



# AGENDA

**Ordinary meeting of the**

**Governance Committee**

**Thursday 7 June 2018  
Commencing at 9.00am  
Council Chamber  
Civic House  
110 Trafalgar Street, Nelson**

Membership: Councillor Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Mel Courtney, Bill Dahlberg (Deputy Chairperson), Gaile Noonan, Mike Rutledge, Tim Skinner and Stuart Walker

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Order 12.1:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the room for discussion and voting on any of these items.

**1. Apologies**

- 1.1 An apology has been received from Her Worship the Mayor Rachel Reese

**2. Confirmation of Order of Business****3. Interests**

- 3.1 Updates to the Interests Register
- 3.2 Identify any conflicts of interest in the agenda

**4. Public Forum****5. Confirmation of Minutes**

- 5.1 19 April 2018 **7 - 13**

Document number M3440

Recommendation

***That the Governance Committee***

***Confirms the minutes of the meeting of the Governance Committee, held on 19 April 2018, as a true and correct record.***

**6. Governance Committee Status Report - 7 June 2018 14 - 16**

Document number R9350

Recommendation

***That the Governance Committee***

***Receives the report Governance Committee Status Report - 7 June 2018 (R9350) and its attachment (A1160658).***

**7. Chairperson's Report 17 - 18**

Document number R9363

Recommendation

***That the Governance Committee***

***Receives the report Chairperson's Report (R9363); and***

***Agrees to accept the offer of NextGen to host a workshop involving councillors and appropriate staff with a view of investigating opportunities for the city.***

**8. Rates Remission for Land Affected by the 1 February 2018 Weather Event 19 - 36**

Document number R9352

Recommendation

***That the Governance Committee***

***Receives the report Rates Remission for Land Affected by the 1 February 2018 Weather Event (R9352) and its attachment (A1551142).***

Recommendation to Council

***That the Council***

***Approves that the 1 February 2018 weather event qualifies as a natural calamity for the purposes of applying the Rates Remission Policy for Land Affected by Natural Calamity; and***

***Approves the criteria for assessing rates remission for affected properties and the application process; and***

***Notes that a summary of approved applications and the total value of rates remitted will be provided to the Council later in 2018.***

**PUBLIC EXCLUDED BUSINESS**

**9. Exclusion of the Public**

Recommendation

***That the Governance Committee***

***Confirms in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, (names to be confirmed) from the Nelson Cycle Lift Society remain after the public has been excluded, for Item 2 of the Public Excluded agenda (Nelson Cycle Lift Society - Pre-commercial business case phase two funding), as they have knowledge that will assist the Council; and***

***Notes in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that (names to be confirmed) possess relates to the Nelson Cycle Lift Society's activities.***

Recommendation

***That the Governance Committee***

***Excludes the public from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee Meeting - Public Excluded Minutes - 19 April 2018	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"><li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li><li>• Section 7(2)(h) To enable the local authority to carry out, without prejudice or</li></ul>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			disadvantage, commercial activities <ul style="list-style-type: none"> <li>Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>
2	<b>Nelson Cycle Lift Society - Pre-commercial business case phase two funding</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</li> <li>Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>



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## Minutes of a meeting of the Governance Committee

**Held in the Council Chamber, Civic House, 110 Trafalgar Street, Nelson**

**On Thursday 19 April 2018, commencing at 9.03am**

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Present: Councillor I Barker (Chairperson), Councillors M Courtney, B Dahlberg (Deputy Chairperson), G Noonan, M Rutledge and T Skinner

In Attendance: Councillors B McGurk, Chief Executive (P Dougherty), Group Manager Infrastructure (A Louverdis), Group Manager Environmental Management (C Barton), Group Manager Community Services (C Ward), Group Manager Corporate Services (N Harrison), Acting Group Manager Strategy and Communications (N McDonald), Governance Adviser (E Stephenson) and Youth Councillors L Funaki and H Rose

Apologies: Councillor Matheson

### 1. Apologies

Resolved GOV/2018/011

***That the Governance Committee***

***Receives and accepts the apology from Councillor Matheson.***

Noonan/Rutledge

Carried

### 2. Confirmation of Order of Business

There was a change to the order of items in the Public Excluded section of the meeting.

### 3. Interests

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

### 4. Public Forum

There was no public forum.

### 5. Confirmation of Minutes

#### 5.1 8 March 2018

Document number M3325, agenda pages 8 - 12 refer.

Resolved GOV/2018/012

***That the Governance Committee***

***Confirms the minutes of the meeting of the Governance Committee, held on 8 March 2018, as a true and correct record.***

Dahlberg/Courtney

Carried

### 6. Status Report - Governance - 19 April 2018

Document number R9242, agenda pages 13 - 14 refer.

Acting Group Manager Community Services, Roger Ball, said that a report on the Gondola would be provided for the 7 June Governance Committee meeting. The Chair noted that he and the Mayor had met with the group and the feeling was positive.

Resolved GOV/2018/013

***That the Governance Committee***

***Receives the Status Report Governance Committee 19 April 2018 (R9242) and its attachment (A1160658)***

Courtney/Rutledge

Carried

### 7. Chairperson's Report

There was no Chairperson's report



## 8. Sister Cities Co-ordinator Report

Document number R9231, agenda pages 15 - 17 refer.

