



# **AGENDA:**

## **Meeting of the Economic Development Committee**

**Monday 18 June 2018  
Commencing at 4.30pm**

**at Brougham House**

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### **Members:**

His Worship the Mayor Garry Howard  
Cr Shayne Barry (Chair)  
Cr Phil Rutherford  
Cr Greg Hart  
Cr Emily Miazga  
Cr Robyn Nahr  
Cr Rosalie Sampson

## **Terms of Reference**

### **Economic Development Committee**

#### **PURPOSE:**

The Economic Development Committee will focus on assisting the delivery of sustainable long-term economic growth, increased employment, promotion of the district's visitor attractions, delivery of high-quality events and support for the development of both existing and new businesses in the district.

The Economic Development Committee will also work to build Buller's unique identity, bolster business confidence, and raise the district's profile.

The Economic Development Committee will replace the current "EDM" working group.

The Economic Development Committee will:

- foster the development of industry "clusters" within the district and/or the West Coast region
- following consideration of applications supported by appropriate business cases, make recommendations to Council, for the provision of assistance by way of staff time and/or cash grants, towards economic development projects, sector working group activities, and events.

#### **DELEGATED POWERS:**

The Economic Development Committee has authority to make distributions of staff time and/or cash grants within the limits of an annual budget provision for economic development established by Council.

#### **FREQUENCY OF MEETINGS:**

Quarterly or as requested

#### **REPORTING TO:**

Council

#### **REPORTING TIMELINE:**

As and when required

**MEMBERSHIP:** Chair - Shayne Barry

Members - Garry Howard  
- Greg Hart  
- Emily Miazga  
- Robyn Nahr  
- Phil Rutherford  
- Rosalie Sampson

# **INDEX:**

## **Meeting of Economic Development Committee**

### **Monday 18 June 2018**

<b>Item</b>	<b>Page Number</b>
-------------	--------------------

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#### **Apologies**

<b>1.</b>	<b>Members Interest.....</b>	<b>1</b>
<b>2.</b>	<b>Confirmation of Minutes.....</b>	<b>2</b>
<b>3.</b>	<b>Buller Employment Initiative Report -Lynn Brooks.....</b>	<b>8</b>
<b>4.</b>	<b>Provincial Growth Fund meeting - Debrief.....</b>	<b>13</b>
<b>5.</b>	<b>Advertising Billboards on State Highway .....</b>	<b>14</b>

# ECONOMIC DEVELOPMENT COMMITTEE

18 JUNE 2018

Report for Agenda Item No 1

Prepared by - Rachel Townrow  
- Acting Group Manager Community and Environment

## MEMBERS INTEREST

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Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

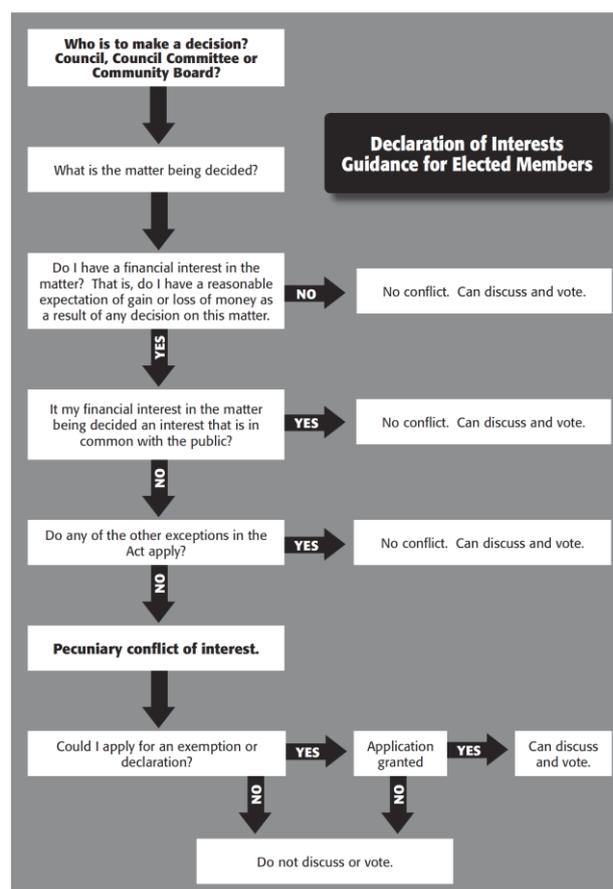
Councillors are encouraged to advise the Personal Assistant, Corporate Services, of any changes required to their declared Members Interest Register.

