



Order Paper for an ordinary meeting of the

**QUEENSTOWN LAKES DISTRICT COUNCIL**

to be held on

Friday, 24 March 2017

commencing at 1.00pm

In the Council Chambers, 10 Gorge Road,

Queenstown

## **9.12 ITEMS OF BUSINESS NOT ON THE AGENDA WHICH CANNOT BE DELAYED**

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with the item and the Chairperson provides the following information during the public part of the meeting:

- (a) the reason the item is not on the agenda; and
- (b) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

*s. 46A (7), LGOIMA*

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the Chairperson.

**Please note** that nothing in this standing order removes the requirement to meet the provisions of Part 6, LGA 2002 with regard to consultation and decision-making.

## **9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA**

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

## **REFERENCE:**

Queenstown Lakes District Council Standing Orders adopted on 15 December 2016.

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Council Chambers, 10 Gorge Road, Queenstown on Friday, 24 March 2017 commencing at 1.00pm

<b>Item</b>	<b>Page No.</b>	<b>Report Title</b>
		<b>Apologies</b>
		<b>Leave of Absence Requests</b>
		<b>Declarations of Conflict of Interest</b>
		<b>Matters Lying on the Table</b>
		<b>Public Forum</b>
		<b>Confirmation of Agenda</b>
1.	4	<b>2017-2018 Annual Plan Consultation Document</b>
2.	9	<b>Amendments to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters</b>
3.	17	<b>Amendment to Development Contributions Policy</b> <b>NOTE:</b> Attachment G (Meredith Connell legal advice) is <u>Public Excluded</u> .
4.	27	<b>Queenstown Lakes District Council Cemeteries Bylaw 2017</b>
5.	33	<b>Coronet Forest Management Plan 2017</b>
6.	42	<b><u>PUBLIC EXCLUDED</u></b> <b>Housing Infrastructure Fund – Final Proposals</b>



**QLDC Council**

**24 March 2017**

**Report for Agenda Item: 1**

***Department:***

**Corporate Services**

**2017-2018 Annual Plan Consultation Document**

**Purpose**

To adopt the Council's 2017-2018 Annual Plan Consultation Document and supporting document for public consultation.

**Executive Summary**

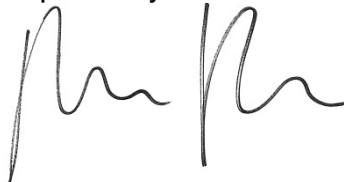
The 2014 amendments to the Local Government Act 2002 now require Councils to use a Consultation Document to consult with the community on the Council's Annual Plan. The Plan itself will not be adopted until the consultation process has been completed and any changes made (30 June 2017).

**Recommendation**

That Council:

- a. **Adopts** the 2017-2018 Annual Plan supporting document;
- b. **Adopts** the 2017-2018 Annual Plan Consultation Document for consultation; and
- c. **Approve** the Council entering into consultation on the proposed amendments to the Policy on Development Contributions in accordance with section 102 (4) (b) of the Local Government Act 2002.

Prepared by:



Meaghan Miller  
GM Corporate Services

13/03/2017

Reviewed and Authorised by:



Mike Theelen  
Chief Executive

13/03/2017

**Background**

- 1 The Consultation Document is a requirement for all Councils to produce under the 2014 amendments to the Local Government Act.

- 2 The supporting document informing the Consultation Document includes but is not limited to the following (Section 95):
- *the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*
  - *identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and*
  - *provide integrated decision making and co-ordination of the resources of the local authority; and*
  - *contribute to the accountability of the local authority to the community.*
- 3 The supporting document must be adopted prior to the adoption of the Consultation Document in accordance with section 95A of the Local Government Act.

### **Comment**

- 4 The legislation provides some guidance on what can and cannot be included in the Consultation Document but there remains a high level of flexibility as to how this information is presented to the community. It is important the document is accessible and contains the key themes and messages from the supporting document.
- 5 Section 95A (purpose and content of consultation document for annual plan) of the LGA sets out that:

*(1) The purpose of the consultation document under section 82A(3) is to provide a basis for effective public participation in decision-making processes relating to the activities to be undertaken by the local authority in the coming year, and the effects of those activities on costs and funding, as proposed for inclusion in the annual plan, by:*

*(a) identifying significant or material differences between the proposed annual plan and the content of the long-term plan for the financial year to which the annual plan relates; and*

*(b) explaining the matters in paragraph (a) in a way that can be readily understood by interested or affected people; and*

*(c) informing discussions between the local authority and its communities about the matters in paragraph (a).*

*(2) The content of the consultation document must be such as the local authority considers on reasonable grounds will achieve the purpose set out in subsection (1), and must—*

*(a) explain identified differences, if any, between the proposed annual plan and what is described in the long-term plan in relation to the financial year to which the annual plan relates, including (but not limited to)—*

*(i) an explanation of any significant or material variations or departures from the financial statements or the funding impact statement; and*

*(ii) a description of significant new spending proposals, the costs associated with those proposals, and how these costs will be met; and*

*(iii) an explanation of any proposal to substantially delay, or not proceed with, a significant project, and the financial and service delivery implications of the proposal; and*

*(b) outline the expected consequences of proceeding with the matters referred to in paragraph (a), including the implications for the local authority's financial strategy.*

*(3) The consultation document:*

*(a) must be presented in as concise and simple a manner as is consistent with this section; and*

*(b) without limiting paragraph (a), must not contain, or have attached to it—*

*(i) a draft of the annual plan as proposed to be adopted; or*

*(ii) a full draft of any policy; or*

*(iii) any detailed information, whether described in Part 2 of Schedule 10 or otherwise, that is not necessary or desirable for the purposes of subsections (1) and (2); and*

*(c) must state where members of the public may obtain the information held by the local authority that is relied on by the content of the consultation document, including by providing links or references to the relevant information on an Internet site maintained by or on behalf of the local authority; and*

*(d) may be given the title of the local authority's choice, provided that the title or subtitle make reference to this being a consultation document for the proposed annual plan for the relevant year.*

*(4) The local authority must adopt the information that is relied on by the content of the consultation document, as referred to in subsection (3)(c), before it adopts the consultation document.*

*(5) For the purposes of this section, a difference, variation, or departure is material if it could, itself or in conjunction with other differences, influence the decisions or assessments of those reading or responding to the consultation document.*

6 As outlined the supporting document will be amended in response to the submission and hearing process and will be recommended for adoption as the 2017-2018 Annual Plan on 29 June 2017.

### **Proposed Amendments to the 2017/18 Policy on Development Contributions**

7 The Local Government Act 2002 (LGA) allows Council to amend the Policy on Development Contributions at any time in accordance with section 102 (4) (b) of the Local Government Act 2002.

- 8 As in previous years, Council intends to update the policy in parallel with the Annual Plan consultation. The Annual Plan supporting documents include the proposed amendments to the Policy on Development Contributions.
- 9 The main reason for the amendment is to simplify and clarify areas of the policy that have not been amended since it was first introduced. Many of the proposed changes involve the introduction of clearer definitions and a simpler assessment methodology for non-residential subdivisions where the details of the proposed development are not known.
- 10 As well as the annual update of contribution levels as a result of the incorporation of the latest actual expenditure and the revised capital programme proposed by the Annual Plan 2017/18, the additional proposed amendments to the Policy on Development Contributions include:
  - a. Clarification of when Council will assess development contributions when a development requires both resource and building consent.
  - b. Remove the 2012 provision to allow for recalculation of development contributions after 24 months.
  - c. Clarification of when a development contribution assessment may be reviewed.
  - d. Amendment to Country Dwelling Category in the Dwelling Equivalent Calculation Table.
  - e. Change to the methodology of how non-residential developments are assessed at subdivision stage.
  - f. Amendment of the multi-unit residential development definition to include reference to apartments.
  - g. Inclusion of the rates Residential flat definition to provide clarification of when a development contribution is required under either a Resource Consent or Building Consent.
  - h. Update to the Greenfield and Brownfield definitions as they relate to reserve land requirements.
  - i. Inclusion of Unusual Development definition to allow Council to assess those developments that have unusual demand characteristics.
  - j. Inclusion of reference to the ability of Council to withhold a certificate of acceptance under the Building Act as per the Local Government Act.
  - k. Simplification and clarification of the rules determining when credits may apply.

