



Otorohanga District Council

# AGENDA

18 March 2014

**10.00am**

Members of the Otorohanga District Council

Mr MM Baxter (Mayor)  
Mr RM Johnson  
Mrs RA Klos  
Mr KC Phillips  
Mrs DM Pilkington (Deputy Mayor)  
Mr R Prescott  
Mr TD Tindle  
Mrs AJ Williams

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

# OTOROHANGA DISTRICT COUNCIL

18 March 2014

Notice is hereby given that an ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 18 March 2014 commencing at 10.00am.

11 March 2014

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

## AGENDA

**11.00am**            ***Stock Movement Bylaw 2014 Submissions***  
***Estimates Workshop to follow on from Council meeting***

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**PRESENT**

**IN ATTENDANCE**

**APOLOGIES**

**OPENING PRAYER**

**ITEMS TO BE CONSIDERED IN GENERAL BUSINESS**

**CONFIRMATION OF MINUTES – 18 FEBRUARY 2014**

**REPORTS**

**Item 51            KAWHIA COMMUNITY BOARD MINUTES FOR 24 JANUARY  
2014**

**To:                His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:            Governance Supervisor**

**Date:             18 March 2014**

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**Executive Summary**

Minutes of the meeting of the Kawhia Community Board held on 24 January 2014 as circulated.

**Staff Recommendation**

It is recommended that:

The minutes of the meeting of the Kawhia Community Board held on 24 January 2014 be received.

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

**Item 52**            **OTOROHANGA COMMUNITY BOARD MINUTES 13 FEBRUARY 2014**

**To:**                **His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:**            **Governance Supervisor**

**Date:**             **18 March 2014**

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**Executive Summary**

Minutes of the meeting of the Otorohanga Community Board held on 13 February 2014 as circulated.

**Staff Recommendation**

It is recommended that:

The minutes of the meeting of the Otorohanga Community Board held on 13 February 2014 be received.

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

**Item 53            ELECTRONIC DOCUMENT PROVISION**

**To:**                **His Worship the Mayor and Councillors  
Otorohanga District Council**

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

**Date:**             **18 March 2014**

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**Relevant Community Outcomes**

- Foster and involved and engaged community
  - Ensure services and facilities meet the needs of the Community
- 

**Executive Summary**

It is proposed that Council moves to a system of electronic provision of meeting documents for Councillors.

**Staff Recommendation**

It is recommended that:

iPads and an associated document distribution system are obtained in Council's 2014/15 financial year for the use of Councillors, Council's three senior managers and the Governance Supervisor, to view documents in meeting situations.

**Report Discussion**

The provision of meeting documents to elected members in electronic rather than paper form is becoming increasingly common. Many councils have already made the change, and others are considering it.

The primary factor driving this change is believed to be one of economics, particularly for larger councils that have frequent meetings of both elected bodies and their sub-committees, with relatively lengthy order papers. As discussed later in this report this factors is not so significant for this council, and it is instead issues of administrative efficiency and (perhaps most importantly) timeliness of document provision that that are considered the motivating factors for ODC to consider such a change.

**Form of Electronic Document Provision**

Consideration of the options available and the direction that has been taken by other councils suggests that electronic documents would be best provided to elected members through the use of iPad tablet computer devices that could connect via the internet to a document distribution system ('Drop Box') at Council from which copies of documents could be down loaded, probably in PDF format.

The tablets would be leant to Councillors on a fully council funded basis for the term of their office with a limited standard IT setup that is focused on document receipt only, without provision of many other applications.

It is envisaged that the iPads would be provided with detachable keypads that aid efficient note taking etc, should a Councillor wish to do so.

Such a strategy of a council-owned common hardware platform for all Councillors would be simpler than having a scheme that allowed (and subsidised) Councillors use of devices that

they owned, because of the variations that may occur between devices and associated differences in support requirements.

It is however not considered out of the question that particular Councillors could, if they wished, make use of devices of their own that were deemed to be appropriate by Council's IT staff, with a fixed subsidy (set at or below the cost of council owned tablets) being paid.

The decision on whether such a 'bring your own device' approach would be permitted is however considered a secondary one.

Regardless of the form of hardware platform that was decided upon some initial training (probably between 1 and 2 hours) would be required to instruct Councillors in the use of those devices for council meetings.

It is not envisaged that council would supply and devices other than tablet computers. If a Councillor wished for example to have a printer, the cost of ownership and operation would fully lie with the Councillor.

### **Cost Issues**

The cost for printing the material that is typically presented at a council or community board meetings is modest, typically less than \$2 per person per meeting. Mail costs are also small, and as such the likely cost of providing these documents to all Councillors and senior staff (including associated staff time) is unlikely to significantly exceed \$100 per meeting.

Based on current meeting frequencies the total cost additional associated with providing paper meeting documents to Councillors and senior staff may therefore be in the order of \$3,000 per annum.

This is only a very small portion of the overall cost associated with meeting documentation, with much larger amounts spent on report preparation and the taking, review and presentation of minutes.

An iPad costs around \$800 per device, and if assumed to have a functional life of 5 years, with minimal other device operating costs, might have an annualised cost of \$160 per year. This, multiplied by the number of such devices, gives an annualised cost of approximately \$2000.

The estimated digital distribution costs' of all these documents using a Dropbox is \$1,400 a year. To this must be added the licensing fee for the document handling software of \$300 per year.

As such the estimated total annual cost of electronic document distribution is in the order of \$3,700 per annum.

Because of the rough assumptions made in arriving at these figures, it is suggested that the similar estimated annual costs of \$3,000 and \$3,700 for paper and electronic document distribution respectively indicate that for practical purposes the choice between the options is cost-neutral.

The total cost for the introduction of electronic document provision in the first year (which includes the initial purchase of the devices, software and training) is estimated to be in the order of \$12,000, which would need to be included in budget estimates for the 2014/15 financial year.

### **Other Issues**

As indicated previously, it is considered that the justification for a change to electronic document provision arises from issues other than cost, which include:

- **Timeliness of Document Provision**

For some rural Councillors living in more remote areas the delays associated with postal delivery of meeting agendas (which can amount to 3 days or more) are sometimes problematic.

Use of an electronic system should significantly reduce the frequency of occasions when agendas are only received shortly before a meeting.

- **Administrative Simplicity**

Though it may not be significantly more costly than use of an electronic distribution system, the preparation and postage of paper documents does create additional administrative steps that are not desirable. The ability for documents to be placed straight into a 'dropbox' with a few keystrokes after compilation would clearly be advantageous.

- **Compatibility with Other Organisations**

Many of the other significant entities with which Councillors may deal have moved to electronic document distribution, and this is sometimes reflected in the size of meeting documents, which often include substantial attachments which it is suspected might not have been so readily distributed if they had to be printed.

To attend the meetings of these entities whilst reliant on paper copies of documents often requires the printing of several hundred pages, of which a substantial proportion may have limited relevance to the discussion that actually occurs.

In such circumstances the ability to access electronic copies of documents at such meetings has definite advantages.

### **Potential Extension to Community Boards**

At this stage it is proposed that devices for electronic document distribution are only made available to Councillors, because of the greater volumes of documents that they receive.

Depending on the success of this, provision of devices might in the future be extended to Community Board members. It should however be immediately practical for a Community Board member who owns a suitable device to make use of this to access a relevant area within the 'Drop Box'.

### **Continuing Need for Paper Copies**

It should however be noted that even if Councillors and Community Board members were move to a paperless document system, there will still probably be a continuing need for the printing of paper copies of agendas and minutes if council continues with its existing practice of routinely providing such documents to any parties who request them.

