



## Kawhia Community Board

# AGENDA

2 October 2015

1.00pm

Members of the Kawhia Community Board

Mr CE Jeffries (Chair)  
Ms A Gane  
Mrs DM Pilkington  
Mr AJ Rutherford  
Mr DM Walsh

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

# KAWHIA COMMUNITY BOARD

2 October 2015

Notice is hereby given that an ordinary meeting of the Kawhia Community Board will be held in the Community Meeting Room, Jervois St, Kawhia on Friday 2 October 2015 commencing at 1.00pm.

25 September 2015

**DC Clibbery**  
**CHIEF EXECUTIVE**

## AGENDA

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**PRESENT**

**IN ATTENDANCE**

**APOLOGIES**

**ITEMS TO BE CONSIDERED IN GENERAL BUSINESS**

**CONFIRMATION OF MINUTES – 24 JULY 2015**

**REPORTS**

**Item 66            FUNDING OF POUWE STREET WALKWAY**

**To:**                **Chairman and Members  
Kawhia Community Board**

**From:**           **Chief Executive**

**Date:**            **2 October 2015**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
- 

**Executive Summary**

Issues relating to the funding of the proposed Pouewe Street walkway are discussed.

**Staff Recommendation**

That

1. The report be received.
2. The Board gives consideration to funding any existing budget shortfall for the Pouewe Street boardwalk from the Kawhia Community account.

**Report Discussion**

A tendering process in respect of the construction of the proposed timber boardwalk along a section of Pouewe Street has recently been undertaken.

As has been previously indicated to the Board, some changes to the design of the boardwalk relative to the concepts that were initially presented have been required, in response to a building consent requirement that a handrail is provided, because of the height of the boardwalk above the ground.

This was inevitably going to add to the cost of the project, but it was hoped that if a really competitive tender price was received from a local contractor, it might be possible to stay within the assigned budget of \$100,000.

Unfortunately this has not occurred. A lowest priced conforming tender of \$124,119 was received from a Kawhia contractor, but in addition to this there will be other costs associated with design, consultation, acquisition of building and resource consents, and driving of a couple of 'test' piles to check ground conditions, tendering and project management that are likely to total around \$20,000.

As such we are currently looking at a project cost of around \$144,000, against the \$100,000 budget. The Contract Awarding Committee discussed the project and agreed that the contract could not be awarded at that level of cost.

It is however believed that a potential saving could be made on the tender price, since the design included a high quality timber and aluminium deck surface, for which a more conventional and lower cost wooden deck surface with overlaid mesh might instead be substituted.

Council staff are currently seeking a revised price from the lowest price tenderer based on this alternative specification, and it is believed that this might reduce the overall cost by between \$10,000 and \$15,000.

Even if such a saving was achieved, it would still leave the project at least 25% over budget, and the awarding committee would not be comfortable to confirm the awarding of the contract without seeking the formal approval of Council at its meeting of 20 October.

The \$100,000 budget for the project is from the roading account, and is district funded, without NZTA subsidy. Some major road failures have already occurred in the new financial year with substantial associated unbudgeted costs, and as such Council is not currently well placed to absorb further additional costs if it is to stay within its overall budget.

Council's previous agreement to provide the \$100,000 budget allocation was also perhaps unusual and only occurred through the strong persuasion applied by Kawhia's ward Councillor. As such it is suggested that it should not be assumed that Council would necessarily support increasing this budget by a further \$25,000 to \$30,000.

A further issue is that if decision making is delayed until the Council meeting of 20 October, it will probably become difficult to tidily complete the project in time for this year's peak summer season. This is not considered to be a critical factor, but it is believed that there is an expectation in place for such completion prior to Christmas.

There is a potential solution to the delay and uncertainty associated with Council making a decision on this matter, which is for the Kawhia Community to fund the shortfall. There is currently a positive balance of approximately \$25,000 in the Kawhia Community account which could, if desired be used for this purpose.

**DC Clibbery**  
**CHIEF EXECUTIVE**

**Item 67            REVIEW OF CAMPING SITE RENTAL**

**To:                    Chairman and Members  
                         Kawhia Community Board**

**From:                Environmental Services Manager**

**Date:                 2 October 2015**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Promote the local economy and opportunities for sustainable economic development
- 

**Executive Summary**

A review of rental for the Council owned portion of the Kawhia Camping Ground is proposed.

