



AGENDA

Ordinary meeting of the

Nelson City Council

**Thursday 6 March 2014
Commencing at 9.00am
Council Chamber
Civic House
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

- 2.1 Adjournment of Meeting

The meeting will adjourn until approximately 10.00am, to allow a group photograph of councillors to take place.

Recommendation

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

3. Public Forum

4. Mayor's Report

5. Funding Assistance Rate Review

9-34

Document number A1132856

Recommendation

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.

6. Local Government New Zealand Special General Meeting – Proxy Vote¹

35-38

Document number A1148170

Recommendation

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

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

AND THAT Council appoint (insert name) to be its duly authorised proxy at this Special General Meeting.

7. Refurbishment of Offices - Floor 2B

39-41

Document number A1143647

Recommendation

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.

¹ Attachment 1 to this report is circulated as a separate document. This is available on Councillors' Google drive. Alternatively, please contact an Administration Adviser for a copy.

8. Schedule of Documents Sealed 42-44

Document number A1146715

Recommendation

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

REPORTS FROM COMMITTEES

9. Hearings Panel – 4 December 2013 45-49

Document number A1114675

Recommendation

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

10. Planning and Regulatory Committee – 28 January 2014 50-55

Document number A1135220

Recommendation

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

11. District Licensing Committee – 29 January 2014 56-57

Document number A1136765

Recommendation

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

12. Works and Infrastructure Committee – 30 January 2014 **58-65**

Document number A1136406

Recommendation

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

13. Governance Committee – 30 January 2014 **66-70**

Document number A1139616

Recommendation

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

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

Recommendation to Council

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.

13.2 Elected Members Engagement at Nelson Market

Recommendation to Council

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.

14. Nelson Regional Sewerage Business Unit – 31 January 2014² 71-78

Document number A1139620

Recommendation

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

14.1 Nelson Regional Sewerage Business Unit Treasury Policy 2014

Recommendation to Council

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

14.2 Nelson Regional Sewerage Business Unit Business Plan 2014/15

Recommendation to Council

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

15. Nelson City Council District Licensing Committee – 12 February 2014 79-83

Document number A1141213

Recommendation

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

² These minutes contain recommendations relating to the draft Nelson Regional Sewerage Business Unit (NRSBU) Treasury Policy and the Draft NRBSU Business Plan 2014/15. These were on the agenda for the NRSBU 31 January 2014 meeting, which is available on Councillors' Google drive in the 'Past Agendas' folder. Alternatively, please contact an Administration Adviser for copies.

16. Planning and Regulatory Committee – 18 February 2014

84-86

Document number A1143729

Recommendation

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

PUBLIC EXCLUDED BUSINESS

17. 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>Trafalgar Centre – Update Report</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"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations

3	<p>Works and Infrastructure Committee - Public Excluded Minutes – 30 January 2014</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"> • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(h) To carry out commercial activities

18. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Note:

- **Youth Councillors Jethro Burr and Patrick Gerard will be in attendance at this meeting.**
- **Members of the Youth Council will be in attendance at morning tea for a meet and greet with councillors.**

Funding Assistance Rate Review

1. Purpose of Report

- 1.1 To inform Council of the next step in the Funding Assistance Rate (FAR) review and to receive the headline items that will form part of the Council submission to the New Zealand Transport Agency (NZTA).
- 1.2 To approve the proposal to make a joint submission with Tasman District Council (TDC).
- 1.3 To delegate the authority for submission on the FAR review to the Mayor and the Chair of the Works and Infrastructure Committee.

2. Recommendation

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.

3. Background

- 3.1 NZTA needs to make a decision on the best combination of factors and approaches to determine the funding assistance rate for local authorities.
- 3.2 NZTA prepared an options discussion paper that summarised the process so far. It presents a range of options that NZTA is seeking feedback on. The executive summary is in Attachment 1. Copies of the full document are in the Councillor Lounge.
- 3.3 If there are no changes made to the proposed FAR framework Council will be in a similar or better position than it is now. However, Council needs to provide constructive feedback on the Nelson context whilst

taking into account what is best for the overall national land transport network.

- 3.4 Councillor Davy, Works and Infrastructure Committee chair, and TDC Councillor Trevor Norris, Engineering and Services Committee and the Regional Transport Committee chair, propose that a joint submission should be made to NZTA on the FAR review. Both Councillors Davy and Norris acknowledged that a joint submission does not necessarily mean joint agreement.
- 3.5 This is the second round of consultation that NZTA has undertaken on the FAR review, with the first round of consultation in 2013, which requested feedback on the principles that should be used. Council made a submission on the first round of consultation and it is appended as Attachment 2 (A35193).
- 3.6 Council's key feedback on the first round of consultation included:
- Requesting a level of at least 43% as the minimum base FAR for all councils;
 - Requesting increasing the base FAR for Nelson to reflect the amount of heavy traffic on Nelson's roads due to presence of the port and airport, coupled with a lack of rail infrastructure;
 - Agreeing a principle-based approach should be taken to set the FAR;
 - Requesting a principle that FARs should recognise the need for regional integration of transport infrastructure with community infrastructure to support community and economic development opportunities;
 - Not recommending one approach or a combination of approaches because insufficient detail was available;
 - Noting that there is an option of maintaining the status quo in relation to the combination of approaches that might apply when setting the 2015-18 FAR. The possible benefits from changing the system are likely to be countered by significant costs in moving to a new system;
 - Noting Council was not convinced that the arguments in favour of change were particularly strong. However, if a change is to be proposed, then, given the investment in forward planning tied in to the asset management plans, a lead-in time to effect the transition is essential.

4. Discussion

- 4.1 The provisional FAR framework from NZTA is as follows:
- One Rate - An approved organisation (AO) would have the same funding assistance rate for all of the different land transport activities it undertakes that are eligible for funding (other than for emergency works). It also means that the function Council would

normally do as a regional council would also receive the same funding assistance rate, e.g. public transport, total mobility services, road safety promotion, and transport planning;

- Overall National Land Transport Fund Co-Investment Rate - There would be a set overall National Land Transport Fund co-investment rate that determines what proportion of the overall costs of delivering eligible land transport activities would be met from the fund;
 - Factors Materially Affecting Delivery - Some approved organisations would receive a funding assistance rate that was above this overall co-investment rate to take into account factors that materially affect their ability to deliver land transport outcomes. Consequently other approved organisations would receive a funding assistance rate that was below the overall co-investment rate;
 - Only Costs for Fit for Purpose Standards – NZTA would only fund eligible costs of undertaking or maintaining a land transport activity to fit for purpose standards;
 - Targeted Enhanced Rates - Targeted enhanced funding assistance rates could be used in exceptional circumstances and for time limited periods.
- 4.2 There are three areas where Council should focus its submission. These are discussed in sections five to seven below;

5. Overall National Land Transport Fund Co-Investment Rate

- 5.1 The National Land Transport Fund (NLTF) is the money collected from fuel excise duty and road user charges. The NLTF co-investment rate is the overall national split for subsidised land transport costs between communities through rates and the NLTF.
- 5.2 Over the last few years, overall the NLTF has met approximately 53% of the cost of subsidised land transport activities.
- 5.3 NZTA consider that the appropriate range for the overall NLTF co-investment rate ranges from between 50% to 53%.
- 5.4 The reasoning behind the 50% rate is that it:
- most fully reflects a co-investment approach as both direct land transport system users and local communities would have equal 'skin in the game' (i.e. there would be a 50:50 cost split); and
 - would be easy to understand. A 50% overall co-investment rate would be straightforward and based on a clear principle, it would also be likely to remain stable over time. This would provide both councils and NZTA with greater investment certainty going forward.
- 5.5 Council's submission should support the higher level of NLTF co investment at 53%. The 50% rate has been arbitrarily set and in recent years all approved organisations contributing to the national land

transport task have reduced their levels of service and worked within flat lined budgets. To further reduce the overall co-investment rate through this review may result in under-investment across the country in essential maintenance that causes greater whole-of-life costs.

6. Council's Funding Assistance Rate

6.1 NZTA needs to decide on the optimal combination of factors and approaches that result in:

- a workable, reasonable and appropriate way to set councils' funding assistance rate; and
- funding assistance rates that best assist NZTA and local government to work together within their combined financial resources to achieve the optimal land transport outcomes across New Zealand.

6.2 NZTA is proposing some councils should receive funding assistance rates that are higher than the overall NLTF co-investment rate and would consequently also need to have a rate that is lower than the overall NLTF co-investment rate. This is necessary so that NZTA could work within the funding ranges for different land transport activities set by the Government Policy Statement and the amount of revenue in the NLTF.

6.3 In the last round of consultation and in subsequent meetings, NZTA discussed with councils what factors make it materially harder for them to deliver land transport outcomes. Some of the factors the local authorities identified relate to differences in Councils' costs in delivering land transport outcomes, either:

- factors influencing the intrinsic costs of delivering land transport outcomes, e.g. geology, or lack of rail infrastructure; or
- factors requiring the local network to be delivered/maintained to a higher standard and, therefore, increasing the cost of delivering the network.

6.4 The other key factor relates to differences in councils' ability to raise the local share of the costs of land transport activities. NZTA has considered the matters raised by the local authorities and assessed whether or not they can and should be taken into account in determining the FAR.

6.5 NZTA has decided that in determining which councils get higher funding assistance rates they will take into account differences in local authorities ability to raise the local share of the costs of achieving land transport outcomes.

6.6 NZTA now have asked Council to consider five options and provide feedback on which would produce the best result. The options are:

Option 1

6.6.1 Determining which councils are in which bands on the basis of the New Zealand index of deprivation.

Option 2

- 6.6.2 Determining which councils are in which bands on the basis of the ratio of:

$$\frac{\text{net equalised rateable capital value}}{\text{number of rating assessments}}$$

Option 3

- 6.6.3 A combination of Option 1 and Option 2.

Option 4

- 6.6.4 Determining which councils are in which bands on the basis of the ratio of:

$$\frac{\text{lane kilometres of local road within the Council's area}}{\text{net equalised rateable capital value}}$$

Option 5

- 6.6.5 A combination of Option 1 and Option 4.

- 6.7 The table below summarises the options in the Nelson context.

	Option 1	Option 2	Option 3	Option 4	Option 5
Option Description	index of deprivation	Rateable capital value over number of rating assessments	Combination of options 1 & 2	Lane Km's over capital value	Combination of options 1 & 4
NCC National Rank	47/78	39/78	41/78	74/78	62/78
FAR	49-52%	49-52%	49-52%	49-52%	49-52%

- 6.8 The first three options rank Nelson around the middle of the 78 organisations that receive NZTA funding. When the size of the transport network is taken into account as in options four and five Nelson ranks far closer to the bottom.
- 6.9 As currently proposed the FAR that Council would receive would be the same regardless of the option selected because there is a large bottom funding band which includes 75% of all local authorities. The table on page 5 shows Nelson's FAR would be 49% or 52%. The 49% is the FAR Council could expect if the NLTF co investment rate was set at 50% (refer section 5). The 52% is the FAR Council could expect if the NLTF co investment rate was set at 53%.
- 6.10 When a whole of New Zealand perspective is taken into account it would seem that the size of the transport network should be one factor that is used in setting the FAR, however the measure proposed makes no distinction between a busy arterial or low volume rural road.

7. Emergency Works

- 7.1 Currently emergency works funding assistance rates apply to unforeseen significant expenditure that arises from a 'defined, major, short-duration natural event'. They apply to the costs associated with the immediate response, reopening and/or restoration (to a standard no better than that which existed before any damage occurred) of roads, road structures, eligible pedestrian and cycle facilities.
- 7.2 The current emergency financial assistance rate is worked out by dividing the total cost of emergency works by the total general rate. The effect of this is:
- the more Council spends on emergency works in any one year the higher their emergency works funding assistance rate;
 - the lower Council's total general rates are the higher their emergency works funding assistance rate;
 - Council will not know until the end of the financial year what its emergency works funding assistance rate for that year will be as it will depend on how much in total they spend on emergency works over the year;
 - the maximum funding assistance rate for emergency works is 95%.

NZTA thinks that there is a place for elevated emergency works funding assistance rates. The role of those rates is to address the situation where council has incurred significant expenditure in responding to 'out of the ordinary' short duration natural events, such as natural events that could not reasonably be expected to be planned and managed for as part of normal best practice management of a resilience land transport network. This is because the events are unusual, or are of unusually large magnitude or severity, for the particular area where they occur.

- 7.3 NZTA propose three options that could be used for determining whether or not an event is 'out of the ordinary' for the area where it occurs. The options are:

Option 1

- 7.3.1 A statement of principle. This is the essentially the system used now.

Option 2

- 7.3.2 Annual return period or similar. The agency proposes annual recurrence of >20 to 50 years.

Option 3

- 7.3.3 A minimum cost threshold. The agency suggests a set monetary amount e.g 15 % of the annual maintenance, operations and renewals programme, which for Council would be in the order of \$675,000. Another alternative proposed is a set amount per rateable unit.

- 7.4 In the April 2013 rainfall event council had costs to restore the transport network of \$280,000. Given the severity of the event under the 'statement of principle' and 'annual return period' options it would receive funding under the proposal. However under a cost threshold it probably would not.
- 7.5 Under a minimum cost threshold option Council would need to allocate increased funding in the subsidised transport programme to ensure that the events that have a small relative cost to recover from do not place an undue drain on the maintenance and operation accounts. If this was unspent at the end of the three year NZTA funding period, then the local share of any unspent amounts could be transferred into the disaster recovery fund.
- 7.6 The recent rainfall storm events where Council has made claims to the NZTA for emergency funding those events have had an annual return period of 300 - 500 years. In a well maintained and resilient transport network there should be very little damage in a storm event with an annual return period of 20 to 50 years.

8. Conclusion

- 8.1 Council's submission should support the higher level of National Land Transport Fund Co Investment at 53%. The 50% rate has been arbitrary set and in recent years all approved organisations contributing to the national land transport task have reduced their levels of service and worked within flat lined budgets. To further reduce the overall co-investment rate through this review may result in under investment across the country in essential maintenance that causes greater whole of life costs.
- 8.2 Council's submission on the individual FAR should support using a factor that takes the size of the transport network into consideration. However using just lane kilometres does not recognise the very different costs associated with maintaining urban arterial roads compared with rural access roads. A simplified network classification system could be employed for this factor.
- 8.3 Council's submission on the emergency works component of this review should agree that elevated funding assistance rates for emergency works are necessary for the rare and random events that are difficult to budget for. The submission should also suggest that the cost threshold levels as proposed are too high, but the annual recurrence interval is too low.

