



# AGENDA

**Ordinary meeting of the**

**Nelson City Council**

**Thursday 17 April 2014  
Commencing at 9.00am  
Council Chamber  
Civic House  
110 Trafalgar Street, Nelson**

Membership: Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, Ruth Copeland, Eric Davy, Kate Fulton, Matt Lawrey, Brian McGurk, Paul Matheson (Deputy Mayor), Gaile Noonan, Pete Rainey, Tim Skinner, and Mike Ward

## Opening Prayer

## 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

- 3.1 Event Big Top  
Aly Cook will speak about an Event Big Top.

### 4. Confirmation of Minutes

- 4.1 6 March 2014 **14-25**

Document number A1154199

Recommendation

***THAT the minutes of the meeting of the Nelson City Council, held on 6 March 2014, be confirmed as a true and correct record.***

- 4.2 27 March 2014 **26-36**

Document number A1164477

Recommendation

***THAT the minutes of the meeting of the Nelson City Council, held on 27 March 2014, be confirmed as a true and correct record.***

**5. Public Status Report – Council 17 April 2014 37**

Document number A1168168

Recommendation

***THAT the Public Status Report – Council 17 April 2014 (A1168168) be received.***

**6. Mayor’s Report 38-41**

Document number A1167329

Recommendation

***THAT the Mayor’s Report (A1167329) be received;***

***AND THAT Her Worship the Mayor Rachel Reese and Deputy Mayor Paul Matheson be appointed to the Economic Development Agency Liaison Group.***

**7. Draft Local Alcohol Policy – Adjourned Deliberations<sup>1</sup> 42-47**

7.1 Document number A1150845

Recommendation

***THAT the report Draft Local Alcohol Policy – Adjourned Deliberations (A1150845) be received;***

***AND THAT a Council meeting is scheduled to continue deliberations on submissions to the Draft Local Alcohol Policy;***

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<sup>1</sup> By way of background information, previous reports to Council regarding the Draft Local Alcohol Policy are available on councillors’ Google drive. Hard copies of this background information are available on request.

**AND THAT Council completes its deliberations on submissions to the Draft Local Alcohol Policy, and awaits pending decisions by the Alcohol Regulatory and Licensing Authority, before deciding if further public consultation is required.**

**8. Plan Change 16 Inner City Noise Hearing Panel 48-49**

8.1 Document number A1168400

Recommendation

**THAT the report Plan Change 16 Inner City Noise Hearing Panel (A1168400) be received;**

**AND THAT the membership of the Hearing Panel for Plan Change 16 Inner City Noise consists of an independent Commissioner as Chair and Councillor Barker and Councillor ..... as Council Commissioners.**

**9. Nelson Regional Sewerage Business Unit: Annual Report 2012/13 50-100**

Document number A1161744

Recommendation

**THAT the report Nelson Regional Sewerage Business Unit: Annual Report 2012/13 (A1108542) and its attachment (A1108542) be received.**

**REPORTS FROM COMMITTEES**

**10. Hearings Panel – 26 February 2014 101-103**

Document number A1151562

Recommendation

**THAT the unconfirmed minutes of a meeting of the Hearings Panel, held on 26 February 2014, be received.**

**11. Chief Executive Employment Committee – 5 and 17 March 2014** **104-106**

Document number A1150670

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Chief Executive Employment Committee, held on 5 and 17 March 2014, be received.***

**12. Works and Infrastructure Committee – 13 March 2014** **107-116**

Document number A1156828

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Works and Infrastructure Committee, held on 13 March 2014, be received.***

12.1 Review of Nelson Public Transport NBus Service (for items containing recommendations to Council)

Recommendation to Council

***THAT weekend services on the Nelson-Richmond arterial routes are increased by modifying the weekday timetables on the Atawhai, Brook and Victory routes, including deleting the first and last trips each weekday, so that there is no increase to the contract cost;***

***AND THAT medium term recommendations from the review that require more investigation and planning will be brought back to Council through the 2015 Long Term Plan process.***

12.2 State Advances Building – Way Forward (for items containing recommendations to Council)

Recommendation to Council

***THAT Council confirms that the State Advances building is surplus to requirements;***

**AND THAT Council agrees to call for tenders on the open market to ascertain commercial interest and future options for the re-development of the building/site that will guide Council in future decision making;**

**AND THAT the basis of tenders be that Council does not have to accept any tender/proposal.**

- 12.3 Hay Property, 23 Matangi Street – Offer of Gift of Land for Reserve

Recommendation to Council

**THAT the land described as Lot 2 LT459935 and shown on Plan MC1 (Attachment 1, A1114889) be accepted as a gift for purpose of a Local Purpose Reserve;**

**AND THAT the proposed Local Purpose Reserve, Lot 2 LT459935, shown on Plan MC1(Attachment 1) be named 'Hay's Reserve' in recognition of the Hay family's longstanding presence in the Stoke area and their generous gift to the City;**

**AND THAT Council take note that the donor has no expectation that the walkway will be finalised to any standard other than a simple gravel track on receipt of the land by Council.**

- 13. Nelson Regional Sewerage Business Unit – 14 March 2014**

**117-123**

Document number A1163334

Recommendation

**THAT the unconfirmed minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 14 March 2014, be received.**

## 14. Community Services Committee – 27 March 2014 124-131

Document number A1163376

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Community Services Committee, held on 27 March 2014, be received.***

### 14.1 Brook Waimarama Sanctuary Fence and Conservation Centre

Recommendations to Council

***THAT Council obtains formal confirmation from the Brook Waimarama Sanctuary Trust that it has reached its funding target.***

***THAT Council directs officers to provide a summary of Council's biodiversity output with a particular focus on opportunities to leverage the work undertaken in the Sanctuary.***

### 14.2 Heritage Activity Management Plan<sup>2</sup> (for items containing recommendations to Council)

Recommendation to Council

***THAT the Heritage Activity Management Plan 2015-2025 (A372602) be adopted as the version that will inform the Long Term Plan 2015-2025, with the inclusion of the Anchor Foundry building and the State Advances building.***

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<sup>2</sup> The Heritage Activity Management Plan 2012-2025 was included in the Community Services Committee meeting agenda of 27 March 2014. Hard copies are available on request.

- 14.3 Provision of Public Pianos in the CBD (for items containing recommendations to Council)

Recommendations to Council

***THAT Council support a pilot project to have two public pianos for a trial period of 12 months.***

***THAT Council not take on any ownership or management of the piano once supplied.***

***THAT the Chief Executive is delegated the authority to terminate the trial at any time should the need arise.***

**15. Governance Committee – 3 April 2014<sup>3</sup> 132-139**

Document number A1167749

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Governance Committee, held on 3 April 2014, be received.***

- 15.1 Nelson City Council Governance Statement 2013-2016

Recommendation to Council

***THAT the Nelson City Council Governance Statement 2013–2016 (A303851) be adopted.***

- 15.2 The Bishop Suter Trust Statement of Intent 2014/15 and Half Yearly Report

Recommendation to Council

***THAT the Bishop Suter Trust Statement of Intent 2014/17 be approved for signing.***

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<sup>3</sup> The Nelson City Council Governance Statement 2013-2016, The Bishop Suter Trust Statement of Intent 2014/17, the Nelmac Statement of Intent 2014/15, and the Nelson Regional Economic Development Agency Statement of Intent 2014/15 were included in the Governance Committee meeting agenda of 3 April 2014. Hard copies are available on request.



- 15.3 Nelmac Statement of Intent 2014/15 and Half Yearly Report  
Recommendation to Council

***THAT the Nelmac Statement of Intent 2014/15 be approved for signing subject to minor edits.***

- 15.4 Nelson Regional Economic Development Agency Statement of Intent 2014/15 and Half Yearly Report  
Recommendation to Council

***THAT the Nelson Regional Economic Development Agency Statement of Intent 2014/15 be approved for signing subject to minor edits;***

***AND THAT prior to 30 June 2014 Council engage further with the Nelson Regional Economic Development Agency in relation to the Regional Economic Development Strategy and strategic initiatives for 2014/15.***

**16. Nelson City Council Tasman District Council Joint Shareholders Committee – 4 April 2014 140-144**

Document number A1166416

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Tasman District Council Joint Shareholders Committee, held on 4 April 2014, be received.***

- 16.1 Tasman Bays Heritage Trust Draft Statement of Intent 2014/15 and Half Yearly Report<sup>4</sup>  
Recommendation to Council

***THAT the Tasman Bays Heritage Trust Draft Statement of Intent and Strategic Plan 2014/15 be approved for signing.***

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<sup>4</sup> The Tasman Bays Heritage Trust Draft Statement of Intent and Strategic Plan 2014/15 was included in the Nelson City Council Tasman District Council Committee meeting agenda of 4 April 2014. Hard copies are available on request.

**17. Nelson Tasman Civil Defence Emergency Management Group – 4 April 2014**

**145-147**

Document number A1166432

Recommendation

***THAT the unconfirmed minutes of a meeting of the Nelson Tasman Civil Defence Emergency Management Group, held on 4 April 2014, be received.***

**PUBLIC EXCLUDED BUSINESS**

**18. 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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Council – Public Excluded – 6 March 2014</b></p> <p>These minutes contain information regarding:</p> <p>Trafalgar Centre – Update Report</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)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
2	<p><b>Council – Public Excluded – 27 March 2014</b></p> <p>These minutes contain</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to</p>	<p>The withholding of the information is necessary:</p>

	information regarding:	result in disclosure of information for which good reason exists under section 7	
	Regional Landfill Proposal - Update		<ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
<b>3</b>	<p><b>Public Excluded Status Report – Council 17 April 2014</b></p> <p>This report contains information regarding:</p> <p>Regional Landfill Proposal - Update</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)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
<b>4</b>	<p><b>Nelson Regional Sewerage Business Unit – Public Excluded – 14 March 2014</b></p> <p>These minutes contain information regarding:</p> <p>Chairperson’s Report</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> </ul>
<b>5</b>	<p><b>Chief Executive Employment Committee – Public Excluded</b></p> <p>These minutes contain information regarding:</p> <p>Proposed KPIs 2013/14</p> <p>Preparation for the Chief Executive’s Proposed Performance Agreement 2014/15</p> <p>Professional Development within the Organisation</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)(a) To protect the privacy of natural persons</li> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>

6	<p><b>Community Services Committee – Public Excluded – 27 March 2014.</b></p> <p>These minutes confirm the minutes of 28 January 2014 and also contain information regarding:</p> <p>Founders Leases 2014</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)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
7	<p><b>Governance Committee – Public Excluded – 3 April 2014</b></p> <p>These minutes contain information regarding:</p> <p>Management Letter to Council for the Year Ending 30 June 2014</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)(g) To maintain legal professional privilege</li> </ul>
8	<p><b>Nelson City Council Tasman District Council Joint Shareholders Committee – Public Excluded – 4 April 2014</b></p> <p>These minutes contain information regarding:</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>
	<p>Nelson Airport Ltd – Statement of Intent 2014/15</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> </ul>
	<p>Nelson Airport Ltd – Half Yearly Report to 31 December 2013</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
	<p>Nelson Tasman Tourism – Statement of Intent</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> </ul>

9	<b>Nelson Tasman Civil Defence Emergency Management Group</b>	Section 48(1)(a)	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
	These minutes confirm the minutes of 12 March 2014 Nelson Tasman Civil Defence Emergency Management Group Coordinating Executive Group.	The public conduct of the matter would be likely to result in disclosure of information for which good reason exists under section 7.	

## 19. Re-admittance of the public

Recommendation

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

### Note:

- **This meeting is expected to continue beyond lunchtime.**
- **Lunch will be provided at 12.30pm.**

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## Minutes of a meeting of the Nelson City Council

**Held in the Council Chamber, Civic House, Trafalgar Street,  
Nelson**

**On Thursday 6 March 2014, commencing at 9.04am**

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Present: Her Worship the Mayor (R Reese), Councillors L Acland, I Barker, R Copeland, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson, G Noonan, P Rainey, T Skinner, and M Ward

In Attendance: Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Acting Group Manager Strategy (N McDonald), Chief Financial Officer (N Harrison), Manager Communications (A Ricker), Manager Administration (P Langley), Administration Adviser (E-J Ruthven), and Youth Councillors (J Burr and P Gerard)

### Opening Prayer

Councillor Skinner gave the opening prayer.

#### 1. Apologies

There were no apologies.

#### 2. Interests

There were no updates to the Interests Register.

No conflicts of interest with any agenda items were declared.

#### 3. Confirmation of Order of Business

Her Worship the Mayor explained the community request for a formal Council photograph to be taken on the Church Steps, to mark the 100 year anniversary of the steps. She said the meeting would adjourn to allow this photograph to take place.

##### 3.1 Adjournment of Meeting

***THAT the meeting be adjourned until 10.00am,  
to allow a group photograph of councillors to  
take place.***

Her Worship the Mayor/Davy

Carried

Attendance: The meeting adjourned from 9.07am to 10.03am.

#### **4. Confirmation of Order of Business (Continued)**

Her Worship the Mayor explained that there were three public forum presentations.

#### **5. Public Forum**

##### **5.1 Trafalgar Centre and Inner City rates**

Mr Gaire Thompson spoke about the Trafalgar Centre; and inner city rates. He tabled a set of his notes (A1151741).

With regards to inner city rates, he acknowledged that Council was looking to reduce wastewater charges but suggested that the way wastewater charges were charged disadvantaged small businesses.

Mr Thompson suggested that the Trafalgar Centre should be reopened immediately. He said that, in his opinion, the building structure was sufficient that it would not fall down in an earthquake. He suggested that a sign alerting people to the earthquake-prone status of the building was sufficient, so that people could then choose whether to enter the building or not.

In response to questions, Mr Thompson explained his opinion that, if re-opened, event promoters would be likely to use the Trafalgar Centre for events, and many people would continue to attend events there.

Her Worship the Mayor reminded Mr Thompson of the opportunity to submit on the inner city rates issue during the Annual Plan process.

##### **5.2 Trafalgar Centre/Saxton Stadium**

Mr Roger Ledingham, Chairman of Saxton Stadium Society, said that his public forum presentation was in response to a media report, that had suggested that participatory sports at Saxton Stadium' could 'easily move' to accommodate other major sporting events at Saxton Stadium due to the closure of the Trafalgar Centre.

Mr Ledingham said that the Saxton Stadium Society had acknowledged the need to accommodate events where possible, particularly for sporting events such as Giants basketball games. He said that, generally speaking, sporting codes and bodies had worked well together to house additional events at Saxton Stadium, but that it was primarily a venue for participatory sports.

Mr Ledingham explained that Saxton Stadium had been purpose built for participatory sports, in particular, netball, basketball and volleyball, rather than to host major sporting events. He added that it was extremely difficult for these participatory sports to move to other

venues, as had been experienced following the closure of Saxton Stadium due to flooding damage during 2013.

### 5.3 Trafalgar Centre

Mr Ken Beckett spoke about the Trafalgar Centre. He suggested that Council and Committee reports relating to the Trafalgar Centre were best dealt with in public, rather than public excluded session, and he encouraged councillors to question the recommendation to exclude the public at every Council meeting.

He said that the recommendation to exclude the public on the Council meeting agenda recorded the reasons as being to carry out commercial activities and to carry out negotiations, and he questioned the validity of these reasons.

Her Worship the Mayor said that all relevant engineering reports had been publically released, and that any decision to release further information to the public would need to be decided during public excluded session in the first instance.

Attendance: The meeting adjourned for morning tea from 10.41am to 11.05am.

## 6. Confirmation of Order of Business (cont.)

### 6.1 Trafalgar Centre – Officer Statement

Her Worship the Mayor advised that, during the course of the meeting, officers would make a statement in response to public forum presentations relating to the Trafalgar Centre from both the current and previous meetings.

### 6.2 Late Item – Drainage Issues at Saxton Cricket Oval

Her Worship the Mayor explained that there was a late item (Drainage Issues at Saxton Cricket Oval), and that a procedural resolution was required before this item could be considered.

Resolved

***THAT the item regarding Drainage Issues at Saxton Cricket Oval be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable drainage work to be undertaken in a timely fashion, to take advantage of autumnal growth of the turf.***

Davy/Copeland

Carried



6.3 Resolution to exclude the public

The Chief Executive explained that the reasons listed in the tables of the recommendation to move into public excluded session, as relating to the item 'Trafalgar Centre – Update Report' had changed. She said that, on review, the reason 'to carry out commercial activities' no longer applied, however the reason 'to carry out negotiations' remained, as the report contained material that would be discussed in giving directions on negotiations for future use of the Trafalgar Centre and alternatives in the city.

She added that Mr Julian Ironside would also be attending the public excluded part of the meeting, and that the reason 'to maintain legal professional privilege' should be added to the reasons for excluding the public.

Resolved

***THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Julian Ironside remain after the public has been excluded, for Item 3 of the Public Excluded agenda (Trafalgar Centre – Update Report), as he has knowledge that will assist the Council;***

***AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Julian Ironside possesses relates to legal advice in relation to the potential options for the future of the Trafalgar Centre.***

Acland/McGurk

Carried

Resolved

***THAT the reasons listed in the table of the recommendation to move into public excluded session, as relating to item 'Trafalgar Centre – Update Report' be altered as follows:***

- ***Addition of section 7(2)(g)  
To maintain legal professional privilege***
- ***Deletion of section 7(2)(h)  
To carry out commercial activities***

Ward/Her Worship the Mayor

Carried

## 7. Mayor's Report

Her Worship the Mayor noted the recent change to the Earthquake Prone Building Policy. She said the changes were in response to a Court of Appeal decision, and that this was a different issue from the Trafalgar Centre.

## 8. Funding Assistance Rate Review

Document number A1132856, agenda pages 9-34 refer.

The Chief Executive said that the New Zealand Transport Agency (NZTA) had proposed changes to the contribution for management of roads other than State Highways. She said that Nelson City and Tasman District Councils were likely to experience little change in funding, but because other local authorities were likely to be negatively impacted, a strong submission from the two councils was proposed.

In response to a question, Senior Asset Engineer Transport and Roading, Rhys Palmer, explained how a 'fit for purpose' approach was currently undertaken for the maintenance of Nelson roads.

There was a discussion about the 'whole of network' approach to funding, and how public transport was funded. In response to a question, Mr Palmer said that increased public transport funding was a matter for the next Regional Land Transport Programme.

Councillors discussed the proposed submission, and agreed that it was important to emphasise the lack of rail services in and out of Nelson.

Resolved

***THAT the report Funding Assistance Rate Review (A1132856) and its attachments (A1135778 and A35193) be received;***

***AND THAT Council approves a joint submission on the Funding Assistance Rate Review with Tasman District Council which shall include the recommendations contained within this report;***

***AND THAT Council delegates the authority for the submission on the Funding Assistance Rate review to the Mayor and the Chair of the Works and Infrastructure Committee.***

Davy/Copeland

Carried

**9. Local Government New Zealand Special General meeting – Proxy Vote**

Document number A1148170, agenda pages 35-38 refer.

The Chief Executive explained how Local Government New Zealand (LGNZ) functioned to represent all local authorities. She said that a special general meeting had been called to address three proposals, and that Council direction on these was required.

She explained the three main proposals: to add senior local authority staff representatives to the LGNZ Council membership, to allow non-voting associate members to join LGNZ, and to remove the two-term limit for the LGNZ presidency.

Resolved

***THAT the report Local Government New Zealand Special General Meeting - Proxy Vote (A1148170) and its attachments (A1148307 and A1148341) be received;***

Her Worship the Mayor/Matheson

Carried

9.1 Senior Staff Membership on LGNZ Council

The Chief Executive explained her advice against voting for senior staff membership on the LGNZ Council. She noted that the LGNZ Council had access to senior staff advice from local authorities across the country, and suggested that having on-call advice from relevant staff was more beneficial than having standing staff members on the Council.

Councillors discussed the proposal and a variety of views were expressed. Councillors in favour of senior staff Council members highlighted the benefits to be gained from collaboration between senior staff and elected member representatives. Councillors opposed noted the good relationship between the Society for Local Government Managers and LGNZ, and the lack of information regarding how such members would be elected to the Council.

Resolved

***AND THAT Council determines its positions on each of the issues before the Special General Meeting:***

- Against altering the composition of the LGNZ National Council to include four additional members being Chief Executives/senior staff of local authorities.***

Barker/Matheson

Carried

## 9.2 Non-Voting Associate Members

The Chief Executive explained that the proposal to include non-voting associate members of LGNZ was based on the Queensland local government model, which had identified that there was often significant common ground between business and local government interests, and that associate membership allowed for a stronger lobby at central Government level.

Councillors discussed the proposal and a variety of views were expressed. Those in favour highlighted the benefits of collaboration with business interests, whereas as those against cautioned that non-voting associate membership ran the risk that the focus of LGNZ may become diluted.

Resolved

***AND THAT Council determines its positions on each of the issues before the Special General Meeting:***

- ***Against allowing for non-voting associate members of LGNZ.***

Matheson/Davy

Carried

## 9.3 Presidential Term

The Chief Executive advised that in approximately 2005, the presidency term had been extended from one term to two terms in order to allow for consistency. She noted the importance of renewal in organisations, and suggested that removing the two term cap on the presidency may run the risk of the organisation becoming stale. She added that there was currently no cap on the number of terms that vice-presidents could serve, and suggested that this should be considered, in order to ensure there were sufficient training opportunities for potential future presidents.

Resolved

***AND THAT Council determines its positions on each of the issues before the Special General Meeting:***

- ***Against removing the term limit on the presidential term.***

Her Worship the Mayor/Barker

Carried

## 9.4 Proxy Vote

The Chief Executive advised that, at the time of writing the report, it was expected that her Worship the Mayor would be unable to attend

the special general meeting, and that the appointment of a proxy would be required. She said that subsequently it was likely that her Worship the Mayor would be able to attend the meeting.

Resolved

***THAT in the event that Her Worship the Mayor is unable to attend the LGNZ special general meeting, that Councillor Matheson attends (or Councillor Acland in the event of Councillor Matheson's unavailability) and the representative be authorised to vote on behalf of Council.***

Davy/Acland

Carried

**10. Trafalgar Centre – Officer Statement in relation to public forum presentations**

The Group Manager Infrastructure, Alec Louverdis, read a statement in response to public forum (A1151349).

Councillors discussed the depth of the Trafalgar Centre foundations. In response to a question, Mr Louverdis clarified that the type, rather than depth, of the foundations was critical and that the consultant engineering reports had concluded that the foundations were of inadequate strength.

Concern was expressed that a precedent may be set by having an officer statement immediately following a public forum presentation. Her Worship the Mayor acknowledged this concern, and explained that officers had been disadvantaged by a large number of comments circulating in the public arena, and that this provided an opportunity for officers to address the issues raised.

**11. Refurbishment of Offices – Floor 2B**

Document number A1143647, agenda pages 39-41 refer.

The Chief Executive explained the issues with the current layout of the Mayor's office, including difficulties with public access to the Mayor's office. She suggested that underexpenditure and efficiency gains in the corporate capital area be used to refurbish floor 2B of Civic House in an appropriate manner. She said this would include changes to the location of administrative staff, and improve the flow of natural light.

Councillor Davy, seconded by Councillor Noonan, moved the recommendation in the officer report.

Councillor Fulton, seconded by Councillor Copeland, moved an amendment to add an additional clause

***AND THAT the room 'Ruma Marama' be refurbished to provide a permanent Councillors' Lounge.***

Councillors discussed the amendment, with several councillors emphasising their desire for a permanent meeting/working room of sufficient size to accommodate the full Council at one time. Councillors indicated their desire for a further report to come to Council on this matter.

In response to a question, the Chief Executive advised that Ruma Marama was currently exclusively available for councillor use on meeting days, and that there would be consequential issues in removing Ruma Marama as a flexible-use meeting space.

The amendment was put and lost, and the meeting returned to consider the substantive motion.

Resolved

***THAT the report Refurbishment of Offices - Floor 2B (A1143647) be received;***

***AND THAT refurbishment of the Mayoral office and reception area, and parts of Floor 2B be approved to take place in the current financial year;***

***AND THAT it be noted that \$70,000 is available, and that up to \$115,000 be reallocated from efficiencies gained in corporate capital projects.***

Davy/Noonan

Carried

Attendance: The meeting adjourned for lunch from 12.29pm to 1.20pm, during which time Councillor Davy left the meeting.

## **12. Order of Business**

Her Worship the Mayor advised that the order of business would be varied. She said that the meeting would consider the late item (Drainage Issues at Saxton Cricket Oval), and then proceed to the public excluded agenda.

She said that the meeting would return to consider the remaining public items following the public excluded agenda.

## **13. Late Item – Drainage Issues at Saxton Cricket Oval**

Document number A1150600, late items refer.

Acting Group Manager Community Services, Hugh Kettlewell, presented the report. He explained that the One Day International

game that had taken place at Saxton Oval in January had highlighted drainage issues. He said that investigations had established that the drainage system was not functioning as designed, and that urgent remedial work was required in order to avoid Saxton Oval losing its international accreditation.

Councillors discussed the proposal. In response to questions, Mr Kettlewell advised that Cricket World Cup 2015 timeframes were driving the urgency of the remedial work, but that such work would be required in any event to ensure that Saxton Oval was available for hosting any other One Day International fixtures in the future.

Councillors noted their disappointment that this issue had occurred, and that further expenditure on Saxton Oval was being urgently required in order to comply with Cricket World Cup 2015 timeframes. In response to questions, Mr Kettlewell explained that further work was required to establish why the drainage system failed. It was agreed that a report regarding the reasons for the failure of the drainage system, and who was responsible for such failure, should be presented to a future Community Services Council meeting.

In response to further questions, Mr Kettlewell explained the nature of the contractual arrangements Council had with Cricket World Cup 2015, and noted that the risk that games would be unlikely to proceed at Saxton Oval without remedial work being undertaken.