Ms Gail Collingwood provided a summary of her report. Ms Collingwood said that Sister Cities Group would be inviting a representative of the Youth Council to sit on the Sister Cities group.

Resolved GOV/2018/014

***That the Governance Committee***

***Receives the report Sister Cities Co-ordinator Report (R9231).***

Dahlberg/Noonan

Carried

## 9. Nelmac Limited Half yearly report to 31 December 2017

Document number R8901, agenda pages 18 - 25 refer.

Group Manager Corporate Services, Nikki Harrison, spoke to the report, noting that the Board would present later and answered questions regarding tendering. In response to a question, Ms Harrison said that commercial aspects would be best discussed in the public excluded section of the meeting, for the reasons included in the exclusion of the public motion.

Resolved GOV/2018/015

***That the Governance Committee***

***Receives the report Nelmac Limited Half yearly report to 31 December 2017 (R8901) and its attachment (A1922538).***

Courtney/Skinner

Carried

## 10. Bishop Suter Trust Half Yearly Report to 31 December 2017 and Draft Statement of Intent 2018/19

Document number R9098, agenda pages 26 - 84 refer.

Acting Group Manager Community Services, Roger Ball, spoke to the report. He noted that the Draft Statement of Intent (SOI) assumed that additional funding would be confirmed in the LTP, and that if this was not the case, then the Draft SOI would need to be brought back to the Committee.

Craig Potton, Julie Catchpole, John Hambleton and Jane De Seu from the Bishop Suter Trust were present for this item and a PowerPoint presentation was provided. The Trust representatives answered questions and discussion took place regarding the Trust's strategic approach, stretch targets, policy of collecting seminal works, revenue, visitor numbers, NCC and TDC contributions, donations, volunteers, energy costs, reducing consumption, solar energy, building maintenance, the possibility of charging entry fees for visitors from outside the region and that the Museum was a community asset.

Attendance: Her Worship the Mayor R Reese left the meeting at 9.50a.m.

Resolved GOV/2018/016

***That the Governance Committee***

***Receives the report Bishop Suter Trust Half Yearly Report to 31 December 2017 and Draft Statement of Intent 2018/19 (R9098) and its attachments (A1923166, A1878583 and A1923167).***

Rutledge/Noonan

Carried

**Attachments**

- 1 A1953672 - Suter Trust PowerPoint presentation

Recommendation to Council GOV/2018/017

***That the Council***

***Agrees that the Bishop Suter Trust Statement of Intent 2018/19 (A1923167) meets Council's expectations and is approved as the final Statement of Intent for 2018/19, subject to confirmation of funding for the Trust in the Long Term Plan 2018-28.***

Courtney/Dahlberg

Carried

**11. Nelson Regional Development Agency Half Yearly Report to 31 December 2017 and Draft Statement of Intent 2018/19**

Document number R9099, agenda pages 85 - 113 refer.

Mark Rawson, CE and Martin Byrne, Director, Nelson Regional Development Agency (NRDA) were present for this item. Group Manager Corporate Services Nikki Harrison spoke briefly to the agenda report. Questions and discussion included NRDA's strategic development approach, technological change, key changes proposed, funding, the private sector, integration of the visitor attraction platform and the

talent attraction and retention platform, NRDA's partners and its role as a facilitator to bring groups together, seasonality, shared services - collaboration and co-location, sustainability and solar activities.

Resolved GOV/2018/018

***That the Governance Committee:***

***Receives the report Nelson Regional Development Agency Half Yearly Report to 31 December 2017 and Draft Statement of Intent 2018/19 (R9099) and its attachments (A1923314, A1878584, and A1943599).***

Dahlberg/Rutledge

Carried

Recommendation to Council GOV/2018/019

***That the Council:***

***Agrees that the Nelson Regional Development Agency's draft Statement of Intent 2018/19 (A1943599) meets Council's expectations and is approved as the final Statement of Intent for 2018/19.***

Noonan/Dahlberg

Carried

## **12. Exclusion of the Public**

Rob Gunn, and Lee Babe, of Nelmac, were in attendance for Item 2 of the Public Excluded agenda to answer questions and, accordingly, the following resolution was required to be passed:

Resolved GOV/2018/020

***That the Governance Committee***

***Confirms in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Rob Gunn and Lee Babe from Nelmac remain after the public has been excluded, for Item 2 of the Public Excluded agenda (Nelmac Limited six monthly presentation), as they have knowledge that will assist the Council; and***

***Notes in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Rob Gunn***

***and Lee Babe possess relates to the Nelmac Limited six monthly presentation.***

Courtney/Dahlberg

Carried

Resolved GOV/2018/021

***That the Governance Committee***

***Excludes the public from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Courtney/Dahlberg

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<b>Governance Committee Meeting - Public Excluded Minutes - 8 March 2018</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> </ul>
2	<b>Nelmac Limited six monthly strategic presentation from the Board (Rob Gunn/Lee Babe)</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> </ul>
3	<b>Nelmac director appointment</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> </ul>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		good reason exists under section 7	
4	<b>Nelmac Limited Draft Statement of Intent 2018/19</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>

The meeting went into public excluded session at 11.08a.m. and resumed in public session at 12.33p.m.

