

Notice is given that an ordinary meeting of the Full Council will be held on:

Date: Thursday 20 June 2019
Time: 9.30am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Full Council

AGENDA

MEMBERSHIP

Mayor	Mayor Kempthorne	
Deputy Mayor	Cr King	
Councillors	Cr Brown	Cr McNamara
	Cr Bryant	Cr Ogilvie
	Cr Canton	Cr Sangster
	Cr Greening	Cr Tuffnell
	Cr Hawkes	Cr Turley
	Cr Maling	Cr Wensley

(Quorum 7 members)

Contact Telephone: 03 543 8400
Email: hannah.simpson@tasman.govt.nz
Website: www.tasman.govt.nz

AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

That the minutes of the Extraordinary Full Council meeting held on Thursday, 7 February 2019, be confirmed as a true and correct record of the meeting.

That the minutes of the Full Council meeting held on Thursday, 9 May 2019, be confirmed as a true and correct record of the meeting.

That the minutes of the Full Council meeting held on Friday, 31 May 2019, be confirmed as a true and correct record of the meeting.

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7 PRESENTATIONS

WAIMEA WATER LIMITED - SIX MONTHLY PRESENTATION

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	20 June 2019

PRESENTATION

Mike Scott, Chief Executive Officer for Waimea Water Ltd, and Doug Hattersley from the company Board, will make a six month progress presentation on the Council Controlled Organisation, Waimea Water Ltd, to the Full Council.

Appendices

Nil

8 REPORTS

8.1 WAIMEA WATER LTD - FINAL STATEMENT OF INTENT 2019/20

Decision Required

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Mike Drummond, Corporate Services Manager
Report Number:	RCN19-06-01

1 Summary

- 1.1 The Waimea Water Limited (WWL) final Statement of Intent (SOI) covers the period from Company Incorporation on 27 November 2018 through until 30 June 2020.
- 1.2 The draft SOI was received by the Council at the 28 March 2019 Full Council meeting. At that meeting it was resolved that the SOI met the shareholders' expectations.
- 1.3 The final SOI has been checked for compliance with the Local Government Act (LGA) and there are no matters that need to be brought to the attention of Councillors.
- 1.4 The final SOI has been updated with some non-material changes to performance measures following a review by WWL focusing on the practicality of implementing some of the measures in the draft SOI.
- 1.5 Following external advice, staff have worked with the Company to finalise the appropriate technical accounting framework to base the company's financial reporting on, being either IPSAS (International Public Sector Accounting Standards) or NZ IFRS (New Zealand equivalents to International Financial Reporting Standards). The draft SOI has the accounting framework as NZ IFRS, and this has been updated to IPSAS in the final SOI.
- 1.6 There are no changes to the financial estimates in the final SOI. The final SOI will be approved by the WWL board at its meeting on 17 June 2019. The SOI will be provided under separate cover to Councillors by 19 June 2019 and tabled at the meeting.
- 1.7 The staff recommendation is to agree to the final SOI.

2 Draft Resolution

That the Full Council

1. receives the Waimea Water Ltd - Final Statement of Intent 2019/20 report RCN19-06-01; and
2. notes the delivery of the Waimea Water Ltd final Statement of Intent 2019/20 as required under the Local Government Act 2002; and
3. agrees to the final Waimea Water Ltd Statement of Intent 2019/20.

3 Purpose of the Report

- 3.1 To formally acknowledge the receipt of the Waimea Water Limited final Statement of Intent 2019/20.

4 Background and Discussion

- 4.1 The SOI must meet the requirements as set out in the Local Government Act. A Letter of Expectation (LOE) was sent to WWL on 9 January 2019 outlining the shareholder's expectations for the SOI 2019/20, and the Council's general expectations that are applicable to all Council Controlled Organisations (CCOs).
- 4.2 A draft SOI was received by the Council at the 28 March 2019 Full Council meeting, and the following was resolved:

Moved Cr King/Cr Bryant CN19-03-1

That the Full Council:

1. **receives the Waimea Water Limited - Draft Statement of Intent 2019/20 RCN19-03-08; and**
2. **provides the following comments and feedback to the Waimea Water Ltd Board –**
 - a. **that the SOI meets the shareholders' expectations.**

CARRIED

- 4.3 The final SOI includes updated performance measures as a result of a review of the practicality of those in the draft SOI. There are no material changes to the objectives or measures.
- 4.4 The technical accounting standards being used by the company have been reviewed and confirmed by the Council's auditors. This has resulted in a change from NZ IFRS (New Zealand equivalents to International Financial Reporting Standards) to IPSAS (International Public Sector Accounting Standards). This change is reflected in the final SOI.
- 4.4 The final SOI is being reviewed and approved by the WWL board at its board meeting on 17 June 2019. The board approved version will be provided to Councillors by 19 June 2019.

4 Options

- 5.1 Option 1 (recommended) – to receive and agree the final SOI.
- 5.2 Option 2 – to receive the final SOI but to not agree to the final SOI. If the Council does not agree to the SOI then shareholders must take all practicable steps under Clause 5 of Schedule 8 of the Local Government Act to require the SOI to be modified. Given the efforts WWL have made to provide this initial SOI for the company, this approach is not recommended.

6 Strategy and Risks

- 6.1 There is a risk that the relationship between the shareholders (the Council and WIL), and the shareholders and WWL, would be significantly damaged if there is a failure of WWL and both shareholders to agree on the 2019/20 final Statement of Intent.

7 Policy / Legal Requirements / Plan

- 7.1 A Council Controlled Organisation (CCO) must have an SOI that complies with Clauses 9 and 10 of Schedule 8 of the Local Government Act 2002 (LGA).
- 7.2 The Statement of Intent must not be inconsistent with the CCO's constitution.
- 7.3 Draft SOIs must be delivered to Council on or before 1 March each year.
- 7.4 The LGA Schedule 8(3) requires the Board to consider any comments on the draft SOI that are made to it within two months (28 May 2019) and deliver a completed SOI to shareholders on or before 30 June each year.
- 7.5 S65 (2) of the LGA requires Council as soon as practicable after receiving a SOI for a CCO to agree to the SOI, or, if it does not agree to take all practicable steps under clause 5 of schedule 8 of the LGA to require the SOI to be modified.
- 7.6 Clause 5 of Schedule 8 to the LGA allows shareholders to impose certain SOI provisions on a CCO. Such a course of action would require both shareholders to agree on the changes to be imposed.
- 7.7 Clause 7 of Schedule 8 to the LGA requires the Board to make a completed SOI available to the public within one month of delivery to shareholders. For statutory compliance the Company needs to make the final SOI available to the public via its website from 31 July 2019. This date precedes its consideration by the committee.
- 7.8 The principal objective of a CCO is set out in Section 59 (1) of the LGA.
- 7.9 The SOI needs to include the company's accounting policies. Staff have worked with the Company to finalise the appropriate accounting framework to base their financial reporting on. This being IPSAS (International Public Sector Accounting Standards) or NZ IFRS (New Zealand equivalents to International Financial Reporting Standards). The draft SOI had the accounting framework as NZ IFRS. This has been updated to IPSAS in the final SOI. This is a technical matter that will be confirmed with the auditors.
- 7.10 If agreement with the Board of WWL on the final SOI was not reached, the shareholders would need to consider imposing a modification of the SOI by resolution of the shareholders using their powers under the LGA schedule (8)(5). This would be a last resort approach as it would signal a breakdown in the relationship between the Shareholders and the Company Board.

8 Consideration of Financial or Budgetary Implications

- 8.1 There are no financial or budgetary implications in receiving the final SOI.

9 Significance and Engagement

9.1 The decision to receive the Waimea Water Limited Statement of Intent is considered to be of low significance.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	There is interest from a small group within the region. Overall the SOI is of low interest to ratepayers across the district.
Is there a significant impact arising from duration of the effects from the decision?	Low	No
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	No
Does the decision create a substantial change in the level of service provided by Council?	Low	No
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	No change to shareholders' financial position
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	Low	No
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	Low	No
Does the proposal or decision involve Council exiting from or entering into a group of activities?	Low	No

10 Conclusion

10.1 The SOI has been received. The SOI meets the requirements of the Local Government Act. The staff recommendation is to receive the SOI and refer any matters raised by Councillors for consideration and inclusion in the next SOI (2020/21).

11 Next Steps / Timeline

- 11.1 Post the Council meeting, the Company and WIL will be advised of the outcome.
- 11.2 The company will make the final SOI available to the public via it's own website by 31 July 2019.

12 Attachments

Nil

8.2 SCHEDULE OF FEES AND CHARGES 2019/2020**Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Sandra Hartley, Policy Officer - Strategic Development
Report Number:	RCN19-06-02

1 Summary

- 1.1 Council can set a schedule of fees and charges to recover some costs associated with its services. Some of these are set by statute and others by Council. Council annually reviews all fees and charges.
- 1.2 To accommodate the different terminology used in the statutes that allow Council to recover costs for some of the services it provides, we propose to rename the schedule to the Schedule of Fees and Charges.
- 1.3 Council adopted the draft Schedule of Charges for 2019/2020 as a Statement of Proposal for public consultation purposes on 28 March 2019.
- 1.4 Staff publicly notified the draft Schedule of Charges in the Council Newline on 5 April 2019, calling for submissions until Friday 3 May 2019. We received no submissions.
- 1.5 There have been a few requests from staff for minor amendments in Building Control, Solid Waste and Berthage fees, Aerodrome charges, and one for a fee removal in Aerodromes, which are detailed in the background/discussion part of this report.
- 1.6 Council is now able to adopt the final Schedule of Fees and Charges, with the minor amendments as outlined in paragraphs 4.8-4.13, as appended to this report (Attachment 1), for implementation from 1 July 2019 until 30 June 2020.
- 1.7 The monitoring charges for plantation forestry activities went through a separate consultation and submission process. These charges have been included in the final Schedule of Fees and Charges 2019/2020 in Attachment 1.

2 Draft Resolution**That the Full Council**

- 1. receives the report on Schedule of Fees and Charges 2019/2020 RCN19-06-02; and**
- 2. adopts the Schedule of Fees as Charges 2019/2020 as contained in Appendix 1, with implementation commencing on 1 July 2019.**

3 Purpose of the Report

- 3.1 To request that Council adopts the Schedule of Fees and Charges 2019/2020, and to note that these now include the monitoring charges for plantation forestry.

4 Background and Discussion

- 4.1 Under the Revenue and Financing Policy, Council can set fees and charges to recover some, or all costs associated with Council services. Some of these fees and charges are set by statute, and others by Council. Staff annually review the fees and charges and recommend to you any changes, additions or deletions.
- 4.2 As discussed at the Council meeting on 28 March 2019, in comparison with the 2018/2019 Schedule, some charges have increased, and where appropriate rounded up or down to the nearest dollar. Some have also had minor wording changes.
- 4.3 Those fees and charges that have not changed are because staff consider that the existing fee is reasonable for the service provided, and that budgets can be met from current charges.
- 4.4 New fees and charges have been introduced for new services, or for those services that had been previously provided but not charged for.
- 4.5 Our hourly staff charge-out rate has increased from \$153.00 to \$157.00 per hour, in line with the BERL adjustors.
- 4.6 Council adopted a Draft Schedule of Charges 2019/2020 on 28 March 2019 as a basis for consultation under Section 83 and 87 of the Local Government Act 2002. The consultation and submission period was open from 1 April to 3 May 2019.
- 4.7 We did not receive any submissions. Therefore, the hearing panel (Full Council) was not required to meet for hearings and deliberate on 17 May 2019. However, there have since been some requests received from staff to make minor changes to the Schedule.
- 4.8 In Building Control, under residential dwellings (page 8), staff have noted that there was an error and the second value should be \$200,001 instead of \$201,000. They have requested that we amend this figure in the Schedule as follow:
- “Value up to \$200,000
Value - **\$200,001** to \$300,000
Value - \$300,001 to \$499,999”
- 4.9 Under Solid Waste charges regarding our minimum commercial transactions (page 20), staff have requested that this be amended to “minimum commercial or weighbridge transaction”. The charge remains the same at \$10.
- 4.10 There are a number of changes requested to our commercial charges. These include the Aerodrome charges, under notes on page 26, there was an error as the last line is a repeat of the line below regarding General aviation user landing charges. It also states that we have EFTPOS, which the site does not have. We are recommending this line be deleted.
- 4.11 At the bottom of page 26, under the section ‘Other Charges’, staff have requested that these fees are removed. The removal of these fees has arisen based on a recent request from the Aerodrome Advisory Group. It is reported that the parking charges have historically never

been collected, and their view is that the new proposed charges are too high for users when they are combined with the increased landing fees.

- 4.12 On Page 28 under Berthage – Casual Rates, there has been a request from staff to amend this wording from “marina berthage per day” with various charges for commercial (\$3/metre), recreational (\$30/vessel) and mooring (\$10/vessel) to the proposed new charge shown below. This change has been recommended based on a request from the Port Tarakohe Advisory Group to simplify the charging structure.
- 4.13 Council should note that we did not receive any submission recommending these changes to the Berthage Fees, and that the proposed new fee structure has not been consulted on with the users.

marina/mooring berthage per day	\$3.00/metre/day or \$30.00/vessel/day whichever is the greater
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- 4.14 On 9 May 2019, Council approved the Nelson Tasman Regional Land Business Unit’s Business Plan, which included the landfill charges for the York Valley landfill. These charges were the same as those notified in our Draft Schedule of Charges 2019/2020. Nelson City Council also approved the Business Plan at its meeting on 2 May 2019.
- 4.15 The charges for the monitoring of plantation forestry activities have been through a separate consultation and submission process. The Environment & Planning Committee meeting on 20 May 2019 adopted the charges and these have been included in the final Schedule of Fees and Charges, in Attachment 1.

5 Options

- 5.1 If our Schedule of Fees and Charges is to be implemented in time for the 2019/2020 financial year, the Schedule must be adopted before 1 July 2019.

5.1.1 Option 1 - Approve the Final Schedule of Fees and Charges 2019/2020 as appended in Attachment 1

This is the recommended option. The consultation process has been undertaken and we did not receive any submissions. The amendments recommended by staff in this report are considered to be relatively minor and of low significance. The adoption of the Schedule would allow Council to recover the expected costs for the services that it provides from 1 July 2019.

The disadvantage of proceeding with this option, is the public have not had the opportunity to submit on the minor amendments requested by staff. This is particularly with regard to the new fee structure proposed for the marina and mooring berths.

5.1.2 Option 2 - Amend the Draft Schedule of Fees and Charges

Council could choose to amend some or all of the proposed charges at this meeting.

The advantage of this option is that if Council does not support the proposed staff amendments, it provides you with the opportunity to make changes to the Schedule. The disadvantage of this option is that the public would not have an opportunity to submit on any changes made that maybe different to the proposed staff amendments.

5.1.3 Option 3 – Not approve the Schedule of Fees and Charges

Council could request staff to report to a future Council meeting with more information on any of the proposed charges. This option would only apply if you felt that you did not have sufficient information to approve the attached final Schedule of Fees and Charges.

The advantage of this option is that for some fees it may be possible to make further information available to assist in your decision-making. The disadvantage of this option is that any changes to the Schedule would require a further round of public consultation. This would mean the Schedule would not be adopted prior to the new financial year and we would have to continue charging the current fees and charges.

6 Strategy and Risks

- 6.1 We have programmed the timing of public consultation and adoption to ensure that the Schedule of Fees and Charges can be operative from 1 July 2019.
- 6.2 If the Schedule is not adopted prior to 1 July 2019, Council may not be able to recover the expected costs for some services that are provided.

7 Policy / Legal Requirements / Plan

- 7.1 Some of our fees and charges are required by different statutes to be consulted on using the Special Consultative Procedure. This includes for example Resource Consent fees and Food Inspection charges.
- 7.2 We have met the Special Consultative Procedure requirements, as set out in Section 83 and 87 of the Local Government Act 2002.

8 Consideration of Financial or Budgetary Implications

- 8.1 Our fees and charges reduce the amount required from General Rates and Targeted Rates to fund our services activities.
- 8.2 The Schedule of Fees and Charges reflect Council's financial statement and is in keeping with our budgets set out for Year Two of our Long Term Plan 2018-2028.

9 Significance and Engagement

- 9.1 Fees and charges generally have a low/moderate level of significance to most members of the public, while some charges may have a high level of significance to others, for example, those residents on fixed incomes. We have consulted on the draft Schedule and did not receive any submissions on it. No further consultation is required prior to Council making the decisions sought in this report.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low- Medium	The Schedule was publicly notified and no submissions were received. It is assumed to some degree that the public are comfortable with the proposed fees and charges. There may be some interest from the community with regard to the new proposed charges for marina and mooring berths, as we have not consulted on these changes.
Is there a significant impact arising from duration of the effects from the decision?	Low	The Schedule of Fees and Charges are re-assessed annually. .
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	N/A	
Does the decision create a substantial change in the level of service provided by Council?	N/A	
Does the proposal or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	Provided the Schedule of Fees and Charges are adopted prior to 1 July 2019 there will not be a shortfall in Council's budget
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	
Does the decision involve Council exiting from or entering into a group of activities?	N/A	

10 Conclusion

- 10.1 This report seeks that Council adopts the Draft Schedule of Charges 2019/2020 as the final Schedule of Fees and Charges for 2019/2020.
- 10.2 Adoption of this Schedule will ensure that the appropriate fees and charges are in place for the 2019/2020 financial year. This will enable Council to recover costs for some of our services provided that are not covered by general or targeted rates.

- 10.3 There are some amendments to the Schedule that have been proposed by staff. The majority of these changes are minor, are of low significance or have been through a separate public consultation process. The exception to this is the proposed change to the charges for our marina and mooring berths.

11 Next Steps / Timeline

- 11.1 Once approved, the Schedule of Fees and Charges 2019/2020 will come into effect on 1 July 2019.
- 11.2 The Schedule will be uploaded onto Council's website, and hard copies will be made available in Council libraries and offices prior to the implementation date of 1 July 2019.

12 Attachments

1. Schedule of Fees and Charges 2019/2020 19

Tasman District Council Schedule of Fees and Charges 2019/2020

STATEMENT OF PROPOSAL

SCHEDULE OF FEES & CHARGES 2019/2020

The Tasman District Council, acting under the Local Government Act 2002 (LGA), hereby prescribes the following charges. The charges shall come into force on 1 July 2019. The charges shall remain in force until amended by Council resolution, which may occur during the year. Solid Waste Charges can be amended by the Chief Executive Officer under delegated authority at any time. Some charges in this schedule are set by Government regulations and cannot be changed by Council.

All fees and charges are GST inclusive, and are set charges unless stated otherwise.

Except where expressly specified in this Schedule, the charges set out become due and payable on the 20th day of the month after the issue of an invoice. Credit terms for commercial activities may vary from 20th of month following. Council reserves the right to pass on any additional charges where payments are accepted by credit card.

Summary of Changes from the 2018/2019 Schedule of Charges

- 1 Some fees and charges have been increased to reflect increased costs, and, where appropriate, rounded up or down to the nearest dollar. Notwithstanding this all charges have been reviewed line by line to determine whether an increase was actually required. There are some charges that have not been increased because we consider that the existing charge is reasonable for the service provided, or that budgets can be met from current fees, or in some instances Council costs have reduced.
 - 1.1 The hourly \$153.00 charge-out rate for recovering staff costs has increased, and is now \$157.00 per hour.
 - 1.2 Community Development:
 - Cemetery fees
 - Some charges have increased and have been brought in line with Nelson City Council charges.
 - Sportsground charges
 - Charges have increased.
 - New charge for Rugby, Rugby League, Football – Senior per occasion.
 - New charge for Velodrome – cycle club per season.
 - 1.3 Engineering:
 - The majority of engineering fees and charges have been increased.
 - The Application for a Rapid number (rural property number) has been removed as although Council still issues the property numbers and notifies the address to the relevant agencies, it no longer supplies the plaques.
 - Solid Waste charges
 - Some charges have been increased.
 - The Nelson/Tasman Regional Land Business Unit (NTRLBU) increased its landfill charges for the York Valley landfill (which were the basis of consultation for the Draft Schedule of Charge), due to increased operational costs, increased costs for methane emissions, an increased allowance for aftercare costs and an increase in payments to the councils for waste management and minimisation activities. Tasman District and Nelson City Councils both subsequently approved the NTRLBU's Business Plan which included these increased charges for York Valley landfill on 9 May and 2 May respectively.
 - The Resource Recovery Centre per tonne charges have increased by \$22.00, and volumetric waste charges by 14%.
 - The charge for additional recycling services has increased from \$120.00 to \$132.00 per annum, to match the increase in the targeted rate.
 - There is a new per tonne charge for greenwaste where Council provides a weighbridge, to improve the fairness of charging.
 - Wastewater charges
 - Some conditional trade waste conveyance and treatment charges have increased, while others have decreased.
 - Wastewater services to properties within the Nelson City Council boundaries are based on the same rates charged to Tasman District Council ratepayers.
 - Water charges
 - Water supply charges to Nelson City Council ratepayers and industrial water users have increased.
 - ENZA Foods NZ Limited replaced with new entity T&G Processed Foods Limited.
 - Footnote added regarding a 10% penalty for water charges unpaid after the due date.

1.4 Environment & Planning:

- Building Control
 - Some additional and/or minor wording and minor fee increases.
 - The deposit for building consent applications has increased from \$550.00 to \$2,000.00, or actual charge whichever is the lesser amount.
 - Building projects greater than \$20,000.00 will also attract Insurance and Quality (QA) Levies, along with, Building Research Association of NZ (BRANZ) and Ministry of Business Innovation and Employment (MBIE) levies.
 - New charge for pre-lodgement meeting over 30 minutes.
 - New fee for express service for commercial marquees.
 - Commercial building work over \$20,000.00 requires a \$2,000.00 deposit.
 - Building Consent Authority Accreditation Fee has been removed.
 - New Swimming Pool Building Consent Fee - Fencing only, and Swimming Pool Building Consent Fee – Pool and Fencing.
 - New Certificate of Public Use renewal fee.
 - Section 72, Section 75 decisions under the Building Act 2004, plus legal disbursements are now a separate charge.
 - Dam classification application fee is removed as it is no longer applied.
 - Under residential dwellings, the second value of \$201,000 has been amended to \$200,001.
- Environmental Health
 - All charges have increased, apart from the Sale of Liquor charges which are governed by statute.
 - Food Businesses:
 - New charge for Pre-registration guidance requested by Ministry for Primary Industries (MPI), which is allowable under the LGA.
 - New fees for Verification (audit) appointment cancellation within one week of agreed time, and cancellation within 48 hours of agreed time.
- Dog control fees
 - Most fees have remained at the same level as 2018/2019, with the exception of 2nd and 3rd impounding fees, which have increased along with the sustenance fee.
 - The reduced fees for neutered impounded dogs has been deleted.
- Resource Management
 - Deposit fees have been reviewed and increased to the medians of total fees charged for the different types of resource consents.
 - The fee for S226 (1)(e) RMA Certificate (allowing issue of separate title) has been reduced by 50%.
 - New fee for requests for special housing areas under Housing Affordability & Special Housing Areas Act 2013.
- Resource Management, Administration, Monitoring and Supervision Charges of Resource Consents
 - All charges have increased.
 - Under general rules applications now include “private plan change requests”, the standard administration fee has been reduced to \$75.00, and Annual charges are now due on 1st October or the 20th of the month to bring this in line with Council’s standard invoicing terms.
- Plantation Forestry Monitoring
 - New charges for plantation forestry monitoring, which have gone through a separate consultation process, are included in the Schedule of Fees and Charges 2019/2020.

1.5 Corporate/Commercial:

- Aerodrome Charges - Motueka and Takaka Aerodromes
 - These charges have been re-written and simplified, with explanatory notes.
 - The last line under the notes regarding “general aviation user charges” was a repeat of the line below, and has been deleted.
 - All charges are the same for both aerodromes.
 - There is now one charge for all aircraft per landing.
 - New charges for: annual charge for regular recreational user landing based on the category of aircraft; one annual charge for commercial aircraft landing; an additional fee for commercial aircraft landing at both airports;
 - Other charges relating to tie down charges and parking charges for aircraft not using tie downs has been deleted.
- Port Charges - Wharfage and Berthage
 - These charges have been renamed Port Charges.
 - There are two new notes regarding charges for cargo transferred between vessels within the port, and the requirement to sign a current port user agreement if requested,
 - All other payments are now due on the 20th of the month following on standard commercial trade terms.
 - Some charges have had a small increase.
 - New charges for vehicles, boat movements, casual marina berthage and monthly and annual wharf storage.
 - Fenced storage and standard rubbish skip charges have been deleted, along with charges for Commercial – Concrete Marina for 14 and 16 metre vessels.
 - Under Berthage – Casual Rates “marina berthage per day” has been reworded to “marina/mooring berthage per day” with one simplified charge of \$3.00/metre or \$30.00/vessel, whichever is the greater”.
- Camping Grounds
 - s have decreased from \$29.00/vessel to \$10.00/vessel.
 - Change of name from Collingwood Campground to Collingwood Holiday Park.
 - Peak period reduced by one month – 1 December to 31 March.
 - Off peak period extended by one month – 1 April to 31 August.

3

- Minor changes in cancellation policy.
- Some minor increases and decreases.
- New Peak and Off-Peak charges for waterfront unpowered sites.
- New Shoulder Season charges for waterfront unpowered sites, and extra adult and child charges.
- New Whitebaiting charge for unpowered site.
- Property Service Charges – three new charges
 - Short term licence to occupy road for underground services documentation fee \$150.00.
 - Longer term encumbrance documentation fee \$150.00.
 - Road stopping application fee \$300.00.

