



Notice is given that an ordinary meeting of the Corporate Services Committee will be held on:

Date: Thursday 7 November 2013
Time: 9.30 am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Corporate Services Committee

AGENDA

MEMBERSHIP

Chairperson	Cr T B King	
Deputy Chairperson	Cr M J Higgins	
Members	Mayor R G Kempthorne	Cr M L Bouillir
	Cr J L Edgar	Cr B W Ensor
	Cr Z S Mirfin	Cr T E Norriss
	Cr B F Dowler	Cr M J Greening
	Cr P L Canton	Cr J L Inglis
	Cr P F Sangster	Cr S G Bryant

(Quorum 2 members)

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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.

AGENDA

- 1 OPENING, WELCOME
- 2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

THAT apologies be accepted.

- 3 PUBLIC FORUM
- 4 DECLARATIONS OF INTEREST
- 5 LATE ITEMS
- 6 CONFIRMATION OF MINUTES

THAT the minutes of the Corporate Services Committee meeting held on Thursday, 22 August 2013, be confirmed as a true and correct record of the meeting.

7 REPORTS OF COMMITTEE

Nil

8 PRESENTATIONS

Nil

9 REPORTS

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9 REPORTS

9.1 ACTION SHEET - 7 NOVEMBER 2013

Information Only - No Decision Required

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Valerie Gribble, Executive Assistant
Report Number:	RFN13-11-06

1 Summary

- 1.1 The outstanding action items from previous Corporate Services Committee meetings are attached.
- 1.2 Progress on items is shown in the status column.

2 Draft Resolution

That the Corporate Services Committee receives the Action Sheet - 7 November 2013 RFN13-11-06.

3 Attachments

1. Action Sheet for 7 November 2013 7

Action Sheet – Corporate Services Committee

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date: 8 November 2012			
Growth projection monitoring	A regular report back is required to measure actual growth against budget	R Holden, Finance Manager M Tregurtha, Strategic Projects Adviser A Humphries, Regulatory Manager	A cross-functional project is being set up to determine the most effective way to capture the required information. No further progress has been made.
Meeting Date: 7 March 2013			
Pinegrove Trust	Tim King to discuss with the Pinegrove Trust Council's continued involvement with their investment. Refer to Corporate Services Manager's Report RFN13-05-06	Tim King	Agreement has been reached to transfer responsibility back to the Trust by 30 June 2014.
Meeting Date: 18 April 2013			
8.8 - Mayoral Relief Fund Tasman/Nelson	To prepare a report and a recommendation on whether or not to deregister the Mayoral Relief Fund Tasman/Nelson.	R Holden, Finance Manager	This work is scheduled to be completed by December 2013.
Meeting Date: 11 July 2013			
9.2 – Rates Remissions Sporting, Recreation etc	Issue paper to the August 2013 meeting to confirm changes prior to drafting SOP	M Drummond, Corporate Services Manager	On agenda for November 2013 meeting. Report RFN13-11-04
9.7 – NTT Review	Corporate Services Manager to provide report back on the NTT Review proposal options to the August 2013 meeting	M Drummond, Corporate Services Manager	Contract for review awarded to Opus Nelson, July 2013. Draft report due 18 October 2013

Item 9.1

Attachment 1

Item 9.1

Attachment 1

9.2 REMISSION PROPOSAL FOR RATES ON LOW VALUE PROPERTIES

Decision Required

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Judith Seatter, Rates Officer
Report Number:	RFN13-11-02
File Reference:	R106

Item 9.2

1 Summary

- 1.1 The introduction of the Local Government (Rating) Act 2002 required each separate title to have a separate valuation/rating assessment.
- 1.2 In some cases this has resulted in low land valued assessments being created, as parcels of land have not always aligned perfectly. There are currently 9 properties in the Tasman District that are not: contiguous to other properties; in use by the current owner; and, have a low capital value, less than \$4,500.
- 1.3 There is currently no policy which permits Council to remit rates on these low value properties.
- 1.4 This paper seeks the committee's agreement for staff to prepare a draft policy for remissions on low valued properties, to be consulted on with the 2014/15 Draft Annual Plan.

2 Draft Resolution

That the Corporate Services Committee:

- 1) **receives the Remission Proposal for Rates on Low Value Properties Report RFN13-11-02; and**
- 2) **directs staff to prepare a draft policy for a Remission Proposal for Rates on Low Value Properties, to be brought back to Council as part of the 2014/15 Draft Annual Plan process.**

3 Purpose of the Report

- 3.1 To seek the Committee's agreement for staff to prepare a remission policy for properties with low capital values.
- 3.2 If agreed this policy will be consulted on as part of the 2014/2015 Draft Annual Plan and commence from 1 July 2014.

4 Background and Discussion

- 4.1 There are a number of properties which have low capital values in Council's Rating Information Database.
- 4.2 The main reason for these land parcels, which range in value from \$250.00 to \$4,500, is through the balance (or residual area) of subdivisions of "limited as to parcel" titles which are not included in a transfer of property. Up to the time of subdivision these parcels were never accurately surveyed. Land Information New Zealand establish a Certificate of Title on occupied land, ie that which is fenced. This has resulted in residual areas of land ranging from 0.0012ha to 0.8726ha being allocated a Certificate of Title. The Local Government Rating Act 2002 requires any land that is allocated a Certificate of Title to hold a valuation number.
- 4.3 A number of these properties have no registered owners.
- 4.4 The value of rates on these properties ranges from a minimum of \$540, mostly being targeted rates and the UAGC.
- 4.5 Rates continue to accrue on these properties until they are statute barred. Proceeding to a rating sale or handing the debt to a collection agency is not effective due to the low value of the land and the lack of registered owners.
- 4.6 Examples of properties that would be eligible for this remission are listed below. Of the 9 properties shown, 8 are as a result of subdivision.

Valuation	Ratepayer Name	Capital Value \$	Total Rates 2013/14 \$	Comment
1943044901	Adams William	1,000	686	Abandoned land. Left over from subdivision
1931024200	Calinente Properties Limited	3,600	680	Remnant of subdivision
1937010211	Doorman Mark David	1,000	660	Remnant of subdivision
1937040200	Knapp Colin Astley	4,500	672	Belfit Lane. Should be part of TDC.
1931021000	Knights Luke David	300	547	Remnant of subdivision
1925053002	Langford Bruce Vernon	250	658	Remnant of subdivision
1915063601	McNee George Duncan	4,000	545	Remnant of subdivision. Part of paper road
1937064102	Reilly Gary Francis	2,500	540	Remnant of subdivision.
1938062902	The Moutere Amalgamated Fruit Lands Ltd	2,500	663	Abandoned land. Part of Old Coach Road
			\$ 5,651	

- 4.7 A policy to remit rates on low valued properties would give clear direction for staff, and provide significant administrative efficiency on the matter.
- 4.8 Even where agreement could be reached the cost of transferring these small land parcels to a neighbouring parcel usually significantly exceeds any value of the land.

4.9 The development of such a policy is consistent with the policies enacted by other Local Authorities to address this issue.

4.10 The proposed policy would include such matters as:

Land used jointly as a single unit

Options on low capital values of properties

Identification of owners.

Separation strips.

Rates collectability.

Consistency with similar policies in place with other Councils

5 Policy / Legal Requirements / Plan

5.1 This proposed policy will be a new policy for Council. There is no legislative basis for staff to remit rates on these properties under the Local Government Rating Act 2002 in the absence of a specific remission policy.

5.2 In determining a remission policy Council is required to follow the special consultative process. The most cost effective time to do this is in conjunction with the 2014/15 Annual plan consultation process.

5.3 Developing a new remissions policy does not trigger an amendment to the Long Term Plan.

6 Consideration of Financial or Budgetary Implications

6.1 The total rates likely to be charged in any one year and the level of outstanding rates, if any, will be detailed in the remission proposal paper.

6.2 The cost of preparing the paper will be primarily staff time with some legal costs for a check on the proposed policy for legislative compliance. These costs will be met from existing budgets.

7 Significance

7.1 Given the decision is only to prepare a proposal for consideration by Council, along with the small number of ratepayers affected, the low level of rates remission likely to be proposed, the decision to develop a policy is considered to be of low significance.

8 Consultation

8.1 For the proposed rates remission policy, there is a requirement that it is consulted on with the public through the special consultative process. It is proposed that this takes place in combination with the consultation on the 2014/15 Draft Annual Plan.

Item 9.2

- 8.2 This decision to develop such a policy for consideration by Council does not require formal consultation.

9 Appendices

Nil

9.3 REMISSION OF RATES FOR SPORTING, RECREATION, OR COMMUNITY ORGANISATIONS

Decision Required

Report To: Corporate Services Committee

Meeting Date: 7 November 2013

Report Author: Judith Seatter, Rates Officer

Report Number: RFN13-11-04

Item 9.3

1 Summary

- 1.1 Council has a policy which enables it to remit rates for Sporting, Recreation, or Community Organisations (attached).
- 1.2 Staff believe that the approval and confirmation process for these remissions can be streamlined to create efficiencies for both Council, and administratively.
- 1.3 Within the criteria of the policy, there is scope for an anomaly to occur where the crown ownership of land is not adequately covered.
- 1.4 Each year community groups and schools are contacted and invited to apply for a remission. The groups and schools complete the Application for Remission and these are then collated, approved under delegated authority and presented to the Corporate Services Committee for confirmation of the remission.
- 1.5 This paper seeks Council's agreement for staff to draft an amended policy to incorporate these proposed changes through a Special Consultative Procedure which would run in parallel with the 2014/15 Draft Annual Plan.

2 Draft Resolution

That the Corporate Services Committee:

- 1) **receives the Remission of rates for Sporting, Recreation, or Community Organisations Report RFN13-11-04; and**
- 2) **directs staff to prepare a draft policy for a Revised Remission of rates for Sporting, Recreation, or Community Organisations, to be brought back to Council as part of the 2014/15 Draft Annual Plan process.**

3 Purpose of the Report

- 3.1 To seek Council's agreement for staff to draft an amended Rates Remission Policy for Sporting, Recreation, or Community Organisations.

4 Background and Discussion

- 4.1 The Local Government (Rating) Act 2002, Schedule 1, Part 2 "Land 50% non-rateable" provides: 1) Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting; 2) Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except races, harness races, or greyhound races; and, 3) Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts. The 50% non-rateable does not apply to land used for the private pecuniary profit of any members of the society or association. Nor does it apply to land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.
- 4.2 In addition to the above Act, Council has a Policy of Remissions for Sporting, Recreation or Community Organisations. While this Policy does reiterate the conditions in the Act it also adds the following conditions and criteria: The policy will apply to land owned by Council and/or owned and occupied by a non-profit organisation which is used exclusively or principally for sporting, recreation or community purposes under the following categories: a) Hall or Library; b) Promotion of arts, recreation, health or education; c) Games or Sports; d) Agricultural and Pastoral Society; and, e) Free maintenance and relief of persons in need. The Conditions and Criteria also stipulate that no remission will be granted on targeted rates for water supply, wastewater disposal or recycling.
- 4.3 Sections 8 and 9 of this policy delegate the authority to consider and approve the applications, and the remissions are then confirmed by the Corporate Services Committee. In effect, the remissions cannot be actioned before a formal report to the Corporate Services Committee. The proposal is to remove the requirement for the Corporate Services Committee to confirm remissions. Remissions would then be actioned quickly and at a reduced cost.
- 4.4 Each year a letter and a remission application form are sent to community groups and schools. The Senior Rates Officer collates the responses, ensuring that all applications are received by the due date.
- 4.5 Staff recommend that the policy be amended to better manage these areas which would provide time and resource efficiencies for both Council and staff.
- 4.6 This amendment would be by way of a Special Consultative Procedure to run in unison with the 2014/15 Draft Annual Plan process.