### **Financial Implications**

- 11 There are no financial implications in relation to adopting the Annual Plan supporting documents and Consultation Document. The cost of consultation is budgeted.

### **Local Government Act 2002 Purpose Provisions**

- 12 The Annual Plan is a statutory requirement under the Local Government Act 2002 (section 95).



## Council Policies

13 The following Council Policies were considered:

- 2015-25 10 Year Plan
- 2016/17 Annual Plan

## Consultation

14 Following its adoption, the 2017-2018 Annual Plan Consultation Document will be published online, available from Libraries and Council offices and circulated as per Scuttlebutt (Council newsletter) distribution, in accordance with section 82. The following is an outline of consultation key dates:

24 March 2017	Consultation Document and Supporting Document adopted for consultation
27 March 2017	Public Submissions open
28 April 2017	Public Submissions close
31 May – 1 June 2017	Hearing of Submissions
29 June 2017	Annual Plan recommended for Adoption

## Attachments [In Attachments Booklet]

- A 2017-2018 Annual Plan supporting documents – includes proposed amendments to the Policy on Development Contributions (to be circulated separately)
- B Draft Consultation Document (to be circulated separately)
- C Statement of Proposal: Proposed Amendments to the Policy on Development Contributions

**QLDC Council  
24 March 2017**

**Report for Agenda Item: 2**

**Department: Planning & Development**

**Amendments to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters**

**Purpose**

To consider the outcomes of a review of the fees and charges schedules and to agree that they form part of the 2017/18 Annual Plan.

**Recommendation**

That Council:

1. **Note** the contents of this report and in particular the Statement of Proposal and proposed changes to the fees and charges schedule used for resource consents, building consents, engineering and other matters; and
2. **Adopt** the Statement of Proposal including amendments to the fee schedules used for resource consents, building consents, resource management engineering and other matters [contained in **Attachment A**] as part of a special consultative procedure.

Prepared by:



Blair Devlin  
Manager, Planning Practice  
13/03/2017

Reviewed and Authorised by:



Tony Avery  
General Manager, Planning &  
Development 13/03/2017

## Background

- 1 Council reviewed its fees and charges as part of a special consultative procedure in 2016. The revised charges then became part of the 2016/17 Annual Plan.
- 2 Since that time, officers have identified that a small number of changes are required to help with the consistent and smooth administration of regulatory functions. For example some types of applications were not captured by the schedule and need to be added in.
- 3 Following a paper to the Executive Leadership Team on 1 March 2017, changes to the way street frontage bonds are also proposed. It is recommended they be abolished in their current form. The proposed fees schedule removes the reference to the bond as a result. It is recommended the existing policy should be replaced by a policy which allows QLDC to recover the costs of repair associated with any damage to street frontage as a result of property development activities as and when they occur. Inspection should be undertaken by Building Control officers as part of the Code Compliance Certificate (CCC).

## Comment

- 4 **Attachment A** sets out the proposed changes to the both fee schedules. Note there are separate schedules for:
  - a. Resource Consent and Engineering Fees and Other Charges; and
  - b. Building Consent Initial Fees and Other Charges
- 5 These changes are best summarised into three categories:
  - a) Proposed changes to monitoring fees;
  - b) Proposed removal of footpath bonds; and
  - c) Proposed amendments to update some fees following a review of actual costs and to make other updates and amendments.
- 6 These categories are described below.

### ***A Proposed Specific Changes – Monitoring Charges***

- 7 A monitoring charge of \$215 has been added to every land use consent category (subdivisions are captured separately and do require the fee to be added). This change is driven by a desire to collect the monitoring charge up front as part of the consent application, rather than the current approach of invoicing once the consent has been issued.
- 8 The change will result in administrative efficiencies in that an invoice will not have to be sent after every consent is issued. Note this means there is now a 'fixed fee' component for every land use consent.

- 9 The funding policy for monitoring is an 80/20 split. 80% of the cost of providing the monitoring service should be user pays, i.e. recovered from consent holders, with 20% being paid for from rates as part of 'public good' monitoring, e.g. monitoring of permitted activities, and monitoring of complaints where no breach is identified.
- 10 Adding \$215 to each land use consent is the equivalent of 1.5 hours of a monitoring officer's time, and would cover the cost of monitoring most consents should it be found to be fully complying. i.e. check consent documents and conditions, visit the site, undertake the inspection, and record the results of the inspection
- 11 Should monitoring identify a breach of consent conditions, additional time will be charged on an 'hourly rate' basis. i.e. the time spent to achieve compliance will be invoiced to the consent holder.
- 12 The \$215 figure was selected as it is half way between the two existing monitoring charges from the current fee schedule, of either \$145 (1 hour) or \$290 (2 hours), which have been set depending on whether earthworks are included. As the monitoring fee is being collected up front with every land use consent, it is not known whether earthworks form part of the application, so a middle figure between the two existing charges was selected.
- 13 If the \$215 is collected for each of the approximately 900 land use consents that require monitoring each year, this will fund 60% of the cost of delivering the current monitoring service (approximately \$323,000 per annum). The balance of 20% which is to be recovered from user pays will be collected through compliance monitoring.

### ***B Proposed removal of footpath bonds***

- 14 QLDC currently receives a street frontage bond with each building consent where the value of the building/improvement exceeds \$5,000. Amounts range from \$100-\$1,000 depending on the nature of the street frontage. It is proposed to remove the footpath bond from the building consent fees schedule.
- 15 The purpose of the bond is to cover the cost of any damage to the street frontage, including road surface, kerb and channel, footpath, and grass berm, as a result of development activity on the site. The incidence of street frontage damage is estimated at one building site per annum over the past few years. When damage does occur, the repair costs usually exceed the value of the bond. The bond holder is required to apply for the bond to be refunded once the work has been completed, but in many cases this has not been done by the consent holder and the bond remains with the Council.
- 16 QLDC has an accounting policy adopted by Council on 16 March 2001 regarding the treatment of expired footpath bonds. Footpath deposits are deemed to have expired if they are not repaid or transferred within 6 years of receipt by the Council. Expired footpath deposits are to be transferred to the roading revenue of the ward where the building activity was undertaken.

- 17 Deloitte, our auditors, have raised their concerns regarding the growing multi-million dollar balance in street frontage bonds for a number of years in their annual letter to the Audit & Risk Committee.
- 18 The administrative burden of managing street frontage bonds is very high for the Building Control department, RM Engineering and the Finance department with the following process in place:
- A street frontage refund form is required to be completed by the property owner (ratepayer);
  - This form is checked against the list of bonds to confirm the validity of the refund request (Building Control & Finance);
  - An inspection is required to ensure that no damage has occurred (RM Engineering);
  - The current policy requires the street frontage bond to be refunded within 14 days of the street inspection (Finance);
  - The current policy states that the street frontage of the property and neighbouring properties will be inspected at the time of final building consent inspection, and any street frontage damage recorded (RM Engineering).
- 19 It is recommended that street frontage bonds in their current form should be abolished. The proposed fees schedule removes the reference to the bond as a result.
- 20 The existing policy should be replaced by a policy which allows QLDC to recover the costs of repair associated with any damage to street frontage as a result of property development activities as and when they occur. Inspection should be undertaken by BC officers as part of the Code Compliance Certificate (CCC).
- 21 An advertising campaign should be launched to encourage requests for refunds relating to old building consents.
- 22 Any remaining balance greater than 6 years old at 30 June 2017 should be transferred to roading revenue in accordance with the accounting policy for the treatment of expired footpath bonds.