Resource Management	Charges From 1 July 2019 Including GST
<p>The Council has resolved to generally fix charges in accordance with Section 36(1) of the Resource Management Act 1991 (RMA) and Section 77(1) of the Housing Affordability and Special Housing Areas Act 2013 (HASHAA) for processing applications or requests and carrying out reviews based on a formula of hourly rates multiplied by the actual and reasonable time required to carry out the activity, plus the costs of disbursements and specialised advice.</p> <p>For the activities to which this formula applies, the Council requires payment of minimum lodgement fees (deposits) as listed below but reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur substantial costs over and above the listed lodgement fees.</p> <p>For some specific functions a standard charge or set fee applies as listed below. Refer also to the General Rules Applying in Respect of Charges set out in this Schedule.</p> <p>Where the formula or standard fee is inadequate to enable the Council to recover the actual and reasonable costs that are or will be incurred to carry out an activity, or where the Council considers that additional charges are warranted, they may be imposed under section 36(3) RMA and are subject to rights of objection.</p>	
Deemed Permitted Boundary Activity Notice	\$300.00
Marginal or Temporary Consent Exemption Notice (Actual charge will take account of whether Project Information Memorandum fee has been paid)	\$157.00/hr
Non-notified Applications for Resource Consent The following new land use consents: <ul style="list-style-type: none"> - Building in Landscape Priority Areas - Minor repair or addition to heritage building or structure - Bores (except domestic bores between 8 and 30m depth) - Minor building set-back or coverage breaches with affected persons approvals supplied (if not a deemed permitted boundary activity) - Three or more dogs in residential zones with affected persons approvals supplied 	\$750.00 deposit
Non-notified Applications for Resource Consent New domestic bore not exceeding 30 metres depth (set fee includes first monitoring action)	\$600.00
Non-notified Applications for Resource Consent New land use activities not listed above including, but not limited to, the following: <ul style="list-style-type: none"> • Dwelling or building (including setback and coverage breaches) • Land Use Activities not permitted in zone • Removal of protected tree(s) • Earthworks/Land Disturbance/Vegetation Clearance • Hazardous Facilities • Dam structure • New Discharge Permit (to land, water or air) excluding dust suppression discharge permits (refer next page) • New Water Permit (to dam, divert, take or use water) • New Coastal Permit • New Notice of Requirement • Alteration of Existing Designation (Notice of Requirement S.181 RMA) • New Heritage Order • Replacement Water Permit (to dam, divert, take or use water) • Replacement Discharge Permit (to land, water or air) • Replacement Coastal Permit • Transfer of Water Permit to new site (S.136(2)(b) RMA) • Transfer of Discharge Permit to a new site (S.137(3)(b) RMA) 	\$950.00 deposit
Non-notified Applications for Resource Consent New subdivision	\$1,500.00 deposit
Non-notified Applications for <ul style="list-style-type: none"> • Change or Cancellation of Consent Condition(s) on existing consents (S.127 RMA) 	

Resource Management	Charges From 1 July 2019 Including GST
• Change or Cancellation of Consent Notice (S.221(3)(b) RMA)	\$750.00 deposit
Notified and Limited Notification All applications under the RMA requiring notification, including applications requesting change or cancellation of consent conditions or notified S.128 RMA reviews. (Additional deposits may be required)	\$5,000.00 deposit
Non-notified Application Hearing All non-notified applications under the RMA requiring a hearing, including applications requesting change or cancellation of consent conditions or notified S.128 RMA reviews. (Additional deposits may be required)	\$5,000.00 deposit
Administration, Monitoring and Supervision A standard monitoring fee of \$157.00 will be applied to all land use, coastal and discharge consents where monitoring is required, except where a specific charge otherwise applies. Monitoring outside of the first review will be subject to the "Re-inspection Fee" on next page.	\$157.00
Approval of Survey Plan under S.223 RMA, approval of Engineering Plans, and Completion Certificate under S.224 RMA, including monitoring, inspection and acceptance of as built plans. No deposit is required for any of these activities. Actual Council staff time and actual costs of consultants, including disbursements, will also be charged.	\$157.00/hr
Pre-application advice after the first hour of staff time (Deposits may be required or interim charges made prior to application lodgement)	\$157.00/hr
Dust suppression discharge permit – replacement permit	\$200.00
Dust suppression discharge permit – new permit applications	\$200.00
Outline plan consideration (S.176A RMA)	\$750.00 deposit
Outline Plan Waivers (S.176A(2)(c) RMA)	\$300.00 deposit
Certificate of Compliance (S.139 RMA)	\$950.00 deposit
Existing Use Certificate (S.139A RMA)	\$950.00 deposit
Extension of consent lapsing period (S.125 RMA)	\$750.00 deposit
Section 226(1)(e) RMA Certificate (allowing issue of separate title)	\$300.00 deposit
Bond Administration Fee	\$150.00
Certificate under Overseas Investment Act 2005	\$750.00 deposit
Certificate of Compliance for Sale of Alcohol	\$150.00
Document Execution and Use of Council Seal: Documents requiring Council resolution, Certification or Council Seal e.g. S221, 226, 241, 243, RMA S321, 327A, Local Government Act 2002 (LGA), Covenants, Easements in Gross and Caveats. Plus actual time cost (over 60 minutes) or as otherwise listed in this schedule	\$150.00 \$157.00/hr
Lodgement fee for objections under S.357, 357A and 357B RMA. Additional costs of processing objections including hearings may be charged in accordance with the general rules set out in this Schedule depending on the merits of the objection. Additional deposits may be required.	\$300.00 deposit
Review of Consent Conditions: Request for review from consent holder All reviews carried out under Section 128 RMA	\$900 deposit \$157.00/hr
Monitoring due to repeat non-compliance (re-inspection fee)	\$157.00/hr

Resource Management	Charges From 1 July 2019 Including GST
Water meter reading fee (following failed water meter returns, 1.5 hour charge out rate)	\$235.00
Request for a Preparation of Plan Change	\$6000.00 deposit
Part transfer of coastal, water or discharge permit (S.135, S.136 and S.137 RMA) with no changes to conditions of consent	\$750.00 deposit
Full transfer of Permits (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) RMA)	\$150.00
Minor amendment to existing Water or Discharge Permit to recognise change in land description as result of subdivision or similar.	\$235.00
Return of property seized under S.323 and S.328 RMA	\$100.00/item \$10.00/week storage
Requests for Special Housing Areas under Special Housing Areas Act 2013 (HASHAA)	\$157.00/hr
Rights-Of-Way	Charges from 1 July 2019 including GST
Application Right-of-Way (S.348 Local Government Act {LGA})	\$950.00 deposit

Building Control	Charges from 1 July 2019 including GST
<p>Building Consents Includes issue of consent, inspections and code compliance certificate. All applications for building consent shall be accompanied by a deposit of \$2,000.00 or the actual charge whichever is the lesser amount. The balance of any charge will be invoiced along with Resource Management Authority check (where Property Information Memorandum [PIM] not applied for), government and other levies when the consent is ready for issue. Where charges are listed as a deposit only, actual charges will be invoiced on the basis of \$157.00 per hour or part thereof unless advised otherwise. For multiple unit projects and 'multi-proof' consents, estimated costs will be advised before consent is issued. A building project greater than \$20,000.00 will also attract Insurance, Quality (QA), BRANZ and MBIE levies. Work cannot commence until the consent is paid for and issued.</p>	
<p>Pre-Lodgement Meetings First 30 minutes 30 minutes or more</p>	<p>Free \$157.00/hr</p>
<p>Minor Consents Involving one inspection (e.g. log burners, solar heating panels, wetback connections and building work under the value of \$5,500) Additional fees (per inspection) will be charged if additional inspections are required.</p>	<p>\$350.00 \$157.00</p>
<p>Tent and Marquee >100m² Express Service for Commercial Marquees If submitted 10 working days or less from planned construction date Tasman District Council will endeavour to complete but cannot guarantee the issue of the consent before construction starts or the sign off of inspections before use. Excludes Certificate of Public Use cost.</p>	<p>\$350.00 \$900.00</p>
<p>On site wastewater installation only building consent</p>	<p>\$1,150.00</p>
<p>Proprietary kitset buildings involving no more than three inspections (i.e. carports, kitset garages and kitset outbuildings)</p>	<p>\$1,350.00</p>
<p>Residential Dwellings: New dwellings Value up to \$200,000 Value - \$200,001 to \$300,000 Value - \$300,001 to \$499,999</p>	<p>\$2,990.00 \$3,850.00 \$4,750.00</p>
<p>Relocated Dwellings</p>	<p>\$2,000.00</p>
<p>All Other Building Work (excluding commercial) Value: \$2,001 to \$5,000 \$5,001 to \$10,000 \$10,001 to \$19,999 \$20,000 to \$49,999 \$50,000 to \$99,999 \$100,000 to \$249,999 \$250,000 to \$499,999</p>	<p>\$500.00 \$850.00 \$1,650.00 \$2,000.00 \$2,900.00 \$3,250.00 \$4,000.00</p>
<p>Commercial Building Work: (buildings requiring assessment in terms of accessibility, fire safety and those buildings accessible to the public) Value: \$2,001 to \$19,999 All commercial building work valued \$20,000 or over will be charged \$157.00 per hour or part thereof</p>	<p>\$1,650.00 \$2,000.00 Deposit</p>

Building Control	Charges from 1 July 2019 including GST
Building work valued \$500,000 or more: \$500,000 to \$999,999 \$1,000,000 to \$3,999,999. \$4,000,000 and not elsewhere covered.	\$6,950.00 \$7,500.00 deposit \$9,000.00 deposit
* Note: It is Council policy to apply a standard charge as above, however, it reserves the right to assess individual cases as required. Additional charges may be requested by virtue of Section 219(2) of the Building Act 2004 if costs incurred exceed the standard charge. Applications that require consultation with Fire and Emergency New Zealand or Heritage New Zealand will have costs recovered. Review of engineer design buildings by consultant will be charged at cost.	
Associated Building Costs (GST inclusive)	
Project Information Memorandum (PIM) New Construction, additions and alterations, additions/alterations	\$300.00
Resource Management Act Check (not applicable if PIM applied for at the same time as building consent)	\$300.00
Amended Plans Minor Amendment Processing Formal Amendments after consent granted and before Code Compliance Certificate (CCC). Additional processing time and related charges may apply, e.g. PIM rechecking, inspections.	\$157.00/hr or part thereof \$250.00 deposit
PIM/RMA Rechecking fee	\$190.00
Insurance Levy ◁ \$20,000 assessed value ▷ \$20,000 assessed value Quality Levy ◁ \$20,000 assessed value ▷ \$20,000 assessed value	Nil \$0.75/\$1,000 value of project Nil \$1/\$1,000 value of project
BRANZ Levy ◁ \$20,000 assessed value ▷ \$20,000 assessed value MBIE Levy ◁ \$20,000 assessed value ▷ \$20,000 assessed value	Nil \$1/\$1,000 value of project Nil \$2.01/\$1,000 value of project
Failed Inspection Fee Including Code Compliance Certificate (per inspection)	\$157.00
Inspection Cancellation Fee For cancellations after 2pm the day prior to your inspection	\$157.00
Swimming Pools Swimming Pool Building Consent Fee – Fencing only Swimming Pool Building Consent Fee – Pool and Fencing Swimming Pool Audit Fee	\$300.00 \$500.00 \$157.00
Work Start Extension Request or Work Completion Request	\$157.00
Refuse, lapse and cancellation of building consent administration fee	\$157.00
Certificate of Public Use – Section 363A Building Act 2004 Renewal	\$375.00 \$375.00
Compliance Schedule New application, whether or not associated with Building Consent	\$400.00 deposit

Building Control	Charges from 1 July 2019 including GST
Compliance Schedule Amendments	\$250.00 deposit plus recovery of costs at \$157.00/hr for time spent in excess of 3 hours
Building Warrant of Fitness	\$163.00
Building Warrant of Fitness for back flow preventer ONLY	\$50.00
Inspections Deposit if required	\$157.00
Building Act 2004 Infringement Notice issue and administration	\$157.00 plus recovery charges at \$157.00/hr for investigation and monitoring of notices under the Building Act 2004
Notice to fix Issue and administration where building consent is held Issue and administration where no building consent is held	\$170.00 \$510.00 plus recovery charges at \$157.00/hr for investigation and monitoring of notices under the Building Act 2004
Application for Certificate of Acceptance (COA)(Section 97 of the Building Act 2004) Application for Certificate of Acceptance (Section 97 of the Building Act 2004) has an \$800.00 deposit fee. Applicants will be charged based on time spent to process, inspect & certify the COA at a charge out rate of \$157.00 per hour or part thereof, plus any other fees, contributions or levies that would have been payable had building consent been applied for before carrying out the work. Any specialist checks by others, where appropriate, will be charged out at cost. The deposit is a down-payment towards total costs.	\$800.00 deposit
Building Act Schedule 1(2) Exempted Work Levies will apply which is not included in the deposit.	\$350.00 Deposit
Lodgement of unauthorised building reports (pre Building Act only – pre June 1991)	\$130.00
Lodgement of Building Act Schedule 1 Exempt work reports with owner's declarations	\$100.00
Building Code Waivers or Modification	\$250.00
Section 72, Section 75 (Building Act 2004) decision, plus legal disbursements	\$250.00 deposit
Application fee for Alternative Solutions Assessment	\$495.00 deposit
Consultancy Specific design peer reviews	At cost
Building Certificates required under other legislation (e.g. Sale & Supply of Alcohol Act 2012) Plus inspection charge (if required)	\$157.00/hr or part thereof \$157.00
Documents requiring Council resolution, certification or Council seal Plus actual cost (over 60 minutes) and any legal disbursements	\$157.00 \$157.00/hr

Property Information & Development Contributions	Charges from 1 July 2019 including GST
Land Information Memorandum requested under the Local Government Official Information and Meetings Act 1987: Residential Commercial/Industrial Large properties involving more than one certificate of title will be quoted accordingly.	\$272.00 \$409.00
Note: Should a special request be made that results in a field inspection and/or submitter research, Council reserves the right to charge any additional fees that are appropriate, based on the amount of time required to provide the requested information.	
Property enquiries – access to Council records: File access Files transferred to CD Property/rates Printout	\$10.00 \$15.00/file \$4.00 ea
Note: Frequent user discount is available as follows:	
Option 1 A lump sum of \$1,257.00 payable annually in advance for a company gives access to an unlimited number of files.	\$1,257.00
Option 2 A coupon-based system. Each coupon will enable access to five site files. For residential files the cost per coupon is \$50.00 and for commercial/industrial files, the cost per coupon is \$131.00.	\$50.00 \$131.00
Development Contributions Deposit for Development Contributions Objection Hearing Application for Reconsideration	\$1,200.00 \$210.00

Environmental Health	Charges from 1 July 2019 including GST
Food Businesses	
Pre-registration guidance (under LGA)	\$157.00/hour (pro rata)
New Template Food Control Plan registration	\$236.00 + \$157.00/hr over 60 min
Renewal of template Food Control Plan registration	\$95.00 + \$157.00/hr over 60 min
New National Programme registration	\$142.00 + \$157.00/hr over 60 min
Renewal of National Programme registration	\$95.00 + \$157.00/hr over 60 min
Amendment of Food Control Plan or National Programme registration	\$95.00 + \$157.00/hr over 60 min
Verification (audit) including site visit, correspondence, report, following up corrective actions	\$157.00/hr + disbursements for boat travel
Verification appointment cancellation fee within one week of agreed time	\$100.00
Verification appointment cancellation fee within 48 hours of agreed time	\$200.00
Compliance – development & issue of Improvement Notice	\$166.00 + \$157.00/hr over 60 min Additional visits to check compliance charged at \$157.00/hr
Compliance – application for review of Improvement Notice	\$166.00 + \$157.00/hr over 30 min
Other Registered premises	
New premises application fee	\$151.00
Camping ground registration fee – basic fee Plus 50c for every camp site	\$278.00
Funeral directors registration fee	\$278.00
Hairdressers registration fee	\$179.00
Offensive trade	\$258.00
Transfer of Registration Fee	\$94.00
Late payment fee	Additional 20%

Environmental Health	Charges from 1 July 2019 including GST
Trading in Public Places Bylaw 2010 <ul style="list-style-type: none"> • Mobile traders • Hawker's licence • Commercial services • Soliciting donations, selling street raffle tickets, and buskers 	\$94.00 \$53.00 \$53.00 No fee
Registered premises exemption fee deposit (plus any costs associated with staff time, hearings, and inspections)	\$263.00
Gambling Venue Consent (Deposit fee only)	\$345.00

Sale of Alcohol		Charges from 1 July 2019 including GST
Special Licences NB The definition of event size for special licences is: large event is for more than 400 people; medium event is for between 100 and 400 people; and small event is for fewer than 100 people.		
Special Licence: class 1 (1 large event: or, more than 3 medium events: or, more than 12 small events). NB There is provision for applications by not-for-profit fundraising and community events to be reduced by one class depending on circumstances.		\$575.00
Special Licence: class 2 (3 medium events: or, 3 to 12 small events)		\$207.00
Special Licence: class 3 (1 or 2 small events)		\$63.20
Managers Certificate - application fee or renewal fee		\$316.20
Temporary Authority application		\$296.70
Temporary Licence application		\$296.70
Extract from Register		\$57.50
The charges for sale and supply of alcohol are based on premises type, latest time the premises are open and the number of enforcement holdings in the last 18 months. The following table sets out how the fees are calculated		

How to calculate your cost / risk rating and fees

A		+	B		+	C		=	TOTAL WEIGHTING			
Types of premises	Weighting	Latest time allowed by licence	Weighting	Number of enforcement holdings in last 18 months	Weighting	Total Weighting	Cost/Risk Rating	Application Fee for all renewals, new licences and variations Incl GST (\$)	Annual Licence Fee Incl GST (\$)			
Class 1 restaurant, night club, tavern, adult premises, supermarket, grocery store, bottle store	15	On-licences and clubs 2.00 am or earlier	0	None	0	0 - 2	Very low	368.00	161.00			
		Off-licences 10.00 pm or earlier				3 - 5	Low	609.50	391.00			
Class 2 restaurant, hotel, function centre, Class 1 Club, Off-licence in hotel or tavern	10	On-licences and clubs between 2.01 am and 3.00 am	3	1	10	6 - 15	Medium	816.50	632.50			
		Off-licences any time after 10.00 pm				16 - 25	High	1023.50	1035.00			
Class 3 restaurant, other premises, Class 2 Club, Club off-licence, remote sale off-licence, other off - licence premises	5	On-licences and clubs any time after 3.00 am	5	2 or more	20	26 plus	Very High	1207.50	1437.50			
BYO restaurants, theatres, cinemas, winery cellar doors, Class 3 Club	2											

- Definitions**
- Class 1 restaurants** – restaurants with a significant separate bar area which, in the opinion of the relevant TA, operate that bar at least one night a week in the manner of a tavern.
 - Class 2 restaurants** – restaurants that have a separate bar but which, in the opinion of the relevant TA, do not operate that area in the nature of a tavern at any time.
 - Class 3 restaurants** – restaurants that only serve alcohol to the table and do not have a separate bar area.
 - Class 1 clubs** – clubs which have at least 1,000 of purchase age) and which, in the opinion of the relevant TA, operate in the nature of a tavern at any time.
 - Class 2 clubs** – clubs which are not class 1 or class 3 clubs.
 - Class 3 clubs** – clubs that have fewer than 250 members of purchase age and operates a bar for no more than 40 hours each week.
 - Enforcement Holding** – has the same meaning as a "Holding" under section 288 of the Act, or a previous offence for which a holding may have been issued if the offence had occurred before 18 December 2013.

Dog Control	Charges from 1 July 2019 including GST
Registration Fees:	
Urban Dogs	\$50.00
Rural	\$30.00
Disability Assist Dogs	No charge
Search and Rescue Dogs	No charge
Late payment fee – if registration paid after 1 August	Additional 50%
Impounding Fees:	
1st impounding	\$70.00
2nd impounding	\$100.00
3rd impounding or further impounding	\$150.00
Sustenance	\$15.00/day
Drop Off Fee (where dogs are not impounded)	\$30.00
Micro-chipping impounded dogs if required	\$25.00
Micro-chipping on request (when available)	\$15.00
Micro-chipping first registered dogs under 6 months	No charge
Fee for the euthanizing of impounded dogs	\$50.00
Kennel Licence: Initial Application (plus any additional costs associated with staff time, hearings and inspections)	\$100.00
Replacement registration tag or disk	\$5.00

Note: a 50% surcharge is made for dangerous dogs

Stock Control	Charges from 1 July 2019 including GST
Impounding Fees (per animal):	
Sheep or goat	\$15.00
Horse, mule, donkey	\$30.00
Bull over the age of 9 months	\$30.00
All other cattle	\$25.00
Pig	\$30.00
Alpaca, llama or deer	\$25.00
Any other impounded stock animal will be charged at rate determined fair and reasonable for that animal	
Sustenance per animal per day or part thereof	\$5.00
Other fees for droving, hire of equipment, necessary medical treatment etc. will be charged at actual cost. These fees are in addition to any allowed for under the Impounding Act 1955.	Actual cost

Biosecurity Charges	Charges from 1 July 2019 including GST
Hourly staff charge-out rate that will apply when undertaking Council's responsibilities under the Biosecurity Act 1993, associated with inspection and administration when issuing notices under the Act.	\$157.00/hr

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2019 including GST
Gravel/Shingle Extraction Fees	
Waimea/Wairoa Rivers	\$6.40/m ³
Wai-iti	\$6.40/m ³
Motueka and Tributaries	\$6.40/m ³
Moutere	\$6.40/m ³
Riwaka/Marahau/Sandy Bay	\$6.40/m ³
Takaka and Tributaries	\$6.40/m ³
Aorere and Tributaries and other Golden Bay Rivers	\$4.81/m ³
Buller	\$3.73/m ³
Other Rivers, Streams and Coastal Marine Area	\$4.81/m ³
Gravel extraction outside of the above-listed areas on freehold land within the river berm area inundated by an annual flood	\$3.20/m ³
Gravel extraction on freehold land outside of the river berm area inundated by an annual flood	Actual and reasonable monitoring charges at \$157.00/hr
Coastal Structures – Annual Charges	
Coastal Structures per consent: Aquaculture Activity	
0 – 10 lines	\$491.00
Each additional line	\$27.00
Other structures (excluding structures that extend landward of Mean High Water Springs [MHWS])	\$108.00
Water Permit Annual Charges	
For stock water, private domestic use, hydroelectric power generation ≤ 2.5 l/s, firefighting, cooling, private community water supplies, schools, campgrounds and retirement villages, seawater takes, frost protection (when a separate irrigation consent is held), and permits to take water to or from an irrigation dam, reservoir, pond, seepage hole or embayment irrespective of the quantity authorised.	\$147.00
For all other permits to take water, the fee is based on the daily quantity of water authorised as set out below.	
Less than 250 m ³ /day	\$207.00
250 – 499 m ³ /day	\$287.00
500 – 999 m ³ /day	\$403.00
1,000 – 2,499 m ³ /day	\$549.00
2,500 – 4,999 m ³ /day	\$906.00
5,000 – 14,999 m ³ /day	\$1,520.00
15,000 – 49,999 m ³ /day	\$3,335.00
50,000 – 299,999 m ³ /day	\$10,013.00
300,000 m ³ /day or more	\$27,220.00
Water Meter Levy (water use recording and management) on consented takes where a meter is required to be installed	\$108.00/meter

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Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2019 including GST
For Permits to Dam Water <ul style="list-style-type: none"> Damming for non-water take purposes or where a take from storage or surface take consent is held. Consented damming for water take purposes 	\$61.00 \$147.00
Discharge Permits (Water or Contaminant)	
Permits to discharge scour water from dams and pipelines, for water resource augmentation, spillway and compensation flows, minor cooling water discharges, minor spraying operations, flood/drainage discharges, stormwater related to commercial and industrial activities, minor sediment discharges and composting.	\$147.00
Dairy shed and piggery discharges (including laboratory costs)	\$416.00
Fish Farming <ul style="list-style-type: none"> Less than 1,000 m³/day authorised discharge 1,000 – 4,999 m³/day 5,000 – 14,999 m³/day 15,000 – 49,999 m³/day 50,000 – 99,999 m³/day 100,000 m³/day or more 	\$147.00 \$277.00 \$763.00 \$1,554.00 \$3,897.00 \$5,113.00
Food Processing Industries (including by way of example, abattoirs, fish processing, vegetable processing, dairy factories, wineries) up to here	
Food processing waste water to land	\$277.00
Semi-treated/screened waste to water <ul style="list-style-type: none"> Authorised at less than 200 m³/day 200 – 999 m³/day 1,000 m³/day or more 	\$368.00 \$1,111.00 \$2,226.00
Fully treated/unpolluted waste to water: <ul style="list-style-type: none"> Authorised at less than 200 m³/day 200 – 999 m³/day 1,000 m³/day or more 	\$147.00 \$224.00 \$448.00
Gravel Wash and Mining Discharges: <ul style="list-style-type: none"> Less than 1,000 m³/day authorised 1,000 – 2,999 m³/day 3,000 m³/day or more 	\$277.00 \$448.00 \$763.00
Sawmills, Timber Processing Discharges to land	\$277.00
Power Generation Discharges (≥ 2.6 l/s) <ul style="list-style-type: none"> Less than 1,000 m³/day authorised 1,000 – 4,999 m³/day 5,000 – 24,999 m³/day 25,000 – 299,999 m³/day 300,000 m³/day or more 	\$147.00 \$277.00 \$544.00 \$806.00 \$5,225.00
Sewage Effluents <p>Up to two residential dwellings with wastewater treatment systems on a single certificate of title are exempt.</p> <ul style="list-style-type: none"> Less than 50 m³/day authorised 50 – 99 m³/day 100 – 999 m³/day 1,000 – 9,999 m³/day 10,000 m³/day or more 	\$330.00 \$501.00 \$582.00 \$780.00 \$1,228.00
Discharges to Land under Section 15(1)(d) RMA	\$147.00

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2019 including GST
Discharge Permits (Air) Annual Charges	
Major air discharges (former Pt A [Clean Air Act] activities)	\$2,001.00
Minor air discharges (former Pt B [Clean Air Act] activities)	\$390.00
Minor Air Discharges (former Pt C [Clean Air Act] activities)	\$147.00

Commercial Operator's Licence	Charges from 1 July 2019 including GST
Application Fee Payable on initial application and in addition to the annual fee (plus reimbursement for any reasonable and necessary additional costs incurred by Council in assessing an application, e.g. evaluation of seaworthiness, qualifications and experience).	\$235.00
Annual Fee For each multiple of either one power-driven vessel or up to a total of 15 kayaks, rafts, waka or similar vessels that are not power-driven with greater than 10hpw.	\$304.00
Late Payment Fee	Additional 20%

Forestry Monitoring Charges	Charges from 1 July 2019 including GST
Pre-harvest site inspection	\$650.00
Harvesting Activity	
Per inspection	\$650.00
Per upstream and downstream sample for colour, turbidity, and suspended solids, if required	\$120.00
Post Harvesting Activity	
Per inspection	\$650.00
Per upstream and downstream sample for colour, turbidity, and suspended solids, if required	\$120.00

Note: The above fees and charges set out the fixed charges for inspections and sampling under the NES - Plantation Forestry Regulations 2017.
The number of inspections required per forest will vary depending on the size, environmental risk from the activity in that location, and the degree of compliance with the regulations.
Non-compliance may result in additional inspections and/or sampling to ensure compliance has been achieved.

General Rules Applying in Respect of Charges for Resource Management Fees and Charges – Including Special Housing Areas under the Housing Affordability and Special Housing Areas Act.
Charges will include all reasonable staff time associated with processing and assessing applications, excluding staff travel time to and from the site of the application and/or consent holder. Applications include private plan change requests and requests for Special Housing Areas and associated resource consent processing and monitoring. Staff time will be charged at \$157.00 per hour inclusive of overhead component and GST from 1 July 2019. Costs associated with consent processing and assessment such as use of consultants and laboratory costs, where these skills cannot be provided by in-house staff, will be recovered at actual costs. This policy also applies to the monitoring of consent conditions where an annual charge is not made or where costs exceed the payable annual charge and Council elects to recover the difference.
Annual charges shall be due on 1 October or on the 20 th of the month following the date of invoicing, whichever is the later, unless otherwise agreed in writing by Council. A standard administration fee of \$75.00 will be applied when a consent is deemed by the Council as not currently given effect to and the ability to give effect is not currently present. Excludes permits to take water.
Council reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager, Environmental Policy Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur costs over and above the listed deposit or standard fees.
Where all or part of any deposit or charge is not paid, Council reserves the right not to process that application, or not to continue processing that application, in accordance with relevant statutory powers.
Reductions and waivers are generally not available. Reductions might be justified where the person liable to pay any charge reduces the costs to Council of carrying out its functions, including through self-regulation checks approved by Council.
There will be no charge on parties who choose to surrender a resource consent and provide written confirmation.
Where multiple resource consents are sought or required for related activities, the standard application lodgement fees (deposits) shall apply for each consent, except that the notification lodgement fee shall comprise one full deposit (\$5,000) plus 20 percent for each additional consent required provided that the Manager Consents or the Environment and Planning Manager have discretion to determine a lesser total lodgement fee when there are large numbers of separate consents required.
The cost of Councillor hearing panels are set by the Remuneration Authority and will be charged accordingly. Commissioner costs shall be charged at actual costs incurred. Where submitters request that a matter proceed to a hearing before independent Commissioners they shall meet the costs additional to those that would have been incurred if the request had not been made (S.36(1)(ab) and (ad) RMA).
A 50% rebate applies to the annual charges for consents with consent-specific monitoring programmes where monitoring costs are being recovered separately. Specific arrangements will be made in relation to approved self-regulation inspections.
Where a consent is being renewed and the activity is continuing, the applicant shall continue to be liable to pay any annual and/or monitoring charge.
Hydroelectric power generation (≥ 2.6 l/s), suction dredging, and land based fish farming annual charges will be based on the discharge and not the take as long as the take and discharge are of equal volume. If there is a consumptive off-take then that take will attract the annual charge as for other consumptive takes. Consents to take will still attract the minimum standard water permit annual charge.
Annual charges levied on holders of resource consents will be recovered whether permits are exercised or not.
Where a water take consent is restricted to winter only abstraction a 50% discount will apply.