5 Options

- 5.1 Maintain the status quo and do not propose any amendment to the policy.
- 5.2 Agree that the policy could be amended to provide greater efficiencies, and instruct staff to prepare an amended Rates Remission Policy for Sporting, Recreation, or Community Organisations, by way of a special consultative procedure.

6 Strategic Challenges / Risks

- 6.1 There is no obvious strategic challenge or risk associated with proposing amendments to the policy.

7 Policy / Legal Requirements / Plan

- 7.1 This paper advises that there would be benefits gained by amending the Rates Remission Policy for Sporting, Recreation, or Community Organisations.
- 7.2 The amending of Council's Remissions policies can only occur after Council has carried out a Special Consultative Procedure on the amendment.

8 Consideration of Financial or Budgetary Implications

- 8.1 There is minimal expenditure required in carrying out the proposed amendments to the policy.

9 Significance

- 9.1 The matter is of low significance for Council, but would create significant efficiencies both to Council, and administratively.

10 Consultation

- 10.1 The amending of Council's remissions policies requires Council to carry out a Special Consultative Procedure.
- 10.2 It is proposed that the Special Consultative Procedure would run in concurrence with the 2014/15 Draft Annual Plan.

Item 9.3

11 Attachments

Nil

9.4 RATES REMISSION FOR LAND OCCUPIED BY A DWELLING AFFECTED BY NATURAL DISASTER

Decision Required

Report To: Corporate Services Committee
Meeting Date: 7 November 2013
Report Author: Judith Seatter, Rates Officer
Report Number: RFN13-11-05

Item 9.4

1 Summary

- 1.1 An application has been received from the ratepayers of 7 James Place for a rates remission under the *Policy for Land Occupied by a Dwelling Affected by Natural Disaster* in relation to the April 2013 rain event.
- 1.2 The ratepayers of 7 James Place Richmond were unable to inhabit their dwelling from 22 April 2013 to 27 September 2013, a period of five months. Contaminated water went through the house. As a result there were no cooking facilities, power, or heating in the dwelling.
- 1.3 The application meets the criteria in the policy.
- 1.4 It has been noted that providing a delegated authority to officers as permitted under the policy would have resulted in a faster less costly process for such straight forward requests.
- 1.5 The application is for a remission of \$404, has been assessed in line with other applications under the policy and is recommended for approval.

2 Draft Resolution

That the Corporate Services Committee:

- 1) receives the Rates Remission for Land Occupied by a Dwelling Affected by Natural Disaster Report RFN13-11-05; and
- 2) approves a remission of rates for five months of \$404 based on Land Value only for Mr P and Mrs S Drummond’s property at 7 James Place, Richmond.

3 Purpose of the Report

- 3.1 To consider an application for a rate remission under Council's Rate Remission Policy for Land Occupied by A Dwelling Affected by Natural Disaster.

4 Background and Discussion

- 4.1 As a consequence of the December 2011 storm event Council passed a resolution in October 2012, enacting a new policy that gave the option of providing a rate remission in the event of a natural disaster. The policy requires that applications are received within six months of the event.
- 4.2 The Council policy for the Remission of Rates for Land Occupied by a Dwelling Affected by Natural Disaster, and the decision tree used in applying this policy have been included as attachment 1 and 2.
- 4.3 The property at 7 James Place, Richmond was damaged as a result of a storm event in April 2013.
- 4.4 An application has been received from Paul and Sue Drummond, the ratepayers of 7 James Place, Richmond. This application meets the criteria set by Council under the Rates Remission for Land Occupied by a Dwelling Affected by Natural Disaster Policy, as their dwelling was made uninhabitable for a period longer than 30 days, and the property is not a known hazard prime location.
- 4.5 Mr and Mrs Drummond were unable to inhabit their dwelling from 22 April 2013 to 27 September 2013, a period of five months. Contaminated water went through the house. As a result there were no cooking facilities, power or heating.
- 4.6 The remission has been assessed as if the property was bare land for the five affected months. This is in line with previous remissions granted for dwellings affected by a natural disaster.
- 4.7 The total rates for 7 James Place for the 2013/14 rating year are \$2,937. Service charges for water, wastewater and rubbish/recycling are not included in the remission. The rates were re-assessed for the affected five months, based on Land Value only. There could therefore be \$404 remitted as a result of the flooding.

5 Options

- 5.1 This report does not seek to consider the myriad of possible options available but instead focuses on the key elements of the policy being the unavailability of the primary residence and the degree that Council services are able to be used.

Option 1: Decline to provide any rates relief.

- 5.2 While this is a legitimate option, staff are of the view that this would not meet the intent of the policy enacted in October 2012.

Option 2: Remit all rates.

- 5.3 This option would be attractive to affected ratepayers but could be considered unfair to other ratepayers.
- 5.4 While it is accepted that the property may not be inhabitable the ratepayer still has access to a wide range of Council services and to remit all rates would mean one group of ratepayers was being subsidised by another group.

Option 3: Provide a remission to reflect bare land status.

- 5.5 A key criteria in the remission policy is that the dwellings or buildings are uninhabitable and essential services are unable to be provided.
- 5.6 With the property's improvements being damaged by the April 2013 event this option provides a remission as if the property was bare land. Bare land rating is calculated by applying the rate in the dollar to land value only plus all targeted rates except water and wastewater.
- 5.7 The option considers that while the property is unliveable the property owner still has access to and benefits from Council services like roads, community facilities and libraries and takes into account that there is no access to direct services like wastewater or water.
- 5.8 This application falls within the conditions and criteria for the rates remission allowed under the Policy for Land Occupied by a Dwelling affected by Natural Disaster. This remission is assessed in the same manner as previous applications which were granted a remission.

6 Strategic Challenges / Risks

- 6.1 This is the first application for a remission of rates relating to the rain event of April 2013 to be considered by Council. There is a risk to Council that further applications, under this policy, will now be received.

7 Policy / Legal Requirements / Plan

- 7.1 The Policy for Land Occupied by a Dwelling affected by Natural Disaster sets out the conditions and criteria for remissions. This application meets those conditions and criteria.
- 7.2 Section 6 of the policy states that each application for a rates remission will be considered on a case-by-case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council, or where appropriate, Council officer or officers acting under delegated authority.
- 7.3 As there is currently no delegated authority the application is being brought before the Committee. If the appropriate delegation had existed, there would have been no need to prepare a formal report and bring this application to the Committee. This would have provided a much faster and less costly process for processing the application.

8 Consideration of Financial or Budgetary Implications

8.1 The total cost for this remission is \$404, which will be met from the general remissions budget.

9 Significance

9.1 This matter is of low significance in terms of Council's Policy on Significance, as it does not involve major financial expenditure and is not likely to have major public interest.

10 Consultation

10.1 The Policy for Land Occupied by a Dwelling affected by Natural Disaster was consulted on prior to it being approved by Council in October 2012. No further consultation is required.

11 Conclusion

11.1 That the ratepayers of 7 James Place, Richmond should receive a rates remission of \$404 for the flooding that occurred in April 2013, in line with the Policy for Land Occupied by a Dwelling affected by Natural Disaster.

12 Next Steps / Timeline

12.1 On approval of this remission a letter will be sent to Paul and Sue Drummond advising them of a credit to their rates account of \$404.

13 Attachments

- | | | |
|----|----------------------------|----|
| 1. | Rates Remission Policy | 21 |
| 2. | Natural Disaster Flowchart | 23 |

RATES REMISSION POLICY FOR LAND OCCUPIED BY A DWELLING THAT IS AFFECTED BY NATURAL DISASTER

Objective

This Policy is to allow the Council, at its discretion, to remit rates charged on any rating unit used for residential purposes if the land has been detrimentally affected by natural disaster (erosion, falling debris, subsidence, slippage, inundation, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease. The aim of the Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected.

Conditions and Criteria

1. The Council may remit all or a part of any rate or user charge made and levied in respect of land, if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) and:
 - a. as a result dwellings or buildings previously habitable were made uninhabitable; and
 - b. the activity for which the land and/or buildings were used prior to the disaster is unable to be undertaken or continued.

**For the purposes of this policy –*

'uninhabitable' shall mean –

- a dwelling or building that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004 and the residents have been required to move out by the Council or
- a dwelling or building that is a total loss or
- as determined by Council after taking into account the matters specified in Clause 4 of this Policy

'land used for residential purposes' shall mean –

- any land including land not zoned for residential purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence but not including holiday homes

2. The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the dwelling, buildings, or land were made uninhabitable and unable to be used for the activity for which they were used prior to the disaster, which shall be no less than 30 days after the event affecting the land in terms of this policy up to and limited to the time that the land and / or buildings are deemed by Council to be able to become habitable and able to be used for the activity carried out prior to the disaster.
3. The decision to remit all or any part of a rate or user charge shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions set out in clause 1 are met by a ratepayer. The

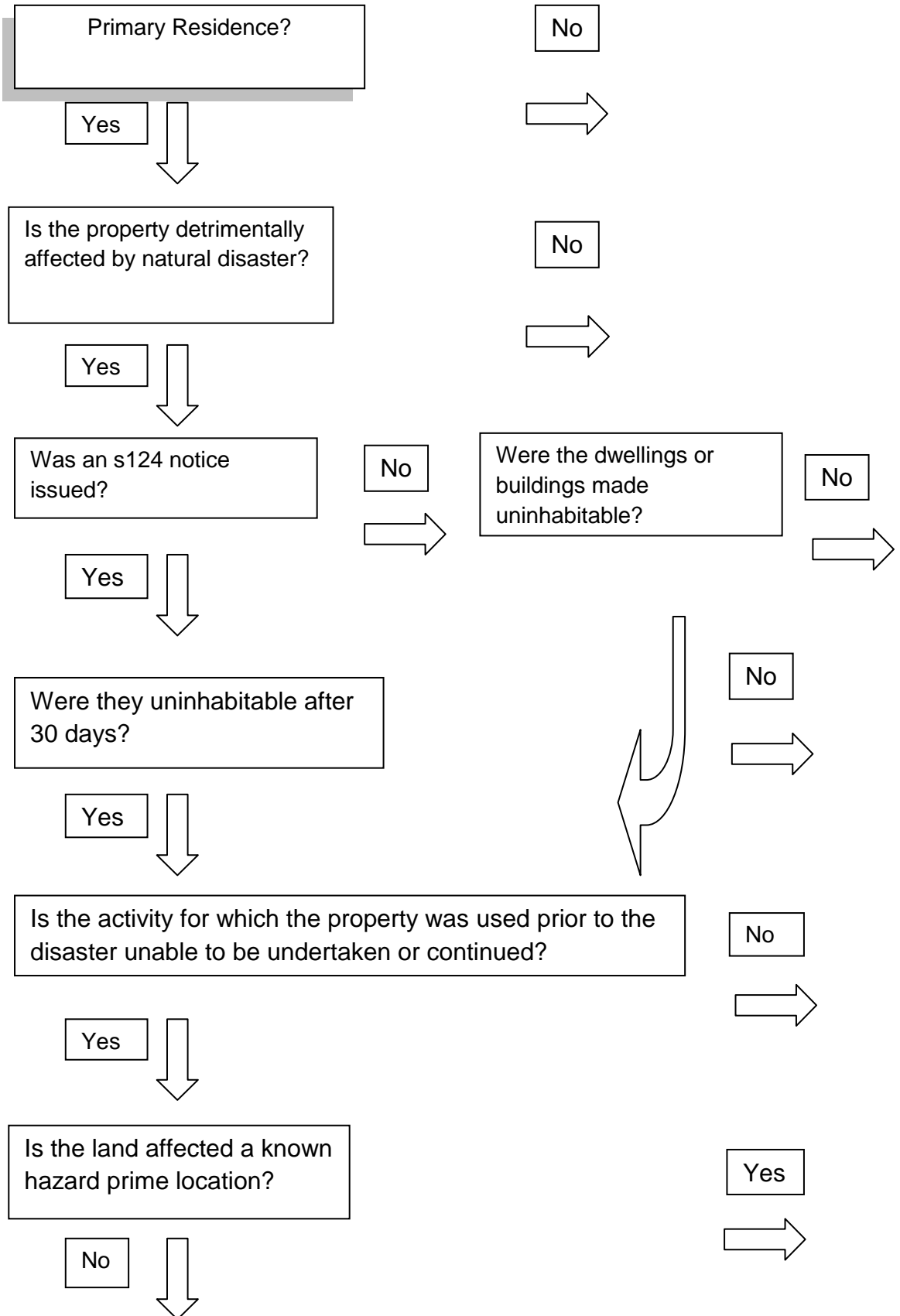
E:\Council meetings and subcommittees\Full Council 2012\2012-10-18\Appendix - RATES REMISSION POLICY FOR LAND OCCUPIED BY A DWELLING THAT IS AFFECTED BY NATURAL DISASTER.docx

Council is unlikely to grant a remission where the land affected is in a known hazard prime location.