The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).

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### DRAFT RECOMMENDATION:

That Members disclose any financial or non-financial interest in any of the agenda items.



**ECONOMIC DEVELOPMENT COMMITTEE**

**18 JUNE 2018**

**Report for Agenda Item No 2**

**Prepared by - Councillor Shayne Barry  
- Chair, Economic Development Committee**

**CONFIRMATION OF MINUTES**

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Minutes from the Economic Development Committee meeting held on Wednesday 26 July 2017

**DRAFT RECOMMENDATION:**

That the minutes from the meeting held on 26 July 2017 be confirmed.

**MINUTES OF THE MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE  
HELD AT THE CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT,  
ON WEDNESDAY 26 JULY COMMENCING AT 2.00PM**

**PRESENT**

Mayor Garry Howard (Chairperson), Crs SM Barry, GW Hart, MJ Hill, EC Miazga, RM Nahr and PJ Rutherford.

**IN ATTENDANCE**

Cr JW Cleine, A Gowland-Douglas (Chief Executive), Manager Community and Environment (CM Scanlon), DJ Phibbs (Manager Corporate Services), Management Accountant (L Brooks) and J Hill (Business and Economic Development Officer).

1 MEMBERS INTEREST

Nil.

2 CONFIRMATION OF MINUTES

Resolved: That the minutes of the meeting held on 8 December 2016 be confirmed.

**GW Hart/SM Barry**

**Carried Unanimously**

3 CHAIRPERSON'S REPORT

There was a general discussion around the Buller Employment Initiative.

Resolved:

1. That the report be received for information.
2. That work on an employment initiative scheme to be taken to the full Council for a final decision.
3. That an amendment to the Terms of Reference for the Economic Development Committee to be considered at the August Council meeting.

**SM Barry/EC Miazga**

**Carried Unanimously**

4 BUSINESS DEVELOPMENT FACILITATOR - UPDATE ON ACTIVITIES

Resolved: That the report be received for information.

**GW Hart/MJ Hill**

**Carried Unanimously**

5 BULLER ECONOMIC STRATEGY

Resolved:

1. That the report be received for information.
2. That Councillor Barry to work with the Chief Executive to set a date and workshop agenda to progress the Economic Development Strategy.

**RM Nahr/EC Miazga**

**Carried Unanimously**

6 PUBLIC EXCLUDED

Resolved: That the public be excluded from the following parts of the proceedings of this meeting.

Item No	Minutes/Report of:	General Subject	Reason for Passing Resolution Section 7 LGOIMA 1987
1	Lynn Brooks - Management Accountant	<u>DWC District Economic Stimulus Fund</u>	Section 2(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

**RM Nahr/EC Miazga**

**Carried Unanimously**

**Resolved: That the Council revert to open meeting and the resolutions and disclosures made whilst the public were excluded remain confidential.**

**GW Hart/SM Barry**

**Carried Unanimously**

There being no further business the meeting concluded at 3.15pm

Confirmed ..... Date .....