Whilst this would be a rather unsatisfactory duplication of effort, it is suspected that some of the relatively few parties who currently receive copies of these documents might not be comfortable with this service being replaced with some forms of electronic access.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

**Item 54                    REGIONAL POLICY STATEMENT – DELEGATED AUTHORITY  
TO ENVIRONMENTAL SERVICES MANAGER**

**To:                        Mayor and Councillors  
Otorohanga District Council**

**From:                    ENVIRONMENTAL SERVICES MANAGER**

**Date:                    18 March 2014**

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**Relevant Community Outcomes**

- Manage the natural and physical environment in a sustainable manner
  - Foster an involved and engaged Community
- 

**Executive Summary**

Following mediation a number of appeals against the Waikato Regional Council, Regional Policy Statement (RPS) have been resolved. Consent documents confirming these policy decisions will shortly be circulated for signing. A resolution is required in order to grant delegated authority to the Environmental Services Manager to sign the memorandums on behalf of Council.

**Staff Recommendation**

It is recommended that:

The Environmental Services Manager is granted delegated authority to sign consent memorandums relating to the Waikato Regional Policy Statement on behalf of the Otorohanga District Council.

**Report Discussion**

A number of appeals against the Waikato Regional Council, Regional Policy Statement (RPS) have been resolved. Consent documents confirming these policy matters will shortly be circulated for signing. A resolution is required in order to grant delegated authority to the Environmental Services Manager to sign on behalf of Council.

**REPORT**

The Proposed Waikato Regional Policy Statement was publically notified in August 2010. This document caused such concern amongst District Councils in the region that several Councils including Otorohanga agreed make a joint representation against those matters in the RPS which they felt had the potential to place undue restrictions on ratepayers and the operation of Council functions. A Regional Policy Statement is a very high level planning document, sitting only below the Resource Management Act and National Policy Statements. Lower level planning documents such as District Plans are required to give effect to matters contained in a RPS.

The Joint Working Party (JWP) which included Waitomo, Otorohanga, South Waikato, Matamata-Piako, Hauraki and Thames Coromandel District Council made an extensive submission on the RPS. The JWP engaged Auckland barrister Simon Berry to represent the Councils at the Hearings which ran from mid-February to June 2012. Following deliberations by the commissioners a Decisions version of the RPS was released in November 2012.

Upon reviewing the changes contained in the decision version of the RPS the JWP was satisfied that their representation had resulted in substantive amendments to the policy

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document and that the resources and cost of further appeal would not produce any additional demonstrable benefits for the member Councils. However all agreed that it was important that the 'wins' achieved through the submission process were to be protected from watering down or deletion in the negotiations that occur as parties attempt to mediate and resolve appeal points. The JWP monitored all the appeals lodged on the decision version of the RPS and joined those appeals in which one or all Councils had an interest as a s274 party. This meant the Councils retained an active involvement in the negotiations and final wording of the policy document.

The final draft of several appeals has now been agreed upon and the consent documents are being prepared for signing and lodging with the Environment Court. The Environmental Services Manager has been Councils representative on the staff technical group supporting the JWP so it is appropriate that he be authorised to sign the consent documents on Councils behalf.

### **SUMMARY OF APPEALS**

The following appeals have been resolved, with consent documents either currently being or shortly to be circulated (the JWP are not involved in all the topics with consent documents being circulated below).

1. ENV-2013-313-000016: Air topic - consent documents to be circulated
2. ENV-2013-313-000028: Geothermal topic - consent documents to be circulated
3. ENV-2013-313-000029: Heritage topic - consent documents to be circulated
4. ENV-2013-313-000036: Soil contamination topic - consent documents to be circulated
5. ENV-2013-313-000015: Integrated approach topic - consent documents to be circulated
6. ENV-2013-313-000019: Access to minerals topic - consent documents to be circulated
7. ENV-2013-313-000024: Coastal topic - consent documents to be circulated
8. ENV-2013-313-000033: Natural hazards topic - consent documents to be circulated
9. ENV-2013-313-000035: High class soils - consent documents to be circulated
10. ENV-2013-313-000034: Soil values topic - consent documents to be circulated
11. ENV-2013-313-000032: Natural character topic - consent documents to be circulated
12. ENV-2013-313-000014: Energy topic - consent documents to be circulated
13. ENV-2013-313-000030: Indigenous biodiversity topic EDS only outstanding appeal on Maui Dolphins – does not involve us, consent documents to be circulated
14. ENV-2013-313-000023: Development principles topic - consent documents to be circulated
15. ENV-2013-313-000021: Future Proof land use pattern topic - JWP not involved in this appeal

The following appeals have not been resolved but there is currently no action as the JWP have provided a response and are waiting for the next reporting memorandum

16. ENV-2013-313-000013: Industry recognition topic - Industry Recognition – have provided our response, waiting on a further reporting memo from WRC on 14 March and/or consent documents on resolved appeals
17. ENV-2013-313-000017: Planned and co-ordinated development topic - NTC (regarding 6.6(a), policy 6.1 and 6.6.1(a)(ii)(aa)), HCC (regarding 6.1.1.7(j)), NZTA (regarding Policy 6.3 and definition). JWP had an interest in the NZTA appeal regarding 6.3 and definition, we have provided a latest response to WRC, waiting for the reporting memo of 14 March to see where this lands.
18. ENV-2013-313-000018: Significant infrastructure topic JWP not involved in these appeal points remaining under this
19. ENV-2013-313-000022: Commercial hierarchy topic further reporting date of 16 February given, JWP not involved in these appeal points under this topic

The following appeals have not been resolved and the JWP have varying levels of interest as specified below:

20. ENV-2013-313-000020: Growth strategies (non-Future Proof) topic – the only appeal outstanding is the National Trading Company  
The JWP didn't join the National Trading Company appeal as a 274 party, so we shouldn't have to take part in any hearing.
21. ENV-2013-313-000025: Fresh water bodies topic; and ENV-2013-313-000026: High values fresh water bodies topic EDS (policy 8.2 and method 8.4.3) and Watercare (8.2 and related methods) JWP not involved in these specific appeal points under this topic
22. ENV-2013-313-000027: Water allocation topic - EDS (objective 3.14(a) and method 8.6.1(da) and Fonterra (policy 8.6 and method 8.6.1) JWP not involved in these specific appeal points under this topic.
23. ENV-2013-313-000031: Landscapes topic Fonterra – (policy 12.4(e), policy 12.1, 12 B criteria), EDS (policy 12.1 and method 12.1.1). The JWP have responded re landscapes, some matters are resolved.

**AR Loe**  
**ENVIRONMENTAL SERVICES MANAGER**

**Item 55                    MAKING OF STOCK MOVEMENT BYLAW 2014**

**To:                        His Worship the Mayor & Councillors  
                              Otorohanga District Council**

**From:                    Engineering Manager**

**Date:                    18 March 2014**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
- 

**Executive Summary**

It is proposed to make the Otorohanga District Stock Movement Bylaw 2014 largely in accordance with the previous Statement of Proposal, with the only exception being a change to permit temporary 'high impact' stock crossings following a significant change of land ownership or use until an underpass is installed.

**Staff Recommendation**

It is recommended that:

1. The Otorohanga District Stock Movement Bylaw 2014 is made in accordance with the Statement of Proposal, except that:
  - a). A change is made to Clause 4 of Appendix 2 of the Third Schedule of the Proposed Bylaw, as described in this report.
  - b). If legal advice indicates it to be required, changes are made to the Penalties provisions of the Bylaw to give effect to the highest level of penalties that are legitimately applicable.
2. That should the applicable penalties in respect of 1 b). above be significantly lower than initially proposed, that Council staff adopt a stronger approach to enforcement of the Bylaw, particularly in relation to underpass requirements, as outlined in this report.
3. The new Bylaw shall come into effect on 1 April 2014.
4. That upon making the new Bylaw, the Otorohanga District Stock Movement Bylaw 2006 is revoked.

**Report Discussion**

At its meeting on 19 November 2013 Council resolved to invite submissions on a proposal to make a new Stock Movement Bylaw in response to a need to review the existing Otorohanga District Stock Movement Bylaw 2006.

A proposal to make such a new Bylaw was notified for public submissions on 26 November 2013 with the period for submissions closing on 6 January 2014. This closing date was subsequently revised to 17 January 2014 in recognition of the fact that the statutory closure over the Christmas/New Year period made the submission period less than that required by the Local Government Act.