4. In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account
 - a. the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied;
 - b. whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
 - c. whether any part of the building or land remains habitable or available for use.
5. Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within 6 months of the event, or within such further time as Council in its sole discretion might allow.
6. Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council, or where appropriate, a Council officer or officers acting under delegated authority.

Rates Remission for Land Occupied by a Dwelling Affected by Natural Disaster

To be applied for within 6 months of the event, or within such further time as Council in its sole discretion might allow.



**COUNCIL APPROVAL
REQUIRED.**

9.5 CORPORATE SERVICES MANAGERS REPORT

Information Only - No Decision Required

Item 9.5

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Mike Drummond, Corporate Services Manager
Report Number:	RFN13-11-07

1 Summary

- 1.1 **Nelson Tasman Tourism review** – The draft review is due to be received 18 October 2013. It will be the subject of a separate report to Council. A proposal has been received for the delivery of iSite services in Murchison. This is being attended to by the Chief Executive.
- 1.2 **Standard & Poor's** – The credit rating has been issued. The rating is AA- with a stable outlook. This rating is the same as Nelson City. Council's long term projected debt levels will need to be addressed if Council is to maintain the current rating.
- 1.3 **Corporate Services reorganisation** – This is proceeding according to plan. Additional funding for new roles will be requested in the 2014/15 draft Annual Plan.
- 1.4 **Council and Committee Papers** – The Infocouncil system used to produce agenda and papers is being upgraded.
- 1.5 **Local Government Funding Agency** – The LGFA recently held its annual shareholders and borrowers day. The agency continues to perform above the projections in the original proposal. Council has received a dividend of \$113,078 for the 2012/13 financial year.
- 1.6 **Rates & Remissions Review** – Staff are identifying opportunities for reduction in administrative costs and where practicable the alignment of policies with Nelson City.
- 1.7 **Property Services – Forestry Annual Report** – Peter Wilks and Brendon Horrell from P F Olsen will be in attendance to speak to the Forestry Annual Report.
- 1.8 **Waitapu Wharf** - Land Information New Zealand have approached Council regarding Waitapu Wharf at Takaka.
- 1.9 **Port Tarkohe Development Plan** – The Port Tarkohe Development Plan has been completed and will shortly go out for feedback, prior to a Council decision on the implementation of one or more of the recommendations.

2 Draft Resolution

That the Corporate Services Committee:

- a) receives the Corporate Services Managers Report RFN13-11-07; and
- b) receives the June 2013 Forestry Annual Report.

3 Purpose of the Report

- 3.1 This report is to inform the Committee on activities within the Corporate Services department not separately reported to the Committee or Council.

4 Nelson Tasman Tourism Review

- 4.1 The completion of the review was delayed. At the time of writing the draft report was due to be received from OPUS on Friday 18 October 2013. This report is intended to inform the debate on the funding of tourism within the district. Any changes to the current funding approach will be consulted on as part of the 2014/15 Annual Plan consultation process.
- 4.2 An approach has been made to Council by the Murchison Visitor Centre Liaison Group (VCLG) to discuss the future of Murchison's visitor information services and delivery of TDC library services in the community. This initiative is being handled by the Chief Executive. It should be noted that the Tourism Nelson Tasman funding for the current iSites will cease at the end of April 2014.

5 Standard & Poor's Credit Rating

- 5.1 Standard & Poor's staff completed their visit to Council on 6 August 2013. The Council's Credit rating of AA- with a stable outlook has been issued. This is the same credit rating as Nelson City.
- 5.2 Standard & Poor's will be monitoring Council on an ongoing basis. In order to maintain the current rating Council will need to address a number of financial challenges it faces. In particular the projected increase in Council debt. These increases are primarily driven by the Council's capital works programme. Staff are planning a November financial workshop for all councillors and community board members. This workshop will examine financial strategy and sustainability issues.

6 Corporate Services Reorganisation

- 6.1 Consultation on stage one of the Corporate Services component of the organisational reorganisation has been completed. Stage two cannot proceed until additional funding is approved in the 2014/15 annual plan.
- 6.2 The first stage involves Corporate Services taking responsibility for property and an initial restructure in the finance section. The second stage will involve the consolidation of support for Council and Community Boards under a new role, Democratic Services Advisor.
- 6.3 Proposals for funding additional staff resources related to the first stage was the subject of a separate report to the 31 October 2013 Council meeting.

7 Council and Committee Papers

- 7.1 The agenda and papers are produced using the Infocouncil software package. We have identified a number of areas where we can improve the service to councillors and board members. The first stage of the improvements will be an upgrade of the system to the current version. This upgrade will be completed by the end of November 2013.

8 Local Government Funding Agency

- 8.1 The LGFA has held its annual meeting for shareholders and borrowers in Wellington. The meeting covered the good performance of the agency, along with the future direction.
- 8.2 As a result of the better than forecast borrowing levels, the LGFA is moving to reduce the margin it charges over its costs of borrowing funds. This is likely to progressively reduce from 30 basis points to 15 basis points. (100 basis points = 1%).
- 8.3 Due to changes in the public service the Government's DMO (Debt Management Office) will no longer be managing the placing of LGFA debt. This activity will be moving to the LGFA itself. This will require the LGFA to purchase appropriate treasury software. The upside is that this will enable them to offer a wider range of options to councils.
- 8.4 Tasman is close to regaining representation on the LGFA Shareholders Council. I have been advised that the necessary 75% vote in favour of the change in the agreement is imminent.
- 8.5 Council has received a dividend of \$113,078 for the 2012/13 financial year. This dividend will be used to reduce the \$2M loan taken out to purchase Councils shareholding in the LGFA.

9 Rates and remissions

- 9.1 Staff have identified opportunities for a reduction in costs and administrative overheads as a result of modifying existing policies. Proposals are being developed for inclusion with the Draft Annual Plan consultation. The opportunity will also be taken to compare Tasman District Policies with those of Nelson City. Initial discussions have identified three practices that should be subject to a review.
- 9.1.1 The timing of invoicing, due and penalty dates for rates instalments.
- 9.1.2 The practice of remitting penalties if rates are paid in full by the second instalment.
- 9.1.3 The 2% discount for payment of the full year's rates on the first instalment.

10 Property Services – Forestry Annual Report

- 10.1 The Forest Manager's annual report for Council forests is attached to this report.
- 10.2 Peter Wilks and Brendon Horrell from P F Olsen will present the report and answer questions.

11 Property Services – Waitapu Wharf

- 11.1 Land Information New Zealand have approached Council regarding Waitapu Wharf at Takaka.
- 11.2 LINZ administers the wharf and approach causeway. The offer is for Council to acquire ownership of the seabed beneath the reclamation adjacent to the wharf on the basis that Council pays the current market value for the land. Council has formally resolved not to seek ownership of derelict wharves in Golden Bay and on that basis the offer has been declined.

12 Port Taroakohe Development Plan

- 12.1 A verbal presentation on the Port Taroakohe Development Plan and proposed increase in charges will be given at the meeting.

13 Attachments

- 1. Forestry Annual Report 29

TASMAN DISTRICT COUNCIL

ANNUAL REPORT - FORESTS

30 JUNE 2013





PF OLSEN LTD
195A Queen Street | PO Box 3353 | Richmond
Nelson 7050 | New Zealand | P: 64 3 544 0066 | F: 64 3 544 0
E: info@pfolsen.com | www.pfolsen.com

15 August 2013

Jim Frater
Property Services Manager
Tasman District Council
Private Bag 4
RICHMOND 7050

Dear Jim

Re: 2013 FORESTRY ANNUAL REPORT

Please find enclosed our annual report covering both forestry and harvesting operations within the Tasman District Council estate.

We have appreciated the opportunity to manage the Council's forests over the past year and are pleased to be able to report a significant cost savings and higher overall earnings due to strong log markets and value maximization.

Yours faithfully
PF OLSEN LTD

Brendan Horrell
Branch Manager

TASMAN DISTRICT COUNCIL

ANNUAL REPORT - FORESTS

As at 30 June 2013

Prepared for:
Jim Frater
Property Services Manager
Tasman District Council



Prepared by: Peter J Wilks, Consultant to PF Olsen Ltd
P O Box 3353 | Nelson 7050 | New Zealand
T: 03 544 0066 | F: 03 544 0067
info@pfolsen.com | www.pfolsen.com



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1. SUMMARY

This report summarises the financial and physical performance of forestry and harvesting operations for the year ended 30 June 2013. All figures are quoted exclusive of GST.

Forestry operations were \$240,678 under budget. Lower than budget costs were incurred in virtually all categories except property maintenance. Where savings were made these were due to some contingencies not being used, and deferral of some operations.

Harvesting occurred at Rabbit Island and Borlase forests. Net revenue was \$168,025 above budget, while actual volume cut was below budget by 1065 tonnes.

A small area in the Domain at Rabbit Is was logged during June producing 146.16 tonnes. Costs and revenues for this operation are not included in this report

At year end 30 June 2013 the unaudited forestry account balance closed at \$1,014,432 in credit.

Financial Summary: 1 July 2012 - 30 June 2013

ITEM	Budget \$ (set May 2012)	Actual \$
TDC Costs*	152,000	248,905
General Rate Contribution	250,000	250,000
Forestry Operations (total)	713,208	472,530
Rabbit Island Domain Contribution	145,000	145,000
Net Revenue – Harvesting	961,640	1,129,665
Other Revenue	12,000	72,695
Cut Volume (tonnes)	19,233	19,233
Forestry Account as @ 30 June 2012	+928,507	+928,507
Forestry Account as @ 30 June 2013	-30,749	+1,014,432
Gain (+) / Loss (-) on Forestry Account	-875,633	+120,435

* Including: overhead charge, rates, insurance, staff salaries, legal, FOA subs, Forest Stewardship Council, and ETS costs.



2. FORESTRY

Operations Summary

Major Operations by Forest:

Rabbit Island	Hectares
• Planting	33.5
• Chemical release	32.9
• Prune	113.7
• Windrowing	19.1
• Desiccation	19.3
• Thin to waste	<u>42.6</u>
	261.1

Borlase	Hectares
• Desiccation	19.5
• Thin to waste	5.2
• Planting	7.5
• Chemical release	7.5
• Windrowing	<u>7.3</u>
	47.0

Kingsland	Hectares
• Nil	0

Sherry	Hectares
• Planting	2.0
• Chemical release	2.0
• Dothistroma control	<u>134.6</u>
	138.6

Eves Valley	Hectares
• Planting	5.6
• Chemical release	<u>5.6</u>
	11.2

Tunnickliff	Hectares
• Nil	0

Howard	Hectares
• Dothistroma spraying	<u>139.8</u>
	139.8

SUMMARY (ALL FORESTS)

2012/13	Total
Planting	48.6
Chemical release	48.0
Pruning	113.7
Windrowing	26.4
Desiccation	38.8
Thin to waste	47.8
Dothistroma Spray	274.4
	597.7

Continued on next page...