Rhys Palmer

Senior Asset Engineer Transport and Roading

Attachments

Attachment 1: NZTA FAR Review Options Discussion Document – Executive Summary ([A1135778](#))

Attachment 2: Council submission on FAR review April 2013 ([A35193](#))

Supporting information follows.

Supporting Information	
1. Fit with Purpose of Local Government	Providing feedback to Councils' co-investment partner NZTA fits with the purpose of providing good quality local infrastructure.
2. Fit with Community Outcomes and Council Priorities	This submission aligns with the Regional Land Transport Strategy in that it recognises that both Council and NZTA need to co-fund the transport programme.
3. Fit with Strategic Documents	Aligns with the Regional Land Transport Strategy as it seeks to optimise co-investment that is affordable for the Nelson Community and users.
4. Sustainability	The provisional framework will promote increased sustainability through funding only fit for purpose standards.
5. Consistency with other Council policies	No known inconsistencies with other Council priorities.
6. Long Term Plan/Annual Plan reference and financial impact	No impact for Annual Plan 2013/14 or Annual Plan 2014/15. There could be considerable impact for the 2015/18 Regional Land Transport Programme and 2015-2025 Long Term Plan.
7. Decision-making significance	This is not a significant decision in terms of the Council's Significance Policy.
8. Consultation	No consultation has been undertaken.
9. Inclusion of Māori in the decision making process	No consultation with Māori has been undertaken.
10. Delegation register reference	The Works and Infrastructure Committee has the delegation to lodge and present submissions to external bodies on policies and legislation relevant to the areas of responsibility.

Executive summary

WE NEED YOUR FEEDBACK TO HELP US FIND THE OPTIMAL APPROACH TO SETTING FUNDING ASSISTANCE RATES

The NZ Transport Agency needs to make a decision on the best combination of factors and approaches for determining funding assistance rates for local authorities (and other approved organisations).

In doing this, we will seek to choose the options which best fit the role of funding assistance rates and best adhere to the principles in the provisional funding assistance rates framework.

Specifically, we need to decide on:

- the overall split of costs between direct land transport system users and local communities (overall National Land Transport Fund (NLTF) co-investment rate)
- which factors we are going to use to determine how many, and which, councils need extra assistance and, therefore, receive higher funding assistance rates
- how we should determine whether initial response and reinstatement works following a natural event would attract elevated emergency works funding assistance rates and how we should set those elevated emergency works rates
- NLTF funding eligibility and funding assistance rates for Waitangi National Trust and Department of Conservation carriageways
- how we transition in any changes to funding assistance rates.

We want to engage you in a conversation about these components, the trade-offs that will need to be made, and how the components should fit together so that we can make the best possible decision to support optimal outcomes for land transport investment across the country.

We need a funding assistance rates system that works as a national system. Every decision we make which potentially benefits some councils may negatively impact on other councils.

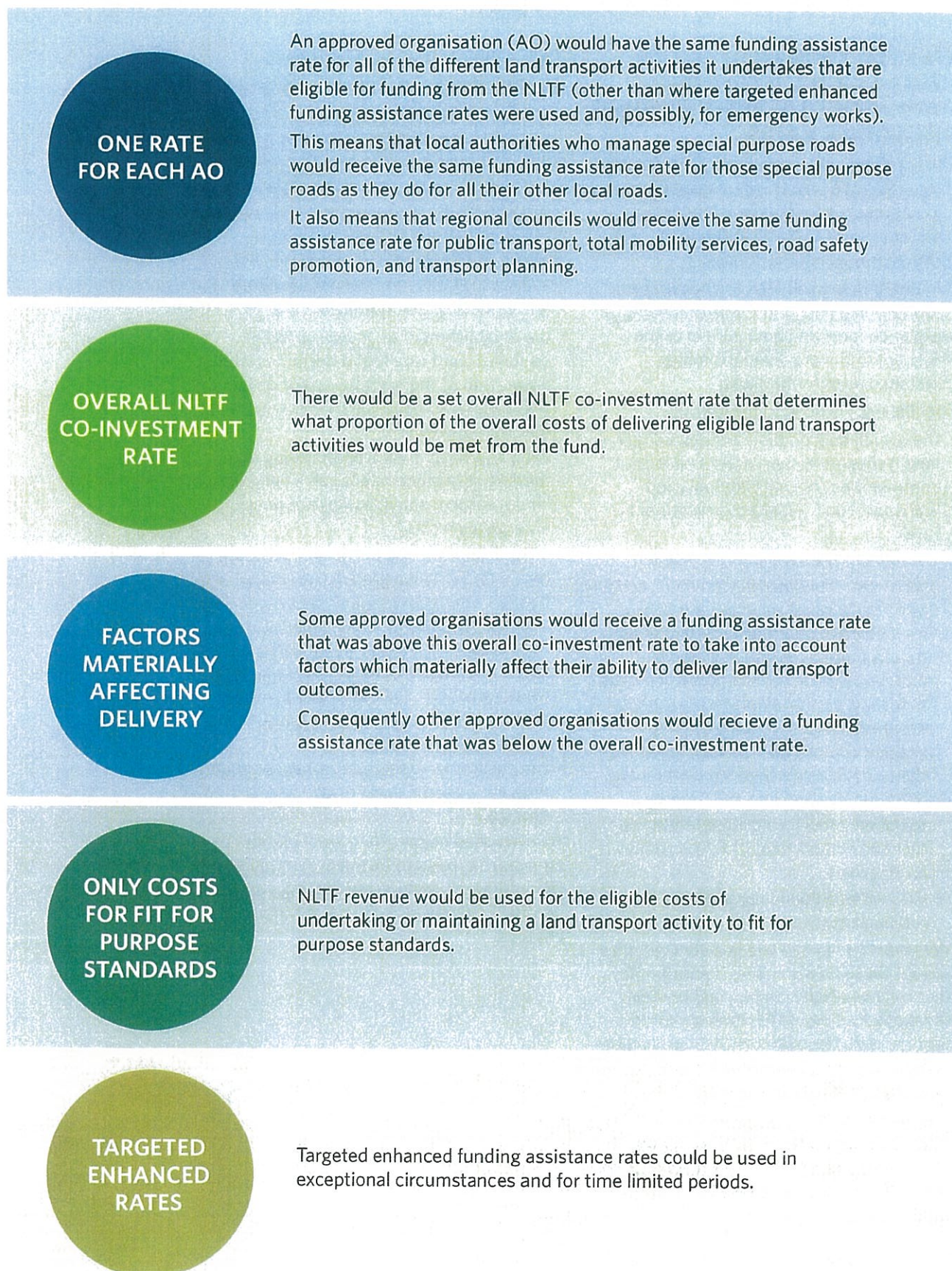
THE PROVISIONAL FUNDING ASSISTANCE RATES FRAMEWORK

In the first round of consultation (which finished in May 2013) we looked at a wide range of approaches that could be taken to setting and applying funding assistance rates. Taking into account the submissions we received during that consultation, we have developed a provisional funding assistance rates framework (see figure 1).

Key elements of that framework are:

- the establishment of an overall NLTF co-investment rate that determines what proportion of the overall costs of delivering eligible land transport activities would be met from the NLTF
- each approved organisation having one funding assistance rate for all its eligible land transport activities (except possibly emergency works)
- some approved organisations potentially receiving funding assistance rates that are higher than the overall co-investment rate because they have to deal with matters outside of their control which make it harder for them to deliver optimal land transport outcomes than it is for most other approved organisations (and others receiving lower rates)
- the ability to use targeted enhanced rates where we need a quick response or a step change.

As discussed below, there are a number of choices that need to be made in applying the framework and we are seeking your feedback to help us make the optimal choices.

FIGURE 1: THE PROVISIONAL FUNDING ASSISTANCE RATES FRAMEWORK

OPTIONS FOR COUNCILS' FUNDING ASSISTANCE RATES

To help us determine which councils should receive higher funding assistance rates, over the last few months we have been discussing with local authorities what factors make it materially harder for them to deliver land transport outcomes. We have carefully considered all of the matters that were raised and assessed whether or not they can, and should, be taken into account in determining which councils should receive funding assistance rates that are higher than the overall NLTF co-investment rate.

WHAT FACTORS WILL WE TAKE INTO ACCOUNT?

We have concluded that in determining which councils get higher funding assistance rates we will take into account differences in local authorities' *ability to raise the local share of the costs of achieving land transport outcomes*.

We are not proposing to take into account *differences in costs between local authorities*. There are a number of reasons for this, that are discussed in section 5 of this document. Some of the key reasons are:

- The fact that some councils have higher costs already affects the investment programme decisions the Transport Agency makes, ie it affects the approved costs of councils' land transport projects, and the size of councils' approved road maintenance, operations and renewals and public transport programmes.
- We are concerned that setting funding assistance rates based on differences in input costs, eg local aggregate price, could skew the market price for those inputs.
- When the prices for different land transport contracts are set, cost differences arising from things like terrain, climate, geology and local input prices tend to be overshadowed by factors such as the level of competition contractors consider there is in the local market and the amount of risk that contractors see in a particular contract.

FUNDING ASSISTANCE RATES BANDS

We are also proposing to group councils into bands, with each band getting a different funding assistance rate (rather than setting a separate funding assistance rate for each council as we currently do for some activity classes). In using bands we are seeking to avoid similar councils ending up with funding assistance rates that vary by a few percent even though they experience similar difficulties in raising the local share of costs.

Using bands would also eliminate the multi-stage process that is currently used in determining councils' Base funding assistance rates. Under that process the Transport Agency first determines an indicator rate using a formula but then may modify that indicator rate taking into account the circumstances of each council. This is time-consuming and may, ultimately, be distorting and inequitable. Therefore, using bands would increase the objectivity and transparency of the funding assistance rate system while reducing the level of distortion that can arise from the Transport Agency exercising discretion in relation to how it sets every council's individual Base rate.

THE OPTIONS WE HAVE MODELLED

To provide you with a basis to provide feedback, we have developed five options for different metrics, or combinations of metrics, we could use as proxies for councils' relative ability to raise the local share of land transport costs:

- An option which compares the relative wealth of the residents of each councils' area – using the New Zealand index of deprivation (option 1). This is the simplest option.
- An option (option 2) which uses a proxy for the relative wealth of a councils' ratepayers including corporate and non-resident ratepayers (the capital value of rateable land in an area) and a proxy for the number of ratepayers a council can obtain the local share of land transport costs from – using the ratio of:

$$\frac{\text{Net equalised rateable capital value}}{\text{Number of rating assessments}}$$

- An option (option 3) which uses both the ratio in option 2 and index of deprivation and, therefore, includes both a proxy for the wealth of a council's ratepayers (including corporate and non-resident ratepayers) and a proxy for the wealth of the residents of each council's area.
- An option (option 4) which compares councils by both an objective proxy for the size of the land transport activities they undertake (lane kilometres of local road) and a proxy for the relative wealth of councils' ratepayers – using the ratio of:

Lane kilometres of local road

Net equalised rateable capital value

- An option (option 5) which uses both the ratio in option 4 and index of deprivation (again this would use both a proxy for the wealth of a council's ratepayers, including corporate and non-resident ratepayers, and a proxy for the wealth of the resident local community).

The appropriate range for the overall NLTF co-investment rate is from 50% (a 50:50 cost split) to 53% (the overall effective funding assistance rate over the last few years) – see Section 4 of this document.

Given this we have included two sets of indicative funding assistance rates for each of the 5 options - one using a 50% overall NLTF co-investment rate and one using a 53% co-investment rate. This means that you can see what funding assistance rate a particular council might receive under each option at each end of the range of possible overall NLTF co-investment rates. Those indicative rates are summarised in table 1.

In that table we have also included details of what each council's overall effective funding assistance rate has been over the last few years – taking into account the fact that some of their activities are currently funded at higher rates than others. For territorial authorities we have also indicated whether or not the indicator rate (which we currently use as the starting point for calculating Base funding assistance rates for local road operations, maintenance and renewals) would be likely to go up, down or remain stable, if we stayed with the current formula for setting Base rates.¹

1. An indicator rate trending up does not necessarily mean that a council's Base FAR would go up if we stayed with the status quo for the 2015-18 investment period, e.g. some of the councils who are currently on the 43% minimum Base rate might still be on 43% even though their indicator rate is trending up. Similarly, an indicator rate going down does not necessarily mean that a council's Base rate would go down if we stayed with the status quo for the 2015-18 investment period.

THE CHOICES WE MADE IN DOING THE MODELLING

In modelling the options we have made a number of choices in relation to issues such as what proportion of councils should be included in the bands that receive higher rates (25%), how many bands we should use (5 or 6) and whether we cap the rate of the councils in the highest band at a specified maximum amount (capped at 75%). Those may not be the optimal choices. We are seeking your feedback on whether they are or not and, if not, what the optimal combination would be.

Coming up with the best combination of factors and approaches will involve making tradeoffs, for example:

- The greater the number of councils who receive higher funding assistance rates the lower the funding assistance rate that is received by the councils in the lowest band is likely to be.
- If we use a small number bands then the councils who receive the highest rate can receive a reasonably high rate, eg 75%. If we use more bands this will spread the elevated rates out and may reduce the rate received by the highest band and/or mean that fewer councils receive the highest rate.
- What effect changing a council's rate will have on other councils' rates will vary depending upon the size of the land transport spend in their area. A 1% increase in a large metropolitan council's rate could have a significant effect on the funding assistance rates that could be received by other councils.

Should there be elevated emergency works funding assistance rates? If so, what events should they apply to and what should those rates be?

When we developed the provisional framework we felt that, possibly, different funding assistance rates should apply to emergency works than apply to approved organisations' other eligible land transport activities.

Having considered this issue further, we think that there is a place for elevated emergency works funding assistance rates - the role of those rates is to address the land transport costs of responding to 'out of the ordinary' short-duration natural events i.e. natural events that a particular approved organisation could not reasonably be expected to plan and manage for as part of normal best practice management of the resilience of the land transport network. This is because the events are unusual, or are of unusually large magnitude or severity, for the particular area where they occur.

Currently emergency works funding assistance rates are meant to apply to unforeseen significant expenditure that arises from a 'defined, *major*, short-duration natural event' [emphasis added]. However, there is no real guidance on what a 'major' natural event is for the purposes of the policy and in some cases enhanced funding assistance rates may be being applied to the costs of responding to events that are relatively common in the area where they occur.