Solid Waste Charges	Charges from 1 July 2019 including GST
Rubbish bags (Tasman District Council sale price): Small bags (45 litres) Big bags (60 litres)	\$2.40 ea \$3.10 ea
Mixed refuse: Account customers and vehicles over 3,500kg gross, where weighbridge is available. Light vehicles when operational constraints allow.	\$181.16/tonne
Other vehicles	\$64.40/m ³
Light wastes (polystyrene and other similar wastes, where >25% of load)	\$133.75/m ³
Fee to recover unacceptable and undeclared waste	\$26.00 per load
Minimum commercial or weighbridge transaction	\$10.00
Greenwaste <ul style="list-style-type: none"> • Minimum charge • Car boot • Where a Council provided weighbridge is available • All other loads 	\$4.20 \$8.40 \$60.00/tonne \$15.60/m ³
Hardfill – clean, without contaminants (where accepted) <ul style="list-style-type: none"> • Where a Council provided weighbridge is available • At other sites 	\$22.50/tonne \$45.00/m ³
Scrap metals (where accepted): <ul style="list-style-type: none"> • Scrap steel (sheet) • Car bodies and other vehicles • Whiteware 	No charge No charge \$6.50 ea
Recyclables (where accepted) Domestic customers (quantities less than 1.0m ³) <ul style="list-style-type: none"> • Glass (bottles) – clean, colour sorted • Paper and cardboard • Clean plastic bottles and containers • Clean cans • Unsorted or contaminated materials 	No charge No charge No charge No charge At mixed refuse charge
Commercial customers or domestic customers greater than 1.0m ³	By arrangement with site contractor
Tyres: <ul style="list-style-type: none"> • Car • Car tyres on rims • Truck 	\$9.30 ea \$20.50 ea \$28.30 ea
Paint (where accepted) <ul style="list-style-type: none"> • Resene branded • Other brands: containers 4 litres or smaller • Other brands: containers greater than 4 litres 	No charge \$1.00 ea \$2.50 ea

Solid Waste Charges	Charges from 1 July 2019 including GST
Hazardous waste (where accepted) <ul style="list-style-type: none"> • Oils and Solvents • Gas cylinders • Batteries • Other materials 	No charge No charge No charge At disposal cost
Kerbside recycling services <ul style="list-style-type: none"> • Additional kerbside recycling services - annual fee • Additional kerbside recycling services - part year (per month) • New or replacement mobile recycling bin (delivered) • New or replacement mobile recycling bin (from Council or RRC) • New or replacement glass recycling crate (delivered) • New or replacement glass recycling crate (from Council or RRC) • Cancellation and collection fee for mobile recycling bin • Tow-ball hitch for recycling bin • Exchange fee to deliver a smaller or larger recycling bin 	\$132.00 \$11.00 \$142.60 \$72.20 \$27.70 \$20.90 \$27.20 \$25.00 \$76.20
York Valley landfill charges All Rubbish (except as below) Buried rubbish (e.g. documents, odourous materials) Asbestos Light waste (e.g. polystyrene or similar)	\$163.00/tonne \$163.00/tonne (plus all associated costs) \$163.00/tonne (plus all associated costs) \$2,080.00/tonne
HAIL (Hazardous Activities and Industries List) material 0-17,000 tonnes >17,000 tonnes Soil that has been tested, meets the NESCS recreation standards and can be used as construction or cover material. Residential only. 7 -35 tonne quantities from A10 sites may be accepted without testing. Only commercial transporters are allowed to enter the landfill (no private individuals). A manifest must be completed with site plan and plot number from where material sourced.	\$146.00/tonne \$138.00/tonne \$98.00/tonne

Note 1: York Valley landfill charges are set by the Nelson-Tasman Regional Landfill Business Unit. Other Solid Waste charges may be amended at any stage during the year by the Chief Executive Officer. Council will advise the public of any price increases by public notification at least one month prior to the new charges taking effect.

Engineering Charges	Charges from 1 July 2019 including GST
Staff time for inspection (including subdivision inspections), engineering and as-built plan processing, or administration.	\$157.00/hr
Fencing between private and Tasman District Council owned land excluding roads subject to a case by case basis	Half actual cost per linear metre or \$58.00/metre whichever is the lower
Transportation Network Charges	
Vehicle Access Crossing	\$153.00
Corridor Access Request (CAR) – in accordance with the Utilities Access Act 2010 and as part of a Code for the Management of a Road Corridor.	\$266.00
Parking permit	\$42.00/day
Application for Tourist Facility Sign (\$100 refunded if consent refused)	\$218.00 plus actual sign materials & installation costs
Road Closure (events, parades)	\$383.00 application fee, plus actual staff costs and expenses \$2,000.00 refundable deposit. Insurance and public liability cover
Application for a road name change	\$374.00
Applications for Road Stopping (S.342 Local Government Act) (S.116 Public Works Act)	\$307.00 application fee plus Actual staff costs and expenses

Water Supply Network Charges

On Demand (Metered) Water Supply Network	Charges from 1 July 2019 including GST
Physical connection per domestic property Except where the physical connection to the main is between the property boundary and the adjacent kerb	Actual costs associated with connection plus administration costs \$1,400.00
Physical connection fee for commercial/industrial property	Actual costs associated with connection plus administration costs
Special water reading fee	\$75.00/reading

Restricted Flow Water Supply Network	Charges from 1 July 2019 including GST
Physical connection per rural property or urban extension Except where the physical connection to the main is less than 10 metres from the main	Actual costs associated with connection plus administration costs \$1,400.00
Alter restrictor size	\$250.00
To remove or relocate restrictor	Actual physical costs plus administration costs

Permit to take from a Fire Hydrant Supply (in accordance with the Council's Public Water Supply Bylaw 2016)	Charges from 1 July 2019 including GST
Annual charge	\$1,280.00 pa plus the current urban water rate per cubic metre for water consumed
Additional permit to an existing permit holder	\$510.00 pa plus the current urban water rate per cubic metre for water consumed

General Rules Applying in Respect of Water Charges
For Restricted Flow Water Supply, refer to the targeted rates section of the Annual Plan 2019-2020 for the annual supply charge.
The restricted supply schemes for Dovedale, Redwood Valley, Eighty-Eight Valley, and Mapua are currently closed due to lack of capacity from the source and/or the network.
Connections to the restricted supply for Wakefield, Brightwater, and Richmond are subject to water availability.
Connections to the Mapua Urban water supply are currently closed due to lack of capacity in the network.

Water Supply Charges

Tasman District Council charges the Nelson City Council for water supplied to Nelson City Council ratepayers that own property in the Champion Road/Hill Street North area shown on the map attached to this Schedule of Charges (Nelson Residential Water Supply Area).

Tasman District Council supplies water to, and charges, Nelson City Council ratepayers that own property in the Wakatu Industrial Estate area shown on the plan attached to this Schedule of Charges (Nelson Industrial Water Supply Area). Excluding that water supplied to T&G Processed Foods Limited and the Alliance Group Limited.

A separate agreement for water rates and charges is held with the three largest industrial water users. These are Nelson Pine Industries Limited, T&G Processed Foods Limited and Alliance Group Limited which will expire on 30 June 2020.

Water Supply Charges	Charges from 1 July 2019 including GST
Water supplied by Tasman District Council to Nelson City Council (Nelson Residential Water Supply Area) (per cubic metre supplied)	\$3.62
Water supplied to Nelson Industrial Water Supply Area (per cubic metre supplied)	\$2.17*
Plus fixed daily charge per rating unit	101.10 cents per day*
Water supplied to Nelson Pine Industries Limited, T&G Processed Foods Limited and Alliance Group Limited (per cubic metre)	\$1.94

*A penalty of 10% will be added to the amount of water charges remaining unpaid on the day after the final date for payment as shown on the water invoice.

Wastewater Network Charges

Connections	Charges from 1 July 2019 including GST
Physical connection per property	Actual costs associated with connection plus administration costs

Wastewater Network Charges for Nelson City Council Properties	Charges from 1 July 2019 including GST
The Council provides wastewater services to some properties within the Nelson City Council boundaries, and accordingly charges for these services are made separately, but on the same basis as for Tasman District Council ratepayers as follows:	
First water closet or urinal	\$706.87
Second to tenth water closet or urinal	\$530.15
Eleventh and subsequent water closet or urinal	\$353.44

Trade Waste Discharges	Terms	Charges from 1 July 2019 including GST
Annual (or part there-of) trade waste administration/inspection charge	Registered Trade Waste activity	\$161.00**
	Conditional Trade Waste activity (includes temporary discharges)	\$441.00

** A 50% discount of the annual trade waste charge will apply to registered trade waste activities where the business activity is subject to a separate and concurrent Council licensing process; namely food premises and hairdressers.

Conditional Trade Waste Conveyance and Treatment Charges (including temporary discharges)	Charges from 1 July 2019 including GST
Volume	\$2.04/m ³ /pa
Five-day Biochemical Oxygen Demand (BOD5)	\$1.95/kg/pa
Chemical Oxygen Demand (COD)	\$0.14/kg/pa
Total Suspended Solids (TSS)	\$1.23/kg/pa
Total Kjeldahl Nitrogen (TKN)	\$1.79/kg/pa
Total Phosphorus (TP)	\$0.90/kg/pa

General Rule in Respect of Trade Waste and Domestic Wastewater Charges
Where trade waste is discharged or measured separately from domestic wastewater, both trade waste and pan charges will be applied cumulatively. Where the waste streams are combined, the pan charge shall apply and act as a credit against the trade waste charges, so that only the trade waste charges in excess of the pan charge shall be payable.

COMMERCIAL CHARGES

Aerodrome charges

Motueka and Takaka Aerodromes	Charges from 1 July 2019 including GST
Notes: <ul style="list-style-type: none"> • For general aviation user landing charges: <ul style="list-style-type: none"> ➢ Every landing incurs a landing charge ➢ The first touch and go in a set of touch and go's incurs a landing charge ➢ There is a maximum gap of 15 minutes between touch and go's in a set ➢ Touch and go's that are more than 15 minutes apart incur another landing charge ➢ Unpaid landings will be invoiced and will incur an additional administration charge of \$25 per aircraft per month • For regular user landing charges: <ul style="list-style-type: none"> ➢ New users during the year will be invoiced pro-rata for the period to the end of June 2020 • The charges may be varied by the Chief Executive Officer where special circumstances exist 	
General aviation user landing charges (via honesty box or bank transfer):	Per landing
Aircraft type:	
• All aircraft	\$10.00
Regular recreational user landing charges (via annual invoice):	Per annum
• Single User Aircraft	\$200.00/aircraft
• Single User Additional Aircraft	\$100.00/aircraft
• Single User Additional Aerodrome (Add Takaka or Motueka Aerodrome)	\$100.00/aircraft
• Multiple User / Club Aircraft	\$600.00/aircraft
• Multiple User / Club Additional Aerodrome (Add Takaka or Motueka Aerodrome)	\$200.00/aircraft
Regular commercial user landing charges (via annual invoice):	Per annum
Aircraft type:	
• All Aircraft	\$1200.00/aircraft
• Commercial User Additional Aerodrome (Add Takaka or Motueka Aerodrome)	\$300.00/aircraft

Port Charges

Notes:

- Port Taroakohe has cameras located around the port to monitor activity, health & safety and security risks. The footage from these cameras will be used to support enforcement of charges for the use of facilities at the port.
- Cargo transferred between vessels within the port are liable to standard wharfage charges.
- All charges for berths, moorings, storage and leased areas are payable in advance. For any overdue payments a penalty interest charge of 1% per month will be payable. All other payments are due on the 20th of the month following on standard commercial trade terms.
- All berth, mooring, storage and leased area users are required to sign a current port user agreements when requested by the Port Manager. Any users that refuse to sign a current port user agreement, will vacate their berth, mooring, storage or leased area within 48 hours.
- An administration charge of 10% per annum may be added to any charges paid by instalments during the year.
- Visitors and users that do not notify the Port Manager 24 hours before arrival to pre-arrange berthage requirements, will be charged a penalty fee of \$100 (including GST).
- No storage is permitted on wharf structures unless specifically authorised by the Port Manager in writing. Storage rates apply after 24 hours of cargo/material arriving (allowance to be made for extenuating circumstances such as bad weather). Storage to be in the assigned areas only. Bulk cargo in transit may have extended demurrage with approval of the Port Manager. Failure to comply may result in a “penalty storage charge” of \$500 (including GST) being issued and non-removal within 48 hours may incur removal charges and a further fee of \$500 (including GST).
- A fixed marine fuelling site, or any mobile fuelling where oils are transferred by way of a hose or similar between shore-and-ship, or ship-to-ship, is required to have a Tier-1 Fuel Transfer Site Oil Spill Contingency Plan approved in advance by the Council’s Regional On-Scene Commander. This does not apply to the transfer of self-contained fuel containers (tote tanks, sealed drums or similar) from shore-to-ship or ship-to-ship. The Council as Port Operator has full control over any activities conducted within the Port and therefore approval in writing is required before any fuel transfer is permitted – any approvals will also be subject to litreage charges. Failure to seek approval and comply with Council’s requirements will incur a fine of \$2,000 plus the costs of the activity that would normally apply and any costs of clean up/damage repair.
- The charges may be varied by the Chief Executive Officer where special circumstances exist

Wharfage		Charges from 1 July 2019 including GST
Fish and shellfish	Includes all marine animals	\$21.00/tonne
Fuel and oil (other than fixed facility)	Fuel transfer only – no storage	3 cents/litre
General cargo		\$8.00/tonne
Passengers	Where no vessel berthed	\$7.00/person
Vehicles (includes vehicle passengers)	Cars and motorbikes up to 6m Light vehicles incl. cars with trailers up to 12.6m Heavy vehicles and any vehicles over 12.6m Over-dimension, overweight and HMPV vehicles	\$25.00/vehicle \$50.00/vehicle \$75.00/vehicle Greater of \$100.00/vehicle or \$5.00/tonne
Boat movements	Includes re-floating etc.	\$20.00/tonne
Weighbridge	All truck movements >1.5 tonne	\$6.00/entry/exit

Berthage – Casual Rates		Charges from 1 July 2019 including GST
Wharf berthage per day		\$5.00/metre* or 50 cents/gross registered tonnage, whichever is the greater
Wharf berthage ancillary services – security, line charges and all other services		\$85.00/hr
Marina/mooring berthage per day		\$3.00/metre or \$30.00/vessel whichever is the greater

*discount may be available for long term stays by arrangement only

Berthage – Annual Rates	Berth length	Charges from 1 July 2019 including GST (per annum)
Recreational - Plastic Marina	8 metre – restricted access	\$2,570.00
	8 metre	\$3,260.00
	10 metre	\$4,070.00
	12 metre	\$4,890.00
	14 metre	\$5,700.00
	16 metre	\$6,500.00
	18 metre	\$7,320.00
Commercial - Plastic Marina	20 metre	\$8,150.00
	8 metre – restricted access	\$2,800.00
	8 metre	\$3,500.00
	10 metre	\$4,350.00
	12 metre	\$5,250.00
	14 metre	\$6,100.00
	16 metre	\$7,700.00
Commercial - Concrete Marina	18 metre	\$8,700.00
	20 metre	\$9,700.00
	12 metre	\$7,900.00
	15 metre	\$9,500.00
	25 metre	\$17,300.00
Moorings		\$1,700.00
Live Aboard – Marina (additional to berth charge)	Marina	\$120.00/month
	Mooring	\$55.00/month

Boat Ramp	Charges from 1 July 2019 including GST
Tarakohe Boat Ramp Barrier Arm	\$10.00/use
Pohara Boat Club Members boat ramp access – fees collected and paid by Pohara Boat Club prior to issue of card	\$100.00/pa (plus \$10 for each access card)
Non-Pohara Boat Club members boat ramp access	\$150.00/pa (plus \$10.00 for each access card)

Storage		Charges from 1 July 2019 including GST
Boat Storage Compound	Weekly	\$40.00
Boat Storage Compound	Monthly	\$120.00
Boat Storage Compound	Annually	\$1,200.00
Wharf storage	Daily	\$2.00/m ²
	Monthly	\$20.00/m ²
	Annually	\$200.00/m ²
20' TEU container	Monthly	\$250.00
	Annually	\$2,500.00
40' FEU container	Monthly	\$500.00
	Annually	\$5,000.00

Campground Charges

Collingwood Holiday Park Charges	Charges from 1 July 2019 including GST
Charges for Collingwood Holiday Park, which is owned and operated by Council, are listed below:	
<p>Notes to charges:</p> <ol style="list-style-type: none"> Peak period is 1 December to 31 March, plus all holiday weekends. Off peak season is 1 April to 31 August, excluding holiday weekends. Shoulder Season period is 1 September to 30 November, excluding holiday weekends. Whitebaiting special rates are available from 15 August to 30 November for stays that exceed 7 nights. Long stay rates are available during off peak season by negotiation for stays that exceed 14 days. All reservations require a 20% non-refundable deposit. Reservations are only confirmed on receipt of the full payment, or the 20% deposit with the balance being due on arrival. No reduction in fees for early departures or late arrivals. Minimum tariffs and stay periods may apply. Cancellations: <ul style="list-style-type: none"> 1 December to 31 March A refund will be given if a reservation is cancelled at least 14 days prior to the arrival date, less the 20% non-refundable deposit. If a reservation is cancelled within 14 days of expected arrival no refund will be given. If an amendment results in the shortening of the reservation, no refund will be made, unless notice is given at least 14 days prior to the arrival date. The 20% non-refundable deposit still applies to the cancelled nights. 1 April to 30 November: A refund will be given if a reservation is cancelled at least 72 hours prior to the arrival date, less the 20% non-refundable deposit. If a reservation is cancelled within 72 hours of expected arrival, no refund will be given. If an amendment results in shortening of the reservation, no refund will be made, unless notice is given at least 72 hours prior to the expected arrival. The 20% non-refundable deposit still applies to the cancelled nights. 	
The charges may be varied by the Chief Executive Officer where special circumstances exist.	
PEAK SEASON	Per Night
Sites (Tent/Caravan/Motorhome)	
Waterfront Powered (1 or 2 persons)	\$42.00
Waterfront Unpowered (1 or 2 persons)	\$38.00
Powered (1 or 2 persons)	\$38.00
Unpowered (1 or 2 persons)	\$34.00
Extra Adult	\$20.00
Extra Child 2-14 years	\$10.00
Extra Child under 2 years	Free
Cabins/Bach	
Ensuite Cabin (1 or 2 persons)	\$120.00
Kitchen Cabin (1 or 2 persons)	\$85.00
Standard Cabin (1 or 2 persons)	\$70.00
Backpacker Cabin (1 or 2 persons)	\$65.00
Bach (1 to 4 persons)	\$160.00
Extra Adult	\$25.00
Extra Child 2-14 years	\$15.00
Extra Child under 2 years	Free
OFF PEAK SEASON	Per Night
Sites (Tent/Caravan/Motorhome)	
Waterfront Powered (1 or 2 persons)	\$38.00
Powered (1 or 2 persons)	\$34.00
Waterfront Unpowered (1 or 2 persons)	\$34.00
Unpowered (1 or 2 persons)	\$30.00
Extra Adult	\$15.00
Extra Child 2-14 years	\$10.00
Extra Child under 2 years	Free

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Collingwood Campground Charges	Charges from 1 July 2019 including GST
OFF PEAK SEASON CONT.	Per Night
Cabins & Bach	
Ensuite Cabin (1 or 2 persons)	\$95.00
Kitchen Cabin (1 or 2 persons)	\$75.00
Standard Cabin (1 or 2 persons)	\$60.00
Backpacker Cabin (1 or 2 persons)	\$55.00
Bach (1 to 4 persons)	\$130.00
Extra Adult	\$20.00
Extra Child 2-14 years	\$15.00
Extra Child under 2 years	Free
SHOULDER SEASON	Per Night
Sites (Tent/Caravan/Motorhome)	
Waterfront Powered (1 or 2 persons)	\$40.00
Powered (1 or 2 persons)	\$36.00
Waterfront Unpowered (1 or 2 persons)	\$36.00
Unpowered (1 or 2 persons)	\$30.00
Extra Adult	\$15.00
Extra Child 2-14 years	\$10.00
Extra Child under 2 years	Free
Cabins & Bach	
Ensuite Cabin (1 or 2 persons)	\$100.00
Kitchen Cabin (1 or 2 persons)	\$80.00
Standard Cabin (1 or 2 persons)	\$65.00
Backpacker Cabin (1 or 2 persons)	\$60.00
Bach (1 to 4 persons)	\$140.00
Extra Adult	\$20.00
Extra Child 2-14 years	\$15.00
Extra Child under 2 years	Free
WHITEBAITING SPECIAL RATES	Per Night
Sites (Tent/Caravan/Motorhome)	
Powered (1 person)	\$20.00
Unpowered (1 person)	\$17.00
Extra Adult	\$5.00
Extra Child 2-14 years	\$5.00
Extra Child under 2 years	Free
EXTRA CHARGES	
Linen Hire (per person)	\$5.00
Internet (per 24 hours)	\$5.00
Towel Hire (per item)	\$2.00
Vehicle and Caravan storage subject to seasonal availability in designated area (per night)	\$5.00
Caravan/ Campervan site occupancy but absent from holiday park (per night)	\$20.00

Corporate Charges	Charges from 1 July 2019 including GST
GIS Map Prices (per copy)	
A4	\$5.00
A3	\$10.00
A2	\$15.00
A1	\$20.00
A0	\$30.00
Subsequent copies	
A4	\$2.50
A3	\$5.00
A2	\$7.50
A1	\$10.00
A0	\$15.00
Electronic files (e.g. Maps and GIS data in electronic format)	\$157.00/hr
CD/DVD Media	\$5.00 1st, \$1.00 thereafter
Official Information Requests Staff time will be charged out at a rate of \$38.00 per half hour. Copying will be charged out at the normal rate applicable.	\$38.00/ half hour

Photocopying	Charges from 1 July 2019 including GST
First 20 pages for requests under the Official Information Act	Free
Additional copies:	
A4 black and white	
• Single sided	20c
• Double sided	40c
A3 black and white	
• Single sided	40c
• Double sided	70c
Colour copies A3 and A4	\$2.00

Miscellaneous Charges - Customer Services	Charges from 1 July 2019 including GST
Certificate of Titles	\$20.00
Survey Plan	\$20.00
Historic Titles	\$20.00
Scanning of Minor Building Consent applications for electronic processing	\$2.00/page Maximum 20 pages

Property Services Charges	Charges from 1 July 2019 including GST
Grazing land - application for licence to occupy	\$150.00
Grazing land licence to occupy documentation fee	\$150.00
Grazing land annual licence to occupy rental fee	By negotiation with a minimum \$230.00
Retail - application for licence to occupy (This is for vending carts, outdoor dining, market operator etc.)	\$150.00
Retail licence to occupy documentation fee	\$150.00
Retail licence to occupy temporary retail cart rental fee	\$59.00/week
Retail licence to occupy area for outdoor dining	\$29.00 per week up to 15m ² then \$3.50 per week per additional square metre
Community-based licence to occupy application fee	\$150.00
Community-based licence to occupy (sports clubs). Minimum rental	\$230.00/pa
Structures & encroachments - application for licence to occupy bach, garage, carport etc.	\$213.00
Structures & encroachments licence to occupy documentation fee. (This is for land above ground, not underground services)	\$150.00
Structures & Encroachments Licence to occupy rental fee. This is for land above ground services. (This does not include or replace any rates due on the property)	Rural up to 20m ² minimum \$285.00 Urban up to 20m ² minimum \$575.00 Over 20m ² charged at market value, to be determined by independent valuer
Application to transfer licence	\$150.00
Transfer of licence document fee	\$150.00
Licence to occupy road reserve for underground services - Application fee	\$213.00 plus staff administration costs
Short term licence to occupy road for underground services document fee.	\$150.00
Licence to occupy road reserve for underground services - Annual fee	On a case-by-case basis taking into account the adjoining land values and scale of the encroachment. A minimum of \$246.00 per annum
Longer term encumbrance documentation fee	\$150.00
Road stopping application fee. (if application is approved all costs including staff time are payable in advance in addition to the application fee).	\$300.00

Tasman District Council Cemetery Charges	Charges from 1 July 2019 including GST
Plot – purchase right of burial	
RSA in designated areas	No fee
New Plot – 12 years and over	\$1,235.00
Natural Burial – Standard Plot Size	\$1,235.00
Natural Burial – Large Plot Size	\$2,471.00
Children’s areas where set apart	
Child 5-12 years	\$629.00
Child 0-5 years	\$157.00
Stillborn	No fee
Out of District Fee on any Burial Plot – extra to above	\$1,235.00
Ashes – purchase right of burial	
RSA	No fee
Rose Garden – all ages	\$498.00
Tree Shrub Garden – all ages	\$498.00
Ash Berm – all ages	\$498.00
Stillborn	No fee
Out of District Fee on any Ash Plot – extra to above	\$498.00
Richmond Memorial Wall Plaque Space	\$189.00
Richmond Memorial Wall Plaque Space – inclusive of Out of District Fee	\$317.00
Burial interment fees	
RSA	\$779.00
Interments – 12 years and over	\$779.00
Child – 5-12 years	\$467.00
Child – 0-5 years	\$148.00
Stillborn	No fee
Disinterment/Reinternment	Actual cost
Saturday extra charge – all ages	\$216.00
Sunday & Public Holiday extra charge – all ages	\$483.00
Ash Interment Fees	
All ash plots in all cemeteries – all ages	\$152.00
Disinterment/Reinternment – ashes	Actual cost
Saturday extra charge – all ages (if contractor attendance is required)	\$167.00
Sunday and Public Holidays extra charge – all ages (if contractor attendance is required)	\$269.00

Tasman District Council Cemetery Charges	Charges from 1 July 2019 including GST
Miscellaneous	
Concrete cutting when required	Actual cost
Late funeral hourly rate extra charge after 5pm	\$216.00

Tasman District Council Sports Grounds Charges	Charges from 1 July 2019 including GST
Type	
Cricket – Senior grade	\$3,384.00/block
Cricket – Second grade	\$2,584.00/block
Cricket – Artificial pitch	No charge
Rugby, Rugby League, Baseball, Football - Senior	\$367.00/field
Rugby, Rugby League, Football – Senior (where no field allocated)	\$100.00/occasion
Rugby, Football and Baseball - Junior	No charge
Athletics	\$131.00/track
Rugby – Touch field - summer	\$131.00/field
Baseball – Senior	\$256.00/field
Velodrome – cycle club	\$400.00/season/club

Note 1: Some Council owned Sports Grounds are run by Management Committees, who set their own charges

Note 2: Representative Training Tournaments and out of season one off use for sportsfields and associated facilities – charges will be at cost of preparation.