Only relatively minor changes to the existing bylaw were proposed, the most significant of these being an increase of penalties and a prohibition of 'at grade' (across road) cattle crossings with assessment indexes above 30,000.

## **Submissions**

Two Submissions on the proposed bylaw have been received, from Meadowview Farm and Federated Farmers. The submissions are attached. Federated Farmers have indicated that they wish to attend the meeting and speak to their submission. Meadowview Farm have indicated that they will attend but do not wish to speak.

The submission of Meadowview Farm makes some comments in respect of the particular circumstance of their farm in respect of the bylaw, but does not suggest any particular changes to the bylaw.

The key points raised in the Federated Farmers submission are listed below.

### **Federated Farmers Submission**

The submission makes a number of points that are may warrant discussion:

#### **Increased Penalties**

A desire is expressed that Council will not be 'heavy handed' in making recourse to the increased bylaw penalties, but also recognises that Council has previously attempted to resolve relevant matters through informal contact.

It has certainly not been the intention of Council staff to change the way in which these matters are approached, with the exception of those very few instances where there has been persistent non-compliance, where firmer action is perhaps overdue.

#### **Issues Regarding Leased Land**

It is recognised that in this case the different ownership of land may make underpass installation more complex. It is however considered that where leasing of land takes place the key issues being addressed by the bylaw (road traffic safety, nuisance and potential damage to the road) are exactly the same as when the land is owned, and it is extremely difficult to justify having different provisions under the bylaw for the two scenarios.

Where a lease of land occurs it is presumed that it benefits both the lessor and the lessee and both parties therefore should have incentives to do what is necessary to make the lease possible, including the installation of an underpass if that is required.

That the bylaw makes no distinction between owned and leased land is not new, and has been in place since it was introduced in 2007.

#### **Prohibition of 'High Impact' Stock Crossings**

Federated farmers have also raised the possibility of there being some form of short term interim permit to address situations where development of a farm may require a stock crossing activity that exceeds the 30,000 index value.

This was considered a reasonable request.

Under the proposed bylaw no stock crossing permit would be issued where the assessment index (the product of stock and traffic numbers and crossing use frequency) exceeds 30,000.

An example of where this could be unreasonably limiting is where a farmer purchases land which creates a new situation where the 30,000 index would be exceeded, since there would then almost certainly be some delay (a few months at least) from the time that the land is purchased until an underpass can be installed. The inability for stock to cross the road over this period could have a significant negative impact on the farm operation.

Whilst it might be possible for some form of agreement to be made between the land seller and buyer that enabled an underpass to be installed prior to the final transfer of the land, this is probably undesirably complex.

It therefore appeared that a change to Clause 4 of Appendix 2 of the Third Schedule of the Bylaw could be made, replacing the current clause (below in italics):

*4). If a first application for a permit for a new crossing activity is made (or was made under the Otorohanga District Council Stock Movement Bylaw 2006) after the date calculated for underpass installation in respect of that activity has either already been passed, or if the calculated date for underpass installation is less than eighteen months after the date on which the crossing permit becomes effective, then a period of two years from the date of this first application will be provided for installation of an underpass, if the Assessment Index for that crossing activity is equal to or above 10,000 but less than 30,000. If the Assessment Index is 30,000 or above an underpass will be required immediately.*

With the following, with the revised words underlined:

*4). If a first application for a permit for a new crossing activity is made (or was made under the Otorohanga District Council Stock Movement Bylaw 2006) after the date calculated for underpass installation in respect of that activity has either already been passed, or if the calculated date for underpass installation is less than eighteen months after the date on which the crossing permit becomes effective, then a period of two years from the date of this first application will be provided for installation of an underpass, if the Assessment Index for that crossing activity is equal to or above 10,000 but less than 30,000. If the Assessment Index is 30,000 or above an underpass will be required immediately, except where the need for the crossing activity has, to the satisfaction of Council's Engineering Manager, arisen from changes in land ownership or control that have occurred within the past 6 months, in which case a period of six months from the date of this first application will be provided for installation of an underpass.*

It is suggested that this revision, whilst intended to provide a greater degree of flexibility, will need to be effectively enforced, and that the six month period for installation of the underpass strictly applied. It would be most unsatisfactory to have large volume stock crossings on the district's busiest roads for anything other than a very short period, and an extremely high and consistent level of compliance with other 'at grade' stock crossing requirements (traffic warning, stock control, road cleaning etc.) would be expected.

It is also stressed that the short-term use of 'at grade' stock crossings with index numbers above 30,000 would only be permitted where a significant change of land ownership or use (i.e. leasing) has taken place that necessitates such a crossing.

Where such a change has not occurred it will be assumed that the farmer has had an adequate opportunity for advance installation of an underpass for such 'high impact' situations.

### **Legitimacy of Increased Penalties**

Subsequent to the closing of submissions, an issue has been raised in respect of whether the proposed increased penalties are legitimate. This issue is based on the fact that for a bylaw of non-specific type made under the Local Government Act, penalties of up to \$20,000 are applicable for a breach, whilst under the Land Transport Act and associated regulations a bylaw that addresses the matters covered by this Bylaw can only have a much lower level of penalties, of \$1,000 or less.

In the preamble to the proposed Bylaw (as there was in previous ODC Bylaws of this type) there is reference to the Bylaw being made under provisions of both the Land Transport Act and the Local Government Act, and a question therefore arises as to which of these Acts takes precedence in respect of limits on penalties.

It is helpful that this issue has been raised before any final decisions have been made on the form of the Bylaw, as it would have been most unsatisfactory to have made the Bylaw, only to have potentially later found that some provisions were not legitimate. A legal opinion on whether this is the case is currently being obtained, but at the time of writing this report has not yet been received.

The possibility that the proposed higher levels of penalty may not be applicable does however raise some broader issues in respect how the intent of the changes to the bylaw can be given effect.

There is also considered to be a relevance of penalty provisions to the suggested temporary permitting of 'high impact' stock crossings, ie those with an assessment index of over 30,000.

From previous discussions of Council it is believed that there is already a degree of unease with the prospect that frequent crossings of large numbers of stock across the busiest roads in the District – such as Ouruwhero Road for example – might continue to be allowed to occur as of right, even if this right was for a limited period.

To do so without strong incentives to ensure that this limited period was not exceeded does not seem appropriate.

Council's approach to regulatory enforcement is generally to use the potential application of penalties to motivate compliance, without going to the stage of enforcing the penalties. The reference to significant financial penalties is generally helpful in making this approach effective.

In the case of underpass installation, where the cost to the landowner of achieving compliance are high, there is clearly a need for corresponding strong incentives to motivate this compliance.

As such if it is that the financial penalties for non-compliance are to remain low, then the only remaining approach to make enforcement effective would appear to be more ready recourse to prosecutions. It is suggested that Council should consider its willingness to have staff take a stronger approach to enforcement (unfortunately with associated greater costs to ratepayers) in respect of underpass requirements where informal requests fail.

### **Suggested Revised Enforcement Process – Underpass Requirements**

It is suggested that an appropriate process for these requests from Council would be an initial written instruction when a stock crossing permit was issued, followed by a further written reminder approximately 3 months later (which would be the final reminder in respect of a stock crossing with an assessment index of 30,000 or more) and (for all other crossings where an underpass was required) a third written reminder approximately 12 months before the installation of the underpass was due.

Should the underpass not be completed by the due date the crossing permit would be immediately be cancelled and if unauthorised crossing continued a prosecution would be commenced without delay.

For any underpasses that are currently overdue it is suggested that a final written notice requiring the underpass within 6 months is given, with cancellation of the existing permit and prosecution from that date if the activity does not cease.

It is believed that if any case reached the stage where such a prosecution was promptly undertaken, this would send out a strong and effective message that compliance with the Bylaw is not optional.