### 13. Re-admittance of the Public

Resolved GOV/2018/027

***That the Governance Committee***

***Re-admits the public to the meeting.***

Noonan/Dahlberg

Carried

There being no further business the meeting ended at 12.34p.m.

Confirmed as a correct record of proceedings:

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

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## **Governance Committee Status Report - 7 June 2018**

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

- 1.1 To provide an update on the status of actions requested and pending.

### **2. Recommendation**

***That the Governance Committee***

***Receives the report Governance Committee Status Report - 7 June 2018 (R9350) and its attachment (A1160658).***

Elaine Stephenson  
**Governance Adviser**

### **Attachments**

Attachment 1: A1160658 - Status Report - Governance Committee 7 June 2018 [↓](#)

## Status Report - Governance Committee – 7 June 2018

MEETING DATE	SUBJECT	MOTION	RESPONSIBLE OFFICER	COMMENTS
11 May 2016	Mountain Biking and Gondola	<p><u>AND THAT</u> Council acknowledges the importance of also developing a good network of walking tracks and notes these will be identified concurrently with other off-road tracks and trails;</p> <p><u>AND THAT</u> provision of \$100,000 be made in the Annual Plan 2016/17, being</p> <ul style="list-style-type: none"> <li>\$50,000 to cover both the employment of a project manager by the Nelson Cycle Lift Society (or its successor) and for advice on the economic contribution of a gondola to mountain biking and the city, contingent on the Governance Committee approving a project plan at its meeting in July 2016, and</li> <li>\$50,000 match/partnership funding to be made available once Nelson Cycle Lift Society (or its successor) has raised at least \$50,000, contingent upon the Governance Committee receiving advice of the positive economic impact of the gondola,</li> </ul>		
25 Aug 2016	Nelson Cycle Lift Society – approval of project plan	<p><u>AND THAT</u> the Governance Committee be delegated the authority to consider this matter and make recommendations to Council.</p> <p>THAT the \$50,000 of funding allocated in the 2016/17 Annual Plan be released to the Nelson Cycle Lift Society for further development of the business case and for advice on the economic contribution of a gondola to mountain biking and the city, with the following condition:</p>	Roger Ball	<p>A report is on the agenda for the Governance Committee meeting on 7 June 2018.</p> <p><b>Ongoing</b></p>

**Status Report - Governance Committee – 7 June 2018**

THAT the brief for the economic assessment be signed off by the Chief Executives of Nelson City Council and the Nelson Regional Development Agency.

*Note: This item was moved from the Council Status Report to the Governance Committee Status Report in December 2016.*



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**REPORT R9363**

## **Chairperson's Report**

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- 1.** Nelson is now rightfully acknowledged as the sunniest city in New Zealand and enjoys attributes that give it an edge over all other cities in the quest to be a practically smart sustainable community, which is healthy and energy efficient. I am enthusiastic about the possibilities for us.
- 2.** Our Long Term Plan 2018-28 includes significant expenditure on environmental management over the ten year period of the plan with emphasis on minimising activities leading to negative climate outcomes. To achieve these outcomes it is important to take real practical steps to sustainably and cheaply power our council and city activities. This is the way I organise my sustainable lifestyle.
- 3.** I have met and discussed a portfolio of projects with representatives of a local Social Enterprise organisation which could provide us with an opportunity to firmly establish Nelson as New Zealand's most sustainable city. The company generates 100% renewable energy and widely retails electricity around New Zealand. The retail price is one of the lowest and it doesn't provide returns to corporate shareholders as its profit is gifted to the community, direct to schools, charities and community organisations.
- 4.** This unique and innovative company is called the NextGen Group and is based in Nelson. All its energy generation is 100% renewable.
- 5.** There are real opportunities for our Council and Nelson citizens. I list below brief examples and details:-
  - Large scale solar farms on Council land not being used for other activities.
  - Providing the chance for domestic households to enjoy solar power directly from solar farms, without the need for expensive installations on roofs and at significant cost savings to the consumer.
  - Supply of electricity to Council buildings at very cheap rates.
  - Solar cycle shelters to provide electric bike charging and local Wi-Fi access.
  - Solar generation at sites such as pump stations and treatment plants to lower Opex costs.

## Item 7: Chairperson's Report

- Battery systems to make smart use of fluctuations in electricity to lower line charges, with or without installing solar panels.
  - The roll out of residential, commercial and lamppost charging systems for electric vehicles.
- 6.** Being aware of land not being used at the airport I saw an opportunity for a solar farm and on discovering that there are some very large airport solar farms overseas, I facilitated discussions between the Company and the Airport company. NextGen was the provider of the existing E V panels at the airport.
- 7.** It will be great if this opportunity can be set up at our airport, as apparently other airports are getting involved. Our smart little city image will be enhanced if we can promote and achieve solar power benefits.
- 8.** Citizens will be able to purchase solar panels and enjoy energy cost savings without having them on their own roofs. Nelson could boast being New Zealand's most sustainable city, whilst also saving significant sums for ratepayers, households and businesses.
- 9.** NextGen has offered an introductory workshop to outline its core services and I recommend that the Governance Committee agrees to accept the offer of NextGen to host a workshop involving councillors and appropriate staff with a view of investigating opportunities for the city.