Resolved

***THAT funding to replace the drainage system and re-instate the turf at Saxton Cricket Oval at an estimated cost of \$165,000 is approved;***

***AND THAT funding to repair the discharge pipes, and connecting them to the main stormwater system at an estimated cost of \$75,000 is approved.***

Her Worship the Mayor/Matheson

Carried

#### **14. Exclusion of the Public**

Resolved

***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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Trafalgar Centre – Update Report</b></p> <p>This report contains information regarding an update on the earthquake prone issues of the building and its long-term future.</p> <p>The item will include discussions about legal advice received in relation to the action items requested by Council at its meeting of 19 December 2013.</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)(g) To maintain legal professional privilege</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
3	<p><b>Works and Infrastructure Committee - Public Excluded Minutes – 30 January 2014</b></p> <p>These minutes confirm the public excluded minutes of 28 November 2013 and contain information regarding:</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>
	<p>Washington Valley Property Disposal</p>		<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>

Her Worship the Mayor/Barker

Carried

Nelson City Council  
6 March 2014



Attendance: Councillor Copeland declared an interest with the public excluded item 'Trafalgar centre – Update report' and departed the meeting at 1.43pm.

The meeting went into public excluded session at 1.43pm, and resumed in public session at 4.19pm. During the public excluded session, Councillor Matheson departed the meeting at 1.48pm, and Councillor Davy returned to the meeting at 2.20pm.

## 15. Re-admittance of the Public

Resolved

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

Her Worship the Mayor/Rainey

Carried

There being no further business the meeting adjourned at 4.20pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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## Minutes of a meeting of the Nelson City Council

Held in the Council Chamber, Civic House, Trafalgar Street,  
Nelson

On Thursday 27 March 2014, commencing at 1.00pm

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Present: Her Worship the Mayor, R Reese, and Councillors L Acland, I Barker, R Copeland, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson (Deputy Mayor), G Noonan, P Rainey, T Skinner, and M Ward

In Attendance: Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Group Manager Infrastructure (A Louverdis), Acting Group Manager Strategy (N McDonald), Manager Building (Martin Brown), Senior Accountant (T Hughes), Manager Administration (P Langley), Senior Asset Engineer – Transport and Roading (R Palmer), Manager Communications (A Ricker), Manager Environmental Programmes (C Ward), Youth Councillors (C Phillips and S Smith), and Administration Adviser (L Canton)

Apology: Councillor E Davy (for lateness)

### Opening Prayer

Councillor Skinner gave the opening prayer.

#### 1. Apologies

Resolved

***THAT the apology be received and accepted from Councillor Davy for lateness.***

Her Worship the Mayor/Barker

Carried

#### 2. Interests

There were no updates to the Interests Register and no conflicts of interest were declared with items on the agenda.

#### 3. Confirmation of Order of Business

3.1 Annual Plan 2014/15 Statement of Proposal and Summary

Her Worship the Mayor advised that subsequent items on the agenda may affect the content of the draft Annual Plan 2014/15 to be considered for public consultation. Accordingly, she advised that this item would be considered last by the meeting, following the public excluded session.

3.2 Late item

Document number A1161446, late item refers

Her Worship the Mayor advised that a procedural resolution was required to consider the late item titled 'Mayor's Report - Addition'.

Resolved

***THAT the item regarding Mayor's Report - Addition be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, in order to clarify the position for those living at the Brook Valley Holiday Park who would be affected.***

Her Worship the Mayor/Matheson

Carried

**4. Adjourned Council Business – 6 March 2014**

Her Worship the Mayor advised that items of business were adjourned at the Council meeting of 6 March 2014 and, in accordance with Standing Order 3.12.9, these items must be considered as the first items of business at this meeting.

4.1 Schedule of Documents Sealed

Document number A1146715, 6 March agenda page 42 refers.

In response to a question, Senior Asset Engineer – Transport and Roading, Rhys Palmer, advised that the variable speed signs in Tahunanui would be gazetted by the New Zealand Transport Agency.

Resolved

***THAT the Schedule of Documents Sealed (A1146715) be received.***

Barker/Ward

Carried

4.2 Hearings Panel – 4 December 2013

Document number A1114675, 6 March agenda pages 45-49 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council Hearings Panel, held on 4 December 2014, be received.***

Barker/Fulton

Carried

4.3 Planning and Regulatory Committee – 28 January 2014

Document number A1135220, 6 March agenda pages 50-55 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council Planning and Regulatory Committee, held on 28 January 2014, be received.***

Ward/McGurk

Carried

4.4 District Licensing Committee – 29 January 2014

Document number A1136765, agenda pages 56-57 refer.

Resolved

***THAT the minutes of a meeting of the District Licensing Committee, held on 29 January 2014, be received.***

Barker/Matheson

Carried

4.5 Works and Infrastructure Committee – 30 January 2014

Document number A1136406, 6 March agenda pages 58-65 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council Works and Infrastructure Committee, held on 30 January 2014, be received.***

Noonan/Acland

Carried

4.6 Governance Committee – 30 January 2014

Document number A1139616, 6 March agenda pages 66-70 refer.

Resolved

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Governance Committee, held on 30 January 2014, be received.***

Barker/Acland

Carried

4.6.1 Council Controlled Organisations: Local Government Act 2002 Obligations and Exemptions

It was noted that this item related to a procedural requirement under the Local Government Act 2002.

Resolved

***THAT the Council, in accordance with Sections 7(3) and 7(6) of the Local Government Act 2002, after considering the matters in Section 7(5) of the Act, continue to grant an exemption to the City of Nelson Civic Trust for the purposes of Section 6(4)(i) of the Act.***

Barker/Ward

Carried

4.6.2 Elected Members Engagement at Nelson Market

In response to questions, Manager Communications, Angela Ricker outlined how the engagement sessions would operate and confirmed that if the initiative went ahead, attendance at the market would commence on Saturday 5 April 2014.

Resolved

***THAT Council agree to attend the Nelson Market on the first Saturday of each month from 8am-1pm with assistance from an officer at an increased budget commitment of \$2,700 per year.***

Acland/Skinner

Carried

4.7 Nelson Regional Sewerage Business Unit – 31 January 2014

Document number A1139620, 6 March agenda pages 71-78 refer.

Resolved

***THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 31 January 2014, be received.***

Copeland/Her Worship the Mayor

Carried

4.7.1 Nelson Regional Sewerage Business Unit Treasury Policy 2014

Chief Financial Officer, Nikki Harrison, joined the meeting. In response to questions, she explained that the fundamental change in the proposed Treasury Policy for 2014 was that the two Councils would be borrowing in their own name and lending to the Nelson Regional Sewerage Business Unit (NRSBU) on a hedged basis. She said this would ensure the interest rate swaps would remain with Council.

Resolved

***THAT the Draft Nelson Regional Sewerage Business Unit Treasury Policy 2014 be approved.***

Her Worship the Mayor/Rainey

Carried

4.7.2 Nelson Regional Sewerage Business Unit Business Plan 2014/15

An update to page 9 of the NRSBU Business Plan 2014/15 was tabled (A1164619). Group Manager Infrastructure, Alec Louverdis, explained that the updated page contained corrected subtotal figures for Total Income.

Resolved

***THAT the Nelson Regional Sewerage Business Unit Business Plan 2014/15 be approved.***

McGurk/Noonan

Carried

4.8 Nelson City Council District Licensing Committee – 12 February 2014

Document number A1141213, 6 March agenda pages A1141213 refer.

Resolved

***THAT the decision of a meeting of the Nelson City Council District Licensing Committee, held on 12 February 2014, be received.***

Acland/Barker

Carried

4.9 Planning and Regulatory Committee – 18 February 2014

Document number A1143729, 6 March agenda pages 84-86 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council Planning and Regulatory Committee, held on 18 February 2014, be received.***

McGurk/Fulton

Carried

## **5. Mayor's Report**

Document numbers A1157395 and A1161445, agenda pages 7-12 and late item refer.

### **5.1 Regional Transport Committee**

Her Worship the Mayor outlined her recommendations for membership of the Regional Transport Committee, being Councillor Davy as Chair, Councillor Copeland as Deputy Chair, Councillor McGurk, and herself as Mayor.

The Mayor added that community appointments to the Committee had been removed from the Land Transport Management Act 2003, and suggested that the best way to engage with these sectors was through councillors, who accessed a broad community view through their wide networks. It was also noted that the Regional Transport Committee was able to make community appointments if it so chose.

Her Worship the Mayor also outlined the possibility that Nelson City Council (NCC) would form a joint Regional Transport Committee with Tasman District Council. She said that if this eventuated, the joint committee would be likely to have three NCC representatives, in which case she was likely to step down.

Resolved

***THAT the Mayor's Report (A1157395) and its attachments (A1159846 and A1157422) be received.***

***AND THAT Council appoints Councillor Davy as Chair, Councillor Copeland as Deputy Chair, Her Worship the Mayor, and Councillor McGurk to the Nelson City Council Regional Transport Committee, and adopts the delegations for this committee in attachment 1 (A1159846).***

Her Worship the Mayor/Matheson

Carried

### **5.2 Brook Valley Holiday Park**

Her Worship the Mayor said she believed more information was required to ensure the Community Services Committee was able to

consider the full range of relevant information when drafting a Statement of Proposal for the Brook Valley Holiday Park (BVHP).

The Mayor noted that Council's agreed position was that it should not be in the position of running a campground. However, she explained the need to ensure officers had sufficient time to gather the relevant information so that the Community Services Committee could fully consider all options for inclusion in a Statement of Proposal for the future of the BVHP. Accordingly, she asked Council to allow the Committee to consider and develop an appropriate Statement of Proposal.

During discussion, it was confirmed that it was likely to take some months to develop the Statement of Proposal.

Councillors also noted that the issue of semi-permanent and permanent residents in a Council reserve was neither new nor exclusive to Nelson, but that this was an opportunity to consider more appropriate approaches to alternative housing.

Resolved

***THAT the Community Services Committee consider the Statement of Proposal regarding the Brook Valley Holiday Park.***

Her Worship the Mayor/Ward

Carried

## REPORTS FROM COMMITTEES

### 6. Planning and Regulatory Committee – 20 March 2014

Document number A1159073, agenda pages 32-40 refer.

Resolved

***THAT the unconfirmed minutes of a meeting of the Nelson City Council Planning and Regulatory Committee, held on 20 March 2014, be received.***

McGurk/Ward

Carried

#### 6.1 Building Unit: Fees and Charges 2014/15

During a discussion, some concern was expressed about the cost of building, and the cost of the consenting process. However, it was also noted that the proposed fees and charges recognised the costs imposed on Council by central government, and tried to mitigate the impact on those applying for consent for small works.



Resolved

**THAT the fees and charges for the Building Unit activities for 2014/15 be approved;**

**AND THAT the fees and charges for Building Unit activities for 2014/15 are notified as part of the Draft Annual Plan 2014/15;**

**AND THAT the revised fees and charges apply from 1 July 2014.**

Matheson/McGurk

Carried

6.2 Fees and Charges: Consents and Compliance (non-RMA)

Resolved

**THAT the Dog Control Fees and Charges for 2014/2015 be adopted as detailed in Attachment 1 to Report A1145336;**

**AND THAT the Environmental Health and other activities fees and charges for 2014/2015 be adopted as detailed in Attachment 2 to Report A1145336;**

**AND THAT the Provision of Property Information Fees and Charges for 2014/2015 be adopted as detailed in Attachment 3 to Report A1145336;**

**AND THAT the charges for Dog Control, Environmental Health and Provision of Property Information activities apply as from 1 July 2014 until such time as they are varied or amended by Council;**

**AND THAT the Dog Control charges be publicly advertised in accordance with Section 37(6) of the Dog Control Act 1996.**

McGurk/Copeland

Carried

6.3 Ecofest 2014

The Chair of the Planning and Regulatory Committee explained that the Committee felt that Ecofest was a valuable brand, and that the event still fulfilled a purpose, but that another mode of delivery was required to mitigate the cost to Council.

Manager Environmental Programmes, Chris Ward joined the meeting. In response to questions, he advised that approximately \$30,000 was

currently budgeted for officers to deliver Ecofest in the 2014/15 year. He added that, as Tasman District Council would not be contributing funds to the event this year, it would be a one day event.

Resolved

***THAT officers request Expressions of Interest from interested parties for the delivery of the Ecofest at Founders Heritage Park in 2014.***

Ward/McGurk

Carried

6.4 Response to Marine Biosecurity Incursions

Resolved

***THAT Council confirms the general approach to marine biosecurity issues is to manage marine biosecurity through a combination of vector management and node management actions;***

***AND THAT the Mayor writes to the Primary Industries Minister requesting financial support for these measures;***

***AND THAT the Mayor writes to the Mayors of Tasman District and Marlborough District Councils requesting that this general approach be adopted as a regional approach.***

***AND THAT Council requests that the Top of the South Marine Biosecurity Partnership develop a proposal for a joint regional pathways plan.***

Her Worship the Mayor/McGurk

Carried

6.5 Adoption of Nelson Biodiversity Strategy 2013

Resolved

***THAT the Nelson Biodiversity Strategy 2013 (A1126385) be adopted.***

Ward/Copeland

Carried

7. Exclusion of the Public

Resolved

***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><b>Regional Landfill Proposal - Update</b></p> <p>This report contains information regarding a joint regional landfill proposal and associated negotiations.</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)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

Noonan/Skinner

Carried

The meeting went into public excluded session at 2.00pm and resumed in public session at 3.23pm, during which time Councillor Copeland left the meeting.

## **8. Re-admittance of the Public**

Resolved

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

Her Worship the Mayor/Skinner

Carried

## **9. Annual Plan 2014/15 Statement of Proposal and Summary**

Document number A1159360, agenda pages 13-31 refer.

Acting Group Manager Strategy, Nicky McDonald, presented the report.

She explained that the tabled update 'Proposed Resource Consent Fees and Charges' (A1161631) should be inserted as a new page 71 in the draft Annual Plan 2014/15, noting that these had been approved for public consultation as part of the draft Annual Plan by Council on 27 February 2014.

Ms McDonald added that the Building Consent Fees and Charges were not required to undergo consultation, but were noted in the draft Annual Plan in the interest of full public awareness.

Councillors were reminded to keep an open mind about draft Annual Plan and avoid strong public statements about any aspects of the plan.

Resolved

***THAT the report Annual Plan 2014/15 Statement of Proposal and Summary and its attachments (A1160049 and A1154918) be received;***

***AND THAT the Statement of Proposal incorporating the draft Annual Plan 2013/14 be approved for public consultation from 28 March to 28 April 2014 with the Mayor and Deputy Mayor delegated authority to approve any minor amendments required.***

Her Worship the Mayor/Ward

Carried

Her Worship the Mayor noted that the vote was unanimous.

There being no further business the meeting ended at 3.35pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

**Public Status Report – Council 17 April 2014**

Date of meeting/Item	Action Resolution	Officer	Status
<p>2/4/2013 - Council Nelson Gondola and Adventure Park: Feasibility Study</p>	<p><u>THAT</u> the Nelson Cycle Lift Society Incorporated be granted \$15,000 towards a feasibility study for the establishment of a gondola and adventure park, subject to the Cycle Lift Society:</p> <ul style="list-style-type: none"> <li>• funding the remaining costs of the feasibility study;</li> <li>• undertaking to provide Council with the results of the feasibility study by 31 December 2013;</li> </ul> <p><u>AND THAT</u> it be noted that Council has neither considered nor taken a position on, the proposal for a gondola and adventure park in either of its roles as landowner and/or regulator.</p>	<p>Chief Executive</p>	<p>As advised by the Nelson Cycle Lift Society, the feasibility was due for completion on 4 April 2014.</p> <p><b>Underway</b></p>

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## **Mayor's Report**

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

- 1.1 To update Council on a number of matters and to make subsequent decisions.

### **2. Recommendation**

***THAT the Mayor's Report (A1167329) be received;***

***AND THAT Her Worship the Mayor Rachel Reese and Deputy Mayor Paul Matheson be appointed to the Economic Development Agency Liaison Group.***

### **3. Economic Development Agency**

- 3.1 The Regional Economic Development Strategy (REDS) is being reviewed. To compliment and build on this review the follow things are proposed.
- 3.2 Her Worship the Mayor in conjunction with the Mayor of Tasman District intends to re-establish an Economic Development Agency Liaison Group. The Group will be comprised of the Mayor and one Councillor from Nelson City Council, the Mayor and one Councillor from Tasman District Council and the Chairman and Chief Executive of the Economic Development Agency. The purpose of this Group will be to keep both Councils informed on economic development issues in the region. It is expected that the Group would meet on a quarterly basis.
- 3.3 The Mayors of Nelson and Tasman will be meeting in June 2014, with the Business Leaders Group established by the Economic Development Agency. The purpose of this meeting will be to discuss key issues for business leaders in relation to the regional economy.

### **4. National Volunteer Centre Network Hui**

- 4.1 From 12-14 May 2014 the National Volunteer Centre Network hui is being held in Nelson. Twenty volunteer centres from across the country will be attending the hui at the Trafalgar Pavilion.
- 4.2 The hui is an opportunity for volunteer centres to get together and discuss national issues and help to advocate on behalf of volunteers at a

regional and national level to develop initiatives. The hui is held once a year in a regional centre, and traditionally receives financial support from the Mayor of that region.

- 4.3 Her Worship the Mayor was approached by Katy Steele, Manager of Volunteer Nelson who are hosting the hui. Her Worship the Mayor has agreed to cover the costs of some catering, along with venue and projector hire to the value of \$1025 excluding GST from the Mayoral Discretionary Fund, in order to facilitate this opportunity.

## **5. Young Enterprise Scheme Dragon's Den**

- 5.1 On 27 May 2014 the Young Enterprise Scheme (YES) Dragon's Den event is to be held. Her Worship the Mayor has been invited to be part of this event as Nelson City Council's representative.
- 5.2 This event is about senior secondary school students creating business plans and making oral presentations pitching products to a team of judges (Dragons) made up of investors and business people to endeavor to acquire investment to develop the new business. This is one of the stages of the regional competition that leads to a New Zealand and then an international final.
- 5.3 Her Worship the Mayor has been asked to contribute \$500 to match the contributions being made by other organisations. This is the seed money for the businesses to proceed with their plans. Her Worship the Mayor has agreed to make this contribution from the Mayoral Discretionary Fund.

## **6. WiFi for the City Centre - Update**

- 6.1 At the 27 February 2014 Council meeting it was resolved that up to \$15,000 from the Economic Development Fund be used to provide free WiFi to the city centre.
- 6.2 It has come to the attention of Uniquely Nelson that the specific WiFi project put to council at that meeting would not give the coverage that Council desires. Uniquely Nelson have investigated other options and have a solution that can be provided for the initial \$15,000 set aside. However, the operating costs will be in the order of \$23,000 per annum.
- 6.3 Uniquely Nelson will be making a submission to the draft Annual Plan 2014/15 to ask Council to increase the operational funding for this project to the \$23,000 required. It is expected that coverage maps will be included in this submission.

## **7. Port Dividend**

- 7.1 At the 4 April 2014 Joint Shareholders Committee meeting, Port Nelson Limited presented Nelson City and Tasman District Councils with a cheque for \$1 million each, being their interim dividend after a pleasing six months performance. This dividend is an increase on the interim dividend from the same time last year.

## **8. Local Government New Zealand Special General Meeting**

- 8.1 At the 6 March 2014 Council meeting it was resolved that Council vote against the issues before the Local Government New Zealand special general meeting to be held on 13 March. Those issues were:
- altering the composition of the LGNZ National Council to include four additional members being Chief Executives/senior staff of local authorities
  - allowing for non-voting associate members of LGNZ
  - removing the term limit on the presidential term
- 8.2 Her Worship the Mayor attended the meeting. The membership passed the creation of a new Associate Membership category, an extension of the maximum available term for the President from two to three terms and a general tidy-up of the rules.
- 8.3 While the proposal to add chief executive members to the National Council received majority support, that support did not meet the necessary two-thirds level required to change the rules. This issue was discussed again at the combined Zone 5 & 6 meeting and members suggested this issue be aired again with a possible remit at this year's LGNZ AGM. This will allow more time for this suggested change to be discussed by councils and feedback given to National Council prior to conference.

## **9. Local Government New Zealand Conference**

- 9.1 Local Government New Zealand's (LGNZ) 2014 conference will take place in the heart of Nelson City and be host to at least 500 delegates made up of mayors, chairs, chief executives, councillors and senior management from New Zealand's councils – along with key players from the private sector, government and non government agencies.
- 9.2 The conference will focus on the role of Local Government in powering economies and building vibrant communities and it will feature high profile speakers presenting on some of the significant issues and opportunities facing our sector.
- 9.3 LGNZ and its members are working hard to build a stronger New Zealand including strengthening local economies, lifting governance practices, building vibrant communities and finding solutions to issues arising from demographic changes and the imbalance of city and regional development. These actions build a stronger, more effective sector – and will be prominent in this year's conference.
- 9.4 The LGNZ conference is a chance for delegates to listen to highly regarded local and international speakers, take part in valuable, hard-hitting discussions and network within the sector.



- 9.5 The conference will run from Sunday 20 to Tuesday 22 July. It is a wonderful opportunity to showcase our region and the preparations are going well.
- 9.6 Nelson Tasman Tourism is involved in preparing some itinerary suggestions to encourage attendees to arrive earlier and enjoy Friday and/or Saturday in Nelson as well.
- 9.7 All Councillors are encouraged to attend. Registrations are now open. Ruth Killman, Administration Assistant, will be coordinating Nelson City Council's registrations, you will have received an email from her on this matter. It would be prudent to take advantage of the early bird discount so please advise of your intention to attend by 23 May.
- 9.8 More information about the programme and speakers can be found on the LGNZ's website <http://www.lgnz.co.nz/home/events/2014-lgnz-conference-and-lgnz-excellence-awards/>

## **10. Conclusion**

- 10.1 That Council note the updates in this report.

Rachel Reese  
**Mayor of Nelson**

### **Attachments**

None

No supporting information follows.

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## **Draft Local Alcohol Policy – Adjourned Deliberations**

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

- 1.1 This report provides further information to assist Council's decision making following the adjournment on 27 February 2014 of the Council meeting to deliberate on submissions to the Draft Local Alcohol Policy.

### **2. Recommendation**

***THAT the report Draft Local Alcohol Policy – Adjourned Deliberations (A1150845) be received;***

***AND THAT a Council meeting is scheduled to continue deliberations on submissions to the Draft Local Alcohol Policy;***

***AND THAT Council completes its deliberations on submissions to the Draft Local Alcohol Policy, and awaits pending decisions by the Alcohol Regulatory and Licensing Authority, before deciding if further public consultation is required.***

### **3. Background**

- 3.1 On 19 February 2013 Council resolved to proceed with the development of a Local Alcohol Policy (LAP).
- 3.2 On 6 August 2013 Council approved a draft LAP to be consulted on using the Special Consultative Procedure as outlined in section 83 of the Local Government Act 2002 (the Act).
- 3.3 There were 631 submissions received in response to the draft LAP and on 26 November 2013 Council met to hear submissions.
- 3.4 Additional information requested at the hearing was supplied to Council at its meeting on 12 December 2013.
- 3.5 On 27 February 2014 Council met to deliberate on submissions to the draft LAP. The 27 February meeting was adjourned pending further information being provided.

## **4. Discussion**

### **Adjournment of Deliberations**

- 4.1 Several other councils around New Zealand publicly notified their provisional LAPs in December 2013 and January 2014. Some of these have attracted requests for Official Information, or appeals to the Alcohol Regulatory and Licensing Authority (ARLA). These relate to the proposed on and off licence hours. A major issue for determination is the meaning of "unreasonable" in the *Sale and Supply of Alcohol Act 2010*. The first two appeals to be heard will be those involving Tasman and Waimakariri District Councils.
- 4.2 At its meeting on 27 February 2014, the Council agreed it would adjourn further deliberations on the draft LAP, and wait for ARLA to release its decisions on the first appeals so that the decisions could be taken into consideration. The meeting was adjourned to a date yet to be decided.

## **5. Timing of current appeals before ARLA**

- 5.1 At the time that Council made the decision to adjourn further deliberation on the draft LAP, it was expected that the appeals before ARLA, with respect to the Provisional LAPs of both Tasman and Waimakariri District Councils, would be heard at the end of March 2014.
- 5.2 A recent update from ARLA advises that the appeal hearings will be conducted on a *de novo* basis. This means that the Authority will consider all submissions afresh in the process of making its decision. A regulatory advisor at ARLA has advised that this could include new information from submitters that was not brought forward during the consultation process. It was unclear at this stage whether submitters would be invited to do so.
- 5.3 Any other appeals before ARLA in relation to Provisional LAPs will not be considered until the outcome of the first two appeals have been resolved.
- 5.4 The two hearings are expected to take place in Nelson and Christchurch during the week of 4 August 2014. It is not known how long it will be before decisions are then made.

## **6. Inner City Zone Clarification**

- 6.1 During deliberations Councillors questioned the clarity of the meaning of "Inner City Zone" in the draft LAP and whether, without the inclusion of a map, the zone being referred to was understood during the consultation process.
- 6.2 Council agreed that it could use the adjournment time to consider whether the Statement of Proposal was clear enough in defining which zones were being referred to. Discussions also concerned whether further consultation on this one point may be required as a result of a map not being included in the draft LAP.

## 7. Legal Advice

- 7.1 The advice provided by Council’s Senior Legal Adviser is that the consultation process is not invalidated by the absence of a map, and that no further consultation is required, provided it can be reasonably concluded that the public understood what area was being referred to as the “Inner City Zone”.
- 7.2 A further legal opinion was sought from Fletcher Vautier Moore which came to the conclusion that further consultation is not necessary as it did not seem that anyone reading the statement of proposal would be misled by the reference to the inner city zone.
- 7.3 Submissions indicate a reasonable understanding of what is meant by Inner City Zone. The Inner City Zone is referred to a number of times, and any questions that people might have had as to what was meant by that zone could have been rectified by seeking further information.
- 7.4 The Statement of Proposal clearly pointed to the Inner City Zone and this could only have referred to the zone defined in the Nelson Resource Management Plan (NRMP), which clearly defines what is meant by this term. The draft LAP specifically refers to the NRMP in paragraph 2.1.7, which also defines the restrictions relating to the residential areas by reference to the NRMP.
- 7.5 The decision as to whether or not further consultation is undertaken on this matter is a decision for Council. However, if the decision is made to consult further, the purpose of that consultation must be clear.
- 7.6 Any further consultation on this matter would be to ensure that: any person who may have misunderstood the meaning of Inner City Zone in the draft LAP because no map was provided, and who might otherwise have made a submission or have made a point about this zone in their existing submission, is given an opportunity to submit to Council prior to Council making its final decision.
- 7.7 It is noted that the Provisional LAP developed by Tasman District Council did not contain a map, but also defined zones within the policy in relation to the zones in the Tasman Resource Management Plan. It is also noted that the absence of a map, or the issue of lack of clarity about what comprises the Inner City Zone, has not been raised by any submitter.