**Staff Recommendation**

That

1. The report be received.
2. The annual rental for the Council owned portion of the Kawhia Camping Ground is increased to \$5735 + GST, to have effect from the next rental review in October 2016.

**Report Discussion**

The Kawhia Camping Ground is located between Waiwera Street and Moke Street and covers an area of 0.61 hectares. This area comprises six parcels of land. The ownership and description of those parcels is recorded as;

- **Lots 32 and 34 DPS 1982** leased from the Maori Trustee on behalf of the Maori owners;
- **Lot 33 DPS 1982** a freehold section leased from the Otorohanga District Council;
- **Lots 30 and 31 DPS 1982**, public reserve for camping purposes vested in the Kawhia Town Board in 1930 and now leased from the Otorohanga District Council; and
- **Unformed road reserve (Apakura Street)** over which the leaseholder enjoys exclusive use rights under a Licence to Occupy.

The lots are shown on the plan overleaf.

For approximately 40 years prior to 1998 the campground had been operated by managers appointed by Council under lease or rental arrangements.

Records indicate that Council held the Leasehold interest in the Maori Trustee sections and owned all the buildings and fixtures on the land. The land and buildings were leased (and sub-leased) to the camp managers. By the late 1990's the deteriorating condition of the facilities at the camp resulted in a review of the ownership of the property and options were discussed for its future management.



In 1998 a leaseholder was chosen to operate the camp ground under a new arrangement. Council sold its leasehold interest in the Maori Trustee sections, entered into a 33 year lease for the three lots it owned and approved a licence to occupy linked to the operation for the camping ground for the unformed road reserve (Apakura Street).

The buildings and fixtures were sold to the leaseholder, the strategy being that a 30 year lease and ownership of the buildings would help ensure the business was run in a more commercial manner and thus provide a better facility to campers.

### **Rental Review**

Since 1998 the Kawhia Camping Ground has changed ownership twice. The sale of this business reflects the complexity of the various holdings and involves the transfer of the Maori Trustee lease, the Otorohanga District Council lease, the licence to occupy unformed road and the sale of the buildings and fixtures.

Part 1 of the deed of lease covers the Rental and rental review. It set the value of the initial rental in 1998 and made provision for rental reviews every three years until 2028. The next review date is October 2016.

Part 1 further states that the Landlord (when reviewing the rental) may consider the rent “to be 5% of the capital value of the land including improvements excepting however any improvements the property of the Lessee” – i.e. buildings and fixtures.

This brings me to the reason for reporting this issue to the Board. In the ensuing 17 years since the signing of the lease there has not been a review of the rental and over this time the capital value of the land has increased fourfold. In rounded figures the current rental is \$2250 per annum which would have been based on a capital value of the land of \$45,000 in 1998. This corresponds with rating information from 1999.

It must be stated that this matter is no fault of the Lessee as the responsibility to initiate a rental review lies with the Landlord. It is believed that a previous Kawhia Community Board had

considered that there were grounds not to review the rental as set out in the lease, as to do so could potentially place an additional financial burden on the operation of the camp site that might make it uneconomic, which was not in the best interests of the community. It is however now so long since the rental was set that it seems essential that some adjustment is made.

The current land values for Sections 30, 31 and 33 total \$185,000 which then equates under the method stated in Part 1 to an annual rental of \$9250 for the Council owned land. In addition to this there have been, and may continue to be, increases in the rental payable for the Maori owned lots within the site, further increasing the overall cost to the business.

Whilst there is no doubt that a review of the rental for the Council land is long overdue, consideration must be given to the effect that the imposition of a very large increase in rent will have on the viability of the business and the flow on impact for Kawhia.

Advice on options between the two extremes of a full cost adjustment to maximum rental and no increase has been considered. It may be prudent for Council to seek an assessment of a market related ground rental. This advice would however have to take account of current market conditions and the vagaries of operating a seasonal business such as a campground in Kawhia.

As members will be aware there have been widely divergent opinions on what are appropriate rental levels for Maori lease residential properties in Kawhia, and the assessment of a rental for a business site is perhaps even more difficult, and as such the figures that may come from such an assessment process would be best considered as indicative only.