# **ECONOMIC DEVELOPMENT COMMITTEE**

**18 JUNE 2018**

**Report for Agenda Item No 3**

**Prepared by** - Lynn Brooks  
- Management Accountant

**Reviewed By:** - Dean Phibbs  
-Corporate Services Manager

## **DEVELOPMENT WEST COAST ECONOMIC STIMULUS FUNDING FOR BULLER EMPLOYMENT INITIATIVE**

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### **1 Report Summary**

The purpose of this report is to provide the Economic Development Committee with an update of the Development West Coast (DWC) Economic Stimulus Fund (ESF) Buller Employment Initiative (BEI).

The Economic Development Committee terms of reference establishes that the Committee is responsible for considering applications for grant funding, and then must make recommendations to Council for adoption of those recommendations or otherwise. This report provides information about the fund so that the required process of the Committee conveying information and requesting approval from Council can be observed.

### **2 Recommendations**

The Economic Development Committee advise Council there were six applications for Buller Employment Initiative Funding, and of those, four were selected after a meeting of the Committee and Ministry of Social Development representatives on 6 June 2018.

### **3 Issues & Discussion**

#### **3.1 Background**

Development West Coast provided \$1m of funding to the Buller District for Economic Stimulus Funding.

The purpose of this Fund was to stimulate business development and growth in the District in light of the current economic challenges. The Buller District Council

was charged with administering the fund on behalf of the district, and the fund was instructed to be applied in such a way so as to leverage additional funding from other funding sources.

The funding was initially made available from 1st October 2015. Applications for funding were to be received by DWC by 30 June 2016, however this timeline was later extended by DWC.

*Criteria to apply to the fund were:*

All projects and proposals must:

- Comply with the Objects of the DWC Deed of Trust (“the Deed”);
- Provide a minimum of 10% equity pursuant to the Deed;
- Demonstrate how the project will promote employment opportunities and/or generate sustainable economic benefit for the District;
- Demonstrate how the project will support business;
- Must demonstrate leverage of additional funding from other sources;
- And funding must flow via the respective District Council.

Reasons that applications to the fund would not be accepted were:

- Projects that have received other DWC funding;
- Feasibility studies;
- Compliance and regulatory costs (eg. obtaining certification or resource consent); and
- Public/community projects, such as:
  - Sport and recreational facilities and buildings;
  - Community halls;
  - Theatres;
  - Museums;
  - Art Galleries;
  - Memorials.
  -

Priority was to be given to applications that:

- Have employment opportunities as a direct effect of the distribution; and
- Leverage other funding.

*The Economic Development Working Party of the time reviewed the applications and put recommendations to all of council for the applicants selected, and DWC made the final decision if the applicant would be funded.*

The Buller District Council was then charged with managing the approved projects and the responsibility for monitoring compliance with all KPIs, conditions and benchmarks. If these things are not managed effectively by the Buller District Council, DWC reserved the right to stop funding all or any of the projects.

### **3.2 The Buller Employment Initiative (BEI)**

Of the \$1m fund, \$300,000 has been approved to be applied to the Buller Employment Initiative (BEI). The success of the BEI is that it leverages an additional \$300,000 from the Ministry of Social Development (MSD) who must pay the first year of the Grant/Subsidy to the employer which has employed a new employee in their Buller business. Council acts as an agent so the payment of the second year of the Grant/Subsidy is uplifted from DWC.

Council is now reporting on the second year of the BEI. Funds are drawn down by Council from July 2017 onward to pay for the second year of wage subsidy as it falls due. This part of the fund is passed on to the Ministry of Social Development to continue payments (not from Council to the Grant/Subsidy recipient which would add undue administration time).

### **3.3 Reporting Requirements**

All recipients of MSD funding must report to MSD.

MSD must report to Council to confirm the funding they have received is being used for the correct purpose.

Council must report to DWC twice per annum to confirm the \$1m District Economic Stimulus Fund is being well administered.

## **4 Strategic Issues**

A key strategy of council set down in the draft 2018-2028 Long Term Plan is for building and promoting resilience in the community as well as facilitating growth and assisting with a transition to a diversified and sustainable economy. This strategy was agreed in recognition of the decline in the mining industries and the significant impact this has on our district.