...continued

Consulting*Contract*

- Revision of forest fire insurance values and liaison Jardines re new underwriter (Agricola)
- Preparation of Quarterly and Annual reports
- Revisions to long term cash flows
- Prepare annual budgets
- Complete Annual Valuation to 30 June 2012

Miscellaneous

- Complete Statistics NZ Forestry Census
- Reconciliations of Forestry Account
- Update 10 year cashflow for LTCCP
- Advice on Emissions Trading Scheme, MPI returns, establishment of FMA plots in post-1989 forests.
- Advice on possible land purchase – Prendeville and Bevernage blocks

Bio-solids

- Publication of Annual Report for Trial
- On-going liaison with NRSBU and Scion
- Scheduling and monitoring of field operations

Estate Losses

There were no major estate losses during the year from wind, fire or snow. Accordingly there were no insurance claims.

Health & Safety

A total of 12,983.75 man hours was worked by the Nelson branch of PF Olsen in the year to 30 June 2013 (15,614 to 30 June 2012).

- 5 Near Hit/Minor Harm incidents were received from PF Olsen contractors:-
 - worker hit by flying debris
 - fuel splashing onto face
 - unauthorised vehicle on skid site
 - multiple wasp stings
 - bruised leg from rolled log
- 3 incident reports involving unauthorised persons or members of the public in restricted areas were received from Astro Environmental staff
- 1 incident of a contractor working on Rabbit Island without permission from PF Olsen was reported by a PFO staff member
- 1 incident requiring an ambulance call-out was reported from an organised multi-sport event

Financial
commentary –
Major budget
variances

Howard Valley	Budget	Actual
	63,000	18,718
<ul style="list-style-type: none"> ▪ Lower management costs ▪ Lower protection costs (weed spraying, dothistroma etc.) 		
Kingsland	Budget	Actual
	52,628	20,346
<ul style="list-style-type: none"> ▪ Lower road maintenance costs ▪ Aerial release contingency not required ▪ Mid rotation inventory carried over to 2013/14 ▪ Lower management costs 		
Rabbit Island	Budget	Actual
	376,150	265,719
<ul style="list-style-type: none"> ▪ Reduced aerial (pre-plant) desiccation costs ▪ Lower slash-raking costs ▪ Aerial release contingency not required ▪ Waste thinning deferred to 2013/14 		
Sherry River	Budget	Actual
	51,100	13,725
<ul style="list-style-type: none"> ▪ Lower management costs ▪ Aerial release contingency not used ▪ Minimal road maintenance 		
Eves Valley	Budget	Actual
	13,604	8,981
<ul style="list-style-type: none"> ▪ Pruning redwoods deferred to 2013/14 ▪ Lower management costs 		
Tunnickliff	Budget	Actual
	17,100	7,964
<ul style="list-style-type: none"> ▪ Roadside pruning deferred to 2013/14 ▪ Noxious weed and fire-dam maintenance costs lower 		
Borlase	Budget	Actual
	77,120	70,982
<ul style="list-style-type: none"> ▪ Additional land prep costs following unscheduled harvesting ▪ No mid-rotation inventory carried out ▪ Contingency for dothistroma spraying not required 		

Summary

Forest Operations	Budget	Actual
Direct	650,558	406,436
Consulting	33,650	30,617
Bio-Solids	23,000	28,361
Misc Consulting	5000	7117
Chemical	1000	0
	713,208	472,531

Other TDC Costs		
Rabbit Is Domain	145,000	145,000
TDC Overheads	70,000	108,012
Rates	38,000	41,722
Insurance	30,000	54,108
Other TDC costs *	14,000	45,063
	297,000	393,905

* Includes FOA subs, TDC salary, legal, ETS, FSC

Rates Contribution	250,000	250,000
---------------------------	----------------	----------------

All costs	1,260,208	1,116,436
------------------	------------------	------------------

3. HARVESTING

Log Markets

Export log prices have moved up steadily since July 2012.

The main factors affecting export prices are:

- Shipping costs (currently around US\$40/m³)
- Exchange rate. This averaged \$0.82 against the US dollar over the financial year (\$0.81 in 2011/12)
- The Chinese government dampening their economy by raising interest rates to help reduce strong inflationary pressures
- Maintenance of existing 25% export taxes for Russian logs

Domestic log prices have risen in parallel with export and supported by increasing domestic construction activity and re-building following the Canterbury earthquakes in September 2010 and February 2011. Interest rates in NZ have been stable and at historically low levels to help off-set the lingering sluggish economy. The OCR has been 2.50% since March 2011 and is not expected to rise until early 2014.

Sonic testing is now mandatory for most suppliers of domestic structural logs and these are now commanding a premium price.

Forest Stewardship Council (FSC) compliance for supplies of domestic sawlog is now becoming more imperative to maintain market access to sawmills in the Nelson region. Approval to proceed was made by Full Council on 22 February 2013, and it is planned to have the process completed for the TDC forests by the end of 2013.

The outlook is for continued strong log demand as NZ construction activity increases, and off-shore demand for logs and timber increases as countries come out of recession. The current trend of early felling of semi-mature forests in the Nelson region to take advantage of high export prices, will create a shortage of quality log supply over the next 5 years. The TDC forests are well placed to capitalise on this anticipated shortage of quality logs.

Major Log Sales**Goldpine**

Post demand has been weak due to the downturn in the viticulture sector. Prices have however, been maintained and there is now increasing demand for poles as foundation and retaining walls to the Christchurch market.

South Pine

This company is our largest purchaser of unpruned Run of Bush logs. The annual contract volume is around 10,000t. South Pine has encouraged the TDC to obtain FSC Certification for its log supplies.

Nelson Pine Industries

Demand for LVL logs firmed substantially over the year and production is constrained by available log supply with the necessary high stiffness. The outlook for LVL is positive as demand increases for engineered wood products both in NZ and overseas.

Nelson Forests Limite

NFL purchased most of the A, KI and K grade export sawlogs and pay competitive prices.

Westco Lagan

This mill, based south of Greymouth has taken a regular supply of oversized pruned logs that can not be marketed in Nelson. There is limited availability of pruned logs from the West Coast forests.

Location

Forest	Stand	Start	Finish
Rabbit Is	4.04	19 July 2012	12 Oct 2012
Rabbit Is	8.04 (production thin)	15 Oct 2012	13 Nov 2012
Borlase	6.03	26 Nov 2012	7 Dec 2012
Rabbit Is	1.03	26 May 2013	On-going

Activity Summary

The stands that have revenue and volumes included in this year's accounts are detailed below.

Forest	Geo Unit	Cpt	Tonnes	C/F Area (ha)	Production Thin (ha)
Rabbit Is	2265	4.04	9858.67	18.4	-
Rabbit Is	2288	8.04	1704.06	0.2	6.7
Borlase	2193	6.03	870.94	2.3	-
Rabbit Is	2248	1.03	5734.12	9.5	-
Total			18167.79	30.4	6.7



Logging crew

Reed Logging continued as the main ground based crew working at Rabbit Island and Borlase. Their contract will be finished once harvesting of the allocated volume for 2013/14 is completed (10,000t: Cpt 1/02 - 2.7ha, Cpt 1/03 - 21.3ha). This is scheduled to be completed by November 2013.

A residual volume of 9360 tonnes will remain to be harvested between 1 Jan and 30 June 2014. A decision on whether to tender out this and subsequent volumes will need to be made in due course.

Cartage

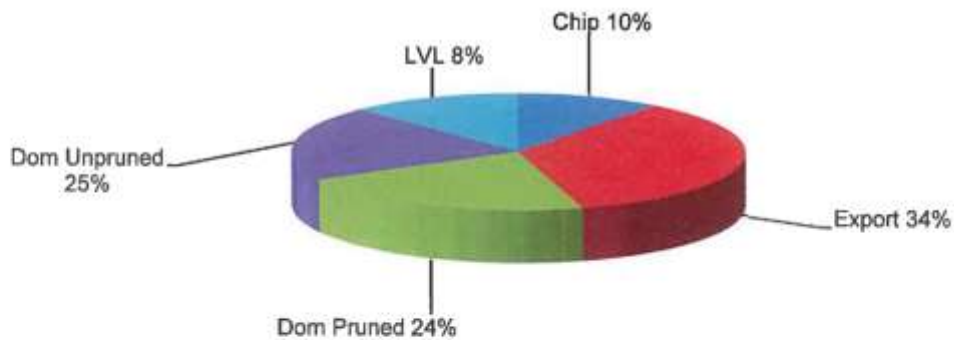
Borlase Transport continued as the log cartage contractor. A tender was put out for the next two years cartage at Rabbit Island in May 2012. In total five tenders were received and again Borlase Transport was successful with the lowest overall price.

Production

For the full year, production by grade is summarised as follows:

Grade	(TONNES)	%
Chip, Firewood, Export Pulp	1800	10
Posts and Poles	0	0
LVL	1395	8
Export Unpruned & Pruned sawlog	6111	34
Domestic Pruned & Part Pruned sawlog	4370	24
Domestic Unpruned Sawlog	4492	25
TOTAL	18168	100

2012/13 LOG SALES BY GRADE %




**Costs and
Revenues**

	Rabbit Is	Borlase	2012/13 Total	\$/tonne	2011/12 \$/t
COSTS					
Harvesting	393478.99	27182.08	420,661.07		
Cartage	182869.19	12657.47	195,526.66		
Management	86758.14	4254.71	91,012.85		
Load/fleet	1884.85	2264.53	4149.38		
Roads Maintenance	25743.88	0	25,743.88		
Skids Rehab/Clean-up	0	0	0		
Road & Skid Construction	0	0	0		
Total Cost	690,735.05	46,358.79	737,093.84	40.58	43.39
REVENUES					
Gross Revenue	1,789,072.35	77,686.40	1,866,758.75	102.75	94.58
Net Revenue	1,098,337.30	31,327.61	1,129,664.91	62.17	51.19
Volume Tonnes	17,296.85	870.94	18,167.89		



Summary - actual vs. budget

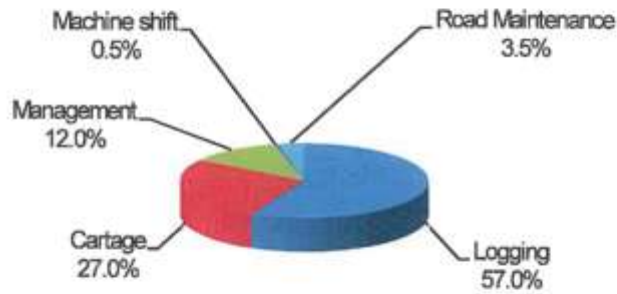
	Total Cost	REVENUES (\$)		Harvested Volume tonnes
		Gross Revenue	Net Revenue	
Actual	737,093	1,866,758	1,129,264	18,168
\$/tonne	40.58	102.75	62.17	
Budget	663,532	1,644,404	961,640	19,233
\$/tonne	35.50	85.50	50.00	

Net revenues were 17% higher than budget, even with a lower than budget harvest, due to higher log prices than budgeted.

Actual costs were 11% over budget due to the additional costs incurred for unscheduled harvesting due to windthrow in the Borlase forest. This also required unbudgeted expenditure on roading.

Overall, net return was \$12.17/t, or 24% higher than budget.

