

**Minutes of the Meeting of the Wanganui District Council held at 4.30PM on Tuesday, 22 February 2011, in the Council Chamber, Municipal Office Building, 101 Guyton Street, Wanganui**

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- Present:** Ms Annette Main – the Mayor – in the Chair, Deputy Mayor Cr RM Wills, Crs PJ Baker-Hogan, JT Bullock, R Dahya, HCS McDouall, RM Stevens, RV Vinsen and SM Westwood.
- Apologies:** Cr AR Anderson (recovering from surgery), Cr MB Laws and Cr NA Higgle.
- Absent:** Cr C Solomon.
- In Attendance:** Mr A Taylor (Chairman, Wanganui Rural Community Board).
- Officers in Attendance:** Mr KW Ross (Chief Executive), Mr J Harkness (Deputy Chief Executive), Mr R McGregor (Property Manager), Ms S Patrick (Community and Cultural Manager), Ms M Heron (Customer Services Manager), Ms C Almond (Strategy and Development Manager), Mr G Morris (Deputy Property Manager), Natalie Rodgers (Finance Manager), Sue Dudman (Communications Co-ordinator), Suzanne Sherris (Communications Officer) Keith Smith (Sports and Recreation Advisor), Shane McGhie (Principal Planner). Minutes: Mr MH Hunt (Governance Services Manager).

The Chairman welcomed approximately 25 members of the public in attendance at the meeting to hear discussion on the Item: Future of the Tawhero Golf Complex.

**Council's Resolution**

Proposed by Mayor Main, seconded by Cr Dahya:

THAT in view of the public attendance for the Item: Future of the Tawhero Golf Complex, that this item be the first item to be heard on the agenda.

CARRIED

**2. Future of the Tawhero Golf Complex – Part 1**

<p><b>Policy on Determining Significance</b> – In terms of the Policy the significance of a resolution must be determined.</p>
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Greg Morris, Deputy Property Manager, reports:

**“Introduction**

The purpose of this report is to seek a decision from the Council on whether it wishes to support the temporary continued operation of the Tawhero Golf Complex located on Gonville Domain so that it has the opportunity to consider the long term future of the land.

**Background**

On 2 February 2011 the directors of Tawhero Golf Complex (2000) Ltd met with Mayor Annette Main to advise that they were quitting business and relocating to Sweden. At the meeting they provided a letter advising that the business would cease to trade as at 28 February 2011 and that they wished to surrender the lease as at 1 March 2011 (**Ref 1**). The term of the lease runs until 31 March 2013.

The Council's legal options are discussed in the confidential report prepared in conjunction with this report. In short, however, the lessee can not unilaterally surrender the lease. Any acceptance of a surrender will be on terms and conditions that are to the Council's satisfaction.

The directors are willing to sell to the Council the business's equipment, vehicles, and buildings and improvements. They have provided a schedule that estimates the value of these items which is included in the confidential section of this report (Part 2). Under the terms of the lease the Council is not obliged to purchase the buildings and improvements from the lessee but must require any incoming lessee to pay a fair price to the outgoing lessee for any of the buildings and improvements that are needed for the continuing operation of the complex.

**Strategic context**

The four wellbeings – The Council is charged with considering the current and future economic, social, cultural and environmental wellbeing of the community when making decisions. Relevant to this report are primarily the cultural and economic wellbeing of the community. Cultural wellbeing includes the benefits to that sports clubs and access to sporting facilities provide to the community. Economic wellbeing includes consideration of the most efficient use of the community's assets and financial resources.

Family Friendly Strategy – Access to recreational and cultural facilities is one of the nine pillars of the Council's core Family Friendly Strategy.

**Factors to consider**

- The latest cash flow statement (see Confidential Report – Part 2) from the operator points to an annualised cash cost of running the golf course (excluding the driving range and pro-shop) of approximately \$95,000. However, further information provided by the directors indicates that this does not cover all the time put in by the director based on site, and wages for this time could amount to an additional \$45,000 per annum bringing the probable operating cost up to \$140,000. At this level it is definitely not profitable based on current turnover.
- Figures provided by the lessee and Tawhero Golf Club indicate the following usage of the course and driving range (when operating):
  - Club members (18 and 9 hole) 116
  - Public members 27
  - Casual rounds played per annum 2,100
  - Driving range sessions per annum 5,400
- The directors advise that revenues have been falling at the course, even before the Council served an abatement notice on the lessee to stop golf balls from entering the neighbouring school property which constitutes a breach of the conditions of the

resource consent granted for the driving range. The condition being imposed in the consent for safety reasons.