Section 6 of this document discusses:

- Three options for how we determine whether initial response and reinstatement works arising from a short duration natural event would attract elevated emergency works funding assistance rates - (1) a statement of principle, (2) the annual return interval of an event (eg it would need to be a 1 in 20 year storm for the area where the damage was caused), and (3) only events where emergency works expenditure exceeded a certain amount.
- Three options for how we set elevated emergency works funding assistance rates - two options tied to an organisation's normal funding assistance rate (a rate half way between the organisation's normal rate and 100%, and an organisation's normal rate plus 20), and a set emergency works rate of 70% (the overall average emergency works funding assistance rate over the last few years).

We need your feedback to let us know if there are any additional options and, to help us choose the best option.

Waitangi National Trust and Department of Conservation

We also need to decide which Waitangi National Trust and Department of Conservation carriageways should be eligible for NLTF funding and at what rate(s). Those issues are discussed in sections 7 and 8 of this document.

How do we transition in any changes to funding assistance rates?

In conversations with local authorities we have stressed that any changes to their funding assistance rates would be transitioned in gradually.

We currently see three options for transitioning in any changes to funding assistance rates that result from this review:

- Transitioning in the changes over a set period of time eg 3 years, 6 years (ie two NLTF investment periods), 9 years (three investment periods) or 10 years.
- No approved organisation's funding assistance rate decreasing by more than 2% from their overall effective funding assistance rate for the previous financial year (once the effects of any special/ bespoke arrangements, emergency works funding and targeted enhanced funding assistance rates have been excluded).
- A combination of the above.

Where the Transport Agency has made a binding commitment to fund a particular identified activity at a specified funding assistance rate for a defined period, or to fund a particular project or phase of a project at a specified funding assistance rate, it would honour those commitments.

TABLE 1: COUNCILS' INDICATIVE FUNDING ASSISTANCE RATE UNDER EACH OF THE 5 OPTIONS USING THE CURRENT MODELLING APPROACHES
(see footnote regarding how overall effective funding assistance rates were calculated. The light olive shading indicates that a council would not be in the top 25% and, therefore, would not receive a higher funding assistance rate under the relevant option.)

Council	Status quo - overall effective rate ² 2012-13 ³	Status quo - overall effective rate ⁴ 2009/10-2012/13	Status quo - Base FAR 2014/15	How Base FAR indicator rate is trending under the status quo	Option 1 Index of deprivation		Option 2 Rateable capital value/rating units		Option 3 Combines options 1 and 2		Option 4 Lane kms/ rateable capital value		Option 5 Combines options 1 and 4	
					50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate
Ashburton District Council	46.6%	48.1%	46	Was going ▼ (recently ▲)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Auckland Transport	51.8%	51.8%	43	Don't have it due to amalgamation (predecessor councils' indicator rates were generally trending ▲ or stable)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Bay of Plenty Regional Council	51.6%	52.8%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Buller District Council	65.0%	66.5%	58	▼	55%	55%	60%	60%	60%	60%	55%	60%	55%	60%
Carterton District Council	54.2%	53.3%	53	Was going ▼ (recently ▲)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Central Hawkes Bay District Council	58.3%	58.1%	58	(Was going ▼) recently ▲	49%	52%	49%	52%	49%	52%	60%	60%	49%	52%
Central Otago District Council	50.6%	52.0%	50	▼	49%	52%	49%	52%	49%	52%	55%	60%	49%	52%
Chatham Islands Council	88.2%	89.1%	90	▲	49%	52%	65%	70%	55%	60%	75%	75%	70%	75%
Christchurch City Council	47.1%	47.0%	44	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Clutha District Council	60.1%	61.4%	59	▼	49%	52%	49%	52%	49%	52%	70%	70%	55%	55%
Dunedin City Council	56.9%	58.8%	56	▲	49%	52%	55%	60%	49%	52%	49%	52%	49%	52%
Environment Canterbury	53.9%	53.2%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%

- These figures exclude significant special bespoke funding assistance rates, regional development funding, and funding assistance rates for emergency works. These figures will also be affected by the fact that, currently, capital improvements to local roads are funded at a higher rate than maintenance, operations and renewals and some territorial authorities will have undertaken more capital improvements in the last few years than others. Because the funding assistance rates for some public transport activities are currently being transitioned down from 60% to 50% and there have been recent changes to the funding assistance rates for transport planning and road safety promotion, councils' effective overall funding assistance rates would be likely to decrease over the next few years even if no changes were made as a result of the current review. This is particularly the case for Auckland Transport and Greater Wellington as they deliver passenger rail.
- Following changes to transport planning and road safety promotion rates and the beginning of changes to some public transport rates.
- See footnote 2 above.

TABLE 1 (CONT): COUNCILS' INDICATIVE FUNDING ASSISTANCE RATE UNDER EACH OF THE 5 OPTIONS USING THE CURRENT MODELLING APPROACHES
(See footnote regarding how overall effective funding assistance rates were calculated. The light olive shading indicates that a council would not be in the top 25% and, therefore, would not receive a higher funding assistance rate under the relevant option.)

Council	Status quo - overall effective rate ² 2012-13 ³	Status quo - overall effective rate ⁴ 2009/10-2012/13	Status quo - Base FAR 2014/15	How Base FAR indicator rate is trending under the status quo	Option 1 Index of deprivation		Option 2 Rateable capital value/rating units		Option 3 Combines options 1 and 2		Option 4 Lane kms/ rateable capital value		Option 5 Combines options 1 and 4	
					50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate
Environment Southland	64.6%	82.2%	N/A	N/A	49%	52%	49%	52%	49%	52%	55%	60%	49%	52%
Far North District Council	56.0%	57.9%	55	▼	60%	65%	55%	60%	60%	65%	49%	52%	60%	65%
Gisborne District Council	58.6%	59.6%	58	▼	60%	65%	55%	60%	60%	65%	49%	52%	60%	60%
Gore District Council	55.5%	56.7%	55	▼	49%	52%	49%	52%	49%	52%	60%	60%	49%	52%
Greater Wellington Regional Council	55.2%	55.6%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Grey District Council	62.3%	63.5%	60	▼	49%	52%	60%	65%	55%	60%	49%	52%	49%	52%
Hamilton City Council	51.7%	52.3%	45	Stable	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Hastings District Council	52.6%	53.5%	51	(Was going ▼) recently ▲	55%	55%	49%	52%	49%	52%	49%	52%	49%	52%
Hauraki District Council	53.4%	54.4%	53	▼	55%	60%	49%	52%	55%	60%	49%	52%	55%	55%
Hawkes Bay Regional Council	55.1%	57.6%	N/A	N/A	50%	55%	49%	52%	49%	52%	49%	52%	49%	52%
Horizons Manawatu	56.3%	57.9%	N/A	N/A	49%	52%	55%	60%	55%	60%	49%	52%	49%	52%
Horowhenua District Council	48.0%	47.7%	47	Stable	55%	60%	60%	65%	60%	60%	49%	52%	55%	55%
Hurunui District Council	50.8%	52.5%	50	Stable	49%	52%	49%	52%	49%	52%	60%	60%	49%	52%
Hutt City Council	49.0%	48.7%	48	Was going ▼ recently ▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Invercargill City Council	59.6%	63.6%	59	Was going ▲ (recently ▼)	49%	52%	65%	65%	55%	60%	49%	52%	49%	52%
Kaikoura District Council	47.1%	48.2%	44	▼	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Kaipara District Council	59.4%	61.1%	59	▼	50%	55%	49%	52%	49%	52%	55%	60%	55%	60%
Kapiti Coast District Council	44.5%	45.8%	43	Was going ▼ recently ▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Kawerau District Council	66.6%	67.5%	63	▼	70%	75%	70%	70%	75%	75%	49%	52%	65%	70%
Mackenzie District Council	53.7%	54.6%	53	▼	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%

Manawatu District Council	53.6%	53.0%	53	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Marlborough District Council	47.7%	48.5%	46	▼	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Masterton District Council	54.9%	56.1%	54	▼	49%	52%	55%	60%	49%	52%	49%	52%	49%	52%
Matamata-Piako District Council	48.7%	48.8%	48	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Napier City Council	48.7%	49.0%	48	Stable	49%	52%	55%	60%	49%	52%	49%	52%	49%	52%
Nelson City Council	46.7%	47.6%	43	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
New Plymouth District Council	52.5%	53.2%	50	▼	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Northland Regional Council	51.9%	56.3%	N/A	N/A	55%	60%	49%	52%	55%	60%	49%	52%	55%	60%
Opotiki District Council	50.4%	51.2%	50	Stable	70%	75%	60%	60%	70%	70%	49%	52%	65%	70%
Otago Regional Council	53.6%	54.3%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Otorohanga District Council	52.8%	53.5%	52	Generally stable (recently ▼)	49%	52%	49%	52%	49%	52%	55%	60%	49%	52%
Palmerston North City Council	48.5%	48.7%	47	Was going ▲ (recently ▼)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Porirua City Council	47.8%	46.8%	44	Was going ▼ recently stable	55%	60%	49%	52%	55%	60%	49%	52%	49%	52%
Queenstown-Lakes District Council	53.8%	56.1%	46	Was going ▼ (recently ▲)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Rangitikei District Council	58.6%	62.6%	58	Was going ▲ (recently ▼)	49%	52%	49%	52%	49%	52%	60%	65%	55%	55%
Rotorua District Council	50.6%	49.4%	47	Generally ▲ (recently slightly ▼)	55%	60%	55%	55%	55%	60%	49%	52%	49%	52%
Ruapehu District Council	64.3%	66.0%	60	▼	60%	60%	55%	55%	60%	60%	55%	60%	60%	60%
Selwyn District Council	48.2%	50.0%	47	Was going ▲ (recently ▼)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
South Taranaki District Council	51.7%	51.5%	51	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
South Waikato District Council	51.0%	50.5%	50	▲	60%	60%	49%	52%	55%	60%	49%	52%	55%	60%
South Wairarapa District Council	64.0%	60.1%	49	Was going ▼ (recently stable)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Southland District Council	53.9%	55.2%	53	▼	49%	52%	49%	52%	49%	52%	55%	60%	49%	52%
Stratford District Council	54.2%	54.1%	52	▲	49%	52%	49%	52%	49%	52%	55%	60%	49%	52%
Taranaki Regional Council	52.8%	52.8%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Tararua District Council	59.6%	60.6%	59	▼	49%	52%	49%	52%	49%	52%	60%	65%	55%	60%

TABLE 1 (CONT): COUNCILS' INDICATIVE FUNDING ASSISTANCE RATE UNDER EACH OF THE 5 OPTIONS USING THE CURRENT MODELLING APPROACHES (see footnote regarding how overall effective funding assistance rates were calculated. The light olive shading indicates that a council would not be in the top 25% and, therefore, would not receive a higher funding assistance rate under the relevant option.)

Council	Status quo - overall effective rate ² 2012-13 ³	Status quo - overall effective rate ¹ 2009/10-2012/13	Status quo - Base FAR 2014/15	How Base FAR indicator rate is trending under the status quo	Option 1 Index of deprivation		Option 2 Rateable capital value/rating units		Option 3 Combines options 1 and 2		Option 4 Lane kms/ rateable capital value		Option 5 Combines options 1 and 4	
					50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate
Tasman District Council	50.3%	50.8%	49	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Taupo District Council	44.3%	51.5%	43	▼ (recently more stable)	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Tauranga City Council	45.5%	46.7%	43	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Thames-Coromandel District Council	44.3%	44.4%	43	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Timaru District Council	55.0%	53.7%	53	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Upper Hutt City Council	47.5%	49.1%	46	▲	49%	52%	55%	55%	49%	52%	49%	52%	49%	52%
Waikato District Council	54.3%	53.2%	53	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Waikato Regional Council	51.6%	53.1%	N/A	N/A	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Waimakariri District Council	50.7%	50.5%	50	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Waimate District Council	51.3%	52.5%	51	▼	49%	52%	49%	52%	49%	52%	65%	65%	55%	55%
Waipa District Council	49.7%	49.5%	49	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Wairoa District Council	67.5%	68.4%	65	(was going ▼) recently ▲	65%	65%	65%	70%	70%	70%	65%	65%	65%	70%
Waitaki District Council	57.2%	58.2%	56	▼	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Waitomo District Council	59.3%	58.7%	59	▲	55%	60%	49%	52%	49%	52%	60%	60%	60%	65%
Wanganui District Council	63.2%	63.7%	62	(Was going ▲) recently ▼	55%	60%	65%	65%	60%	65%	49%	52%	55%	60%
Wellington City Council	45.8%	46.1%	44	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
West Coast Regional Council	55.8%	66.6%	N/A	N/A	49%	52%	60%	60%	55%	60%	55%	60%	49%	52%
Western BoP District Council	47.0%	46.5%	46	▲	49%	52%	49%	52%	49%	52%	49%	52%	49%	52%
Westland District Council	64.7%	65.5%	58	▼	49%	52%	55%	60%	49%	52%	55%	60%	49%	52%
Whakatane District Council	55.0%	54.6%	49	▲	60%	60%	49%	52%	60%	60%	49%	52%	55%	60%
Whangarei District Council	50.8%	53.4%	51	Overall stable (recently ▼)	55%	55%	49%	52%	49%	52%	49%	52%	49%	52%



**New Zealand Transport Agency
Funding Assistance Rates (FAR) Review**

SUBMISSION FROM NELSON CITY COUNCIL

To: FAR Review Discussion Document Submissions
NZ Transport Agency
50 Victoria Street
Private Bag 6995
Wellington 6141
Attention: Clare Sinnott

3 May 2013

This submission is made by: Nelson City Council

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Signed

..... Date.../...../.....

Aldo Miccio

Mayor of Nelson

1 Introduction and general comments

- 1.1 Nelson City Council ('the Council') welcomes the opportunity to provide feedback to the New Zealand Transport Agency (NZTA) on the 'Funding Assistance Rates (FAR) Review' discussion document.
- 1.2 The Council seeks to work closely with NZTA on key transport projects in order to deliver benefits to the economy, local road users and local residents. Regardless of the approach that is taken to setting FARs, the relationship between NZTA and Council is fundamental to the successful delivery of transport projects within the Nelson area.
- 1.3 This relationship needs to be built on a common understanding of what we are trying to achieve by investing in transport infrastructure. In part, this is guided by the FAR principles and government policy. However, it should also be guided by sharing an understanding of how transport projects fit at the local level with achieving the Nelson community's preferences around how this city should develop economically and socially, and the environmental qualities and attributes within which that development should occur.
- 1.4 Currently Council receives the lowest base FAR available (43% for maintenance, 53% for capital projects). Council is concerned that some of the approaches under consideration would result in Council receiving an even lower rate than previously. The Council has built an asset management framework around an anticipated level of funding against which it can prioritise essential maintenance and transport upgrades and to meet ever higher environmental standards e.g. discharges of road run-off to freshwater. Any loss of Government funding will have significant impacts on transport infrastructure and may prove counter-productive to growing Nelson, contributing to New Zealand's growth and maintaining a city that is easy to get around, has roads that are safe to use and are fit for purpose.
- 1.5 The Council requests that the NZTA confirms that it will maintain a level of at least 43% as the minimum base FAR for all councils.
- 1.6 The Council also asks NZTA to consider increasing the base FAR for Nelson City to reflect the amount of heavy traffic on Nelson's roads. The proportion of heavy vehicles is higher than in other areas due to presence of the port and airport, coupled with a lack of rail infrastructure. This imposes a higher demand on ratepayer funding for maintenance works for damage caused by heavy vehicle use than exists in other areas. At our current base FAR of 43%, the majority (57%) of this damage is paid for by Nelson residents. The Council believes that this issue needs to be addressed in the FAR review, regardless of the approach that is finally selected.