**Dave Clibbery**  
**ENGINEERING MANAGER**

**Attachments:** Submissions of Federated Farmers and Meadowview Farm

# SUBMISSION

TELEPHONE 0800 327 646 | WEBSITE [WWW.FEDFARM.ORG.NZ](http://WWW.FEDFARM.ORG.NZ)

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To: **Otorohanga District Council**

From: **Federated Farmers of New Zealand**

On the: **Review of Otorohanga District Stock Movement Bylaw**

Date: 17 January 2014

Contact: Sally Millar  
Regional Policy Advisor

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Hamilton  
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**Federated Farmers wishes to be heard in support of this submission**

## SUBMISSION TO OTOROHANGA DISTRICT COUNCIL ON: REVIEW OF OTOROHANGA DISTRICT STOCK MOVEMENT BYLAW

### 1. INTRODUCTION

Federated Farmers is a not-for-profit primary sector policy and advocacy organisation that represents the majority of farming businesses in New Zealand. Federated Farmers has a long and proud history of representing the interests of New Zealand's farmers.

The Federation aims to add value to its members' farming business. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

- Our members may operate their business in a fair and flexible commercial environment;
- Our members' families and their staff have access to services essential to the needs of the rural community; and
- Our members adopt responsible management and environmental practices.

Federated Farmers thanks the Otorohanga District Council for the opportunity to make this submission on the Review of the Otorohanga District Stock Movement Bylaw 2014(the Bylaw).

This submission is representative of member views and reflects the fact that the movement of stock along and across roads in the Otorohanga District is a necessary part of maintaining the business viability of the farming enterprise.

### 2. BACKGROUND

Federated Farmers wishes to express its disappointment at the lack of consultation with farmers or the Federation in the development and release of this draft. It is the membership of the Federation who are most significantly affected by the Bylaw in that they are the group within the community of whom compliance is required.

Federated Farmers acknowledges and accepts the need for controls with regard to stock movement on public roads. However we are of the opinion that controls must be restricted to issues of safety, road damage and reasonable expectations of the public to traffic flow. Further we believe that the economic costs of any controls imposed must be balanced with the benefits that can be achieved.

This review of the Bylaw proposes to amend 3 areas of the 2006 Bylaw being

- Increasing the penalties for non compliance

**Sally Millar**  
REGIONAL POLICY ADVISOR

Federated Farmers of New Zealand  
P O Box 447 Hamilton  
P 07 858 2589  
F 07 838 2960

- Strengthening the requirements for when an underpass is required
- Only allowing cattle from a TB free herd or accredited herd to driven in the District.

This submission will address each of these issues below. In the development of this submission Federated Farmers undertook a brief survey of its members that farm within the Otorohanga District on the proposed amendments to the Bylaw. Their responses to this survey are reflected in this submission.

### **3. GENERAL COMMENTS**

The feedback from our members, in particular those that drove stock along or cross roads within the Otorohanga District, is that the current Bylaw is pragmatic and appropriate. It is accepted that there needs to be controls for stock on roads not only for the safety of other road users and to prevent damage to the road infrastructure, but also to protect their stock from injury from motorists.

The Report to Council made by the Engineering Manager on 19 November (the Report) outlines the reasoning for proposing the changes to the Bylaw. Two key reasons are proffered for the amendments. Firstly, that the penalties are weak where there is gross or continued non compliance and secondly, it states there are three overdue underpass installations as required by the current Bylaw (of the 14 that were required when the current Bylaw was adopted in 2006).

Federated Farmers accepts that gross or blatant non compliance needs to be addressed by Council. However as the majority of farmers are complying with the Bylaw and the minor issues that arise are being readily dealt with by an informal approach by Council, we have concerns these farmers could be inappropriately penalised by the amendments that are directed at only a few. This is the primary concern of our members in relation to the amendments.

### **4. INCREASING THE PENALTIES FOR NON COMPLIANCE**

It is proposed to increase the penalties for non compliance. Currently the penalty is a fine not exceeding \$1000 and it is proposed to amend the clause to:

*Every person committing any breach of the Bylaw shall be liable upon conviction to a fine not exceeding \$10,000.00, and where the breach is a continuing one, to a further fine not exceeding \$150.00 for every day on which the breach has continued.*

Feedback from our members was mixed in regards to the increasing of the penalties. While there is recognition that Council needs to be able to have measures, including penalties, to ensure compliance of persistent offenders or those recalcitrant in upgrading their systems, the process needs to ensure that significant penalties are not imposed for minor infringements without providing an allowance of time for the farmer to remedy.

**Sally Millar**  
REGIONAL POLICY ADVISOR

Federated Farmers of New Zealand  
P O Box 447 Hamilton  
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F 07 838 2960

The report to Council notes that *“in most instances staff have been able to resolve issues through informal contact, making the farmers aware that Council has a Stock Movement Bylaw and sending them a copy. Very few warning letters have had to be sent...”* Federated Farmers considers that this approach should continue in the first instance as we consider that working with farmers is more likely to get better and more durable outcomes.

This position is reinforced by our members who indicated that the increase in penalties is acceptable *“providing enough notice is given”* and *“only if timeframes and agreements are broken”*.

***Federated Farmers submits that if the proposed significant increase penalties is adopted, it needs to be balanced with an assurance in the Bylaw that Council will work with farmers in the first instance before imposing the penalties***

## **5. STRENGTHENING THE REQUIREMENTS FOR WHEN AN UNDERPASS IS REQUIRED**

Our members who responded to the survey gave relatively strong support (68%) that an underpass should be required if over the assessment index. There was some concern however that where the assessment index was greater than 30,000 that the underpass would need to be installed immediately and that an application for a crossing permit would be declined in such cases.

One issue is where the block of land is leased rather than purchased. This will be an issue for any property where the threshold of 10,000 is reached and an underpass is required. Members have indicated that leasing a neighbouring block is reasonably common in the Otorohanga District where farmers are seeking to expand their operations. As the two pieces of land are not in the same legal ownership it can make it difficult, if not impossible, to enable an underpass to be constructed. Further for short and even medium term leases make the cost of an underpass uneconomic.

***Federated Farmers submits that there needs to be an exception made in regards to requiring underpasses on lease blocks where safe road crossings that meet all the other requirements for road crossings can be provided.***

The other concern is that while we accept that underpasses should be required as soon as possible where the assessment index is over 30,000, we consider that there should be an option for an interim permit where appropriate. Most dairy farms change ownership on the 1 June and often calving occurs around a month later. This is a relatively short timeframe to have an underpass planned and installed as the farmer will be required to obtain the appropriate consents, engage contractors and have a suitable weather window to install.

***Federated Farmers submits that the Bylaw is amended to allow a short term interim permit in situations where the landowner is committed to install an underpass but is subject to constraints such as the consent process and weather conditions.***

**Sally Millar**  
REGIONAL POLICY ADVISOR

Federated Farmers of New Zealand  
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**6. ONLY ALLOWING CATTLE FROM A TB FREE HERD OR ACCREDITED HERD TO DRIVEN IN THE DISTRICT**

Federated Farmers fully supports the amendment to clarify that only Tb Free or accredited herd can be driven on the roads in the Otorohanga District as a pragmatic measure to ensure there is no risk of the spread of Tb to other herds free of the disease in the District.

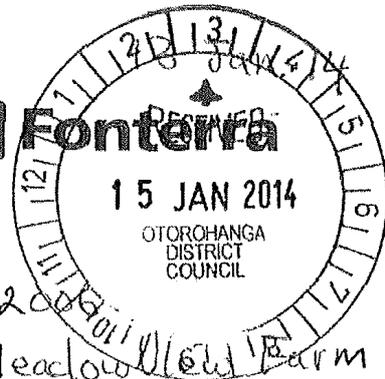
***Federated Farmers submits that it supports this provision only allowing Tb free herds being allowed to be moved on roads in the Otorohanga District being incorporated into the Bylaw.***

Federated Farmers thanks Otorohanga District Council for the opportunity to make this submission.

**Sally Millar**  
REGIONAL POLICY ADVISOR

Federated Farmers of New Zealand  
P O Box 447 Hamilton  
P 07 858 2589  
F 07 838 2960

Stuart Phillips 07) 8236962.