Regardless of the outcome of such a review there is likely to be a very large increase in rental and consideration could then be given to staging the increase over several years or two review periods.

The Board will be aware that there are five operations, including the Kawhia Camping Ground in the immediate vicinity of Kawhia catering to the camping and campervan market. The other four businesses are all on freehold title and any adjustment or discount that favours the leaseholder may be seen by some parties as a rate payer subsidy for a private business. It is in part because of this competition that it is considered appropriate for this matter to be discussed openly.

The counter argument is of course that during January and February, when Kawhia 'bulges at the seams', camp space is at premium and there are associated benefits to the community in having sufficient accommodation to meet this demand.

Another item in this mix is the unformed road. It is bound to the camping ground by a Licence to Occupy which gives the leaseholder exclusive use while the camping ground is in operation. It is the area of a large section (1400m<sup>2</sup>) and has a land valuation of \$85,000.

The leaseholder does not pay rental on this land but does pay annual rates. The zero rent recognises the restricting conditions in the Licence i.e. no term; 30 day notice of cancellation; remove all buildings and fixtures upon expiration, etc.

It could be argued that the free use of this land (albeit with conditions) which has a potential current rental value of \$4250 per annum when assessed under the criteria of Part 1 of the lease, is in effect a further discount on the rent.

A further item to perhaps consider is what else might be done with the parcels of Council land if they were not used as a camp site:

- Lot 33 is a freehold section which could be sold, but its only road frontage is to Waiwera Street up a bank so steep as to make use of this access impractical, and as such its saleability as a separate lot is questionable.
- Lots 30 and 31 are classified as reserve, but this reserve classification could potentially be uplifted and the land sold, but at some cost to Council.
- The road reserve land (Apakura Street) could not realistically be sold, as it is needed to provide access to Lots 31, 32 and (for practical purposes) Lot 34.

As such it would not be possible to extract some of the value from this land that is implied by its valuations, and as such corresponding linkages to rental are perhaps also similarly flawed.

It should also be noted that the disposal of any of the Council owned land would almost certainly substantially (if not totally) diminish the potential for the remainder of the site to be effectively operated as a camp ground, which might have an adverse effect on the community.

### **Conclusion**

Setting an appropriate rental for the Council land is not straightforward, as there are conflicting imperatives of economic benefit to the community, and fairness to other accommodation businesses.

It is suggested that in this situation an appropriate initial step would be to move to an approximate 'half-way point' between the current rental (1.2% of capital value) and that provided for in the lease document (5% of capital value). This mid-point corresponds to 3.1% of capital value, which is a rental of \$5735 per annum. Whilst this may seem a substantial increase, to rise by less would seem to be inadequate.

**Andrew Loe**  
**ENVIRONMENTAL SERVICES MANAGER**

**Item 68**                    **DRAFT MANAGEMENT ACCOUNTS FOR THE PERIOD ENDING 30 JUNE 2015**

**To:**                        **Chairperson & Members  
Kawhia Community Board**

**From:**                    **District Accountant**

**Date:**                    **2 October 2015**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Promote the local economy and opportunities for sustainable economic development
  - Foster an involved and engaged Community
- 

**Executive Summary**

The Draft Management Accounts for the period ended 30 June 2015 are attached under separate cover.

**Staff Recommendation**

It is recommended:

That the Draft Management Accounts for the period ended 30 June 2015 be received.

**Brendan O'Callaghan**  
**DISTRICT ACCOUNTANT**

**Item 69                    KAWHIA KAPA HAKA FESTIVAL**

**To:                            Chairperson & Members  
                                 Kawhia Community Board**

**From:                        Engineering Manager**

**Date:                        2 October 2015**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Provide for the unique history and culture of the District
  - Promote the local economy and opportunities for sustainable economic development
  - Foster an involved and engaged Community
- 

**Executive Summary**

Permission is requested to hold the Kawhia Tangata Super 12 Kapa Haka Festival in Omimiti Park, Kawhia on Saturday 24 October starting from 11am and finishing no later than 4pm.