Note 3: These fees will be inflation adjusted annually

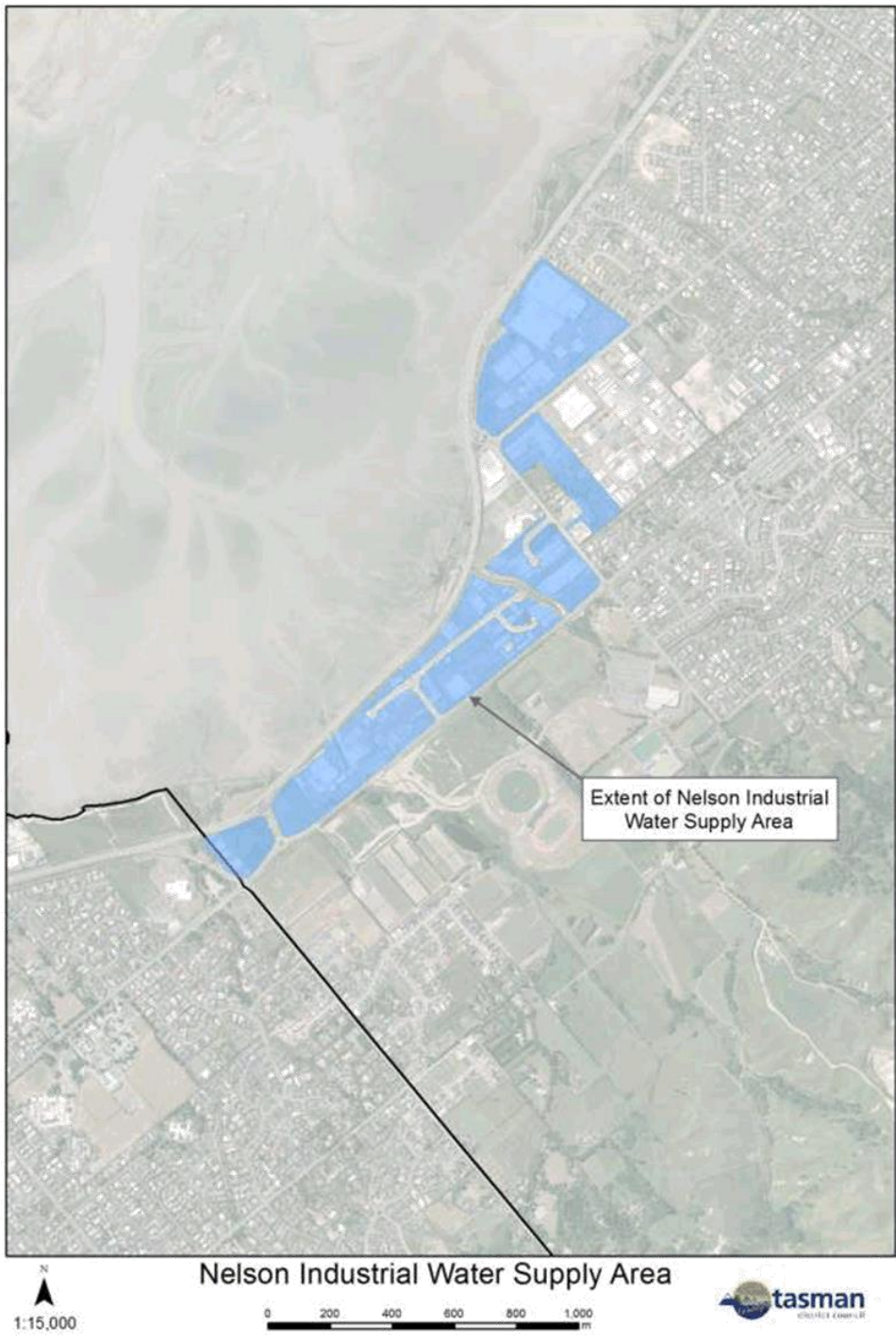
Note 4: All fees are per season

Miscellaneous Parks and Reserves Charges	Charges from 1 July 2019 including GST
Fencing between private and Tasman District Council owned land excluding roads subject to a case by case basis	Half actual cost per linear metre or \$58.00/metre whichever is the lower

Library Charges	Charges from 1 July 2019 including GST
Loans	
New adult books – three-week loan	\$1.50
All magazines in adult section – three-week loan	50c
Music CDs – three-week loan	\$1.00
DVDs – two-week loan	\$4.00
Holds and Requests	
Holds within Tasman District Libraries	\$2.00
Requests (inter-loan) outside Tasman District – minimum charge (further charges will apply if a fee is charged by the lending library)	\$5.00
Requests (inter-loan) outside Tasman District – child members	No charge unless a fee is charged by the lending library
Overdue items	
Adult Member	30 cents/day (maximum charge \$5.00)
Junior Member	10 cents/day (Maximum charge \$2.50)
Replacement Membership Card	\$3.00
Lost and Damaged Books	Replacement cost + administration fee
Lost Book Administration Fee (non-refundable)	\$8.00/item
Damaged Book Administration Fee (if charged)	\$5.00/item
Library room hire charges (Meeting rooms and Learning Suite)	
Non-profit Use - 1 hour	\$10.00
Non-profit Use - half day (4 hours)	\$20.00
Commercial Use - 1 hour	\$20.00
Commercial Use - per day	\$100.00



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8.3 REMOVAL OF REQUIREMENT FOR ANNUAL AUDIT FOR CIVIL DEFENCE AND EMERGENCY MANAGEMENT - REFERRAL REPORT

Decision Required

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Mike Drummond, Corporate Services Manager
Report Number:	RCN19-06-03

1 Summary

- 1.1 The purpose of this report is to refer a recommendation from the Civil Defence Emergency Management Group (CDEM) on the future audit of its activities to the Council.
- 1.2 The CDEM Group met on 22 May 2019 and considered the attached report (attachment 1) on the removal of the requirement for CDEM to have a separate annual audit. The draft resolution in the report was passed without alteration.
- 1.3 The Council, in considering the request to remove the separate audit requirement from CDEM, should note that both Nelson City Council (NCC) and Tasman District Council have recently agreed that separate annual audits for the Nelson Regional Sewerage Business Unit (NRSBU) and Nelson Tasman Regional Landfill Business Unit (NTRLBU) were not necessary and would cease.
- 1.4 There is a level of frustration by the Administering Council (NCC) and by Audit NZ over the time involved in the separate audit of an entity of relatively low financial significance. Audit NZ is required to apply a much lower materiality level than it does for the Nelson City Council audit. This leads to a concentration on items of low value and significance when compared to the administering Council's main audits. This lengthens the time it takes to complete the audit resulting in, for example, the 2017/18 Annual Report audit being completed in January 2019.
- 1.5 Discussions with Audit NZ have led council officers in both Richmond and Nelson to question the requirement for, and value received, from having a separate audit.
- 1.6 There is no requirement under the Civil Defence and Emergency Management Act 2002, relevant sections of the Local Government Act, the Public Audit Act and the Crown Entities Act that require a separate annual audit of the CDEM activity. Audit NZ have also confirmed that there is no requirement to conduct a full audit of CDEM organisations.
- 1.7 The recommendation by CDEM to both councils is that the Council agree that a separate audit of the Civil Defence and Emergency Management Annual Report is not necessary. They also recommend that the requirement for a separate audit be dropped beginning with the 2018/19 financial year (financial year ending 30 June 2019).
- 1.8 In addition the Council is being asked to agree that the operation of the Civil Defence and Emergency Management Group should now be included in the audit of the Administering Council (NCC) and that any additional audit cost incurred as a result of this approach can be recovered from the Civil Defence and Emergency Management Group.

2 Draft Resolution

That the Full Council

- 1. receives the Removal of Requirement for Annual Audit for Civil Defence and Emergency Management - Referral Report RCN19-06-03; and**
- 2. Agrees that a separate audit of the Civil Defence and Emergency Management Annual Report is not necessary and will not be required from the 2018/19 financial year (ending 30 June 2019) onwards, subject to a corresponding approval by Nelson City Council and confirmation by Audit NZ; and**
- 3. Agrees that the operation of the Civil Defence and Emergency Management Group should be included in the audit of the Administering Council and that any additional audit costs incurred as a result can be recovered by the Administering Council from the Civil Defence and Emergency Management Group.**

3 Attachments

1. Report to CDEM Group 22 May 2019 61

Civil Defence and Emergency Management Removal of Requirement for Annual Audit

1. Purpose of Report

- 1.1 To receive the report on the removal of the requirement for an annual audit of the Civil Defence and Emergency Management (CDEM) Group, and to recommend to both Tasman District Council (TDC) and Nelson City Council (NCC) that they agree that a separate audit is not required, effective from the upcoming 2018/19 annual report, subject to the final approval of Audit New Zealand (Audit NZ).

2. Summary

- 2.1 In line with recent decisions to cease the annual audit of the Nelson Regional Sewerage Business Unit (NRSBU) and the Nelson Tasman Regional Landfill Business Unit (NTRLBU), the Administering Council wishes also to cease the annual audit of CDEM, with the support of Audit NZ.
- 2.2 An annual report would still be provided, and the operations of the Group would be included in the audit of the Administering Council (NCC).
- 2.3 Considerable resource from both the Administering Council and Audit NZ is currently tied up in this audit which could be used more effectively elsewhere.

3. Recommendation

That the Civil Defence Emergency Management Group

- 1. Receives the report Civil Defence and Emergency Management Removal of Requirement for Annual Audit (R10195).***

Recommendation to Nelson City Council and Tasman District Council

That the Council

1. ***Agrees that a separate audit of the Civil Defence and Emergency Management Annual Report is not necessary and will not be required from the 30 June 2019 financial year onwards, subject to approval by Nelson City Council, Tasman District Council and Audit New Zealand.***
2. ***Agrees that the operation of the Civil Defence and Emergency Management Group should be included in the audit of the Administering Council and that any additional cost incurred as a result should be recovered from the Civil Defence and Emergency Management Group.***

4. Background

- 4.1 Until now, the CDEM annual report has been subject to a separate full annual audit (along with NRSBU and NTRLBU).
- 4.2 Both TDC and NCC have recently agreed that annual audits for NRSBU and NTRLBU would cease, with their activity being audited through NCC's final audit (as the administrator of all joint entities).
- 4.3 It has been a matter of frustration for both the Administering Council and Audit NZ that an entity of relatively low financial significance (in 2018 \$385,000 income per Council) takes up so much time from both parties. Audit NZ is required to apply a much lower materiality than it does for the NCC audit, which often leads to concentration on items of very low value and significance. The time it takes to complete the audit is also dramatically extended because it tends to be pushed out in order that either NCC or Audit NZ can complete more important or urgent work. The 2017/18 Annual Report audit was completed in early January 2019.
- 4.4 Discussions with Audit NZ have led council officers to question the requirement for and value received from the separate audit.

5. Discussion

- 5.1 Although the administration of CDEM is very similar to that of the joint business units, the entities are not quite the same as there is separate legislation governing CDEM (Civil Defence and Emergency Management Act 2002).
- 5.2 NCC officers and Audit NZ have reviewed that act, along with relevant sections of the Local Government Act, the Public Audit Act, and the Crown Entities Act. There is no requirement under these acts for a separate annual audit.

- 5.3 The resolutions passed by both councils in 2003 to form the CDEM Group did not include a requirement for annual audit.
- 5.4 Audit NZ has advised that resolutions to cease the annual audit need to be passed by each Council before 30 June 2019, in order to avoid an audit of the 2018/19 Annual Report.
- 5.5 The resolutions in this report are subject to the approval of Audit NZ as they are in the process of consulting with their technical team to ensure that there is no accounting requirement for the audit. Council has been made aware from Audit NZ that no other civil defence annual reports are separately audited, so it would be a surprise if a requirement was found.
- 5.6 An annual report on the finances of the Group will continue to be provided by the Administering Council.
- 5.7 Tasman District Council's Corporate Services Manager agrees that sufficient oversight and assurance over the CDEM Group transactions and annual report will be gained through the audit of the Administering Council.
- 6. Options**
- 6.1 This report recommends option 1, cease the audit of the CDEM Annual Report.

Option 1: Cease the audit of the CDEM Annual Report	
Advantages	<ul style="list-style-type: none"> Releases resource of the Administering Council and Audit NZ for more significant work No delay in finalising the annual report Savings of up to \$7,500 pa (being the annual audit fee)
Risks and Disadvantages	<ul style="list-style-type: none"> Possible that an issue may be overlooked that a separate audit with lower materiality may have picked up
Option 2: Continue the audit of the CDEM annual report	
Advantages	<ul style="list-style-type: none"> Financial results are very thoroughly inspected
Risks and Disadvantages	<ul style="list-style-type: none"> Ties up considerable NCC and Audit NZ resource for little perceived value by either party Delays in finalising the annual report likely to continue

Item 8.3

Author: Tracey Hughes, Senior Accountant

Attachments

Nil

Attachment 1

<p>Important considerations for decision making</p>
<p>1. Fit with Purpose of Local Government</p> <p>Section 99 of the Local Government Act 2002 requires the audit of information contained in the Annual Report and Summary but does not specifically require separate audits of joint committees. Removing the separate audit of the CDEM accounts will achieve greater efficiency in delivery of services to the community at a lower ongoing cost.</p>
<p>2. Consistency with Community Outcomes and Council Policy</p> <p>This report supports the community outcome that our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.</p>
<p>3. Risk</p> <p>There is low risk with simplifying the audit process for the CDEM Annual Report.</p>
<p>4. Financial impact</p> <p>There are no significant budget implications with this recommendation.</p>
<p>5. Degree of significance and level of engagement</p> <p>This matter is of low significance because the information will still be audited as part of NCC audit. Therefore no consultation will occur.</p>
<p>6. Inclusion of Māori in the decision making process</p> <p>No engagement with Māori has been undertaken in preparing this report.</p>
<p>7. Delegations</p> <p>Under Council's Standing Orders</p> <p>5.1 General Terms of Reference</p> <p>5.1.3 Each Committee's powers are restricted to the areas of responsibility of that committee.</p> <p>Civil Defence is the CDEM Group's responsibility, conferred directly by legislation under the Civil Defence Emergency Management Act 2002, so although it has no decision making powers relating to this decision, under</p>

Item 8.3

5.1.5 ... Committees may choose to refer matters of high significance to Council for debate and determination.

It is appropriate that it makes a recommendation to both Councils.

Attachment 1

8.4 TREASURY RISK MANAGEMENT POLICY**Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Mike Drummond
Report Number:	RCN19-06-04

Item 8.4**1 Summary**

- 1.1 The Council manages its treasury risks and responsibilities through the 2019 Treasury Risk Management Policy. The policy also includes the Liability Management and Investment policies.
- 1.2 The policy requires that an external review is done at least triennially. The last review was completed in 2017. Since then there have been significant changes in Local Government Funding Agency (LGFA) lending options including LGFA lending directly to Council Controlled Organisations (CCOs). In addition there are proposed changes to the way the Council manages its interest rate exposure that flows on from the wider range of options available for borrowing from the LGFA. Therefore it was considered appropriate for PricewaterhouseCoopers (PwC), as the Council's treasury advisors, to undertake a review.
- 1.3 The review has now been completed. PwC have suggested some changes as a result of their review.
- 1.4 The review focused on the following main areas:
 - 1.4.1 Changing the interest rate risk management policy framework.
 - 1.4.2 Incorporating the delegations and procedures upon which the Council on-lends to Council Controlled Organisations (CCOs and CCTOs).
 - 1.4.3 A recommendation that the Council increases the timeframe for entering into debt pre-funding strategies to manage debt re-financing risk from 12 months to 18 months in light of the Standard & Poors (S&P) rating methodology changes.
- 1.5 Further detail on the review focus and amendments is in section 4 of this report.
- 1.6 Finance staff have worked closely with PwC on the proposed changes.
- 1.7 The Officer's recommendation is that the Council adopts the updated 2019 Treasury Risk Management Policy as attached (attachment 1). Please note this is a clean version. Councillors have been provided with a track change version separately on Diligent.

2 Draft Resolution

That the Full Council

- 1. receives the 2019 Treasury Risk Management Policy report RCN19-06-04; and**
- 2. adopts the updated 2019 Treasury Risk Management Policy including the Liability Policy and Investment Policy as contained in Attachment 1 to this report.**

3 Purpose of the Report

- 3.1 To gain the Council's approval for the revised 2019 Treasury Risk Management Policy. This policy includes the Council's Liability Management and Investment policies.

4 Background and Discussion

- 4.1 The Council's treasury advisors, PwC, have reviewed and updated the Council's 2019 Treasury Risk Management Policy. A copy of the Policy is attached to this report (attachment 1).
- 4.2 The review focused on the following main areas:
- 4.2.1 Changing the interest rate risk management policy framework.
- The recommended framework provides greater flexibility in forward managing long-term interest rate exposures given the Council's long term planning horizon.
 - The policy approach maintains a minimum and maximum percentage band for each independent year of the 15-year forecast debt horizon.
- 4.2.2 Incorporating the delegations and procedures upon which the Council on-lends to Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).
- This update has been incorporated due to the Local Government Funding Agency's (LGFA's) change in its lending policies to allow direct funding to these entities. Any lending will require credit support from the Council, whether through the provision of a guarantee or uncalled capital.
- 4.2.3 A recommendation that the Council increases the timeframe for entering into debt pre-funding strategies to manage debt re-financing risk from 12 months to 18 months.
- This is in light of proposed changes to the credit rating methodology announced by the S&P Global Ratings Agency.
 - It is also recommended due to the changing funding requirements of the Council (particularly in relation to the funding of the Waimea Dam CCO).
- 4.3 PwC also recommend some other changes as follows:
- 4.3.1 Section 6.1.3 – Approved financial instruments – a change to the allowable instruments used to manage carbon price risk in light of continuing uncertainty around the NZ Emissions Trading Scheme (ETS).
- 4.3.2 Section 6.3 – Counterparty credit risk – correcting an inconsistency in a policy section table which outlines the limits and allows for "A" rated NZ registered banks and above, however the description preceding allows for an "A+" rating or above.
- 4.3.3 Section 6.6 – Operational Risk – Recommending that the authorised personnel in this section is reviewed at least annually and when there is a change in Council personnel.

- 4.3.4 Section 8 – Cash management – Aligned the term of cash deposits to that of liquid assets.
- 4.3.5 Section 9 – Treasury reporting – recommending to include reporting on the carbon credit exposure and risk position in order to monitor this exposure and management activity.
- 4.3.6 Appendix 1 – Investments – a number of areas updated with relevant up to date information.
- 4.3.7 Appendix 4 – Glossary of terms – minor amendments.
- 4.3.8 Appendix 6 – Approved financial investment instruments – LGFA borrower notes have been included as an approved financial instrument.
- 4.4 Finance staff have conducted a review of the changes in depth, page by page, and are satisfied with the recommendations.
- 4.5 The Officer's recommendation to the Council is to adopt the updated 2019 Treasury Risk Management Policy.

5 Options

- 5.1 There are two options:
 - 5.1.1 Option One (recommended option) is to adopt the updated Policy. This ensures that the Council is working under and to the most up to date financial strategy and is proactive in the management of the treasury function.
 - 5.1.2 Option Two (not recommended) is to reject the proposed recommended changes to the Policy. A decision along these lines could detrimentally affect the Council's long term financial strategy as a number of the recommendations are made to address recent changes by external agencies that impact on the Council's financial decision making.

6 Strategy and Risks

- 6.1 As key policy decisions are already incorporated in the existing Policy, the decision to accept the recommendations is considered of low risk, however it will bring the Council's financial treasury management up to date with recent changes and align it with the Council's financial strategy.

7 Policy / Legal Requirements / Plan

- 7.1 The Local Government Act 2002 under Section 104 requires the Council to adopt a Liability Management Policy and under Section 105 an Investment Policy. The Council includes these two policies within its main Treasury Management Policy.
- 7.2 Under Section 102 (5) of the LGA 2002 changes to this policies do not require any consultation.
- 7.3 Good financial management requires the Council to have and operate its investments and borrowing within a robust treasury management framework. The Council does this by

utilising PwC for treasury advice and undertakes regular reviews of its Treasury Policy to ensure it is up to date and fit for purpose. These reviews are normally carried out prior to the development of the Long Term Plan (LTP) as they impact on the financial strategy that forms part of the LTP.

8 Consideration of Financial or Budgetary Implications

- 8.1 There are no budgetary or financial implications arising from this decision. The review of the policy by the Council's external advisors is covered under the contractual relationship for treasury management services.

9 Significance and Engagement

- 9.1 The decision is considered to be of low significance. The policy changes are modest and will have no impact on the levels of service or debt. The general public interest is assessed as low, therefore no formal consultation is required.

10 Conclusion

- 10.1 The updated policies reflect appropriate treasury management approaches and it is recommended that the Council adopt the policies.

11 Next Steps / Timeline

- 11.1 On approval, the revised policy will come into effect.
11.2 The updated policy will be made publicly available via the Council's website.

12 Attachments

1. 2019 Treasury Risk Management Policy - clean version with track changes accepted 73

TASMAN DISTRICT COUNCIL

2019 Treasury Risk Management Policy

Including Liability Management and Investment Policies

Council Approved: 30 June 2014

(CN14-06-16)

Amended by Council: 10 September 2015

(CN15-09-13)

Amended by Council 27 July 2017

(CN17-07-10)

Amended by Council dd mmmm 2019

(CN##-##-##)

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1.0 Introduction

1.1. Policy purpose

The purpose of the Treasury Risk Management Policy (“Policy”) is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Tasman District Council (“TDC”). The formalisation of such policies and procedures will enable treasury risks within TDC to be prudently managed.

As circumstances change, the policies and procedures outlined in this Policy will be modified to ensure that treasury risks within TDC continue to be well managed. In addition, regular reviews will be conducted to test the existing Policy against the following criteria:

- Industry “best practices” for a Council the size and type of TDC.
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers.
- The effectiveness and efficiency of the Policy and treasury management function to recognise, measure, control, manage and report on TDC’s financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks and other associated risks.
- The operations of a pro-active treasury function in an environment of control and compliance.
- The robustness of the Policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.
- Assistance to TDC in achieving strategic objectives relating to ratepayers.

It is intended that the Policy be distributed to all personnel involved in any aspect of the TDC’s financial management. In this respect, all staff must be completely familiar with their responsibilities under the Policy at all times.

2.0 Scope and objectives

2.1 Scope

- This document identifies the policy of TDC in respect of treasury management activities.
- The Policy has not been prepared to cover other aspects of TDC’s operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of TDC cover these matters.

2.2 Treasury management objectives

The objective of this Policy is to control and manage costs and investment returns that can influence operational budgets and public equity and set debt levels. Specifically:

Statutory objectives

- All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- TDC is governed by the following relevant legislation:
 - Local Government Act 2002, in particular Part 6 including sections 101,102, 104 and 105.
 - Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
 - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
- All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long Term Planning (LTP) process, or resolution of Council before the borrowing is effected.
- All legal documentation in respect to external borrowing and financial instruments will be approved by Council's solicitors prior to the transaction being executed.
- Council will not enter into any borrowings denominated in a foreign currency.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
- Council is not allowed to guarantee loans to CCTOs under Section 62 of the Local Government Act. Port companies operating as CCOs are not included within the definition of a CCO under the Local Government Act 2002.
- For the purposes of this Policy, Port companies (covered under the Port Companies Act 1988) are considered to be CCTOs for Treasury Policy purposes.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

General objectives

- Minimise Council's costs and risks in the management of its external borrowings.
- Minimise Council's exposure to adverse interest rate movements.
- Monitor, evaluate and report on treasury performance.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Policy so as to protect Council's financial assets and manage costs.

- Arrange and structure external long term funding for Council at a favourable margin and cost from debt lenders. Optimise flexibility and spread of debt maturity terms within the funding risk limits established by this Policy statement.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Comply with financial ratios and limits stated within this Policy.
- Monitor Council's return on investments.
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- Ensure that financial planning will not impose an unequitable spread of costs/benefits over current and future ratepayers.
- To ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.
- Develop and maintain relationships with financial institutions, LGFA, credit rating agencies, investors and investment counterparties.

2.3 Policy setting and Management

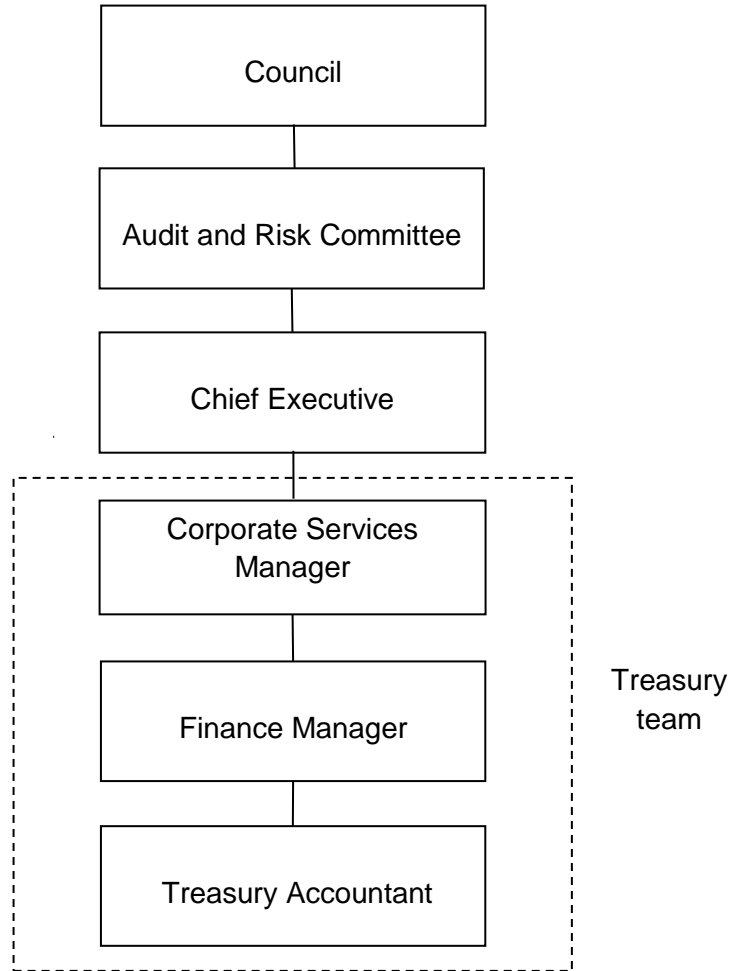
The Council approves Policy parameters in relation to its treasury activities. The Council's Chief Executive has overall financial management responsibility for the Council's borrowing and investments.

The Council exercises ongoing governance over its subsidiary companies (CCO/CCTO), through the process of approving the Constitutions, Statements of (Corporate) Intent, and the appointment of Directors/Trustees of these companies.

3.0 Governance and management responsibilities

3.1 Overview of management structure

The following diagram illustrates those individuals and bodies who have treasury responsibilities. Authority levels, reporting lines and treasury duties and responsibilities are outlined in the following section:



3.2 Council

The Council has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect the Council decides the level and nature of risks that are acceptable, given the underlying objectives of TDC.

The Council is responsible for approving the Policy. While the Policy can be reviewed and changes recommended by other persons, the authority to make or change Policy cannot be delegated.

In this respect, the Council has responsibility for:

- Approving the long-term financial position of TDC through the Long Term Plan (LTP) and Financial Strategy along with the adopted Annual Plan.
- Approve and adopt the Treasury Risk Management Policy (including Liability Management and Investment Policies).

- Approving the Policy following recommendation by the Audit and Risk Committee, incorporating the following delegated authorities:
 - Borrowing, investment and dealing limits and the respective authority levels delegated to the CE, CSM and other management.
 - Counterparties and credit limits.
 - Risk management methodologies and benchmarks.
 - Guidelines for the use of financial instruments.
 - Receive a triennial review report on the Policy.
- Approval for one-off transactions falling outside Policy.

3.3 Audit and Risk Committee

Under delegation from Council:

- Evaluate and recommend amendments to Policy.
- Delegating authority to the CE and other officers.

3.4 Chief Executive (CE)

While the Council has final responsibility for the Policy governing the management of Council's risks, it delegates overall responsibility for the day-to-day management of such risks to the Chief Executive.

In respect of treasury management activities, the Chief Executive's responsibilities include:

- Ensuring the policies comply with existing and new legislation.
- Approving the register of authorised signatories.
- Approving new counterparties and counterparty limits.
- Approving new external borrowing undertaken in line with Council resolution and approved borrowing strategy.
- In conjunction with the Corporate Services Manager (CSM), approving the opening and closing of bank accounts.
- Receiving advice of non-compliance of Policy and significant treasury events from the CSM.