## **10. Recommendation**

***That the Governance Committee***

***Receives the report Chairperson's Report (R9363); and***

***Agrees to accept the offer of NextGen to host a workshop involving councillors and appropriate staff with a view of investigating opportunities for the city.***

Councillor Ian Barker  
**Governance Committee Chairperson**

## **Attachments**

Nil

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**REPORT R9352**

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**Rates Remission for Land Affected by the 1 February 2018 Weather Event**

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**1. Purpose of Report**

- 1.1 To confirm that the weather events of 1 February 2018 qualify as a natural calamity event for the purpose of applying the Rates Remission Policy for Land Affected by Natural Calamity (the Policy).
- 1.2 To confirm the methodology under which rates remission applications, for ratepayers affected by the 1 February 2018 weather event, are assessed under the Policy.

**2. Recommendation**

***That the Governance Committee***

***Receives the report Rates Remission for Land Affected by the 1 February 2018 Weather Event (R9352) and its attachment (A1551142).***

Recommendation to Council

***That the Council***

***Approves that the 1 February 2018 weather event qualifies as a natural calamity for the purposes of applying the Rates Remission Policy for Land Affected by Natural Calamity; and***

***Approves the criteria for assessing rates remission for affected properties and the application process; and***

***Notes that a summary of approved applications and the total value of rates remitted will be provided to the Council later in 2018.***

## Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

### 3. **Background**

- 3.1 Council's Rates Remission Policy provides Council with a mechanism to provide rates relief for landowners who have been affected by natural events through the section on Rates Remissions for Land Affected by Natural Calamity. A full version of the Policy has been attached (Attachment 1).
- 3.2 The Policy allows Council the discretion to remit part, or all of the rates charged on land detrimentally affected by natural calamity, such as erosion, subsidence, submersion or earthquake and is aimed at aiding ratepayers most adversely affected.
- 3.3 To be eligible for a remission an application from the ratepayer must be received within six months of the event. Since 1 February 2018, the Council has received six applications for properties at Monaco seeking rates remission as a result of damage incurred by ex-cyclone Fehi on 1 February 2018.
- 3.4 The Policy requires that each natural calamity be considered for rates remission by Council on a case by case basis. The Policy also states that the extent of any remission can be determined by Council or its delegated officers. Council has previously granted delegation for the extent of any remission to the Group Manager Environmental Management and Group Manager Corporate Services (LGR20).

### 4. **Discussion**

#### **Determining if the February 2018 weather event qualifies**

- 4.1 The Rates Remission Policy for Land Affected by Natural Calamity establishes the framework for determining if an event qualifies for rates remission. The Policy states;

*The Council may remit wholly, or in part, any rate or charge made and levied in respect of the land, if:*

- 1. *Land is detrimentally affected by natural calamity such as erosion, subsidence, submersion or earthquake and:*

- 1. *as a result dwellings or buildings previously habitable were made uninhabitable; or*

- 2. *the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued.*

- 4.2 For the purposes of the Policy (section 1.1) "uninhabitable" means a building that cannot be used for the purpose it was intended, due to s124 notice of conditions being issued under the Building Act 2004. Section 1.2 is less prescriptive.

## Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

- 4.3 The remnants of ex-cyclone Fehi coincided with a low pressure weather system, king tides and heavy rain. The combination of these events resulted in significant damage to some coastal areas and civil defence response and recovery actions. The Council also issued a number of s124 notices, including for the Boathouse and Boatshed at Rocks Road and, some Council owned properties.
- 4.4 Given the severity of the effects on properties it is recommended that the 1 February 2018 weather event is classified as a natural calamity event, for the purposes of applying the Rates Remission Policy for Land Affected by Natural Calamity.

### **Criteria for a rates remission: Section 1.1 of the Policy**

- 4.5 The following criteria will be applied to determine qualifying properties for the 1 February 2018 weather events under section 1.1 of the Policy:
- The property was issued a Section 124 (s124) notice, and the property was uninhabitable for 30 days or more from the issue of that notice.
- 4.6 Circumstances not considered to be eligible for a rate remission include:
- 4.6.1 When the issued s124 has been lifted within 29 days and the dwelling or building can be reoccupied. The reason for this is the policy is aimed at assisting those ratepayers most adversely affected, such as those who cannot return to their property for one month or more.
- 4.6.2 Where a dwelling can be occupied and the occupier is still able to utilise the greater part of their land and/or activity for which the land is used can be recommenced within 30 days. This includes:
- where the dwelling or building can be occupied and the occupier is able to access Council services for which rates and charges are levied;
  - where the property is affected such that the activity for which the land is used is unable to be continued, revaluation of the affected property will ensure that rates are adjusted in line with the property value for the following 1 July.
- 4.6.3 Where a s124 notice has been lifted but the occupier does not feel safe returning to the property. This is because other ratepayers should not be required to cover rates when a property has been deemed safe to occupy.
- 4.6.4 Where a ratepayer requests a remission as the cost of the event to them has been significant, and asks the Council to consider the impact on them individually. This is because the Policy does not cover rates remission for people experiencing financial hardship.

## Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

4.6.5 Where any losses arising to the property including for loss of use of, or income from the use of, the property are covered by insurance.

- 4.7 Council officers undertook rapid assessments of a number of houses at Monaco on 2 February 2018, including all of the six properties that are seeking a rates remission from the Council. Although a range of damage and inundation was noted at the houses assessed by officers the level of damage noted did not trigger the need for a s124 notice to be issued.

### **Criteria for a rates remission: Section 1.2 of the Policy**

- 4.8 Although the properties do not fit under the first part of the Policy, in that no s124 notices were issued, the properties were significantly affected and therefore officers recommend that consideration be made under section 1.2 of the Policy. This part of the Policy is more flexible in that it provides for a remission if the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued.
- 4.9 The applications under consideration all describe considerable damage to property of a nature which would reasonably be considered to render these properties uninhabitable. However, in the absence of a s124 notice there is no evidence for Council to rely on. Likewise there is no evidence as to how long each property will be, or was, uninhabitable. There is also no information about insurance coverage and whether the applicants will receive any compensation for loss of use under an insurance policy.
- 4.10 It is difficult for Council to make a decision about rates remission based on available information. There is also a risk of setting a precedent for how applications lacking a s124 notice will be handled in the future. Although the cost to ratepayers of these six remission applications is relatively minor there is potential for more to be received for this and future weather events.
- 4.11 It is therefore proposed that officers seek a property assessment report, such as from a builder or insurance provider, which confirms that the ratepayer could not live at the property for the dates supplied and that remissions only be made for properties which are the ratepayer's primary residence. If Council approves this approach, individual applications will then be determined under the delegation to the Group Manager Corporate Services and Group Manager Environmental Management jointly. Officers would also notify all building owners of properties issued with a s124 notice and provide communications through Our Nelson, to notify ratepayers of the opportunity to apply for a rates remission for this event.
- 4.12 If Council approves that this event qualifies as a natural calamity and confirms the methodology by which remissions can be made, officers will bring a summary of approved applications and the total value of rates remitted to Council later this year.

Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

**Level of remission**

- 4.13 If Council approves rates remissions for the February weather event, the remissions would be based on the following:
- 4.13.1 Rates would be remitted from the date of the event, 1 February 2018, until the time that the property could be occupied;
- 4.13.2 Rates would be remitted on a pro rata basis for services that could not be used when a property was unable to be occupied as a result of the event. This includes the following charges:
- Water (fixed charge portion)
  - Stormwater
  - Wastewater.
- 4.14 There is no remission on the General Rate or Uniform Annual General Charge (being part of the General rate) as these charges fund services that are not property specific, such as roads, libraries, parks and community facilities.
- 4.15 The annual property charges including GST for these services for 2017/18 are:
- \$287.64 – Stormwater charge
  - \$407.97 – Wastewater charge
  - \$189.32 – Water line charge
- \$884.93 Total charges.
- 4.16 This works out to be a remission of \$17.02 (including GST) per week for each property eligible under the Policy. In respect to the current financial year, for ratepayers who are able to return to their properties by the end of May (17 weeks) the remission would amount to \$289.34. For those that are not able to return until the end of June (21 weeks) the amount would be \$357.42 per property.
- 4.17 The Policy requires those seeking a rates remission to make an application within six months following an event. As the event was on 1 February 2018, the six month expiry date for applications would be 1 August 2018. Therefore there may be further applications for rates remission which need to be taken into consideration.

Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

## 5. Options

5.1 The Committee has the following options:

<b>Option 1: Recommends approval of the approach to rates remission.</b>	
Advantages	<ul style="list-style-type: none"><li>• Council is responsive to community requests for assistance</li><li>• Would be supported by the ratepayers who have made an application for rates relief</li></ul>
Risks and Disadvantages	<ul style="list-style-type: none"><li>• May be seen to set a precedent for the handling of future similar applications</li><li>• Would require additional unbudgeted funding</li></ul>
<b>Option 2: Does not recommend approval of the approach to rates remission.</b>	
Advantages	<ul style="list-style-type: none"><li>• Application of the Policy consistent with past practice</li></ul>
Risks and Disadvantages	<ul style="list-style-type: none"><li>• Would not be supported by those making an application for rates relief</li><li>• Fails to use the Policy for its full scope of potential benefits to affected residents</li></ul>

## 6. Conclusion

- 6.1 The 1 February 2018 weather event affected a number of ratepayers and residents in Nelson. The Rates Remission Policy for Land Affected by Natural Calamity provides a mechanism for Council to provide rates relief to affected ratepayers.
- 6.2 Council has received six applications for rates remission as a result of the ex-cyclone Fehi weather event for properties at Monaco. Officers recommend that Council approves that this event qualifies as a natural calamity and confirms the methodology by which remissions can be made. Officers will then bring a summary of approved applications and the total value of rates remitted to Council later this year.