- Fixing the driving range problem requires the reorientation or relocation of the range and alterations to at least two of the greens and fairways. The abatement notice has, therefore, resulted in the closure of the driving range as it is not viable to invest capital in fixing the problem without the security of a long-term lease.
- The Council has not been willing to offer a long-term lease until it could reach a firm view on whether the land under the golf complex is required for an alternative sporting use as part of considering the possibilities for overall rationalisation of sports grounds in Wanganui.
- While the Sports Ground Rationalisation Working Party (SGRWP) has not yet provided a final report to the Council, the work completed to date leads to the conclusion that there are no large short to medium-term financial or sports development gains to be had from moving any sports from their current locations, and that the Gonville Domain is not required for any alternative sporting purpose.
- Golf club membership and golf playing has been declining in New Zealand generally over at least the last decade as people's lives have become busier and the commitment to clubs and regular sports schedules has become less popular. This is common to many sports with people tending to 'graze' a variety of sporting activities on a random basis rather than commit to one or two sports. This trend would seem to support the need for a short course and driving range facility that is available to the casual user.
- This has been reinforced by the SGRWP's discussions with key people in the Wanganui golfing scene who are firmly of the opinion that the survival of one 9 hole and two 18 golf courses is not viable in the medium to longer term, but that there is a need for facilities somewhere to cater for casual users and people trying out the sport. The Tawhero course may well be a factor in this mix but it is not yet clear what the optimum solution is. Further discussions with stakeholders are necessary.
- The topography and location of the Tawhero course make it convenient for older users and the general public. There is a link here to the Council's Positive Ageing Strategy.
- Operating from the course but as a completely separate entity is the Tawhero Golf Club Incorporated. The club owns its clubrooms which are located within the boundary of the lease area. Members pay an annual green fee to the complex operator. The club obviously feels it has a strong interest in the future of the course and their submission to the Council is tabled (**Ref 2**) together with an email of support from Te Runanga O Tupoho (**Ref 3**).

#### **Assessment of options**

1. The Council can decide not to support the continuation of a golf facility on Gonville Domain. Under this option the Council could:
  - a. Return the land to open parkland for community use and simply manage it to the usual open spaces standard. The cost of this option is estimated to be

\$30,000 to \$40,000 per annum plus the potential cost of removing the lessee's abandoned improvements, say another \$30,000 in year one.

- b. Decide the bulk of Gonville Domain, excluding say the land surrounding the hockey turf and possibly the land to the north of the turf, is not required. While the Council owns the land under the driving range marked 'Council Land' on the tabled plan (Ref 4) the balance of the domain is Crown derived reserve vested in and administered by the Council. If, after consultation with local Iwi and other stakeholders, the Council were to declare the land surplus the Council would then initiate a process to revoke the reserve status of the land which would require the approval of the Minister of Conservation. The Council would then hand the land back to the Department of Conservation who would manage the disposal process and receive the 100% of the net sale proceeds. Disposal of any Crown land must go through the protection mechanism for Maori interests process which involves offering the land to the Office of Treaty Settlements for land banking. The Department of Conservation (DoC) advise the overall process could take two to three years to complete.
  - c. While there has not been time to carry out meaningful consultation with either Iwi or DoC, brief discussions with the Council's Cultural Advisor indicate that Iwi has an interest in the land and would want to be consulted over the future of the land if it were not required by the Council. Preliminary discussions with DoC indicate it would not have a need for the reserve and would look to dispose of it if the Council declared it surplus.
2. The Council can decide to support the continuation of a golf course on the land by:
- a. In the short-term by operating the course temporarily to provide time to explore longer term options.