3.5 Corporate Services Manager (CSM)

The CSM's responsibilities are as follows:

- Management responsibility for all external borrowing and investment activities as delegated by the CE.
- Recommending Policy changes to Council for approval.
- Ongoing risk assessment of borrowing and investment activity including procedures and controls.
- Approving treasury transactions in accordance with delegated authority.

- Authorising the use of approved interest rate management instruments within discretionary authority.
- Recommending authorised signatories and delegated authorities in respect of all treasury activities.
- Proposing new external borrowing requirements to the CE, and if required submission to Council.
- Proposing new external borrowing and on-lending CCO/CCTO funding activity to the CE for Council approval.
- Reviewing and making recommendations on all aspects of the Policy to the CE, including dealing limits, approved instruments, counterparties, and general guidelines for the use of financial instruments.
- Conducting a review, at least triennially, of the Policy, treasury procedures and counterparty limits.
- Managing the long-term financial position of Council as outlined in the LTP.
- Managing relationships with bank lenders, LGFA, trustee and credit rating agency.
- Monitoring and reviewing the performance of the treasury function in terms of achieving the objectives.
- Within delegations, authorising external borrowing, investing, interest rate, cash management transactions with bank counterparties. Approving all amendments to Council records arising from checks to counterparty confirmations.
- Reviewing and approving treasury spreadsheet reconciliation to internal records.
- The CSM has oversight, and approves actions undertaken by the Finance Manager per delegated authority.

3.6 Finance Manager (FM)

The FM's responsibilities are as follows:

- Responsible for overseeing the day to day treasury function as delegated by the CSM.
- Arrange the execution of external borrowing, investment, and interest rate management transactions in accordance with set limits. Investigate financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to the CSM as appropriate. Responsibilities include execution of on-lending activity to CCO/CCTOs.
- Monitoring treasury exposure on a regular basis, including current and forecast cash position, interest rate exposures and borrowings.
- Account for all treasury transactions in accordance with legislation and generally accepted accounting principles, Council's accounting and borrowing and financial policies.
- Ensuring management procedures and policies are implemented in accordance with this Treasury Risk Management Policy.
- Ensuring all financial instruments are valued and accounted for correctly in accordance with current best practice standards.

3.7 Treasury Accountant (TA)

- Carry out the day to day cash and short term cash management activities.
- Update treasury spreadsheets for all new, re-negotiated and maturing transactions.
- Monitor and update credit ratings of approved counterparties.
- Settlement of external borrowing, investment, cash management, and interest rate management transactions.
- Check all treasury deal confirmations against the treasury spreadsheet and report any irregularities immediately to the CE.
- Review monthly bank reconciliations, as completed by the Revenue Team.
- Complete general ledger reconciliations to treasury spreadsheet.
- Co-ordinate the compilation of cash flow and debt forecasts and day-to-day cash management responsibilities.
- Reconcile monthly summaries of outstanding financial contracts from bank counterparties to internal records.
- Handle all administrative aspects of bank counterparty agreements and documentation such as loan agreements and ISDA documents.
- Monitor all treasury exposures daily.
- Prepare treasury reports.
- Check compliance against limits and prepare report on an exceptions basis.

3.8 Delegation of authority and authority limits

Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of “apparent authority”. Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

To prevent these types of situations, the following procedures must be complied with:

- All delegated authorities and signatories must be reviewed at least annually to ensure that they are still appropriate and current.
- A comprehensive letter must be sent to all bank counterparties at least annually to confirm details of all relevant current delegated authorities empowered to bind Council.

Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.

Council has the following responsibilities, either directly itself, or via the following stated delegated authorities:

Activity	Delegated Authority	Limit
Approving and changing Policy	Council	Unlimited

Approve borrowing for year as set out in the AP/LTP.	Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments other than financial investments	Council	Unlimited
Approval for charging assets as security over borrowing	Council	Unlimited
Approving new and reviewing re-financed bank facilities.	Council	Unlimited
Approving new and refinanced on-lending arrangements with CCO/CCTOs.	Council	Unlimited
Approving transactions outside Policy	Council	Unlimited
Approving of Council guarantees of indebtedness	Council	Unlimited
Overall day-to-day treasury management	CE (delegated by Council) CSM (delegated by CE)	Subject to Policy
Re-financing existing debt	CE (delegated by Council) CSM (delegated by CE)	Subject to Policy
Approve new external borrowing in accordance with Council resolution or through the adoption of the AP/LTP.	CSM (delegated by CE)	Per Council approved AP/LTP.
Negotiate bank facilities	CSM	N/A
Negotiation and ongoing management of on-lending arrangements to CCO / CCTO's	CSM	Per approval / per risk control limits
Manage borrowing and interest rate strategy	CSM	N/A
Adjust interest rate risk profile	CSM	Per risk control limits
Managing funding and investment maturities	CSM	Per risk control limits
Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes roll-overs on debt and interest rate swaps.	Council CE CSM FM	Unlimited \$50m \$30m \$10m
Manage cash/liquidity requirements	Finance Manager	Per risk control limits
Authorising list of signatories	CE	Unlimited
Opening/closing bank accounts	CE	Unlimited
Triennial review of Policy	CSM	N/A

Ensuring compliance with Policy	CSM	N/A
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All management delegated limits are authorised by the CE.

4.0 Liability management policy

4.1 Introduction

Council's liabilities comprise of borrowings (internal/external) and various other liabilities. Council maintains external borrowings in order to:

- Raise specific debt associated with projects and capital expenditures.
- Fund the balance sheet as a whole, including working capital requirements.
- Fund assets whose useful lives extend over several generations of ratepayers.
- Raise specific debt for on-lending to CCO/CCTOs

Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, and ensure that the cost are met by those ratepayers benefiting from the investment.

4.2 Borrowing limits

Debt will be managed within the following limits:

Item	Borrowing Limit
Net External Debt / Total Operating Income	<225%
Net External Debt / Equity	<20%
Net Interest on External Debt / Total Operating Income	<15%
Net Interest on external debt / Annual Rates Income	<25%
Liquidity (External, term debt + committed loan facilities + available liquid investments to existing external debt)	>110%

- **Total Operating Income** is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

Net External Debt is defined as total external debt less unencumbered liquid financial assets.

External debt that is specifically borrowed for on-lending to a CCO/CCTO is netted, with the corresponding loan asset for LGFA covenant and Council imposed debt cap amount calculation purposes.

- **Liquidity** is defined as external term debt plus committed bank facilities plus liquid investments divided by current external debt. Liquid investments are unencumbered assets defined as being:

- Overnight bank cash deposits
- Wholesale / retail bank term deposits no greater than 30-days
- Bank issued RCD's less than 181 days

External debt funding and associated investment activity relating to prefunding is excluded from the liquidity ratio calculation.

- **Net Interest on External Debt** is defined as the amount equal to all external interest and financing costs less external interest income for the relevant period.
- **Annual Rates Income** is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Financial covenants are measured on Council only not consolidated group.
- Disaster recovery requirements are to be met through the liquidity ratio and special funds.

4.3 Asset management plans

In approving new debt Council considers the impact on its net external debt limits, any Council imposed debt cap amount, and credit rating, as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP and Financial Strategy.

4.4 Borrowing mechanisms

Council is able to borrow externally through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, LGFA, accessing the short and long-term wholesale/retail debt capital markets directly or indirectly, or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following is taken into account:

- Available terms from banks, LGFA and debt capital markets.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and margins relative to term for LGFA, debt capital markets and bank borrowing.
- The market's outlook on future credit margin and interest rate movements as well as its own.
- Legal documentation and financial covenants together with security and credit rating considerations.
- For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing.
- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation

should take into consideration, ownership, redemption value and effective cost of funds.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to levy rates, maintain a strong financial standing, manage its relationships with its wholesale investors, LGFA, and financial institutions/brokers and maintain a long-term credit rating of at least AA-.

4.5 Security

Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government Rating Act. The security offered by Council ranks equally or pari passu with other lenders.

From time to time, and with Council approval, security may be offered by providing a charge over one or more of Councils assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.
- Any lending to a CCO or CCTO will be on a secured basis and be approved by Council.

4.6 Debt repayment

The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.7 Guarantees/contingent liabilities and other financial arrangements

Council may act as guarantor to CCOs, financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

For any outstanding guarantees, Council will ensure that sufficient financial capacity exists relative to LGFA lending covenants. Unless approved by Council, guarantees or financial arrangements given will not exceed NZ\$0.5 million in aggregate.

Other financial arrangements include:

- Rural housing loans.
- Tenant contribution flats.
- Rural water supply loans.
- Advances to community organisations and trusts.

Council is not permitted to provide any guarantee of indebtedness in favour of any loans to CCTOs under Section 62 of the Local Government Act. However Council can provide a guarantee to a CCTO that is a port covered by the Port Companies Act 1988.

For any guarantee for indebtedness provided by Council to a CCO or “allowable” CCTO, that borrows directly from the LGFA or bank lender, Council will approve the specific borrowing and guarantee arrangement.

Conditions to financial arrangements, such as loan advances, are specified in section 5.5.6.

4.8 Internal borrowing

Council uses its cash reserves and external borrowing to internally fund both capital expenditure and working capital. The Council approves overall borrowing by resolution during the annual planning and/or LTP process. The finance function is responsible for administering Council’s internal loan portfolio.

The primary objective in funding internally is to use cash reserves and external borrowing effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies, as savings are created by eliminating the margin that would be paid through Council separately investing and borrowing externally. In addition to external borrowing mechanisms all reserve accounts are used for internal borrowing purposes.

The following operational parameters apply in relation to the management of Council’s internal loan portfolio:

- All internal borrowing activities are consistent with the principles and parameters, outlined throughout this policy.
- Council seeks to firstly utilise cash reserve funds and if insufficient reserves are available, utilises external borrowing mechanisms.
- In determining an activity centre’s maximum internal loan amount, any existing depreciation reserve amount or other related amount is firstly allocated to that centre. Any additional funding is provided through internal loans.

Specific operating parameters are:

- Internal loans may be set up as:
 - Interest only
 - A Non-table (reducing balance) loan
 - A Table loan - (Payments are kept the same over the loan period)

- An internal loan is set up for all new capital expenditure and any renewal capital expenditure not covered by accumulated depreciation. The loan is allocated to the activity centre incurring the expenditure.
- Internal Loans may be consolidated where that course of action is not inconsistent with the borrowing principals included within this document.
- Interest is set quarterly on all internal loans at the weighted average cost of external borrowing (including credit margin and other related costs).
- Interest on investment (reserve) balances is set quarterly at the 90 day Bank Bill rate. No adjustment is included for treasury related operational costs.
- Council may determine not to pay interest on specific reserve balances or to pay interest at a reduced rate.
- If required Council has the ability to reset interest rates monthly.
- Interest is charged on the month-end loan balance. Interest may be notionally received and allocated to the specific reserve account providing the funds or through the related cost centres income/expenditure accounts.
- The term of the loan is the lesser of either:
 - the economic life of the asset
 - normally a maximum of 20 years but up to 35 years for long life assets.
- Principal repayment instalments are charged to the cost centre. Instalment amounts are agreed upon commencement of the loan. Instalments are paid monthly.
- Interest is charged/paid on Activity balances based on the balance at the start of the financial year. The interest rate charged on deficit balances is set at the weighted average cost of external borrowing (including credit margin and other related costs). The interest rate paid on surplus balances is the 90 day bank bill rate.

4.9 On-lending to Council Controlled Organisations and Council Controlled Trading Organisations

To better achieve its strategic and commercial objectives Council may provide financial support in the form of debt funding directly or indirectly to CCOs and CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Any on-lending arrangement to a CCO/CCTO must be approved by Council. In recommending an arrangement for approval the CSM considers the following:-

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amounts outstanding on due date
- Impact on Council's credit rating, debt cap amount and lending covenants with the LGFA and other lenders and Council's future borrowing capacity
- The form and quality of security arrangements provided
- The lending rate given factors such as; CCO/CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.

- Lending arrangements to CCOs must be documented on a commercial arm's length basis. A term sheet, including matters such as; borrowing costs, interest payment dates, principal payment dates, security, expiry date must be agreed between the parties.
- Accounting and taxation impact of on-lending arrangement

All on-lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

4.10 New Zealand Local Government Funding Agency (LGFA) Limited Investment

Despite anything earlier in this Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:-

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA. For example borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

5.0 Investment policy

5.1 Introduction

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council. Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's LTP.
- To reduce the current ratepayer burden.
- The retention of vested land.
- Holding short term investments for working capital requirements.
- Holding investments that are necessary to carry out Council operations consistent with Annual Plans, to implement strategic initiatives, or to support inter-generational allocations.
- Holding assets (such as property) for commercial returns.
- Provide ready cash in the event of a natural disaster or other significant event that disrupts Council income. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves.
- Invest proceeds from the sale of assets.

Council recognises that as a responsible public authority all investments held, should be low risk. Council also recognises that low risk investments generally mean lower returns.

Council can internally borrow from reserve funds in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt.

5.2 Objectives

In its financial investment activity, Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied within the confines of this policy. Accordingly, only approved creditworthy counterparties are acceptable. The Council will act effectively and appropriately to:

- Protect the Council's investments.
- Ensure the investments benefit the Council's ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

5.3 Policy

The Council's general policy on investments is that:

- The Council may hold financial, property, forestry, and equity investments if there are strategic, commercial, economic or other valid reasons (e.g. where it is the most appropriate way to administer a Council function).
- The Council will keep under review its approach to all major investments and the credit rating of approved financial institutions.
- The Council will review its policies on holding investments at least once every three years.

5.4 Acquisition of new investments

With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by Council, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The Commercial Sub-Committee recommends new commercial investments to Council. The authority to acquire financial investments is delegated to the CSM.

5.5 Investment mix

Council maintains the following mix of investments. Details of investments held are articulated in the Appendix.

5.5.1 Equity investments

Equity investments, including investments held in CCO/CCTO and other shareholdings.

Council maintains equity investments and other minor shareholdings. Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP. Equity investments may be held where Council considers there to be strategic community value.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Any purchase or disposition of equity investments requires Council approval. Council may also acquire shares that are gifted or are a result of restructuring.

In connection with the investment, Council can subscribe for uncalled capital in a CCO or CCTO.

Dividends received from CCO's/CCTO's and unlisted companies are used firstly to repay debt in relation to that investment. Then, unless otherwise directed by Council, used to reduce other Council debt.

Any dividends received, and/or profit or loss arising from the sale of these investments must be recorded in accordance with appropriate accounting standards. Unless otherwise directed by Council, the proceeds from the

disposition of equity investments will be used firstly to repay any debt relating to the investment and then utilised to reduce other council debt. Council recognises that there are risks associated with holding equity investments and to minimise these risks Council, through the relevant Council-committee, monitors the performance of its equity investments on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

5.5.2. New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. In connection with the investment, Council subscribes for uncalled capital in the LGFA and is a Guarantor.

5.5.3 Property investments

Council owns property investments for strategic and commercial purposes. Council reviews ownership through assessing the benefits including financial returns, in comparison to other arrangements that could deliver the similar results.

Surpluses generated from commercial and semi commercial property investments are treated as an internal dividend to Council. Other surpluses from property are treated as income in the related Council activity.

Property disposals are managed to ensure compliance with statutory requirements and where appropriate consultation with Community Boards and Committees.

Property purchases are supported by registered valuations and where appropriate a full business case analysis. Council will not purchase properties on a speculative basis.

5.5.4 Forestry investments

Forestry assets are held as long term investments on the basis of net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs.

Any disposition of forestry investments will be used to reduce related borrowings. In the absence of a specific resolution of Council any additional surplus will be utilised to reduce debt.

5.5.5 Financial investments

Objectives

Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in section 6.3. Credit ratings are monitored and reported quarterly to Council.

Council may invest in approved financial instruments as set out in section 6.1.2. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- Council may choose to hold specific reserves in cash and direct what happens to that investment income. In effect the income from financial investments will be an interest income stream into the treasury activity. The treasury activity pays interest on special funds and reserves.
- Internal borrowing will be used wherever possible to avoid external borrowing.
- Financial investments do not include shares.

Special funds and reserve funds

Liquid assets are not required to be held against special funds and reserve funds. Instead Council will internally borrow or utilise these funds wherever possible.

Trust funds

Where Council hold funds as a trustee, or manages funds for a Trust then such funds must be invested on the terms provided within the Trust. If the Trust's investment policy is not specified then this policy should apply.

5.5.6 Loan Advances

Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic and commercial purposes. New loan advances are by Council resolution only. Council does not lend money, or provide any other financial accommodation, to a CCO on terms and conditions that are more favourable to the CCO than those that would apply if Council were borrowing the money or obtaining the financial accommodation.

Council does not lend to CCTO's on more favourable terms than what it can achieve itself, without charging any rate or rate revenue as security.

Advances to CCOs, charitable trusts, and community organisations do not have to be on a fully commercial basis. Advances to a CCTO are on a commercial basis.

All advances are made on a fully secured basis and executed under approved legal documentation. Refer to conditions of CCO/CCTOs loans under section 4.9.

Where advances are made to charitable trusts and community organisations at below Councils cost of borrowing. The additional cost is treated as an annual grant to the organisation.

Council reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

5.6 Departures from normal Policy

The Council may, in its discretion, depart from the Investment Policies where it considers that the departure would advance its broader social or other policy objectives. Any resolution authorising an investment under this provision shall note that it departs from the Council's ordinary policy and the reasons justifying that departure.

5.7 Investment management and reporting procedures

Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained. The daily cash position is monitored and managed through the Daily Cash Position Report, and long-term cashflow through the annual cashflow forecast. To maintain liquidity, Council's short and long-term investment maturities are matched with Council's known cashflow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.

6.0 Risk recognition / identification management

The definition and recognition of liquidity, funding, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

6.1. Interest rate risk

6.1.1 Risk recognition

Interest rate risk is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed or fall short of projections included in the LTP or Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs is to be achieved through the active management of underlying interest rate exposures.

6.1.2 Interest rate risk control limits

Council's gross external core debt forecasts (as approved by the Corporate Services Manager) must be within the following fixed/floating interest rate risk control limits:

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed Rate	Maximum Fixed Rate
Current	50%	95%
Year 1	50%	90%
Year 2	45%	85%
Year 3	40%	80%
Year 4	35%	75%
Year 5	30%	70%
Year 6	20%	65%
Year 7	10%	60%
Year 8	0%	55%
Year 9	0%	50%
Year 10	0%	45%
Year 11	0%	40%
Year 12	0%	35%
Year 13	0%	30%
Year 14	0%	30%
Year 15	0%	30%

- "Fixed rate" is defined as all known interest rate obligations on forecast external debt, including where hedging instruments have converted floating rate obligations into firm commitments.
- "Floating rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.
- Gross forecast external core debt is the amount of total external debt for a given period. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate

cover in place may have to be adjusted to ensure compliance with the Policy minimums and maximums.

- A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile that is outside the above limits beyond 90-days requires specific approval by Council.
- The Treasury team (Corporate Services Manager, Finance Manager, Treasury Accountant) in conjunction with Council's treasury advisors set interest rate risk management strategy. The CSM approves the strategy.
- Any fixed rate hedge with a maturity beyond 15 years must be approved by Council. The exception to this will be if Council raises LGFA funding as fixed rate and this maturity is beyond 15 years.
- Hedging outside the above risk parameters must be approved by the Mayor or Deputy Mayor of the Council.
- Interest rate options must not be sold outright. However, one for one collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate hedge percentage calculation.
- The forward start period on swap/collar strategies to be no more than 36 months, unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

6.1.3 Approved financial instruments

Approved financial instruments (which do not include shares or equities) are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long term loan facilities) Loan stock /bond issuance <ul style="list-style-type: none"> ▪ Floating Rate Note (FRN) ▪ Fixed Rate Note (MTN) Commercial paper (CP)/Promissory notes
Investments	Short term bank deposits up to 30-days except for deposits linked to debt pre-funding Bank registered certificates of deposit (RCDs) less than 181 days
Investments (other)	LGFA borrower notes
Interest rate risk management	Forward rate agreements (“FRAs”) on: <ul style="list-style-type: none"> ▪ Bank bills Interest rate swaps including: <ul style="list-style-type: none"> ▪ Forward start swaps/collars. Start date no more than 36 months, unless linked to existing maturing swaps/collars ▪ Swap extensions and shortenings Interest rate options on: <ul style="list-style-type: none"> ▪ Bank bills (purchased caps and one for one collars) ▪ Interest rate swaptions (purchased swaptions and one for one collars only)
Carbon price risk management	<ul style="list-style-type: none"> ▪ New Zealand Units (NZUs) and NZ Assigned Amount Units (NZAAUs) or other New Zealand registered units legally allowable

Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved.

All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded;

- Structured debt where issuing entities are not a primary borrower/ issuer
- Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

6.2. Liquidity risk/funding risk

6.2.1 Risk recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, short-term financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

The management of Council's funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level.
- Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons.
- A large individual lender to Council experiences its own financial/exposure difficulties resulting in Council not being able to manage their debt portfolio as optimally as desired.
- New Zealand investment community experiences a substantial "over supply" of Council investment assets.
- Financial market shocks from domestic or global events.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

6.2.2 Liquidity/funding risk control limits

- External term loans and committed debt facilities together with available unencumbered liquid investments must be maintained at an amount of 110% over existing external debt.
- Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings. Debt re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.

- The CSM has the discretionary authority to re-finance existing external debt on more acceptable terms. Such action is to be reported to the CE and the Council at the earliest opportunity.

The maturity profile of the total committed funding in respect to all external debt / loans and committed debt facilities, is to be controlled by the following system:

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	60%

- A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council.
- To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

6.3. Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term Standard & Poor's, (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or short term rating of A-1 or above.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide will determine limits:

Counterparty/Issuer	Minimum S&P long term / short term credit rating	Risk management instruments and investments maximum per counterparty (\$m)
NZ Government	N/A	Unlimited
Local Government Funding Agency (LGFA)	N/A	Unlimited
NZ Registered Bank	A/ A-1	30.0

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) – Transaction Principal × Weighting 100% (unless a legal right of set-off exists).
- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional × Maturity (years) × 3%.
- Foreign Exchange/Carbon credit – Transactional face value amount x the square root of the Maturity (years) x 15%.

Each transaction should be entered into a treasury spreadsheet and a quarterly report prepared to show assessed counterparty actual exposure versus limits.

Individual counterparty limits are kept in a spreadsheet by management and updated on a day to day basis. Credit ratings should be reviewed by the Treasury Accountant on an ongoing basis and in the event of material credit downgrades should be immediately reported to the CSM and assessed against exposure limits. Counterparties exceeding limits should be reported to Council.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread. The approval process must take into account the liquidity of the market and prevailing market conditions the instrument is traded in and repriced from.

6.4. Emissions Trading Scheme

The objective of the ETS carbon credit policy is to minimise the financial impact of movements in the carbon credit prices on Council. The objective requires balancing Council's need for price stability with the benefit of realising market opportunities to reduce costs as they arise.

ETS is risk managed under the following risk control limits. Given the uncertainty of the scheme, it is not considered appropriate to have minimum hedge percentages above 0% at this time (2019).

NZUs and NZAAUs are the only units currently available to participants for surrender under the NZ ETS at this time.

Period	Minimum %	Maximum %
Committed*	80%	100%
Forecast		
0-1 years	0%	80%
1-2 years	0%	50%
2-3 years	0%	30%

*Exposures become committed Jan-Mar (quarter following emission period as Council must report emissions from previous calendar year).

Forward price transactions are limited to NZ registered banks per approved counterparties.

6.5. Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved and legally committed. Both spot and forward foreign exchange contracts can be used by TDC.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency. Council does not hold investments denominated in foreign currency.

6.6. Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood.
- Too much reliance is often placed on the specialised skills of one or two people.
- Most treasury instruments are executed over the phone.
- Operational risk is minimised through the adoption of all requirements of this Policy.

Dealing authorities and limits

Transactions will only be executed by those persons and within limits approved by the Council.

Segregation of duties

As there are a small number of people involved in the treasury activities, adequate segregation of duties among the core functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:

- The CSM reports directly to the CE.
- The Finance Manager will report directly to the CSM to control the transactional activities of the Treasury Accountant.
- There is a documented approval and reporting process for borrowing, interest rate and liquidity management activity.

Procedures

All treasury instruments should be recorded and diarised within a treasury spreadsheet, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting must be done immediately following execution/confirmation. Details of procedures including templates of deal tickets should be compiled in an appropriate operations and procedures manual separate to this Policy. Procedures should include:

- Regular management reporting.
- Regular risk assessment, including review of procedures and controls as directed by Council or appropriate Committee or sub-committee of Council.

Organisational, systems, procedural and reconciliation controls to ensure:

- All borrowing, investing, interest rate and cash management activity is bona fide and properly authorised.
- Checks are in place to ensure Council accounts and records are updated promptly, accurately and completely.
- All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity.

Organisational controls

- The CSM has responsibility for establishing appropriate structures, procedures and controls to support borrowing, investing, interest rate and cash management activity.
- All borrowing, investing, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by the Council.

Cheque/electronic banking signatories

- Positions approved by the CE as per register.
- Dual signatures are required for all cheques and electronic transfers.
- Cheques must be in the name of the counterparty crossed “Not Negotiable, Account Payee Only” or “Not Transferable, Account Payee Only”, via the Council bank account.

Authorised personnel

- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations. This is provided at least annually and when there is a change in Council personnel.

Recording of deals

- All deals are recorded on properly formatted deal tickets by the Finance Manager and approved by the CSM. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) are maintained and updated promptly following completion of transaction.

Confirmations

- All inward deal confirmations including LGFA/bank funding and registry confirmations are received and checked by the Treasury Accountant against completed deal tickets and the treasury spreadsheet records to ensure accuracy.
- All deliverable securities are held in the Council’s safe.
- Deals, once confirmed, are filed (deal ticket and attached confirmation) by the Treasury Accountant in deal date/number order.
- Any discrepancies arising during deal confirmation checks which require amendment to the Council records are signed off by the CSM.

Settlement

- The majority of borrowing, investing, interest rate and cash management transactions are settled by direct debit authority.
- For electronic payments, batches are set up electronically. These batches are checked by the Treasury Accountant to ensure settlement details are correct. Payment details are authorised by two approved signatories as per Council registers or by direct debit as per setup authority by Council.

Reconciliations

- Bank reconciliations are performed monthly by the Treasury Accountant and checked and approved by the Finance Manager. Any unresolved un-reconciled items arising during bank statement reconciliation which require amendment to the Council's records are signed off by the CSM.
- A monthly reconciliation of the treasury spreadsheet to the general ledger is carried out by the Treasury Accountant and approved by the CSM.

6.7. Legal risk

Legal risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, TDC may be exposed to such risks.

TDC will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.
- The use of expert advice.

6.6.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council.

Council's internal/appointed legal counsel must sign off on all documentation.

6.6.2 Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

7.0 Measuring treasury performance

In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Council or an appropriate sub-committee of Council on a quarterly basis

7.1. Operational performance

All treasury limits must be complied with including (but not limited to) counterparty credit limits, dealing limits and control limits.

All treasury deadlines are to be met, including reporting deadlines.

7.2. Management of debt and interest rate risk

The actual borrowing cost for Council (taking into consideration costs of entering into interest rate risk management transactions) should be below the budgeted borrowing costs.

8.0 Cash management

The Treasury Accountant has the responsibility to carry out the day-to-day cash and short-term cash management activities. All cash inflows and outflows pass through bank accounts controlled by the finance function.