2012/13 HARVESTING COST BREAKDOWN BY PERCENT

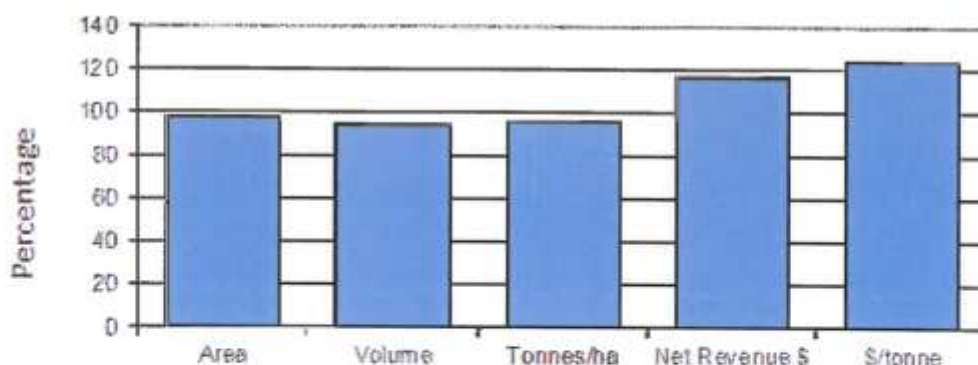




**Summary
Budget vs actual**

	Harv Area (ha)	Volume Tonnes	Tonnes/ha	Net Revenue	\$/t
<i>Budget</i>	38.4	19,233	501	961,640	50.00
<i>Actual</i>	37.7*	18,168	481	1,129,264	62.17
% of Budget	98%	94%	96%	117%	124%

Budget vs Actual



Revenue by forest

Forest	Area (ha)	Tonnes	Net Revenue (\$)	Net \$/ha	Net \$/t
Rabbit Is	34.8	17,297	1,098,337	31,560	63.50
Borlase	2.3	871	31,327	13,620	35.96
Total	37.1	18,168	1,129,264	30,438	62.17

Future harvesting

The budgeted cut for the 2013/14 year is for 19,200 tonnes, entirely cut from Rabbit Island. This volume may be subject to change following an update of the estate modelling exercise to be carried out as part of the 30 June 2013 forest valuation.

9.6 ELECTRONIC LETTERHEAD

Information Only - No Decision Required

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Chris Choat, Communications Advisor
Report Number:	RFN13-11-03

Item 9.6

1 Summary

- 1.1 With the recent renewal of the lease of printers and photocopiers the Council has been able to take advantage of developments in technology most notably for this paper the quality of printing output.
- 1.2 This technology advance has enabled the Council to explore online supply and delivery of pre-printed stationery including letterhead, invoices and statements.
- 1.3 There are some limitations within the technology such as the ability to 'bleed' the image all the way to the edge and the consistency of colour reproduction. This is especially noticeable when using the Council's full colour logo.
- 1.4 To mitigate these effects it is intended that the Council uses a minimised logo to take advantage of the cost and document and time management advantages available through in-house printing options.

2 Draft Resolution

That the Corporate Services Committee:

- 1) receives the Electronic Letterhead Report RFN13-11-04; and**
- 2) notes the use of a minimised Council logo enable electronic document management to take advantage of cost and business process improvements available through the Council's new printers and photocopiers and acknowledgement of the desired move to a more transactionally capable website.**

3 Purpose of the Report

- 3.1 The purpose of this report is to notify the Committee of the intention to use a minimised Council logo to take advantage of the technical capabilities of Council's new printers and photocopiers to deliver cost and document and time management savings.

4 Background and Discussion

- 4.1 The Council currently uses a number of pre-printed stationery items to deliver letterhead and other items such as invoices and statements.
- 4.2 We use the pre-printed stock to produce the letters etc through printers and photocopiers keeping stockpiles of the various items on hand.
- 4.3 The Council's current logo contains six special colours, the consistency of which is only available through offset printing technology.
- 4.4 Earlier this year the Council entered into a new leasing arrangement for its printers/ photocopiers. The new lease enabled the installation of networked printers with the capability of higher quality, cost effective colour printing.
- 4.5 The new leasing arrangement coincided with the advent of the new document management project where all documents created by the Council will be managed in one place.
- 4.6 A number of possible benefits have been identified with the use of the new printers/ photocopiers, one of which is the means to manage the production of documents such as letters and others that use pre-printed stationery to be created and filed in one seamless process.
- 4.7 Currently the use of pre-printed stationery requires the stock to be loaded into a dedicated tray or bypass to enable the electronically created document to be printed onto it. This requires either a dedicated tray within the printer or the use of a bypass tray. Once printed the document is then scanned and refiled through a two to three stage process to the appropriate drive within the Council's network. This process is time consuming compared to the offered alternative and relies on the paper being loaded into the printer and orientated correctly. This process is not foolproof often creating time-sapping steps to correct.
- 4.8 The financial impacts compare the current cost of pre-printed letterhead and other materials with ordinary print paper, with an allowance for a supply of higher quality paper for printing of particular importance. The difference in costs is negligible as it is suggested that a minimised logo would still require one-colour printing other than black.

	Current	Proposed
Printed letterhead <i>\$34.50 per ream, 180 reams pa</i>	\$6,000 pa	
Normal print paper <i>\$4.15 per ream, 180 reams pa</i>		\$1,000 pa
High grade print paper <i>\$24.31 per ream, 5 reams pa</i>		\$125 pa
Colour vs B&W print costs <i>Additional 6.3c per letter, 90,000 letters pa</i>		\$5,670 pa

- 4.9 While not directly related to the question in hand in the event there is an email alternative for invoicing and statements further savings will be made and the process can be managed end to end online.
- 4.10 In the past the Council has had to rely on the production of pre-printed stock for primarily two reasons:
- the complexity of the logo's colourways, and
 - the quality of the previous printing technologies.
- 4.11 The Council's current full colour logo contains six special colours. While such a colour combination is rare it is not unusual. It does, however, pose issues when being reproduced. In the context of the electronic letterhead through the new printers/photocopiers this issue is compounded by the 'swoosh' that accompanies the logo on pre-printed material. This is also a combination of special colours and because of its size bad colour matching is clearly visible.
- 4.12 The artistic contribution of the 'swoosh' is further diminished by the fact the printers do not bleed to the edge placing a clear frame around the design.
- 4.13 To facilitate the ability to manage local printing, document creation and a seamless file management, it is proposed we minimise the current Tasman District logo to one colour and only reproduce the typographic elements for those items.
- 4.14 It is estimated the savings in time management could be nearly \$11,000 per year. These savings would be made through the lack of double handling through printing and then scanning back into the file management system and the reduced printer support time.

	Estimated Savings
Stop printing/scanning back into DMS	\$9,000pa ¹
Reduce support time on letterhead/printer issues	\$1,800pa ²

¹ If 10% of letterhead prints are printed and rescanned at 15 mins of staff time per copy can be saved, this would equate to an efficiency gain of 600 x 0.25 of hourly rate. At \$60/hr that equates to a time efficiency saving of \$9000 p.a.

² 10 help calls a month at 15 minutes each = 120 x (0.25 x \$60) = \$1800 p.a.

5 Options

- 5.1 Proceeding with a minimised Tasman District Council logo for electronic printing provides a number of benefits, however it is recognised that it is not the complete logo and may cause initial confusion that will need a brief explanation.
- 5.2 Retention of the current logo would require the continuation of pre-printed letterhead and other stationery as the quality of the print from the new printers is not sufficient to not detract visually from the logo. This issue can be directly attributed to the design of the current logo.
- 5.3 The change is limited to pre-printed stationery. A full review of the logo is not necessary, expensive, and, with the extent of its current use, would not be politic.

6 Strategic Challenges / Risks

- 6.1 There is a limited risk of confusion as the minimised logo retains the current typographic element and states clearly the origin of the communication in its limited use.
- 6.2 The adoption of a minimised logo is complementary to the attitude of 'lean' thinking and is evidence of financial and workflow efficiency within the Council.

7 Policy / Legal Requirements / Plan

- 7.1 There are no regulatory considerations within this decision.

8 Consideration of Financial or Budgetary Implications

- 8.1 The benefits of this change are rooted in financial and efficiency gains. It is the sum of these relatively small gains that make this change attractive.

9 Significance

- 9.1 Initially the proposed change will be noticeable to few recipients. There is no impact on the current level of service to ratepayers. The minimised logo is an evolution of the current and should cause no confusion as to its origin for recipients.

10 Consultation

- 10.1 There is no need to engage prior to this decision as such changes have been signalled in earlier communications regarding changes within Council. The explanation of cost management, greater efficiencies and lean thinking is a positive message.

11 Conclusion

- 11.1 The proposed minimisation of the Council's current logo is limited to the electronic documentation replacing the need for pre-printed stock. While the direct cost savings are negligible the efficiencies in document management and reduction in process steps make the minimised logo proposal attractive.
- 11.2 The cost of set-up is also minimal with no residual costs as pre-printed materials are carried at minimal levels to maintain currency of address and will be used prior to switchover within one month of the decision.

12 Next Steps / Timeline

- 12.1 The proposed minimising of the logo on electronic documentation replacing pre-printed stock will be implemented within one month.
- 12.2 Further external explanation of the decision will be prepared but not used as it is unlikely for the change to become a matter of concern.

13 Attachments

- 1. Minimised logo options 51



14 July 2013

To whom it may concern,

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14 July 2013

To whom it may concern,

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Tekeka	78 Commercial Street, PO Box 74, Tekeka 7142, New Zealand	Phone 03 525 0020	Fax 03 525 9972

14 July 2013

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14 July 2013

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9.7 FINANCE ACTIVITIES

Decision Required

Report To: Corporate Services Committee
Meeting Date: 7 November 2013
Report Author: Russell Holden, Finance Manager
Report Number: RFN11-11-09

Item 9.7

1 Summary

- 1.1 This report contains financial information for the period ended 31 August 2013 for the Corporate Services Committee.
- 1.2 This is the first report to Council utilising the new financial reporting module. A number of enhancements to Council’s overall financial reporting are spearheaded by the implementation of this module, including the layout and display of the reports, along with phasing budgets to more accurately match the timing of both income and expenditure items.
- 1.3 At 31 August 2013, year-to-date income was \$2.3 million ahead of budget, and expenditure was \$586,000 above budget. The net position is an accounting surplus of \$2.82 million, against a year-to-date budget surplus of \$1.1 million. This is a significant positive variance to budget which is mainly the result of:
 - a) The very sizeable, (\$1.7 million), unrealised gain on Interest Rate Swaps;
 - b) The gain on sale of property \$79,000;
 - c) A positive variance in Development and Financial Contributions, of \$286,000, mostly through activity in Richmond; and
 - d) The early arrival of some Grant funds.
- 1.4 The following items are contributing to the expenditure position;
 - a) Within the maintenance account there is \$1.3 million of emergency works expenditure, which will be funded by a mix of NZ Transport Agency, the Department of Conservation, and a transfer from the Disaster Fund.
 - b) Legal costs are up primarily as a result the resource consent activity, land acquisition and the unbudgeted purchase of the Kina Reserve.
- 1.5 Council’s working capital position as at 31 August 2013 was a positive \$1 million.