The cost of this is estimated about \$65,000 for six months utilising Fulton Hogan to provide the grounds maintenance service (see Confidential Part 2 for detailed proposal) and hiring staff to operate the office/snack shop and collect green fees for approximately 40 hours per week. This cost may be offset by revenue from club members and casual players of about \$20,000 based on the current level of turnover as indicated by the percentage rent payable under the lease and the figures provided by the lessee. This results in a net cost of around \$45,000 for the six month period. This could be further reduced by about \$15,000 if the Tawhero Golf Club is able to provide rostered volunteers to operate the office. The net cost would be funded from new loans or, most probably, carryovers from the current financial year.

Does the Council need/want to buy all the grounds keeping equipment?

- i. No. Fulton Hogan is able to provide the majority of it except for a greens mower and air compressor. Estimated cost is about \$4,000 to \$6,000 for second hand equipment that could be on-sold when no longer required, although no doubt at a discount to purchase price.
- ii. Further more, a private operator interested in putting forward a proposal advises the equipment can be readily sourced new or second hand by any incoming operator.

Does the Council need/want to buy the buildings and improvements?

- i. No. The buildings and improvements are only of value to someone who wants to operate the golf course or some other sporting code from the land. Officers will seek an arrangement whereby the Council can make use of these facilities without paying for them during the interim period.
  
- b. In the longer term by testing the market through a public tender of the lease and crystallising the optimum golfing outcome for Wanganui through the SGRWP holding further discussions with golf's stakeholders.

**Conclusion**

On balance the best option is to step in to operate the course for six months while the Council tests the market, consults with affected and interested parties, and explores the future provision of golf facilities in the district.”

**References – Tabled Attachments**

- 1 Letter from Tawhero Golf Complex (2000) Ltd dated 1 February 2011
- 2 Submission from the Tawhero Golf Club
- 3 Te Runanga O Tupoho support email of support for the Tawhero Golf Club
- 4 Map of Gonville Domain

Cr McDouall joined the meeting at 4.33pm.

**Discussion**

Cr Vinsen sought clarification of the ownership of the reserve. Greg Morris explained that the bulk of the Tawhero Golf complex was Crown Reserve. He explained that the golf course land owned by Wanganui District Council could be sold on the open market subject to revocation of the Reserve status of the land. Cr Vinsen asked what the estimated cost to the Council was for running the Tawhero Golf Course based solely as reserve. Greg Morris said it was between \$30,000 and \$40,000 annually. He noted that for other codes, such as soccer, the Council met the cost of open space maintenance whilst the sports code using the reserve paid additional costs.

Cr Westwood said Councillors should look at a strategy for the Tawhero Golf Course's continuance. She said the four wellbeings identified in the Local Government Act, together with Wanganui's Family-friendly policy, surely required the Council to consider the social aspects of golf. However, Cr Westwood said, the Council had to look at costs to keep Tawhero Golf Course available to the public and to decide if the Council could afford to continue the viability of Tawhero Golf Course. She said that the recommendations to the Officers report provided an opportunity of six months 'breathing space'. A recommendation would be made to the Annual Plan process and the public would then have the opportunity to make submissions to the Council. There would be a further opportunity to consider Tawhero Golf Course during 10-Year Plan discussions.

Mayor Main said the officers report recognised the four wellbeings and the importance of Tawhero Golf Course to Wanganui people. The recommendations, if adopted, would give time to evaluate the future need for Tawhero Golf Course. Mayor Main asked Mr Potaka, of Tawhero Golf Club, to comment.

Mr Potaka said the Club would like to stay at Tawhero where it had a long history. Club members were discussing a possible subscription increase. He noted the annual club/green fees were \$530. Mr Potaka said that Tawhero Golf Club owned the clubrooms at the Tawhero Golf Course.

Cr McDouall said Tawhero provided an entry level nine hole golf course and he fully supported the Council providing a golf facility available to the public.

Cr Baker-Hogan supported the comments in the report and the recommendations.