***C Proposed amendments to update some fees following a review of actual costs and to make other updates and amendments***

*RMA and RM Engineering*

- 23 A range of other changes are proposed to the RMA and RM engineering fee schedule.
- 24 An administrative charge of \$90.00 has been added for entering / creating a pre-application request, to cover staff time associated with setting up the pre-app charge code, TRIM and G drive files, and linking the pre-app code to the relevant property.

- 25 The Pre-Application meeting category that required a deposit of \$1500 for complex applications has been removed as it was not used, and instead this category is just treated as a standard 'Pre-application meeting' with one hour free then the balance charged at an hourly rate.
  - 26 A new category of 'Cancellation of amalgamation condition' has been added as this was missing from the fee schedule. These are similar to boundary adjustments, so the same initial fee as a boundary adjustment has been used (\$1025).
  - 27 Overseas Investment Certificates have been deleted as a category as councils are no longer required to provide these.
  - 28 A new category of 'Private Plan Changes' has been added, as this was missing from the fee schedule. The initial fee is \$10,000 reflecting the substantial amount of work involved in processing a private plan change. All time spent processing private plan changes is chargeable to the applicant.
  - 29 The initial deposit for the preparation of a Development Contribution Notice (DCN) has been removed, and these are to be processed on an hourly rate basis. The collection of the initial fee proved time consuming from an administrative perspective as the DCN was often required urgently (before a Code Compliance Certificate can be issued) and unlike building and resource consents, there is no application or 'lodgement form' or lodgement fee required as such to prepare a DCN.
  - 30 The charge for an 'Engineering Connection to Council Services' has increased from \$250 to \$280, to reflect the administrative time component associated with setting up the charge code, TRIM and G drive files, and linking the pre-app code to the relevant property. This now accounts for one hour of Planning Support officer time (\$90), currently the administration component of the charge is \$60, resulting in the increase of \$30.
  - 31 Charges under the Local Government Act (LGA) have been separated out from charges under the Resource Management Act (RMA), and the reference to section 150 of the LGA has been added to reference the correct provision under which the charges are set. The existing fee schedules mixes LGA charges in with RMA charges.
  - 32 Some fine tuning of the officer hourly rate categories was made to reduce duplication.
- Building Consent and Other Charges Fee Schedule*
- 33 A range of other adjustments have been made to the building consent and other charges fee schedule, as summarised below:
  - 34 With regard to the heating appliance consent fee (charged for checking installation of a wood burner), this has increased from \$295 to \$335 to recover actual costs associated with this service.

- 35 With regard to requests for Minor Plan Variations, this has changed to an hourly rate, rather than a fixed fee of \$110 to reflect the actual cost in range of dealing with minor variations.
- 36 With regard to Certificates of Public Use (CPU), this is a certificate from Council confirming it is safe for people to use parts of premises intended for public use that are affected by building work. This has been increased and a split price structure put in place for Commercial 1 & 2, and Commercial 3, to better reflect the actual costs associated with this service.
- 37 CPU Amendment/Exemptions/Change of use – following a review of the actual costs of providing these services, this has been increased from \$115 to \$190 to better reflect the actual costs of providing the service.
- 38 Swimming Pool fees – the fee structure has changed to reflect the changes to the Building (Pools) Amendment Act 2016. This places a focus on registration and inspection rather than exemptions. The cost structure has been set to recover the predicted costs associated with this service.
- 39 Connection to Council services – duplication and inconsistency between the two Planning and Development fee schedules has been removed. The change now only shows under the RMA and Engineering fee schedule.

### **Options**

- 40 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

- 41 Option 1 - Retain the status quo and make no changes to the fee schedules

*Advantages:*

- 42 Retains existing approach to fees with which applicants/the public are familiar.

*Disadvantages:*

- 43 Does not update the schedules to fix identified problems.

- 44 Option 2 - Update the fee schedule

*Advantages:*

- 45 Updates the schedules to fix problems identified over the last 12 months.

*Disadvantages:*

- 46 Amends prices with which applicants/the public are now familiar.

- 47 This report recommends **Option 2** for addressing the matter because it will improve the administration of regulatory functions.

### ***Significance and Engagement***

48 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because it affects every user of the regulatory services performed by Planning and Development.

### ***Risk***

49 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as moderate.

50 This matter relates to this risk because the regulatory process around environmental management is central to the current and future development needs of the community.

51 Updating the fee schedule works towards mitigating the risk identified above by treating the risk.

### **Financial Implications**

52 The fixed fee monitoring charge will now be collected at the time of lodgement, rather than the time of issuing a consent decision. This will give greater certainty to the funding of the monitoring function.

### **Council Policies, Strategies and Bylaws**

53 The following Council policies, strategies and bylaws were considered:

- Annual Plan 2016/17

54 The recommended option is consistent with the principles set out in the named policy as the changes are generally considered to be fine tuning / amendments to the existing fee schedule.

### **Local Government Act 2002 Purpose Provisions**

55 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by refining and improving the existing fee schedule;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.



**Consultation: Community Views and Preferences**

56 The proposed changes will be subject to a special consultative procedure process.

**Attachments [In Attachments Booklet]**

- A Statement of Proposal including Appendix A, proposed amendments to Fee Schedules

**QLDC Council  
24 March 2017**

**Report for Agenda Item: 3**

**Department: Finance & Regulatory**

**Proposed Amendment to Policy on Development Contributions**

**Purpose**

To amend the Policy on Development Contributions in order to recover the growth related capital costs of the Eastern Access Road (Frankton Flats) from development contributions.

**Recommendation**

That Council:

1. **Note** the contents of this report; and
2. **Adopt** the amendments to the 2016/17 Policy on Development Contributions as described in Part B of the Revised Statement of Proposal [refer to Attachment A] in accordance with section 102(4)(b) of the Local Government Act 2002.

Prepared by:



Stewart Burns  
Chief Financial Officer

9/03/2017

Reviewed by:



Mike Theelen  
Chief Executive Officer

10/03/2017

**Background**

1. The Local Government Act 2002 (LGA) allows Council to amend the Policy on Development Contributions at any time in accordance with section 102 (4) (b) of the Local Government Act 2002.
2. On 6 October, 2016, Council gave approval to enter into consultation on the proposed amendment to the Policy on Development Contributions to allow for the introduction of a new targeted transport development contribution for the Frankton Flats and for an increase to the existing ward based transport development contribution as soon as is practicable.
3. The recommended outcome of the consultation process is included in the Revised Statement of Proposal (refer to Attachment A).

## Hearing Process

4. There is no requirement to have used the Special Consultative Procedure (SCP), however, Council decided to handle the consultation in a similar manner:

6 October 2016 – Approval to commence consultation

10 October 2016 – Commence consultation

10 November 2016 – Consultation ends

2 December 2016 – Hearing of submissions

9 December 2016 to 23 February 2017 – Deliberations (including the consideration of expert advice).

24 March 2017 – Final decision by Council

5. Council appointed the following Councillors to the hearing panel to consider the submissions received: Councillors Forbes, McRobie and Hill.
6. A total of 4 submissions were received in relation to the issue and a hearing was convened on 2 December 2016. A summary table of the submissions received is included in Attachment B. An analysis of the issues raised is included in Attachment C.
7. Legal advice was also sought in relation to the “contractual” argument raised by Remarkables Park Limited (RPL). A copy of this advice is included as a “public excluded” item as it is subject to legal privilege (Attachment G). In summary, Council rejects RPL’s interpretation of the February 2014 deed.
8. It is pertinent to note that if RPL’s interpretation of the deed was, in fact, correct, then this would present a complete defence against the proposal. There would be no need to submit on any other aspects. This however, is not the case with substantive submissions made on various aspects of the proposal’s methodology.
9. Of the 4 submitters, only RPL wished to be heard. At the hearing, further submissions were made on behalf of RPL by the following individuals:
- Alastair Porter (RPL)
  - John Young (Brookfields Lawyers for RPL)
  - Anthony Penny (Traffic Engineer for RPL)
  - Jai Basrur (Corporate Finance Adviser for RPL)
10. A copy of the hearing minutes is included as Attachment D and copies of all the submissions including those presented at the hearing are included in Attachment E.