2 Principles

- 2.1 Council agrees that a principle-based approach needs to be taken to setting FARs.
- 2.2 Council generally supports the principles identified in the discussion document, but notes that the more principles there are, the harder it is to find an approach

that meets all of the principles. There seems to be some overlap between some of the principles, for example the wording for 'Be consistent with seeking value from investment of the NLTF' could be amended to cover both 'Be financially responsible' and 'be efficient to apply'. Some rationalisation of the principles is desirable.

- 2.3 Whilst 'allow social and environmental responsibility to be exhibited' is stated as a principle, it is not referred to in the consideration of the advantages and disadvantages of each approach. Further analysis of each option against this principle is requested.
- 2.4 Council understands that NZTA needs to take a whole of network approach to land transport in New Zealand. However, Council also believes that this principle should be applied at a regional level where the land transport network integrated with other community infrastructure. There is a need to retain a focus on supporting viable, productive communities with transport infrastructure that supports economic development that may be location specific but not of national scale.
- 2.5 Council would like to see a principle that FARs should:

'recognise the need for regional integration of transport infrastructure with community infrastructure to support community and economic development opportunities'.

3 Preferred Approach or Combination of Approaches

- 3.1 Council is not in a position to be able to recommend one approach or a combination of approaches, because insufficient detail is available on what a preferred option might mean for funding of transport projects in our area.
- 3.2 Council is able to state its expectations of what the preferred approach should deliver. These are threefold:
 - 3.2.1 Firstly, there needs to be transparency in the process by which the National Land Transport Fund is distributed across the country. Councils need clear, consistent rules that enable them to carry out their statutory (10 year) planning with some confidence that the basis on which funding is allocated will not change over the lifetime of the Long Term Plan (LTP).
 - 3.2.2 Secondly, Nelson recognises the importance of our area within the Top of the South (TOTS). Nelson's port, airport, industrial area and CBD are important economic hubs for the region, and there is a need to ensure that investment in transport links across the TOTS supports these hubs and their connections to hubs in Tasman and Marlborough Districts.
 - 3.2.3 Thirdly, Council has to consider the interests of its own residents, road users and ratepayers. There needs to be flexibility in the allocation of transport funding to recognise the local community's needs and aspirations as expressed in the Regional Transport Strategy.
- 3.3 Council notes that some of the descriptions suggest that transport users are a separate group from residents and ratepayers. The majority of people actually

fall into both groups, with users of the land transport system generally being a subset of ratepayers. At the local level, more weight should be given to the interests and benefits of residents and ratepayers over those of land transport users.

4 Comments on Individual Approaches

- 4.1 Council has found it difficult to fully assess each of the options because the desirability of some of them will vary according to the details of how the approaches will be implemented.

Status Quo

- 4.2 Council notes that there is an option of maintaining the status quo in relation to the combination of approaches that might apply when setting the 2015-18 FARs. Council believes that there is considerable merit in maintaining the status quo, as the possible benefits from changing the system are likely to be countered by significant costs in moving to a new system.
- 4.3 Council is not convinced that the arguments in favour of change are particularly strong. However, if a change is to be proposed then, given the investment in forward planning tied in to the asset management plans, a lead-in time to effect the transition is essential.
- 4.4 Nonetheless, Council makes the following comments on each of the individual approaches as follows.

Flat Approach

- 4.5 Council believes that this approach is suitable for some land transport activities, such as Public Transport operations, but, by itself does not give enough flexibility for maintenance and capital expenditure. For example, significant arterial projects that contribute to wider transport network and economic benefits should receive higher FARs based on each project's merits.
- 4.6 The Council supports the Flat Approach being used as part of a package of approaches (as under the current arrangements).

Differences Approach

- 4.7 This is the current approach that is used in setting base FARs. Whilst not ideal, it does give some certainty and is reasonably transparent. Council would not support the differences approach being used if the current minimum base FAR of 43% was dropped.
- 4.8 The Council supports the Differences Approach being used as part of a package of approaches (as under the current arrangements).

Classification Approach

- 4.9 The Council finds it difficult to support this approach without further information on how classification might work, and the specific FARs being considered. It is

not clear if the examples given in the discussion paper are indicative levels or not.

4.10 Council understands the rationale behind this approach but believes that in practice this system will be costly to set up and to administer.

4.11 Council does not support this approach.

Revenue Approach

4.12 The validity of this approach relies on the assumption that investment is required where road usage is greatest. Council believes that this is not a valid assumption to make.

4.13 There is a need to invest in transport infrastructure for future demands rather than for meeting present demands. Investment in roading should not be based on lag effects (resolving previous under investment) but on forward needs and effects that are required to be managed.

4.14 Council sees little positives in this approach and many drawbacks. It is also not clear how this would apply to an area such as Nelson, where the road network is short (and so overall vehicle kilometres are less) but where there are key regional economic hubs that require transport infrastructure (port, airport, CBD).

4.15 Council does not support this approach.

Population approach

4.16 Council sees some merit in taking account of the population in determining FARs, but that it should not be used exclusively. One model would be to set a base FAR based on a flat rate or differences approach and then to allocate a top up FAR rate based on population size.

4.17 Population size would seem to be a fairer measure for allocating FARs than metrics based on road usage. This is because all ratepayers contribute to overall funding of transport projects (FAR plus local share).

4.18 Council supports this approach as part of a package of approaches.

Incentives Approach

4.19 Council believes that there is merit in considering this approach on top of a flat rate or difference approach to setting FARs. This combination would give greater certainty on revenue for councils, whilst offering additional encouragement to councils for projects aligning with policy changes.

4.20 Council has worked with NZTA on its total mobility scheme to align its practices with the targets set by NZTA using the incentives approach.

4.21 By itself the incentives approach would not give any level of certainty to councils and would make long term planning extremely difficult.

Contribution Approach

- 4.22 Council can understand the rationale for this approach but believes, that it does not take into account future economic growth and the contribution that will make. There is a strong argument for developing transport infrastructure to support that future growth rather than to reflect where current economic activity exists. The proposed approach seems to equate productivity with heavy vehicles – this would seem to exclude growing industries such as tourism, which also require investment in transport, but which is generally undertaken by light vehicles (rental cars, minivans and campers).
- 4.23 Council believes that this will be costly to set up and to administer and therefore does not support this approach.

Relative Benefit Approach

- 4.24 Council does not support this approach. This seems to place higher value on the needs of road users at the expense of local residents and ratepayers. The disadvantages, as identified in the consultation document, are many whilst the benefits are minimal.
- 4.25 Council does not support this approach.

5 Conclusion

- 5.1 Council thanks the NZTA for the breadth of approaches that it has drawn together as it seeks to identify an approach to setting FARs from 2015 onwards. Without seeing the detail of how a preferred approach might be implemented, it is difficult for Council to fully endorse any one of the options.
- 5.2 Council has not been convinced of the imperative to change the existing approach and suggests that NZTA specifically includes the current system when considering which approach or combination of approaches to further consult on.

	Value for money	Whole of network	Benefits to users and ratepayers recognised	Financially responsible	Social and environmentally responsible	Efficient to apply	Based on clear principles	Balance between certainty and agility	Council support
Flat	✓	x	x	✓	?	✓	✓	✓	✓
Differences	✓	✓	x	✓	?	✓	✓	✓	✓
Classification	✓	✓	x	x	?	x	✓	x	x
Revenue	x	x	✓	x	?	✓	✓	x	x
Population	✓	x	✓	✓	?	✓	✓	✓	✓
Incentives	✓	✓	x	x	?	✓	✓	✓	✓
Contribution	x	x	x	x	?	x	✓	x	x
Relative Benefit	?	x	✓	?	?	x	✓	x	x

Local Government New Zealand Special General Meeting - Proxy Vote

1. Purpose of Report

- 1.1 To authorise a proxy vote on behalf of Nelson City Council at the Special General Meeting of Local Government New Zealand to be held on 13 March 2014.

2. Recommendation

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

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

AND THAT Council appoint (insert name) to be its duly authorised proxy at this Special General Meeting.

3. Background

- 3.1 Local Government New Zealand (LGNZ) has notified its members of a Special General Meeting to be held in Wellington on 13 March 2014.
- 3.2 Nelson City Council is a member of LGNZ and as such is entitled to representation at this meeting.
- 3.3 Her Worship the Mayor is unable to attend this meeting.
- 3.4 Council may exercise its vote by proxy, provided a proxy is appropriately appointed. To be clear, the appointed proxy must be in attendance at the meeting in order to vote.
- 3.5 In order for proxy voting to take place, Council must take a position on the issues to be voted on.

4. Proposed Amendments to the rules of NZ Local Government Association Inc (LGNZ)

4.1 LGNZ seeks to make three main changes to its rules:

4.1.1 To alter the composition of National Council, by providing for four additional members who will be either a chief executive or hold an office of similar seniority in a local authority. The proposal states that senior management membership will result in more cohesiveness across the sector in formulating policy perspectives, and in promoting best practice in local government activity.

- It is disappointing that an organisation which should have access to so many skilled staff from all of the member councils– at all levels – feels it necessary to confuse its governance and management contribution. This will make the size of National Council very large, and it is uncertain how effective this will be.

4.1.2 To allow for non-voting associate members. This is to develop a further source of revenue, and the proposal is that it would facilitate greater stakeholder engagement. It is anticipated that associate members might include both businesses and non-governmental organisations. These members would not hold voting rights.

- This model is seen in the equivalent body in Queensland, where LGNZ is modelling much of its strategic planning from. Whether or not such organisations are prepared to pay membership fees, will remain to be seen.

4.1.3 To remove the term limit on the presidential term. National Council does not consider this rule serves the interests of members, suggesting that a President who has the confidence of members and wishes to serve should be able to do so.

- Organisations need renewal. The Presidency has a limit on it of two terms, i.e. six years. It is understood that this limit was extended less than 10 years ago. To remove the term limit could see a President serve more than a decade. Given that the President comes from the National Council, it could act as a disincentive to potential members of that body. It is worth noting that the Vice Presidency has no limit on its term.
- Removing the term limit could put LGNZ at risk of becoming stale.

4.2 Please see Attachments 1 and 2 for further detail on the proposed changes to the Rules and governance structure.

4.3 Council must determine its position on each of these resolutions (plus a fourth resolution, making minor corrections to the rules) to inform their authorised proxy, should it choose to appoint one.

5. Conclusion

- 5.1 If Council wishes to participate in the Special General Meeting of LGNZ, it should authorise a proxy to vote on its behalf.
- 5.2 If Council authorises a proxy to vote on its behalf, it should determine its position on each of the three issues set out in 4.1.1; 4.1.2 and 4.1.3 above.

Clare Hadley
Chief Executive

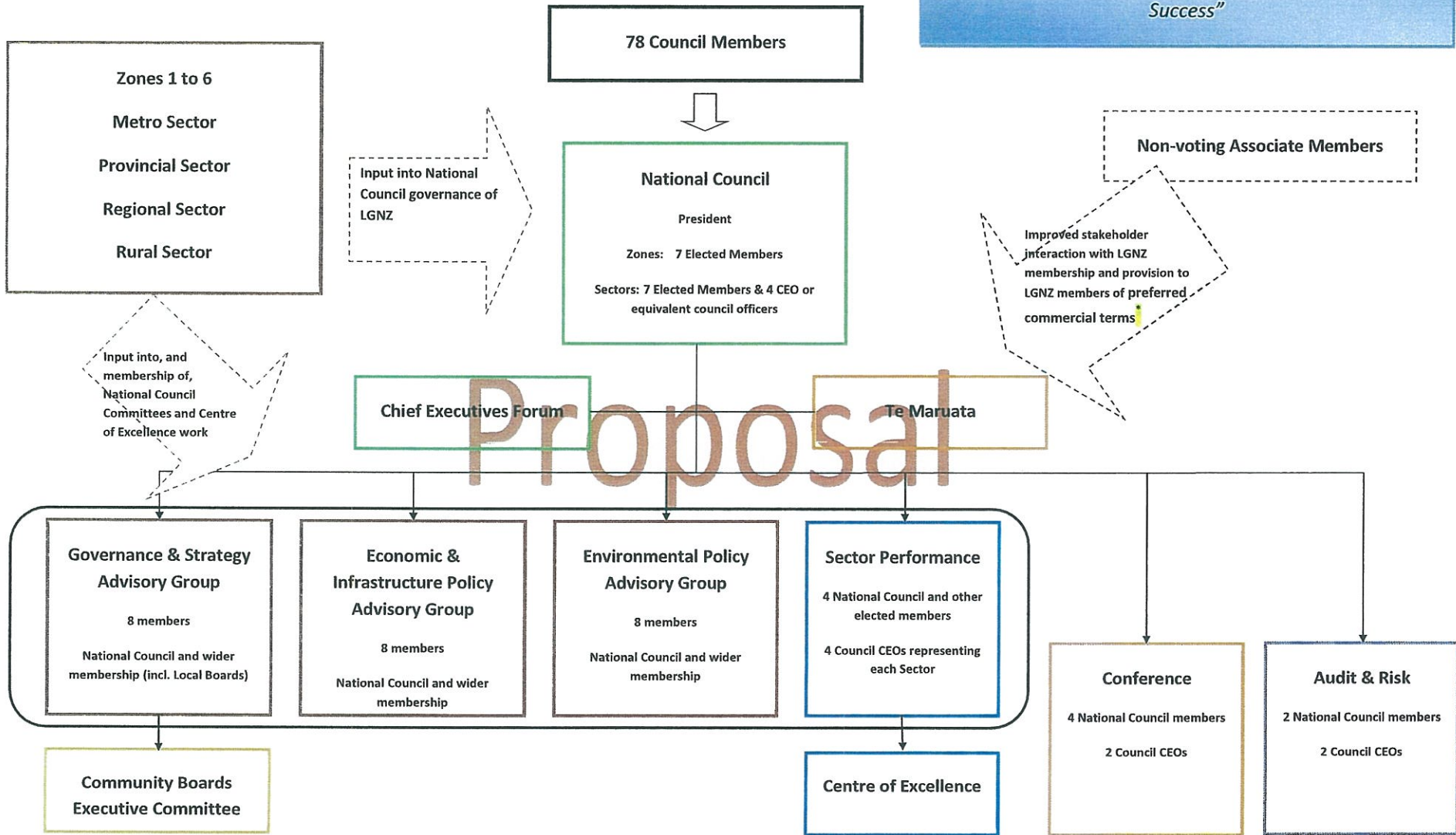
Attachments

Attachment 1: LGNZ's Rules proposed 2014 amendments [A1148307](#)

Attachment 2: Diagram of proposed governance structure [A1148341](#)

No supporting information follows.