## 8. Next Steps

- 8.1 The appeals against the Tasman and Waimakariri District Councils’ Provisional LAPs will not be heard until early August 2014. Given that these are the first appeals to be heard under the new *Sale and Supply of Alcohol Act 2012*, and decisions are likely to have a significant impact upon future LAPs developed by Councils, the timeframe for final decisions to be known may be lengthy.

- 8.2 With this timeframe in mind, Council could make a decision to reconvene and complete its deliberations on submissions to the Nelson City Council draft LAP. Continuing deliberations would be good practice to ensure the period between hearings and decision making is not overly long.
- 8.3 Once the outcome of the appeals process is known, this will feed into Council's own decision making. If the ARLA decisions do have an impact on the draft LAP by Nelson City Council, a new consultation process may be required if information arising from the appeal decisions constituted new information which the public has not had an opportunity to submit on.
- 8.4 Officers recommend that Council reconvenes to complete deliberations on submissions to the Draft LAP. Once these are complete, and the outcomes of the pending ARLA appeals are known, Council will be in a position to decide if further public consultation is necessary. Any further consultation can then take into account all matters that need public discussion.

## **9. Conclusion**

- 9.1 That this report be received and the Council decide if deliberations on submissions to the Draft Local Alcohol Policy should be reconvened.

Susan Moore-Lavo  
**Policy Adviser**

Supporting information follows.

## Supporting Information

### 1. Fit with Purpose of Local Government

This proposal fits with the purpose because it relates to the performance of statutory/regulatory functions under the Sale and Supply of Alcohol Act 2012.

### 2. Fit with Community Outcomes and Council Priorities

The development of a draft Local Alcohol Policy (LAP) is consistent with the community outcome of "kind, healthy people" by allowing Council, in consultation with local communities, to develop and enforce policies which contribute to a reduction in alcohol related harm in the community and best meet the needs of local communities.

### 3. Fit with Strategic Documents

The development of a draft LAP 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" and "work to improve safety in the Central Business District". It will also "continue to work with partners to implement the Alcohol Strategy" and "use other regulatory measures to control alcohol related violence such as bylaws and policies under new Government alcohol related legislation".

The draft LAP could contribute to the overarching objectives of the Regional Alcohol Strategy 2006 which are: alcohol harm is minimised by using effective planning and regulation instruments; safe and moderate use of alcohol will be the dominant culture; alcohol related harm by youth is minimised; and urban areas are safe.

It also provides an opportunity for the community to review and potentially change trading hours for licensed premises as provided for in the Nelson Resource Management Plan, if this would better meet community needs.

### 4. Sustainability

The development of a Local Alcohol Policy is consistent with the Nelson 2060 vision of strong, healthy, resilient communities and a vibrant central city.

### 5. Consistency with other Council policies

The proposal does not raise any known consequential inconsistencies with any other Council policies.

### 6. Long Term Plan/Annual Plan reference and financial impact

Costs associated with the development of a Local Alcohol Policy are covered under existing Council operating budgets. Costs associated with District Licensing Committees will be recoverable through licence fees.

**7. Decision-making significance**

The administration of alcohol licensing is a significant activity for Council but the implementation of the new legislation does not trigger the Council's Significance Policy.

**8. Consultation**

The Medical Officer of Health, Police, District Licensing Inspectors, Tasman District Council and Marlborough District Council were consulted and a wide range of other stakeholders were invited via a letter to provide early input on the development of the draft LAP. A survey was also undertaken to gather data on the community's views on alcohol.

A Special Consultative Procedure as outlined in section 83 of the Local Government Act 2002 was carried out between 8 August and 16 September 2013.

**9. Inclusion of Māori in the decision making process**

Local Māori health and social service providers were consulted on the Statement of Proposal for a Draft Nelson City Council Local Alcohol Policy.

**10. Delegation register reference**

Decision of Council.

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## **Plan Change 16 Inner City Noise Hearing Panel**

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

- 1.1 To appoint a replacement member on the Plan Change 16 Inner City Noise Hearing Panel for the 2 May 2014 hearing.

### **2. Recommendation**

***THAT the report Plan Change 16 Inner City Noise Hearing Panel (A1168400) be received;***

***AND THAT the membership of the Hearing Panel for Plan Change 16 Inner City Noise consists of an independent Commissioner as Chair and Councillor Barker and Councillor ..... as Council Commissioners.***

### **3. Background**

- 3.1 Council has developed proposed Plan Change 16 Inner City Noise relating to Nelson Resource Management Plan provisions and methods dealing with noise production and reception in and around the Inner City.
- 3.2 A hearing is set down for 2 May 2014 and the membership of the hearing panel was determined through resolution of Council on 12 December 2013 to be Councillors Ward and Barker, with the panel chaired by an independent commissioner (David McMahan). The 12 December 2013 resolutions state:

***THAT the Planning and Regulatory Committee recommends to Council that an independent Commissioner chaired Council assisted Hearing Panel hear and make decisions on submissions on Proposed Plan Change 16 Inner City Noise;***

***AND THAT the Planning and Regulatory Committee recommends to Council the membership of the Hearing Panel for Plan Change 16 Inner City Noise consists of an independent Commissioner as Chair and Councillor Ward and Councillor Barker as Council Commissioners.***

McGurk/Her Worship the Mayor

Carried



#### **4. Discussion**

- 4.1 A recent media article on inner city living quoted Councillor Ward on his experience of inner city noise. This could be considered by submitters to represent a perception of bias on the topic of Inner City Noise.
- 4.2 This creates a degree of risk in the hearing process. The matter has been discussed with Councillor Ward who has agreed to stand down from the panel.

#### **5. Conclusion**

- 5.1 A replacement member is sought for the Plan Change 16 Hearing panel to retain the integrity of the hearing process.

Reuben Peterson  
**Planning Adviser**

#### **Attachments**

None

No supporting information follows.

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## **Nelson Regional Sewerage Business Unit: Annual Report 2012/13**

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

- 1.1 To consider the Nelson Regional Sewerage Business Unit (NRSBU) Annual Report for 2012/13.

### **2. Recommendation**

***THAT the report Nelson Regional Sewerage Business Unit: Annual Report 2012/13 (A1108542) and its attachment (A1108542) be received.***

### **3. Background**

- 3.1 The NRSBU Joint Committee approved the NRSBU Annual Report 2012/13 on 23 August 2013 and it was resolved:

***THAT the Nelson Regional Sewerage Business Unit Annual Report 2012/2013 (A1108542), as amended, be approved.***

- 3.2 The Annual Report provides an assessment of the progress made by the NRSBU in the implementation of the 2012/13 Business Plan.
- 3.3 The NRSBU Chair, Donna Hiser, will present the report at the meeting and will respond to questions.

### **4. Discussion**

#### **Annual Report 2012/13**

- 4.1 The presentation of the 2012/13 Annual Report was delayed due to delays in the Joint Committee being constituted by the Councils following the Local Body Elections.

- 1.1 Key items /issues reported in the Annual Report are as follows;

- The NRSBU Annual Report (Attachment 1) shows that, where appropriate, capital expenditure is postponed whilst ensuring that strategic and operational targets are met.

- Audit New Zealand reported that the financial statements of the Business Unit comply with generally accepted accounting practice in New Zealand and fairly reflect the Business Unit's financial position at 30 June 2013.

## **5. Conclusion**

- 5.1 The Annual Report shows that the NRSBU has generally achieved the objectives set in the 2012/13 Business Plan.

Contact officer: Johan Thiar  
**Senior Asset Engineer – Solid Waste**

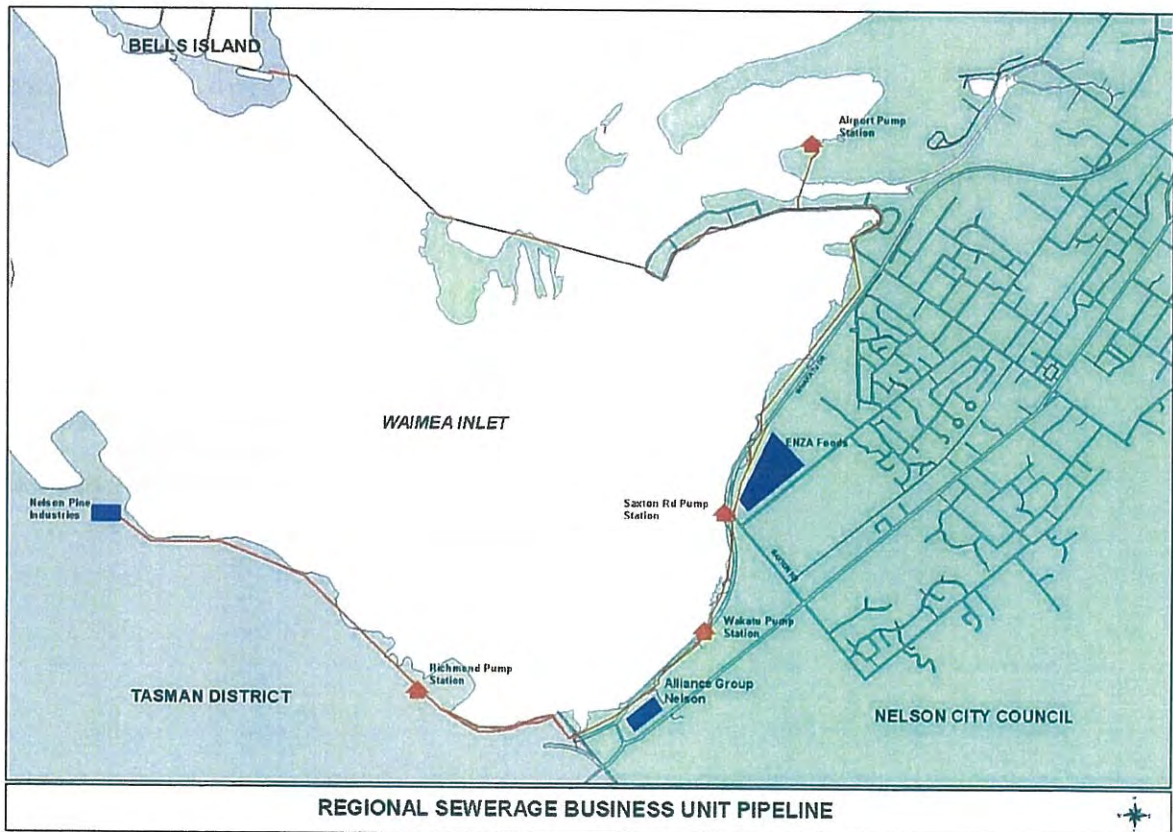
## **Attachments**

Attachment 1: NRSBU Annual Report 2012/2013 [A1108542](#)

<b>Supporting Information</b>
<b>1. Fit with Community Outcomes and Council Priorities</b> [text].
<b>2. Fit with Strategic Documents</b> [text].
<b>3. Sustainability</b> [text - report against sustainability checklist, Doc 721712].
<b>4. Consistency with other Council policies</b> [text].
<b>5. Long Term Plan/Annual Plan reference and financial impact</b> [text].
<b>6. Decision-making significance</b> This is/is not a significant decision in terms of the Council's Significance Policy.
<b>7. Consultation</b> [text].
<b>8. Inclusion of Māori in the decision making process</b> [text].

**Nelson Regional Sewerage Business Unit**

**ANNUAL REPORT  
2012/2013**



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**Prepared by: Johan Thiar  
Engineering Adviser  
Nelson Regional  
Sewerage Business Unit**

**Adopted**

## **1. Introduction**

- 1.1 This Annual Report is a review of what has been achieved by the Nelson Regional Sewerage Business Unit (NRSBU) in the 2012/13 financial year and its level of performance against Key Performance Indicators.

## **2. The Year in Review**

- 2.1 The NRSBU met its budget targets with a surplus of \$2,053,876, \$1,736,223 of which will be distributed to the owners of the scheme. Expenses are 7.8% less than budget largely due to \$446,000 less interest being incurred as a result of lower than budgeted capital expenditure. Depreciation is \$242,597 less than budget due to the June 2011 and 2012 revaluations and savings in capital expenditure.
- 2.2 All projects have been delivered within budget. Savings to the value of \$1,573,000 and \$200,000 were made on the renewal and upgrade budgets respectively following further detailed reviews of the condition of assets associated with the programmes in the 2012/13 Business Plan.
- 2.3 With few exceptions business plan targets have been met and resource consents complied with, the most significant exceptions being overflows at pump stations caused by extreme weather events.
- 2.4 With the completion of several major upgrades over the last five years:
- Reducing the load on the activated sludge system by primary sludge removal through the installation of a primary clarifier,
  - improving the outfall system to optimise the capacity of the system,
  - increasing the reliability and capacity of the network through the installation of a second pipeline across the estuary, and
  - increasing pump capacity at pump stations,

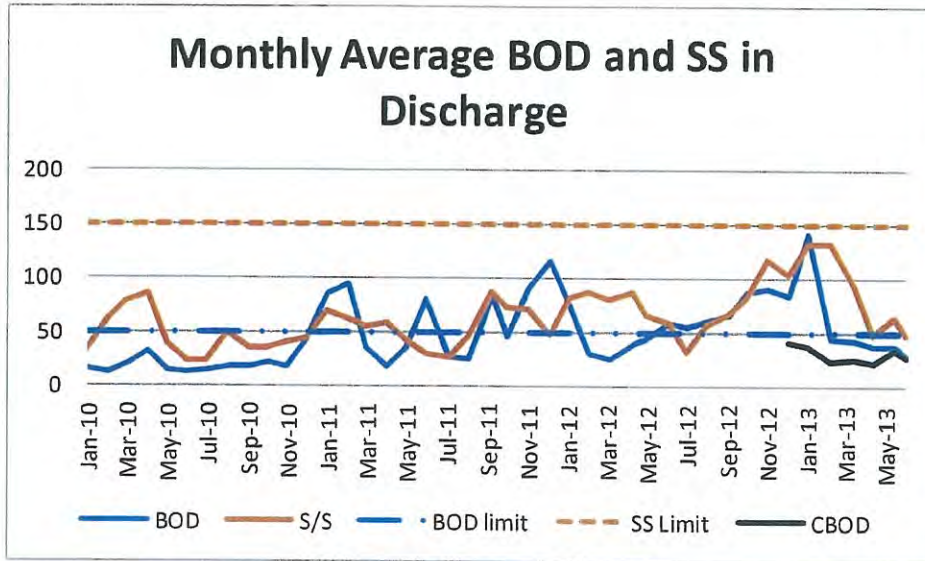
all components of the system are now capable of managing loads and flows discharged to the scheme for the next five to ten years. These upgrades have also provided significantly more flexibility for dealing with the waste stream. The primary focus going forward is to improve the efficiency of services.

- 2.5 The Operations and Maintenance contract with Downer expired in June 2013. Following a robust procurement process the NRSBU entered into a contract with the preferred supplier for the operation and maintenance of the NRSBU assets for the next three to seven years starting 1 October 2013 (the Downer Contract was extended to cover the interim period of 3 months). The new contract was negotiated at a considerable saving on the budget. The allocation of risk in the new contract makes the business unit responsible for most of the reactive maintenance activities but creates opportunities to generate cost savings by optimising the use of plant components. The Contract includes a complete review of management practices at the plant as

well as recommendations on the improvement of management reporting and benchmarking.

- 2.6 A review of sludge treatment at Bell Island showed that it was possible to refurbish the sludge treatment facilities at the plant enabling the business unit to defer the decision to increase sludge treatment capacity by between 5 and 10 years. This results in a saving of \$600,000 on the 2012/13 budget and delays further expenditure signalled in the long term capital programme for improvements of sludge treatment at Bells Island. This refurbishment will be completed by the end of September 2013.
- 2.7 A review of the performance of the wastewater treatment plant following the completion of the primary clarifier upgrade in July 2010 found that it might be possible to avoid the installation of launder covers on the primary clarifier to manage odours and the centrifuge to dewater treated sewage sludge which were part of the original design. It was decided to operate the plant without those components for two summers to ensure that they were not needed and that trial was successful. The \$750,000 budget allocation for the installation of these components has now been removed.
- 2.8 An extensive survey of the treatment ponds demonstrated that while the sludge is not highly concentrated and not evenly spread throughout the ponds it may be possible to defer the desludging of the ponds for three to four years. Further sludge monitoring is programmed for 2013/14 and a project to review the active management the ponds will be undertaken during 2014/15.
- 2.9 Two of the three industrial contributors have signalled their intentions to improve their on-site treatment processes over the next year. A request from one of the contributors to decrease their contracted allocation was approved and the additional capacity created offered to the other four contributors. Both Councils have expressed an interest in contracting for this additional capacity.
- 2.10 Following an independent review of the financial instruments used in the Trade Waste Agreement with customers, the Board considers it desirable that the Business Unit develop a debt/equity ratio policy in consultation with the owners in order to improve transparency in the charging mechanism. Ideally this policy should be developed in conjunction with the governance review signalled by the owners.
- 2.11 The Coastal Permit limit for Biological Oxygen Demand (BOD) concentrations were exceeded on a number of occasions during the last three years. Investigations into this matter showed that the test used by the business unit to report this requirement is affected by nitrification occurring in the BOD test bottle which does not occur in the environment. This has resulted in over-reporting of BOD levels.





**Figure 4: Increase in Biological Oxygen Demand in effluent.**

2.12 The graph above shows that when the effects of nitrification are eliminated the Total BOD and Carbonaceous BOD converge at levels lower than the Coastal Permit limit. This issue continues to be monitored and the business unit has expanded the testing regime to test for Total BOD, the Carbonaceous BOD and Soluble BOD.

### 3. Level of Service Performance

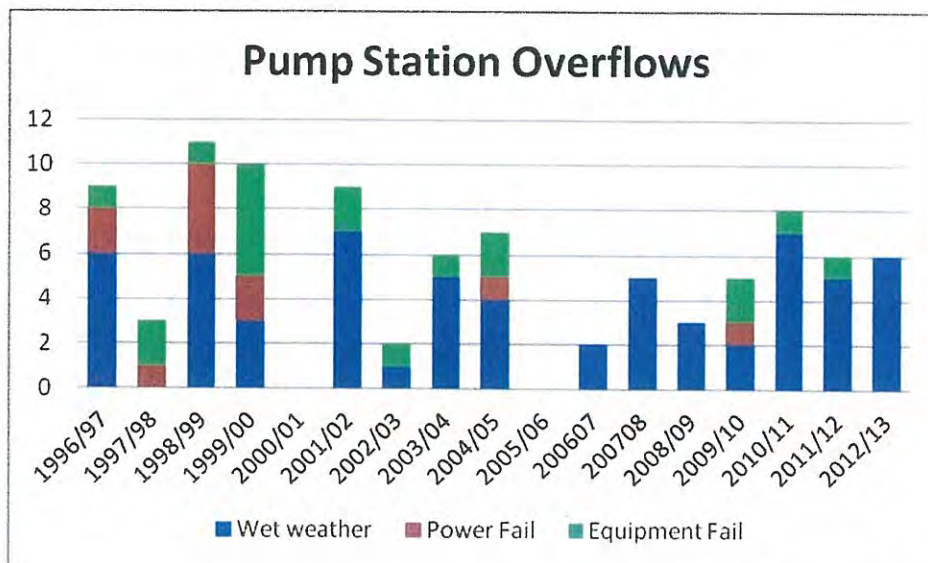
3.1 The levels of service recorded over the past three years have stayed reasonably consistent. Most of the pump station overflows were associated with extreme wet weather conditions and three occurred during a period when the new pipeline was out of commission to allow for the testing of the pipeline.

**Table 1: Level of Service Summary**

Level of Service	Function	Category	Target Technical Level of Service	Level of Service Compliance			
				2009/10	2010/11	2011/12	2012/13
Environmental Impacts	Treatment & Disposal	RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions	Yes	No	No	No <sup>1</sup>
		RMA Consent – Discharge of Contaminants to Air	100% compliance with consent conditions	No	Yes	Yes	Yes
		RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions	Yes	Yes	Yes	Yes
		Equipment Failure of critical components within the treatment and disposal system	No equipment failures that impact on compliance with resource consent conditions	Yes	Yes	Yes	Yes
	Pump Stations	Odour complaints from pump stations	No odour complaints originating from pump stations	Yes	Yes	Yes	Yes
		Pump station wet weather overflows	No overflows for all pump stations	No 2 events	No 7 events	No 5 events	No <sup>2</sup> 6 events
		Pump station overflows resulting from power failure	No overflow events occurring	No 1 event	Yes	Yes	Yes
		Pump station overflows resulting from mechanical failure	No overflow events occurring	No 2 events	No 1 event	No 1 event	Yes
	Pipelines	Reticulation Breaks	No reticulation breaks	Yes	Yes	No	Yes
		Air valve malfunctions	No air valve malfunction that result in wastewater overflows	Yes	Yes	Yes	Yes
Capacity	Treatment & Disposal	Overloading system capacity	Treatment and disposal up to all contracted loads and flow	Yes	Yes	Yes	Yes
	Pump Stations	Overloading system capacity	No overflow events occurring for the contracted contributor flows	Yes	Yes	Yes	Yes
Reliability	Treatment & Disposal	Equipment failure of critical components	No equipment failures that could lead to non-compliance with resource consent conditions	No	Yes	Yes	Yes
	Pump Stations			Yes	Yes	Yes	Yes
	Pipelines			Yes	Yes	Yes	Yes
Responsiveness	Treatment & Disposal	Speed of response for emergency and urgent maintenance works	Achievement of Response times specified in Maintenance Contract	Yes	Yes	Yes	Yes
	Pipelines	Speed of response for routine and programmable maintenance works	Achievement of Response times specified in Maintenance Contract	Yes	Yes	Yes	Yes
Key Contributor Relationships	Treatment & Disposal	Overall satisfaction	Agreed levels of service provided to all Contributors.	Yes	Yes	Yes	Yes
	Pump Stations		Robust charging structure is put in place	Yes	Yes	Yes	Yes
	Pipelines		Contributors are satisfied with Sewerage Scheme	Yes	Yes	Yes	Yes

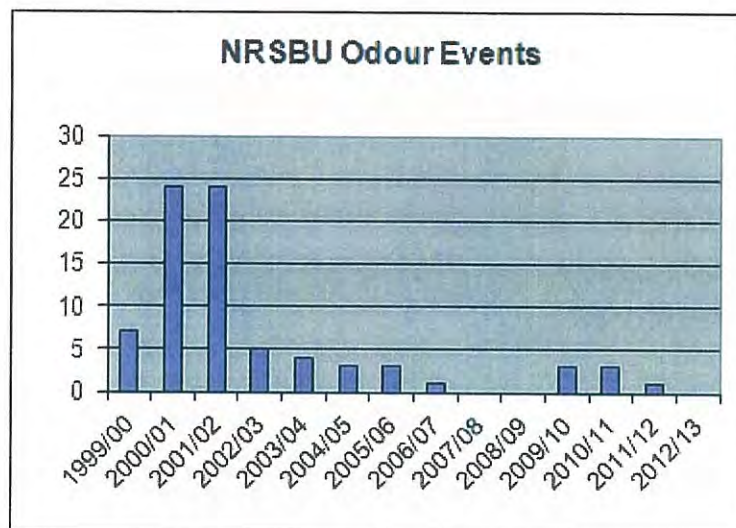
Note <sup>1</sup> See paragraph 2.11 and 2.12

Note <sup>2</sup> See Figure 5



**Figure 5: Pump Station Overflow Causes**

3.2 It is anticipated that the capacity improvements completed as part of the regional pipeline upgrade project will significantly improve the ability to avoid overflows at pump stations during extreme weather events.



**Figure 6: Odours**

3.3 While a number of odour complaints were investigated none were found to be associated with any NRSBU activities.



#### 4. Customer Group

- 4.1 Four Customer group meetings were held during the year. Customers continue to see cost effective and efficient operation of the regional scheme as the most important task of the NRSBU and this is a high priority for the Board.
- 4.2 The survey also showed that most customers feel that the NRSBU is responsive to their needs. (The survey is marked out of 7)

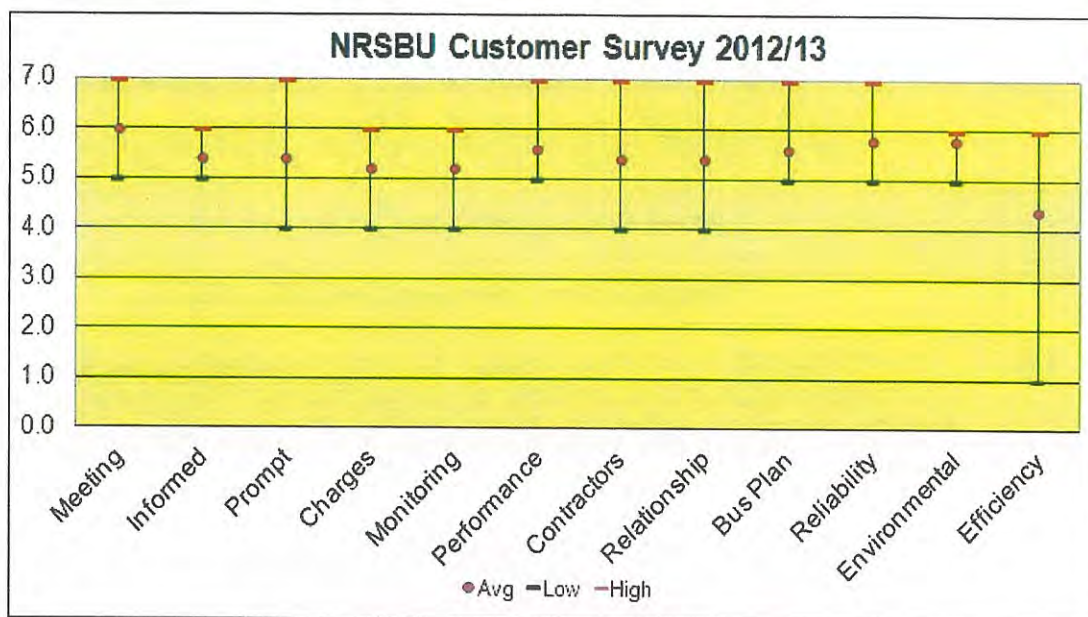


Figure 7: Customer Survey Results 2012/2013

- 4.3 Plans are in place to address areas of dissatisfaction.