## Changes to the Proposal as a result of the Submission Process

11. The submission from Queenstown Airport Corporation (QAC) is broadly supportive of the proposal but suggests a minor adjustment to the “contributing area” in relation to a portion of QAC land within the airport designation that is not development land. Council accepts the need for the adjustment. This means that the original proposed DC of \$613 (per 100m<sup>2</sup>) should increase to

\$616 (per 100m<sup>2</sup>). This is because there is less estimated development to spread the EAR costs across.

12. The submission from Queenstown Central Limited and Queenstown Central E2 Limited (QCL) is not supportive of the proposal and raises several issues of concern with regard to the methodology. QCL proposes that a more reasonable and equitable approach is through the development of a private developer agreement (PDA).
13. It is relevant to note that considerable progress was made in regard to the resolution of the issues of concern and that a PDA was successfully negotiated between QLDC and QCL between the date of the submission and the hearing. The final PDA requires the payment of a lump sum contribution for the EAR and is based on the methodology within the proposal. During this process it was agreed that certain development yield assumptions within the cost allocation model for some of the QCL land were overstated.
14. The original development assumptions were compared to actual consented plans for development on the QCL land and it was agreed that an adjustment to the estimate for overall developed Gross Floor Area (GFA) was warranted. This included a reduction to the development assumptions for RPL. Overall, developed GFA has decreased by around 15.5%. This means that the original proposed DC of \$613 (per 100m<sup>2</sup>) should increase to \$721 (per 100m<sup>2</sup>). This is because there is less estimated development to spread the EAR costs across.
15. This means that the cumulative impact of the changes agreed above is that the original proposed DC of \$613 (per 100m<sup>2</sup>) should increase to \$724 (per 100m<sup>2</sup>).

### **Compliance with Local Government Act 2002 (LGA)**

16. It is alleged by RPL that Council has not met the requirements of the LGA section 101(3) in the proposed methodology for funding the costs associated by the new road.
17. This section requires Council to consider a number of factors when considering the funding needs of the local authority:

*(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—*

*(a) in relation to each activity to be funded,—*

*(i) the community outcomes to which the activity primarily contributes; and*

*(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*

*(iii) the period in or over which those benefits are expected to occur; and*

*(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*

*(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

*(b) the overall impact of any allocation of liability for revenue needs on the community.*

18. The proposed methodology for the allocation of costs in relation to the EAR has taken into account each of the section 101(3) factors. It also follows the pre-existing policy position of Council, which is to use development contributions to recover capital expenditure required due to growth (Revenue & Financing Policy).
19. In light of the technical nature of the RPL submissions from Messrs Penny and Basrur presented at the hearing, Council has requested an assessment of the proposed methodology by suitably qualified independent expert. All of the background material, including copies of the submissions was sent to Chris Jenkins; director of SPM Assets. Chris is a senior consultant who is an expert in cost allocation methodology and development contributions.
20. The outcome of the SPM Assets review is that *“the cost allocation proposed for the assessment of the cost of growth for the EAR is appropriate”*. (page 7 SPM Report). A copy of the SPM Report is included as Attachment F.
21. A very important point that SPM make is that: *“We are aware that there are a number of cost allocation methodologies used by Councils for the determination of the cost of growth. The analysis is not an exact science and the analyst will be required to exercise some judgement in achieving the final result. The pragmatic result will be the one that recognises the requirements of the three primary stakeholders – the Developer, the Council and the Community and seeks a balanced outcome.”* (page 3 SPM Report)
22. The approach that Council has used in assessing the benefits provided by the EAR is to recognise both the benefits to the road user as well to the adjacent land owners. Much of the technical submissions focus on the traffic analysis; raising issues such as transitional benefits (to existing community); trip analysis and timeframes. These all relate primarily to the benefits associated with the road user.
23. There is no doubt that the EAR (when complete) will provide considerable benefit to the existing and future road users. Congestion will be reduced, travel times will improve, resulting in fuel savings and greater choices will be available for motorists. These public benefits are the principle reasons why NZTA have decided to provide financial assistance for the road. The significant 51% contribution from NZTA reflects the wider public benefit of the EAR.
24. There is also a significant private benefit aspect of the new road which Council must take into account. The EAR provides access to undeveloped zoned land within the Frankton Flats area on both sides of the runway. Without road access, this land cannot be developed. It is appropriate that this benefit be recognised and that the costs associated with it be apportioned based on development potential.

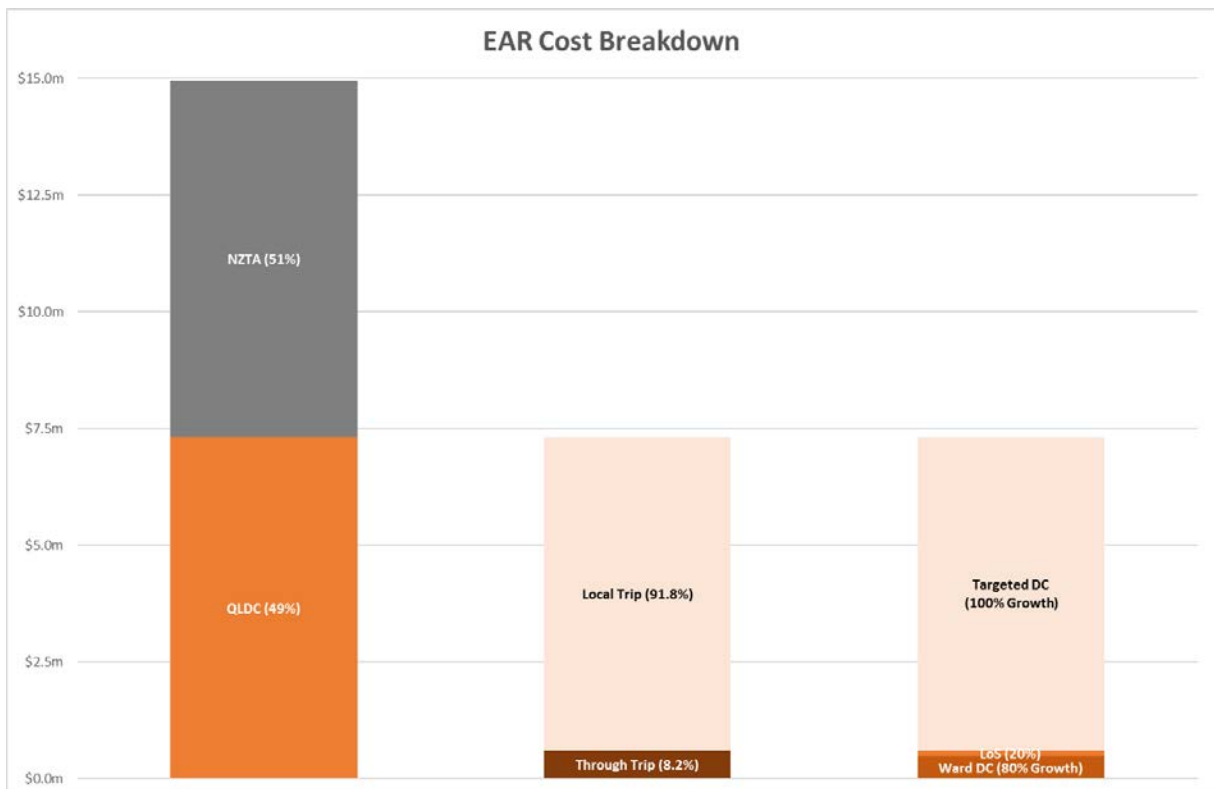


Transportation - Eastern Access Road Contributing Area.