*Proposed LGNZ Governance Structure 2014
"Local Democracy Powering Community and National
Success"*



* Note that, for obvious reasons, this does not entail a requirement for councils to treat Associate Members in a special or preferred manner relative to any other member of a community

Attachment 2

Refurbishment of Offices - Floor 2B

1. Purpose of Report

- 1.1 To approve reallocation of capital funding in the current financial year and to approve additional funding for the refurbishment of office accommodation on part of Floor 2B, Civic House, to enable works to be undertaken this financial year.

2. Recommendation

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.

3. Background

- 3.1 The Council has been in its current premises since the early 1990s. A major upgrade to accommodation was made to the ground floor Customer Service Centre area and to the fourth floor within the last six years.
- 3.2 It is intended to progressively upgrade the accommodation in Civic House – the draft Annual Plan has \$450,000 for the upgrade on the first floor and \$150,000 funding for air conditioning upgrades on the first floor and within Civic House in 2014/15.
- 3.3 The second floor is in two parts: 2A and 2B. 2A has been reasonably well maintained, as is appropriate for the Council Chamber and public space. Floor 2B accommodates a number of staff, and is where the Mayor's office is now situated.
- 3.4 When the Mayor's office was relocated some three years ago, it did not satisfactorily address the matter of a reception area. Accordingly, Floor 2B has no clearly identifiable reception area. The appointment is also somewhat lacking for 2014.

4. Discussion

- 4.1 The 'front door' for any meeting with the Mayor is a misnomer; guests could be forgiven for thinking they had been brought through to the back of house. The civic duties of the Mayor of Nelson justify something with better appointment than is currently provided.
- 4.2 The increased role for the Mayor, as provided for in the recent amendments to the Local Government Act 2002, places an increased expectation on her in terms of long term planning. This will mean more time in the office, and interfacing with the community.
- 4.3 It is timely to reconsider the layout of both the reception area and the Mayor's office, and to ensure that these work for the incumbent, and for the community.
- 4.4 It is important that any upgrade to Floor 2B also works for the administration staff who are accommodated in the area, and that the upgrade is in line with the general principles commenced on the ground and fourth floors.
- 4.5 This proposal would see visitors to the Mayor's office able to gain entry between 8.30am and 5.00pm, Monday to Friday, without being inhibited by the security system, whilst maintaining security for the staff on that floor. It would provide for an attractive reception area, able to reflect the economic and social community of Nelson. It would provide for reception staff to be accommodated in this area.
- 4.6 Changes will also be made to some of the remainder of Floor 2B to accommodate those staff who need to move as a consequence of this new area.
- 4.7 In addition, the Councillors' Lounge will have the 'post boxes' removed and relocated to the small office beside Ruma Marama; this will be provided as a Councillors' Office, where materials can be stored and a desk will be available. If Councillors wish to meet with members of the public, they can contact officers to arrange a meeting room.
- 4.8 There is \$560,000 provided in the current 2013/14 capital programme for office refurbishment. \$70,000 remains unspent to date following work within Civic House (including air-conditioning, bringing staff back in the building from the FVM building and changes to the building section).
- 4.9 The total cost to undertake refurbishment work on Floor 2B is estimated to be up to \$185,000. At the time of writing, some details were being confirmed.
- 4.10 This can partly be funded from the unspent \$70,000 in this financial year, but leaves a shortfall of up to \$115,000 to sufficiently address issues around the Mayor's office, reception, and consequential changes.

5. Extent of work

5.1 The proposed refurbishment is detailed below:

Mayor's office and reception space

5.2 The Mayor's office and reception area will be divided from the general Floor 2B office area. The area will be able to be accessed via both the lift and the stairs. A reception desk for two staff, new reception furniture, carpeting and glass panelling will be installed. The work in this area will endeavour to complement the design in the ground floor customer service area.

5.3 The Mayor's office will be enlarged slightly, refurbished (lighting, carpeting and painting); new furniture, blinds to address glare, and an additional door to the 'new' reception area.

Floor 2B

5.4 The space allocated to the Mayor's reception area is currently occupied by administration staff. Consequential changes to Floor 2B includes for making the copier room slightly smaller to accommodate another office in glass panelling, re-locating the existing meeting room, creating a new space for the displaced staff and the Executive Assistants, creating two new offices and installing glass panelling along the entire length of the corridor that will allow natural light to reach the centre of the floor. This work will be undertaken to a standard in keeping with the standard on the fourth floor.

6. Conclusion

6.1 The current Floor 2B reception and office space for the Mayor and Councillors' and administrative staff is tired, and presents a confusing 'face' to visitors.

6.2 The role of the Mayor has increased with the latest changes to the Local Government Act 2002 and it is timely to make changes to the office accommodation to make the area work better for all.

6.3 The total cost can be partially offset from remaining funds in the current financial year (\$70,000), but up to an additional \$115,000 will be required for completion within this financial year. This can be reallocated from efficiencies gained in other corporate capital projects.

Clare Hadley
Chief Executive

Attachments

None

No supporting information follows.

Schedule of Documents Sealed: 15 August 2013 to 13 February 2014

DATE	LEGAL DESCRIPTION	DESCRIPTION	SITE ADDRESS
12/08/13	NL 2B/1147	Deed of Lease between Megaslide Nelson Ltd and Julie Demillac & Michael Turnbull	Megaslide Tahuna Reserve
14/08/13		Warrant of Appointment – Parking Warden and Building Consents Officer	
15/08/13	Lots 1 and 2 DP 14262	Section 75 of the Building Act 2004 - building over two allotments	260 Trafalgar Street
19/08/13	Lot 2 DP 2116 Part Section 744 City of Nelson	Section 75 of the Building Act 2004 - building over two allotments	36 Gloucester Street
23/08/13		Variation to a contract with Ministry for the Environment to provide funding to investigate the clean-up of Calwell Slipway at Port Nelson	
25/08/13	CFR NL9B/328	Deed of renewal and licence fee review	110 Trafalgar Street
26/08/13	Part Lot 10-11 DP 272	Section 75 of the Building Act 2004 - building over two allotments	25 Riverside
04/09/13	Lot 1 DP 1689 and Lot 4 DP 3190	Removal of Natural Hazard Notice placed on Certificate of Title pursuant to Section 72 Building Act 2004	103 Point Road, Monaco
05/09/13		Warrant of Appointment – Authorised Officer	
17/09/13	NL 50/1145	Deed between Nelson City Council and Martyn Milligan	Retail space between General Store and Jaycee Room in Founders Heritage Park
17/09/13	NL 50/1145	Deed between	Hospital Display Office in Founders Heritage

DATE	LEGAL DESCRIPTION	DESCRIPTION	SITE ADDRESS
		Nelson City Council and Hubert Joan Waagen	Park
20/09/13		Added variable speed zones to schedules M and A at the following Nelson Schools: <ul style="list-style-type: none"> • St Josephs School • Hampden Street School • Nelson College • Nelson College for Girls • Nelson Intermediate 	
01/10/13		Warrant of Appointment – Authorised Officer	
02/10/13		Port Nelson Limited Statement of Corporate Intent 2013-2014	
02/10/13	NL 2B/1147	Natureland Funding Agreement and Deed of Lease between Nelson City Council and Natureland Wildlife Trust	Hounsell Circle, Tahunanui
08/10/13	CFR NL8B/903 CLR NL8B/904	Deed of Covenant between Annigje Kareltina Snijders and Nelson City Council	30 Konini Street
11/10/13		Common seal for operative plan changes	
14/10/13	Lot 1 DP 7075	Deed of Lease between Nelson City Council and Nelson Surf Lifesaving Club Incorporated	Tahunanui Reserve
31/10/13		Warrant of Appointment – Parking Warden	

DATE	LEGAL DESCRIPTION	DESCRIPTION	SITE ADDRESS
01/11/13		Warrant of Appointment – Enforcement Officer	
14/11/13		Warrant of Appointment – Parking Warden	
21/11/13	Lot 1 DP 420175	Deed of covenant between Lines Marine Holding Limited and Nelson City Council	3 Cross Quay, Port Nelson
25/11/13	Lot 12 DP 19724 Lot 13 DP 19724	Removal of Section 643 under Section 83 of the Building Act 2004	362 Nayland Road and 364 Nayland Road, Nelson
09/12/13		Warrant of Appointment – Enforcement Officers	
13/01/14	NL 16/102 & NL 16/103 Part Section 1042 City of Nelson	Licence to occupy Ministry of Education land with Nelson City Council footpath	Hampden Street School, 251 Ngatiawa Street
23/01/14		Warrant of Appointment – Parking Warden	
31/01/14		Warrant of Appointment – Enforcement Officer	
13/02/14	CFR NL 4C/983 CFR 549132 CFR 549133	Deed between Evan Ross Thomas, Susan Mary Harrod Thomas and Fletcher Vautier Moore Trustees Limited and Nelson City Council	48 Mount Pleasant Ave, 205 Haven Road and 203 Haven Road, Nelson

MINUTES AND DECISION OF A HEARING OF THE HEARINGS PANEL, NELSON CITY COUNCIL

Held in Ruma Ana, Floor 2B, Civic House, Trafalgar Street, Nelson, on 4 December 2013, commencing at 9.00am

Hearings Panel:

Chair: Commissioner I Barker

Panel: Commissioner K Fulton

In Attendance:

Reporting Officer: Marie Albertson, Pool Compliance Officer

Minutes Secretary: Kathy Mardon

Mrs Anthea Lees (applicant)

1.0 Report Number 1606559

Report taken as read

2.0 Applications for Exemption under Fencing of Swimming Pools Act 1987

2.1 Applicant: Daniel and Anthea Lees, 35 Strathaven Place

Report Number: A1102858

The Reporting Officer explained that the applicant is applying for a Building Consent to install a swimming pool. The doors are off a living space, which has a good line of sight to where the pool would be located. Mrs Lees confirmed that the door will be locked at all times, unless the pool is in use.

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Daniel and Anthea Lees, of 35 Strathaven Place, Nelson, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***

Barker / Fulton

Carried

2.2 Applicant: Andrew Cornelius, 69 Wastney Terrace

Report Number: A1102746

Commissioner Fulton asked why the pool area was not being fenced, as there appears to be plenty of space. The Reporting Officer replied that the applicant chose to apply for an exemption, as is their right. She confirmed that there are other areas where children can play.

Commissioner Barker asked if they could impose a condition confining the exemption, if granted, to the current owner. The Reporting Officer

confirmed that the exemption is personal to the owner, not to the property. She confirmed that access to the pool area would only be via invitation, and that it is not a thoroughfare.

It was agreed to adjourn the decision on this application, pending a site visit, on 9 December 2013.

2.3 Applicant: John Coppola and Jill Beach, 51 Brooklands Road
Report Number: A1102737

The Reporting Officer advised that the applicants have one 10-year old child, the only access to the pool is from the inside, and the external fences are fully compliant. Fencing would be difficult and it is impractical to have self closing doors.

The Reporting Officer confirmed, in response to a question from Commissioner Fulton, that children have access to alternative play areas without going through the pool area.

It was agreed to adjourn the decision on this application, pending a site visit, on 9 December 2013.

2.4 Applicant: Leonie and Bruce Davis, 22 Elliott Street
Report Number: A1102730

The Reporting Officer explained that this property has an historical places classification. It is unreasonable to install self-closing locks, because of the type of door, which has been restored in keeping with the house. There is no other access to the pool, and an alternative play area.

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Leonie and Bruce Davis, of 22 Elliott Street be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***

Barker / Fulton

Carried

2.5 Applicant: John Gardner, 10 Wastney Terrace
Report Number: A492676

The Reporting Officer explained that the property is fenced, has suitable alternative play areas, and the applicant has no children.

It was agreed to adjourn the decision on this application, pending a site visit, on 9 December 2013.

2.6 Applicant: Trudie Pont, 24 North Road
Report Number: A1102490

The Reporting Officer confirmed that access to the pool is from one dining room door, there is a large amount of alternative play area, with the pool being used only as a pool area, not a play area.

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Trudie Pont, 24 North Road, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***

Fulton / Barker

Carried

2.7 Applicant: Neil Elliott, 90 North Road

Report Number: A1102422

The Reporting Officer confirmed that the only access to the pool is through the dining room door, it is impractical to install self-closing doors, and the pool are can be completely enclosed.

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Neil Elliott, 90 North Road, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***

Barker / Fulton

Carried

2.8 Applicant: Diane Raabe, 99 Tosswill Road

Report Number: 1628216

The Reporting Officer confirmed the applicant has purchased the property, and that the spa pool is in situ. It complies with all recommendation sin the Standard.

access to the pool is from one dining room door, there is a large amount of alternative play area, with the pool being used only as a pool area, not a play area.

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Diane Raabe, 99 Tosswill Road, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, no conditions be attached to the exemption.

Barker / Fulton

Carried

GENERAL

Delegated Authority of the Panel:

The Hearings Panel has a specific delegation from the Council under Delegation 8.8.3 to "*consider and determine applications for exemptions from the Fencing of Swimming Pools Act, 1987.*" (Delegations Register July 2012)

Section 6 of the Fencing of Swimming Pools Act 1987 states

- (1) *A territorial authority may, by resolution, grant an exemption from some or all of the requirements of this Act in the case of any particular pool where the territorial authority is satisfied, having regard to the particular characteristics of the property and the pool, any other relevant circumstances, and any conditions it imposes under subsection (2) of this section, that such an exemption would not significantly increase danger to young children.*
- (2) *In granting an exemption under subsection (1) of this section, the territorial authority may impose such other conditions relating to the property or the pool as are reasonable in the circumstances.*
- (3) *Any exemption granted or conditions imposed under this section may be amended or revoked by a territorial authority, by resolution.*

The Hearing Panel has considered the evidence and the Reporting Officer's report in each case.