2 Draft Resolution

That the Corporate Services Committee receives the Finance Activities Report RFN11-11-09

3 Financial Comment August 2013

- 3.1 There has been considerable work undertaken to improve Council's financial reporting to Council, the Senior Management Team, and budget holders. The NCS module MagiQ BR has been rolled out across Council as the tool to provide readable, timely information. All budget managers have the ability to view reports on their desktops, drill right down to individual transactions, and add comments, at the click of the mouse. Information is available progressively throughout the month, and more easily analysed through pictorial variance reporting.
- 3.2 A number of other enhancements to the overall financial reporting of Council activities are spearheaded by this module, including the layout and display of the reports, the phasing of budgets to more accurately match the timing of both income and expenditure items, and the ability to add comments by budget managers.
- 3.3 The phasing exercise is still being refined as individual budget holders assess those line items under their responsibility, and adjust as appropriate. The aim is to provide more rigour around the actual to budget analysis, which will provide early indications of areas to monitor more closely. The focus becomes more on the year-to-date position and how this compares to budget expectations.
- 3.4 Flowing from this information, forecasting the year end position becomes more attainable, as does the projection of cash flows and loan requirements.
- 3.5 This is the first report to Council under the new format, and provides a high level summary by income and expenditure classification by type, rather than by department. The high level department summaries will be reported as part of their appropriate Council Committee.
- 3.6 Total income is \$2.3 million ahead of budget, and expenditure is \$586,000 above budget. The net position is an accounting surplus of \$2.82 million, against a year-to-date budget of \$1.1 million. This is a significant positive variance to budget which is mainly the result of:
- a) The very sizeable, (\$1.7 million), unrealised gain on Interest Rate Swaps;
 - b) The gain on sale of property \$79,000;
 - c) A positive variance of Development and Financial Contributions, of \$286,000, mostly through activity in Richmond; and
 - d) The early arrival of some Grant funds is also a positive variance for the year-to-date.
- 3.7 Items contributing to the expenditure position include;
- a) Within the maintenance account there is \$1.3 million of emergency works expenditure, which will be funded by a mix of NZTA subsidies, The Department of Conservation grants, and a transfer from the Disaster Fund.
 - b) Legal costs are up primarily as a result of activity in:
 - i) Resource Consents being contested;
 - ii) Stormwater – land acquisition; and
 - iii) Legal advice on the acquisition and use of the Kina Reserve.
- 3.8 Council's working capital position as at 31 August 2013 is a positive \$1 million.

Tasman District Council
Statement of Comprehensive Financial Performance
For the year to 31 August 2013

Actual 2013 \$000		Actual Aug 2013 \$000	Budget Aug 2013 \$000	Budget 2014 \$000
INCOME				
Revenue from Rates				
31,398	General rates	5,352	5,348	32,087
23,286	Targeted rates (other than for water supply)	3,958	4,040	24,244
5,543	Targeted rates for a water supply	879	901	5,407
Operating Activities				
4,051	Development and financial contributions	744	458	3,152
10,330	Subsidies and grants	1,558	1,404	8,430
24,642	Other revenue	4,423	4,297	24,680
99,251	Total Revenue	16,914	16,449	98,000
6,070	Fair value movement on revaluation	1,925	167	1,669
59	Other gains	93	14	82
311	Finance income	43	45	237
105,690	TOTAL INCOME	18,975	16,675	99,988
EXPENSE				
7,998	Finance expense	1,372	1,639	8,996
16,009	Employee related expense	2,961	2,964	17,786
35,139	Expenditure on operating activities	4,556	4,951	32,178
22,078	Maintenance	4,167	2,916	17,796
19,035	Depreciation and amortisation	3,102	3,102	18,614
100,258	TOTAL EXPENSE	16,158	15,572	95,370
5,432	TOTAL OPERATING SURPLUS	2,817	1,103	4,618
3,051	Income of joint ventures	0	0	4,200
4,268	Share of associates surplus/deficit	0	0	0
12,752	NET SURPLUS BEFORE TAXATION	2,817	1,103	8,818
0	Income tax expense	0	0	0
12,752	NET SURPLUS for the year	2,817	1,103	8,818
OTHER COMPREHENSIVE INCOME				
42,957	Gain on asset revaluations	0	0	0
(501)	Asset impairment Loss	0	0	0
(601)	Restatements	0	0	0
565	Share of associate other comprehensive income	0	0	0
42,420	TOTAL OTHER COMPREHENSIVE INCOME	0	0	0
55,172	TOTAL COMPREHENSIVE INCOME for the year	2,817	1,103	8,818

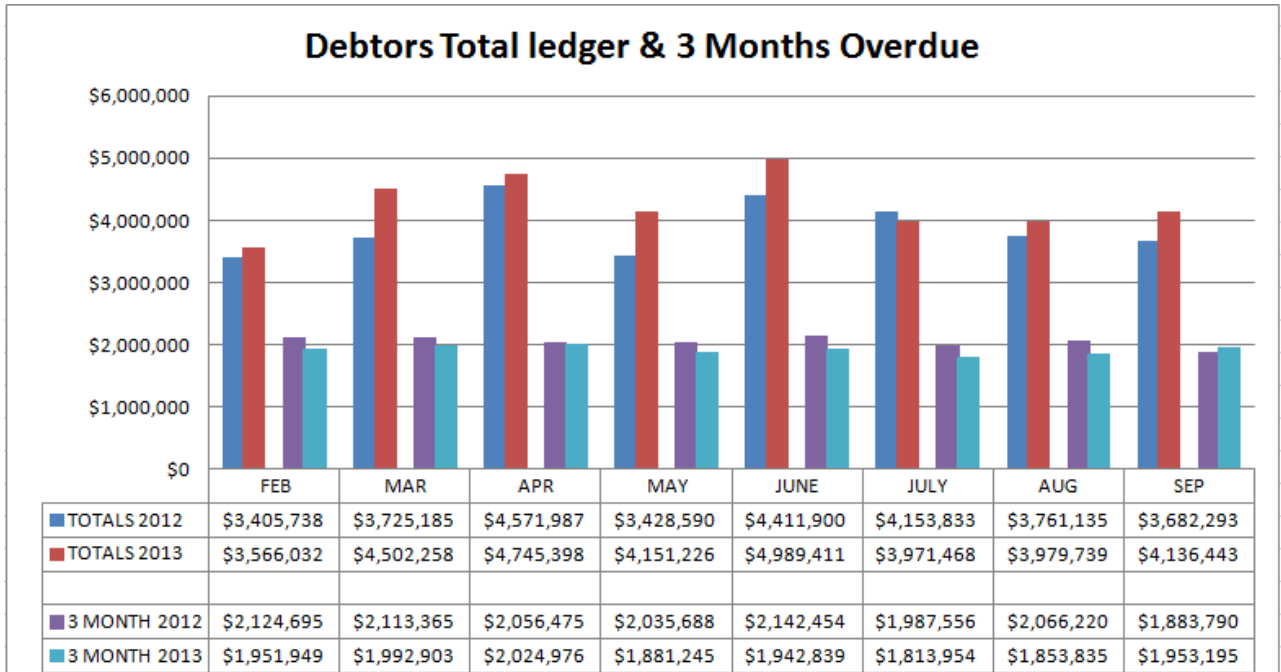
Tasman District Council

Statement of Financial Position

As at 31 August 2013

Actual 2013 \$000		Actual Aug 2013 \$000	Budget 2014 \$000
CURRENT ASSETS			
1,752	Cash and cash equivalents	8,875	2,557
15,612	Trade and other receivables	17,448	9,798
5,583	Other financial assets	5,596	7,188
1,866	Non current assets held for resale	0	1,000
24,813	TOTAL CURRENT ASSETS	31,918	20,543
CURRENT LIABILITIES			
12,648	Trade and other payables	18,202	11,914
1,671	Employee benefit liabilities	1,542	1,853
8,203	Current portion of borrowings	11,134	11,139
22,523	TOTAL CURRENT LIABILITIES	30,878	24,905
2,290	WORKING CAPITAL	1,040	(4,363)
NON CURRENT ASSETS			
88,098	Investments in associates	88,098	82,929
3,790	Other financial assets	3,791	3,651
915	Intangible assets	0	0
31	Trade & other receivables	31	62
20,356	Forestry assets	20,356	19,588
3,460	Investment property	3,460	3,526
1,221,139	Property, plant and equipment	1,223,711	1,229,878
1,337,789	TOTAL NON CURRENT ASSETS	1,339,447	1,339,634
NON CURRENT LIABILITIES			
149,812	Term borrowings	149,354	164,476
3,197	Derivative Financial Instruments	1,272	4,000
545	Employee benefit liabilities	545	611
1,041	Provisions	1,041	974
154,595	TOTAL NON CURRENT LIABILITIES	152,212	170,061
1,185,484	TOTAL NET ASSETS	1,188,276	1,165,211
EQUITY			
502,049	Accumulated equity	502,457	505,812
13,984	Reserve funds	16,392	11,010
669,451	Revaluation reserves	669,427	648,388
1,185,484	TOTAL EQUITY	1,188,276	1,165,211

4 DEBTORS



4.1 Total debtors as at 30 September 2013 are up on this time last year, mainly through claims to Civil Defence, and a charge to the Ministry of Health. The three months and over is also slightly higher than last month, primarily through a large Development Contribution charge, from a building consent, which has subsequently received a partial credit.

5 Rates Rebates

5.1 This scheme continues to provide a strong level of financial assistance to our ratepayers, with 1,147 ratepayers having already applied for the 2013/14 year, totalling just over \$651,000 in rebates.

5 Attachments

Nil

9.8 TREASURY REPORT

Information Only - No Decision Required

Item 9.8

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Faye Woodhead, Management Accountant
Report Number:	RFN13-08-03
File Reference:	B059

1 Summary

- 1.1 This regular report updates Committee members on compliance with Council's Treasury Management Policy as at the end of September 2013.
- 1.2 In September 2013, Council received a credit rating of AA- with a stable outlook from Standard & Poor's. This was an excellent result.
- 1.3 Council is complying with its Treasury Management Policy, as well as with Treasury limits, with the exception of the debt maturity profile. Council became non-compliant with its debt maturity profile from July 2013 as ASB's facility maturity date fell within the 0-3 years maturity bracket. Staff are currently working on a strategy for bringing this back into compliance.
- 1.4 Cash investments are at \$5.65 million, with an average interest rate of 3.89%.
- 1.5 Council borrowings at 30 September 2013 total \$157.81 million. The weighted average interest rate on borrowings is 5.05%. Council's cost of funds including interest rate swaps, bank margins and line fees being taken into account is 5.35% compared to a budget of 5.80%.
- 1.6 Council's interest rate swap valuation for 30 September 2013 returned a fair value of -\$1.5 million (-\$3.3 million June 2013). This results in a year to date gain in valuation of \$1.8 million recorded in Council's income.

2 Draft Resolution

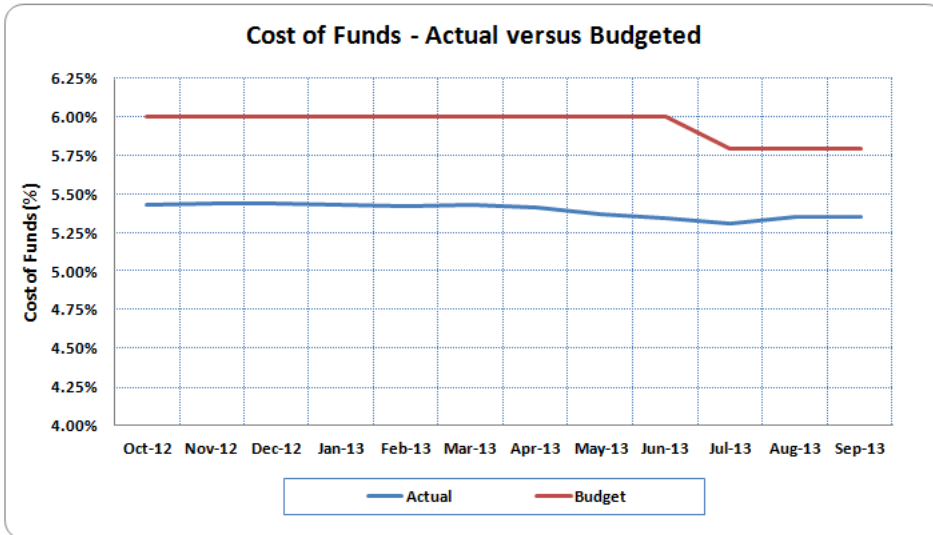
That the Corporate Services Committee receives the Treasury Report RFN13-08-03.