25. The EAR will provide multiple access points along its length to allow for zoned land to be opened up for development. The proposed methodology recognises this benefit in a fair and justifiable way.
26. It is pertinent to consider the scenario that would exist if this road were to be constructed as part of a normal greenfield development (i.e. with a single developer). The road would be approved as part of the subdivision approval process and the developer would be required to design and construct the road. Once completed the road would vest in Council.
27. Numerous examples exist of major roads delivered in this way. The only difference with the EAR is that Council has assumed responsibility for the construction of the road because of the need to construct around the end of the runway (RESA) and that there are multiple land owners to accommodate. Council has recognised that it is best placed to coordinate the planning and delivery of the road.
28. It is relevant to consider how the two existing end portions of the road have been funded. At the State Highway 6 end, the road was constructed with each of the adjacent benefitting landowners contributing to the cost on the basis of relative road frontage. At the Remarkables Park end, the road has been 100% developer funded.
29. Council has taken a completely consistent approach in assessing the private benefit associated with the provision of access to existing zoned land. It is clear that there should be a significant developer contribution based on the principle that the road is a prerequisite for future development. It is also fair that the required contribution should match development potential (i.e. future private economic benefit).

30. The methodology used in defining the wider public benefit of the local share of the EAR is to use the trip data when the land is fully developed (2045). It shows that 8.2% of the trips are through trips. This means that developers should fund 91.8% of the local share (which equates to around 45% of the total cost of the road.)
31. The proposed funding scenario for the \$14.95m capital cost of the EAR is as follows:

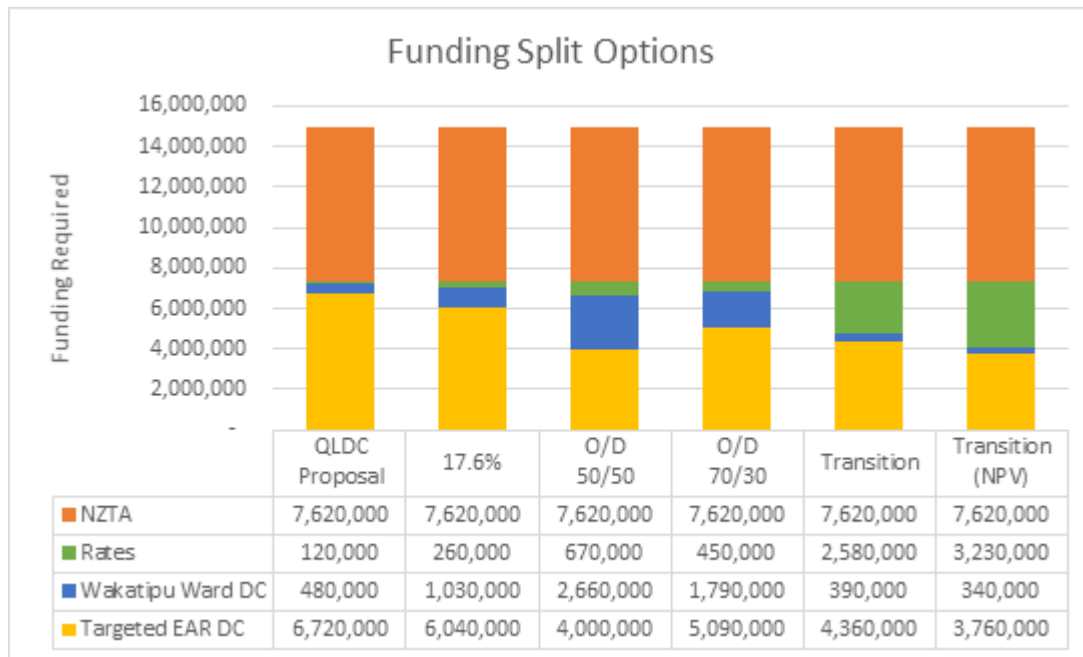
Funding Mechanism	Funding (\$)	Percentage
NZTA	7,624,500	51%
QLDC ( <i>Breakdown below</i> )	7,325,500	49%
<b>Total</b>	<b>\$14,950,000</b>	
<i>Targeted EAR DC</i>	<i>6,724,809</i>	<i>45%</i>
<i>Wakatipu Ward Transportation DC</i>	<i>480,553</i>	<i>3.2%</i>
<i>Rates</i>	<i>120,138</i>	<i>0.8%</i>
<b>Total QLDC</b>	<b>\$7,325,500</b>	



## Options

32. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

33. The panel have considered the reasoning and financial impact of all of the various alternative proposals presented by the submitters. Most of the alternative proposals result in a significant shift away from the Targeted DC to either rates or to the ward based DC.



The graph above shows the relative impact of the main funding split options based on the issues raised in the submissions.

- 17.6% - is the through trip percentage if BP roundabout is not significantly upgraded (presented to show sensitivity if SH6 not upgraded)
- O/D 50/50 – is splitting the trips 50/50 between their origin and destination.
- O/D 70/30 – as above but 70% to EAR and 30% to Ward. (presented to show sensitivity if different % adopted)
- Transition – uses the network operating cost savings (benefits) to apportion who benefits over time.
- Transition (NPV) – uses the discounted benefits above to apportion who benefits over time.

34. The panel have considered the alternative cost allocations in light of the Section 101(3) requirements and have concluded that the QLDC Proposal results in the fairest overall allocation of cost when considering the benefits provided by the road. The panel considered that the alternative proposals give too much weight to the benefit of road users as opposed to land owners, who will derive considerable economic benefit from the road as it provides access to allow zoned land to be opened up for development

35. The panel also considered the recommendations of SPM in their report: “We recommend that the contributing area is extended to include existing developed areas that benefit from the implementation of the EAR. We recommend that the Policy clearly defines the Ward Area of Benefit. We recommend that consideration be given to transitional benefits that may be enjoyed by the existing community in the early years after implementation of the EAR.” (page 7 SPM Report).



36. The construction of the contributing area was something that was very carefully considered in the original proposal. It has deliberately avoided the existing developed land adjacent to the proposed EAR because it is impossible for new DC's to be applied to existing development. It is our strong view that to amend the proposal now to a catchment area that is largely developed would cause considerable confusion and uncertainty among property owners without adding any material benefit to the funding proposal.
37. The panel were of the view that the existing contributing area clearly encapsulates the primary area of benefit for the EAR and that there was not a strong case for variation.
38. The transitional benefits issue has already been considered as part of the discussion on the relative weighting and recognition of the public benefits of the EAR to the road user (largely covered by NZTA subsidy) versus the private economic benefits to adjacent land owners (covered by the targeted DC).

Option 1 – Agree to the proposed amendment to the 2016/17 Development Contribution Policy.

*Advantages:*

39. Agreement to the proposal will allow for the introduction of a funding framework for the local share of the EAR, which provides certainty for council, developers and the community
40. Development contributions can be assessed for development within the contributing area.

*Disadvantages:*

41. There is the possibility of legal challenge from landowners within the contributing area.

Option 2 – Do not agree to the proposed amendment to the 2016/17 Development Contribution Policy.

*Advantages:*

42. Avoids the risk of legal challenge from landowners within the contributing area.

*Disadvantages:*

43. Delay in finalising the funding arrangements for the local share of the EAR.
44. Loss of income from Development Contributions for the EAR.
45. The report recommends **Option 1** that the Council agree to the proposal to amend the 2016/17 Development Contribution Policy. The original funding assessment that was completed by Rationale Ltd has been amended as a result of the submission process (see above). Given the funding tools available to QLDC, a targeted development contribution is considered the most appropriate funding mechanism.

### ***Significance and Engagement***

46. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because of its importance to the Queenstown Lakes District and community.

### ***Risk***

47. This matter relates to the operational risk SR1 Current and future development needs of the community, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because it impacts the ability of the QLDC to recover the growth related capital costs of the proposed Eastern Access Road on the Frankton Flats.

48. The recommended option considered above mitigates the risk by treating the risk through the amendment of the Policy to provide for additional development contribution income.

### **Financial Implications**

49. The proposed amendment to the Development Contribution Policy provides the necessary mechanism to recover the growth related capital costs of the EAR. This equates to \$7.2m of future income (excluding interest component).