**Council's Resolutions**

Proposed by Cr Baker-Hogan, seconded by Cr McDouall:

- 2.1 THAT the Council puts in place contracting arrangements to keep the golf course (excluding the driving range and pro-shop) available to the public until 31 August 2011
- 2.2 AND THAT the Council confirms a lease of up to 33 years for the land under the Tawhero Golf Complex can be granted if required to a private operator
- 2.3 AND FURTHER THAT the opportunity to lease the property is put up for public tender and proposals for the long-term operation of a golfing facility on the Gonville Domain are called for
- 2.4 AND FURTHER THAT a report is brought back to the Council's meeting scheduled for 30 May 2011 on the options for rationalising the provision of Wanganui District's golfing facilities, the proposals for the long-term operation of a golfing facility on the Gonville Domain, and the Council's options, should there be no viable golfing-related use for the land.

CARRIED

**ACTION: Greg Morris**

Mayor Main thanked the members of the public for attending the meeting and the members of Tawhero Golf Club's Committee who called on her to discuss their concerns.

**1. Long Term Plan (10-Year Plan) Amendment – New Zealand Cycling Centre of Excellence**

<b>Significance statement</b> – In terms of the Policy on determining significance, the recommended decision is not significant.
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Stuart Hylton, Senior Policy Advisor, reports:

**“Introduction**

The purpose of this report is for the Council to consider and adopt public consultation documentation amending the 10-Year Plan (2009-2019).

**Background**

The Council, at its meeting held on 31 January 2011, considered a paper on whether the Council should submit a bid to SPARC for the New Zealand Cycling Centre of Excellence (NZCCOE) and resolved:

- That the Council submits a Wanganui bid for the New Zealand Cycling Centre of Excellence.
- **That the bid makes clear that the Council's involvement and funding is dependent on the Council carrying out the required consultation and finally deciding to amend the 10-Year Plan.**
- That the Council consult with the community via initiating a 10-Year Plan Amendment that includes council funding of \$5.2M in 2011/12 and \$9.1M in 2012/13 for the New Zealand Cycling Centre of Excellence.
- That the balance of the funding required will be sought from external sources.
- That no legally binding agreement will be signed between SPARC and the Council, without a further resolution of the Wanganui District Council.
- That the Council delegate to the Mayor and Chief Executive the final signing of the bid.
- That the question of raising capital for the New Zealand Cycling Centre of Excellence through the issuing of local authority stock be included for consideration in the Annual Plan.

The Council has made its bid to SPARC for the NZCCOE with the appropriate condition and wording that the bid is subject to a successful 10-Year Plan amendment.

**10-Year Plan Amendment**

The Council identified in its decision to bid for the NZCCOE that a 10 Year Plan amendment was necessary as was either undertaking a new Activity or significantly altering the level of service of an existing Activity.

Key 10-Year Plan amendments include:

1. Creating a new activity of the Council to construct, manage and operate the NZCCOE.
2. Amending the Revenue and Financing Policy to accommodate a change in rating in order to fund the NZCCOE.
3. Reforecast the Council's 10-Year Plan financial statements.

To amend its 10-Year Plan the Council must adopt the Special Consultative Process as defined under the Local Government Act 2002. The first part of this process is for the Council to develop and adopt a 'statement of proposal' (SOP) that reflects the intended 10 Year Plan Amendment prior to it going out for public submission.

A draft SOP is tabled (**Ref A**).

The draft SOP has been reviewed by the Council's legal advisor – Simpson Grierson. Audit New Zealand will provide the Council an audit opinion prior to the Council's meeting on 22 February 2011, which may result in some minor amendments.

The SOP amendment process requires the Council to consistently model a preferred model in its financial and policy statements. The SOP also asks respondents to consider whether one part of the community should pay more. This allows the Council, after considering submissions, to either:

- Not proceed with the amendment and advise SPARC that the Council no longer wishes to be the NZCCOE.
- Proceed with the amendment with funding split evenly between residential, farming and commercial properties.
- Proceed with the amendment where one part of the community pays more than another.

### **Special Consultative Process**

Formal consultation and request for submissions will start on Friday, 25 February 2011 and close on Friday, 25 March 2011.

The Council will hear and consider submissions to the proposed amendment on 4 and 5 April, 2011.

Copies of the Statement of Proposal and Summary of Information containing the proposed changes to the Council's 10-Year Plan 2009-2019 will be available from Customer Services at the Wanganui District Council Municipal Building, 101 Guyton Street, and at the District Library, Queens Park, during normal opening hours. It will also be available on the Council's website [www.wanganui.govt.nz](http://www.wanganui.govt.nz).