3 Treasury: September 2013

Debt Levels

3.1 Council’s debt at 30 September 2013 stands at \$157.81 million, with an average interest rate of 5.05% (June 2013 5.04%). Council’s debt includes debt that relates to its share of the Nelson Regional Sewerage Business Unit.

Cost of Funds



3.2 This graph shows Council’s actual weighted average costs of funds at 30 September 2013 including interest rate swaps, bank margins, and line fees is 5.35% against a budgeted rate of 5.8%.

Interest Rate Swaps

3.3 The Corporate Services Manager has delegated authority to enter into interest rate swaps on behalf of Council on the proviso that it is reported back to this Committee. No new swaps have been entered into since the last report.

3.4 At 30 September 2013 Council had \$121.78 million of interest rate swaps in place, equal to 77% cover over existing debt and 80% over forecast 12 month net debt.

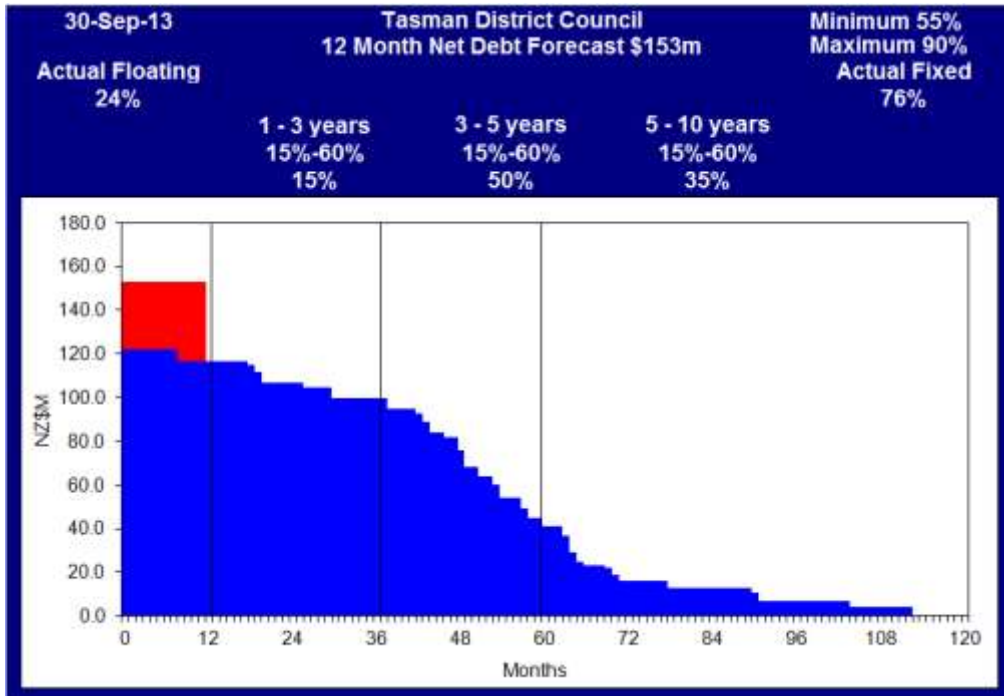
3.5 The movement in the fair value of Council’s swaps represents a gain in value of \$1.87 million for the quarter ended 30 September 2013.

	30 September 2013	30 June 2013
Fair Value of Swaps	(1,460)	(3,327)

Fair value is taken from mark to market valuations prepared by the banks for the swaps held with each, at September being Westpac and ASB. An independent valuation is obtained at year end. Bracketed amounts represent a liability under New Zealand accounting rules. No actual cash is paid by Council for the change in fair value of its swaps.

Treasury Limits

3.6 The following are details of Council’s compliance with Treasury limits. The chart below displays the interest rate risk position of Council.



Interest Rate Risk Position Graph

The interest rate risk position visually represents the interest rate position within approved interest rate control limits as set out in the TDC treasury policy document. The chart takes a snapshot of the risk position as at the reporting date.

The blue part of the graph shows the amount of debt which is fixed – this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year’s time or later. The top of the red area represents the forecast debt in a year’s time. The red area therefore illustrates the amount of debt deemed floating rate and will include any forecast debt that has not been pre-hedged. Any existing loans or financial instruments which will be repriced within the next 12 months are included in the red area.

The key areas of focus are:

Fixed Rate Percentage Limit: (wholesale interest rate certainty)

The fixed rate percentage calculation is the total amount of fixed rate debt/interest rate hedges over the 12 month forecast net debt amount. Fixed rate is defined as having an interest rate resetting maturity/expiry date of greater than 12 months.

Fixed Rate Maturity Limits: (spreading of wholesale interest rate maturity risks)

Fixed rate repricing maturity dates are spread based on defined maturity band limits, 1 - 3 years, 3 - 5 years and 5 - 10 years. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduces the risk of maturity concentrations.

3.7 Fixed Rate Maturity Profile Limit

This measures the spread of Council’s risk of refinancing interest rates, achieved through the use of interest rate swaps.

	Minimum	Maximum	Actual: September 2013	Within Limits
1 – 3 years	15%	60%	15%	✓
3 – 5 years	15%	60%	50%	✓
5 – 10 years	15%	60%	35%	✓

3.8 Fixed/Floating Profile

This measure shows the balance between minimising exposures to negative fluctuations in floating rates against savings opportunities. Council’s strategy is to limit negative exposures and provide certainty of future interest rate costs. This is achieved through its use of interest rate swaps.

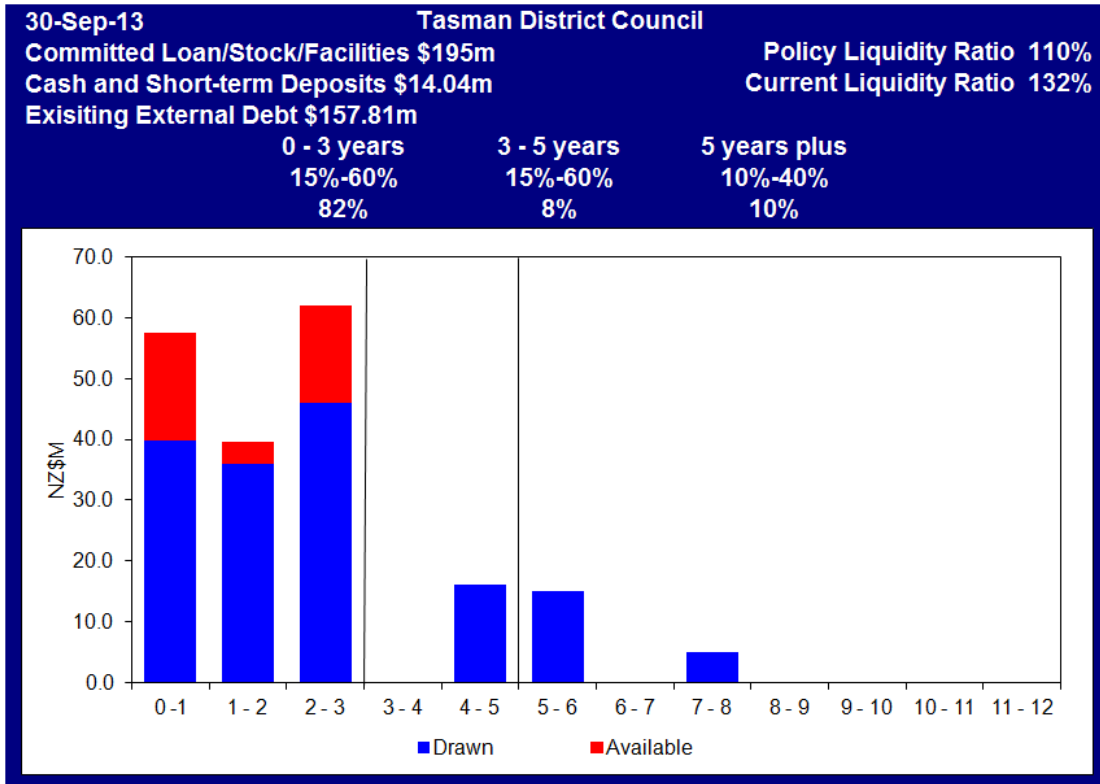
(A maturity greater than 1 year is defined as fixed)

Minimum	Maximum	Fixed Actual: September 2013	Within Limits
55%	90%	76%	✓

3.9 Facility Maturity Limit

Total committed funding in respect to all loans and committed bank facilities is controlled as follows:

The chart below represents Council’s funding maturity profile. The measures indicate how effectively Council has spread the risk of refinancing its facilities and loans. The Liquidity Ratio represents the debt headroom available in Council’s facilities along with cash available over and above its existing external debt.



Liquidity and Funding Maturity Risk Position Graph

The liquidity and funding risk position visually represents the approved funding maturity limits as set out in the TDC treasury policy document. The chart takes a snapshot of the risk position as at the reporting date.

The key areas of focus are:

Liquidity Ratio: (maintaining additional committed liquidity)

The liquidity ratio calculation represents the total committed bank facilities and term debt amounts, together with liquid investments, over the total debt amount.

Funding Maturity Risk Position: (spreading of debt maturity dates)

Existing committed bank facility expiry dates and term debt maturity dates are spread based on defined maturity band limits, 0-3 years, 3-5 years and 5 years plus. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduces the risk of maturity concentrations.

3.10 The debt maturity profile became non-compliant in July 2013 as the ASB \$40m facility fell within the 0-3 year maturity bracket. Finance staff are currently working through a strategy to bring this back into compliance. Part of this includes refinancing existing debt sitting under bank facilities into longer maturities of LGFA debt. This had been on hold pending a rating from Standard and Poor’s so debt could be secured at a lower rate.

3.11

Treasury Limits	Actual September 2013	Within Limits
Net Debt not to exceed 20% of equity	12.1%	✓
Net external debt not to exceed 225% of total operating revenues	148.9%	✓
Net interest as a % of total revenues to be less than 20%	8.3%	✓
Net interest as a % of total annual rates to be less than 25%	13.9%	✓
Liquidity over existing external debt to be at least 110%	132%	✓

Credit Rating

3.12 In September 2013 Council was issued with an AA- credit rating with a stable outlook by Standard and Poor's. This enables Council to take up new debt at lower rates, in particular through the LGFA. It is also seen as a tool to provide a level of constraint and assist Council to set clear financial limits.

Counterparty Credit Risk

3.13 Council's policy is that NZ Registered banks must have a minimum Standard & Poor's (or equivalent) short term rating of A-1+ or long term rating of AA-. All counterparty banks are Standard & Poor's AA- rated.

3.14 The policy credit limit (NZ\$) for each NZ Registered bank is \$30 million. This covers Council's interest rate risk management instruments and cash investments.

Bank	Cash/Cash Investments \$m	Notional Swaps \$m	Credit Exposure \$m	Compliance
Westpac	3.5	60.1	12.0	Within Policy
ASB	8.4	61.7	16.1	Within Policy
ANZ	2.8	0	2.7	Within Policy

4 Investments

4.1 Council cash investments which include disaster funds, self insurance funds and general investments total \$5.65 million dollars with an average interest rate of 3.89% (June 2013 3.83%).

4.2 The individual cash balances are as follows:

	\$ invested	Interest Rate
Rivers Disaster Fund	689,171	3.91%
General Disaster Fund	2,209,877	3.91%
Self Insurance Fund	937,608	4.00%
Port Dividend Fund	1,588,272	3.80%
Pinegrove Trust	207,784	3.80%
Wetlands Fund	15,228	3.80%
Total	5,647,940	3.89%

5 Emissions Trading Scheme

ETS hedging Limits

- 5.1 There have been no new transactions entered into since the last report.
- 5.2 ETS credits are managed in defined time buckets incorporating minimum or maximum hedging.

