</b>	<b>Y</b>
Nelson City Council Interest Rate Performance			
<b>Market Rates</b>	90 Day Rate (ave of month) =	5yr Swap Rate (end of month) =	
	3.09%	4.80%	
<b>Interest Cost (incl margin)</b>	<b>This Month</b>	<b>Last Month</b>	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)			<b>10,000,000</b>
<b>Minimum Credit Rating is A-1+/A+</b>	<b>Notional (\$m)</b>	<b>Credit Exposure (\$m)</b>	
<b>Bank</b>			
WPC	47.0	6.7	<b>Within Policy</b>
ANZ	23.0	4.2	<b>Within Policy</b>
BNZ	6.5	0.3	<b>Within Policy</b>
<b>Total (NZ\$m)</b>	<b>76.5</b>	<b>11.2</b>	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	3.15%	<b>Y</b>
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.19%	<b>Y</b>
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	67%	<b>Y</b>
Net external debt (secured by rates) as a percentage of equity to be less than 20%	6%	<b>Y</b>

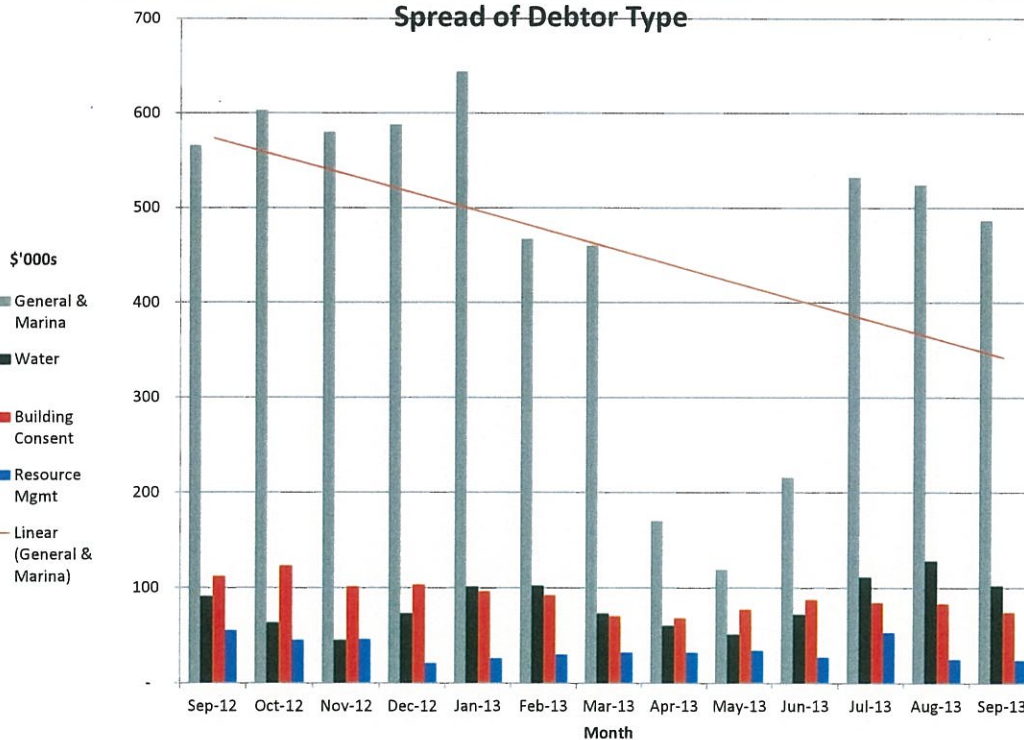


### Debtors Totals & 3 Months Overdue September 2013



	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Total 3 months & over	824	834	772	785	867	691	635	330	281	402	780	760	687
Total Debtors	3,041	4,393	4,091	3,338	3,272	2,390	3,255	2,881	5,431	5,105	2,690	3,045	2,924
Percent 3 mths to Total	27%	19%	19%	24%	26%	29%	20%	11%	5%	8%	29%	25%	23%

### Spread of Debtor Type



#### September 2013 General Debtors Analysis 3 months overdue

Overdue - no arrangements	Queries	Legal action pending	Payment arrangements in place	With Creditmans/ Credit Recovery	Marina	TOTAL
\$ 13,836	\$ 129,877	\$ -	\$ 295,861	\$ 22,904	\$ 20,898	\$ 483,376