Nikki Harrison  
**Group Manager Corporate Services**

## Attachments

Attachment 1: A1551142 - Rates Remission Policy [↓](#)



Item 8: Rates Remission for Land Affected by the 1 February 2018 Weather Event

<b>Important considerations for decision making</b>	
<b>1. Fit with Purpose of Local Government</b>	The recommendations in this report provide support for the people who own properties most affected by the 1 February 2018 weather event and thus deliver a public service to assist households in need.
<b>2. Consistency with Community Outcomes and Council Policy</b>	<p>Council has granted rates remissions for properties affected by natural calamity in the past, however these were limited to those issued with a s124 notice which required the ratepayer/resident to vacate their property. The recommendations in this report are not inconsistent with existing policy but do extend its coverage beyond existing practice.</p> <p>The recommendations in this report support the Community Outcome; <i>Our communities are healthy, safe, inclusive and resilient</i></p>
<b>3. Risk</b>	There is a risk that this decision would result in a number of other applications being made. And also that remissions are granted to properties not eligible under the Policy, due to lack of information. This risk would be mitigated by the requirement of receipt of an assessment report that confirms that the ratepayer cannot live at the property during the application period.
<b>4. Financial impact</b>	Rate remissions are an unbudgeted expense and approving the recommended option would have a financial impact for Council to the value of \$17.02 per week per eligible ratepayer. Based on the six applications received, the estimated value of a rates remission for this financial year is \$1,940.28. Further applications for rates remission would incur additional cost.
<b>5. Degree of significance and level of engagement</b>	This matter is of low significance because it is in keeping with the Policy for Land Affected by Natural Calamity therefore no consultation is required.
<b>6. Inclusion of Māori in the decision making process</b>	Māori have not been consulted in the preparation of this report.
<b>7. Delegations</b>	<p>The Governance Committee has the following delegations to consider</p> <p><i>Areas of Responsibility:</i></p> <ul style="list-style-type: none"><li>• <i>Rating systems and policies</i></li></ul> <p><i>Powers to Recommend:</i></p> <ul style="list-style-type: none"><li>• <i>Any other matters within the areas of responsibility noted above</i></li></ul>

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## **Rates Remission Policy**

The Rates Remission Policy encompasses the reasonably practicable options considered by Council.

There has been a change in the criteria for Remission of Charges for Excess Water Arising from Leaks, with additional building types added for clarity (this does not change how the policy is applied). Footnote 2 clarifies that unoccupied is taken to mean where there is no permanent building on the property or where the building is not occupied for more than seven days. The policy had previously defined unoccupied as being 2 days without occupation, so this change increases the ability to claim for a water credit.

There has been a change in the Rates postponement policy conditions so that debt cannot increase over 80% of the equity in the property. This was previously 80% of the capital value of the property. This change protects Council if there are other secured debts owing on the property.

There has been a change to the remission of rates for underground utilities to extend the remission from just Network Tasman Limited to all utility operators. This change allows other utility operators to qualify for the remission.

This policy contains Council's preferred option, having considered all reasonably practicable options in accordance with section 82 of the Local Government Act 2002.

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### **Rates remission policy**

#### **Introduction**

Council is required to adopt a rating remission policy as set out in Section 85 of the Local Government (Rating) Act 2002. The Nelson City Council has decided to remit all or part of the rates on properties covered by this Remission Policy.

#### **General provisions for the remission of rates**

The policy shall apply to such ratepayers and organisations as approved by Council by meeting the relevant criteria. Council may delegate the power to approve rates remission to Council Officers under Section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to the amount eligible for the rates remission.

Rates remission will be provided for the following categories of rating units or under the following circumstances:

### **Rates remission for community, sporting and other organisations**

#### **Objective**

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to:

- Recognise the public good contribution to community wellbeing made by such organisations
- Assist the organisation's survival
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people and economically disadvantaged people.

#### **Conditions and criteria**

Council supports applications for financial assistance by any organisation not conducted for private profit. The principal object of the organisation should be to promote the development of Nelson City and provide for at least one of the following: the public, recreation, health, enjoyment, instruction, sport or any form of culture, or for the improving or developing of amenities, where the provisions of any one of these areas is to the benefit of the City.

An organisation making an application should include the following information in support of its application:

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- Evidence that other areas of assistance have been investigated if available
- That there is a need for assistance
- That there has been a reasonable effort made to meet the need by the organisation itself
- The organisation's most recent financial accounts.

### **Procedure**

The organisation must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

An application for remission will apply for a maximum of three years and all applications will expire on 30 June following the revaluation of all properties in the city. A new application must be made if continued assistance is required. Each application will be considered by Council on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.

Remission is granted only in respect of those parts of the rates that are based on land value. The remission is 50% of the rates payable.

Rates remissions will be made by passing a credit to the applicant's rates assessment.

No rates remission under this policy will be available to an organization that is in receipt of a mandatory rate remission.

## **Remission of penalties**

### **Objective**

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date, due to circumstances outside the ratepayer's control. Remission will be made when any of the following criteria applies:

### **Conditions and criteria**

- Where there exists a history of regular punctual payment over the previous 12 months and payment is made within a reasonable time of the ratepayer being made aware of the non-payment
- When the rates installment was issued in the name of a previous property owner
- On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment
- Where it can be proved that the rate account was not received and a genuine cause exists

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- Automatic remission of the penalties incurred on installment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second installment
- Where full payment of arrears of rates is made in accordance with an agreed repayment programme
- Where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.

In implementing this policy, the circumstances of each case will be taken into consideration on their individual merits and will be conditional upon the full amount of such rates due having being paid.