- The Treasury Accountant will calculate and maintain comprehensive rolling cash flow projections on a daily (two weeks forward), weekly (four weeks forward) and monthly (12 months forward) basis. These cash flow forecasts determine Council's borrowing requirements and surpluses for investment.
- On a daily basis, electronically download all Council bank account information.
- Co-ordinate Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters.
- Undertake short term borrowing functions as required, minimising overdraft costs.
- Ensure efficient cash management through improvement to forecasting.
- Minimise fees and bank charges by optimising bank account/facility structures.
- Monitor Council's usage of overdraft and committed bank facilities. Overdraft facilities are utilised as little as practical. Bank overdraft facilities of not more than \$300,000 are maintained.
- Match future cash flows to smooth overall timeline.
- Provide reports detailing actual cash flows during the month compared with those budgeted.
- Maximise the return from available funds by ensuring significant payments are made within the suppliers payment terms, but no earlier than required, unless there is a financial benefit from doing so.
- Interest rate management on cash management balances is not permitted.
- Cash is invested for a term of no more 30 days and in approved instruments and counterparties

9.0 Reporting

When budgeting interest costs, the actual physical position of existing loans and interest rate instruments must be taken into account.

9.1. Treasury reporting**9.1.1 Reporting**

The following reports are produced:

Report Name	Frequency	Prepared by	Reviewed by	Recipient
Daily Cash Position Treasury Spreadsheet	Daily	Treasury Accountant	Finance Manager	Finance Manager
Treasury Exceptions Report	Daily	Treasury Accountant	Finance Manager	Finance Manager
Treasury Report <ul style="list-style-type: none"> ▪ Policy limit compliance ▪ Borrowing limits ▪ Funding and Interest Position ▪ Funding facility ▪ New treasury transactions ▪ Cost of funds vs budget ▪ Cash flow forecast report ▪ Liquidity risk position ▪ Counterparty credit ▪ Treasury performance ▪ Debt maturity profile ▪ Treasury investments ▪ Carbon credit exposure and hedged position ▪ CCO/CCTO loans and guarantees, financial arrangements ▪ Exceptions 	Monthly (LT) / Quarterly (Council)	Treasury Accountant	CSM / Finance Manager	LT / Council
Trustee Report	As required by the Trustee	Treasury Accountant	CSM / Finance Manager	Trustee company

Revaluation of financial instruments	Quarterly	Treasury Accountant	CSM / Finance Manager	Council
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9.2. Accounting treatment of financial instruments

Council uses financial arrangements (“derivatives”) for the primary purpose of reducing its financial risk to fluctuations in interest rates. The purpose of this section is to articulate Council’s accounting treatment of derivatives in a broad sense. Further detail of accounting treatment is contained within the appropriate operations and procedures manual.

Under NZ IPSAS changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

Council’s principal objective is to actively manage the Council’s interest rate risks within approved limits and chooses not to hedge account. Council accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council’s annual accounts.

The CSM is responsible for advising the CE of any changes to relevant NZ IPSAS which may result in a change to the accounting treatment of any financial derivative product.

All treasury financial instruments must be revalued (marked-to-market) at least every six months for risk management purposes.

10.0 Policy review

This Policy is to be formally reviewed on at least a triennial basis.

The CSM has the responsibility to prepare a review report that is presented to the Audit and Risk Committee. The report will include:

- Recommendation as to changes, deletions and additions to the Policy.
- Overview of the treasury function in achieving the stated treasury objectives, including performance trends in actual borrowing cost against budget (multi-year comparisons).
- Summary of breaches of Policy and one-off approvals outside Policy to highlight areas of tension.
- Analysis of bank and lender service provision, share of financial instrument transactions etc.
- Comments and recommendations from Council’s external auditors on the treasury function, particularly internal controls, accounting treatment and reporting.
- An annual audit of the treasury spreadsheets and procedures should be undertaken.

The Audit and Risk Committee receives the report, and recommends changes to Council. Council approves Policy changes and/or rejects recommendations for Policy changes.

11.0 APPENDIX 1

11.1. Equity investments

Port Nelson Limited

Nature of Investment

The Council holds 12,707,702 shares. Council is a 50 percent shareholder in this Company, with Nelson City Council holding the other 50 percent shareholding. The 2017/18 book value of the investment is \$91.914m. The 2017/18 net assets of the company were \$230.4m.

Rationale for Holding Investment

The Company provides core port services at Nelson along with ancillary services. It also leases out land and buildings not required for core port services.

Council intends to maintain its 50 percent investment in Port Nelson Ltd and aims with Nelson City Council to retain effective local body control of this strategic Asset. This investment provides a commercial return to Council which is used to reduce Council's reliance on rates income.

Revenue

The Company pays an annual dividend as detailed in its Statement of Corporate Intent. The shareholders expectation is that a dividend of not less than 50% of net profit after tax will be returned to shareholders annually. This equates to approximately \$5.5m per annum, shared between the two councils.

Risk Management

Port Nelson Ltd is an autonomous entity, with professional directors appointed by the two local authorities. Directors are required to manage the company on behalf of the shareholders. Risks associated with Council's investment in Port Nelson Ltd are limited.

Management/Reporting Procedures

The Councils and the company agree annually to a Statement of Corporate Intent. The purpose of the statement of intent is to:

- (a) state publicly the activities and intentions of the company for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for council to influence the direction of the company; and
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the company.

Six monthly reports are received and reviewed by Council. Election of Directors takes place at the Company's annual meeting.

Nelson Airport Limited

Nature of Investment

The Council holds 1,200,000 shares. Council is a 50 percent shareholder in this Company, with Nelson City Council holding the other 50 percent shareholding. The 2017/18 book value of the investment is \$32.643m. The 2017/18 net assets of the company were \$86.05m.

Rationale for Holding Investment

The company owns and operates Nelson Airport. The Company provides airport services at Nelson along with related ancillary services. It also leases out land and buildings not required for core airport services.

Council intends to maintain its 50 percent investment in Nelson Airport Ltd and aims with Nelson City Council to retain effective local body control of this strategic investment. This investment provides a commercial return to Council which is used to reduce councils reliance on rates income.

Revenue

The Company pays an annual dividend as detailed in its Statement of Corporate Intent. The Company's dividend policy is to pay an annual dividend of 5 percent of the opening shareholders' funds for that year. This equates to approximately \$500,000 per annum, shared between the two council shareholders.

Risk Management

Nelson Airport Ltd is an autonomous entity, with Directors appointed by the two local authorities. Directors are required to manage the Company on behalf of the shareholders. Risks associated with Council's investment in Nelson Airport are limited.

Management/Reporting Procedures

The councils and the company agree annually to a Statement of Intent. The purpose of the statement of intent is to:

- (a) state publicly the activities and intentions of the company for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for council to influence the direction of the company; and
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the company.

Six monthly reports are received and reviewed by Council. Election of Directors takes place at the Company's annual meeting.

New Zealand Local Government Funding Agency Limited - Investment

Nature of Investment

The Council holds 3,731,958 shares (including uncalled capital). Council along with the Crown and 30 other local authorities is a minority shareholder in the Local Government Funding Agency.

The 2017/2018 book value of the investment is \$4.473m. The 2017/18 net assets of the company were \$45m.

Rationale for Holding Investment

Council's objective in making any such investment will be to:

- (a) obtain a return on the investment; and
- (b) ensure that the Local Government Funding Agency has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.
- (c) access loan funding at lower rates.

Because of this dual objective, Council may invest in Local Government Funding Agency shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments, where it is to the overall benefit of Council.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Revenue

The company dividend policy is to pay a dividend that provides an annual return to shareholders equal to the Local Government Funding Agency cost of funds plus 2 percent. This equated to \$103k for 2017/18.

Risk Management

Risks surrounding the Local Government Funding Agency are mitigated through the use of the New Zealand Government debt management office and appropriately qualified professional directors and staff. There are also in place cross guarantees between most shareholder councils.

Management/Reporting Procedures

The Councils and the company agree annually to a Statement of Intent. The purpose of the statement of intent is to:

- (a) state publicly the activities and intentions of the company for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for council to influence the direction of the company; and
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the company.

Quarterly reports are received and reviewed by Council. The Council has a seat on the LGFA Shareholders Council. This group actively monitors the LGFA's performance and reports independently (from the Companies board) to shareholder councils.

Civic Financial Services Ltd – (formally New Zealand Local Government Insurance Corporation Ltd)

Nature of Investment

Council along with other local authorities is a minority shareholder in Civic Financial Services Ltd.

The Council holds 65,584 shares. The 2017/18 book value of the investment is \$78,789. The 2017/18 net assets of the company were \$13.3m.

Rationale for Holding Investment

The council investment in the Civic Financial Services Ltd is a legacy investment. The original investment was to ensure that the insurance market was competitive and that the local government sector was in a strong position to manage its own risk. With the changes in the insurance regulatory frame work and changes in the insurance market the company no longer provides insurance cover. The company however continues to actively manage the local government Superannuation schemes including the SuperEasy kiwi saver scheme.

Revenue

The company does not envisage paying dividends at this time.

Risk Management

Risks surrounding Civic Financial Services Ltd are mitigated with the use of suitably qualified staff and directors.

Management/Reporting Procedures

Six monthly reports are received and reviewed by Council.

11.2. Asset investments

Forestry

Nature of Investment

Council and its predecessor organisations have been involved in forestry for many years. Council's current forestry policy is that it will operate and maintain up to 3,000 planted hectares.

The 2017/18 book value of the investment is \$41.22m.

Rationale for Holding Investment

Forestry is a flexible investment – the resource can be manipulated to suit cash flow requirements and market conditions. This provides a marketing advantage and cost savings in operations.

Revenue

Current statute requires that 10 percent of net forestry revenues derived from Rabbit Island be used for maintenance of Rabbit Island each year. The forestry activity will from time to time pay an internal dividend that contributes to reducing the Council's general rate requirement and/or assists in the repayment of Council debt.

Risk Management

Council's forests are currently managed under contract by consultants P F Olsen & Co Ltd. Forestry activities are reviewed quarterly by Council.

Significant risk management strategies include diversity of forest age classes, insurance against fire, mix of species, geographic spread of forests and controlled access.

Holding forestry assets also provides a natural offset to the Council' exposure under the NZ ETS. Council receives Carbon Credits that may be used to offset regional landfill obligations.

Management/Reporting Procedures

Reports are received and reviewed by Council on a quarterly basis.

Commercial and Semi-Commercial Property Investments

Nature of Investment

Council currently has a range of investment property holdings defined within categories of:

- Ready saleable assets.
- Strategically placed land, precluding the sale of operational properties.
- Assets saleable after a specific process (often subdivision).
- Land with high community value.

Property investments do not include properties for operational purposes.

Rationale for Holding Investment

Council purchases and maintains property investments where:

1. The property has a strategic value for the community; or
2. Council has funds to invest and there are statutory limitations on the use or disposal of these funds; or
3. There is an opportunity to invest funds and provide a return to the Council and/or community that is higher than the cost of the money invested.

Revenue

Council policy requires that surplus funds generated from Council's property activities are utilised as a contribution against general funds.

Revenues are generated both from commercial property sources at negotiated market rentals and internally assessed occupational costs.

Risk Management

Suitably qualified staff manage Council's property activities.

Management/Reporting Procedures

Reports are received and reviewed by Council on a regular basis.

Community Housing**Nature of Investment**

Council currently has 101 community houses available for rental, generally to elderly or disabled persons.

These houses are located in:

- Croucher Street, Richmond 10
- Aotea Place, Richmond 24
- Vosper Street, Motueka 27
- Mears Haven, Motueka 18
- Starveall Street, Brightwater 7
- Edward Street, Wakefield 7
- Commercial Street, Takaka 4
- Fairfax Street, Murchison 4

The 2017/18 book value of the investment is \$15.7m. Council has no outstanding loans.

Rationale for Holding Investment

Council continues to retain community housing to meet its considered obligation for the provision of rental accommodation, primarily for the elderly or people with disabilities.

Council's philosophies include ensuring that rental charges cover cost and to continue to maintain the housing at its current high standard.

Council's policy is to obtain a small dividend on its investment in community housing, with the contribution rising from the current 9 percent of rentals received to 13 percent for Years 2015 to 2017 and 15 percent for Years 2018 to 2022.

Revenue

Council operates its community housing activity in the nature of a "closed account" whereby revenues generated are utilised for debt repayment on loans outstanding on this asset and for meeting the annual maintenance schedules. A small internal dividend is returned to Council's Community Services annually from this account. The amount of this dividend in 2017/18 was \$114,416.

Risk Management

Suitably qualified staff manage Council's community housing activities.

Management/Reporting Procedures

Reports are received and reviewed by Council on a regular basis.

Camping Grounds**Nature of Investment**

Council owns four camping grounds within the District (Collingwood, Pohara, Motueka and Murchison). Three are leased to private individuals.

The 2017/18 book value of these investment are \$8.7m. Council has outstanding loans of \$2.241m.

Rationale for Holding Investment

Council's camping grounds are retained for the enjoyment of visitors to and residents of the District.

Revenue

The net revenue in 2017/18 was \$52k, (after paying a dividend of \$100k to the Parks & Reserves activity).

Risk Management

Suitably qualified staff manage council's camping activities.

Management/Reporting Procedures

Reports are received and reviewed by Council on a regular basis.

11.3. Associated organisations**Nelson Regional Sewerage Business Unit****Nature of Investment**

Tasman District Council and Nelson City Council equally share in ownership of this asset. The NRSBU is not a separate legal entity from Council. Engineering and financial services are provided to the business unit by Nelson City Council.

The 2017/18 book value of the TDC assets utilised by the NRSBU is \$32.214m. Council has an outstanding loan for its share of the NRSBU borrowings of \$7m.

The business unit has a board which has representation from both Councils. It could have 6 or 7 members in total.

Rationale for Holding Investment

To ensure continuity of wastewater services for the residents and ratepayers of both Tasman District and Nelson City.

Revenue

Council does not receive any direct financial return from this Business Unit in the form of a dividend. The unit is operated to minimise the cost of sewage disposal for both

councils. Any surplus is returned to Nelson and Tasman councils by way of an annual payment.

Risk Management

A committee, with representatives from both Councils plus one external representative manages the Business Unit.

Management/Reporting Procedures

Quarterly reports are received and reviewed by Council.

Nelson-Tasman Regional Landfill Business Unit

Nature of Investment

Tasman District Council and Nelson City Council equally share in ownership of this asset. The NTRLBU is not a separate legal entity from Council. The governance structure for this business unit is by a joint committee. The joint committee controls the assets, activities and operations of the landfill.

The joint committee has representation from both Councils, with scope for an iwi advisor, and also one jointly appointed independent member.

Rationale for Holding Investment

To ensure continuity of landfill operations for the residents and ratepayers of both Tasman District and Nelson City.

Revenue

Council does not receive any direct financial return from this Business Unit in the form of a dividend. The unit is operated to minimise the cost of solid waste operations for both councils. Any share of revenue will be returned to Nelson and Tasman councils.

Risk Management

A committee, with representatives from both Councils plus one iwi representative, and one external representative manages the Business Unit.

Management/Reporting Procedures

Minutes of all meetings will be forwarded to both Councils. The Annual Business Plans, and the Activity Management Plans will be forwarded to both councils for approval. The Annual Report will also be provided to both Councils.

Utilise Carbon units from Forestry to settle obligations under the NZ ETS.

Tasman Bays Heritage Trust

Nature of Investment

This Trust is a council controlled organisation. The trust holds and manages heritage items from across the district and runs the regional Museum in Nelson. There is no direct investment in the trust, but 50% of the trust is included in the councils accounts as an associate under the current accounting standards. Council provides a significant interest free loan to the trust along with an annual operating grant.

The 2017/18 net assets of the trust were \$9.847m. Council has an outstanding loan to the trust at a nil interest rate of \$825k.

Rationale for Holding Investment

The Trust is charged with managing and promoting the history and historic collections of the district. This investment is not held for commercial gain or return.

Revenue

Council does not receive any direct financial return from this trust in the form of a dividend. The Council provides operational funding and an interest free loan to the trust.

Risk Management

The trust is a separate legal entity from Council. Risks surrounding the trust are mitigated with the use of suitably qualified staff and trustees.

Management/Reporting Procedures

The Councils and the trust agree annually to a Statement of Intent. The purpose of the statement of intent is to:

- (a) state publicly the activities and intentions of the trust for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for council to influence the direction of the trust; and
- (c) provide a basis for the accountability of the trustees to the beneficiaries for the performance of the trust.

Reports are received and reviewed by Council on a regular basis.

Waimea Dam Investment

Nature of Investment

Council holds 5,109 partly paid ordinary shares (51%) in Waimea Water Ltd. Waimea Irrigators Ltd hold 2,978 ordinary shares and 1,911 non-voting shares that convert to ordinary shares over time (49%). Waimea Water Ltd is a special purpose CCO that is building, and will own and operate the Waimea Community dam. The company is a Joint venture between Council and Waimea Irrigators Ltd. The company also has significant financial support from the Crown through Crown Irrigation Investments Ltd who have provided concessional lending to the company. Council's investment in the

project (including the NCC Grant and MfE FIF funding) is \$44.5m with the total project currently costed at circa \$105.6 million.

Rationale for Holding Investment

The company provides the vehicle for Waimea Community dam Project. The Project will deliver water security to the Waimea Plains and to the Richmond and related reticulated water supplies. In providing that security of supply the project delivers four main benefits:

- Enhanced environmental flows in the river
- Support for the local economy through economic benefits
- Secure water for irrigators and other rural users
- Security for the urban community water supplies

The dam also has sufficient capacity to support expected growth in the district over at least the next 100 years.

Revenue

The company operates on a cost recovery basis and no dividends to shareholders are envisaged.

Risk Management

Waimea Water Ltd is an autonomous entity with a board of professional directors appointed by Waimea Water Ltd, Tasman District Council and Ngati Koata. Council appoints the majority of the directors and own the majority of the shares. The directors are required to manage the company on behalf of the shareholders. The Company is currently in the build stage of the dam project and has appropriate risk management strategies in place. Council has provided credit support to the company of up to \$29m as part of securing project funding from the Crown.

Management/Reporting Procedures

The Council and Waimea Irrigators Ltd agree annually with the Company a Statement of Intent. The Purpose of the Statement of Intent is to:

- a) State publically the activities and intentions of the company for the year along with conformation of their objectives and the activity that will contribute ; and
- b) Provide an opportunity for shareholders including Council to influence the direction of the company; and
- c) Provide a basis for the accountability of the directors to their shareholders for the overall performance of the company.

Six monthly reports are received and reviewed by Council. Election of directors takes place at the Company's annual meeting. Director appointments by shareholders and Ngati Koata are subject to approval by the other shareholder(s).

12.0 APPENDIX 2

12.1. Borrowing Instruments Definitions

1 Bank Sourced Borrowing

1.1 Bank Bill Facilities

Commercial Bills cover all types of bills of exchange which are defined under the Bills of Exchange Act 1908 as:

“An unconditional order in writing, addressed by one person to another signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at fixed or determinable future time, a sum certain in money to, or to the order of a specified person, or to bearer.”

Bank bill facilities are normally for a term of up to three years, but may be for as long as five years. Bank Bills are bills of exchange, drawn or issued usually by the original borrower and accepted or endorsed by a bank.

For a Bank Accepted Bill, the bank makes the payment of the face value of the bill on maturity. Most bank bills traded in the New Zealand market are Bank Accepted Bills.

Bank Endorsed Bills have been endorsed by a bank with another party as acceptor. In the event of default of the original acceptor, payment can be sought through the chain of endorsers to the bill.

An investor in bank bills can sell the bills prior to maturity date and receive the cash. Bank bills are a longer term borrowing instrument than cash loans. Bills are normally drawn for terms of 30, 60 or 90 days, with a few being drawn for 180 days. The 90 day bank bill is the underlying traded bench mark instrument for the short end of the market.

Costs

The principal costs to the borrower are the discounting bank's yield at which it discounts the bill at the time of draw down, an arrangement fee, and acceptance fee and line fee (expressed in basis points or percentage per annum) and margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 35-300 basis points (i.e. 0.35%-3.00%), depending on the credit worthiness of the borrower.

1.2 Revolving Credit Facilities

(Variable Amount Term Loans)

Revolving credit facilities are similar from a borrower's perspective, except interest is paid in arrears rather than upfront as in the case of bank bills.

Revolving credit facilities are usually for a term of up to three years but may be for as long as five years and like bank bills, drawings under the facility are

priced off the bank bill buy rate. Most facilities allow for the borrower to draw up to the facility amount in various tranches of debt and for various terms out to a maximum term of the maturity date of the facility. Like bank bills, most borrowers use these facilities to borrow on a 90 day basis.

Costs

The principal costs are the same as with bank bills the lending banks yield which sets the base rate at the time of lending, an arrangement fee, an acceptance fee and a line fee (expressed in basis points or percentage per annum) and the margin. Acceptance fees, arranger fees, lines fees and margins in aggregate normally range between 35-300 basis points (i.e. 0.35%-3.00%), depending on the credit worthiness of the borrower.

1.3 Short-term Money Market Lines

Short-term money market loans or cash loans can be Committed or Uncommitted. A customer pays for a guarantee of the availability of the funds in a Committed Loan. In an Uncommitted Loan, funds are provided on a best endeavours basis and no line/commitment fee is payable. In addition to a line fee, a margin may be charged on any line usage.

The main usage of cash loans is to cover day-to-day shortfalls in funds. The interest rate is governed by the term of the borrowing and the implied or implicit credit rating of the borrower. Cash loans are short-term only and are normally drawn for a term of one (overnight) to seven days. Interest collection can be daily.

13.0 APPENDIX 3**13.1. The Risk Management Tool Kit****1 Approved Interest Rate Risk Management Instruments**

- a) Interest rate risk management instruments approved for use, consistent with the policy contained in Section 3.5 are:
- Fixing through physical borrowing instruments – loan stock, debentures, medium term notes, bank term loan.
 - Floating through physical borrowing instruments – short-term revolving stock, bank borrowing, promissory note programme.

- b) The following interest rate risk management instruments are available for interest rate risk management activity, but are to be specifically approved by the Council (refer to glossary of terms):

Forward rate agreements (“FRAs”) ON:

- Bank bills
- Government bonds

Interest rate swaps including:

- Forward start swaps
- Amortising swaps (whereby notional principal amount reduces)
- Swap extensions and shortenings

Interest rate options on:

- Bank bills (purchased caps and one for one collars)
- Interest rate swaps (purchased swaptions and one for one collars)
- Government bonds

Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Credit exposure on these financial instruments is restricted by specified counterparty credit limits:

- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable where the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, the sold option can be closed out by itself (i.e. repurchased). The sold option leg of the collar structure must not have a strike rate “in-the-money”.
- Purchased borrower swaptions mature within 18 months.
- Forward start period on swaps and collar strategies to be no more than 24 months, and the underlying cap or swap starts within this period.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 1.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.
- Buying and selling of financial futures is not permitted, primarily due to the

administrative burden and the ready availability of other more tailored risk management products.

- Structured or leveraged interest rate option strategies where there is any possibility of the Council's total interest expense increasing in a declining interest rate market or where the Council's total interest cost is increasing faster than the general market rate.

14.0 APPENDIX 4

14.1. Glossary of Terms

- **Amortising Swap:** An interest rate swap contract that has a reducing principal or notional amount over the term of the contract period. The appropriate market swap rate from which to price an amortising swap is the weighted average maturity, not the final maturity date.
- **Accreting Swap:** An interest rate swap contract that has an increasing principal or notional amount over the term of the contract period. The appropriate market swap rate from which to price an accreting swap is the weighted average maturity, not the final maturity date.
- **Bank Bill:** A “bill of exchange” security document issued by a corporate borrower, but guaranteed by a bank, who then in turn sells the security into the bank/investor market to re-liquify itself with cash. Normally for terms of 30, 60, 90 or 180 days.
- **Bank Bill Benchmark Rate (BKBM):** The accepted interest rate-fixing benchmark for New Zealand loans and other instruments (including interest rate swaps). Administered by the New Zealand Financial Markets Authority (NZFMA).
- **Base Rate:** Normally a lending bank’s cost of funds/interest rate for a particular funding period. The base or “prime” rate will be changed by the bank from time to time, but not every day like market rates.
- **Basis Point(s):** In financial markets it is normal market practice to quote interest rates to two decimal places, e.g. 6.25% - one basis point is the change from 6.25% to 6.26%, one hundred basis points is the change from 6.25% to 7.25%.
- **Basis Risk:** The risk that there is not a perfect relationship between the exposure being managed and the instrument being used to manage the risk.
- **Benchmark:** An agreed market related yardstick that investor returns, funding costs or average exchange rate achieved are compared against for performance measurement purposes.
- **Bid-Offer Spread:** The exchange points (FX) or basis points (interest rates) difference between the bid and offer rate when quoted by a bank is known as the “bid-offer spread”. Banks make their profits from dealing at their own bid and offer prices, thus earning the spread.
- **Bid Rate:** Exchange rates and interest rate securities/instruments that are traded between banks are always quoted as a two-way price. One rate is where the quoting bank will buy – the bid rate, the second rate or price where the bank will sell at – the offer rate.
- **Bond:** The security instrument that is issued by a borrower whereby they promise to repay the principal and interest on the due dates. A bond’s interest rate is always fixed.

- **Bond FRA:** A tailored contract to buy or sell a bond (government or corporate) at a fixed interest rate at some specified future date. The Bond FRA contract rate will differ from the current physical market bond yield, depending on the slope of the interest rate yield curve.
- **Bond Option:** The right, but not the obligation by the owner/holder of the option to buy or sell bonds (government or corporate) at a predetermined interest rate at a specified future date. The buyer pays a “premium” in cash up-front to reduce risk and have insurance-type protection, the seller or grantor of the bond option receiving the premium for assuming the risk.
- **Call Option:** The owner or buyer of a call option has the right, but not the obligation, to buy the underlying debt security/currency/commodity at the price stated in the option “contract”.
- **Cap:** A series or string of bought interest rate put options whereby a borrower can have protection against rising short-term interest rates, but participate in the lower rates if market rates remain below the “capped rate”. A cap is normally for more than one 90-day funding period.
- **Certificate of Deposit “CD”:** A debt instrument (normally short-term) issued by a bank to borrow funds from other banks/investors.
- **Closing-Out:** The cancellation/termination of a financial instrument or contract before its maturity date, resulting in a realised gain/loss as the current market rate differs from the contract rate.
- **Collar Two:** Option contracts linked together into the one transaction or contract. A borrower’s collar is normally a bought “cap” above current market rates and a sold “floor” below current rates. Over the term of the collar contract, if rates go above the cap the borrower is protected and pays an interest cost no more than the cap rate. Likewise, if market rates fall below the floor, the borrower pays the floor rate and does not participate in the lower market rates. Also called a “cylinder”.
- **Collateral / Credit support:** A legal term means “security”.
- **Commercial Paper:** The debt security instrument issued by a prime (and normally credit-rated) borrower to raise short-term funds (30, 60, 90 or 180 days). Also called “one-name paper” and “promissory notes” issued by competitive public tender to investors or by private treaty to one investor.
- **Commoditised:** When a financial market or instrument becomes so popular and “plain vanilla” that there is no longer any difference in the prices quoted by participants in the market.
- **Convexity:** A measure of the degree of curve or slope in an interest rate yield curve.