#### 5. Performance Measured Against Strategic Business Objectives

The strategic goals of the NRSBU set the basis for performance measurement and longer term strategies. Six Key Result Areas are identified and a set of Key Performance Indicators developed to measure the performance of the NRSBU. The following section reports the performance of the NRSBU towards achieving the 2012-13 performance objectives.

##### 5.1 Wastewater reticulation, treatment and disposal services meet customers' long term needs

Objective	Key Performance Indicator	Performance
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of system components.	The loads discharged to Bell Island are reported in appendix C and show that the plant continues to have adequate capacity.

Objective	Key Performance Indicator	Performance
Intergenerational equity is maintained.	Loans are repaid over 30 years (the average life of the assets).	Achieved. The distribution to shareholders, as measured over a three year period, does not breach this requirement.
Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings.  Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.	Achieved. Customer engagement will be improved by scheduling meetings with individual contributor representatives between combined NRSBU customer meetings.  An average of 5.4 was achieved.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.	Not achieved. Non-compliance was reported to contractors following six monthly audits. Processes were put in place to rectify non-compliance.

## 5.2 The cost of wastewater reticulation, treatment and disposal services is minimised

Objective	Key Performance Indicator	Performance
The costs of reticulation, treatment and disposal processes are minimised.	Total reticulation, treatment and disposal costs per population equivalent are maintained at current levels or reduced when adjusted for CPI.  All capital projects are delivered within budget.	The operational cost for 2012/13 is \$29.55 per population equivalent.  Capital projects delivered at \$2.871m under budget. See section 6.
The economic lives of all assets are optimised.	A 3 yearly independent audit of asset management practices confirms this.	Assessment programmed for 2014/15.
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Demand management policy is developed by December 2012.  Customer contracts are reviewed by December 2012 to ensure that charging mechanisms support the demand management policy.	Implementation delayed until 2014 to allow new operation and maintenance contract to be embedded. This contract includes the development of capacity model and review of the treatment plant capacity.

Objective	Key Performance Indicator	Performance
<p>Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.</p>	<p>Report on Nelson City Council (NCC) and Tasman District Council (TDC) progress towards implementing their load management policies and plans by June 2013.</p> <p>Loads do not exceed the capacity of the components of the system.</p>	<p>NCC has initiated the first stages of their inflow and infiltration (I/I) programme and continues to develop this programme. Their 2012/13 I/I was based on operator knowledge and issues identified. The programme included smoke testing, dye testing and closed circuit television inspections at a cost of \$70,000. For the 2013/14 financial year NCC has allocated \$87,000 for stormwater inflow reduction and \$41,000 for CCTV work targeting infiltration reduction. NCC is working towards using their wastewater model to develop a longer term I/I programme through the identification of high inflow and infiltration areas.</p> <p>TDC has a budget provision of an average \$175,000 per annum for the next 20 years to investigate and reduce inflow and infiltration.</p> <p>All contributors have exceeded contracted loads on occasions. Performance is reported in Appendix C. The monitoring of the combined effect of discharges continues to indicate that individual discharges by contributors do not seriously affect the ability of the NRSBU to treat the wastewater discharged.</p>
<p>Technology choices are well understood and are proven to be stable and cost effective.</p>	<p>Technology choices are supported by cost benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.</p>	<p>No process changes were considered during the year.</p>

5.2.1 Three wastewater treatment plants were identified with similar flow and load characteristics to Bell Island to provide a high level benchmark.



	Operation cost \$	Average inflow m <sup>3</sup>	Average BOD load mg/l	Power kWh	Dry solids	Cost per m <sup>3</sup>	Cost per kg BOD	Cost per Population Equivalent
Bell Island	2,917,709	16749	377	314631	706	\$0.48	\$1.26	\$29.55
TP2	3,000,000	22000	350	350000	1488	\$0.37	\$1.07	\$24.94
TP3	3,180,000	17925	287	447912		\$0.49	\$1.69	\$39.56
TP4	3,226,900	23530	221	424390	1170	\$0.38	\$1.70	\$39.72

Notes:

Source: WINFO Water New Zealand

Caveats

The reliability of the source information has not been verified

Treatment plant TP2 is under capacity and extensive upgrades will be carried out in near future

Population Equivalent is based on 60g BOD/day per person

### 5.3 Risks associated with the services provided are identified and mitigated to a level agreed with customers

Objective	Key Performance Indicator	Performance
Risk management plans include all significant environmental, cultural, social economic and contractual risks.	Zero unidentified events which impact the agreed levels of service occur.	Achieved. Risk management plans will be further reviewed as part of the 2013-15 asset management plan review.
Contingency plans adequately address emergency events.	Customer representatives review and approve the plans annually.	Contingency plans for the NRSBU and contributors were amended to reflect the additional network capacity following the commissioning of the regional pipeline upgrade work completed in 2012.
Customers engage with the risk assessment process, understand and accept the important risks and the level of mitigation provided.	Customer representatives review and approve the risk management plan annually and following any incidents which require activation of the plan.	Risks associated with earthquakes and other natural hazards were reviewed based on Christchurch, other international earthquake events and technical information available on specific subject matter during the asset management plan review. Initiatives to gain a better understanding of these events by the owners of the NRSBU will be fed into the asset management plan as this information becomes available through "Lifelines" and owner organisations.

**5.4 NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental impact.**

<b>Objective</b>	<b>Key Performance Indicator</b>	<b>Performance</b>
Energy efficiency at the plant is increased.	An energy audit is conducted by December 2012.  Targets are set for reductions in energy use by June 2013 and are reported on from that date.	An independent energy audit was completed in 2012 and the auditor reported that the site was found to fit into the top 1% of Energy Audits they have completed for operation efficiency.  Programmed for implementation with new operation and maintenance contract.
Reuse of outputs from the scheme is regularly considered and implemented where there are benefits.	Current capacity to utilise beneficial application of biosolids to land is sustained.  Beneficial reuse of treated waste water is maintained or increased.	100% of the biosolids treated at Bell Island are beneficially applied to Radiata pine plantations belonging to Tasman District and Nelson City Council.  75,788m <sup>3</sup> used for irrigation during 2012/13. (26,000m <sup>3</sup> was sprayed in 2011/12)

**5.5 Good relationships are maintained with all stakeholders.**

<b>Objective</b>	<b>Key Performance Indicator</b>	<b>Performance</b>
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	All strategic and business plans are approved by shareholders.  All budget projections are met.	The Business and Strategic Plans were approved by both owners in April 2013.  Savings on renewal budgets were generated as a result of the review of the condition of assets and adjustment of useful lives of specific assets delaying their renewal.



<p>Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.</p>	<p>All complaints or objections are addressed promptly.</p> <p>All applications for resource consents are approved.</p> <p>Up to date information on activities and achievements is publicly available.</p> <p>All stakeholders are identified and reporting, communication and consultation targets are set and met by June 2013.</p>	<p>Achieved.</p> <p>A resource consent was obtained for the emergency repair work to the rising main at Orphanage Creek.</p> <p>The NRSBU website is reviewed annually and news items are posted following Quarterly Board meetings.</p> <p>Achieved.</p>
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5.5.1 Following the most recent customer review it was decided that staff will in future meet separately with the five contributors between quarterly Board meetings to provide feedback and procure improved understanding of customer concerns and needs.

**5.6 All statutory obligations are met.**

Objective	Key Performance Indicator	Performance
<p>All statutory obligations are identified and met and are included in contracts with suppliers.</p>	<p>Full statutory compliance requirements are identified by June 2013 and reporting mechanisms defined.</p>	<p>Achieved. Health and Safety requirements and compliance with other legislation are aligned with Nelson City Council work practices.</p>
<p>All resource consents requirements are met.</p>	<p>Compliance with resource consent conditions.</p>	<p>Achieved.</p>

## 6. Capital Expenditure 2012/13

### 6.1 Renewals

Renewal Plan	Budget plus carry-overs (\$,000)	Actual 2012/13 (\$,000)	Comments
Miscellaneous	20	0	Scada implementation delayed.
Pump Stations and Rising Mains	0	19	Replaced Variable Speed Drive (20 years old) for duty pump at the Beach Road pump station. Brought replacement forward by one year.
Inlet, Aeration Basin, Clarifier and Ponds	78	0	Delayed replacement of Zullig dissolved oxygen equipment (10 years old) following repairs. The performance of the automated system is monitored against manually operated systems. Once the evaluation is completed a decision will be made relating to the automated monitoring of dissolved oxygen on the ponds.
Solids Handling	354	107	A-Train refurbishment . Replace floor section with concrete floor and replace roofs. Work programmed for completion in September 2013.
Rabbit Island biosolids storage	20	35	Replaced tank three based on condition. Sections of tank rusted through.
Roads	100	111	Improved condition of access road and surfacing of road along the top of the pond embankment.
<b>Total</b>	<b>572</b>	<b>272</b>	

- 6.1.1 Renewals are programmed based on expected life and condition assessments carried out as part of the annual valuation review. During the year that the renewal is programmed the asset condition is reviewed before the renewal is approved.
- 6.1.2 Following a condition assessment of the A-train sludge tanks it was decided to recondition the tank, by replacing the floors and roofs.

## 6.2 Upgrades

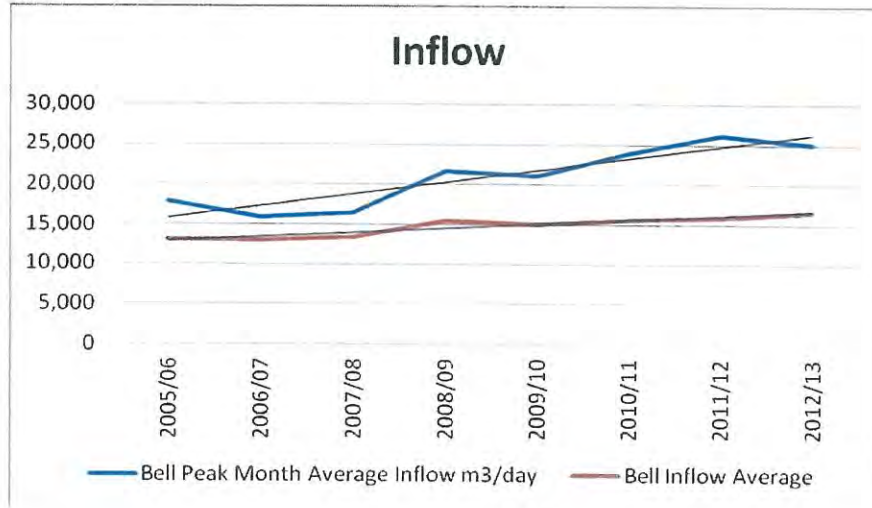
Upgrade Plan	Budget plus carry-overs (\$,000)	Actual 2012/13 (\$,000)	Comments
New Rising Main and Pump Station upgrade, Richmond to Bells Island	1,396	688	Project completed. Final sign off December 2013 following maintenance period. Surplus resulted from review of condition of old rising main pipeline indicated that no additional remedial work was required.
Primary Clarifier	788	53	Project completed. The budget surplus of \$735,000 released following review of requirement for installation of launder covers and centrifuge.
Outfall Capacity Upgrade	144	14	Project completed and the budget surplus of \$130,000 released.
Expand Biosolids Treatment	1,000	71	Project delayed following negotiations with contractor around Regional Pipeline Upgrade completion. Revised completion date 30 September 2013.
Resource Consent for accidental discharges	15	2	Programmed to follow completion of Regional Pipeline Upgrade, revised completion date 30 June 2014.
Purchase of land	150	195	Purchase of land from New Zealand Transport Agency for Saxton pump station completed.
<b>Total</b>	<b>3,494</b>	<b>1,023</b>	



## 7. Scheme Capacity Trends

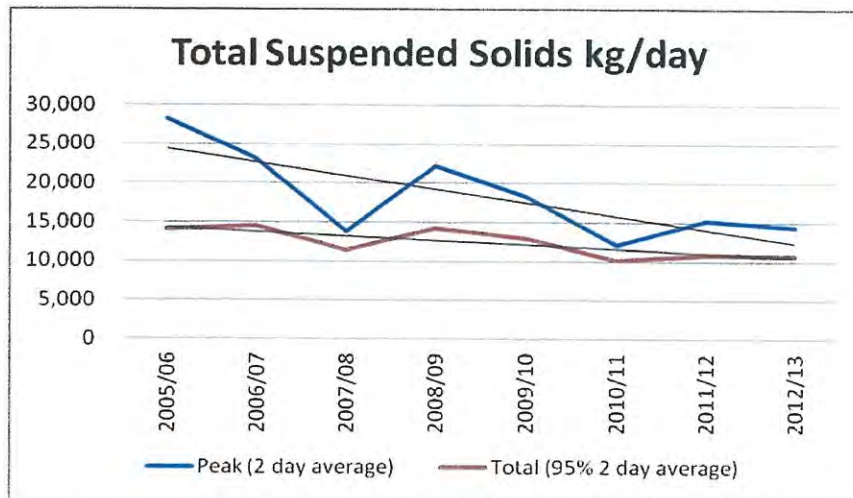
### Treatment Plant

- 7.1 The increase in flow to Bells Island is consistent with the flow projections on which the most recent upgrades were based.



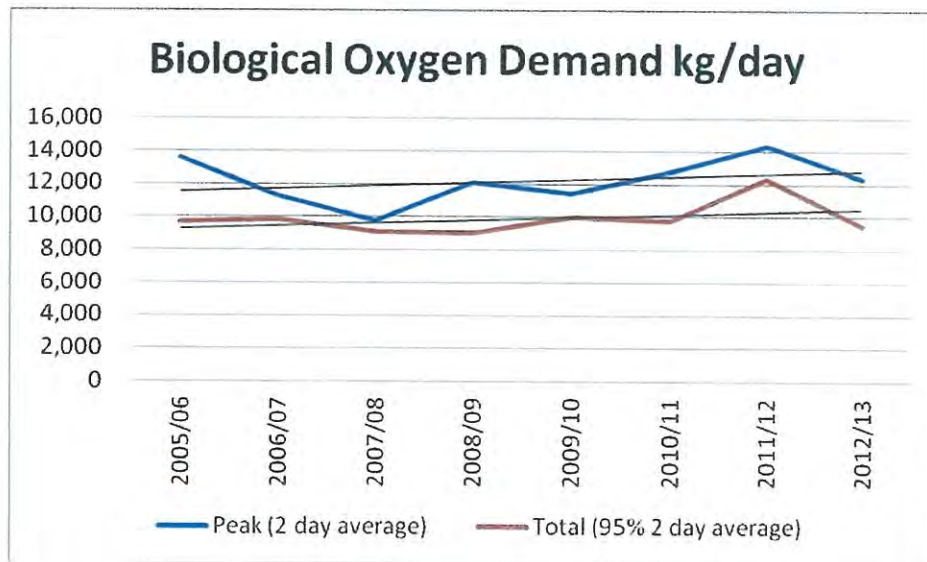
**Figure 8: Shows the increased inflows into Bells Island**

- 7.2 The total suspended solids discharging to Bells Island has shown a significant decrease since the disposal of trade waste agreements were put in place. It is considered that this decrease results from the improved on site wastewater treatment by the three industrial contributors leading up to and following the implementation of the customer contracts that were signed in 2007.



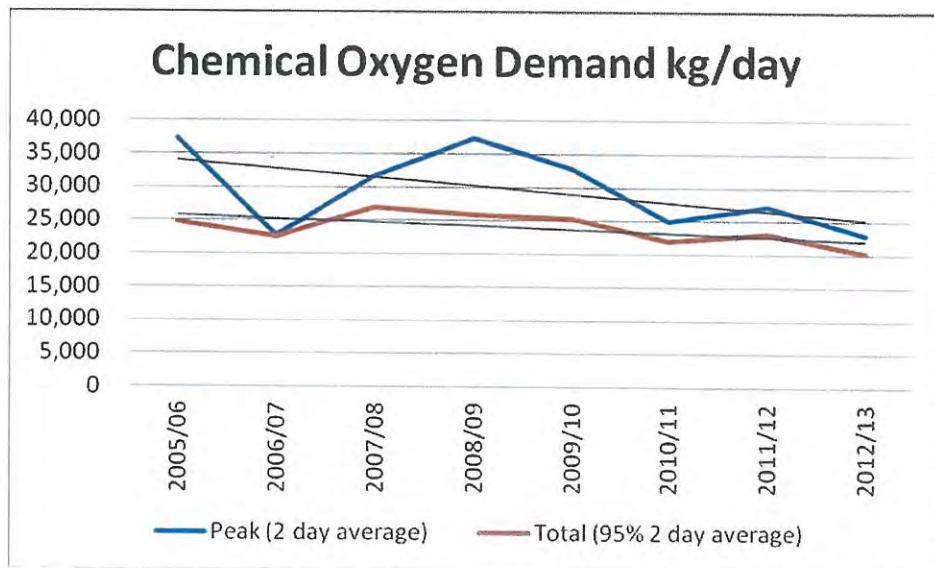
**Figure 9: Decrease in suspended solids following the signing of the Disposal of Trade Waste Agreement**

7.3 The detailed graphs in appendix C show that the biological oxygen demand in the inflow has decreased consistently over the period since the trade waste agreements were effected.



**Figure 10: Biological oxygen demand**

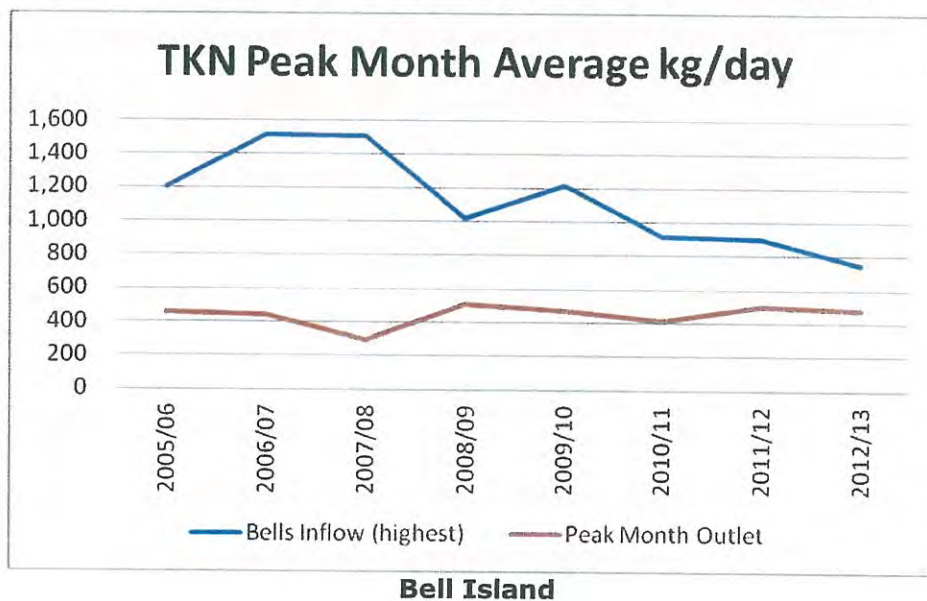
7.4 The chemical oxygen demand (figure 11) is clearly trending lower and it is considered that the peak loads are likely to grow moderately from present levels. Future demand projections should be adjusted to these base levels as it is considered that the decrease in loads is related to the implementation of the disposal of trade waste agreements in 2007. These agreements provided an incentive for industrial customers to improve on site treatment of waste water.



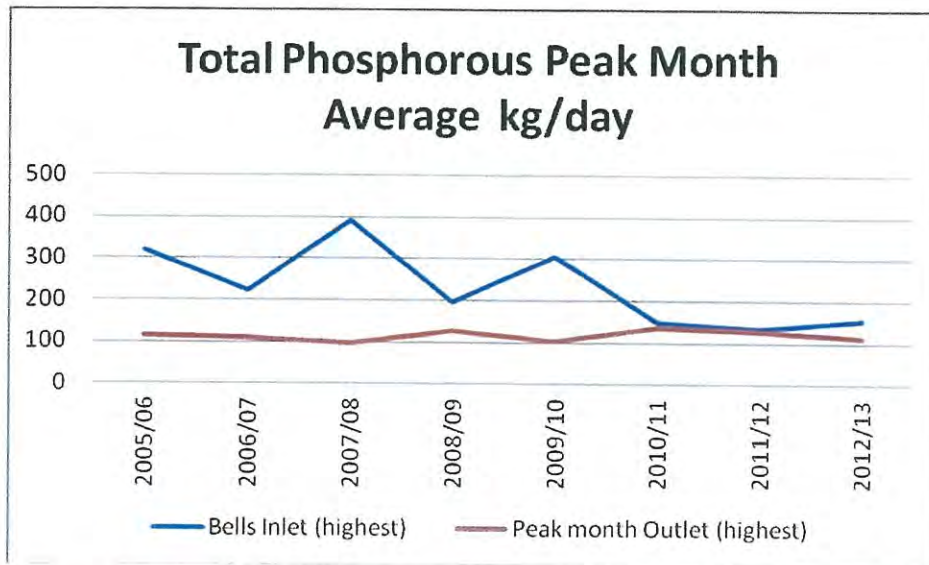
**Figure 11: Shows the decrease of peak chemical oxygen demand since the implementation of the Disposal of Trade Waste Agreements in 2007**

7.5 Both the Total Kjeldahl Nitrogen (TKN) and Total Phosphorous (TP) graphs show a decrease in nutrients discharged to Bell Island.

**Figure 12: Shows a decrease in the nutrients received at**

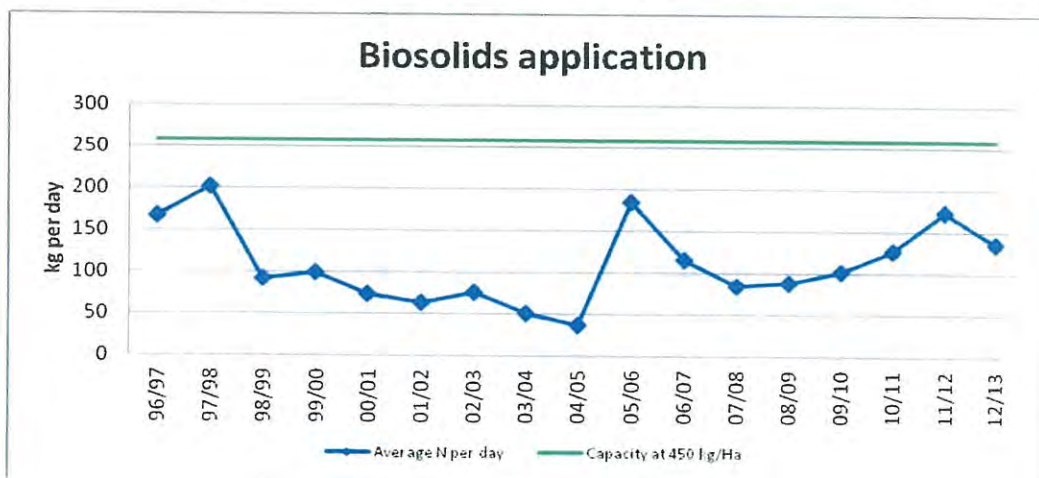






**Figure 14: Shows a decrease in the nutrients received at Bell Island**

- 7.6 With average total nitrogen and total phosphorous loads discharging from Bell Island at around 50% of the resource consent limits it is likely that the nutrient removal projects included in the asset management plan will be deferred when the plan is next reviewed.
- 7.7 The graph below shows that the average daily application of nitrogen at Bell Island is well within the capacity of the forests at Rabbit and Bell Island demonstrating that there is adequate land available for biosolids application at the current rate of biosolids production.



**Figure 15: Average daily biosolids application**

- 7.8 The diversion of solids away from the ponds since the completion of the primary clarifier upgrade is significant. This will allow further flexibility in the management of sludge treatment at Bells Island without compromising the ponds.