In assessing the applications, the Panel was mindful that the purpose of the Act is "*to promote the safety of young children by requiring the fencing of certain swimming pools.*"

The Panel was particularly focused on ensuring that any exemption, and the conditions it imposes, would not create a situation which would significantly increase danger to young children.

3.0 Correction of street name – Hampden Street East

Reporting Officer: Kathy Mardon

Report Number: A1104029

The Reporting Officer explained that this portion of the street had become commonly known as "East", but this has always been an unofficial name.

The Panel recommended that Council staff review the naming of the portion of the street between Kawai and Vanguard Street, named "Hampden Terrace", with a view to naming the whole street as Hampden Street. Staff were requested to report back to the next meeting of the Hearings Panel.

The Hearing adjourned at 10.07am.

The Hearing reconvened on 9 December 2013.

The following decisions were made after the Hearing Panel visited the sites:

2.2 Applicant: Andrew Cornelius, 69 Wastney Terrace

Report Number: A1102746

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by Andrew Cornelius, at 69 Wastney Terrace, Street be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following condition be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***

Barker / Fulton

Carried

2.3 Applicant: John Coppola and Jill Beach, 51 Brooklands Road

Report Number: A1102737

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by John Coppola and Jill Beach, of 51 Brooklands Road, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following conditions be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***
- 2. That the exemption shall only apply for this applicant, for a period of ten years, at which time it will require reassessment under the legislation in force at that time.***

Barker / Fulton

Carried

2.5 Applicant: John Gardner, 10 Wastney Terrace

Report Number: A492676

Resolved:

THAT the application for exemption in accordance with Section 6(1) of the Fencing of Swimming Pools Act 1987 by John Gardner, 10 Wastney Terrace, be granted;

AND THAT in accordance with Section 6(2) of the Fencing of Swimming Pools Act, the following conditions be attached:

- 1. That the current locking device remains locked at all times, unless young children are supervised by a responsible person.***
- 2. That the exemption shall only apply for this applicant, for a period of ten years, at which time it will require reassessment under the legislation in force at that time.***

Fulton/ Barker

Carried

The Hearing closed on 9 December 2013.

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

Hearings Panel 4 December 2013
A1114675

Page 5 of 5

Minutes of a meeting of the Planning and Regulatory Committee

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

On Tuesday 28 January 2014, commencing at 1.00pm

Present: Councillor B McGurk (Chairperson), Her Worship the Mayor R Reese, Councillors I Barker, E Davy, M Lawrey, and M Ward

In Attendance: P Matheson, Acting Group Manager Strategy and Environment (C Ward), Group Manager Infrastructure (A Louverdis), Chief Financial Officer (N Harrison), Manager Administration (P Langley) and Administration Adviser (L Laird) , C Lindley and H Malpas (Youth Councillors)

Apologies: Councillors R Copeland and K Fulton (Deputy Chairperson)

1. Apologies

Resolved

***THAT apologies be received and accepted from
Councillors Copeland and Fulton.***

Davy/Barker

Carried

2. Interests

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

3. Confirmation of Order of Business

It was noted that the public forum from Nicole Begg, as per the agenda, had been postponed.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 21 November 2013

Document number A1107833, agenda pages 7-12 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council – Planning and Regulatory Committee, held on 21 November 2013, be confirmed as a true and correct record.

Davy/Lawrey

Carried

6. Chairperson's Report

Chairperson, Councillor McGurk, gave a brief verbal report. He mentioned the current water quality issues of the Maitai River and the general discussions about water quality that these issues had initiated in the community.

REGULATORY

7. Freshwater Reforms

Document number A1120162, agenda pages 13-31 refer.

The Acting Group Manager Strategy and Environment, Chris Ward, presented the report and outlined the key points. He said the proposal provided a staged approach to meet the requirements of the reform package issued by central government by 2030.

Mr Ward said the basis of this package was to improve water quality with monitoring and actions, however this required a significant commitment of additional resources by the Council.

The Committee discussed sharing resources with other councils, particularly Tasman District Council. Mr Ward confirmed that this was already taking place and Tasman District Council scientific staff performed roles on behalf of Nelson City Council on a contract basis.

In response to a question, Mr Ward said the additional resource equated to approximately one extra Council officer (1 FTE). It was agreed that the submission (section 2) should reinforce this additional resource required.

Resolved

THAT the report Freshwater Reforms (A1120162) and its attachments (A1115587 and A79281) be received;

AND THAT the attached submission (with any amendments made by the Committee) is forwarded to the Ministry for the Environment by 4 February 2014.

Barker/Davy

Carried

8. Reserves Bylaw

Document number A1126619, agenda pages 32-54 refer.

Planning Adviser, Debra Bradley, spoke to the report.

Ms Bradley said informal consultation used to inform the Statement of Proposal had revealed that there was concern in the community as to the lack of regulation of the development of formal mountain biking tracks. She added that officers sought the Committee's direction on how the practising of golf in Council reserves should be regulated.

The Committee were advised that any changes to the proposed draft bylaw should be made at this meeting, before any special consultative procedure began.

The Committee discussed the golf issue and there was general agreement that the practising of golf should not be prohibited. There was a view that other sports, including cricket, were not being considered in this bylaw and it would be unfair to include only golf.

Resolved

THAT the report Reserves Bylaw (A1126619) and its attachments (A916989, A915962, A917532 and A10978) be received;

AND THAT the Statement of Proposal in document A916989 be approved and advertised using the Special Consultative Procedure (section 83 of the Local Government Act), subject to the removal of paragraph 10 'Golf' on page 49 of the agenda;

AND THAT the Planning and Regulatory Committee hear submissions on 20 March 2014;

AND THAT the Planning and Regulatory Committee deliberate on submissions and make recommendations to full Council.

Davy/Barker

Carried

9. Update – Draft Local Approved Products Policy (Psychoactive Substances)

Document number A1131745, agenda pages 55-56 refer.

Policy Adviser, Sarah Yarrow, joined the meeting and presented the report. She said this was an opportunity to reconsider whether the Committee wanted to progress with the special consultative procedure as planned or prolong the timeline to enable time to consider further information from the Ministry of Health.

There was agreement that it was preferable to delay the process, however concern was expressed that Council had received submissions and it was agreed that these should be heard as planned.

Resolved

THAT the report Update – Draft Local Approved Products Policy (Psychoactive Substances) (A1131745) be received;

AND THAT deliberating of submissions to the draft Local Approved Products Policy by the Planning and Regulatory Committee be delayed until further information is available from the Ministry of Health;

AND THAT submitters be invited to make their submissions to the Planning and Regulatory Committee on 20 February 2014, and that they be advised of the option to resubmit at a future date if new information comes to light.

Ward/Lawrey

Carried

ENVIRONMENT

10. Review of Council’s Resource Management and Strategic Planning Functions

Document number A1131986, agenda pages 57-58 refer.

Resolved

THAT the report Review of Council’s Resource Management and Strategic Planning Functions (A1131986) be received;

AND THAT the Catalyst Group report “Nelson City Council Review of The Resource Management and Strategic Planning Functions June 2013” be endorsed, in particular the

simplification of the resource management policy platform.

Barker/Davy

Carried

11. Tasman Nelson Environment Awards and Ecofest Options

Document number A1120552, agenda pages 59-65 refer.

Acting Group Manager Strategy and Environment, Chris Ward, presented the report.

Attendance: Her Worship the Mayor Rachel Reese joined the meeting at 1.58pm.

In response to questions, Mr Ward confirmed that the sponsors had not yet been consulted on the proposed changes to Ecofest, particularly the required change of venue. There was agreement that sponsors should be consulted at all steps of this process, and should remain central to any decision about the event.

Mr Ward also clarified that the proposed changes had come from a number of reasons, including:

- closure of the Trafalgar Centre,
- a decrease in funding from Tasman District Council, and
- a lack of staffing at both at Tasman District Council and Nelson City Council to carry out the events to their previous capacity.

Mr Ward said that no venue had been confirmed at this stage. There was general agreement that officers should further investigate possible venues that would achieve the objectives of Ecofest, particularly the 'wrap around' activities of the festival, and that all options would be considered. Mr Ward said the event would resemble a 'mini-Ecofest' including activities similar to those currently carried out, with another event replicated in Motueka.

Attendance: Councillor Barker left the meeting at 2.11pm.

It was recognised that the feeling from the community was that Ecofest was moving away from a community event to a 'trade show'. The Committee agreed that a refreshed approach was required. There was also agreement that integrating an awards component into Ecofest would help achieve a refreshed approach, thereby also refreshing how Council recognised outstanding environmental contributions in the community.

Attendance: Her Worship the Mayor Rachel Reese left the meeting at 2.20pm.

The Committee debated whether to take a break this year from delivering either event, and prepare for a 'refreshed' event in 2015. It

was agreed that the community would expect Ecofest this year and that it should still be delivered. The Committee considered it important to maintain momentum and retain sponsors by delivering Ecofest in 2014.

Resolved

THAT the report Tasman Nelson Environment Awards and Ecofest Options (A1120552) and its attachments (A115950 and A1126202) be received;

AND THAT the Ecofest event will occur and include a people's choice environment award to replace the Tasman Nelson Environment Awards scheduled for March 2014;

AND THAT officers report back to the 20 February 2014 Planning and Regulatory Committee meeting with options for a location that will achieve the objectives of the Ecofest event for 2014.

Davy/Ward

Carried

There being no further business the meeting ended at 2.31pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Planning and Regulatory Committee
28 January 2013

Minutes of a meeting of the District Licensing Committee

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

On Wednesday 29 January 2014, commencing at 9.32am

- Present: Commissioners O Blaikie (Chairperson), I Barker, G Collingwood, P Matheson, and D Shaw
- In Attendance: Secretary (Mandy Bishop), Licensing Inspector (Stephen Lawrence), Administration Adviser (E-J Ruthven)
- Apologies: Commissioners K Fulton and R Reese

1. Application for Temporary Authority – Taeja Park

Document number A1136774.

In response to a question, Mr Lawrence explained that a temporary authority enabled the purchaser of a business to continue to operate under the conditions of the existing licence for a period of up to three months, whilst the purchase applied for a licence in their own name.

In response to further questions, Mr Lawrence said it was unclear whether the applicant had any previous experience with liquor licences, but that it was common for new purchasers of businesses not to have had such experience. He added that the applicant had identified three licensed managers to manage the premises, and that there were no concerns regarding these managers from either the Police or the Authority's point of view.

Mr Lawrence added that temporary authorities were valid for a period of three months only, and that applications for new liquor licences were investigated in great depth.

The Committee agreed unanimously that the application should be granted with no further conditions imposed.

2. Application for Temporary Authority – Lester Melville Ferdinand

Document number A1136770.

In response to questions, Mr Lawrence clarified the location of Squires, and that it was a standalone establishment, not a franchise.

He explained that the relationship between the three named managers and the applicant was not known, but that it was common for existing staff to continue working when a business changed hands. He added that there were no known issues with the three named managers, and that the Police had no adverse comments regarding the character of the applicant.

The Committee agreed unanimously that the application should be granted with no further conditions imposed.

There being no further business the meeting ended at 9.46am.

Minutes of a meeting of the Works and Infrastructure Committee

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

On 30 January 2014, commencing at 9.00am

Present: Councillors E Davy (Chairperson), Councillors L Acland, I Barker, M Lawrey (Deputy Chairperson), G Noonan and T Skinner

In Attendance: Councillors P Matheson and M Ward, Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Chief Financial Officer (N Harrison), Manager Communications (A Ricker), Manager Administration (P Langley), Senior Asset Engineer – Transport (R Palmer), and Administration Adviser (E-J Ruthven)

Apologies: Her Worship the Mayor R Reese, and Councillor R Copeland

1. Apologies

Resolved

THAT apologies be received and accepted from Her Worship the Mayor and Councillor Copeland.

Lawrey/Noonan

Carried

2. Interests

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

3. Confirmation of Order of Business

The Chairperson advised that there would be a public forum presentation.

He added that the agenda items would be taken in a different order, to allow a representative from the New Zealand Transport Authority (NZTA) to attend for the item 50 MAX High Productivity Motor Vehicles.

4. Public Forum

4.1 Trafalgar Centre

Kerry Neal spoke about the Trafalgar Centre. He noted his concern that some of the engineering reports relating to the Trafalgar Centre were marked "draft", and said that, in his opinion, these were discussion documents only.

In response to a question, Group Manager Infrastructure, Alec Louverdis, explained that it was common practice for engineering reports to be marked "draft", and clarified that the advice contained within the documents was considered final.

5. Confirmation of Minutes – 28 November 2013

Document number A1111685, agenda pages 8-14 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council – Works and Infrastructure Committee, held on 28 November 2013, be confirmed as a true and correct record.

Barker/Lawrey

Carried

6. Chairperson's Report

There was no Chairperson's report.

TRANSPORT AND ROADING

7. Parking Changes to Buxton Square

Document number A697784, agenda pages 23-27 refer.

Group Manager Infrastructure, Alec Louverdis, presented the report. He explained that it was possible to create three additional car parks in Buxton Square at minimal cost.

In response to questions, Mr Louverdis clarified that the original projection for the Buxton Square upgrade, prior to the place-making proposal, had been approximately \$350,000. He said that the budget for the subsequent place-making project had been \$75,000, subsequently extended to \$90,000. He added that the full costs for the project were now likely to be approximately \$120,000, prior to any landscaping taking place.

Resolved

THAT the Parking Changes to Buxton Square report (A697784) and its attachments (A848459 and A843234) be received.

Lawrey/Noonan

Carried

Councillors discussed whether to proceed with landscaping around the toilets. Those in favour of noted that the entire project, including landscaping, could be delivered at half the cost of the original proposed toilet block re-build; those against landscaping considered that it would be inappropriate to landscape an area in a carpark adjacent to public toilets, and that there were other parts of the city centre that could be landscaped to create enjoyable linger nodes.

There was general agreement that three additional car-parking spaces should be created in Buxton Square.

Resolved

THAT the landscaping proposal at an additional \$30,000 not be approved;

AND THAT creating three additional carparks in Buxton Square at minimal cost be approved and that the necessary alterations be made to Schedule 5 of Bylaw No 207, Parking and Vehicle Control Bylaw (2011).

Noonan/Barker

Carried

8. 50 MAX High Productivity Motor Vehicles

Document number A1120022, agenda pages 15-22 refer.

Senior Asset Engineer – Transport, Rhys Palmer, and NZTA representative, Jason Morgan, joined the meeting.