Decisions on remission of penalties are delegated to officers as set out in the Council's delegations register.

### **Rates remission for Residential Properties in Commercial/ Industrial Areas**

#### **Objective**

To ensure that owners of residential rating units situated in non-residential areas are not unduly penalised by the zoning decisions of this Council.

#### **Conditions and criteria**

To qualify for remission under this part of the policy the rating unit must be:

- Situated within an area of land that has been zoned for commercial or industrial use
- Listed as a 'residential' property for differential rating purposes.

### **Rates remission on land protected for natural, historical or cultural conservation purposes**

#### **Objective**

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land held for natural, historical or cultural purposes.

#### **Conditions and criteria**

Ratepayers who own rating units that have some feature of cultural, natural or historical heritage that is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act, and is liable only for rates for water supply or sewage disposal will not qualify for remission under this part of the policy.

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Applications must be made in writing and be supported by documented evidence of the protected status of the rating unit, for example a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy Council will consider the following criteria.

- The extent to which the preservation of natural heritage will be promoted by granting remission on rates on the rating unit
- The degree to which features of natural heritage are present on the land
- The degree to which features of natural heritage inhibit the economic use of the land
- The use of the property.

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

### **Rates remission for heritage buildings**

#### **Objective**

Rates remission is provided to assist with the preservation of Nelson's heritage by encouraging the maintenance of historic buildings. Provision of a rates remission recognises that there are private costs incurred for public benefit.

#### **Conditions and criteria**

Ratepayers who have buildings with a heritage classification may apply for a rates remission of up to 50% for Category A buildings and up to 25% for Category B buildings, providing the following conditions are met:

- Buildings must be listed in Appendix 1 of the Nelson Resource Management Plan as Category A or Category B buildings
- The property must not be owned by the Council or the Crown, or their agencies
- Building owners will need to make a commitment to ongoing maintenance of their building.

Council reserves discretion in awarding full remissions in some circumstances.

#### **Procedure**

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

### **Remission of charges for excess water arising from leaks**

Credits for excess water charges arising from the following will always be processed:

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- Misreading of the meter or faulty meter
- Errors in data processing
- The meter was assigned to the wrong account
- Leak on a Council fitting adversely impacting on the metered usage.

### **Other Conditions and Criteria include:**

- Leaks from pipes or fittings on farms<sup>1</sup>, commercial, industrial, public service, educational, social service properties and unoccupied<sup>2</sup> properties (regardless of temporary or long term) or reserves or from irrigation, stock water, swimming pools, ponds, landscaping or similar systems on occupied properties. No credit.
- Leaks from pipes that are, or should be visible, such as header tanks, overflows from toilets, above ground pipes or fittings and those attached to raised flooring or in walls or ceilings. No credit.
- Where the leak is a previously unknown underground leak on the main lateral between the water meter and a residential dwelling or under the concrete floor of a residential dwelling. The lost water is credited where the leak has been repaired with due diligence. Only one leak per property, and maximum two consecutive water supply invoices covering the leak, per five year rolling timeframe, will be credited. Credit will be based on Council's assessment of the property owner's usual usage for the period.
- Due diligence is defined as within two weeks of the earliest of the following:
  - The date of the first invoice to identify a higher than usual<sup>3</sup> usage; or
  - The date of discovery or when it could have reasonably been discovered
- The leak must be repaired by a Licensed or Certifying plumber who provides a brief report on the leak, where on the line the leak was found, dates and an opinion, as to how long the leak had been occurring.
- In extraordinary circumstances which fall outside the criteria above, a remission may be granted at the sole discretion of the Council's Group Manager Corporate Services. This may apply where a water credit remission application has been declined, and where this could lead to cases of genuine financial hardship for the owner/occupier, or where timely detection of a leak could not have reasonably occurred.

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<sup>1</sup> For the purpose of assessing credits for excess water arising from leaks "farm" is defined as any property that is or can be used for the growing of crops, including trees or rearing of livestock, with a land area greater than 5000 square metres

<sup>2</sup> Unoccupied is taken to mean where there is no permanent building on the property or where the building is not occupied for more than seven days.

<sup>3</sup> Usual being the amount used in the same period as last year. These amounts are shown on every water account.

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### **Remission of rates for cemeteries**

The provisions of the Local Government (Rating) Act 2002 state that a cemetery is non-rateable if it does not exceed two hectares. Therefore, a remission policy is required if Council wishes to remit rates on a cemetery greater than two hectares.

#### **Objective**

To provide a measure of relief, by way of remission, to enable Council to provide a cemetery greater than two hectares.

#### **Conditions and criteria**

- A cemetery that is Council-owned and is solely used as a cemetery.

### **Remission of rates on golf practice greens**

#### **Objective**

To provide a measure of relief, by way of remission of rates, to enable the Council to act fairly and reasonably in its consideration of rates charged on golf practice greens.

#### **Conditions and criteria**

- Land that is leased and used as a golf 'practice green'.

### **Remission of rates for underground utilities**

#### **Objective**

To provide a measure of relief, by way of remission, to enable Council to act fairly and reasonably when rating utility companies that put utilities under the ground.