Otorohanga District Council

Stock Movement By Law 2006

Submission presented by Meadow View Farm

① We have been crossing Rangiatea Road since before WWII with no ill effects the only thing to have change in this time is traffic density (increased) + Faster, - Road has been sealed - cows number slightly increased We have approx (40 acres) 17ha which is 20% of our farm across the road 3ha is Cropped in Maize Our Current permit allows 60 crossing per year If the current Crossing policy was to continue we would have to modify our Numbers to 25/30 Times p.a. which means we <sup>may</sup> have <sup>to</sup> divest land to a neighbour or increase our Cropping Area.

The Cost of an Underpass @ \$100,000 plus. (estimated) becomes economically unviable, adding a Cost of \$6,000. per hectare to that land

There is no easy Solution here? we cross 200 cows taking 3-4 minutes stopping maybe 3/4 vehicles. All Crossing are in daylight ie 8:00am + 3:30pm. No safety issues most Xing done in the weekend

This Issue constitutes a "Major decision" for M/View Farm I thank you for your patience + would like to be present at when this issue is discussed

**Item 56                   PSYCHOACTIVE SUBSTANCES ACT LOCAL POLICY**

**To:                       Mayor and Councillors  
                              Otorohanga District Council**

**From:                   Environmental Services Manager**

**Date:                   18 March 2014**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
  - Foster an involved and engaged Community
- 

**Executive Summary**

A report on the local approved products policy provisions of the Psychoactive Substances Act.

**Staff Recommendation**

It is recommended that:

- i)       The report by the Environmental Services Manager be received and,
- ii)      Council resolve not to adopt a local approved products policy.

**Report Discussion**

The Psychoactive Substances Act (the Act) became law in July 2013. The purpose of this Act is to regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances. Psychoactive substances are commonly referred to as ‘party pills or legal highs’ and include artificial cannabis.

In a similar manner to the Sale and Supply of Alcohol Act (SSAA) this legislation makes provision for Council to adopt a local approved products policy. Unlike a local alcohol policy adopted under the SSAA which can mandate location, hours of operation and place discretionary conditions on licensed premises, a local approved products policy can only place controls on the location of those businesses licensed to sell psychoactive substances. Licences to sell psychoactive substances are issued by the Psychoactive Substances Regulatory Authority. This Authority is administered by the Ministry of Health.

While the adoption of a local approved products policy has been problematic for some larger urban authorities the absence of any businesses selling these products in Otorohanga District means that there is currently no need to formulate a local policy. This matter was discussed informally at a Council meeting several months ago and Councillors indicated that they did not see any value in starting the formal process to adopt and approve a local policy.

The Act clearly states that no Council is required to have a local approved products policy. Due to an increased level of media and institutional enquiry staff believe that Council should formally endorse the decision not to adopt a local policy and confirm the reason for this decision. This resolution will not stop Council from developing a policy at some time in the

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future should the sale of psychoactive substances from a local business create problems for a local community.

**AR Loe**  
**ENVIRONMENTAL SERVICES MANAGER**

**Item 57            LASS STATEMENT OF INTENT FOR 2014-2015**

**To:**                **His Worship the Mayor and Councillors  
Otorohanga District Council**

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

**Date:**            **18 March 2014**

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**Relevant Community Outcomes**

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

**Executive Summary**

The Waikato Local Authority Shared Services Statement of Intent for 2014/15 is provided.

**Staff Recommendation**

It is recommended that:

The report be received.

**Report Discussion**

Attached under separate cover for members information is the Statement of Intent of the Waikato Local Authority Shared Services (LASS) for the 2014/15 year.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

**Attachments** – Statement of Intent for 2014-2015



*value beyond boundaries™*

# **STATEMENT OF INTENT FOR 2014-2015**

**30 June 2014**

# Local Authority Shared Services Limited

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## Introduction

This Statement of Intent is a public declaration of the activities and intentions of the Waikato's Council Controlled Organisation, Local Authority Shared Services Limited. The statement outlines the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

## Objectives of LASS

In early to mid-2000 the relationship between local authorities within the Waikato Region continued to strengthen. As a result of this it was considered desirable to set up a structure under which shared services could operate to provide strategic or other advantages to the local authorities involved. Of the structures considered by Waikato local authorities the Local Authority Shared Services Limited (LASS) was chosen as it was considered the most appropriate mechanism to provide the Councils in the Waikato region with a vehicle to operate shared services.

LASS provides a mechanism for the development of new services which are available to be joined by any shareholder that so chooses. It also provides those Councils that wish to develop new services with a company structure under which they can develop and promote services to other local authorities and external parties.

The ability of LASS to contribute to a greater extent in terms of shared services and also at a strategic collaboration level has been the subject of discussion through the Waikato Mayoral Forum. As part of providing a mechanism for supporting shared services and collaborative opportunities in the region, LASS is also available as a support entity to assist working parties established by the Waikato Mayoral Forum.

New services that are intended to be initiated under the LASS umbrella will only be adopted where a business case shows that they provide sufficient benefit to the shareholders and that benefit exceeds the benefits associated with other proposals. Such benefits include, but are not limited to, greater strategic capacity, mitigation of risk, development of intellectual property, protection of Council data, improved levels of service and/or reduced cost. All such proposals will be presented to the shareholders for approval prior to implementation. Further approvals may be required at various phases throughout the development of a shared service or if material changes to the original proposal are thought desirable.

Shared services initiatives, such as those arising from internal investigations, may be proposed by LASS itself. Any such initiatives also require a business case and are subject to the same prioritization process as any other proposed initiative.

## **Nature and Scope of Current Activities**

There are currently three major operations under the LASS umbrella, plus a support role for collaborative initiatives of the Waikato Mayoral Forum.

Firstly, the Shared Valuation Data Service (SVDS). This operational system is providing both timely and accurate valuation data to member Councils and shareholders. The SVDS has become the accepted valuation database in the region.

Secondly, the Waikato Regional Transportation Model (WRTM). This model became fully operational in February 2010. This Model, built within its budgeted cost, provides accurate information to Councils and external users for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region.

Thirdly, LASS is a party to a joint contract between the company, shareholding Councils and AON Ltd for insurance brokerage services and various collective insurance policies. Other joint procurement contracts also exist.

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of service
- Co-ordinated approach to the provision of services
- Reductions in the cost of services
- Opportunity to develop new initiatives
- Opportunity for all Councils irrespective of location or size to benefit from joint initiatives
- Leverage provided from economy of scales resulting from a single entity representing Councils leveraging procurement opportunities.

The Waikato Mayoral Forum in 2012 enabled the creation of five working parties to investigate collaborative opportunities in the areas of governance, planning, two waters, roading and economic development. An additional work stream for bylaws and policies was created in 2013. Each working party is led by a Council CEO in conjunction with a group of Mayors/Chairperson from the Waikato Mayoral Forum. LASS is available as a support entity to assist these working parties.

Collective funding of \$100,000 in 2012/13 resulted in the scoping and defining of further project work during 2013/14, and additional funding proposals were presented to shareholding Councils for consideration as part of their 2013/14 Annual Plan process. This proposal also contained funding for the Waikato Plan project into 2014/15.

An additional range of shared service opportunities are being considered at the present time. For example, some opportunities in the area of procurement have been identified and the shareholders are looking to progress these opportunities. Further work is also under way to consider how information technology initiatives can be advanced collectively under LASS.

Based on feedback from shareholder Councils and the CEO Forum, the LASS Directors will continue to discuss their role in the development of business cases for shared services at future meetings. These investigations will include reporting to shareholders and the Waikato Mayoral Forum on the alternative mechanisms to develop shared services.

Directors are mindful of the current political environment, and see these investigations of possible shared services as a key focus of their role.

## Governance

LASS shall have twelve Directors with each Director representing a shareholder Council.

Unless otherwise agreed by the appointing Councils each Director shall be a Chief Executive of a local authority. In addition the board may appoint up to three professional directors to supplement the Directors' expertise.

LASS will conduct itself in accordance with its constitution, its annual Statement of Intent agreed with shareholders, and provisions of the Local Government Act 2002.