### **Council Policies, Strategies and Bylaws**

50. The following Council policies, strategies and bylaws were considered:

- 2015-25 Long Term Plan
- 2016/17 Policy on Development Contributions

### **Consultation**

51. There is no requirement to have used the Special Consultative Procedure (SCP), however, Council decided to handle the consultation in a similar manner:

6 October 2016 – Approval to commence consultation

10 October 2016 – Commence consultation

10 November 2016 – Consultation ends

2 December 2016 – Hearing of submissions

9 December 2016 to 23 February, 2017 – Deliberations (including the consideration of expert advice)

24 March 2017 – Final decision by Council

### **Local Government Act 2002 Purpose Provisions**

52. The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a

way that is most cost-effective for households and businesses by ensuring that the local share of the EAR project is funded in an appropriate manner;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

#### **Attachments [In Attachments Booklet]**

- A Revised Statement of Proposal to Amend the Development Contribution Policy
- B Summary of the submissions received
- C Analysis of the issues raised in submissions
- D Hearing minutes 2 December, 2016
- E Copies of all the submissions received (including those presented at the hearing)
- F SPM Report
- G Legal Advice on RPL Contractual argument (Public Excluded)

QLDC Council  
24 March 2017

Report for Agenda Item: 4

Department: Property & Infrastructure

Queenstown Lakes District Council Cemeteries Bylaw 2017

**Purpose**

To formally adopt and state a commencement date for the Queenstown Lakes District Council Cemeteries Handbook 2017 (**Cemeteries Handbook**), and to specify the commencement date of the recently adopted Queenstown Lakes District Council Cemeteries Bylaw 2017.

**Recommendation**

That Council:

1. **Note** the contents of this report;
2. **Note** that on 9 March 2017 the Queenstown Lakes District Council:
  - a. accepted the recommendation from the Cemeteries 2017 Bylaw hearing panel to adopt the Bylaw and formalise the Cemeteries Handbook;
  - b. adopted the Cemeteries Bylaw 2017, and to publicly notify the Council's decision; and
  - c. agreed that approximately \$15,000 funding be allocated in the 2017/18 Annual Plan to investigate offering a natural burial service in the District.
3. **Note** that the Queenstown Lakes District Council Cemeteries Bylaw 2017 requires that the following is to be specified by publicly notified resolution:
  - a. the date for the commencement of the Queenstown Lakes District Council Cemeteries Bylaw 2017; and
  - b. the adoption of the proposed Queenstown Lakes District Council Cemeteries Handbook 2017.
4. **Agree** that the recently adopted Queenstown Lakes District Council Cemeteries Bylaw 2017 will take effect immediately;
5. **Adopt** the Queenstown Lakes District Council Cemeteries Handbook 2017 to take effect immediately; and
6. **Direct** officers to publicly notify the Council's decision.

Prepared by:



Maddy Jones  
Parks Officer (Projects)

16/03/2017

Reviewed and Authorised by:



Stephen Quin  
Parks Planning Manager

16/03/2017

## Background

- 1 On 9 March 2017, the Council accepted the recommendation from the Cemeteries 2017 Bylaw Hearing Panel (**Hearing Panel**) to adopt the Queenstown Lakes District Council Cemeteries Bylaw 2017 (**Cemeteries Bylaw 2017**) and formalise the Cemeteries Handbook. The Council adopted the Cemeteries Bylaw 2017, and specified that its decision was to be implemented on Monday 13 March 2017, and further directed officers to formally notify the Council's decision.
- 2 During the meeting of 9 March 2017 it was noted that the Cemeteries Bylaw 2017 was intended to commence on 20 March 2017. However, the Cemeteries Bylaw 2017 states that commencement must be specified in a publicly notified resolution of the Council.
- 3 The Council has accepted the recommendations of the Hearing Panel to formalise the Cemeteries Handbook. The Cemeteries Bylaw 2017 specifies that the Council may adopt a Cemeteries Handbook by publicly notified resolution. Formal adoption of the Cemeteries Handbook is also a necessary step to give effect to this document.
- 4 The Council's decision of 9 March 2017 is to be notified in the *Otago Daily Times* and the *Southland Times* on 18 March 2017.
- 5 It is proposed that the above matters are clarified at the Council's meeting of 24 March 2017, by adopting the resolutions recommended in this report.

## Comment

- 6 The Cemeteries Bylaw 2017 has been formally adopted by the Council, but will not have legal effect until a commencement date is specified through Council resolution. Council staff note that the previous Cemeteries Bylaw 2010 will expire on 20 March 2017, and it is therefore important that the Cemeteries Bylaw 2017 commences as soon as possible.
- 7 The Cemeteries Handbook contains the rules and conditions that apply to provision of services, operational requirements, and acceptable conduct in cemeteries owned by, or operated by the Council. These matters are fundamental to the day to day operation of Council cemeteries and supplement the matters regulated in the Cemeteries Bylaw 2017. Therefore, Council staff

recommend that the Cemeteries Handbook is formally adopted by the Council, and commences as soon as possible.

- 8 Section 157 of the Local Government Act 2002 states that the Council must give public notice of the making of a bylaw, which includes specifying the date on which the bylaw will come into operation. The Council has publicly notified its decision to adopt the Cemeteries Bylaw 2017, and indicated that this bylaw will go into effect on a date to be specified by Council.
- 9 To ensure the commencement dates for the new Cemeteries Bylaw 2017 and Cemeteries Handbook (if adopted) are brought to the public's attention, we recommend that the Council's decision regarding these matters is publicly notified.

## **Options and Amendments**

### **Options**

- 10 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 11 The Cemeteries Bylaw 2017 and Cemeteries Handbook meet our community needs. Council staff recommend that the Cemeteries Handbook is adopted and that both are commenced immediately (refer Option 2 below).
- 12 Option 1 Do nothing  
*Advantages:*
- 13 If the Council does not commence the Cemeteries Bylaw 2017, the current bylaw will expire on 20 March 2017 without a replacement. Some members of the community may prefer less regulation of Council owned or operated cemeteries.  
*Disadvantages:*
- 14 The Burial and Cremation Act 1964 does not provide a comprehensive framework for Council cemeteries, and contemplates that a number of matters are to be regulated through bylaws. In the absence of a bylaw, the Council will be limited in its ability to enforce prohibitions on potentially harmful activities in Council cemeteries (for example, unauthorised use of burial equipment), and rules and conditions for the use and access to Council cemeteries. The lack of legal protections could undermine the effective management and operation of Council cemeteries.
- 15 There would be less transparency around the Council's procedures, and rules applicable to the operation of Council cemeteries. The Council would not benefit from the improvements to cemetery regulation developed following the bylaw review and public consultation process.

- 16 Option 2 Adopt the Cemeteries Handbook and resolve that the Cemeteries Bylaw 2017 and Cemeteries Handbook commence immediately.

*Advantages:*

- 17 The Council has already decided to adopt the Cemeteries Bylaw 2017. The reasons for the adoption of this bylaw are set out in the Officer's report submitted prior to the meeting of 9 March 2016. To give effect to the Council's decision, a commencement date must be set by publicly notified resolution. Once the Council sets a commencement date it will resolve any uncertainty about when the changes will take effect.
- 18 The Cemeteries Handbook consolidates the key information regarding the rules and conditions applicable to Council cemeteries in a user friendly format, and supplements the matters regulated in the Cemeteries Bylaw 2017. The Cemeteries Handbook creates greater certainty as to the rules and conditions for using Council cemeteries (eg. current procedures for interments and purchasing burial plots), and technical standards. It can be amended by Council resolution, from time to time, to implement operational changes.

*Disadvantages:*

- 19 The Council will need use resources to update its internal systems and train staff to give effect to the Cemeteries Bylaw 2017 and Cemeteries Handbook. Some members of the public may prefer some existing rules and specifications under the current Bylaw that are not continued in the Cemeteries Handbook.

### **Significance and Engagement**

- 20 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because of the nature and sensitivity of this topic and the impacts on our community if not addressed appropriately.