**Staff Recommendation**

It is recommended:

That permission be granted for Kawhia Tangata Super 12 Kapa Haka Festival to take place in Kawhia at Omimiti Park on Saturday 24 October between the hours of 11am and 4pm subject to the area being left in a clean, tidy and undamaged condition.

**Report Discussion**

The inaugural Kawhia Tangata Super 12 Kapa Haka Festival, organised by Kaiwe Māori Women's Welfare League, is scheduled for 24 October 2015 and the organisers would like it to take place in Omimiti Park which is the preferred venue in Kawhia for events of this nature. The purpose of the event is to promote, foster, develop and encourage participation within Kāwhia Moana all aspects of the Māori Performing Arts. Invitations have been sent to all schools within the Kāwhia harbour as well as surrounding districts including Hamilton. Age groups are intermediate down, so 13yrs and younger.

The organisers will also be encouraging participating schools to set up food stalls to feed competitors and visitors.

The organisers have secured the use of a mobile stage which they will erect and dismantle and are aware of the need to make sure that the park is not damaged by this process.

The planned location of the stage is shown in the following image.



**Roger Brady**  
**ENGINEERING MANAGER**

**Item 70                    KAWHIA STONE CARVING DEMONSTATION - LABOUR WEEKEND 2015**

**To:                         Chairperson & Members  
                              Kawhia Community Board**

**From:                     Engineering Manager**

**Date:                     2 October 2015**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Provide for the unique history and culture of the District
  - Promote the local economy and opportunities for sustainable economic development
  - Foster an involved and engaged Community
- 

**Executive Summary**

Permission is requested to hold stone carving demonstrations near Omimiti Park, Kawhia across Labour Weekend on 23, 24, 25 and 26 October starting from 9am and finishing no later than 5pm.

**Staff Recommendation**

It is recommended:

That permission be granted for the Kawhia Stone Carving Club to hold stone carving demonstrations in Kawhia at Omimiti Reserve on Friday 23, Saturday 24, Sunday 25 and Monday 26 October between the hours of 9am and 5pm subject to the area being left clean, tidy and in an undamaged condition with no stone chips left in the grass.

**Report Discussion**

This demonstration took place last year and was well received. The demonstration will entail setting up a small number of work stations in a location isolated from the general public by posts and safety tape where visitors can watch the stone carvers and see the various stages resulting in the finished product. Drop cloths will be used to capture any stone chips and these will be cleaned every evening.

The planned location of the area to be used is shown in the following image.



**Roger Brady**  
**ENGINEERING MANAGER**

**Item 71                    KCB MATTERS REFERRED FROM 24 JULY 2015**

**To:                         Chairperson and Members  
                              Kawhia Community Board**

**From:                     Governance Supervisor**

**Date:                     2 October 2015**

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**Executive Summary**

**1.     BOARD MEMBERS**

26 September 2014

- i.     To give consideration to Council's 'New Resident' Pack, in particular to inserting issues of a local nature.

**2.     CR PILKINGTON**

24 July 2015

- i.     To raise the matter of the Driver Training Programme for youth in Kawhia at the next meeting of the Otorohanga District Development Board.

**3.     ENGINEERING MANAGER**

29 May 2015

- i.     To investigate the issue of power meters at each individual shed on the Kawhia Wharf.

24 July 2015

- ii.    To report back to the Board on part of the content of the Engineering Support Officer's report on Temporary Road Closures in particular, regarding not-for-profit organisations having to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965, the request that these requirements be waived.

**4.     ROADING MANAGER**

24 July 2015

- i.     To investigate further the suggestion of providing a pedestrian crossing from the end of the Kawhia shops to the Kawhia library.

**CA Tutty**  
**GOVERNANCE SUPERVISOR**

**GENERAL**

**MOTION TO EXCLUDE THE PUBLIC**

**ITEM 72            WAIWERA STREET VALUATION    CONFIDENTIAL**

**Reason for Confidentiality**

	<b>Grounds</b>	<b>Reason</b>
	Section 48(1) of the Local Government Official Information and Meetings Act 1987, which permits the meeting to be closed to the public for business relating to the following grounds: -	Subject to sections 6, 8 and 17 of the Local Government Official Information Act 1987, the withholding of the information is necessary to:
<b>WAIWERA STREET VALUATION CONFIDENTIAL</b>	48(1a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.	7(2i) Enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).