## Directors

The current Directors are:

<b>Director</b>	<b>Position</b>	<b>Director Appointed By</b>
Gavin Ion (Chair)	Chief Executive, Waikato District Council	Waikato District Council
Geoffrey Williams	Chief Executive, Rotorua District Council	Rotorua District Council
Chris Ryan	Chief Executive Officer, Waitomo District Council	Waitomo District Council
Vaughan Payne	Chief Executive, Waikato Regional Council	Waikato Regional Council
Langley Cavers	Chief Executive, Hauraki District Council	Hauraki District Council
Barry Harris	Chief Executive, Hamilton City Council	Hamilton City Council
David Hammond	Chief Executive, Thames-Coromandel District Council	Thames-Coromandel District Council
Garry Dyet	Chief Executive, Waipa District Council	Waipa District Council
Don McLeod	Chief Executive Officer, Matamata-Piako District Council	Matamata-Piako District Council
Rob Williams	Chief Executive Officer, Taupo District Council	Taupo District Council
Craig Hobbs	Chief Executive Officer, South Waikato District Council	South Waikato District Council
Dave Clibbery	Chief Executive Officer, Otorohanga District Council	Otorohanga District Council

## Process for Future Developments

- All new proposed shared services involving LASS will have a business case developed for presentation to the Directors and will only be adopted if they provide sufficient benefit to the shareholders, that benefit exceeds the benefits associated with other proposals and there are resources available to progress the initiative. If there are insufficient resources the initiative may be deferred and reconsidered at such time that resources can be made available.
- The company is looking to establish a prioritisation process that will assist in evaluating alternative shared service opportunities.

## Activities for which the Board seeks Compensation:

It is noted that other shared services may be developed during the year that this Statement of Intent is current. Any such services will only be delivered under the LASS umbrella after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of LASS.

Any ongoing activities to identify, develop and procure shared services will be budgeted for in advance, subject to the business case, and either funded and staffed by individual Councils without LASS involvement, or agreed by the Directors to be funded by the LASS or utilising LASS resources with consequent recovery from participating Councils.

Shareholders will continue to contribute to the operational costs of the LASS on an annual basis.

## Performance Targets

Performance targets relate to the level of services that are current or under development. It is envisaged that these targets will expand as new services are developed.

1. **Shareholder Survey:** The company will carry out an annual survey of shareholders to assist the Directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the service provided.
2. **Costs Control:** Administration expenditure shall not exceed that budgeted by more than 5% unless prior **approval** is obtained from the Directors.
3. **Cashflow:** The company maintains an overall positive cashflow position.
4. **Reporting:** The Board will provide a written report on the business operations and financial position of the LASS on a six monthly basis.
5. **Statutory Adherence:** There will be an annual report to directors that all statutory requirements of the LASS are being adhered to.
6. **SVDS Availability:** That SVDS is available to users at least 99% of normal working hours.
7. **SVDS Sales Data Delivery:** That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.
8. **SVDS Major Enhancement Development Hours:** All Capital enhancement development work is supported by a business case approved by the Advisory Group.
9. **WRTM:** That all required modelling reports are actioned within the required timeframe.
10. **WRTM:** That the base model adheres to "Screenline Validation Standards" as set out in the NZTA Economic Evaluation Manual as indicated by an external independent peer review.

11. **WRTM:** That a full report on progress of the model be provided to the LASS Board twice each year.
12. **Insurance:** The key performance indicators from appendix 4 of the brokerage contract are met.
13. **Joint Procurement:** That any joint procurement projects deliver as per project approved objectives.
14. **Advice to the Waikato Mayoral Forum:** In response to requests from shareholders, the Company will provide regular reports and updates to the Waikato Mayoral Forum regarding progress with shared service initiatives.

## **Policy Statement**

### Statement of Accounting Principles

Financial statements will be for a company wholly owned by local authorities within the Waikato Region in the proportion of one share per local authority. Financial statements will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and the Financial Reporting Act 1993 and NZ Financial Reporting Standard No. 42.

### Specific Accounting Principles

The following particular principles which have a significant effect on measurement of financial position are to apply.

- Accounts Receivable are to be stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments to be valued at the prevailing market value.
- Fixed assets to be recorded at cost, less accumulated depreciation.

### Intangible Assets

- Where intangible assets are purchased, such as intellectual property and computer software, these are to be capitalised and written off on a straight line basis over their expected life, but no greater than seven years.
- Depreciation / Amortisation is to be provided on a straight line basis on all assets other than land, and align with normal accepted depreciation for the types of services being developed.

## **Impairment Testing**

Assets with a finite life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## **Balance Sheet Ratios**

The Local government Act 2002 requires the SOI to include the projected ratio of shareholders funds to total assets within the Forecast Statement of Financial Position.

The LASS is budgeted to have an accumulated shareholders fund of \$1,137,149 at 30 June 2015, which relates to 93.7% of total assets. The only liabilities of the LASS are trade creditors.

The Forecast Financial Statements for the years 2014-2016 are attached to this statement.

### **Procedures for the Purchase and acquisition of Shares**

The Board will give approval before LASS subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the group.

### **Inventories**

- It is not envisaged that the company will hold inventories, other than those that might relate to providing computer based services to a number of parties. They will be valued at net realisable value.

### **Taxation**

- Taxation will be provided as required against the company in line with the required legislation.

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the Auditor General will be responsible for the audit of the company's financial statements.

As the current shared services are on a cost recovery basis it is not envisaged that any dividends will be paid.

### **Value of Shareholder's Investment**

The Directors' estimate of the commercial value of the shareholders' investment in the LASS is equal to the shareholders equity in the company. Reassessment of the value of this shareholding shall be undertaken on or about 1 April each year.

### **Compensation**

Directors of the LASS will not receive any fees or expenses for work undertaken on behalf of the LASS.

As the basis of funding of LASS, payment will be sought from all local authorities that receive services from LASS.

### **Information to be provided to Shareholders**

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year Statement of Financial Performance, Statement of Changes in Equity Statement of Financial Position, Statement of Cashflows and Service Performance.
  - Within three months of the end of the financial year the following audited statements: Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.
-

### **Review of Statement of Intent**

The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders.

The Directors must then consider any comments on the Draft Statement of Intent that are made to it within two months of 1 March by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June.