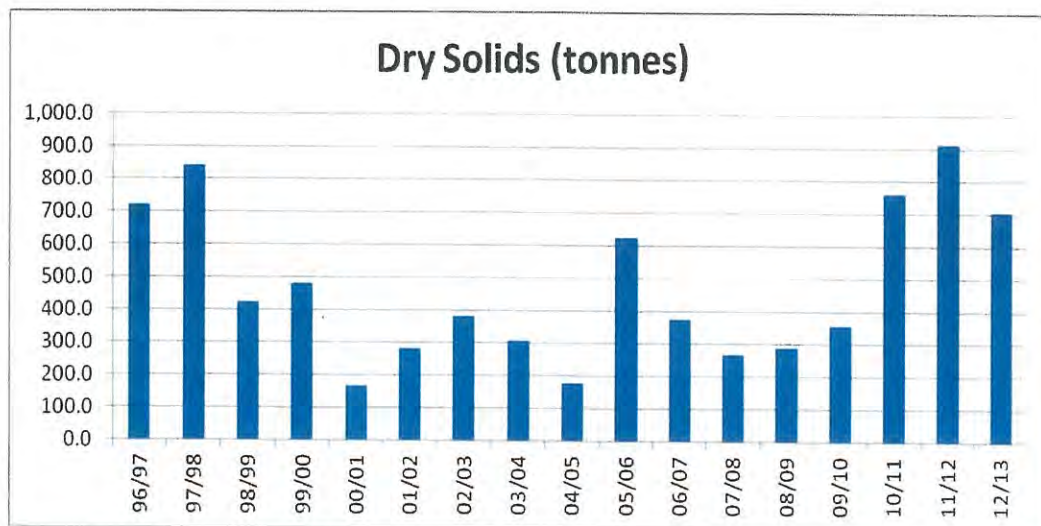


Figure 16: Dry solids diverted to pine plantations

### Contributors

- 7.9 The trends (refer graphs in Appendix C) for discharges from all contributors to the NRSBU network shows continued growth in flows and loads. However, lower increases in BOD, COD and SS loads are being received at Bell Island compared to loads being discharged to the network.
- 7.10 This phenomenon is considered to result from biological activity occurring in the network through the interaction of organisms developed in the pre-treatment of wastewater at on-site treatment facilities and also the significantly increased aeration of wastewater that now occurs at pump stations.
- 7.11 A substantial volume of storm water continues to enter Bell Island. NRSBU is working with the two Councils to determine long term strategies to reduce inflow and infiltration.
- 7.12 In summary, analysis of the scheme capacity trends confirms that there is adequate capacity within the system to treat wastewater discharged to Bells Island and that the decreases in nutrients discharged to the network are significant enough to indicate that a review of the current strategies for additional nutrient treatment is required.



## 8. Financial Performance

- 8.1 Explanations for major variations from the NRSBU's 2012/13 Business Plan are as follows:

### Statement of Comprehensive Income

- 8.2 Total Expenses are \$508,000 less than budget largely due to \$446,000 less interest being incurred as a result of lower than budgeted interest rates and capital expenditure. Depreciation is \$243,000 less than budget due to the June 2011 and 2012 revaluations and savings in capital expenditure.
- 8.3 The net surplus is \$266,000 more than budget largely due to the revaluation of derivative instruments.
- 8.4 The 30 June 2013 fixed asset revaluation is \$324,000 more than the opening value.

### Statement of Financial Position

- 8.5 The revaluation reserve has increased by \$2,830,000 compared to budget principally due to the movement in valuation indices in both 2012 and 2013 years.
- 8.6 Borrowings are \$2,329,000 less than budget due to savings in capital expenditure.

Signed: Donna Hiser Date: 22/11/2013

Donna Hiser  
Chair  
NRSBU

## Appendix A Discharge Consent Compliance

Month	Average Daily Inflow	Average Daily Discharge			BOD5	CBOD5	Suspended Solids	Total Nitrogen	Total Phosphorus	Faecal Coliforms	Enterococci
	m3/day	hrs/day	m3/day	Meter Diff (%)							
Limit	20,000		20,000	5.00	50		150	600	150	100,000	
Jul 12	16,920	5.8	21,466		69		40	335	73	1.60E+03	2.00E+02
					78		17	313	71	1.50E+03	1.20E+02
					43		28	279	64	1.60E+03	3.20E+02
					17		33	331	64	1.60E+03	2.00E+01
					69		37	352	58	5.40E+02	1.40E+02
Aug 12	23,090	5.5	20,582		72		54	321	62	7.00E+02	8.00E+01
Sep 12	23,127	5.7	20,328		116		47	222	55	3.50E+02	8.00E+01
Oct 12	16,515	5.4	15,373		137		104	252	54	3.00E+02	1.00E+01
Nov 12	12,210	3.0	8,618		64		117	153	41	8.00E+02	4.00E+01
Dec 12	11,031	3.0	9,299		99		155	214	66	2.00E+03	3.00E+02
Jan 13	15,061	3.9	10,840		167	45	124	325	88	1.90E+03	1.30E+03
Feb 13	10,881	3.2	7,870	3.00	56	23	92	173	47	4.90E+03	5.60E+02
Mar 13	12,255	3.3	8,650		33	23	92	130	61	2.90E+03	1.30E+03
Apr 13	19,066	5.0	14,801		38	26	40	207	11	1.90E+03	5.40E+01
May 13	17,414	3.8	19,952		39	29	42	479	112	2.50E+04	4.10E+02
Jun 13	24,292	4.5	19,114		27	26	66	459	65	1.60E+03	2.00E+01
	16,822		14,741	5.00%	67	26	51	296	63	1.60E+03	1.30E+02

Test	Results	Limits	Comments
Median Faecal Coliform Count	1.60E+03 /100ml	<20,000 /100ml	O.K
No of samples over 100,000/100ml	0	<6.25%	O.K
Median BOD5	67 g/m3	<40 g/m3	Over Limit
No of samples over 50 g/m3	10	<6.25%	Over Limit
Median Suspended Solids	51 g/m3	<100 g/m3	O.K
No of samples over 150 g/m3	1	<6.25%	O.K
1 April - 31 July			
Median Total Nitrogen	333 kg/day	<500 kg	O.K
No of samples over 600 kg	0	<12.5%	O.K
1 Aug - 31 March			
Maximum Total Nitrogen	325 kg/day	<600 kg	O.K
No of samples over 500 kg	0	<12.5%	O.K
Maximum Total Phosphorus	112 kg/day	<180 kg	O.K
No of samples over 150 kg	0	<6.25%	O.K
Mean Daily Flow	14,741 m3	<20,000	O.K

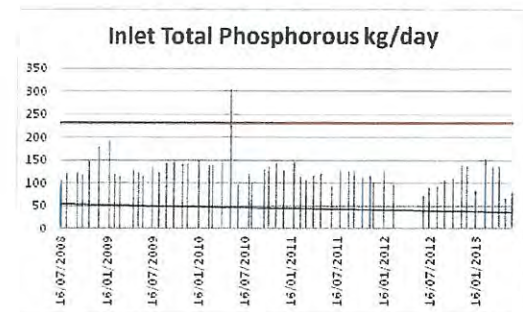
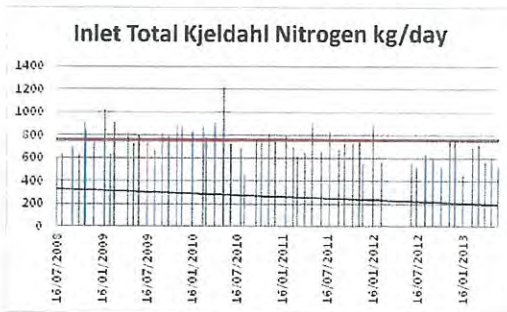
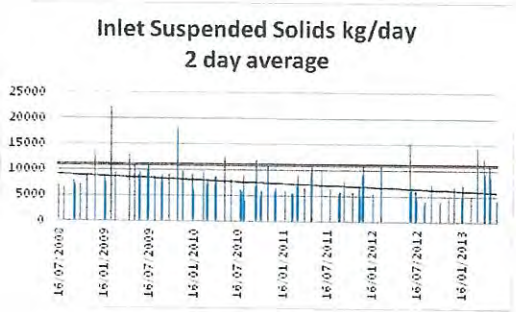
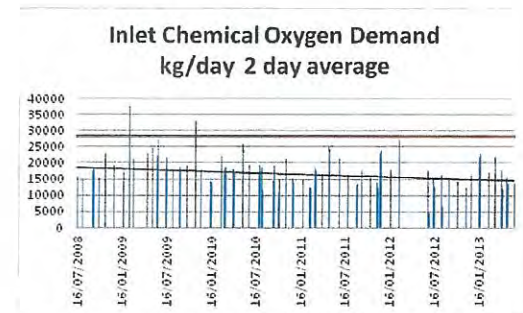
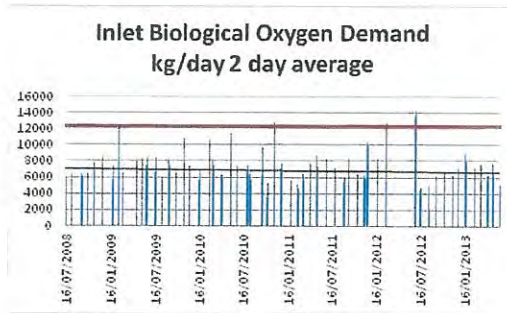
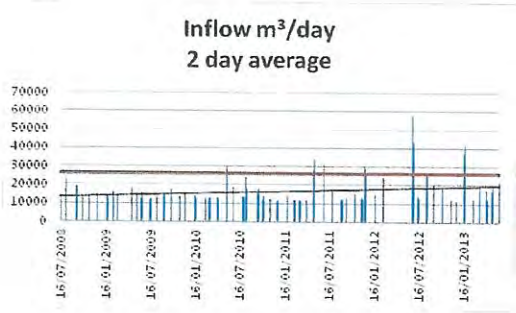
## Appendix B Contributor Heavy Metal Results

2012-13

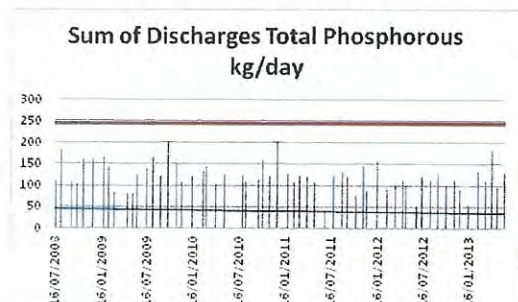
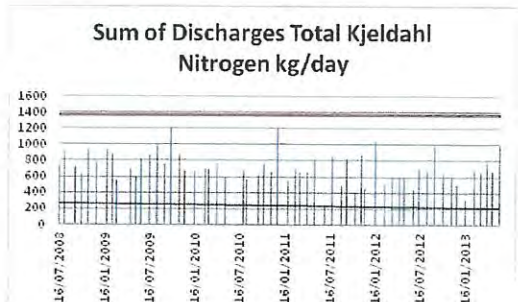
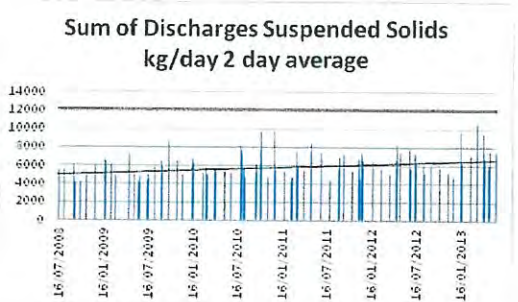
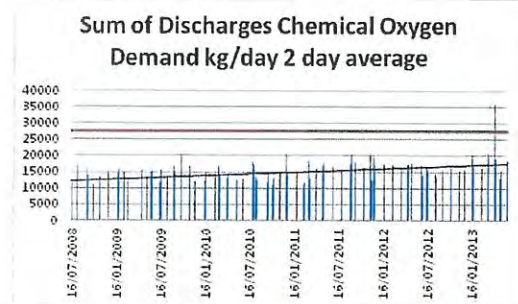
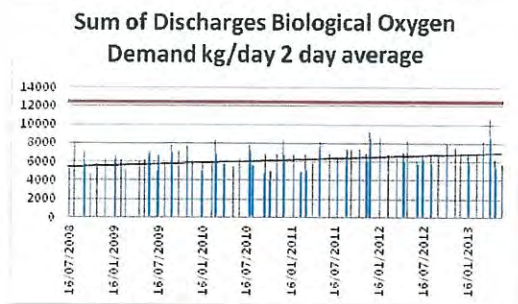
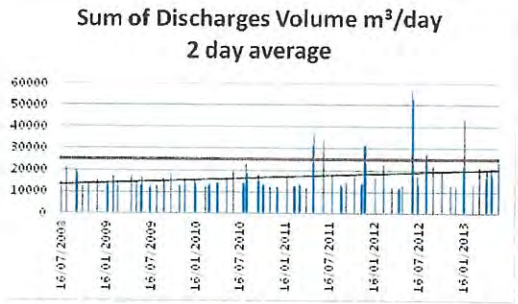
Heavy Metals & Other Substances	Alliance 16/08/2012	ENZA 17/08/2012	Sextons 16/08/2012	Richmond 16/08/2012	Airport 16/08/2012	Mepua 16/08/2012	NPI 16/08/2012	Wekatu 16/08/2012	Songer 16/08/2012	Trade Waste Bylaw Limit
Cadmium	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	0.5
Copper	0.102	0.051	0.029	0.035	0.025	0.063	0.09	0.112	0.024	5
Nickel	<0.011	<0.011	<0.011	<0.011	<0.011	<0.011	0.028	<0.011	<0.011	5
Zinc	0.30	0.07	0.08	0.15	0.08	0.08	0.30	0.20	0.06	5
Chromium	<0.011	0.012	<0.011	<0.011	0.021	<0.011	0.016	<0.011	<0.011	5
Lead	0.0032	0.0057	0.0029	0.0024	<0.0021	<0.0021	0.0081	0.0117	<0.0021	5
Boron	<0.11	0.13	<0.11	0.24	0.16	<0.11	0.12	<0.11	<0.11	25
Arsenic	<0.021	<0.021	<0.021	<0.021	<0.021	<0.021	<0.021	<0.021	<0.021	1
Fluoride	0.06	<0.05	0.08	0.13	0.08	0.06	0.05	0.1	0.09	5
Sulphide	1.28	0.042	0.116	0.106	0.14	0.023	0.066	0.34	0.043	1
Sulphates(SO4)	16.7	6.5	22	35	30	18	23	43	23	200
Phenols	1.070	0.080	0.032	0.081	0.010	0.020	1.700	0.750	0.340	50
Oil and Grease	92	17	33	24	28	19	240	56	25	
Mercury	<0.0021	<0.0021	<0.0021	<0.0021	<0.0021	<0.0021	<0.0021	<0.0021	<0.0021	0.05
pH	7	7	6.7	7	5.9	6.9	4.6	7.3	7.3	
Pesticides										
Cyanide	<0.0010	0.001	<0.0010	<0.0010	0.001	<0.0010	0.003	<0.0010	<0.0010	5

### Appendix C

### Discharge to Bells Island

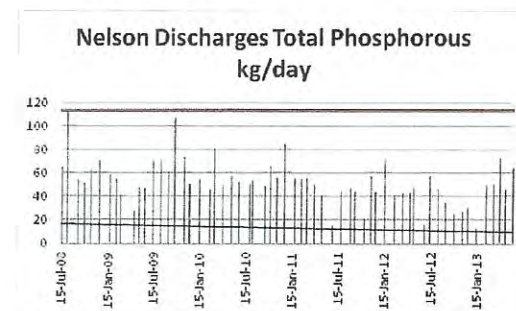
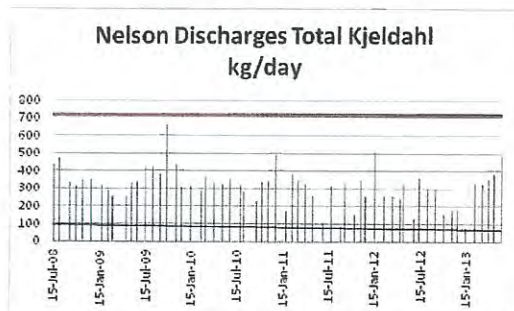
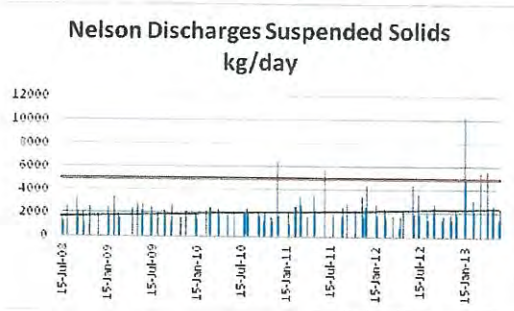
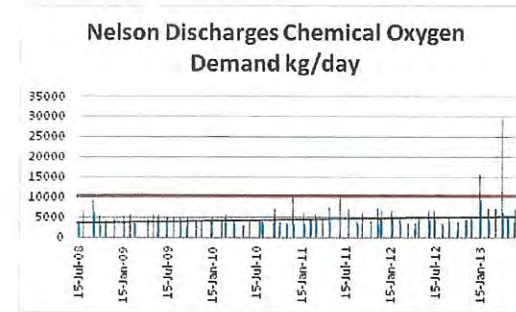
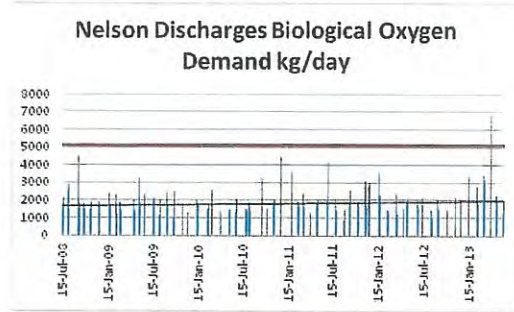
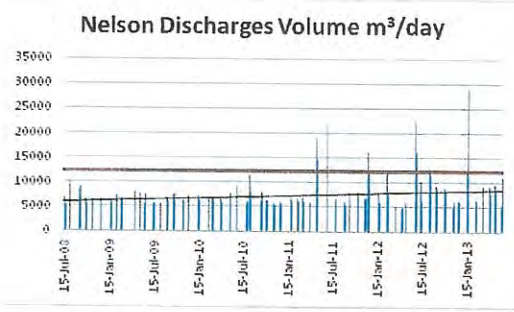


### Sum of Discharges to NRSBU Network

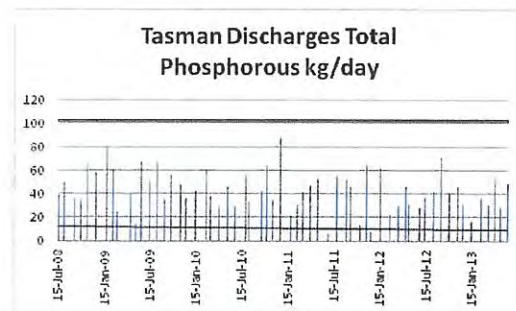
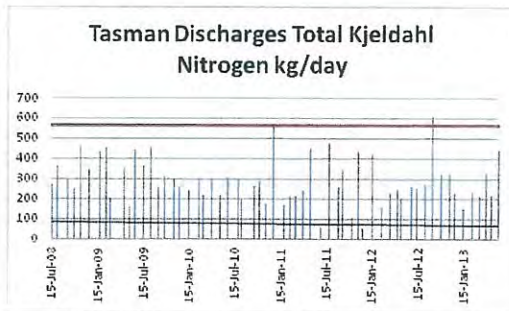
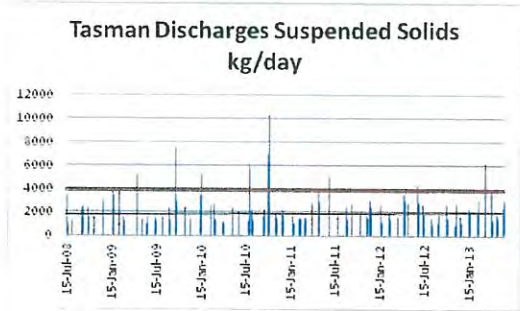
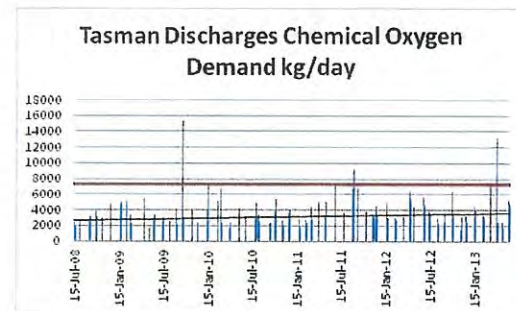
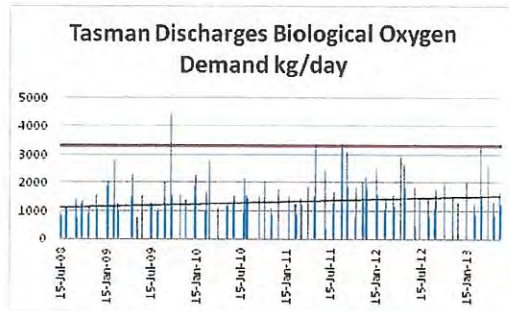
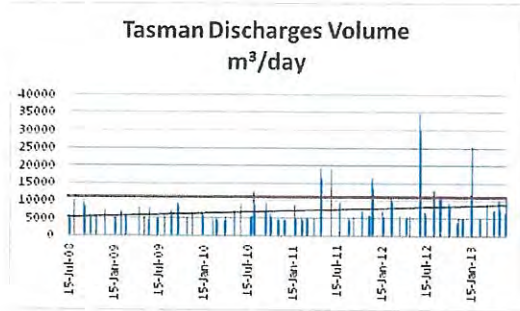




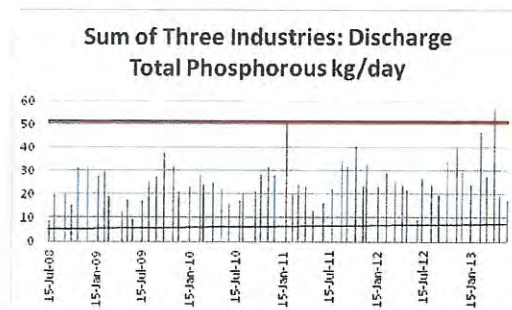
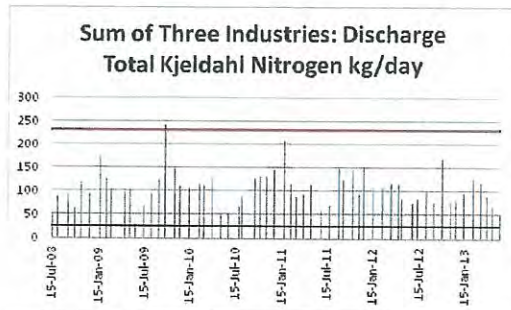
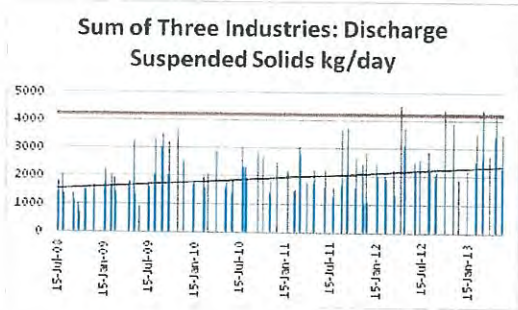
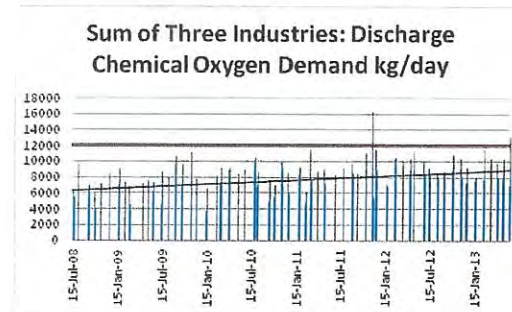
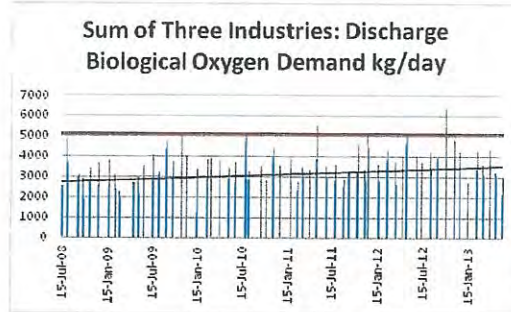
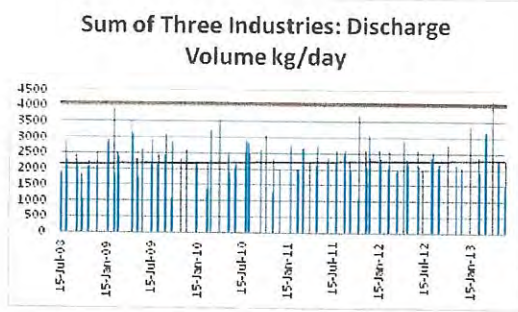
### Sum of Nelson City Council Discharges to NRSBU Network



### Sum of Tasman District Council Discharges to NRSBU Network



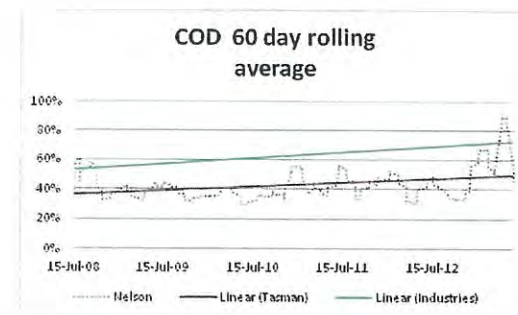
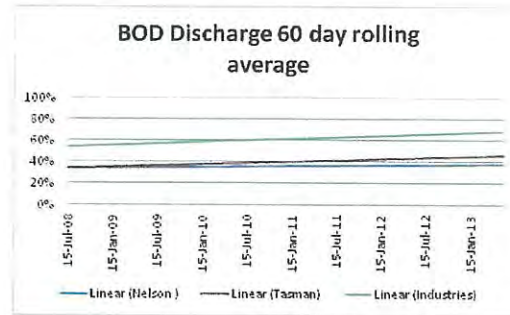
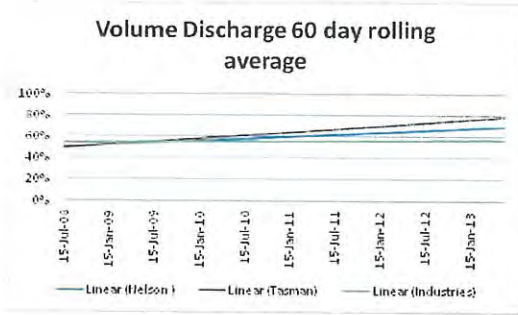
### Sum of the Three Industries



The sum of the three industries demonstrates that agreed limits were occasionally exceeded.



### 60 Day Rolling Average of Discharges to NRSBU Network as % of Treatment Capacity



The three groups are well under the agreed allocations.

# Audit Report

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## Independent Auditor's Report

### To the readers of Nelson Regional Business Sewerage Unit's financial statements for the year ended 30 June 2013

The Auditor-General is the auditor of Nelson Regional Business Sewerage Unit (the Business Unit). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Business Unit on her behalf.