Council being involved in the DWC Economic Stimulus Fund is in line with this core strategy.

## **5 Values**

The Buller District Council Values are: Community Driven, One Team, Integrity, Future Focussed, and We Care.

Buller District Council involvement with the DWC District Economic Stimulus Fund reflects these values. This special grant funding emphasises Buller District Councils' desire to be community driven, care for the community and remain future focussed. It is believed that long term benefits including employment, education and economic growth will be received by the community if Buller District Council assists with the scheme and therefore it is appropriate for Council to be involved in the project.

## **6 Significance Assessment**

The Buller District Council Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant.

In a financial context the content included in this report is not considered significant because the matters disclosed are of a routine nature, and not greater than 5% of the total assets and total annual operations of Council, and is not considered an operational task.

## **7 Risk Analysis**

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

The Buller District Council is charged with managing the projects and monitoring compliance with all KPIs, conditions and benchmarks. If these are not managed by Buller District Council, DWC reserves the right to stop funding all or any of the projects.

Therefore some low level risk around monitoring and continued payments exist. This risk is mitigated by delegating authority to the Corporate Services Team to monitor projects and payments as well as summarising this information via twice-yearly reporting to the Economic Development Committee.

## **8 Policy / Legal Considerations**

DWC and Buller District Council have entered into funding agreements for each of the successful applicants which are legally binding agreements.

For those successful candidates which were funded by way of a suspensory loan, Buller District Council has entered into loan agreements with those recipients which are also legally binding documents.

There are no outstanding legal or policy issues noted.

## **9 Tangata Whenua consultation considerations**

The contents of the report are not a matter requiring consultation with Tangata whenua or other community groups.

## **10 Views of those affected**

It is preferable for all ratepayers, the public and wider community hear about how the funding has supported economic growth and how DWC and Council has supported this project. Council's administration and oversight of this special funding is in line with the core strategy of council which was set and agreed during community consultation for the 2015-2025 Long Term Plan, as well as the 2018-2028 draft Long Term Plan which is at consultation.

## **11 Costs**

Council does not bear any significant direct costs associated with the DWC ESF. Indirect costs include staff time required to monitor payments, KPIs and attend to documentation. Where KPI monitoring and suspensory loans span an extended timeframe there are ongoing "time costs" incurred by Council.

## **12 Benefits**

The potential benefits of the Economic Stimulus Fund may be considerable for the District.

A full economic impact analysis has not been undertaken to examine the effect of the \$1m Economic Stimulus Fund however it is widely considered to be of significant benefit because it has supported business revenues, personal wages and alternative industry for the district.

## **13. Media / publicity**

There are media and/or publicity opportunities with the high level content of this report. This report and the contents put on record the key points about a very positive project which aligns to council strategy and promotes wellbeing for the community.

**ECONOMIC DEVELOPMENT COMMITTEE**

**18 JUNE 2018**

**Report for Agenda Item No 4**

**VERBAL DEBRIEF**

**PROVINCIAL GROWTH FUND MEETING HELD ON WEDNESDAY 13<sup>TH</sup> JUNE 2018**

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A meeting to discuss the West Coast applications to the Provincial Growth Fund was held at Shantytown on Wednesday 13th June. A verbal debrief from that meeting, including an analysis of the process to date and discussion on process going forward, will be provided at this meeting.

**DRAFT RECOMMENDATION**

Verbal update be received for information

## ECONOMIC DEVELOPMENT COMMITTEE

FOR THE MEETING OF 18 JUNE 2018

Report for Agenda Item No 5

Prepared by - Rachel Townrow  
- Acting Group Manager Community and Environment

Reviewed by - Councillor Shayne Barry  
- Chair, Economic Development Committee

### ADVERTISING BILLBOARDS ON STATE HIGHWAY

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#### Report Summary

The Council owns two billboard structures on State Highway, one of which will soon be available for use. It is suggested that a process be put in place to address the future use of these signs, and this report asks the Committee to consider whether and how this might work.