	Minimum Cover	Maximum Cover	Actual September 2013	Within Limits
*Committed	80%	100%	100%	✓
Forecast period				
0 – 1 years	0%	80%	80%	✓
1 - 2 years	0%	50%	20%	✓
2 – 3 years	0 %	30%	0%	✓

**exposure becomes committed in Jan-Mar (quarter following emission period as Council must report emission from the previous year).*

6 Appendices

Nil

9.9 INFORMATION SERVICES ACTIVITY

Information Only - No Decision Required

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Peter Darlington, Information Services Manager
Report Number:	RFN13-08-04
File Reference:	A501

Item 9.9

1 Summary

- 1.1 Information Services has a Strategic Plan covering 2012-2015. This plan provides the team's strategic direction through to 2016 and integrates with the wider Council Strategic Challenges and programmes.
- 1.2 Information Services staff are involved in a variety of business process improvement projects including the implementation of a process mapping and documentation system called Promapp and the transition of the Building Consent process into electronic format.
- 1.3 The Council electronic document management system has been upgraded to the latest version ahead of a programme for expanding use of the system to better manage documents and files.
- 1.4 A variety of upgrade projects are under way including the IS Disaster Recovery Plan, Top of the South Maps, Asset Management Systems and various business systems.

2 Draft Resolution

That the Corporate Services Committee receives the Information Services Activity Report RFN13-08-04.

3 Information Services Future Strategy and Projects

- 3.1 The Information Services (IS) Strategy 2012-2015 has four Key Strategic Aims. These are to (1) Focus on our Customers, (2) Actively Manage our Information, (3) Build Better Processes and (4) Provide a Solid Base Infrastructure. This Strategy integrates closely with Council strategic improvement programmes, especially customer service and business process improvement.
- 3.2 As per the Strategy, 2014 will see business improvement projects for managing customer service requests, more automated document and work processes, and more information available on mobile devices to improve staff capabilities, decision making and productivity.

4 Business Process Improvement

- 4.1 The ProMapp business process mapping system is being configured in October with key process staff training scheduled for 6-7 November.
- 4.2 Information Services and Records staff continue to work with the Building Services team to transition the processing of building consents into electronic format. The new integrated process is due to be tested from mid December 2013.
- 4.3 Council operates an Ideas Exchange where new and innovative suggestions can be evaluated and, where appropriate, implemented. The system has been live since the beginning of September with a total of 44 ideas being placed into the system of which seven have been passed for implementation.
- 4.4 Information Services Staff have upgraded the Council document management system, SilentOne to the latest version. This will allow for more Council documentation to be linked in to business processes as well as being managed in an electronic environment compliant with the Public Records Act 2005.

5 Geographic Information Systems

- 5.1 The launch of Top of the South Maps version 3 has been delayed from 24 October to 19 November. This is a result of additional Web Services and data being developed between our development partners Napier Computer Systems (NCS) and Geographic Business Solutions (GBS).

6 Projects Update

- 6.1 The 2009 Council Disaster Recovery Plan is being updated for 2014-2018. The new Plan aims to extend protection of Council data and information out of the region and improve recovery times.
- 6.2 Web mapping and Mobile improvements are part of the latest version of the Confirm Asset Management System. These changes are being implemented by the end of December 2013 and will improve the quality of information available to Engineering and Community Development staff as well as consultants and contractors working with Council.

- 6.3 The Environmental Information Wetlands Database has been upgraded to allow for expanded data, more map integration and reporting capabilities.
- 6.4 There are two key corporate system upgrades happening before the end of the year. These are the Corus telephony system and the Engineering DATRAN SCADA system that manages Council pump stations for water and wastewater around the District. These upgrades will improve availability of these systems and lower the risk of catastrophic hardware failure.

7 Appendices

Nil

9.10 HEALTH AND SAFETY

Information Only - No Decision Required

Report To:	Corporate Services Committee
Meeting Date:	7 November 2013
Report Author:	Barbara McDonald, Health and Safety Adviser
Report Number:	RFN13-11-01

Item 9.10

1 Summary

1.1 A summary of health and safety training completed by staff, and accidents/incidents reported from 1 July 2012 to 30 June 2013 are detailed in the report.

1.2 Two contractor serious harm notifications have been sent to the Ministry of Business Innovation and Employment. The serious harm accidents are:

- A member of the public received a broken arm during a controlled blast at the Graham Valley slip site.
- A MWH employee dislocated knee at Mariri Recycling Centre.

1.3 The Health and Safety at Work Bill is being introduced by December 2013 and is expected to be enacted, along with other supporting regulations, by December 2014. Significant changes include redefining who is deemed as being a 'Person in Control of a Business or Undertaking' (PCBU). The changes will place more responsibility on persons in governance positions and executives to ensure that effective health and safety governance is understood and demonstrated by their decisions and leadership.

The Government and Local Government will be expected to lead by example as large employers and purchasers of goods, and a 'star rating' system that could be linked to Government procurement policies is likely to be introduced by December 2014.

Council's Health and Safety Systems will be reviewed to align with upcoming changes and this will commence from early next year.

2 Draft Resolution

That the Corporate Services Committee receives the Health and Safety Report RFN13-11-01.

3 Health and Safety Training

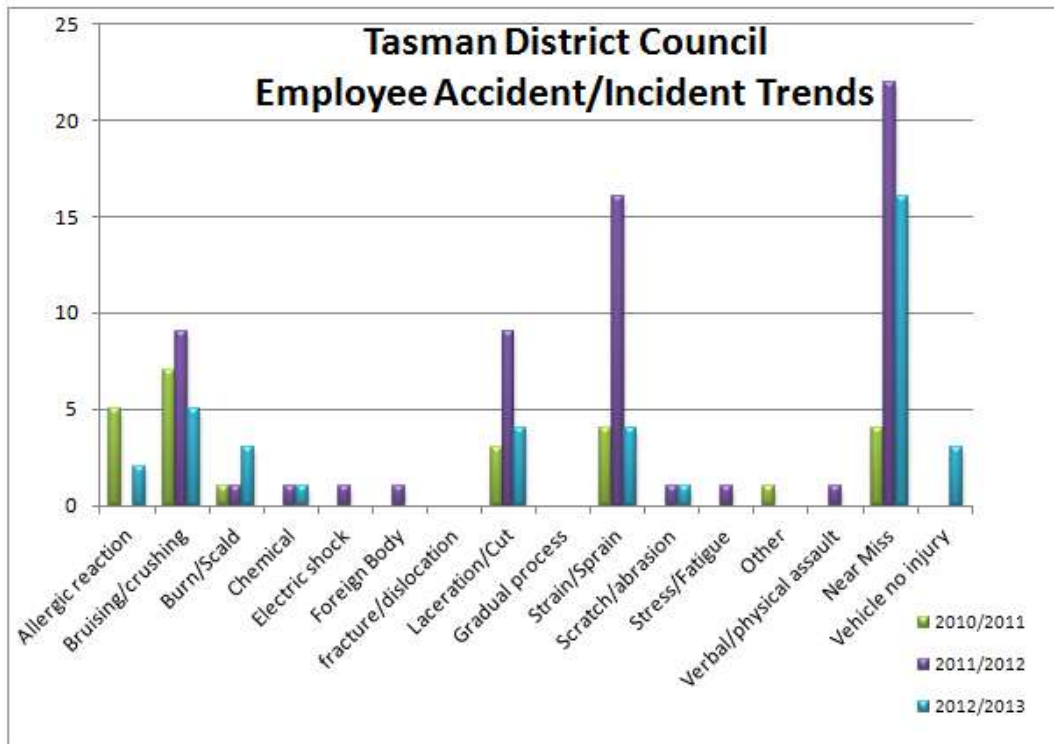
3.1 Training completed from 1 June 2013 to 30 September 2013.

Training	Provider	No of Staff Attended
Driver awareness	Driver safety programmes	16
4WD drive	Driver safety programmes	3
Anti skid	Driver safety programmes	8
First aid refresher	Red Cross	2
Winds of change conference	NZISM & NZOHNA	1

4 Employee Accidents/Incidents

4.1 Between 1 July 2012 – 30 June 2013 there were 39 incidents involving staff. Fortunately none of these resulted in any lost time injuries (LTI's).

4.2 Sixteen (40%) of the 39 reported incidents were near miss (non injury) events. Reporting of near miss incidents is recognised as a primary preventer of lost time injuries occurring.



5 Contractor Health & Safety

5.1 Two serious harm accidents have been notified to the Ministry of Business, Innovation and Employment.

5.1.1 A member of the public received a broken arm at the Graham Valley slip site when he was struck by a flying rock. The injured person had moved from a safe area to get a better view of the blasting being carried out at the site. The Ministry of Business, Innovation and Employment (MBIE) Health and Safety Inspector requested a formal 'duty-holder's review'. MBIE are expected to respond to the incident by the end of October. We are led to believe that MBIE are only taking an interest in the contractor responsible for the blasting and not the Principals involved (Council and Fulton Hogan).

One of the changes introduced recently is that a copy of any formal duty-holder's reviews can be requested from a MBIE Health and Safety Inspector. Employers can be requested to investigate serious harm accidents and MBIE will make their decision on the findings of the employer.

5.1.2 An MWH employee inspecting some work at the Mariri recycling centre tripped and fell, dislocating his knee. This required surgery.

MBIE have not responded to this notification.

6 Health and Safety Committee

6.1 The biennial elections of Health and Safety Representatives has been postponed until February to give time to review any changes to employee participation that the Government may be introducing with the new Act.

7 Managed Council Facilities

7.1 Health and safety compliancy audits of the Motueka Service Centre, ASB Aquatic Centre and the Dog Control Services are due in November.

8 Council Assets

8.1 NZ Fire Service Schemes:

All required schemes have now been completed and approved by the NZ Fire Service.

9 Government Health and Safety Reform Update

- 9.1 The Health and Safety at Work Bill, based on the Australian Model is to be introduced into Parliament in December 2013. A draft of the Act is due to be released to the public late October.
- 9.2 The new Health and Safety at Work Act and supporting regulations are expected to be in place by December 2014, and will start coming into effect from then. There is an emphasis on a risk based approach to managing health and safety, tougher penalties and more responsibility on persons in governance positions and executives to demonstrate effective health and safety governance through their decision making and leadership.
- 9.3 Penalties, responsibilities and definitions for business owners, managers, staff and suppliers will change. There will no longer be Employer; Employee, Principal, Contractor and Person in Control of a Place of Work. This is to be replaced with 'Person in Control of a Business or Undertaking' (PCUB). Briefly, these are people in governance such as Directors and Executives who will be referred to as 'Officers'. It also includes new definitions for Worker and Upstream Suppliers of Goods and Services.
- 9.4 An objective of the Government is to provide leadership in workplace health and safety through the government and local government sectors role as a large employer and purchaser.
- 9.5 A safety star rating scheme is to be developed and introduced by December 2014 and could be linked to the Government procurement policies. This is to pressure companies to improve their health and safety systems in order to tender for Government contracts.
- 9.6 A guideline document for company directors titled 'Good Governance Practices Guideline for Managing Health and Safety Risk's was released in June. The document details health and safety governance responsibilities. A copy has been provided to all Councillors at the 31 October workshop.

Quoting Simon Bridges, Minister for Business, Innovation and Employment

"The legislation will impose a positive duty of due diligence on directors and senior officers to require them to be proactive about health and safety compliance. The duty will lie with the individual so if an officer can show they exercised due diligence they will not be liable regardless of the actions of other officers." – Safe Guard Magazine, October 2013

- 9.7 Council's Health and Safety Systems will be reviewed to ensure that we are meeting our health and requirements at all levels of the organisation to ready us for the upcoming changes.

10 Attachments

Nil