We have audited the financial statements of the Business Unit on pages 2 to 14, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the statement of accounting policies and notes to the financial statements that include accounting policies and other explanatory information.

#### Opinion

In our opinion the financial statements of the Business Unit on pages 2 to 14:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Business Unit's:
  - financial position as at 30 June 2013; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 22 November 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

#### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Business Unit's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business Unit's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board**

The Board are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Business Unit's financial position, financial performance and cash flows.

The Board are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

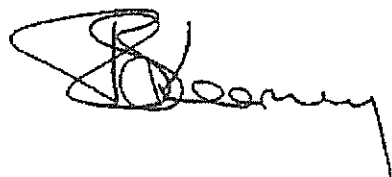
### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

## Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Business Unit.

A handwritten signature in black ink, appearing to read 'Bede Kearney', with a stylized, circular flourish at the beginning.

Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

**NELSON REGIONAL SEWERAGE BUSINESS UNIT**

**ANNUAL FINANCIAL STATEMENTS**

**For the Year ended 30 June 2013**

# NELSON REGIONAL SEWERAGE BUSINESS UNIT

## Representatives for year ended 30 June 2013

Representing Tasman District Council  
Cr G Glover  
Mr M Higgins

Representing Nelson City Council  
Cr D Shaw  
Cr P Matheson

Independent Member  
Ms D Hiser (Chair)

## Principal Administration Office

C/- Nelson City Council  
110 Trafalgar St  
Nelson

## Auditor

Audit New Zealand on behalf of the office of the Auditor-General

## Bankers

Westpac New Zealand Ltd  
Queen St  
Richmond

## Solicitors

Duncan Cotterill  
197 Bridge St  
Nelson

## **NELSON REGIONAL SEWERAGE BUSINESS UNIT**

Statement of Accounting policies

For the year ended 30 June 2013

### **Reporting Entity**

The Nelson Regional Sewerage Business Unit is a Joint Committee of Nelson City Council and Tasman District Council, under Section 48 of the Local Government Act 2002.

The primary purpose of the Nelson Regional Sewerage Business Unit is to manage the treatment facilities and network in a cost efficient and environmentally sustainable manner rather than making a financial return. Accordingly, the Business Unit has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS)

The financial statements of the Business Unit are for the year ended 30 June 2013. The financial statements were authorised for issue by the Board on the 22nd November 2013.

### **Basis of Preparation**

#### **Statement of compliance**

The financial statements of the Business Unit have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been consistently applied to all periods presented in the financial statements.

#### **Measurement base**

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land, infrastructural assets and biological assets.

#### **Functional and presentation currency**

The financial statements have been prepared in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Business Unit is New Zealand dollars.

#### **Changes in Accounting Policies**

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Business Unit will be eligible to apply the reduced disclosure regime (Tier 2 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Business Unit will transition to the new standards in preparing its 30 June 2015 financial statements. The Business Unit has not assessed the implications of the new Accounting Standards Framework at this time.



## **Accounting Policies**

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

### **a) Revenue**

Revenue is measured at the fair value of consideration received.

### **b) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **c) Financial Instruments**

The Business Unit is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, receivables, payables and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus or Deficit.

Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

### **d) Derivative financial instruments**

The Council uses derivative financial instruments (interest rate swaps) to minimise its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently re-measured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are taken directly to the surplus or deficit for the year. The fair value of interest rate swaps is determined by reference to market values for similar instruments. The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement.

### **e) Cash and Cash equivalents**

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

Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

**f) Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables.

**g) Financial Assets**

Investments in bank deposits are measured at fair value.

**h) Income tax**

As a Joint Committee of Nelson City Council and Tasman District Council the Business Unit is taxable in the two Councils. However, the Business Unit operations are a non-taxable activity for each Council.

**i) Goods and Services Tax**

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of trade receivables and payables, which are stated with GST included.

**j) Property, Plant and Equipment**

There are three categories of Property, Plant and Equipment:

- Freehold land
- The Infrastructural Network – incorporates pipelines, pump stations, ponds, aerators, clarifiers, odour control unit, power supply and buildings
- Work in Progress

i) Land is reviewed annually and revalued at market value every five years or if there is a material movement. The latest valuation was conducted as at 30 June 2009 by QV Valuations.

ii) Infrastructural assets are valued annually internally at depreciated replacement cost by Council engineers as at 30 June 2013. The valuation methodology has been peer reviewed by MWH New Zealand Ltd and revaluations are updated annually.

Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services

Depreciation is provided on a straight line basis which will write off the cost/valuation of the assets over their useful lives. The useful lives of the major classes of infrastructural assets have been estimated as follows:

Buildings	50 years
Ponds and Channels	
- earthworks	999 years
- wave bands, electromechanical	25 years
- pipelines, chambers, aeration basin outfall	50 – 80 years
Aerators	25 years
Power Supply	25 years

## **j) Property, Plant and Equipment continued**

Clarifier	
- earthworks	999 years
- civil works	50 years
- pipes	50 – 60 years
- pumps	10 – 25 years
- other	10 – 25 years
Odour Control Unit	10 – 50 years
Pump Stations	
- pumps	15 years
- variable speed drive units	10 years
- pipes and civil works	50 years
- other	25 years
Pipelines	
- pipes	45 – 80 years
- air valves	25 years
Aeration Basin Upgrade	10 years

The Business Unit has implemented an activity management plan for the continuing replacement and refurbishment of components to ensure that conveying, treatment and disposal systems are maintained to provide a satisfactory service on an ongoing basis.

iii) Work in progress is valued at cost of construction. Depreciation is applied at time of commissioning.

## **k) Biological Assets**

Forestry consisting of 18 hectares planted on Bell Island adjacent to the ponds is revalued annually by P F Olsen and Company Ltd to Market Value. The latest valuation available is at 30 June 2013.

The movement in the Forestry valuation is recorded in the Surplus or Deficit.

## **l) Revaluation Reserves**

The results of revaluing land and infrastructural assets 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 results in a debit balance in the asset revaluation reserve for any class of asset, this is expensed in the Surplus or Deficit. To the extent that increases in value offset previous decreases debited to the Surplus or Deficit, the increase is credited to the Surplus or Deficit.

**m) Statement of Cash Flows**

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Business Unit would invest as part of its day to day cash management.

Operating activities include cash received from participants and all other sources and records the cash payments made for the supply of goods and services.

Investment activities are those activities relating to the acquisition and disposal of non current assets.

Financing activities comprise the change in equity and debt capital structure of the Business Unit.

**n) Budget figures**

The budget figures are those approved by the Board at the beginning of the year in the Business Plan. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Board for the preparation of financial statements.

**o) Critical accounting estimates and assumptions**

In preparing these financial statements the Business Unit has made estimates and assumptions concerning the future. The key assumptions relate to the valuation of the Business Unit's property, plant and equipment. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including estimates and expectations of future events that are believed to be reasonable under the circumstances.

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

### Statement of Comprehensive Income For the year ended 30 June 2013

	Notes	Actual 2012/13 \$	Budget 2012/13 \$	Actual 2011/12 \$
<b>Income</b>				
Sales		7,736,835	8,332,400	7,399,478
Other Recoveries		185,700	172,000	160,069
Interest		146	1,000	217
Loss/(Gain) in Fair Value of Forestry	5	4,700	-	10,900
Revaluation Derivative Instruments		335,844	-	-
<b>Total Income</b>		<u>8,263,225</u>	<u>8,505,400</u>	<u>7,570,664</u>
<b>Less Expenses</b>				
Management		221,240	133,700	114,908
Audit Fees		14,500	10,000	14,000
Additional audit fee - 2012		12,000	-	-
Members Fees	7	18,500	18,500	27,959
Interest Paid		762,696	1,209,000	795,398
Insurance		60,074	42,000	55,668
Depreciation	6	1,819,403	2,062,000	1,897,052
Abandoned Assets		17,504	-	194,175
Electricity		743,734	754,000	692,336
Operations & Maintenance		1,715,276	1,688,100	1,498,451
Monitoring		138,353	167,100	211,500
Biosolids Disposal		510,750	456,000	507,525
Consultancy		101,476	100,000	112,979
Sundry		60,059	77,000	111,845
Forestry Costs		13,784	-	-
Revaluation Derivative Instruments		-	-	75,992
<b>Total Expenses</b>		<u>6,209,349</u>	<u>6,717,400</u>	<u>6,309,788</u>
<b>Net Surplus</b>		<u>2,053,876</u>	<u>1,788,000</u>	<u>1,260,876</u>
<b>Other Comprehensive Income</b>				
Revaluation of Fixed Assets		324,032	-	2,506,596
<b>Total Comprehensive Income</b>		<u><u>2,377,908</u></u>	<u><u>1,788,000</u></u>	<u><u>3,767,472</u></u>

### Statement of Changes in Equity For the year ended 30 June 2013

	Notes	Actual 2012/13 \$	Budget 2012/13 \$	Actual 2011/12 \$
<b>Equity at the start of Year</b>				
Opening Equity		35,687,766	33,040,000	33,040,047
Plus Total Comprehensive Income		2,377,908	1,788,000	3,767,472
Less Owners Distribution		1,736,222	1,788,000	1,119,752
<b>Equity at the end of Year</b>		<u><u>36,329,452</u></u>	<u><u>33,040,000</u></u>	<u><u>35,687,766</u></u>

The attached notes form part of and should be read in conjunction with these financial statements


## NELSON REGIONAL SEWERAGE BUSINESS UNIT

### Statement of Financial Position

as at 30 June 2013

	Notes	Actual 2013	Budget 2013	Actual 2012
<b>Equity</b>		\$		\$
Retained earnings	1(a)	16,087,131	15,628,000	15,769,477
Contingency reserve		100,000	100,000	100,000
Revaluation reserve	1(b)	20,142,321	17,312,000	19,818,289
<b>Total Equity</b>	1	36,329,452	33,040,000	35,687,766
 This was represented by:				
<b>Current Assets</b>				
Cash and cash equivalents		52,517	94,000	76,066
Trade receivables		185,914	236,000	58,685
<b>Total Current Assets</b>		238,431	330,000	134,751
 <b>Current Liabilities</b>				
Trade and other payables		123,873	655,000	593,132
Inter-entity trade payables	4	2,438,427	3,541,000	2,034,761
Borrowings	2	16,400,000	-	-
<b>Total Current Liabilities</b>		18,962,300	4,196,000	2,627,893
 <b>Net Working Capital</b>		<b>(18,723,869)</b>	<b>(3,866,000)</b>	<b>(2,493,142)</b>
 <b>Non Current Assets</b>				
Property, plant and equipment	6	54,777,869	55,550,000	55,296,000
Forestry assets	5	15,600	85,000	10,900
Derivative Financial Instruments	8(e)	259,852	-	-
<b>Total Non Current Assets</b>		55,053,321	55,635,000	55,306,900
 <b>Non Current Liabilities</b>				
Borrowings	2	-	18,729,000	17,050,000
Derivative Financial Instruments	8(e)	-	-	75,992
<b>Total Non Current Liabilities</b>		-	18,729,000	17,125,992
 <b>Net Assets</b>		<b>36,329,452</b>	<b>33,040,000</b>	<b>35,687,766</b>

For and on behalf of the Nelson Regional Sewerage Business Unit

Chairman 

Date 22nd November 2013

The attached notes form part of and should be read in conjunction with these financial statements

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

Statement of Cash Flows  
For the year ended 30 June 2013

	Notes	2012/13 \$	2011/12 \$
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Receipts from customers		7,795,307	7,736,951
Interest received		146	217
		<u>7,795,452</u>	<u>7,737,169</u>
Payments to suppliers		(4,159,421)	(3,100,183)
Interest paid		(821,597)	(840,982)
		<u>(4,981,018)</u>	<u>(3,941,165)</u>
<b>Net Cash Flows from Operating Activities</b>	3	<u>2,814,434</u>	<u>3,796,003</u>
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(1,068,231)	(6,094,589)
<b>Net Cash from Investing Activities</b>		<u>(1,068,231)</u>	<u>(6,094,589)</u>
<b>Financial Activities</b>			
Owners Distribution		(1,119,752)	(1,768,908)
Loan raised		(650,000)	4,050,000
<b>Net Cash from Financing Activities</b>		<u>(1,769,752)</u>	<u>2,281,092</u>
<b>Net Increase/(Decrease) in cash</b>		(23,549)	(17,493)
Add Opening Cash and cash equivalents		76,066	93,559
Closing Cash and cash equivalents		<u>52,517</u>	<u>76,066</u>

The attached notes form part of and should be read in conjunction with these financial statements

## NELSON REGIONAL SEWERAGE BUSINESS UNIT

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2013

	2012/13	2011/12
	\$	\$
<b>1 Equity</b>		
The Business Unit is jointly owned by the Nelson City Council and the Tasman District Council.		
<b>1(a) Retained Earnings</b>		
Opening Balance	15,769,477	15,628,353
Net Surplus	2,053,876	1,260,876
Distribution to Owners	(1,736,222)	(1,119,752)
Closing Balance	16,087,131	15,769,477
<b>1(b) Revaluation Reserve</b>		
Opening Balance	19,818,289	17,311,693
Revaluation Movements		
Infrastructure revaluation	324,032	2,506,596
Total Revaluation Movement	324,032	2,506,596
Closing Balance	20,142,321	19,818,289
<b>Balance held as follows:-</b>		
Land	1,679,500	1,679,500
Buildings	192,158	174,853
Sewerage network	18,190,303	17,895,305
Plant & Equipment	80,360	68,631
<b>Total Revaluation Reserve</b>	20,142,321	19,818,289
<b>2 Term Loans</b>		
A \$25m multi-option facility exists that is secured over rates revenue of the Tasman District and Nelson City which expires 30th June 2014.		
Interest rates payable range are 3.69%. (For 2011/12 the range was 3.48% to 5.9% with a weighted average of 3.95%).		
Total Loans	16,400,000	17,050,000
Less Current Portion	16,400,000	-
Term Portion	-	17,050,000
1 to 2 years	-	-
2 to 5 years	-	17,050,000
	-	17,050,000

The weighted average cost of funds as at 30 June 2013 was 4.706% (2012 4.4%)



### 3 Reconciliation of Net Surplus with Net Cash Flow from Operating Activities

Net Surplus	2,053,876	1,260,876
Add back non cash items		
Dépreciation	1,819,403	1,897,052
Abandoned Assets	17,504	194,175
Gain (Loss) in fair value of forestry	(4,700)	(10,900)
Revaluation (gain) loss derivative instruments	(335,844)	75,992
Movements in Working Capital		
(Increase)/Decrease in receivables	(127,229)	177,404
(Increase)/Decrease in fixed asset related payables	73,488	1,119,548
Increase/(Decrease) in payables	(65,593)	(1,567,298)
Items classified as financing activities		
(Increase)/Decrease in owner distribution accrual	(616,471)	649,154
	<u>2,814,434</u>	<u>3,796,003</u>

### 4 Transactions for Related Parties

For the year ended 30 June 2013, Nelson Regional Sewerage Business Unit -

	2013	2012
Purchased the following from:		
Tasman District Council:		
- Rates & Water	47,986	24,524
- Consent & Monitoring Fees	3,711	5,790
Nelson City Council:		
- Management, Engineering Secretarial and Accounting Services	231,709	125,088
- Rates & Water	5,489	4,193
- Engineering Services Capitalised	4,505	20,942
- Consent & Monitoring Fees	4,608	3,450
Nelmac		
- Maintenance and capital work	5,581	6,547
Provide bulk sewage services to:		
- Tasman District Council	2,585,358	2,536,806
- Nelson City Council	3,184,951	2,951,846
At year end the Business Unit owed related parties as follows:		
- Nelson City Council	1,825,212	1,435,227
- Tasman District Council	613,214	599,535

### 5 Forestry Assets

The Biological Assets are valued at Market Value. Any movement in the valuation is recorded in the Profit and Loss Account.

	2013	2012
Current Market Value (NZ IFRS)	15,600	10,900
Current increase (decrease) in Market Value	4,700	10,900

**6 Property, plant and equipment**

	Land	Sewerage Network	Buildings	Plant & Equipment	Total
<b>Valuation / Cost</b>					
Balance June 2011	2,169,000	47,458,113	231,394	47,082	49,905,589
Additions 2012		4,975,042			4,975,042
Abandoned Assets		- 194,175			- 194,175
Revaluation 2012		2,481,307	23,184	2,105	2,506,596
Revaluation transfer		(1,861,865)	(19,467)	(15,720)	(1,897,052)
Balance June 2012	2,169,000	52,858,422	235,111	33,467	55,296,000
Additions 2013	194,643	800,100	-	-	994,743
Abandoned Assets		(17,504)			(17,504)
Revaluation 2013		294,998	17,305	11,729	324,032
Revaluation transfer		(1,787,451)	(17,288)	(14,663)	(1,819,402)
Balance June 2013	2,363,643	52,148,565	235,128	30,533	54,777,869
<b>Accumulated Depreciation</b>					
Balance June 2011	-	-	-	-	-
Depreciation charge 2012		1,861,865	19,467	15,720	1,897,052
Revaluation transfer		(1,861,865)	(19,467)	(15,720)	(1,897,052)
Balance June 2012	-	-	-	-	-
Depreciation charge 2013		1,787,451	17,288	14,663	1,819,402
Revaluation transfer		(1,787,451)	(17,288)	(14,663)	(1,819,402)
Balance June 2013	-	-	-	-	-
<b>Carrying amounts</b>					
Balance June 2012	2,169,000	52,858,422	235,111	33,467	55,296,000
Balance June 2013	2,363,643	52,148,565	235,128	30,533	54,777,869

## 7 Members Fees

Remuneration and other benefits paid or due and payable to directors, for services as members during the year ending 30 June 2013, are as follows:

- Donna Hiser	18,500	27,500
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(Note 2012 included \$9,000 in relation to 2011)

## 8 Financial Instruments

The Nelson Regional Sewerage Business Unit is party to financial instrument arrangements as part of its every day operations. These financial instruments include accounts receivable, accounts payable, loans and investments.

### a) Credit Risk

Financial instruments which are potentially subject to credit risk consist of bank balances, accounts receivable and short term deposits.

	<u>2013</u>	<u>2012</u>
Bank Balances	52,517	76,066
Accounts Receivable	185,914	58,685

No collateral is held on the above accounts

### b) Concentration

Concentrations of credit risk with respect to accounts receivable are high, with Nelson City Council, Tasman District Council and three private users as major customers. However, all are considered high credit quality entities.

### c) Currency Risk

Nelson Regional Sewerage Business Unit has no currency risk as any financial instruments it deals with are all in New Zealand dollars.

### d) Financial instruments

The Business Unit is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and cash equivalents, accounts receivable and payable, investments, and loans which have all been recognised in the financial statements. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Income.

### e) Derivative financial instruments

	<u>2013</u>	<u>2012</u>
Non-Current asset portion	259,852	-
Non-Current liability portion	-	75,992

#### Fair value

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present values. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

#### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the council are \$16 million (2012 \$16 m). At June 2013, the fixed interest rate swaps varied from 2.77% to 3.83% (2012 2.77% to 3.83%)

**8 Financial Instruments e) Derivative financial instruments continued**  
**Sensitivity analysis**

The table below illustrates the potential profit and loss impact for reasonably possible market movements, with all other variables held constant, based on the Business Unit's derivative financial instrument exposures at balance date

+100bps	588,940	602,174
-100bps	(628,454)	(808,254)

**9 Statement of Contingent Assets and Contingent Liabilities**

The Business Unit has no contingent asset or contingent liabilities as at 30 June 2013. (2012 There was a contingent asset as a result of a dispute with a contractor. This dispute was resolved in the current year.)

**10 Statement of Commitments**

The Business Unit has capital commitments as at 30 June 2013 of \$20,000. (2012 \$607,546).

**11 Post Balance Date Events**

There are no significant events after Balance date. (2012 Nil).

**12 Explanation of major variances against budget**

Explanations for major variations from the Nelson Regional Sewerage Business Unit's 2012/13 Business Plan are as follows:

**Statement of Comprehensive Income**

Total Expenses are \$508,000 less than budget due to \$446,000 less Interest being incurred as a result of lower than budgeted interest rates and capital expenditure. Depreciation is \$243,000 less than budget due to the June 2011 and 2012 revaluations.

Total Income is \$242,000 less than budget due to Sales from Customers being \$596,000 less than budget as a result of the 2012 valuation and a lower interest rate being used in the calculation of charges, less the \$336,000 revaluation of Derivative Instruments not being budgeted for as this item is not funded.

The net surplus is \$266,000 more than budget due to the above.

The annual fixed asset revaluation this year is \$324,000.

**Statement of Financial Position**

The revaluation reserve has increased by \$2,830,000 compared to budget principally due to the movement in valuation indices in both 2012 and 2013 years.

Retained earnings has increased by \$459,000 as a result of not distributing the unfunded elements of the surplus such as revaluations of derivative instruments.

Trade and other payables and Inter-entity payables have reduced due to the reduction in capital expenditure activity in June 2013.

Borrowings are \$2,329,000 less than budget due to savings in Capital Expenditure. The Borrowings have been reclassified as Current Liabilities as the facility hasn't been reviewed during the year and is due to expire at 30 June 2014.

# MINUTES AND DECISION OF THE HEARINGS PANEL, NELSON CITY COUNCIL

Held in Nelson City Council Chamber, Floor 2A, Civic House,  
Trafalgar Street, Nelson, on 26 February 2014, starting at 9.00am

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## Hearings Panel:

Chair: Commissioner I Barker

Panel: Commissioner E Davy

## In Attendance:

Reporting Officer: Marie Albertson, Pool Compliance Officer

Minutes Secretary: Kathy Mardon

Mr Brian Hurst (applicant)

### 1.0 Report Number A802424

Report taken as read.

Recommendation

***THAT report number A802424 "Background information – applications for exemption under Fencing of Swimming Pools Act 1987" be received.***

Davy / Barker

Carried

### 2.0 Applications for Exemption under Fencing of Swimming Pools Act 1987

2.1 Applicant: Brian Hurst

Location: 190B Nile Street

Report Number: A1142615

The Reporting Officer explained that the border at the rear of the section is effectively the bank of the Maitai River. The section is otherwise fully fenced. Mr Hurst confirmed that no-one had ever crossed the river to enter the property. There is no track down the river bank, and the existing vegetation effectively screens the pool from public view. It would be very difficult for anyone to access the pool/property from the river bank. There are barriers along the sides of the section.

Recommendation

***THAT exemption be granted in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987. Future compliance will be monitored by the three yearly inspection programme operated by the council.***

Davy / Barker

Carried

2.2 Applicant: Ross and Kath Morrison

Location: 25 Bay View Road

Report Number: A1142591

The Reporting Officer confirmed that this is the only door that accesses the pool from inside the house, and does not comprise the normal access to the pool. The door, which can be locked in two positions to provide ventilation, is child proofed, and the window has stays fitted.

Recommendation

***THAT exemption be granted in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987. Future compliance will be monitored by the three yearly inspection programme operated by the council.***

Davy / Barker

Carried

2.3 Applicant: Lawrence Saunders & Rachel Rae

Location: 235 Collingwood St

Report Number: A1142632

The Reporting Officer advised that this is a free standing spa pool with a lockable lid, and removable steps.

Recommendation

***THAT exemption be granted in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987. Future compliance will be monitored by the three yearly inspection programme operated by the council.***

***AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached: that the lid remains locked at all times unless young children are be supervised by a responsible person.***

Davy / Barker

Carried

2.4 Applicant: Russell Holden

Location: 17 Best Place

Report Number: A1142664

The Reporting Officer confirmed that there are no steps, the cover is lockable, the property is fenced from the road, and that there is no view of the pool from the road.

Recommendation

***THAT exemption be granted in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987. Future compliance will be monitored by the three yearly inspection programme operated by the council.***

***AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached: That the lid remains locked at all times unless young children are supervised by a responsible person.***

Davy / Barker

Carried

### **3.0 Street Naming Application – Daelyn Holdings**

Report Number: A1133257

Recommendation:

***THAT the Hearings Panel approve the name of "Fullford Drive" for the public road in the Daelyn Subdivision, RM125242;***

***AND THAT the Hearings Panel accept the name of "Childs Way" for the private Right of Way in the Daelyn Subdivision, RM125242***

Davy / Barker

Carried

**Ian Barker  
Chair, Hearings Panel  
Date:**

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**Minutes of a meeting of the Chief Executive Employment Committee**

**Held in Ruma Ana, Civic House, 110 Trafalgar Street, Nelson**

**On Wednesday 5 March 2014, commencing at 12.05pm**

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Present: Her Worship the Mayor R Reese and Councillor L Acland

In Attendance: Chief Executive (C Hadley), Manager Human Resources (S Gully) and Administration Adviser (L Laird)

Apology: Councillor P Matheson

**1. Apologies**

Resolved

***THAT apologies be received and accepted from Councillor P Matheson.***

Her Worship the Mayor/Acland

Carried

**2. Interests**

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

**3. Confirmation of Order of Business**

Resolved

***THAT the meeting be adjourned to Monday 17 March 2014 at 12.30pm, at the Nelson City Council, Trafalgar Street, to consider further information in relation to item 1 of the public excluded agenda.***

Her Worship the Mayor/Acland

Carried

The meeting adjourned at 12.08pm.

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## Minutes of a reconvened meeting of the Chief Executive Employment Committee

Held in Ruma Ana, Civic House, 110 Trafalgar Street, Nelson

On Monday 17 March 2014, commencing at 12.39pm

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Present: Her Worship the Mayor R Reese and Councillor L Acland and P Matheson

In Attendance: Chief Executive (C Hadley), Manager Human Resources (S Gully), and Administration Adviser (L Laird)

### 1. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

## PUBLIC EXCLUDED BUSINESS

### 2. Exclusion of the Public

Resolved

***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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Preparation for the Chief Executive's	Section 48(1)(a)	The withholding of the information is

	<p><b>Proposed Performance Agreement 2014/15</b></p> <p>This report contains information regarding preparation for the Chief Executive's Proposed Performance Agreement 2014/15.</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>necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
2	<p><b>Proposed KPIs 2014/15</b></p> <p>This report contains information regarding the Chief Executive's Employee Engagement KPI for 2013/2014.</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> </ul>
3	<p><b>Professional Development within the Organisation</b></p> <p>This is a verbal update-only report from the Chief Executive on professional development within the organisation.</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> </ul>

Matheson/Acland

Carried

The meeting went into public excluded session at 12.40pm and resumed in public session at 2.16pm.