### **Risk**

- 21 **SR1** - Current and future development needs of the community (including environmental protection) as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because the provision of cemeteries and their operation is a critical need of the community.
- 22 Management practice - working within legislation as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because cemeteries are required to be operational in accordance with legislation including The Bill of Rights Act 1990 and the Burial and Cremation Act 1964.
- 23 The recommended option considered above mitigates the risk by 'Treating the risk - putting measures in place which directly impact the risk.'

### **Financial Implications**

- 24 There are minimal operational cost implications resulting from this decision, which will be met through existing budgets.

### **Council Policies, Strategies and Bylaws**

25 The following Council policies, strategies and bylaws were considered:

- QLDC Cemeteries Bylaw 2017
- QLDC Significance and Engagement Policy

26 The recommended option is consistent with the principles set out in the named policy/policies.

27 This matter is included in the 10-Year Plan/Annual Plan as budget is included for growth of cemeteries and cemetery operations.

### **Local Government Act 2002 Purpose Provisions**

28 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by continuing to prohibit harmful activities (such as unauthorised interments) in Council cemeteries through the proposed Bylaw;
- The proposed Bylaw will clarify the role of sextons and cemetery administrators who are responsible for key functions associated with the operation of Council cemeteries, and to identify what activities require permission from Council. Council will continue to require an application for permission to undertake monumental masonry work, with technical specifications to be set out in the Cemeteries Handbook;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, or transfer the ownership or control of a strategic asset to or from Council.

### **Consultation: Community Views and Preferences**

29 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District community as a whole.

### **Legal Considerations and Statutory Responsibilities**

30 The New Zealand Bill of Rights Act 1990 (**NZBORA**) has been considered and the proposed Bylaw is not inconsistent with the NZBORA 1990. The proposed controls are considered reasonable limits as allowed for in section 5 of the NZBORA:



*Subject to section 4, the rights and freedoms contained in this Bill of Rights may be subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.*

- 31 The Council has power under section 16 of the Burial and Cremation Act 1964 to make a bylaw in respect of a cemetery under Council control.

**QLDC Council  
24 March 2017**

**Report for Agenda Item: 5**

**Department: Property & Infrastructure**

**Coronet Forest Management Plan 2017**

**Purpose**

The purpose of this report is to consider the proposed Coronet Forest Management Plan 2017 for public consultation using the special consultative procedure.

**Recommendation**

That Council:

1. **Note** the contents of this report;
2. **Approve** the proposed Coronet Forest Management Plan 2017 for public consultation using the special consultative procedure, alongside the Annual Plan process;
3. **Appoint** three Councillors [to be named] to participate in a hearing panel to consider and hear submissions on the proposed Coronet Forest Management Plan 2017.

Prepared by:



Briana Pringle  
Parks and Reserves Officer  
(Forestry)  
13/03/2017

Reviewed and Authorised by:



Peter Hansby  
General Manager,  
Property and Infrastructure

13/03/2017

## Background

- 1 The Coronet Forest is located on the lower slopes of Coronet Peak close to Arrowtown. The forest consists of 172 hectares of Douglas fir (*Pseudotsuga menziesii*) which was planted between 1984 and 1996. The land is owned by the Council. The forest resource is managed and owned under a joint venture arrangement between the Council (75%) and the Central Otago District Council (CODC) (25%).
- 2 The Coronet Forest was planted for the sole purpose of future forestry activity, and has been managed as a production crop. It can therefore be anticipated that this hillside will be subject to the adverse effects associated with harvesting, and will result in some visual disturbance to the landscape.
- 3 Douglas fir is considered a wilding species in the Wakatipu and aggressively establishes in areas of un-grazed tussock land. The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.
- 4 The Wakatipu Wilding Conifer Strategy 2013-17 documents that the Wakatipu is now experiencing the consequences of forests that were planted close to areas of Outstanding Natural Landscape and Ecological Value. The strategy's work program is to target and remove seed sources or coning trees that are causing on-going wilding issues on vulnerable land.
- 5 In 2014 the Wakatipu Wilding Conifer Control Group (WCG) and members of the community approached QLDC with their concern about the increasing spread of wilding conifers from the Coronet Forest. Around the same time forestry companies contacted QLDC with proposals for the milling of the forest as Douglas fir log prices were favourable.
- 6 It was decided that a review of the forest should be undertaken. Forme Consulting was selected to review the current management plan and they recommended that a full harvest inventory of the forest was required to understand the available yield, so that the data could be utilised in planning and decision-making for the future of the forest.
- 7 A report was taken to Council on the Coronet Forest's future management in October 2015 and a resolution was passed to carry out a full harvest inventory on the forest to understand the current potential resource and create a detailed harvest plan.
- 8 The inventory and harvest plan were considered at the March 2016 Council meeting, and it was decided that the Council would like to seek feedback on the future of the forest from the community. A consultation document was prepared in May 2016 on whether or not the forest should be harvested early.
- 9 In total 248 submissions were received by QLDC and 85% advocated the early harvest of the forest, 10% did not agree with an early harvest and 14% did not stipulate which option they preferred. Most responses stated they were in favour

of an early harvest due to the wilding spread from the forest. Many submissions commented that they supported re-establishing the site in natives rather than exotics.

- 10 In June 2016 QLDC passed a resolution that the Coronet Forest Management Plan (2001) be updated to reflect the early harvest of the Coronet Forest, in accordance with the District Plan designation.
- 11 This updated management plan has been prepared by QLDC and describes the management proposals and revegetation recommended for a 2017 harvest. This plan uses estimates based on recent industry averages, conventional harvest engineering methodology and current knowledge.
- 12 The QLDC and CODC have an opportunity to harvest the Coronet Forest before full maturity, in order to mitigate the wilding threat and re-establish the site with more suitable vegetation. A full harvest now is a solution for dealing with the wider wilding spread that retention of the forest will inevitably continue to contribute to. Just harvesting the oldest stands will not solve the problem as the younger stands at the top of the forest will continue to spread seed in high winds.
- 13 The forest remains a significant seed source and contributor to the wilding pine issue. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the QLDC and CODC to reduce or eliminate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest now affected by infestations.
- 14 Some private landowners who own sizable wilding plantations are reluctant to participate in programs to remove the trees on the grounds that the Council is a massive wilding seed contributor. If a harvest now is implemented, these landowners may be willing to remove their trees.
- 15 In 2016 a more detailed survey of the wilding spread from the Coronet Forest was completed and this report increased the control area from 4km behind the forest to 10km (and now included Crown Peak and the faces along the Crown Range). The cost to control the spread from the forest if it is harvested at maturity (youngest stands in 2039) has increased to an estimated \$8.5 million to control around 5,500 ha of infested land.
- 16 The harvest plan provides a breakdown of staging within the forest and gives an overview of the proposed road and landing locations as well as the harvest method throughout the forest (ground based or cable) and direction of extraction. It has been projected that the harvest will produce 67,940 m<sup>3</sup> of recoverable log product from the forest. The duration of the harvest has been estimated to be around two years, and given the current market and the economics of harvesting most of the crop may be destined for an export market.
- 17 There is an opportunity for the community to realise additional valuable products from the forest such as firewood, bio fuels and essential oil. The expected volume and log grade output calculated from the pre-harvest inventory did not assess these products as the current local market is unknown. This management plan primarily investigates the log resource for which the forest was grown and there will be opportunities to investigate these markets further.