- **Coupon:** The interest rate and amount that will be paid on the interest due dates of a bond. The coupon will normally differ from the purchase or issue yield/interest rate on a bond instrument.
- **Counterparty:** The contracting party to a financial transaction or financial instrument.
- **Covenants:** Special conditions and financial ratios required to be met or maintained by a borrower for a lender under the legal security documents.
- **Cover:** A term used to describe any action of entering financial instruments that reduces risk or puts protection in place against adverse future price movements.
- **Credit Risk or Exposure:** The risk that the other party to a financial transaction (bank deposit, interest rate swap contract) will default on or before the maturity date and not be able to fulfil their contractual obligations.
- **Credit Spread:** The interest rate difference (expressed as basis points) between two types of debt securities. The credit spread being a reflection of the difference in credit quality, size, and liquidity between the two securities e.g. five year corporate bonds may be at a credit spread of 200 basis points above Government bonds.
- **CSFB NZGS Index:** Credit Suisse First Boston NZ Government Stock Index.
- **Current Ratio:** A liquidity measure to determine how quickly Council can generate cash. Current assets are divided by current liabilities.
- **Debenture:** A debt instrument similar to a bond whereby a borrower (normally a finance company) borrows for a longer term at a fixed rate. Also a legal instrument provided as security to a lender.
- **Delta:** “Greek” letter that measures how the price of an option (premium) changes given a movement in the price of the underlying asset/instrument.
- **Derivative(s):** A “paper” contract whose value depends on the value of some “underlying” referenced asset e.g. share market stocks, bank bills, bonds or foreign currency. Also called a “synthetic”. The value of the assets will change as its market price changes; the derivative instrument will correspondingly change its value.
- **Digital Option:** An option contract that provides a predetermined pay-out based on an agreed and contracted market price path.
- **Discount:** A bond or bank bill is discounted when the interest rate is applied to the face value of the security and the net proceeds after deducting the interest is paid out to the borrower. Investors pay for the discounted (NPV) value at the commencement of the investment and receive the interest coupon payments along the way and the full face value at the maturity date.

- **Duration:** Not the simple average maturity term of a debt or investment portfolio, but a measure of the interest rate risk in a portfolio at a particular point in time. The duration of a portfolio is the term (measured in years and months) if the total portfolio of bonds/fixed interest investments was revalued at market rates and expressed as one single bond. The profit/loss on revaluation of a one basis point movement being the same in both cases.
- **Embedded Option:** An option arrangement that may be exercised by a borrower at a future date, but the determining conditions are buried or “embedded” in a separate debt or financial instrument.
- **Eurodollar:** The borrowing and depositing of a currency outside its domestic financial markets.
- **Event Risk:** The risk of a major/unforeseen catastrophe e.g. earthquake, year 2000, political elections adversely affecting a Council’s financial position or performance.
- **Exchange Traded:** A currency, debt or financial instrument that is quoted and traded on a formal exchange with standardised terms, amounts and dates.
- **Exercise Date/Price:** The day and fixed price that an option contract is enforced/actioned or “exercised” because it is in the interests of one of the parties to the contract to do so.
- **Fair Value:** The current market value of an off-balance sheet financial instrument should it be sold or closed-out on the market rates ruling at the balance date.
- **Federal Reserve:** The US Government’s central bank and/or monetary authority.
- **Fixed Rate:** The interest rate on a debt or financial instrument is fixed and does not change from the commencement date to the maturity date. Fixed is defined as an interest rate that does not change in the next 12 months.
- **Floating Rate:** The interest rate on a loan or debt instrument is re-set at the ruling market interest rates on the maturity date of the stipulated funding period (usually 90-days). Floating is defined as an interest rate that changes in the next 12 months.
- **Floor:** The opposite of a “cap: An investor will buy a floor, or a series/string of call options (the right to buy) to protect against falling interest rates, but be able to invest at higher interest rates if rates move upwards. A borrower may sell a floor as part of a collar structure to generate premium to pay for the “linked” bought cap.
- **Forward Rate Agreement:** A contract (“FRA”) whereby a borrower or investor in Bank Bills or Government Bonds agrees to borrow or invest for an agreed term (normally 90-days) at a fixed rate at some specified future date. A FRA is an “over-the-counter” contract as the amount and maturity date is tailored by the bank to the specific requirements of the borrower/investor.

- **Forward Start Swap:** An interest rate swap contract that commences at a future specified date. The rate for the forward starting swap will differ from the current market rate for swaps by the shape and slope of the yield curve.
- **Funding Risk:** The risk that a borrower cannot re-finance its debt at equal or better terms at some date in the future, in terms of lending margin, bank fees and funding time commitment. Funding risk may increase due to the Council's own credit worthiness, industry trends or banking market conditions.
- **Futures:** Exchange-traded financial and commodity markets which provide forward prices for the underlying asset, instrument or commodity. Futures contracts are standardised in amount, term and specifications. Futures markets are cash-based, transacting parties do not take any counter party credit risk on each other. Deposits and margin-calls are critical requirements of all futures markets.
- **Gamma:** "Greek" letter used in option pricing that measures how rapidly the delta of an option changes given a change in the price of the underlying asset/instrument.
- **Guarantee:** a legal undertaking whereby the financial indebtedness of an entity is legally assumed by another entity upon certain pre-agreed non-payment events (i.e. non-payment of interest amounts on due date).
- **Hedging:** The action of reducing the likelihood of financial loss by entering forward and derivative contracts that neutralise the price risk on underlying financial exposures or risks. The gain or loss due to future price movements on the underlying exposure is offset by the equal and opposite loss and gain on the hedge instrument.
- **High-Yield Bonds:** Corporate bonds issued by borrowing companies that are non-prime i.e. have a low or no credit rating. The margin or credit spread above Government bonds yields is high (>300 basis points) to compensate the investor into the bond for the higher credit and liquidity risk.
- **Implied Volatility:** Used in option pricing. To estimate the future volatility of the underlying asset or instrument, the option pricing models use historical volatility (expressed as percentage) as a key variable to calculate the option premium amount. The movement in option prices is therefore a good indicator of future market volatility, as volatility is "implied" in the option price.
- **Index Linked Bonds:** Debt instruments that pay an interest coupon or return that is wholly or partially governed by the performance of another separate index e.g. a share market index, or the gold price.
- **ISDA International Security Dealers Association:** A governing body that determines legal documentation/standards for over-the-counter swaps/options/FRA's and other derivative instruments for interest rates, currencies, commodities etc. Corporate users of such instruments sign an ISDA Master Agreement with banking counterparties that covers all transactions.
- **Incidental Arrangements:** The term used in the Local Government Act for interest

rate risk management instruments or derivatives.

- **Interest Rate Swaps:** A binding paper contract where one party exchanges, or swaps, its interest payment obligations from fixed to floating basis, or floating to fixed basis. The interest payments and receipts under the swap contract being offsetting, equal and opposite to the underlying physical debt.
- **“In-the-Money” Option:** An option contract that has a strike price/rate that is more favourable or valuable than the current market spot or forward rate for the underlying currency/instrument.
- **Inverse Yield Curve:** The slope of the interest rate yield curve (90-days to 10+ years) is “inverse” when the short-term rates are higher than the long-term rates. The opposite, when short-term rates are lower than long-term interest rates is a normal curve or “upward sloping”. In theory, a normal curve reflects the fact that there is more time, therefore more time for risk to occur in long-term rates; hence they are higher to build in this extra risk premium.
- **Liability Management:** The policy, strategy and process of proactively managing the treasury exposures arising from a portfolio of debt.
- **LIBOR:** London Inter-bank Offered Rate, the average of five to six banks quote for Eurodollar deposits in London at 11.00 am each day. The accepted interest rate-fixing benchmark for most offshore loans.
- **Limit(s):** The maximum or minimum amount or percentage a price or exposure may move to before some action or limitation is instigated. Also called “risk control limits”.
- **Liquidity Risk:** The risk that Council cannot obtain cash/funds from liquid sources or bank facilities to meet foreseen and unforeseen cash requirements. The management of liquidity risk involves working capital management and external bank/credit facilities.
- **“Long” Position:** Holding an asset or purchased financial instrument in anticipation that the price will increase to sell later at a profit.
- **Look-back Option:** An option structure where the strike price is selected and the premium paid at the end of the option period.
- **Marked-to-Market:** Financial instruments and forward contracts are revalued at current market rates, producing an unrealised gain or loss compared to the book or carrying value.
- **Margin:** The lending bank or institution’s interest margin added to the market base rate, normally expressed as a number of basis points.
- **Medium Term Notes:** A continuous programme whereby a prime corporate borrower has issuance documentation permanently in place and can issue fixed

rate bonds at short notice under standard terms.

- **Moody's:** A rating agency similar to Standard & Poor's.
- **Net External Debt:** Total external debt less liquid assets.
- **Netting:** Method of subtracting currency receivables from currency payables (and vice versa) over the same time period to arrive at a net exposure position.
- **Open Position:** Where a Council has purchased or sold an asset, currency, financial security or instrument unrelated to any physical exposure, and adverse/favourable future price movements will cause direct financial loss/gain.
- **Option Premium:** The value of an option, normally paid in cash at the commencement of the option contract, similar to an insurance premium.
- **Order:** The placement of an instruction to a bank to buy or sell a currency or financial instrument at a preset and pre-determined level and to transact the deal if and when the market rates reach this level. Orders are normally placed for a specific time period, or "good till cancelled". The bank must deal at the first price available to them once the market level is reached. Some banks will only take orders above a minimum dollar amount.
- **"Out-of-the-Money":** An option contract which has a strike price/rate that is unfavourable or has less value than the underlying current spot market rate for the instrument.
- **Over-the-Counter:** Financial and derivative instruments that are tailored and packaged by the bank to meet the very specific needs of the corporate client in terms of amount, term, price and structure. Such financial products are non-standard and not traded on official exchanges.
- **Perpetual Issue:** A loan or bond that has no final maturity date.
- **Pre-hedging:** Entering forward or option contracts in advance of an exposure being officially recognised or booked in the records of the Council.
- **Primary Market:** The market for new issues of bonds or MTNs.
- **Proxy Hedge:** Where there is no forward or derivative market to hedge the price risk of a particular currency, instrument or commodity. A proxy instrument or currency is selected and used as the hedging method as a surrogate. There needs to be a high correlation of price movements between the two underlying prices to justify using a proxy hedge.
- **Put Option:** The right, but not the obligation to sell a debt security/currency/commodity at the contract price in the option agreement.
- **Revaluation:** The re-stating of financial instruments and option/forward contracts at

current market values, different from historical book or carrying values. If the contracts were sold/bought back (closed-out) with the counter party at current market rates, a realised gain or loss is made. A revaluation merely brings the contract/instrument to current market value.

- **Roll-over:** The maturity date for a funding period, where a new interest rate is reset and the debt re-advanced for another funding period.
- **Secondary Market:** The market for securities or financial instruments that develops after the period of the new issue.
- **“Short” Position:** Selling of an asset or financial instrument in anticipation that the price will decrease or fall in value to buy later at a profit.
- **Spot Rate:** The current market rate for currencies, interest rates for immediate delivery/settlement, and normally two business days after the transaction is agreed.
- **Standard & Poor’s:** A credit rating agency that measures the ability of an organisation to repay its financial obligations.
- **Stop Loss:** Bank traders use a “stop-loss order” placed in the market to automatically closeout an open position at a pre-determined maximum loss.
- **Strike Price:** The rate or price that is selected and agreed as the rate at which an option is exercised.
- **Strip:** A series of short-term interest rate FRAs for a one or two year period, normally expressed as one average rate.
- **Structured Options:** An option instrument where the relationship/profile to the underlying referenced asset or liability is not linear, i.e. 1:1.
- **Swap Spread:** The interest rate margin (in basis points) that interest rate swap rates trade above Government bond yields.
- **Swaption** - An option on an interest rate swap that if exercised the swap contract is written between the parties. The option is priced and premium paid similar to bank bill and bond interest rate options.
- **Swaption Collar** – The simultaneous position of entering into 2 option contracts on 2 interest rate swaps linked together into one transaction. A swaption collar performs similarly to a ‘collar’ where from a borrower’s perspective a top-side position above current market rates and a bottom-side position below current market rates are entered into. On maturity of the options and depending on current interest rates relative to the strike levels on the swaps will determine if either swap is transacted.
-
- **Time Value:** Option contracts taken for longer-term periods may still have some time value left even though the market rate is a long way from the strike rate of the

option and the option is unlikely to be exercised.

- **Tranches:** A loan may be borrowed in a series of partial drawdowns from the facility, each part is called a tranche.
- **Treasury:** Generic term to describe the activities of the financial function within Council that is responsible for managing the cash resources, financial investments, debt, and interest rate risk.
- **Treasury Bill:** A short-term (<12 months) financing instrument/security issued by a government as part of its debt funding programme.
- **Uncalled Capital:** Capital, usually in the form of shares, that have been issued but have not yet been called for payment.
- **Vega:** Another “Greek” letter that is the name given to the measure of the sensitivity of the change in option prices to small changes in the implied volatility of the underlying asset or instrument price.
- **Volatility:** The degree of movement or fluctuation (expressed as a percentage) of an asset, currency, commodity or financial instrument price over time. The percentage is calculated using mean and standard deviation mathematical techniques.
- **Yield:** Read-interest rate, always expressed as a percentage.
- **Yield Curve:** The plotting of market interest rate levels from short-term (90-days) to long-term on a graph i.e. the difference in market interest rates from one term (maturity) to another.
- **Zero Coupon Bond:** A bond that is issued with the coupon interest rate being zero i.e. no cash payments of interest made during the term of the bond, all interest paid on the final maturity date. In effect the borrower accrues interest on interest during the term, increasing the total interest cost compared to a normal bond of paying interest quarterly, half-yearly or annually.

15.0 APPENDIX 5**15.1. List of Council approved Financial Institutions and their date of registration**

Registered Banks	Date of RBNZ registration	Standard & Poor's		Moody's		Fitch	
		Short	Long	Short	Long	Short	Long
ANZ Banking Group (NZ) Ltd	1 April 1987	A-1+	AA-	P-1	Aa3	F1+	AA-
ASB Bank Ltd	11 May 1989	A-1+	AA-	P-1	Aa3	F1+	AA-
Bank of New Zealand	1 April 1987	A-1+	AA-	P-1	Aa3	F1+	AA-
Rabobank New Zealand	7 July 1999	A-1+	A	P-1	Aa3	F1+	AA-
KiwiBank	29 November 2001	A-1+	A	-	-	-	-
TSB Bank Ltd	8 June 1989			-	-	F2	A-
Westpac Banking Corporation	1 April 1987	A-1+	AA-	P-1	Aa3	F1+	AA-

16.0 APPENDIX 6

16.1. Approved Financial Investment Instruments

Investment instruments available in the market (excluding equities and property) can generally be discussed under four broad categories relating to the issuer of these instruments.

1 New Zealand Government

Treasury bills are registered securities issued by the Reserve Bank of New Zealand (RBNZ) on behalf of the Government. They are usually available for terms up to a year but generally preferred by investors for 90 day or 180 day terms. They are discounted instruments, and are readily negotiable in the secondary market.

Government stock is registered securities issued by the RBNZ on behalf of the Government. They are available for terms ranging from one year to 12 year maturities. Government stock has fixed coupon payments payable by the RBNZ every six months. They are priced on a semi-annual yield basis and are issued at a discount to face value. They are readily negotiable in the secondary market.

2 Local Authorities

Local Authority stock are registered securities issued by a wide range of local government bodies. They are usually available for maturities ranging from one to 10 years. A fixed or floating coupon payment is made semi-annually and quarterly respectively to the holder of the security. They are negotiable and usually can be bought and sold in the secondary market, but liquidity can be patchy. Both credit rated and unrated local authorities also issue commercial paper similar to that described in the corporate section below.

3 Registered Banks

Call and term deposits are funds accepted by the bank on an overnight basis (on call) or for a fixed term. Interest is usually calculated on a simple interest formula. Term deposits are for a fixed term and are expected to be held to maturity. Term deposits are not negotiable instruments. Termination prior to maturity date can often involve penalty costs.

Certificates of deposits are securities issued by banks for their borrowing needs or to meet investor demand. Registered certificates of deposit (RCDs) are non-bearer securities in that the name of the investor, face value and maturity date are recorded at the Reserve Bank and settled through Austraclear. They are paperless securities and are able to be transferred by registered transfer only. RCDs are priced on a yield rate basis and issued at a discount to face value. They are generally preferred over term deposits because investors can sell them prior to maturity.

Bank bills are bills of exchange drawn or issued, usually by a corporate borrower and accepted or endorsed by a bank. The investor is exposed to bank credit risk when investing in such instruments. Bank bills are readily available for any maturity up to 180 days, although 30 to 90 day terms are more common. They are priced on yield basis and issued at a discount to face value. Investors in bank bills can sell

the bills prior to maturity date.

4 Corporate

Corporate bonds are generally issued by companies with good credit ratings. These bonds can be registered securities or bearer instruments. A fixed coupon payment is made semi-annually to the holder of the security (MTN). They are priced on a semi-annual yield basis and are issued at a discount to face value. Corporate bonds are negotiable and can be bought and sold in the secondary market.

Promissory notes or commercial paper are issued by borrowers who usually have a credit rating and standing in the market that is sufficient to enable the notes to be issued without endorsement or acceptance by a bank. The notes are usually underwritten by financial institutions to ensure that the borrower obtains the desired amount of funds. Promissory notes are issued with maturities ranging from seven days to over one year. The common maturities are for 30 and 90 days. The face value of the note is repaid in full to the bearer on maturity.

5 LGFA Borrower Notes

In borrowing from the LGFA, the Council agrees to the issue of borrower notes to the value of 1.6% of the total amount borrowed. These will be held by the LGFA while the borrowing is outstanding and may in certain situations convert to shares in the LGFA. Also, as a Guaranteeing Local Authority the Council is required to commit to subscribe for redeemable shares in the LGFA in certain circumstances. As the LGFA is a Council Controlled Organisation, the Council has undertaken specific consultation to satisfy the requirements of section 56 of the Local Government Act 2002.

17.0 APPENDIX 7

17.1. S & P Ratings

S & P Australian Ratings Rating Code

AAA rated corporations, financial institutions, governments or asset-backed financing structures (entities) have an extremely strong capacity to pay interest and repay principal in a timely manner.

AA rated entities have a very strong capacity to pay interest and repay principal in a timely manner and differ from the highest rated entities only in a small degree.

A rated entities have a strong capacity to pay interest and repay principal in a timely manner, although they may be somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than those in higher rating categories.

BBB rated entities have a satisfactory or adequate capacity to pay interest and repay principal in a timely manner. Protection levels are more likely to be weakened by adverse changes in circumstances and economic conditions than for borrowers in higher rating categories.

BB rated entities face ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to a less adequate capacity to meet timely debt service commitments.

B rated entities are more vulnerable to adverse business, financial or economic conditions than entities in higher rating categories. This vulnerability is likely to impair the borrower's capacity or willingness to meet timely debt service commitments.

CCC rated entities have a currently identifiable vulnerability to default and are dependent upon favourable business, financial and economic conditions to meet timely debt service commitments. In the event of adverse business, financial or economic conditions, they are not likely to have the capacity to pay interest and repay principal.

CC is typically applied to debt subordinated to senior debt that is assigned an actual or implied "CCC" rating.

C rated entities have high risk of default or are reliant on arrangements with third parties to prevent defaults.

D rated entities are in default. The rating is assigned when interest payments or principal payments are not made on the date due, even if the applicable grace period has not expired. The "D" rating is also used upon the filing of insolvency petition or a request to appoint a receiver if debt service payments are jeopardised.

Entities rated "BB", "B", "CC" and "C" are regarded as having predominately speculative characteristics with respect to the capacity to pay interest and repay principal. "BB" indicates the least degree of speculation and "C" the highest. While such entities will

likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major exposures to adverse conditions.

The ratings from “AA” to “CCC” may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Credit Watch highlights an emerging situation which may materially affect the profile of a rated corporation.

Short-term Ratings Including Commercial paper (up to 12 months).

A1 rated entities possess a strong degree of safety regarding timely payment. Those entities determined to possess extremely strong safety characteristics are denoted with an “A1+” designation.

A2 rated entities have a satisfactory capacity for timely payment. However the relative degree of safety is not as high as for those rated “A1”.

A3 rated entities have an adequate capacity for timely repayment. They are more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

Entities receiving a “B” rating have only a speculative capacity for timely payment. Those with “B1” have a greater capacity to meet obligations and are somewhat less likely to be weakened by adverse changes in the environment and economic conditions than those rated “B2”.

C1 rated entities possess a doubtful capacity for payment.

D1 rated entities are in default.

18.0 APPENDIX 8

18.1. Tasman District Council Bank Accounts

- ASB Bank Current Accounts
- ASB Commercial Call Accounts
- ASB Bank Money Market Account
- ANZ Bank Money Market Account
- Westpac Bank Money Market Account
- Westpac Bank Current Account

8.5 TREASURY REPORT**Information Only - No Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Kim Dunn, Project Accountant; Matthew McGlinchey, Finance Manager
Report Number:	RCN19-06-05

1 Summary

- 1.1 The Council borrowings at 31 May 2019 are \$171.5m, up from \$153.5m at 30 June 2018. The projected gross debt level out 12 months is \$180.3m.
- 1.2 The **net debt** level at the end of May is \$140.4m. We have \$14m on deposit, \$5m of which is pre-funding Local Government Funding Agency (LGFA) debt due on 22 August 2019 and \$9m pre-funding a Council Controlled Organisation (CCO) loan commitment we have made to Waimea Water Limited (WWL).
- 1.3 The Council's funding and liquidity risk position is currently compliant with Treasury Management Policy parameters. This has been achieved with the implementation of the following strategies:
 - We have negotiated a three year extension to the current Westpac Bank funding facility of \$12m from 31 August 2019 to 31 March 2022.
 - We have repaid \$24m of LGFA March 2019 debt.
 - We have pre-funded a \$9m loan commitment we have made to WWL by way of a five year bespoke piece of LGFA lending at a rate of 2.8%. This was to provide interest rate certainty and to align with the \$8.75m loan agreement with WWL. It is expected that the initial draw on these funds will be in October 2020. In the meantime these funds have been placed on term deposit at a rate of 3.74%.
 - We have pre-funded \$5m of LGFA debt due on 22 August 2019 and deposited these funds at an interest rate of 2.74%.
- 1.4 The positive interest rate differential between the amount we borrowed from the LGFA and the amount we reinvested is a side benefit and not the driver of our pre-funding strategy.
- 1.5 The Council is not in full compliance with its Treasury Management Fixed-Rate Maturity Policy due to the one to three year fixed-rate maturity being lower than policy target, and the five year plus fixed-rate maturity level being higher than policy target. This non-compliance is considered minor, as these exceptions are a result of the Council taking advantage of the current low interest rate environment by taking fixed-rate debt with long dated maturities of 2027 and 2033.
- 1.6 The Council's cost of funds, including interest rate swaps, bank margins and line fees is 4.04%, compared to a budget of 5.08% (2018: 5.31%). The Treasury cost centre has a retained surplus due to the lower than forecast debt levels and the lower than budgeted

Item 8.5

finance costs over the past few years. Staff continue to closely monitor the markets to capitalise on opportunities to reduce the Council's external borrowing costs.

- 1.7 The Official Cash Rate (OCR) dropped from 1.75% to 1.5% on 8 May. Market expectation is that there will be another cut to the OCR by November 2019. Any further changes are dependent on future inflation, growth figures and the strength of the New Zealand dollar. The OCR only impacts on the Council's short-term borrowing costs, with longer-term costs being influenced by external factors.

2 Draft Resolution

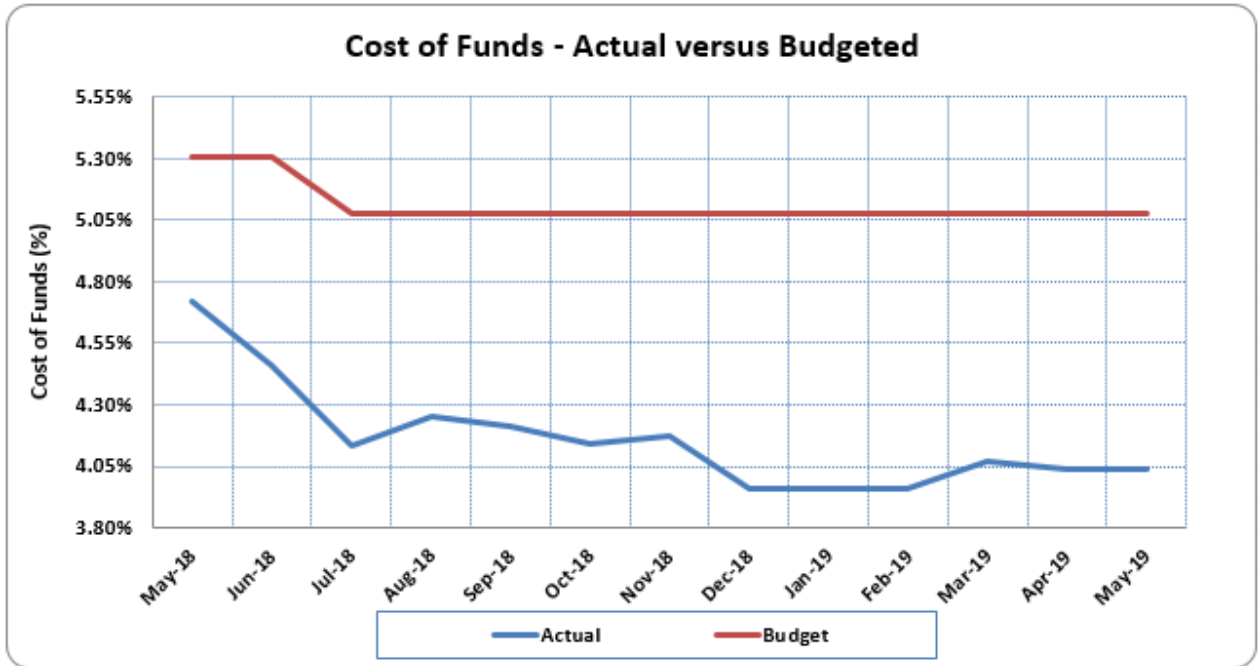
That the Full Council receives the Treasury Report RCN19-06-05.

3 Treasury: May 2019

Debt Levels

3.1 The Council’s debt at 31 May 2019 stands at \$171.5m, with an average interest rate of 4.04% (May 2018: 4.72%).

Cost of Funds



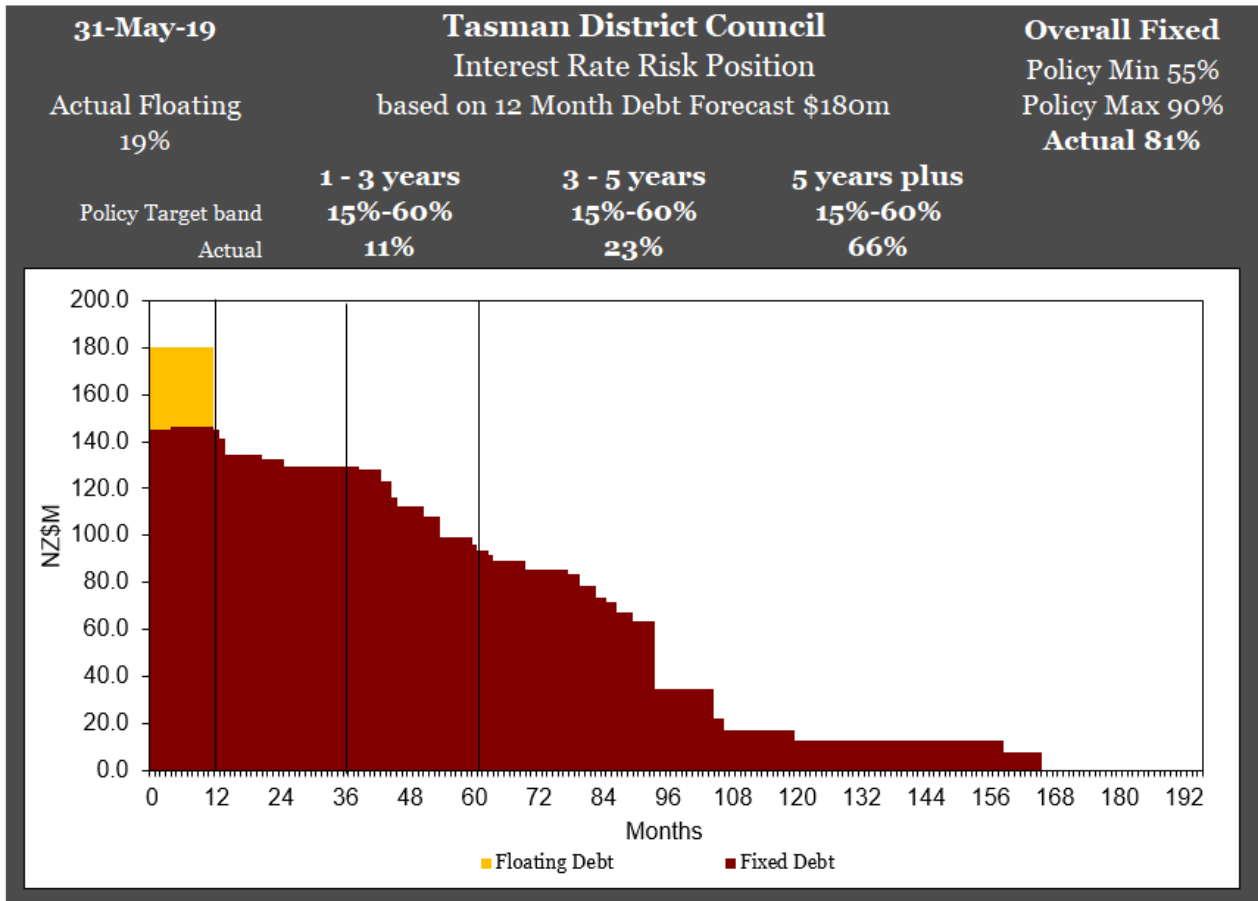
The graph above shows the Council’s actual weighted average cost of funds at 31 May 2019, including interest rate swaps, bank margins and an average interest rate of 4.04% against a budgeted rate of 5.08%.