<b>Local Authority Shared Services</b>					
<b>Company Summary</b>					
<b>For the Year Ended 30 June 2015</b>					
	Actual budget 2013/14	2014/15	Variance to Jun-14 Budget	2015/16	2016/17
<b>Income</b>					
Company Administration Member Charges	169,550	87,146	(82,404)	173,550	178,550
Recovery of Admin Costs	44,231	44,405	174	45,833	47,187
SVDS Member Charges	609,599	561,517	(48,082)	565,839	581,013
SVDS Data & Software Sales	101,600	125,964	24,364	129,239	132,729
WRTM Member Charges	279,616	56,702	(222,914)	82,417	85,193
WRTM Reserve Realisation	40,000	0	(40,000)	0	0
Shared Services Funding - Phase 2	810,000	241,370	(568,630)	0	0
GSB Membership Fee Recovery	16,575	18,000	1,425	18,000	18,000
ValueFinancials Fee Recovery	46,750	46,750	0	46,750	46,750
Insurance Brokerage Fee Recovery	147,500	147,500	0	147,500	147,500
Interest Received	500	800	300	800	800
<b>Total Income</b>	<b>2,265,921</b>	<b>1,330,153</b>	<b>(935,768)</b>	<b>1,209,928</b>	<b>1,237,722</b>
<b>Operating Expenditure</b>					
Company Admin Operating Expenditure	213,781	213,955	174	219,383	225,737
SVDS Operating Expenditure	642,049	609,637	(32,412)	615,190	631,675
WRTM Operating Expenditure	319,616	106,702	(212,914)	82,417	85,193
SSI Operating Expenditure	810,000	241,370	(568,630)	0	0
Procurement Operating Expenditure	210,825	212,250	1,425	212,250	212,250
<b>Total Operating Expenditure</b>	<b>2,196,271</b>	<b>1,383,914</b>	<b>(812,357)</b>	<b>1,129,240</b>	<b>1,154,855</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>	<b>69,650</b>	<b>(53,761)</b>	<b>(123,411)</b>	<b>80,688</b>	<b>82,867</b>
<b>Non-Cash Operating Expenditure</b>					
Company Admin Non-Cash Expenditure	127	171	44	171	171
SVDS Non-Cash Expenditure	171,899	143,725	(28,174)	124,565	106,022
WRTM Non-Cash Expenditure	328,122	328,122	0	328,122	218,748
Total Non-Cash Operating Expenditure	500,148	472,017	(28,131)	452,858	324,940
<b>Earnings before interest and tax (EBIT)</b>	<b>(430,498)</b>	<b>(525,778)</b>	<b>(95,280)</b>	<b>(372,170)</b>	<b>(242,073)</b>
<b>Net Surplus (Deficit) before tax</b>	<b>(430,498)</b>	<b>(525,778)</b>	<b>(95,280)</b>	<b>(372,170)</b>	<b>(242,073)</b>
Company Admin Net Surplus (Deficit) before tax	(127)	(82,575)	(82,448)	(171)	(171)
SVDS Net Surplus (Deficit) before tax	(102,249)	(65,082)	37,167	(43,877)	(23,155)
WRTM Net Surplus (Deficit) before tax	(328,122)	(378,122)	(50,000)	(328,122)	(218,748)
SSI Net Surplus (Deficit) before tax	0	0	0	0	0
Procurement Net Surplus (Deficit) before tax	0	0	0	0	0
<b>Net Surplus (Deficit) before tax</b>	<b>(430,498)</b>	<b>(525,778)</b>	<b>(95,280)</b>	<b>(372,170)</b>	<b>(242,073)</b>
<b>Capital Expenditure</b>					
Enhancements	79,204	78,643	(561)	80,688	82,867
<b>Total Capital Expenditure</b>	<b>79,204</b>	<b>78,643</b>	<b>(561)</b>	<b>80,688</b>	<b>82,867</b>

<b>Local Authority Shared Services</b>					
<b>Company Admin</b>					
<b>For the Year Ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Income</b>					
Company Administration Member Charges	169,550	87,146	(82,404)	173,550	178,550
Recovery of Admin Costs	44,231	44,405	174	45,833	47,187
<b>Total Income</b>	<b>213,781</b>	<b>131,551</b>	<b>(82,230)</b>	<b>219,383</b>	<b>225,737</b>
<b>Expenses</b>					
Accounting/ Financial Services	17,158	17,510	352	17,965	18,396
External Accounting/ Financial Services	3,998	3,998	0	4,102	4,200
Audit Fees	14,825	15,500	675	15,903	16,285
IT Services	208	45	(163)	46	47
Bank Charges	369	438	69	449	460
Printing, Stationery & Postage	250	250	0	250	250
Legal Fees	2,500	2,560	60	2,627	2,690
Value Financials Licence Fee	2,250	2,250	0	2,250	2,250
Accommodation	1,500	0	(1,500)	0	0
Sundry Expenses	500	500	0	500	500
Insurance	2,000	2,048	48	2,101	2,152
Shared Services Contractor	156,000	156,000	0	160,000	165,000
Company Secretary Fees	11,623	11,856	233	12,164	12,456
Mileage Costs	600	1,000	400	1,026	1,051
<b>Total Expenses</b>	<b>213,781</b>	<b>213,955</b>	<b>174</b>	<b>219,383</b>	<b>225,737</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>					
	<b>0</b>	<b>(82,404)</b>	<b>(82,404)</b>	<b>0</b>	<b>0</b>
<b>Non-Cash Expenses</b>					
Depreciation	127	171	44	171	171
Earnings before interest and tax	(127)	(82,575)	(82,448)	(171)	(171)
<b>Net Surplus (Deficit) before tax</b>	<b>(127)</b>	<b>(82,575)</b>	<b>(82,448)</b>	<b>(171)</b>	<b>(171)</b>

<b>Local Authority Shared Services</b>					
<b>Shared Valuation Data Service</b>					
<b>For the Year Ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Income</b>					
SVDS Member Charges	609,599	561,517	(48,082)	565,839	581,013
SVDS Data & Software Sales	101,600	125,964	24,364	129,239	132,729
Interest Received - SVDS	500	800	300	800	800
<b>Total Income</b>	<b>711,699</b>	<b>688,281</b>	<b>(23,418)</b>	<b>695,878</b>	<b>714,542</b>
<b>Expenses</b>					
Hosting Contract	70,005	69,509	(496)	71,317	73,242
Software Contract	118,806	117,965	(841)	121,032	124,300
Management Services	380,815	381,711	896	391,635	402,210
Contract Management Services	12,994	0	(12,994)	0	0
SVDS Review	25,000	0	(25,000)	0	0
Consultancy Fees	0	16,000	16,000	6,000	6,000
Contingency	10,313	0	(10,313)	0	0
Insurance	2,000	1,500	(500)	1,539	1,581
On charge of LASS Admin Costs	22,116	22,952	836	23,667	24,343
<b>Total Expenses</b>	<b>642,049</b>	<b>609,637</b>	<b>(32,412)</b>	<b>615,190</b>	<b>631,675</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>	<b>69,650</b>	<b>78,643</b>	<b>8,993</b>	<b>80,688</b>	<b>82,867</b>
<b>Non-Cash Expenses</b>					
Depreciation	171,899	143,725	(28,174)	124,565	106,022
Earnings before interest and tax	(102,249)	(65,082)	37,167	(43,877)	(23,155)
<b>Net Surplus (Deficit) before tax</b>	<b>(102,249)</b>	<b>(65,082)</b>	<b>37,167</b>	<b>(43,877)</b>	<b>(23,155)</b>
<b>Capital Expenditure</b>					
Enhancements	79,204	78,643	(561)	80,688	82,867
<b>Total Capital Expenditure</b>	<b>79,204</b>	<b>78,643</b>	<b>(561)</b>	<b>80,688</b>	<b>82,867</b>
Total Cash Expenditure (Opex, Interest & Capital)	721,253	688,281	(32,972)	695,878	714,542

<b>Local Authority Shared Services</b>					
<b>Waikato Regional Transport Model For the Year Ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Income</b>					
WRTM Member Charges	279,616	56,702	(222,914)	82,417	85,193
WRTM Reserve Realisation	40,000	0	(40,000)	0	0
<b>Total Income</b>	<b>319,616</b>	<b>56,702</b>	<b>(262,914)</b>	<b>82,417</b>	<b>85,193</b>
<b>Expenses</b>					
WRTM Project Manager	18,000	18,000	0	18,000	20,000
Minor Model Upgrades	30,000	30,000	0	30,000	30,000
Peer Review	5,000	5,000	0	5,000	5,000
Annual Scheduling of Works Review	4,500	4,500	0	4,500	4,500
Census Update	220,000	0	(220,000)	0	0
Regional Modelling Needs Assessment	18,000	0	(18,000)	0	0
Insurance	2,000	2,000	0	2,000	2,100
Tendering for WRTM Contract	0	25,000	25,000	0	0
On charge of LASS Admin Costs	22,116	22,202	86	22,917	23,593
<b>Total Expenses</b>	<b>319,616</b>	<b>106,702</b>	<b>(212,914)</b>	<b>82,417</b>	<b>85,193</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>					
	<b>0</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>0</b>	<b>0</b>
<b>Non-Cash Expenses</b>					
Depreciation	328,122	328,122	0	328,122	218,748
Earnings before interest and tax	(328,122)	(378,122)	(50,000)	(328,122)	(218,748)
<b>Net Surplus (Deficit) before tax</b>	<b>(328,122)</b>	<b>(378,122)</b>	<b>(50,000)</b>	<b>(328,122)</b>	<b>(218,748)</b>