### 3. Re-admittance of the Public

Resolved

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

Her Worship the Mayor/Acland

Carried

There being no further business the meeting ended at 2.16pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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## Minutes of a meeting of the Works and Infrastructure Committee

Held in the Council Chamber, Civic House, Trafalgar Street,  
Nelson

On Thursday 13 March 2014, commencing at 9.05am

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Present: Councillor E Davy (Chairperson), Her Worship the Mayor R Reese, and Councillors L Acland, I Barker, R Copeland, G Noonan, M Lawrey, and T Skinner

In Attendance: Councillors B McGurk, M Ward, and K Fulton, Group Manager Infrastructure (A Louverdis), Chief Financial Officer (N Harrison), Senior Asset Engineer – Transport and Roading (R Palmer), Strategy and Planning Analyst (B Wayman), Parks and Facilities Asset Planner (A Petheram), Manager Communications (A Ricker), Youth Councillors (H Tod-Smith and N Erasmus), and Administration Adviser (L Canton)

Apology: Her Worship the Mayor R Reese for lateness

### 1. Apologies

Resolved

***THAT apologies be received and accepted from Her Worship the Mayor for lateness.***

Noonan/Lawrey

Carried

### 2. Interests

There were no updates to the interests register and no conflicts of interest with items on the agenda were noted.

### 3. Confirmation of Order of Business

The Chairperson announced that there would be a brief adjournment to allow the Group Manager Infrastructure, Alec Louverdis, to walk councillors through the State Advances Building.

Attendance: the meeting adjourned from 9.07am to 9.20am, during which time Her Worship the Mayor and Councillor Copeland joined the meeting.

3.1 Late item

3.2 Resolution to Exclude the Public

The Chairperson advised that, due to administrative oversight, an item had been omitted from the resolution to move into public excluded at the end of the public agenda. He explained that the resolution to exclude the public, to be made at the end of the public part of the meeting, would be amended to include the Public Excluded Status Report – Works and Infrastructure Committee 20 March 2014.

#### 4. Public Forum

4.1 Greypower Nelson

Bob Hancock of Greypower Nelson tabled a document highlighting the main points of his presentation (A1154648). He spoke about residents affected by vehicle noise generated by coarse chip seal on the Stoke Bypass/Wakatu Drive. He said this affected the resale value of affected houses, and impinged on residents' quality of life, including the ability to ventilate their homes and enjoy time outdoors.

In response to questions, Mr Hancock said that the issues had arisen in the last 12-18 months, but that he had only heard of one resident having resale difficulties. He confirmed that residents building in the area had been advised at the time of making their property purchase that the noise issues would be addressed.

The Chairperson advised that the New Zealand Transport Agency (NZTA) was the owner of the asset, and undertook that the Committee would write to NZTA to raise the matter with them. It was noted that the letter would also ask NZTA to confirm that it had complied with the relevant resource consent and/or the designation process in building the road.

#### 5. Confirmation of Minutes – 30 January 2014

Document number A1150321, agenda pages 16-17 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council Works and Infrastructure Committee, held on 30 January 2014, be confirmed as a true and correct record.***

Lawrey/Acland

Carried

#### 6. Status Report – Works and Infrastructure 13 March 2014

Document number A1150321, agenda pages 16-17 refer.

Resolved

***THAT the Status Report – Works and Infrastructure 13 March 2014 (A1150321) be received.***

Lawrey/Noonan

Carried

## **7. Chairperson's Report**

There was no Chairperson's report.

## **8. Late item – Foundations at Trafalgar Centre**

The Chairperson explained that a late item had been tabled (A1154815 and A1154808).

Resolved

***THAT the item regarding Foundations at Trafalgar Centre be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable works at the Trafalgar Centre to be undertaken in a timely manner.***

Lawrey/Barker

Carried

The Chairperson introduced the report. He explained that the intention was to establish the depth of piles at the Trafalgar Centre given the public perception that there was a lack of definitive information on the matter. He said this would enable an appropriate solution to be developed based on a confirmed pile depth.

The Chairperson tabled a newspaper article from the Nelson Mail, dated May 1971 (A1158060) which suggested that the holes dug for the piles were 30-40 feet (9.1-12.2 metres) deep.

Councillor Davy, seconded by Councillor Lawrey moved

***THAT the report Foundations at Trafalgar Centre (A1154808) be received;***

***AND THAT the Chief Executive be authorised to commission work as soon as possible to determine the actual underground structure and condition of the foundations of the main Trafalgar Centre building, to an estimated cost of \$20,000, and to advise on the true state of these as part of understanding remedial work necessary to make the building safe for public occupancy.***

*AND THAT should issues be found that require additional work to complete the required investigation that the Mayor, Chairperson of Works and Infrastructure committee, and the Chief Executive be kept appraised of progress and any additional costs that may be required to complete the investigation.*

Mr Louverdis emphasised that the two investigation methods specified in the officer report, being angle drilling and concrete coring, were the only methods available for investigation. He added that open trenching could compromise the existing foundations of the building, and therefore the consultants would not be instructed to do any open trenching.

In response to questions, Mr Louverdis explained that angle drilling and concrete core sampling could only provide limited information on the exact condition of the piles. He added that there was no certainty that any tests would confirm what reinforcing had been used in the construction of the piles.

Mr Louverdis said that if the investigation on the depth of the piles provided an opportunity to test the ground water to determine salt content, or saltwater intrusion on the piles, or to undertake any other appropriate investigations, that opportunity would be taken although it would attract an additional cost. He reiterated that nothing would be done to risk the foundations.

Mr Louverdis referred to a tabled letter from Tonkin & Talyor (A1156482) of 12 March 2014, which advised that even if the piles were found to 10 metres deep, this did not mean the piles were any less susceptible to shear failure in an IL3 Ultimate Limit State (ULS) earthquake.

During a discussion councillors expressed support for the motion, noting that a key reason for the investigation was to address public debate about the depth of the piles. Some concern was expressed that an investigation to address public opinion was not an appropriate use of funds, particularly given the advice in Tonkin & Taylor's letter of 12 March 2014 (A1156482) that, even if the piles were found to 10 metres deep, this did not mean the piles were any safer.

Councillor Copeland declared an interest and said she would not vote on the matter. On discussion, the Chair advised that Councillor Copeland did not have a conflict.

Resolved

***THAT the report Foundations at Trafalgar Centre (A1154808) be received;***

**AND THAT the Chief Executive be authorised to commission work as soon as possible to determine the actual underground structure and condition of the foundations the main Trafalgar Centre building, to an estimated cost of \$20,000, and to advise on the true state of these as part of understanding remedial work necessary to make the building safe for public occupancy;**

**AND THAT should issues be found that require additional work to complete the required investigation, the Mayor, Chairperson of Works and Infrastructure Committee, and the Chief Executive be kept apprised of progress and any additional costs that may be required to complete the investigation.**

Davy/Lawrey

Carried

A division was called:

Councillor Acland	Aye
Councillor Barker	Aye
Councillor Copeland	Aye
Councillor Davy	Aye
Councillor Lawrey	Aye
Councillor Noonan	Aye
Councillor Skinner	Aye
Her Worship the Mayor	Aye

Attendance: The meeting adjourned from 10.20am to 10.40am for morning tea, during which time Her Worship the Mayor left the meeting.

## **TRANSPORT AND ROADING**

### **9. Review of Nelson Public Transport NBus Service**

Document number A1137333, agenda pages 18-66 refer.

Senior Asset Engineer – Transport and Roading, Rhys Palmer, and Strategy and Planning Analyst, Brylee Wayman, presented the report.

In response to questions, Ms Wayman clarified the proposed timetable changes for non-arterial routes, and confirmed that officers would also be discussing timetables with SBL Group Ltd (SBL) and schools. She said that it may be possible to discuss with SBL increasing the availability of buses on appropriate routes during Cricket World Cup.

Mr Palmer added that as most of the population lived close to arterial routes, providing the right service timetable would assist in promoting and growing the service.

During a discussion, it was agreed that a summary of the submissions on the bus service made to the Long Term Plan 2012-2022 and the Annual Plan 2012/13, would be considered at the Council Workshop on the Transport Asset Management Plan (AMP) later in the year, as the AMP informed how Council would allocate funding in the Long Term Plan 2015-2025.

Concern was expressed at the lack of contribution from Tasman District Council, particularly given that commuters from Richmond to Nelson were major users of the service.

Resolved

***THAT the report Review of Nelson Public Transport NBus Service (A1137333) and its attachment (A1119385) be received.***

Lawrey/Noonan

Carried

Recommendation to Council

***THAT weekend services on the Nelson-Richmond arterial routes are increased by modifying the weekday timetables on the Atawhai, Brook and Victory routes, including deleting the first and last trips each weekday, so that there is no increase to the contract cost;***

***AND THAT medium term recommendations from the review that require more investigation and planning will be brought back to Council through the 2015 Long Term Plan process.***

Lawrey/Noonan

Carried

## **BUILDINGS**

### **10. State Advances Building – Way Forward**

Document number A1112414, agenda pages 67-72 refer.



Mr Louverdis presented the report, noting that the tour of the State Advances Building had provided councillors with an indication of the complex structural issues involved in strengthening the building.

In response to questions, Mr Louverdis explained that the recommendation to call for open tenders did not necessarily reflect an intention to sell the building; rather it was to ascertain what type of commercial interest in the building existed. He noted that this could result in a range of options for Council to consider.

In response to further questions, Mr Louverdis outlined the open tender process and reinforced that it would be non-binding on Council. He advised that, once proposals had been received, consultation with relevant parties could be undertaken in line with Council's preferred option.

It was noted that the building was an important heritage building and its facade an important part of the streetscape, and therefore the Council resolution should signal a preference for retaining the building, or its facade. However, it was also suggested that Council should not limit the breadth of proposals received through the open tender process, particularly as it was non-binding on Council.

Resolved

***THAT the report State Advances Building - Way Forward (A1112414) and its attachment (A1140585) be received;***

Noonan/Davy

Carried

Recommendation to Council

***THAT Council confirms that the State Advances building is surplus to requirements;***

***AND THAT Council agrees to call for tenders on the open market to ascertain commercial interest and future options for the re-development of the building/site that will guide Council in future decision making;***

***AND THAT the basis of tenders be that Council does not have to accept any tender/proposal.***

Noonan/Davy

Carried

## LAND

### 11. Hay Property, 23 Matangi Street – Offer of Gift of Land for Reserve

Document number A1106978, agenda pages 73-79 refer.

Parks and Facilities Asset Planner, Andrew Petheram joined the meeting.

In response to questions, he advised that a simple gravel path would be zigzagged to increase the safety aspect for cyclists. He explained that the gift would be set up as subdivision of the site, and costs would not be incurred until Miss Hay had moved out of the property.

Councillors acknowledged the generosity of Miss Hay's offer.

Recommendation

***THAT the report Hay Property, 23 Matangi Street – Offer of Gift of Land for Reserve (A1106978) and its attachments (A1114889, A1114890 and A717370) be received.***

Barker/Acland

Carried

Recommendation to Council

***THAT the land described as Lot 2 LT459935 and shown on Plan MC1 (Attachment 1, A1114889) be accepted as a gift for purpose of a Local Purpose Reserve;***

***AND THAT the proposed Local Purpose Reserve, Lot 2 LT459935, shown on Plan MC1(Attachment 1) be named 'Hay's Reserve' in recognition of the Hay family's longstanding presence in the Stoke area and their generous gift to the City;***

***AND THAT Council take note that the donor has no expectation that the walkway will be finalised to any standard other than a simple gravel track on receipt of the land by Council.***

Barker/Acland

Carried

## PROJECT TENDERS

### 12. Early Tendering of Projects

Document number A649888, agenda pages 80-82 refer.



In response to question Mr Louverdis advised that, under an early tendering system, the contracts would be set at the figures approved in the Annual Plan 2014/15 budget. He added that if tender prices received were higher than budget, this would be brought back to Council for further discussion.

Resolved

***THAT the report Early Tendering of Projects (A649888) be received;***

***AND THAT following the success of the advanced tendering of projects in the 2012/13 financial year, that Council approve early tendering as a way of doing business going forward;***

***AND THAT Council take note of the likely list of projects to be tendered prior to June 2014, in advance of the 2014/15 Annual Plan process, to assist in the delivery of the 2014/15 capital works programme;***

***AND THAT Council further approve that this early tendering include multiple year contracts listed in future Annual or Long Term Plans.***

Davy/Noonan

Carried

### 13. Exclusion of the Public

Resolved

***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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Works and	Section 48(1)(a)	The withholding of the

	<p><b>Infrastructure Committee – Public Excluded – 30 January 2014</b></p> <p>These minutes confirm the public excluded minutes of 28 November 2013 and also contain information regarding:</p> <p>Washington Valley Property Disposal</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>information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
2	<p><b>Public Excluded Status Report - Works and Infrastructure Committee 20 March 2014</b></p> <p>This report contains status updates relating to the Trafalgar Centre Follow Up Reports of 28 November 2013 and 12 December 2013</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)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

Davy/Lawrey

Carried

The meeting went into public excluded session at 11.45am and resumed in public session at 11.50am.

During the public excluded session, the Committee confirmed the public excluded minutes of the meeting of the Works and Infrastructure Committee, held on 30 January 2014, as true and correct, and received the Public Excluded Status Report - Works and Infrastructure 13 March 2014.

#### 14. Re-admittance of the Public

Resolved

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

Davy/Barker

Carried

There being no further business the meeting ended at 11.51am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date



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**Minutes of a meeting of the Nelson Regional Sewerage Business Unit**

**Held in Ruma Marama, Civic House, Trafalgar Street, Nelson**

**On Friday 14 March 2014, commencing at 8.34am**

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Present: D Hiser (Independent), Councillor R Copeland and Mr D Shaw (Nelson City Council), Councillors B Dowler and M Higgins (Tasman District Council)

In Attendance: M Hippolite (Iwi Representative), P Wilson (Industry Customers' Representative), Senior Asset Engineer – Solid Waste (J Thiant), Management Accountant (A Bishop), and Administration Adviser (L Canton)

**1. Apologies**

There were no apologies.

**2. Interests**

It was noted that forms would be issued for members to update their interests.

**3. Public Excluded late item**

Document number A1154048, tabled document refers.

The Chairperson tabled a memo advising that there would be a verbal Chairperson's report as a public excluded late item. She explained that a procedural resolution was required before the joint committee could consider this item. A correction was noted to the recommendation, substituting 'minor item' for 'major item'.

Resolved

***THAT the public excluded item regarding Chairperson's Report be considered at this meeting as a minor item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the NRSBU Joint Committee to be updated on the matter in a timely fashion.***

Hiser/Dowler

Carried

#### 4. Confirmation of Minutes – 31 January 2014

Document number A1139620, agenda pages 5-12 refer.

It was noted that item 7.2 contained a duplicate and should be deleted.

It was agreed that the 28 November 2014 meeting be moved to 9am start.

Resolved

***THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 31 January 2014, as amended, be confirmed as a true and correct record.***

Shaw/Higgins

Carried

#### 5. Status report

Senior Asset Engineer – Solid Waste, Johan Thiart, presented the report. In response to a question, he advised that the Group Manager Infrastructure had advised it was not appropriate for Nelmac to meet with the Joint Committee.

Concern was expressed that the Joint Committee was responsible for ensuring the Nelson Regional Sewerage Business Unit (NRSBU) ran smoothly on behalf of two councils, and it was difficult to meet this responsibility if the Joint Committee did not have a full understanding of the performance and operations of its contractors.

In response to a further question, Mr Thiart explained that he had been instructed that in the future he was to provide only technical advice, rather than management advice, to the Joint Committee. He added that, as an employee of Nelson City Council (NCC), the advice he provided to the Joint Committee must be based on NCC's perspective rather than on an independent perspective.

Members noted that until this point, they had been satisfied that impartial advice had been provided by officers assigned to the NRSBU and, as a Joint Committee of both Councils, impartial advice was required going forward. It was agreed that the matter would be discussed further during the public excluded Chairperson's Report.

Resolved

***THAT the Status Report – 14 March 2014 (A452094) be received.***

Dowler/Shaw

Carried

## 6. Checklist (Board Work Plan)

In response to a question, Mr Thairt confirmed that the June items were proceeding on time.

## 7. Staff Report – 14 March 2014

Document number A1145728, agenda pages 15-20 refer.

Resolved

***THAT the Staff Report – 14 March 2014 (A1145728) be received.***

Shaw/Higgins

Carried

### 7.1 Item 1.1 - NRSBU 2014/15 Business Plan

The Joint Committee noted that NCC's legal adviser had advised NCC that the distribution of surpluses as set out in the 2014/15 Business Plan was in order. It was confirmed that NCC's legal adviser could not provide legal advice to the NRSBU.

It was further noted that the NRSBU did not currently have an independent legal adviser. It was noted that the Memorandum of Understanding (MOU) allowed the Joint Committee to allocate funds to securing independent advice if necessary, but that neither Mr Thairt nor Ms Hiser had the authority to do so without a resolution of the Joint Committee.

### 7.2 Item 1.2 - Biosolids Discharge Permit Report/Effluent Discharge Permit Assessment Report

Mr Thairt provided a verbal update, explaining that individual outliers in heavy metals had been found during testing for the reports. He added there were elevated levels of naturally occurring nickel in the area due to the influence of the Dun Mountain belt, which exceeded the levels allowable under the Resource Consent. Mr Thairt said he had since provided additional information to the consenting authority, and that while the individual sample showed an issue, composite sample results did not.

Mr Thairt said he would discuss the possibility of a variation to the consent with the consenting authority, to allow test results to be based on composite samples, noting that there were no health issues associated.

### 7.3 Item 3 - Operations and Maintenance Contract

It was noted that as the Joint Committee was primarily responsible for the Bell Island operation and required a more detailed explanation that

Nelmac has met all of the requirements of its contract for this period. Mr Thiart agreed to provide this to the next meeting.

#### 7.4 Item 4 - Biosolids Contract

Mr Thiart explained the intended terms of the biosolids spraying contract that was about to be tendered.

It was agreed that the Joint Committee did not need to see the structure of the contract, but that it should be informed of the outcome of the tender process so that it could resolve to enter into a contract.

#### 7.5 Item 5 - Level of Service

In response to questions, Mr Thiart advised that there was no conclusive answer on the cause of the breach of consent that occurred when treated effluent was discharged outside the allocated discharge period on 20 January 2014, but that a process was now in place to prevent a recurrence.

It was suggested that the incident did not align with the Staff Report that contractors were performing as required under their contract. Members noted that this was a non-compliance that should be reported on in relation to the operator's performance.

It was also noted that the contractor had not notified the District Health Board and iwi as was required under a breach of a Resource Consent.

#### 7.6 Item 6 - 2012 Action Plan Implementation

With regard to line 4.3 'Internal review of customer charging model', it was noted that Alliance had handed back capacity under the Trade Waste agreement in error and that this capacity had been taken up by the two Councils. Mr Thiart was talking with the two councils to confirm whether they were willing to reverse this change.

#### 7.7 Item 8 - General

The Joint Committee expressed discomfort at covering the costs of Mr Wilks' attendance at the biosolids conference. They noted that such activities would normally be part of an individual's professional development and at their own cost. However, it was also suggested that there was some benefit to the two councils in having the sustainable practices of the NRSBU publicised and it was therefore appropriate to make some contribution.



Resolved

***THAT the NRSBU contribute \$1,000 to the Rabbit Island Forest Manager, Mr Wilks' costs of attending the biosolids conference in April 2014.***

Shaw/Copeland

Carried

## **8. Financial Report**

Document number A1111020, agenda pages 21-22 refer.

Management Accountant, Andrew Bishop presented the report. He highlighted the reduction in fixed contributions, which he said was due to the valuation being lower than anticipated, and Alliance's reduction in fixed charges.

Resolved

***THAT the Nelson Regional Sewerage Business Unit Financial Statement for the Period Ended 31 January 2014 (A1111020) be received.***

Dowler/Shaw

Carried

## **9. Cawthron Institute Report – Coastal Effects of the Bell Island Regional Sewerage Discharge: July 2013 Mussel Monitoring Survey**

Document number A683969, agenda pages 23-40 refer.

Mr Thiart explained that this report was produced on regular basis under the resource consent for discharge to the estuary. He noted that the report showed no adverse effects from the discharge of effluent to the estuary.

Resolved

***THAT the Cawthron Institute Report – Coastal Effects of the Bell Island Regional Sewerage Discharge: July 2013 Mussel Monitoring Survey (A683969) be received.***

Hiser/Copeland

Carried

## **10. Scion Research Report – 2013 Annual Report on the Biosolids Research Trial at Rabbit Island**

Document number A1150622, agenda pages 41-69 refer.

The Joint Committee noted that the report indicated there were benefits in the application of biosolids at Rabbit Island.

In response to questions about the possible negative effects of biosolids spraying, Mr Thiart said that the main issue was the longevity associated with heavy metals, which could be accelerated by acidification of the soil, and this was being closely monitored.

It was suggested that it may be useful for the Joint Committee to develop a short report quantifying the benefits to both councils of biosolids application at Rabbit Island. It was further suggested that the outcome of the report be the subject of a press release or story in Live Nelson.

Resolved

***THAT the Scion research Report – 2013 Annual Report on the Biosolids Research Trial at Rabbit Island (A1150622) be received.***

Copeland/Dowler

Carried

Attendance: The meeting adjourned for morning tea from 10.14am to 10.29am.

## 11. Exclusion of the Public

Resolved

***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:***

General subject of the matter to be considered	Reason for passing this resolution in relation to the matter	Particular interests protected (where applicable)
<p><b>Chairperson's Report</b></p> <p>This is a verbal update from the Chairperson. It will comprise an update</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to</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> </ul>

<p>on recent discussions between the Chairperson and the Mayors and Chief Executives of Nelson City Council and Tasman District Council regarding actions taken by a Nelson City Council officer.</p>	<p>result in disclosure of information for which good reason exists under section 7</p>	
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Hiser/Copeland

Carried

The meeting went into public excluded session at 10.30am and resumed in public session at 11.22am.

**12. Re-admittance of the Public**

Resolved

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

Higgins/Shaw

Carried

There being no further business the meeting ended at 11.22am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

UNCONFIRMED

## **Minutes of a meeting of the Community Services Committee**

**Held in the Council Chamber, Civic House, Trafalgar Street,  
Nelson**

**On Thursday 27 March 2014, commencing at 9.03am**

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**Present:** Councillor P Rainey (Chairperson), Her Worship the Mayor (R Reese), Councillors R Copeland, M Lawrey, P Matheson, G Noonan (Deputy Chairperson), T Skinner and M Ward

**In Attendance:** Councillors L Acland, I Barker, E Davy, K Fulton, and B McGurk, Chief Executive (C Hadley), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Group Manager Infrastructure (A Louverdis), Acting Group Manager Environment (G Carlyon), Manager Libraries (I Littleworth), Manager Environmental Programmes (C Ward), Manager Communications (A Ricker), Angela, Manager Administration (P Langley), Administration Adviser (E-J Ruthven), and Youth Councillors (C Phillips and S Smith)

### **1. Apologies**

There were no apologies.

### **2. Interests**

There were no updates to the Interests Register, and no conflicts of interests with any agenda items were noted.

### **3. Confirmation of Order of Business**

There was no change to the order of business.

### **4. Public Forum**

#### **4.1 Brook Waimarama Sanctuary**

Hudson Dodd and Dave Butler spoke about the Brook Waimarama Sanctuary, and outlined their concerns regarding the officer recommendation to cap funding at current levels. They referred to a previous Council resolution, which had delegated to the Chief Executive the power to negotiate any future requests for increased funding from

the Brook Waimarama Sanctuary Trust, and noted that no requests for increased funding had been made to date.

They explained that sufficient fund-raising had been carried out to complete the pest-proof fence, and that they expected to be able to present such evidence to Council, in order to uplift Council's portion of funding.

In response to questions, Mr Butler and Mr Dodd explained that the Brook Waimarama Sanctuary Trust had prepared a robust business case, with the objective of being self-sustaining. They said there was a small possibility of a funding shortfall in the short-term only, but that they were continuing to pursue all available funding, and that they did not expect to request any increase in operational funding.

**5. Confirmation of Minutes – 28 January 2014**

Document number A1135727, agenda pages 7-11 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council – Community Services, held on 28 January 2014, be confirmed as a true and correct record.***

Ward/Skinner

Carried

**6. Status Report**

There was no Status Report update.

**7. Chairperson's Report**

Councillor Rainey explained that the officer recommendations contained in the reports to this meeting would be considered clause by clause.

**RECREATION AND LEISURE**

**8. Brook Waimarama Sanctuary Fence and Conservation Centre**

Document number A1158237, agenda pages 12-15 refer.

Acting Group Manager Environment, Greg Carlyon, presented the report. He noted that it appeared that the Brook Waimarama Sanctuary Trust had reached its fundraising goal and was in a position to move forward with the fence construction. However, he also explained that a number of risks remained, and that Council, as principal funder, should be aware of these.

He added that the release of Council funding should be contingent on the lease to the Trust being finalised. He added that lease negotiations were progressing well, and that this was not expected to hold the project up. In response to a question, Group Manager Infrastructure, Alec Louverdis, outlined the complexity of the lease negotiations.

Councillors discussed the report. It was noted that the report was light in detail in comparison to previous reports that had guided decision-making on the Brook Waimarama Sanctuary, and a suggestion was made that previous public excluded reports be released to the public to identify the factors that Council had taken into account in its decisions to date.