#### **Conditions and criteria**

Where overhead utilities are put underground to the benefit of the Council and ratepayers, the Council will remit the portion of extra rates arising from the additional value of the reticulation; compared with the valuation that would have applied to overhead services.

This policy is subject to:

- Undergrounding carried out after 1 July 2002 and recorded in a programme of works agreed to by both Nelson City Council and network utility operators
- The agreed programme of works allows for undergrounding network utility lines in conjunction with upgrading of streets to be undertaken in any year.



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### **Remission on Rates on low valued properties**

The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation and rating assessment. This has resulted in many low land value assessments being created for small parcels of land.

#### **Conditions and criteria**

- Assessments with common ownership, used jointly as a single unit and for which only one uniform annual general charge is payable
- Assessments with a land value of \$4,000 or less.

### **Remission of clean heat warm homes targeted rate**

#### **Objective**

To provide a measure of relief, by way of remission, to assist those people on low incomes who are required to convert to a clean heat source.

Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Clean Heat Warm Homes targeted rate scheme.

#### **Conditions and criteria**

Ratepayers who take up the Clean Heat Warm Homes targeted rates assistance and who qualify for the Government's rates rebate scheme may qualify for a remission on repayment of the targeted 'Clean Heat Warm Homes' rate.

Eligibility for the rate rebate scheme is assessed annually.

### **Rates remission for land affected by natural calamity**

#### **Objective of the Policy**

The objective of this Rates Remission Policy is to permit the Council, at its discretion, to remit part or whole of the rates charged on any land that has been detrimentally affected by natural calamity, such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

#### **Conditions and Criteria**

The Council may remit wholly, or in part, any rate or charge made and levied in respect of the land, if:

1. Land is detrimentally affected by natural calamity such as erosion, subsidence, submersion or earthquake and:
  - a. as a result dwellings or buildings previously habitable were made uninhabitable<sup>4</sup>; or

<sup>4</sup> For the purposes of this policy 'uninhabitable' shall mean a building cannot be used for the purpose it was intended due to s124 notice conditions being issued under the Building Act 2004

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- b. the activity for which the land and/or buildings were used prior to the calamity is unable to be undertaken or continued.
2. The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity for which they were used prior to the calamity, up to and limited to the time that the land and/or buildings are deemed by Council to be able to become habitable or available for use.
3. In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply, Council may take into account:
  - a. whether essential services such as water, sewerage or refuse collection to any dwelling or building are able to be provided; and
  - b. whether any part of the building or land remains habitable or available for use.
4. Rates remission will not apply to any part of a rate that is levied as a user pays charge.
5. Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion might allow.

### **Application**

Each natural calamity event will be considered for rates remission on a case by case basis by Council.

The extent of any remission shall be determined by the Council or its delegated officer(s).

## **Policy on remission and postponement of rates on Māori freehold land**

A decision on whether to provide general rating relief through remission or postponement on Māori freehold land would be made by Council on a case by case basis.

## **Remission of rates for households with dependant relatives housed in an additional unit**

### **Objective**

To provide financial relief for households where a dependant adult relative is housed in an additional unit, so they are not unfairly burdened by the payment of rates on the second unit.

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### Conditions and criteria

To qualify for remission under this part of the policy, the second unit must be continuously occupied by the dependant relative, and:

- The ratepayer must apply to the Council for remission of rates on the second unit
- The applicant must confirm that the relative is dependant on the ratepayer
- If the unit is no longer occupied by the dependant relative, the householder must inform the Council within three months. Any change would apply from 1 July for the next rating year.
- The rates remission is for one year, at which time the ratepayer must re-apply for the remission of rates on the second unit.

Providing these conditions and criteria are met by the applicant, the uniform charges for wastewater and the uniform annual general charge will not be charged against the second unit.

### Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

## Remission of rates on separately used or inhabited parts of commercial rating units less than 20m<sup>2</sup>

### Objective

To provide relief from uniform annual general charges and wastewater charges for very small separately used or inhabited parts of commercial rating units (i.e. those less than 20m<sup>2</sup> floor area) where the effect of multiple uniform annual general charges and wastewater charges creates a significant financial impediment to economic use of the separately used or inhabited parts and where the Council considers that it is equitable to do so.

### Conditions and criteria

The uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of a commercial rating unit that has a floor area of less than 20m<sup>2</sup> may be remitted where the following criteria is met:

- The separately used or inhabited part of the commercial rating unit must have a floor area of less than 20m<sup>2</sup>
- The circumstances of the commercial rating unit must be such that the uniform annual general charges and wastewater charges assessed for each separately used or inhabited part of the rating unit that has a floor area of less than 20m<sup>2</sup> will render the property uneconomic or are otherwise inequitable.

### Procedure

The ratepayer must apply to the Council for a remission on or before 31 August if the applicant wishes the remission to apply to rates payable in that year.

Applications must be made on the prescribed form which can be found via our Customer Service Centre or on our website [www.nelson.govt.nz](http://www.nelson.govt.nz)

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Applications must include detailed information explaining how the property meets the conditions and criteria under this policy.

Application will not be accepted for prior years.

Any rates remission will be granted for one year only following which the ratepayer may make a new application for the remission of rates for any following year so long as the conditions and criteria are still met.

Decisions on applications under this policy will be made by Group Manager Corporate Services.