<b>Local Authority Shared Services</b>					
<b>Mayoral Forum Projects</b>					
<b>For the Year Ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Income</b>					
Shared Services Funding - Planning P2	500,000	241,370	(258,630)	0	0
Shared Services Funding - Economic Deve	80,000	0	(80,000)	0	0
Shared Services Funding - Waters P2	180,000	0	(180,000)	0	0
Shared Services Funding - Roading P2	50,000	0	(50,000)	0	0
<b>Total Income</b>	<b>810,000</b>	<b>241,370</b>	<b>(568,630)</b>	<b>0</b>	<b>0</b>
<b>Expenses</b>					
Consultancy Services - Planning P2	500,000	241,370	(258,630)	0	0
Consultancy Services - Economic Deve	80,000	0	(80,000)	0	0
Consultancy Services - Waters P2	180,000	0	(180,000)	0	0
Consultancy Services - Roading P2	50,000	0	(50,000)	0	0
<b>Total Expenses</b>	<b>810,000</b>	<b>241,370</b>	<b>(568,630)</b>	<b>0</b>	<b>0</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>					
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Earnings before interest and tax</b>					
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Surplus (Deficit) before tax</b>					
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Local Authority Shared Services</b>					
<b>Procurement of Shared Services For the Year Ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Income</b>					
GSB Membership Fee Recovery	16,575	18,000	1,425	18,000	18,000
Value Financials Fee Recovery	46,750	46,750	0	46,750	46,750
Insurance Brokerage Fee Recovery	147,500	147,500	0	147,500	147,500
<b>Total Income</b>	<b>210,825</b>	<b>212,250</b>	<b>1,425</b>	<b>212,250</b>	<b>212,250</b>
<b>Expenses</b>					
Insurance Brokerage Fee Payable	147,500	147,500	0	147,500	147,500
GSB Membership Fee	16,575	18,000	1,425	18,000	18,000
Value Financial Fees	46,750	46,750	0	46,750	46,750
<b>Total Expenses</b>	<b>210,825</b>	<b>212,250</b>	<b>1,425</b>	<b>212,250</b>	<b>212,250</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Earnings before interest and tax	0	0	0	0	0
<b>Net Surplus (Deficit) before tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Local Authority Shared Services</b>					
<b>Balance Sheet</b>					
<b>For the Year Ended 30 June 2015</b>					
	Actual budget 2013/14	2014/15	Variance to Jun-14 Budget	2015/16	2016/17
<b>CAPITAL</b>					
Shares - SVDS	1,607,001	1,607,001	0	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	0	1,350,000	1,350,000
Profit and Loss	(1,151,829)	(1,566,237)	(414,408)	(2,092,015)	(2,464,185)
Plus Current Year Operating Surplus/(Deficit)	(430,498)	(525,778)	(95,280)	(372,170)	(242,073)
<b>TOTAL CAPITAL FUNDS</b>	<b>1,374,674</b>	<b>864,986</b>	<b>(509,688)</b>	<b>492,816</b>	<b>250,743</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Prepayments	0	1,868	1,868	1,868	1,868
Accounts Receivable	29,142	3,557	(25,585)	2,747	2,840
RWT On Interest	140	224	84	224	224
Local Authority Shared Services 00	9,117	6,731	(2,386)	4,984	5,972
Local Authority Shared Services On-Call	135,491	47,103	(88,388)	50,906	52,167
GST Paid	(6,771)	(9,522)	(2,751)	(9,756)	(10,017)
<b>TOTAL CURRENT ASSETS</b>	<b>167,119</b>	<b>49,960</b>	<b>(117,159)</b>	<b>50,973</b>	<b>53,054</b>
<b>NON-CURRENT ASSETS</b>					
SVDS - Intangible Asset	3,081,640	3,142,359	60,719	3,223,047	3,305,914
WRTM - Intangible Asset	2,296,855	2,296,855	0	2,296,855	2,296,855
CashManager Software	886	0	(886)	0	0
MoneyWorks Software	0	1,195	1,195	1,195	1,195
Accumulated Depreciation	(4,103,083)	(4,548,273)	(445,190)	(5,001,131)	(5,326,071)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,276,298</b>	<b>892,136</b>	<b>(384,162)</b>	<b>519,966</b>	<b>277,893</b>
<b>NET ASSETS</b>	<b>1,443,417</b>	<b>942,096</b>	<b>(501,321)</b>	<b>570,939</b>	<b>330,946</b>
<b>LESS CURRENT LIABILITIES</b>					
Accounts Payable	50,376	67,035	16,659	67,785	69,618
Accounts Payable Accrual	17,049	10,075	(6,974)	10,337	10,585
Provision for Annual Leave	1,318	0	(1,318)	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>68,743</b>	<b>77,110</b>	<b>8,367</b>	<b>78,122</b>	<b>80,203</b>
<b>NET WORKING CAPITAL</b>	<b>1,374,674</b>	<b>864,986</b>	<b>(509,688)</b>	<b>492,817</b>	<b>250,743</b>

<b>Local Authority Shared Services</b>					
<b>Statement of Cashflows</b>					
<b>For the year ended 30 June 2015</b>					
	<b>Actual budget 2013/14</b>	<b>2014/15</b>	<b>Variance to Jun-14 Budget</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Cashflows from Operating Activities</b>					
Interest Received	500	800	300	800	800
Receipts from Other Revenue	2,251,337	1,177,191	(1,074,146)	1,173,947	1,198,857
Payments to Suppliers	(2,202,168)	(1,322,850)	879,318	(1,082,656)	(1,105,836)
Taxes Paid	(140)	(224)	(84)	(224)	(224)
Goods & Services tax (net)	(4,260)	(3,173)	1,087	(9,123)	(8,481)
<b>Net cash from operating activities</b>	<b>45,269</b>	<b>(148,256)</b>	<b>(193,525)</b>	<b>82,744</b>	<b>85,116</b>
Purchase of Intangible Assets	(79,204)	(78,643)	561	(80,688)	(82,867)
<b>Net cash from investing activities</b>	<b>(79,204)</b>	<b>(78,643)</b>	<b>561</b>	<b>(80,688)</b>	<b>(82,867)</b>
<b>Net increase in cash, cash equivalents and bank accounts</b>	<b>(33,935)</b>	<b>(226,899)</b>	<b>(192,964)</b>	<b>2,056</b>	<b>2,249</b>
Opening cash and cash equivalents and bank overdrafts	178,543	280,733	102,190	53,834	55,890
<b>Closing cash, cash equivalents and bank accounts</b>	<b>144,608</b>	<b>53,834</b>	<b>(90,774)</b>	<b>55,890</b>	<b>58,139</b>
<b>Summary of Bank Accounts</b>					
BNZ - Cheque a/c	9,117	6,731	(2,386)	4,984	5,972
BNZ - Call a/c	135,491	47,103	(88,388)	50,906	52,167
<b>Closing Balance of Bank</b>	<b>144,608</b>	<b>53,834</b>	<b>(90,774)</b>	<b>55,890</b>	<b>58,139</b>

**Item 58            ODC MATTERS REFERRED FROM 18 FEBRUARY 2014**

**To:                    His Worship the Mayor & Councillors  
                          Otorohanga District Council**

**From:                Governance Supervisor**

**Date:                 18 March 2014**

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**Executive Summary**

**1.        CHIEF EXECUTIVE**

21 January 2014

- i.    To arrange for Staff to investigate why Council appoints a Councillor/s to various Trusts e.g. Beattie Home Trust, and to clarify this with Council's Auditors.

**2.        ENGINEERING MANAGER**

18 February 2014

- i.    To arrange for staff to investigate the inconsistencies with the collection of recyclables during the weekly rubbish collection.

**3.        FINANCE AND ADMINISTRATION MANAGER**

18 February 2014

- i.    To arrange for contact to be made with Councils using the Kotui Shared Library Services, as to how the service works and to obtain referrals.
- ii.   To arrange for Councils IT Manager to prepare a report for the next meeting of Council on the options available for the provision of IT equipment for Councillors.

**CA Tutty  
GOVERNANCE SUPERVISOR**

**GENERAL**