Councillors also discussed the previous Council resolution that had delegated authority to the Chief Executive to negotiate directly with the Trust any requests for increased operational funding, and several councillors expressed concern with the officer recommendation to cap funding at current levels.

In response to a question, Mr Carlyon explained that it was important to address the full biodiversity programme across the city, and to consider what was best value for money in achieving Council's biodiversity goals. He emphasised the importance of leveraging off the fence construction at the Sanctuary to assist with achieving biodiversity goals.

Attendance: Her Worship the Mayor left the meeting at 9.45am.

Councillors debated whether to receive the report. Those in favour noted the importance of understanding the risks, noting that the trust had proposed mitigating measures. Those against suggested that there was insufficient detail within the report to make any decisions on the officer recommendations.

Resolved

***THAT the report Brook Waimarama Sanctuary Fence and Conservation Centre – Councillor Update (A1158237) be received.***

Rainey/Ward

Carried

Councillor Rainey, seconded by Councillor Skinner, moved

***THAT Council funding committed through the Long Term Plan be capped at current levels.***

Councillor Noonan, seconded by Councillor Skinner, moved an amendment

*THAT Council funding for operational funding aside from contract service funding committed through the Long Term Plan be capped at current levels.*

Councillors discussed the amendment. It was noted that operation funding was currently \$0, as the current funding provided was in relation to pest management services and related works on site.

The amendment was put and lost, and the meeting returned to the original motion, which was also put and lost.

Councillor Rainey, seconded by Councillor Copeland, moved

*THAT Council operational funding to the Sanctuary Trust be directed to on-the-ground biodiversity activities consistent with Nelson City Council's overarching biodiversity programmes.*

Following discussion, the motion was put and lost.

Recommendation to Council

***THAT Council obtains formal confirmation from the Brook Waimarama Sanctuary Trust that it has reached its funding target.***

Rainey/Noonan

Carried

Recommendation to Council

***THAT Council directs officers to provide a summary of Council's biodiversity output with a particular focus on opportunities to leverage the work undertaken in the Sanctuary.***

Rainey/Copeland

Carried

## **HERITAGE**

### **9. Heritage Activity Management Plan**

Document number A1129219, agenda pages 16-18 refer.

Manager Libraries, Ian Littleworth, and Arts and Heritage Adviser, Debbie Daniell-Smith, joined the meeting and presented the report.

Ms Daniell-Smith noted that the date on the front of the document should be updated to read "2015-2025".

Mr Littleworth explained that Broadgreen House was run on a different basis than all other heritage houses, as council owned the house and directly managed it, rather than leasing it out to an historical society. He clarified that the Broadgreen Centre was directly owned by the

Broadgreen Historical Society, who leased the land on which it sat from Council.

In response to a question, Group Manager Support Services, Hugh Kettlewell explained that the Tasman Bays Heritage Trust Board was undertaking a strategic review of its role in a regional context, and that part of that review would include considering its long-term accommodation needs and storage needs.

Resolved

***THAT the report Heritage Activity Management Plan (A1129219) and its attachment (A372602) be received.***

Rainey/Matheson

Carried

Councillor Rainey, seconded by Councillor Noonan, moved the recommendation to Council contained in the officer report.

Councillors discussed the Anchor Foundry and State Advances Building, and why they had been excluded from the Heritage Activity Management Plan. In response to a question, Mr Kettlewell explained that, as potential uses for these buildings was still under consideration, they were best captured in the Property and Facilities Asset Management Plan, although they would not be precluded from being in the Heritage Activity Management Plan in the long term.

Councillor Copeland, seconded by Councillor Ward, moved an amendment:

***THAT the Heritage Activity Management Plan 2015-2025 (A372602) be adopted as the version that will inform the Long Term Plan 2015-2025, with the inclusion of the Anchor Foundry building and the State Advances building.***

The amendment was passed and became the substantive motion.

Recommendation to Council

***THAT the Heritage Activity Management Plan 2015-2025 (A372602) be adopted as the version that will inform the Long Term Plan 2015-2025, with the inclusion of the Anchor Foundry building and the State Advances building.***

Rainey/Noonan

Carried

Attendance: The meeting adjourned for morning tea from 10.38am to 10.55am, during which time Councillor Copeland left the meeting.



## COMMUNITY DEVELOPMENT

### 10. Provision of Public Pianos in the CBD

Document number A1140050, agenda pages 19-37 refer.

Resolved

***THAT the report Provision of Public Pianos in the CBD (A1140050) and its attachment (A1145197) be received.***

Ward/Noonan

Carried

Committee members supported a trial pilot project involving more than one public piano.

Recommendation to Council

***THAT Council support a pilot project to have two public pianos for a trial period of 12 months.***

Ward/Lawrey

Carried

Recommendation to Council

***THAT Council not take on any ownership or management of the piano once supplied.***

Rainey/Skinner

Carried

Recommendation to Council

***THAT the Chief Executive is delegated the authority to terminate the trial at any time should the need arise.***

Rainey/Noonan

Carried

## REPORTS FROM COMMITTEES

### 11. Nelson Youth Council

#### 11.1 Nelson Youth Council Update

Chelcie-Mei Phillips and Sophie Smith gave an update regarding Youth Council activities. They noted that they had assisted with The Wood Treasure Hunt, and were planning future events, including a quiz night, promotional activities for Rock Quest, tree planting, and assisting with under-age events such as 'Blackout'. They added that Youth Councillors were sourcing name badges, which they intended to pay for individually.

In response to a question, Ms Phillips explained the way the gigatown competition worked, and encouraged councillors to support the competition.

Attendance: Her Worship the Mayor returned to the meeting at 11.07am.

There was a brief discussion regarding Youth Council badges, during which general agreement was indicated for Council to supply badges, rather than youth councillors paying for them directly.

11.2 Nelson Youth Council – 10 February 2014

Document number A1139966

Resolved

***THAT the minutes of a meeting of the Nelson Youth Council, held on 10 February 2014, be received.***

Noonan/Lawrey

Carried

**12. Exclusion of the Public**

Resolved

***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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Community Services Committee – Public Excluded – 28 January 2014</b></p> <p>These minutes confirm the minutes of 28 January 2014 and also contain information regarding:</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)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

	Future Arrangements – City Camping Grounds		
<b>2</b>	<b>Founders Leases 2014</b>  This report contains information regarding the consideration of leases at Founders Park.	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

Rainey/Noonan

Carried

The meeting went into public excluded session at 11.11am and resumed in public session at 11.48am.

### **13. Re-admittance of the Public**

Resolved

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

Rainey/Ward

Carried

There being no further business the meeting ended at 11.48am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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## Minutes of a meeting of the Governance Committee

**Held in the Council Chamber, Civic House, Trafalgar Street,  
Nelson**

**On Thursday 3 April 2014, commencing at 9.03am**

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Present: Councillor I Barker (Chairperson), Her Worship the Mayor R Reese, Councillors L Acland (Deputy Chairperson), E Davy, K Fulton, B McGurk, P Matheson, G Noonan, and P Rainey

In Attendance: Councillor R Copeland, Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Group Manager Infrastructure (A Louverdis), Acting Group Manager Strategy (N McDonald), Manager Communications (A Ricker), Manager Administration (Penny Langley), and Administration Adviser (E-J Ruthven)

Apology: Councillor E Davy (for lateness)

### 1. Apologies

Resolved

***THAT the apology for lateness from Councillor Davy be received and accepted.***

Rainey/Matheson

Carried

### 2. Interests

There were no updates to the Interests Register, and no conflicts of interest with any agenda items were noted.

### 3. Confirmation of Order of Business

It was noted that Steve Cross and Sharyn Rouse were unable to attend the public forum, but would attend a public forum at a future meeting instead.

There were no other changes to the order of business.

#### 4. Public Forum

##### 4.1 Rural Fire Network

Andy Karalus, Chair of Waimea Rural Fire Committee, and Ian Reade, Principal Rural Fire Officer, spoke about the rural fire network.

Attendance: Councillor Fulton joined the meeting at 9.07am

They gave a power point presentation (A1165825) that covered the Waimea Rural Fire Authority area of responsibility, the relevant legislation governing the Committee, the structure of the fire authority, relevant strategic planning, operational functions and performance of the fire authority.

They said that the Waimea Rural Fire Authority Strategic Plan had identified that approximately 25% of the Nelson City area was at an elevated risk of fire, particularly the urban fringe surrounding the city from Stoke to Atawhai and beyond. They explained that the FireSmart programme had been undertaken particularly in Atawhai and Hira, to make these communities aware and prepared for the risks of fire.

Attendance: Her Worship the Mayor joined the meeting at 9.23am.

In response to questions, they outlined how the various stakeholders in the Waimea Rural Fire Authority collaborated and managed fire risks across the area. They said that there had been a recent focus on upskilling in utilising the Coordinated Incident Management System (CIMS) Model.

#### 5. Confirmation of Minutes – 30 January 2014

Document number A1139616, agenda pages 7-11 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council – Governance Committee, held on 30 January 2014, be confirmed as a true and correct record.***

McGurk/Acland

Carried

#### 6. Status Report – Governance 3 April 2014

There were no Status Report updates.

#### 7. Chairperson's Report

The Chairperson advised that advertising for an external member of the committee was currently underway, and that an appointment would be made in the coming months.

## GOVERNANCE

### 8. Nelson City Council Governance Statement 2013-2016

Document number A1154481, agenda pages 12-44 refer.

Manager Administration, Penny Langley, presented the report.

In response to a question, she advised that Council was legally required to update the Governance Statement early in each triennium, but that this did not preclude further updates being made throughout the term if necessary.

Councillors discussed the Governance Statement, noting that it was a comprehensive document that outlined what Council did, and encouraged public dissemination of the document.

Attendance: Councillor Davy joined the meeting at 9.46am.

Resolved

***THAT the report Nelson City Council Governance Statement 2013-2016 (A1154481) and its attachment (A303851) be received.***

Rainey/McGurk

Carried

Recommendation to Council

***THAT the Nelson City Council Governance Statement 2013-2016 (A303851) be adopted.***

Rainey/McGurk

Carried

### 9. The Bishop Suter Trust Statement of Intent 2014/15 and Half Yearly Report

Document number A1152410, agenda pages 45-87 refer.

Craig Potton, Chairperson and Anna Maria White, Curator and Collection Manager, joined the meeting.

Group Manager Support Services, Hugh Kettlewell, presented the report. He noted that the major issue facing The Bishop Suter Trust (the Suter) was the redevelopment of the gallery, and maintaining connectivity to the people of Nelson during the time that the gallery was shut.

Mr Potton explained that the Suter was intending to have a public presence in central Nelson and was currently negotiating a suitable space. He acknowledged the community support towards fundraising for the redevelopment, and said that the Suter was exploring options for on-going public support for example through patronage packages.

In response to a question, Mr Potton said that one of the challenges of the next two years was how to store the collection in an appropriate manner for the redeveloped building, and he explained steps being undertaken in this regard.

In response to a further question, Ms White explained that the Suter educators were sufficiently experienced and creative to be able to deliver the Learning Experiences Outside the Classroom (LEOTC) contract with the Ministry of Education. She confirmed that the number of students identified in the Statement of Intent was less than in previous years, and added that there had been no reduction in Ministry funding in the current year.

Resolved

***THAT the report The Bishop Suter Trust Statement of Intent 2014/15 and Half Yearly Report (A1152410) and its attachments (A1145727 and A1154794) be received.***

Her Worship the Mayor/Fulton

Carried

Recommendation to Council

***THAT the Bishop Suter Trust Statement of Intent 2014/17 be approved for signing.***

Her Worship the Mayor/Fulton

Carried

## **10. Nelmac Statement of Intent 2014/15 and Half Yearly Report**

Document number A1153684, agenda pages 88-104 refer.

Rob Gunn, Chairperson, and Lee Babe, Chief Executive, joined the meeting.

Group Manager Support Services, Hugh Kettlewell, presented the report. He said that there had been significant growth in revenue for Nelmac last year, and one issue to consider was how this would result in a return to the shareholders.

Mr Gunn gave a brief power point presentation (A1165827) highlighting the main points of the six month result for the period ending 31 December 2013.

Mr Babe added that 2011 and 2012 had been exceptional years for Nelmac, given changes to the business structure and additional non-Council work driving profitability. He said that 2013 was likely to be a more 'normal' year, and that the wet summer had impacted on green spaces work.



In response to a question, Mr Babe explained that Nelmac had placed an increasing focus on health and safety, given the higher risk nature of the work being undertaken. He said that an important culture shift was taking place in the company, and that this had led to increased reporting of near-miss incidents, which gave the company a better opportunity to take preventive measures.

In response to a further question, Mr Babe outlined some of the risks to Nelmac's business, including weather, the availability of plant and equipment, and recruitment. He said that the Christchurch rebuild had increased recruitment competition in several trade areas, but that these constraints were being managed, and Nelmac continued to retain excellent staff.

Resolved

***THAT the report Nelmac Statement of Intent 2014/15 and Half Yearly Report (A1153684) and its attachments (A1150682 and A1150680) be received.***

Acland/Noonan

Carried

Recommendation to Council

***THAT the Nelmac Statement of Intent 2014/15 be approved for signing subject to minor edits.***

Acland/Noonan

Carried

Attendance: The meeting adjourned for morning tea from 10.29am to 10.47am.

## **11. Nelson Regional Economic Development Agency Statement of Intent 2014/15 and Half Yearly Report**

Document number A1155196, agenda pages 105-141 refer.

Paul Dalzell, Chairperson, and Bill Findlater, Chief Executive, joined the meeting.

Group Manager Support Services, Mr Kettlewell, presented the report. He clarified that appropriate budgeting information projecting out for three years had been received from the Nelson Regional Economic Development Agency (EDA).

In response to a question, Mr Kettlewell explained that the EDA undertook a wide range of activities, and suggested through the next Long Term Plan process a careful consideration of how to achieve best value for money from the EDA.



Mr Dalzell explained that the focus of the current year had been on updating the Regional Economic Development Strategy (REDS). He said that the EDA was likely to deliver a deficit for the financial year, but that this matched the belief that it was inappropriate for the EDA to build equity as a company.

Mr Findlater explained the priorities of the EDA workstreams, and outlined the breadth of the work undertaken under each priority. He spoke about the Marine City 2025 project, and said that the EDA could lead the project, but that success was dependent on industry involvement.

There was a discussion regarding the importance of Council connecting on a regular basis with the EDA, especially with regards to the REDS update. There was general agreement that it was important for Council to have a workshop with the EDA in the near future, to discuss strategic initiatives for the coming year.

There was a further discussion regarding the EDA half yearly report. In response to questions, Mr Findlater explained the various events that had been supported through the Events Strategy, noting the importance of supporting events that had the potential to develop well and become sustainable where possible. He said that the EDA did not consider that competing with events was the best use of the fund, and instead, focused on events that would be unique to Nelson.

There was a further discussion about work being undertaken to establish a regional identity. Mr Findlater cautioned that establishing a regional identity went beyond promoting the 'Nelson lifestyle', and was instead focused on the sense of being a Nelsonian.

Resolved

***THAT the report Nelson Regional Economic Development Agency Statement of Intent 2014/15 and Half Yearly Report (A1155196) and its attachments (A1149581 and A1149576) be received.***

Her Worship the Mayor/Rainey

Carried

Recommendation to Council

***THAT the Nelson Regional Economic Development Agency Statement of Intent 2014/15 be approved for signing subject to minor edits:***

***AND THAT prior to 30 June 2014 Council engage further with the Nelson Regional Economic Development Agency in relation to the Regional Economic Development Strategy and strategic initiatives for 2014/15.***

Her Worship the Mayor/Rainey

Carried

## **FINANCE**

### **12. Finance Report for the Period Ending 28 February 2014**

Document number A1157690, agenda pages 142-157 refer.

Chief Financial Officer, Nikki Harrison, presented the report. In response to a question, she explained that the timing of collection of rates paid by direct debit payments had affected the percentages of rates paid by the due date, and that future reports would be amended to clarify this further.

Resolved

***THAT the Finance Report for the Period Ending 28 February 2014 (A1157690) and its attachments (A1156381, A1131218, A1158093 and A793514) be received and the variations noted.***

Davy/Noonan

Carried

### **13. Exclusion of the Public**

Resolved

***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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Management Letter to Council for the Year Ending 30 June 2013</b></p> <p>This report contains information regarding legal advice relating to the Management Letter to Council for the year ending 30 June 2013 from Audit New Zealand.</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)(g) To maintain legal professional privilege</li> </ul>

Rainey/Acland

Carried

The meeting went into public excluded session at 12.02pm and resumed in public session at 12.35pm.

#### 14. Re-admittance of the Public

Resolved

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

Rainey/McGurk

Carried

There being no further business the meeting ended at 12.35pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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**Minutes of a meeting of the Nelson City Council Tasman District Council Joint Shareholders Committee**

**Held in the Tasman District Council Chamber, Queen Street, Richmond**

**On Friday 4 April 2014, commencing at 1.31pm**

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Present: His Worship the Mayor of Tasman (R Kempthorne), Her Worship the Mayor of Nelson (R Reese), Tasman District Councillor S Bryant, Nelson City Councillors P Matheson and I Barker

In Attendance: Tasman District Council: Chief Executive (L McKenzie) and Corporate Services Manager (M Drummond)  
Nelson City Council: Councillor G Noonan, Chief Executive (C Hadley), Group Manager Support Services (H Kettlewell), Chief Financial Officer (N Harrison), and Administration Adviser (E-J Ruthven)

Apology: Tasman District Councillor T King

**1. Apologies**

Resolved

***THAT apology from Councillor King be received and accepted.***

Bryant/Barker

Carried

**2. Interests**

No interests were declared with respect to items on the agenda.

**3. Confirmation of Order of Business**

There was no change to the order of business.

**4. Port Nelson Ltd Six Months Result to December 2013**

Document number A1139399, agenda pages 6-12 refer.

Port Nelson Ltd representatives Nick Patterson (Chairperson), Martin Byrne (Chief Executive), and Daryl Wehner (Chief Financial Officer)

joined the meeting. They gave a brief power point presentation summarising Port Nelson Ltd's six monthly results.

Mr Wehner explained that the results were projecting slightly ahead of budget, and highlighted the reasons for this result. He spoke about ongoing earthquake assessments being undertaken on Port buildings, and explained on-going training and improved procedures with relation to health and safety requirements at the Port.

Mr Patterson said that the Port was likely to deliver the budgeted dividend, and noted that the interim dividend payable as at 4 April 2014 had been increased to \$2 million.

In response to a question, Mr Patterson explained that log storage areas were to be consolidated, leaving sufficient land space available for the Port to undertake any planned developments.

In response to further questions, Mr Byrne explained the financial benefits that had come from the Raroa project. He said that the scope of the project was such that it should be considered a 'one-off' project, however there had been increased activity in relation to oil and gas industry support vessels as a result.

Resolved

***THAT the report Port Nelson Ltd Six Months Result to December 2013 (A1139399) and its attachment (A1143602) be received.***

Her Worship Mayor Reese/Bryant

Carried

**5. Tasman Bays Heritage Trust Draft Statement of Intent 2014/15 and Half Yearly Report**

Document number A1152567, agenda pages 13-39 refer.

Tasman Bays Heritage Trust representatives Terry Horne (Chairperson) and Aaron Brown (Deputy Chairperson) joined the meeting.

Mr Horne explained that visitor and virtual visitor numbers had increased at the Museum, and noted the surplus achieved against the budgeted deficit. He explained the recent exhibitions that had been undertaken at the Museum, and noted that the Learning Outside the Classroom (LEOTC) contract had been extended for a further two and a half years. He outlined the preparations being undertaken for the WWI centenary exhibition.

He added that the Museum was collaborating with Nelson Marlborough Institute of Technology and New Zealand on Air regarding smart phone apps, and confirmed that the Collections Facility at Isel Park had been strengthened and re-opened to staff and the public.

Mr Horne added that the Trust had developed a terms of reference for strategic review considering the position the Museum should be in twenty years time. He said that the terms of reference were now under review by both Councils, and the review was expected to be completed by the end of 2014.

In response to questions, Mr Horne explained that the Trust had worked to ensure that the budget was under control, and that financial risks were low. He said that the Board was hoping to increase the levels of external funding, and spoke about potential sources of such funding.

In response to further questions, Mr Horne explained that the Trust was focusing on paying an interest-bearing bank loan back as soon as possible, at which point repayments to both Councils could increase. He added that any review of loan repayments made to the Councils could be undertaken as part of the strategic review.

Resolved

***THAT the report Tasman Bays Heritage Trust Draft Statement of Intent 2014/15 and Half Yearly Report (A1152567) and its attachments (A1150788, A1154524, A1150458 and A1150781) be received.***

Bryant/Barker

Carried

Recommendation to Nelson City and Tasman District Councils

***THAT the Tasman Bays Heritage Trust Draft Statement of Intent and Strategic Plan 2014/15 be approved for signing.***

Bryant/Barker

Carried

## **6. Exclusion of the Public**

His Worship Mayor Kempthorne explained that representatives of Nelson Airport Limited and Nelson Tasman Tourism will be in attendance for items of the public excluded agenda to answer questions and, accordingly, the following resolution was required to be passed:

Resolved

***THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, the following people remain after the public has been excluded, as they have knowledge that will assist the Committee:***

- **Paul Steere and Simon Orr, for the items "Nelson Airport Ltd - Statement of Intent 2014/15" and "Nelson Airport Ltd – Half Yearly Report to 31 December 2013";**
- **Phil Taylor, Terry Horne, Lynda Keene and Jo Peachey, for the items "Nelson Tasman Tourism – Statement of Intent 2014/15" and "Nelson Tasman Tourism – Half Yearly Report to 31 December 2013".**

**AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that the above-named people possess relates to:**

- **Paul Steere and Simon Orr – knowledge of the commercial activities and half yearly results for Nelson Airport Ltd;**
- **Phil Taylor, Terry Horne, Lynda Keene and Jo Peachey – knowledge of the commercial activities and half yearly results for Nelson Tasman Tourism.**

Her Worship Mayor Reese/Bryant

Carried

Resolved

**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>	<b>Nelson Airport Ltd – Statement of Intent 2014/15</b>  This report contains information relating to the commercial activities of	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a</li> </ul>

	Nelson Airport Ltd.	which good reason exists under section 7	trade secret or the commercial position of a person
<b>2</b>	<b>Nelson Airport Ltd – Half Yearly Report to 31 December 2013</b>  This report contains information relating to the commercial activities of Nelson Airport Ltd, including its half yearly results.	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> </ul>
<b>3</b>	<b>Nelson Tasman Tourism – Statement of Intent 2014/15</b>  This report contains information relating to the commercial activities of Nelson Tasman Tourism.	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> </ul>

Her Worship Mayor Reese/Bryant

Carried

The meeting went into public excluded session at 2.25pm and resumed in public session at 4.43pm.

## 7. Re-admittance of the Public

Resolved

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

Bryant/Matheson

Carried

There being no further business the meeting ended at 4.43pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date



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**Minutes of a meeting of the Nelson Tasman Civil Defence  
Emergency Management Group**

**Held in the Tasman District Council Chamber, Queen Street,  
Richmond**

**On Friday 4 April 2014, commencing at 4.44pm**

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Present: His Worship the Mayor of Tasman R Kempthorne  
(Chairperson), Her Worship the Mayor of Nelson R Reese,  
Nelson City Councillor P Matheson

In Attendance: Tasman District Council Chief Executive (L McKenzie), Nelson  
City Council Chief Executive (C Hadley), Nelson City Council  
Manager Emergency Management (R Ball), and Nelson City  
Council Administration Adviser (E-J Ruthven)

Apology: Tasman District Councillor T King

**1. Apologies**

Resolved

***THAT the apology from Councillor King be  
received and accepted.***

His Worship Mayor Kempthorne/Matheson

Carried

**2. Conflicts of Interests**

No conflicts of interest were declared with any agenda items.

**3. Minutes of the Nelson Tasman Civil Defence Emergency  
Management Co-ordinating Executive Group (CEG)  
Meeting – 12 March 2014**

Document number A1154282, agenda pages 5-9 refer.

Resolved

***THAT the minutes of a meeting of the Nelson  
Tasman Civil Defence Emergency Management  
Group (CEG) Meeting, held on 12 March 2014,  
be confirmed as a true and correct record.***

Her Worship Mayor Reese/Matheson

Carried

3.1 Group Emergency Operations Centre: Update

Resolved

**THAT Section 4.4.1. of the Nelson Tasman CDEM Group Plan 2012 be amended to state:**

- **that the primary Group Emergency Operations Centre will be 28 Oxford St, Richmond;**
- **that the Nelson City Council and Tasman District Council Chambers are not designated as a Group Emergency Operations Centre or Alternate Group Emergency Operations Centre;**

**AND THAT Nelson City Council and Tasman District Council be invited to confirm their willingness to retain their respective Chambers in a state that is operationally ready to support Civil Defence operations, if required.**

Her Worship Mayor Reese/His Worship Mayor Kempthorne

Carried

**4. Report of the Emergency Management Office**

Document number A1144592, agenda pages 10-17 refer.

Manager Emergency Management, Roger Ball, presented the report. He outlined the preparations that had been undertaken for Cyclone Lusi, and noted that the new Emergency Operations Centre was functioning well.

There was agreement that the conference call that had taken place as part of the Cyclone Lusi response was a good initiative, and it was suggested that this take place during any future events.

Resolved

**THAT the report of the Emergency Management Office (A1144592) be received.**

Matheson/Her Worship Mayor Reese

Carried

**5. Exclusion of the Public**

Resolved

**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:**

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Nelson Tasman Civil Defence Emergency Management Co-ordinating Executive Group (CEG) – Public Excluded Minutes- 12 March 2014</b></p> <p>These minutes contain information regarding preferred candidates recommended for appointment as Local Controllers</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> </ul>

Matheson/Her Worship Mayor Reese

Carried

The meeting went into public excluded session at 4.47pm and resumed in public session at 4.49pm.

**6. Re-admittance of the Public**

Resolved

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

His Worship Mayor Kempthorne/Matheson

Carried

There being no further business the meeting ended at 4.49pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date