Mr Palmer explained the proposal for region-wide permits for High Productivity Motor Vehicles (HPMVs) carrying up to 50 tonnes, as opposed to specified route permits for HPMVs of up to 62-tonnes as previously passed by Council.

Mr Morgan gave a Power Point presentation (A1136385), and explained NZTA's offer to assist Council to deliver a regional permit system, with Council retaining control of the system. He said that permitting 50 MAX HPMVs within Nelson would cater for the increased freight movement, and should result in fewer, newer and safer trucks on Nelson roads. He added that, under the 50 MAX permit system, the tolerance for over-loading trucks was much less, and that the penalties for doing so were greater.

In response to questions, Mr Morgan said that 50 MAX HPMVs were designed with nine axles, rather than eight. He explained that the extra axle spread the additional load more efficiently, and that the wear and tear on roads from 50 MAX HPMVs was no greater than non-HPMV trucks. He added that the manoeuvrability and tracking of 50 MAX HPMVs was generally very similar to non-HPMV trucks.

In response to further questions, Mr Palmer said that 50 MAX permits incentivised the freight industry to update their fleet, which resulted in newer, safer vehicles, which produced fewer emissions.

Councillors discussed whether to support the introduction of 50 MAX permits for Nelson roads. There was general support for encouraging increased freight movement on fewer trucks, however concern was also expressed regarding whether there was adequate driver training for drivers of heavier vehicle loads, and whether the safety of other road users would be compromised by permitting 50 MAX HPMVs.

Councillors also agreed that it was important to clearly identify any excluded areas, and to retain the right to exclude further areas from the 50 MAX permit in the future as necessary.

Resolved

THAT the report 50 MAX High Productivity Motor Vehicles (A1120022) and its attachments (A1120148 and A1120812) be received;

AND THAT Council support the introduction of 50 MAX High Productivity Motor Vehicles and give the New Zealand Transport Agency the authority to process 50 MAX permits for Nelson City Council roads subject to the following exclusions:

- ***Maitai valley Road (Smiths Ford Bridge, Jickells Bridge, and Gibbs Bridge)***
- ***Nile Street east (Nile Street Bridge and Cloustons Bridge)***
- ***Maori Pa Road (Maori Pa Bridge)***
- ***Trafalgar Street North (Trafalgar Street Bridge)***
- ***Collingwood Street (Collingwood Street Bridge);***
- ***and any other exclusions that this Council determines;***

AND THAT Council delegates future decisions to approve new routes for High Productivity Motor Vehicle use to the Group Manager Infrastructure, subject to:

- **compliance with the Land Transport Rule: Vehicle Dimension and Mass 2002;**
- **consideration as to whether the proposed route is the most suitable option with the least impact on others;**
- **consideration of the environment the proposed route passes through including the extent of existing heavy vehicle traffic and the extent of impact on cyclists, pedestrians, other vulnerable users, educational facilities and other sensitive activities;**
- **satisfactory consultation with residents along routes where appropriate;**
- **funding availability for, and satisfactory outcome of, structural assessments and upgrades;**
- **extent of modification of infrastructure required to provide for intersection manoeuvring.**

Barker/Skinner

Carried

9. Use of Public Car Parking Spaces for Place Making Trial – Follow Up Report

Document number A1118099, agenda pages 28-37 refer.

Mr Louverdis presented the report. He said that the updated report addressed the Committee's previous concerns that businesses outside of the central business district might gain a commercial advantage over businesses located within the central business district. He said that such projects were non-exclusive, and could be used by any members of the public.

Councillors discussed whether it was appropriate to use car parking spaces for place making projects. Those in support emphasised the importance of supporting creative community initiatives, and those opposed highlighted the importance of parking on the fringe of the central business district.

Councillor Lawrey, seconded by Councillor Acland moved

THAT the report Use of Public Car Parking Spaces for Place Making Trial Follow Up Report (A1118099) and attachment (A692911) be received;

AND THAT Council approve a 12 month trial for the two applications received to date for the use of three individual public car parking spaces, outside of the CBD;

AND THAT the current 'Licence To Occupy for Outdoor Dining on Carparks' be used based on \$825 per carpark and a one-off \$1,000 bond;

AND THAT each applicant undertake at their cost and confirm in writing 50% support from surrounding retail/businesses for their initiative;

AND THAT alterations to the Schedules of Bylaw No 207, Parking and Vehicle Control (2011) be approved in order to temporarily discontinue public use of three car parking spaces for the current requests to trial place making under Schedule 8 – Time Limited Parking Areas:

- o P15: Alton Street – Temporarily Discontinue;
- o P60: Nile Street West – Temporarily Discontinue.

Councillors discussed whether it was necessary or desirable to ensure that at least 50% of surrounding retail/businesses supported the venture. Those in favour emphasised the importance of ensuring that the immediate community supported the place making project, and those opposed suggested that each application should be considered independently, on its own merits.

Councillor Davy, seconded by Councillor Lawrey moved an amendment, to delete the fourth clause of the motion.

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

Resolved

THAT the report Use of Public Car Parking Spaces for Place Making Trial Follow Up Report (A1118099) and attachment (A692911) be received;

AND THAT Council approve a 12 month trial for the two applications received to date for the use of three individual public car parking spaces, outside of the CBD;

AND THAT the current 'Licence To Occupy for Outdoor Dining on Carparks' be used based on \$825 per carpark and a one-off \$1,000 bond;

AND THAT each applicant undertake at their cost and confirm in writing 50% support from surrounding retail/businesses for their initiative;

AND THAT alterations to the Schedules of Bylaw No 207, Parking and Vehicle Control (2011) be approved in order to temporarily discontinue public use of three car parking spaces for the current requests to trial place making under Schedule 8 – Time Limited Parking Areas:

- **P15: Alton Street – Temporarily Discontinue;**
- **P60: Nile Street West – Temporarily Discontinue.**

Lawrey/Acland

Carried

Attendance: The meeting adjourned for morning tea from 10.30am to 10.46am.

10. 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 Infrastructure Committee Minutes – Public Excluded – 28	Section 48(1)(a) The public conduct of this matter	The withholding of the information is necessary: • Section 7(2)(h)

	<p>November 2013</p> <p>These minutes confirm the minutes of 28 November 2013 and also contain information regarding:</p> <p>Trafalgar Centre – Follow up report.</p>	<p>would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>To carry out commercial activities</p> <ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations
2	<p>Washington Valley Property Disposal</p> <p>This report contains information regarding the sale of property.</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"> • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(h) To carry out commercial activities

Davy/Lawrey

Carried

The meeting went into public excluded session at 10.47am and resumed in public session at 10.57am.

11. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Davy/Lawrey

Carried

There being no further business the meeting ended at 10.57am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Minutes of a meeting of the Governance Committee

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

On Thursday 30 January 2014, commencing at 1.00pm

Present: Councillor I Barker (Chairperson), Councillors L Acland
(Deputy Chairperson), E Davy, B McGurk, and G Noonan

In Attendance: Chief Executive (C Hadley), Chief Financial Officer (N
Harrison), Group Manager Support Services (H Kettlewell),
Group Manager Infrastructure (A Louverdis), Acting Group
Manager Strategy and Environment (N-McDonald), Manager
Communications (A Ricker), Manager Administration (P
Langley), Kaihautū (G Mullen), and Administration Adviser (L
Canton)

Apologies: Councillors K Fulton, P Matheson, and P Rainey, and Her
Worship the Mayor

1. Apologies

Resolved

***THAT apologies be received and accepted from
Councillors Fulton, Matheson, Rainey and Her
Worship the Mayor.***

Davy/Noonan

Carried

2. Interests

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

3. Confirmation of Order of Business

The Chairperson noted that since the agenda had been distributed, two
public forums had been confirmed.

4. Public Forum

4.1 Rating System in the Long Term Plan

Mr Andrew Dunlop spoke about submissions he had made to previous Annual Plans regarding elements of the rating system he considered should be altered. He said that the annual general and waste water charges applied to multi-unit properties were not charged fairly and asked councillors to understand these issues and incorporate them in the draft Annual Plan 2014/15.

The Chairperson advised that this issue would be considered as part of the rating review during the upcoming Annual Plan discussions.

4.2 Review of the Nelson Resource Management Plan

Mr Andrew Dunlop spoke about the Nelson Resource Management Plan (NRMP). He suggested issues that could be considered in the review, including that the cost of the resource consent process was high and possibly overwhelming for the average community member.

He also suggested that the NRMP should include a mechanism for affected parties to resolve their problems or dispute consents in a simplified, low cost, consent process to be overseen by an independent party.

The Chairperson confirmed that the Chair of the Planning and Regulatory Committee was present at this meeting and had taken note of the issues raised by Mr Dunlop.

5. Confirmation of Minutes – 28 November 2013

Document number A1110925, agenda pages 6-12 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council Governance Committee, held on 28 November 2013, be confirmed as a true and correct record.

McGurk/Acland

Carried

6. Chairperson's Report

The Chairperson encouraged councillors to consider the recent Port Nelson Limited shareholder quarterly update and congratulated the company on the positive results recorded

GOVERNANCE

7. Council Controlled Organisations: Local Government Act 2002 Obligations and Exemptions

Document number A1118960, agenda pages 13-18 refer.

Resolved

THAT the report Council Controlled Organisations: Local Government Act 2002 Obligations and Exemptions (A1118960) be received.

Noonan/Davy

Carried

Recommendation to Council

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.

Noonan/Davy

Carried

8. Elected Members Engagement at Nelson Market

Document number A1127841, agenda pages 19-24 refer.

It was noted that the requirement for some Council officer attendance at the market alongside councillors would incur a low cost.

Resolved

THAT the report Elected Members Engagement at Nelson Market (A1127841) be received.

Davy/Acland

Carried

Recommendation to Council

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.

Davy/Acland

Carried

FINANCE

9. Finance Report for the Period Ending 30 November 2013

Document number A1129044, agenda pages 25-36 refer.

Chief Financial Officer, Nikki Harrison, presented the report.

9.1 Interest rates

In response to a question, Ms Harrison advised that the Reserve Bank announcement that day had held the Official Cash Rate at 2.5%, but had indicated that a rate rise was imminent. She added that Council had interest rate hedges in place as detailed on page 34 of the agenda (Council Borrowings & Swaps), which would protect Council from interest rate rises for up to \$76 million worth of debt.

9.2 Festivals

In response to a question, Ms Harrison explained that the festivals budget was currently worse than projected reflecting that, although the biggest festival of the year was in October, the budget was phased evenly throughout the year. She said she anticipated that by the end of the financial year the festivals line was expected to meet budget.

Resolved

THAT the Finance Report for the Period Ending 30 November 2013 (A1129044) and its attachments (1127379, 1127603 and 1127778) be received and the variations noted.

Noonan/Davy

Carried

10. 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	Nelson City Council Governance Committee – Public Excluded minutes - 28 November	Section 48(1)(a) The public conduct of this matter	The withholding of the information is necessary:

2013	would be likely to result in disclosure of information for which good reason exists under section 7	
These minutes contain information regarding:		
Nelmac Appointment of Director November 2013		<ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons

Davy/McGurk

Carried

The meeting went into public excluded session at 1.34pm and resumed in public session at 1.36pm.

10.1 Governance Committee Public Excluded minutes – 28 November 2013

During the public excluded session, the public excluded minutes of the Governance Committee meeting on 28 November 2013 were confirmed as a true and correct record

Resolved

THAT the minutes of the part of the meeting of the Nelson City Council Governance Committee, held in public excluded on 28 November 2013, be confirmed as a true and correct record.

McGurk/Noonan

Carried

11. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Acland/McGurk

Carried

There being no further business the meeting ended at 1.36pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Minutes of a meeting of the Nelson Regional Sewerage Business Unit

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

On Friday 31 January 2014, commencing at 1.05pm

Present: D Hiser (Independent), 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, Group Manager Infrastructure (A
Louverdis), Senior Asset Engineer – Solid Waste (J Thiant),
Management Accountant (A Bishop), and Administration
Adviser (L Canton)

Apology: Councillor R Copeland

1. Interests

Matt Hippolite declared an interest, noting that he was a member of the Waimea Water Augmentation Committee.

Michael Higgins declared an interest, noting that he was a Rough Island Equestrian Park board member.

There were no conflicts declared with items on the agenda.

2. Election of Chairperson

The Administration Adviser called for nominations for the role of Chairperson of the Nelson Regional Sewerage Business Unit (NRSBU). Michael Higgins nominated Donna Hiser.

Resolved

***THAT Donna Hiser be elected Chairperson of
the Nelson Regional Sewerage Business Unit
for the 2013-2016 triennium.***

Higgins/Hippolite

Carried

Attendance: Philip Wilson joined the meeting at 1.10pm.

3. Status Report

Document number A452094, agenda page 5 refer.

In response to a question, Mr Thiart advised that the deferment referred to in item three (Bell Island Energy Audit) was to allow the joint committee to decide how it wanted to use the building.

Resolved

THAT the Status Report (A452094) be received.

Hiser/Shaw

Carried

4. Staff Report – 31 January 2014

Document number A681693, agenda pages 6-43 refer.

Mr Thiart presented the report.

In response to a question about the term of the biosolids spraying contract to be procured, Mr Thiart advised that it was likely to be awarded on the basis of 3+2+2 years. He explained that the two additional 2-year periods were at NRSBUs discretion, and the Resource Consent for the activity matched the initial term of 3 years.

In response to a question whether the phenomena that affect the BOD testing in the discharge sampling could not be found in the contributor sampling, Mr Thiart responded that the phenomena is linked to the extended aeration in the activated sludge area at Bell Island following the commissioning of the primary clarifier.

In response to a question about the upcoming changes to the accounting standards for public benefit entities, Management Accountant, Andrew Bishop confirmed that this would be managed by the two Councils as owners.

It was noted in regard to the peer review of the valuation that all the indexes used over time for valuations must be tracked with care.

In response to a question about the incident involving the mis-programming of the tide levels, Mr Thiart advised that this was still being investigated and he would ensure a process would be established to mitigate against such occurrence in the future.

Resolved

THAT the Staff Report – 31 January 2014 (A681693) be received.

Dowler/Higgins

Carried

Attendance: Alec Louverdis joined the meeting.

4.1 Operations and Maintenance Contract

Mr Thiart tabled a document outlining a schedule of contract deliverables for the Operation and Maintenance Contract of the Nelson Regional Sewerage System comparing original dates for some deliverables and the extended times which had been negotiated.(A1139980).

Mr Thiart explained that there had been some issues during the transition to the new operations and maintenance contractor, but that Nelson City Council officers and the contractor had worked together to agree extended delivery timeframes that would be realistic and achievable.