- 18 The agreement QLDC and CODC is a joint venture for the one rotation of the forest, there is no obligation for CODC to remain in partnership with QLDC post-harvest or to re-establish or revegetate the land. Revegetation of the site is subject to conditions under the Emissions Trading Scheme and also the Operating and Proposed District Plans.
- 19 As the Coronet Forest is very prominent within the Wakatipu Basin, one of the key objectives of the revegetation program is to promote vegetation of the site as soon as possible after harvest to reduce the visual disturbance. Another is to prevent the establishment of competing woody weeds, especially Douglas fir seedlings.
- 20 The plan evaluated four revegetation options:
- Natives and grey shrub-land with a predator free fence
  - Natives and grey shrub-land
  - Mixture of Natives and Exotic Forestry Species
  - Exotic Forestry Species
- 21 The plan recommends that the natives and grey shrub-land option is implemented as this option will revegetate the site in a manner that promotes the natural regeneration of native vegetation and provide a habitat for native wildlife.
- 22 The landscape plan is to establish 40% the site with planted forest/shrub-land. The remaining 60% of the site will be revegetated with introduced grasses initially to suppress woody weeds, but also to promote the establishment of a vegetation cover across the site.
- 23 Control of Douglas fir on the site is key in establishing a second rotation crop, not only does Douglas fir have to be controlled within the harvested area, but all seeding sources surrounding the forest will need to be removed to create a successful indigenous vegetation cover.
- 24 The planting will occur over three to four years and the plan is to carry out weed control over a ten year period from harvest.

### **Comment**

- 25 The land is zoned Rural General under the QLDC Partially Operative District Plan, and the forest has been designated (375) for the purpose of forestry operations, which means the use of the land primarily for the purpose of planting, tending, managing and harvesting of trees for timber or wood production.
- 26 The designation specifies that Forestry Plan updates shall be subject to consultation with the community using the Special Consultative Procedure set out in section 83 of the Local Government Act 2002 before adoption by the Council.
- 27 The designation specifies that all Management Plan updates shall address re-establishment of the forest following harvesting operations. This includes the

detail of plant schedules, density of planting and maintenance programs. The designation also states that management of wilding regeneration should be addressed following a harvest operation.

- 28 CODC agrees to QLDC consulting on the updated Coronet Forest Management Plan as required under the Designation. In agreeing, CODC reserves its rights in terms of the joint forest agreement. CODC will obtain peer review advice in order to take a position on options, while QLDC runs the special consultative process on the Management Plan.
- 29 Based on the landscape plan design (Attachment A) four revegetation options were evaluated, and the native species option was recommended in the plan as it establishes an area of biological diversity to help restore native biodiversity values within the Wakatipu basin.

<b>Revegetation Options</b>	<b>Cost (Inc. Contingency 20%)</b>
Predator Fence with Native Species	\$17,524,748
Native Species	\$11,937,848
Mix Native and Forestry Species (50/50)	\$8,306,925
Forestry Species	\$4,676,001

- 30 The statement of proposal (Attachment B) provides the background on the proposed Management Plan and the advantages and disadvantages of each option.

### **Options**

- 31 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

- 32 Option 1 Do nothing

*Advantages:*

- 33 There will be no visual disturbance to the landscape from the adverse effects associated with harvesting.

*Disadvantages:*

- 34 Under the designation the current the Coronet Forest Management Plan shall be reviewed and updated by 31 December 2012, and thereafter every 5 years. The current plan was written in 2001 and is therefore out of date.

- 35 The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.

- 36 Option 2 Re-adopt the current Management Plan (2001) harvest at age 45

*Advantages:*

- 37 There is opportunity for future log markets or advances in steep harvest technology to develop providing a higher than expected rate of return.
- 38 The increased growth and maturity of the forest are likely to produce higher volumes and timber quality, realising the asset's commercial potential.

*Disadvantages:*

- 39 The forest remains a significant seed source and contributor to the wilding pine issue. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the Council and CODC to mitigate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest affected by infestations.
- 40 There is inherent volatility in log markets and the risk from increased transport costs and environmental damage cannot be controlled or anticipated.
- 41 Continued involvement in a commercial forestry operation is not consistent with the provisions of Section 10 of the Local Government Act (LGA).
- 42 Option 3 Replace the 2001 Management plan with the Proposed Coronet Forest Management Plan 2017.

*Advantages:*

- 43 The wilding threat would be mitigated by removing the exponential maturing seed source.
- 44 In May 2016 a consultation document was prepared on whether or not the forest should be harvested early. 85% of the submissions received by QLDC advocated the early harvest of the Forest.
- 45 Current market prices for Douglas fir are favourable and known.
- 46 Revenue could be used to offset part of the forest re-establishment costs.
- 47 Meets relevant objectives and policies of the District Plan particularly nature conservation and natural landscape values.
- 48 Existing commercial forestry activity is consistent with the purposes of the LGA.
- 49 Updating the Management Plan will comply with the designation conditions

*Disadvantages:*

- 50 The full commercial value of the forest may not be realised.
- 51 The site will be subject to the adverse effects associated with harvesting, which will result in some visual disturbance to the landscape.

52 This report recommends **Option 3** in response to the 85% submissions received by QLDC which advocated the early harvest of the forest. Option 3 will address the wilding conifer problem and a current Forest Management Plan will comply conditions under designation 375.

### **Significance and Engagement**

53 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy due to the extent that the matters being considered impact on the environment of the Queenstown Lakes District and the extent to which organisations in the community are affected by the decision.

### **Risk**

54 This matter relates to the strategic risk SR1 - Current and future development needs of the community (including environmental protection) and Strategic Risk SR6b - Assets critical to service delivery (property) as documented in the Council's risk register. The recommended option mitigates this risk as it aims to have environmental benefits and positive effects on a community asset and Council expenditure.

### **Financial Implications**

55 The recommended option for an early harvest can be met within existing operational budgets identified in the Draft 2017/18 Annual Plan.

56 Depending on the selected re-vegetation option this funding will need to be considered in the 10-Year Plan (2018-28).

57 The eventual position of Central Otago District Council as joint venture partner will need further consideration in the 10-Year Plan (2018-28).

### **Council Policies, Strategies and Bylaws**

58 The following Council policies, strategies and bylaws were considered:

- Operative District Plan
- Coronet Forest Management Plan (2001)
- Wakatipu Wilding Conifer Control Strategy 2013-2017
- Significance and Engagement Policy
- Draft 2017/18 Annual Plan

### **Local Government Act 2002 Purpose Provisions**

59 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing environmental benefits in a way that does not incur significant costs to residents/ratepayers;



- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

### **Consultation: Community Views and Preferences**

- 60 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District community as a whole and the properties which neighbour the forest.
- 61 The proposed SCP is designed to specially consult with the community and obtain their views on the proposal.
- 62 The Council has previously consulted with the community. In May 2016 a consultation document was prepared on whether or not the forest should be harvested early. In total 248 submissions were received by QLDC and 85% advocated the early harvest of the forest, 10% did not agree with an early harvest and 5% did not stipulate which option they preferred. Most responses stated they were in favour of an early harvest due to the wilding spread from the forest.
- 63 The Council has consulted with the neighbouring forestry block owners and explained the process to date. The neighbours were open to removing their forest at the same time as Council due to the benefits of a collaborative harvest.
- 64 The Council consulted with CODC and they are obtaining a peer review on the plan in order to take a position on their options in respect to their agreement with QLDC.
- 65 The Council consulted with Millbrook and they are likely to oppose the Coronet Forest Management Plan 2017 through the special consultative procedure due to the perceived impact on their sales of future residential property, and on current residents and members.

### **Legal Considerations and Statutory Responsibilities**

- 66 QLDC's liability under the Emissions Trading Scheme (ETS) is that once the forest has been harvested, it must be revegetated with a crop which meets the definition of a forest. The proposed revegetation options (Attachment A) meet this definition.

### **Attachments [In Attachments Booklet]**

- A Coronet Forest Management Plan 2017
- B Statement of Proposal

## Recommendation to Exclude the Public

It is recommended that the Council resolve that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Item 3: Assessment of Remarkable Park Ltd's contractual argument on development contribution policy (Attachment G)

Item 6: Housing Infrastructure Fund – Final Proposals

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
3. Assessment of Remarkable Park Ltd's contractual argument on development contribution policy	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: g) Maintain legal professional privilege.	Section 7(2)(g)
6. Housing Infrastructure Fund – Final Proposals	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: j) prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)

This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.