#### Draft Recommendation

1. That the Committee and staff work together to develop a process for the future use of Council's billboard structures at Buller Gorge and Virgin Flat, with the aim of preparing a recommendation to full Council.

#### Issues and Discussion

The billboard structures shown below are both owned by Council.



The structure on the left is adjacent to lower Buller Gorge Road near the Scout Lodge, while the one on the right is adjacent to State Highway 6 (Virgin Flat/Coast Road). These structures were originally built and used to display Buller tourism promotional

signage. They are covered by an existing resource consent. While originally single-sided, both billboards can now display advertising on both sides.

Aidemia Ltd has an agreement to use the western and northern facing sides of the structures respectively (i.e. the sides visible when driving away from Westport). Council has control of the eastern and southern facing sides. The Council side of the Buller Gorge sign is still displaying the above advertisement for Karamea, which has been in place for a number of years. The Coast Road sign has been displaying an advertisement for Sounds Air, however the advertising 'skin' has been damaged and the originally agreed display period has ended, so Sounds Air has requested that it be removed. There is now an opportunity for the side of the Coast Road sign visible as you are driving to Westport to be utilised for something else.

In order to best utilise these signs in accordance with Council's wider strategy around promotion, advertising and signage, and to ensure consistency and fairness, it is suggested that a process be developed to consider their future use.

There are a number of options and questions to be considered, including:

- Should the signs be used only for district promotion as originally intended, or could they be used more broadly?
- If for district promotion, should this be Council campaigns only, or opened up to others (e.g. Untamed Natural Wilderness)?
- Should there be a time limit on each campaign's use of the sign and if so, what?
- If third parties are using the sign should there be a cost for this and if so, what?
- Should the decision on use of the signs be made by full Council, a Committee, staff or another body?

Given the history of these signs, and that they relate to promotion and economic development, this discussion has been brought to the Economic Development Committee first to determine whether this is a body of work worth pursuing. If the Committee believes it is, it is suggested that staff and the Committee work together on a recommendation to be taken to full Council.

## **Considerations**

### **1. Strategic Impact**

Council has long acknowledged the need to diversify Buller's economy and remove our reliance on extractive and other commodity based industries. A key strategy set down in the draft 2018-2028 Long Term Plan is for building and promoting resilience in the community as well as facilitating growth and assisting with a transition to a diversified and sustainable economy. The promotion opportunity from these signs aligns with this strategy.

### **2. Significance Assessment**

This is of low significance in accordance with our policy.

### **3. Values**

The Buller District Council values are: One Team, Community Driven, We Care, Integrity and Future Focussed. This process aligns with these values.

We Care: These signs provide an opportunity to contribute to the promotion and economic development of Buller, which in turn provides a benefit to our communities.

Future Focussed: These signs can support economic development opportunities for the district, assisting with Council's aim of diversifying the Buller economy and seeking solutions that are fit for future.

**4. Risk Analysis**

There is an opportunity cost from not utilising these signs, and if left blank the structures are unattractive and can leave a bad impression on people driving through Buller. The latter is also a risk if signs are not carefully chosen, designed and constructed.

A set process for deciding future use of the signs will provide fairness, consistency and transparency.

**5. Policy/Legal Considerations**

No specific considerations have been identified.

**6. Tangata Whenua Considerations**

No specific considerations have been identified.

**7. Views of Those Affected**

Affected parties were consulted as part of the resource consent process.

**8. Costs**

The biggest resource requirement for establishing a process is Councillor and staff time. Staff time will continue to come from existing budgets and workloads. Other costs will be dependent on the process chosen.

**9. Benefits**

The signs would be fully utilised in a way that contributes to Council's wider strategic direction, and provides promotion opportunities for Buller.

**10. Media/Publicity**

It is considered likely that there will be media and public interest in this. The signs themselves provide publicity opportunities.