### **References – Agenda Attachments**

A Statement of Proposal, 10-Year Plan Amendment 2009-2019, NZCCOE.

Stuart Hylton, Senior Policy Advisor, further reports:

“The purpose of this report is to bring to the attention of Council the changes made to the public consultation documentation for amending the 10-Year Plan (2009-2019).

The updated draft Statement of Proposal is tabled (**Ref A**) and the associated audit opinion is tabled (**Ref B**).

The main changes required by Audit New Zealand are shown in the updated document. They are:

- The cost per Separately Used or Inhabited Part of a Rating Unit (SUIP) has been recalculated from \$86 to \$77 (page 4)
- The assessed risk level after mitigation for not receiving the adequate amount of external funding has increased from low to medium
- Reference to re-forecasted borrowings has been deleted as the amendment uses the original 10-Year Plan 2009-2019 estimates
- Consequential changes to the financial re-forecasts.”

**References – Agenda Attachments**

- A Statement of Proposal, 10-Year Plan Amendment 2009-2019, NZCCOE.
- B Audit New Zealand opinion

**Discussion**

Cr Stevens said he would vote against the proposed recommendations as the risks were too high. He believed that operating expenses could go higher than projected by officers. Cr Stevens said there would also be a big drag on community trusts' funds meaning that other community organisations would not have an opportunity of community trust funding in the future. Cr Stevens said the Council should 'stick to the knitting' as Wanganui people were financially struggling at present and the NZCCOE proposal was not going to help them.

Mayor Main explained to Cr Stevens that voting against the recommendations meant he did not want to give people the opportunity to make submissions on the process to the Council. She explained that this report was about a public consultation process and the time to vote against the actual project would be when submissions had been received.

In reply to a question Julian Harkness explained that the Council is required to amend its 10-Year Plan under section 97 of the Local Government Act, as it is either a decision to commence a new activity or significantly alter the level of service of an existing activity. It is not required to amend because of the Council's Significance Policy.

Cr Baker-Hogan believed that the costs for the project stacked up well and the NZCCOE would be a major capital project benefiting all the community.

**Council's Resolution**

Proposed by Cr Vinsen, seconded by Cr Baker-Hogan:

- 1.1 THAT in accordance with sections 83, 84, 93(4) and (5), and 97(2) of the Local Government Act 2002, the Council adopts the Statement of Proposal, 10-Year Plan Amendment 2009-2019, New Zealand Cycling Centre of Excellence, for the Special Consultative procedure
- 1.2 AND THAT the Special Consultative submission period starts 25 February 2011 and closes 25 March 2011.

**CARRIED**

Cr Stevens recorded his vote against.

**ACTION: Stuart Hylton**

**MOTION TO EXCLUDE THE PUBLIC**

Proposed by Mayor Main, seconded by Cr Wills:

THAT the public be excluded from the following parts of the proceedings of this meeting.

<b>Item No</b>	<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
3. Future of the Tawhero Golf Complex – Part 2	Commercial sensitivity	Good reason to withhold exists under section 7	Section 48(1)(a)

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 which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

3. Future of the Tawhero Golf Complex – Part 2	Discussion of commercially sensitive issues	Section 7(2)(i)
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**CARRIED**

**Pages 424 to 425 are confidential  
and are unavailable to the public**

**MOTION TO REOPEN THE MEETING TO THE PUBLIC**

Proposed by Mayor Main, seconded by Cr Wills:

THAT the meeting be reopened to the public and the preamble, discussion and recommendations associated with Item 3: Future of the Tawhero Golf Complex, remain confidential until all parties have either accepted the terms of the proposals or agreed to cease negotiations. The Chief Executive or Committee Chairperson may then release a press report on the matter.

**CARRIED**

The meeting closed at 5.00pm.

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**CERTIFICATE OF CONFIRMATION OF MINUTES**

The minutes of the meeting of the Wanganui District Council held on 22 February 2011 were confirmed as a true and correct record of that meeting at a meeting of the Wanganui District Council held on 7 March 2011.

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Annette Main  
Mayor of Wanganui District

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Date