Mr Louverdis added that he was comfortable that the difficulties experienced during the handover were offset by the strong relationships between all parties and he was confident the contractor would meet the newly agreed deliverables schedule.

It was confirmed that there would be no financial losses to the NRSBU as a result of these initial issues.

Resolved

THAT Nelmac be invited to report on progress at the next Board meeting.

Shaw/Hiser

Carried

4.2 Benchmarking

Resolved

THAT a further, more comprehensive benchmark report be submitted to the Board in December 2014.

Shaw/Hiser

Carried

4.3 Bell Island Restoration Group

It was agreed that Donna Hiser and Matt Hippolite would visit the Bell Island Restoration Group on site to view the group's progress to date and to offer their thanks for the group's efforts.

Resolved

THAT the Nelson Regional Sewerage Business Unit note that the Restoration Group has achieved the goals set for the first three years;

AND THAT the budget of \$6,270 be approved for the continued maintenance of the restoration area for the 2014/15 financial year;

AND THAT the Nelson Regional Sewerage Business Unit thank the Bell Island Restoration Group for the continued work in restoring the area.

Shaw/Dowler

Carried

4.4 Audit Management Report

Resolved

THAT the report be received;

THAT a report on the implications of the changes to the accounting standards for public benefit entities be prepared for the consideration of the Board.

Hiser/Higgins

Carried

4.5 Valuation

Resolved

THAT the Nelson Regional Sewerage Business Unit note that the peer review of the valuation for the period ending 30 June 2013 concluded that the valuation complies with the required standards.

Shaw/Dowler

Carried

5. Chairperson's Report

The Chairperson tabled a letter she had written to the Chief Executives of Nelson City and Tasman District Council regarding issues related to the proposed review of the governance structure of the Nelson Regional Business Unit and the need to update the Memorandum of Understanding (A1127019). She noted that it was important for the Board to have these issues resolved and anticipated that there would be further discussions.

6. Nelson Regional Sewerage Business Unit Treasury Policy 2014

Document number A1131509, agenda pages 69-76 refer.

Tasman District Council Corporate Treasury Manager, Mike Drummond, joined the meeting and explained the draft NRSBU Treasury Policy.

He said that the policy allowed a more efficient management of the treasury function between the two Councils, and provided an 'arms length' loan facility for the NRSBU that would enable it to access the same terms offered to the Councils.

Mr Bishop advised that the facility would always have three years to run, and both Councils would need to provide three years' notice if they wished to halt the facility.

Resolved

THAT the report Nelson Regional Sewerage Business Unit Treasury Policy (A1131509) and its attachment (A1131501) be received;

AND THAT the NRSBU note that there is expected to be no material change to the charges as a result of the Treasury Policy;

AND THAT the Draft Nelson Regional Sewerage Business Unit Treasury Policy 2014 be approved for submission to the Nelson City Council and Tasman District Council for approval;

AND THAT the NRSBU approves the transfer of the responsibility for the Treasury function from Tasman District Council to Nelson City Council.

Dowler/Shaw

Carried

Recommendation to Nelson City and Tasman District Councils

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

Higgins/Shaw

Carried

7. Nelson Regional Sewerage Business Unit Business Plan 2014/15

Document number A1103900, agenda pages 44-64 refer.

7.1 Section 2. Background

It was noted that the structure diagram must be updated once the Councils have approved the treasury policy to show Nelson City Council as having the Treasury function.

7.2 Section 5. Business Objectives

The meeting discussed the timing for the development of a demand management policy. It was agreed that the date for the demand management policy and the load management policies should be moved to the end of July 2015.

In response to a question, Mr Bishop advised that the \$7.6m income was derived approximately 40% from Nelson City Council, 30% from Tasman District Council, and 30% from the three non-Council industry contributors.

It was noted that there appeared to be a disconnect between the items shown in the 2013/14 and 2014/15 Business Improvement Plans. It was confirmed that Mr Thiart would prepare a schedule to show the 2013/14 and 2014/15 Business Improvement Plan items and circulate this to Board members following the meeting.

7.3 Section 7. Financial Plan

The joint committee discussed the return on investment for the NRSBU and the need to ensure charges represented fair value to contributors and to ratepayers.

In response to a question, Mr Bishop advised that the \$7.6m income was derived approximately 40% from Nelson City Council, 30% from Tasman District Council and 30% from the three non-Council industry contributors.

It was agreed that any proposal to change charging levels would be best considered by the two Councils and recorded in an updated Memorandum of Understanding, as it was a political rather than a management decision. It was also noted that this would provide guidance for the review of the Trade Waste Agreement.

In response to a further question, Mr Bishop said that the figures for year one were inflation adjusted, but those for years 2 and 3 were not.

Resolved

THAT the Nelson Regional Sewerage Business Unit Business Plan 2014/15 be adopted, subject to approval by Nelson City and Tasman District Councils and subject to minor editorial changes.

Higgins/Shaw

Carried

Attendance: The meeting adjourned for afternoon tea from 3.35pm to 3.42pm.

Recommendation to Nelson City and Tasman District Councils

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

Shaw/Higgins

Carried

8. Financial Report

Document number A1111020, agenda pages 65-66 refer.

Mr Bishop presented the report, noting that net income was slightly above budget due to a timing difference. He said that the end of year figures would result in a payment to customers.

It was noted that 'Management' was \$42,000 over budget due to additional work on the renewal of the operations and maintenance contract, and a change in the two Councils' overhead allocation model. Mr Bishop said he would ensure that this had been allowed for in the 2014/15 budget.

Resolved

THAT the Nelson Regional Sewerage Business Unit Financial Statement for the Period Ended 31 December 2013 (A1111020) be received.

Dowler/Shaw

Carried

9. Approval of Interest Rate Swaps

Document number A1129294, agenda pages 67-68 refer.

Resolved

THAT the report Approval of Interest Rate Swaps A1129294 be received;

AND THAT the sixteen million dollars interest rate swaps entered into on 16th May 2012 by Nelson City Council and Tasman District Council on behalf of the Nelson Regional Sewerage Business unit is approved.

Higgins/Shaw

Carried

10. Schedule of Meetings

The following schedule of meetings was agreed:

14 March at 8.30am (moved from 1.00pm)

20 June at 1.00pm

29 August at 1.00pm

28 November at 1.00pm (moved from 5 December)

There being no further business the meeting ended at 4.02pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

UNCONFIRMED

IN THE MATTER

of the Sale and Supply of
Alcohol Act 2012

AND

IN THE MATTER

of an application by Timothy
Ellena for a special licence
pursuant to section 137 of the
Act in respect to an event at
Clifton Terrace School.

**BEFORE THE NELSON CITY COUNCIL DISTRICT LICENSING
COMMITTEE**

Chairperson: Oke Blaikie

Members: Gail Collingwood, Derek Shaw

MEETING

Ruma Ana, Nelson City Council, on 12 February
2014, commencing at 10.08am

REPORTS

District Licensing Inspector, Stephen Lawrence, dated 10 February
2014

Police Liquor Licensing/Alcohol Harm reduction Officer, Sergeant Steve
Savage, dated 3 December 2013

Medical Officer of Health, Dr Ed Kiddle, dated 7 February 2014 and 17
December 2013

Initially the Medical Officer of Health indicated interim opposition to the
application. That opposition was withdrawn on 7 February 2014, and
the Medical Officer of Health now supports the application before the
committee.

DECISION OF THE DISTRICT LICENSING COMMITTEE

1. Interests

No committee members declared any conflict of interest in relation to the application.

2. Introduction

This is an application by Timothy Ellena for a special licence at Clifton Terrace School, 888 Atawhai Drive, Nelson.

3. Application

This application is made on behalf of the Clifton Terrace Home and School Committee, and it is supported by the Principal of the school and the Chairman of the Board of Trustees.

The event to be conducted at the school will take place on Friday 7 March 2014, from 5pm to 8pm. It is known as "Tea by the Sea", being a fundraising event which has been conducted successfully for several years. In the past, the school has raised approximately \$15,000 each year, and it is a popular event attended by approximately 2000 people. Children will be in attendance, and the application records appropriate provision of food, non-alcoholic drinks, supervision and management.

This special licence was sought under the Sale of Liquor Act 1989. It must be considered and determined under the Sale and Supply of Alcohol Act 2012 (the Act).

4. Reporting Agencies

4.1 District Licensing Inspector

The District Licensing Inspector has carried out discussions with relevant personnel and has provided a report dated 10 February 2014, supporting the application for a special licence.

4.2 Police

The Police have recorded no objections to the application, subject to a special condition relating to the provision of free water and appropriate signage.

4.3 Medical Officer of Health

The position of the Medical Officer of Health is summarised in the papers before the Committee. Initial interim opposition to the special licence was indicated. It appears that the Ministry of Health had taken a stance opposing any application involving school premises throughout the country.

The Committee appreciates the approach of Dr Kiddle, in that he has made his own enquiries in this case and is satisfied that the matter can proceed without opposition of the Ministry of Health. In particular, he records in his report:

"This event is primarily an event for families and was developed as a way of enhancing community connectedness in the Atawhai area. While it is an important fundraiser for the school, the contribution of alcohol to this is small. There is minimal promotion of alcohol associated with the event, and only one stall provides alcohol. It is held on a field adjacent to the school. The focus is on school and community gathering in a picnic atmosphere with food and entertainment."

5. Assessment and Reasons

5.1 Suitability of the applicant

On the information before the Committee, it appears that the applicant, whom the committee notes holds a General Manager's Certificate, is suitable.

5.2 Assessment of the application against the criteria in the Act

Having regard to the criteria in the Act, as that criteria relates to special licences, the Committee is satisfied that the application meets the purpose of the Act and the specific matters set out in sections 142 and 143 of the Act.

As recorded, there is no formal opposition to the application, and the Committee accepts that those responsible for the application, including the manager, will take appropriate steps for the continuation of a successful event by the school and surrounding community. This is principally a food-orientated event that has been running for several years with no reported issues or relevant concerns.

6. Decision

The District Licensing Committee, acting pursuant to the Sale and Supply of Alcohol Act 2012, grants to Timothy Ellena an on-site special licence for the premises at 888 Atawhai Drive, Nelson, subject to the following conditions:

- (a) Alcohol may be sold under the licence only on the following days and during the following hours: 07/03/14 – 5.00pm to 8.00pm
- (b) Alcohol may be sold or supplied to the following types of people: individuals aged 18 years and older, and who are not intoxicated
- (c) The fees payable for the licence concerned are: \$64.40
- (d) The licensee must take the following steps to ensure that the provisions of the Sale and Supply of Alcohol Act 2012 relating to the sale or supply of alcohol to prohibited persons are observed: identification is to be produced if required for proof of age
- (e) Drinking water must be freely available on the premises with clear and appropriate signage
- (f) Adequate food from a variety of food stalls must be available for consumption on the premises for the duration of the event
- (g) Low alcohol beverages must be available for sale and supply on the premises
- (h) Non-alcohol beverages must be available for sale and supply on the premises

7. Observations of the Committee

Two matters have been considered by the Committee.

The first relates to appropriate drinking vessels/containers and in particular the desirability of the use of non-breakable, reusable drinking vessels/containers, to reduce the potential risk of harm from broken glass on the school premises.

The second relates to the approach of Dr Kiddle. The Committee wishes to endorse this approach whereby the Medical Officer of Health treats each application as a separate matter, then communicates with the appropriate individuals, pointing out any concerns.

The Committee also encourages applicants to conduct discussions with the Police, the Medical officer of Health and the District Licensing Inspector, prior to the filing of any application.

Date decision takes effect: 12 February 2014

Signed

E.O.K Blaikie

Commissioner District Licensing Committee

Date:

**Minutes of an extraordinary meeting of the Planning and
Regulatory Committee**

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

On Tuesday 18 February 2014, commencing at 8.34am

Present: Councillor B McGurk (Chairperson), Councillors I Barker, R Copeland, M Lawrey, and M Ward

In Attendance: Acting Group Manager Strategy (N McDonald), Acting Group Manager Environment (G Carlyon), Manager Environmental Programmes (C Ward), Manager Administration (P Langley) and Administration Adviser (L Laird)

Apologies: Councillor E Davy and K Fulton

1. Apologies

Resolved

***THAT apologies be received and accepted from
Councillors Davy and Fulton.***

Lawrey/Barker

Carried

2. Interests

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

3. Confirmation of Order of Business

There were no updates to the Order of Business on the agenda.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 28 January 2014

Document number A1135220, agenda pages 5-10 refer.

Resolved

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

Barker/Lawrey

Carried

REGULATORY

6. **Alteration to Resolution – Draft Local Approved Products Policy (Psychoactive Substances)**

Document number A1140519, agenda pages 11-12 refer.

The Acting Group Manager Strategy, Nicky McDonald, joined the meeting and spoke to the report. She said the recommendation sought to postpone the hearings until such a time as the new information from the Ministry of Health was released, to inform the next steps in the process.

Ms McDonald said that after this information had been received and assessed, officers would be able to advise the Committee as to:

- whether the new information might materially affect the draft Policy and Statement of Proposal such that a new special consultative procedure to allow the community an opportunity to comment on this information was warranted; or
- whether the new information did not materially affect the draft Policy and Statement of Proposal and did not require the Council to re-consult, so that the hearings could proceed.

Ms McDonald said she had spoken with the four submitters and advised that the hearings may be postponed.

Attendance: Councillor Copeland joined the meeting at 8.45am.

In relation to the resolution made by the Governance Committee on 28 November 2013, Ms McDonald stated that the Planning and Regulatory Committee was within its delegations to make this decision.

Resolved

THAT the report Alteration to Resolution– Draft Local Approved Products Policy (Psychoactive Substances) (A1140519) be received;

AND THAT hearing of submissions to the draft Local Approved Products Policy by the Planning and Regulatory Committee be delayed until

further information is available from the Ministry of Health.

Ward/Lawrey

Carried

ENVIRONMENT

7. Alteration to Resolution – Tasman Nelson Environment Awards and Ecofest Options

Document number A1141190, agenda pages 13-14 refer.

The Manager Environmental Programmes, Chris Ward, joined the meeting. In response to questions, Mr Ward said he was confident that there was sufficient time to report back to the Committee with location options prior to the event.

Resolved

THAT the report Alteration to Resolution – Tasman Nelson Environment Awards and Ecofest Options (A1141190) be received;

AND THAT officers report back to the next appropriate Planning and Regulatory Committee meeting with options for a location that will achieve the objective of the Ecofest event for 2014.

Barker/Lawrey

Carried

There being no further business the meeting ended at 8.53am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date