Interest Rate Swaps

- 3.2 The Corporate Services Manager has delegated authority to enter into interest rate swaps on behalf of the Council on the proviso that such transactions are reported back to the Council. The Council’s approval is required before entering into long-dated swaps with a maturity over 12 years.
- 3.3 Three swaps transactions were entered into in April 2018 with a combined notional value of \$13m. This extended the cover of existing swaps from 2024 out to 2029, 2031 and 2032.
- 3.4 As at 31 May 2019, the Council had \$112.05m of interest rate swaps in place. This equates to 65% cover over existing debt.

Treasury Limits

3.5 The following are details of the Council’s compliance with Treasury limits. The chart below displays the interest rate risk position of the Council.



Interest Rate Risk Position Graph

3.6 The interest rate risk position graph visually represents the interest rate position within approved interest rate control limits, as set out in the Council’s Treasury Policy. The chart takes a snapshot of the risk position as at the reporting date.

3.7 The crimson part of the graph depicts the amount of debt which is fixed – this includes fixed-rate bonds, together with payer swaps, meaning debt which gets repriced in one year’s time or later. The top of the yellow area represents the forecast debt in a year’s time. The yellow area therefore illustrates the amount of floating rate debt.

3.8 The key areas of focus are:

Fixed-Rate Percentage Limit: (wholesale interest rate certainty).

- The fixed-rate percentage calculation is the total amount of fixed-rate debt/interest rate hedges over the 12 month forecast net debt amount. Fixed rate is defined as having an interest rate resetting maturity/expiry date of greater than 12 months.

Fixed-Rate Maturity Limits: (spreading of wholesale interest rate maturity risks).

- Fixed-rate repricing maturity dates are spread based on defined maturity band limits; one to three years, three to five years and five to ten years. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduce the risk of maturity concentrations.

Fixed-Rate Maturity Profile Limit

- 3.9 This measures the spread of the Council's risk of refinancing interest rates, achieved through the use of interest rate swaps.

	Minimum	Maximum	Actual: May 2019	Within Limits
1–3 years	15%	60%	11%	<input checked="" type="checkbox"/>
3–5 years	15%	60%	23%	✓
5–10 years	15%	60%	66%	<input checked="" type="checkbox"/>

- 3.10 The non-compliance is considered minor. The exception is a result of the Council taking advantage of the current low interest rate environment by taking fixed debt with long dated maturities of 2027 and 2033. The Treasury management team meet monthly and have reviewed and confirmed this position.

Fixed/Floating Profile

- 3.11 This measure shows the balance between minimising exposures to negative fluctuations in floating rates against savings opportunities. The Council's strategy is to limit negative exposures and provide certainty of future interest rate costs. This is achieved through its use of interest rate swaps.

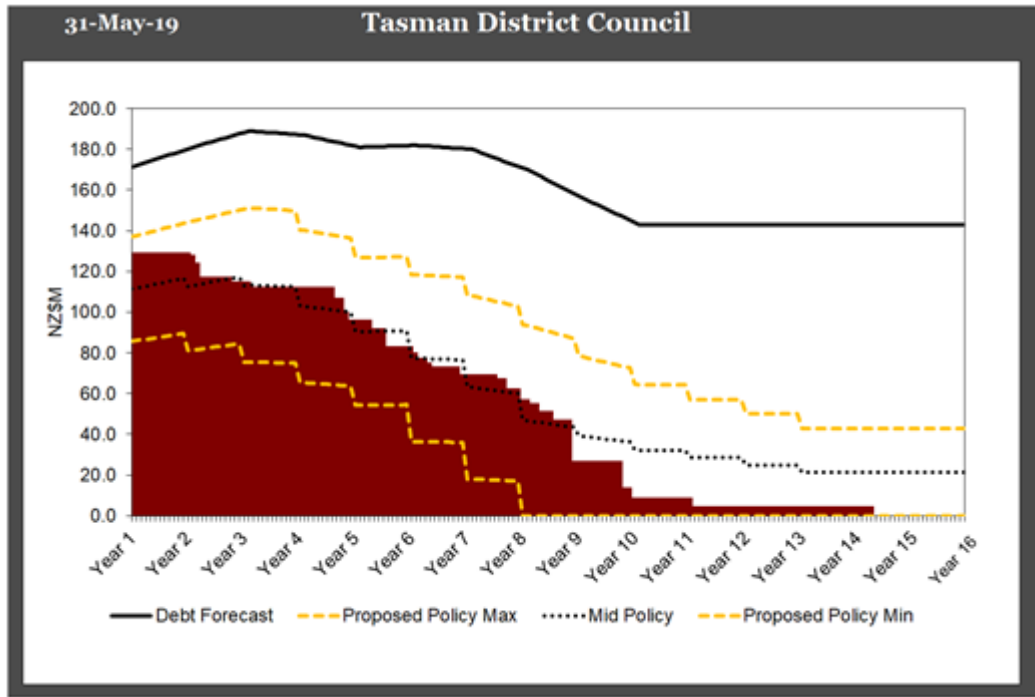
(A maturity greater than one year is defined as fixed).

Minimum	Maximum	Fixed Actual: May 2019	Within Limits
55%	90%	81%	✓

Corridor Policy

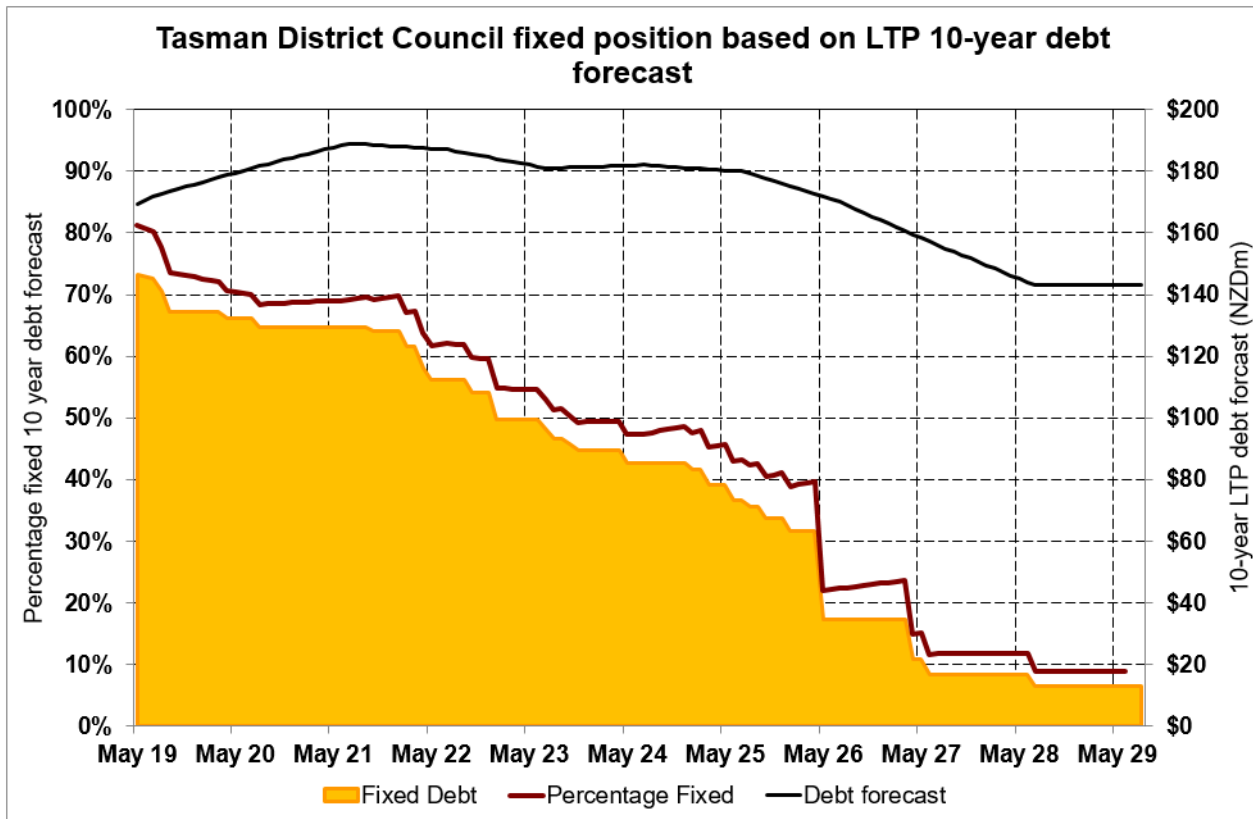
- 3.12 In conjunction with the Council's treasury advisors, PricewaterhouseCoopers (PwC) we are currently reviewing our Fixed-Rate Maturity policy. PwC has recommended a move to what they refer to as a corridor policy. Under this proposed policy our interest rate risk position would look as follows:

(Note: The proposed policy change has been incorporated into the updated policy that the Council will consider in a separate report to the 20 June 2019 meeting. PwC are attending the meeting to answer queries around this change in policy).



Cumulative Interest Rate Position

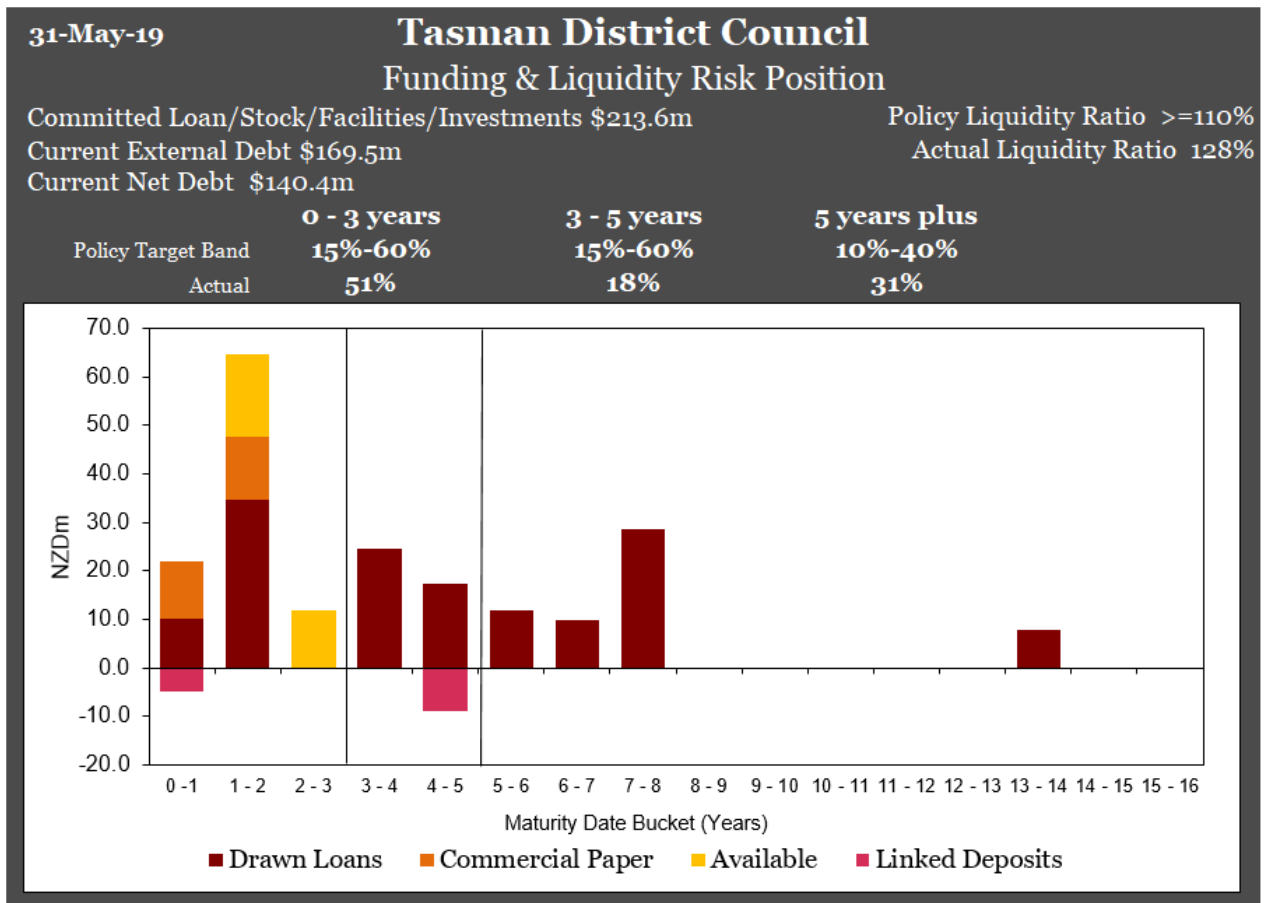
3.13 The chart that follows shows the cumulative interest rate position for the Council. The chart represents the actual percentage of 12 month debt (\$180.3m) which has a fixed interest rate out to 10 years.



Facility Maturity Limit

3.14 Total committed funding in respect to all loans and committed bank facilities is reported as follows:

The chart that follows represents the Council’s funding maturity profile. The measures indicate how effectively the Council has spread the risk of refinancing its facilities and loans. The liquidity ratio represents the debt headroom available in the Council’s facilities, along with cash available over and above its existing external debt.



Liquidity and Funding Maturity Risk Position Graph

3.15 The liquidity and funding risk position visually represents the approved funding maturity limits as set out in the Council’s Treasury Policy. The chart takes a snapshot of the risk position as at the reporting date.

3.16 The key areas of focus are:

Liquidity Ratio: (maintaining additional committed liquidity)

- The liquidity ratio calculation represents the total committed bank facilities and term debt amounts, together with liquid investments, over the total debt amount.

Funding Maturity Risk Position: (spreading of debt maturity dates)

- Existing committed bank facility expiry dates and term debt maturity dates are spread based on defined maturity band limits of up to three years, three to five years and five years plus. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduce the risk of maturity concentrations.

- 3.17 The Council is complying with its Treasury Management Policy, and is within all funding and liquidity limits.
- 3.18 At 31 May 2019 the Council had \$20m in private placements. The private placements allowed the Council to place longer term debt in the years between LGFA issues. The Council also has \$151.5m of debt placed with the Local Government Funding Agency (LGFA).

Treasury Limits	Actual May 2019	Within Limits
Net debt not to exceed 20% of equity	9.6%	✓
Net external debt not to exceed 225% of total operating revenues	118.8%	✓
Net interest as a % of total revenues to be less than 15%	5.9%	✓
Net interest as a % of total annual rates to be less than 25%	9.5%	✓
Liquidity over existing external debt to be at least 110%	128%	✓

Counterparty Credit Risk

- 3.18 The Council's policy is that New Zealand registered banks must have a minimum S&P's (or equivalent) short term rating of A-1+ or long-term rating of AA-. All counterparty banks are S&P AA- rated.
- 3.19 The policy credit limit (NZ\$) for each New Zealand registered bank is \$30m. This covers the Council's interest rate risk management instruments and cash investments.

Bank	Cash/Cash Investments \$m	Notional Swaps \$m	Credit Exposure \$m	Compliance
Westpac	1.2	44.05	15.4	Within Policy
ASB	12.79	28.0	17.7	Outside Policy*
ANZ	5.0	40.0	11.4	Within Policy
BNZ	10.06	NIL	10.1	Outside Policy*

* Note: We have breached the \$10m cash investment section of the policy for ASB and BNZ. This is as a result of our prefunding of our \$9m loan commitment to WWL and having funds on hand due to rates collection during May. The Council have addressed this by changing the Treasury Policy.

Funding Mix

- 3.20 The objective is to have a mix of 80% debt capital markets (such as the LGFA, private placements and commercial paper) and 20% committed bank facilities. The current mix is as follows:

Funding Source	\$m	%
Bank Debt	0.0	0.0%
Private Placement	20.0	11.7%
LGFA Debt	151.5	88.3%
Total	171.5	100.0%

4 Investments

4.1 The Council cash investments total \$29.05m with an average interest rate of 2.53% (June 2018 3.22%). In line with the Treasury Policy, specific reserves are not kept as cash. The Council continues to maintain adequate cash reserves and committed bank facilities to support any drawdown against specified reserves.

4.2 The individual investment balances are as follows:

	\$ Invested	Interest Rate
Term Deposit (1,097 days)	9,000,000	3.74%
Term Deposit (269 days)	1,200,000	3.50%
Term Deposit (90 days)	5,000,000	2.74%
ASB on call Money Market	12,450,000	1.75%
Other Investments	1,400,000	0%
Total	29,050,000	2.53%

5 Emissions Trading Scheme (ETS)

5.1 Consultation has started on proposed improvements to the New Zealand ETS. There are two sets of proposed improvements being to strengthen the ETS framework and to reduce the complexity around the forestry scheme.

	Minimum Cover	Maximum Cover	Actual February 2019	Within Limits
*Committed	80%	100%	100%	✓
Forecast period				
0 – 1 years	0%	80%	80%	✓
1 – 2 years	0%	50%	50%	✓
2 – 3 years	0%	30%	0%	✓

**exposure becomes committed in January-March (quarter following emission period as Council must report emission from the previous year.).*

6 Commercial Paper and Working Capital Funding

- 6.1 The LGFA has made available short-term borrowing from 30 days to one year. This is more cost effective than bank borrowing. The current rates for 30-day debt is an additional margin of nine basis points (bps), or 0.09% compared to bank facility borrowing margin at 80 to 90 bps (0.8% to 0.9%). We are taking advantage of the cheaper LGFA funding when appropriate.

7 Market Comment

- 7.1 The Official Cash Rate (OCR) dropped from 1.75% to 1.5% on 8 May. Market expectation is that there will be another cut to the OCR by November 2019. Future changes are dependent on inflation, growth figures, the strength of the New Zealand dollar and other matters external to New Zealand.

8 Treasury Cost Centre

- 8.1 The Treasury cost centre operates as the Council's internal bank. In essence, the cost centre manages the external costs of borrowing and allocates them across internal loans within individual activities. It also pays/charges interest on reserves and activity balances. As per the Treasury Risk Management Policy, these interest rates are set quarterly. For the quarter ending June 2019, interest is charged on loans and overdrawn closed account balances at 4.38%, and paid at 1.88% on credit balances for the next quarter.

9 Attachments

Nil

8.6 MARCH 2019 QUARTERLY FINANCIAL UPDATE**Information Only - No Decision Required****Item 8.6**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Matthew McGlinchey, Finance Manager; Josh Douglas, Senior Management Accountant; Kelly Kivimaa-Schouten, Revenue Accountant
Report Number:	RCN19-06-06

1 Summary

- 1.1 This quarterly financial report provides an update on key financial information as at the end of March 2019.
- 1.2 Please note that a reforecast exercise was undertaken by staff in April 2019 based on the March 2019 year to date (YTD) actual results.
- 1.3 In the Annual Plan 2018/19 Council budgeted for a controllable deficit of \$1.4m. As a result of the April reforecast, the Council is forecasting a surplus of \$9.7m, which is a favourable movement of \$11.1m.

Financial summary, \$000's	
	Mar-19
Budgeted Total Controllable Operating Surplus	(1,408)
Projected Year End Surplus for 30 June 2019 (April Reforecast)	9,678
Indicative favourable variance to budget	11,086
Key Drivers	
Favourable Movements	
Additional port dividend	750
Finance income	642
Building consents and infringements revenue	1,118
Reserve Financial Contributions	338
Finance expense	2,268
Depreciation charges	1,193
Forestry revenue	2,584
Consultants	779
Waimea Dam net recoveries	4,343
Total Favourable Movements	14,015
Less: Unfavourable Movements	
Net recovery costs of storm events Gita/Fehi	1,919
Forestry expense	1,010
Total Unfavourable Movements	2,929
Total Indicative Favourable Variance	11,086

1.4 The focus of this report is the forecast year-end position as at 30 June 2019. The table below provides a reconciliation of the accounting position compared to the controllable operational position. This table strips out non-cash items and items that can only be used to fund capital expenditure, e.g. swap revaluations and vested assets.

1.5

Accounting Surplus v Operating Surplus, \$000's			
	Forecast 2018/19	Budget 2018/19	Var
Accounting Surplus/(Deficit)	17,075	10,793	6,282
Less Non Controllable Items			
Revaluation of Swaps (non cash)	(3,989)	466	(4,455)
Vested Assets (non cash)	4,259	4,259	0
Capital subsidies	3,824	4,173	(349)
Share of Associates	3,303	3,303	0
Total	7,397	12,201	(4,804)
Controllable Operational Surplus/(Deficit)	9,678	(1,408)	11,086
Explained by			
Income	122,899	115,774	7,125
(less) Expenditure	113,221	117,182	3,961
Controllable Operational Surplus/(Deficit)	9,678	(1,408)	11,086

1.6 Net debt at the end of March 2019 was \$149m and is forecast to be \$155m by year-end, which is \$35m lower than the net debt forecast position in the Long Term Plan 2018.

1.7 March YTD capital expenditure is \$23.4m against a full year revised budget of \$66.6m. The forecast year-end expenditure is \$45.4m.

1.8 Outstanding rates continue to trend down. Total accounts receivables outstanding has increased due to the increased value and volume of invoicing. Payments trends are stable.

1.9 Of the \$9.7m controllable operating surplus, \$4.3m is the result of a recovery by Council from Waimea Water Ltd for historical Waimea Dam costs. This matter was the subject of ongoing negotiations when the December quarterly report was being prepared so it was not included.

1.10 The other significant changes since the December reforecast exercise were:

- The impact of the fire on our professional services spending which has caused delays.
- Increased revenue in the E&P area.

1.11 The adverse movement in Revaluation of Swaps (\$4.5m) is a result of the downward movement in market interest rates.

2 Draft Resolution

That the Full Council receives the March 2019 Quarterly Financial Update report RCN19-06-06.

3 Purpose of the Report

- 3.1 The purpose of this report is to update the Council on the YTD financial performance to 31 March 2019, and the forecast financial results to the end of the 2018/19 financial year.

4 Background and Discussion – Quarterly Financial Report and Year End Forecast to 30 June 2019

- 4.1 This is the third and final quarterly financial report for the 2018/19 financial year.
- 4.2 Controllable operating income is forecast to reach \$122.9m by year-end. This is a favourable variance of \$7.1m on the annual budget of \$115.8m. The key drivers are set out in section six.
- 4.3 Controllable operating expenditure is forecast to reach \$113.2m by year-end. This is a favourable variance of \$4m on the annual budget of \$117.2m. The key drivers are set out in section seven.
- 4.4 Capital expenditure totals \$23.4m as at March 2019, and is forecast to reach \$45.4m by year-end. This is a variance of \$21.2m on the budget of \$66.6m (includes \$24m of carryovers). Expenditure by Department is set out in section ten.
- 4.5 Total net debt as at March was \$149m and is forecast to be \$155m as at 30 June 2019 compared to the 2018/19 budgeted \$189m.
- 4.6 A summary of the debtor position is included with this report. Increased revenues have seen a corresponding increase in some categories of debtors, however the trend for debtor days outstanding remains positive at either stable or declining levels.

5	Statement of Comprehensive Financial Performance
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Statement of Comprehensive Revenue and Expense			
For the year to 30 June 2019, \$000's			
	Forecast 2018/19	Budget 2018/19	Var
REVENUE			
General rates	38,501	38,374	127
Targeted rates (other than for water supply)	30,115	30,062	53
Targeted rates for a water supply	4,232	4,260	(28)
Development and financial contributions	10,371	10,033	338
Operating subsidies and grants	5,211	3,620	1,591
Capital subsidies and grants	3,824	4,173	(349)
Fees and charges	15,463	15,020	443
Other revenue	22,562	18,309	4,253
Fair value movement on revaluation	(3,989)	466	(4,455)
Other gains	62	62	0
Finance income	641	293	348
Revenue of joint ventures	6,890	6,890	0
Share of associates surplus/deficit	0	0	0
Total revenue	133,883	131,562	2,321
EXPENSE			
Finance expense	7,452	9,696	2,244
Employee related expense	23,923	23,806	(117)
Other expenses	26,438	32,002	5,564
Maintenance	30,209	25,286	(4,923)
Depreciation and amortisation	25,199	26,392	1,193
Expenditure of joint ventures	3,587	3,587	0
Total expense	116,808	120,769	3,961
Surplus/(deficit) before taxation	17,075	10,793	6,282
Income tax expense	0	0	0
Surplus/(deficit) after tax	17,075	10,793	6,282
Total other comprehensive revenue and expense	0	0	(0)
Total comprehensive revenue and expense	17,075	10,793	6,282
TOTAL OPERATING SURPLUS (as above)	17,075	10,793	6,282
Less Non-Controllable Activities			
Capital subsidies	3,824	4,173	(349)
Vested assets	4,259	4,259	0
Fair value movement on revaluation	(3,989)	466	(4,455)
Share of JV & associates surplus/deficit	3,303	3,303	0
Total Non-Controllable Activities	7,397	12,201	(4,804)
Total controllable surplus/deficit	9,678	(1,408)	11,086

- 5.1 Both Joint Venture income/expenditure and Vested Assets have not been reforecasted but instead matched to budget which remains our best estimate at the time of the forecast.
- 5.2 Commentary is provided on the revenue and expenditure forecast changes in sections six and seven.

6 Income Analysis

Income by Department, \$000's			
	Forecast	Budget	
	2018/19	2018/19	Var
Environment & Planning	19,073	18,162	911
Engineering	63,637	62,089	1,548
Community Development	21,713	21,274	439
Council Enterprises	11,734	9,472	2,262
Governance	4,037	4,043	(6)
Departmental Overheads	2,705	735	1,969
Total Controllable Income	122,898	115,775	7,124
Non-Controllable Income			
Fair value movement on revaluation swaps	(3,989)	466	(4,455)
Capital subsidies and grants	3,824	4,173	(349)
Revenue of joint ventures	6,890	6,890	0
Vested assets	4,259	4,259	(0)
Total Income	133,883	131,563	2,320

- 6.1 Additional controllable income of \$7.1m is expected over and above budget.
- 6.2 The key driver of the increase in revenue expectations in Environment and Planning relates to additional revenue for Building Control, this is demand driven and reflects the level of consent processing required to support district growth.
- 6.3 The favourable revenue variance in Engineering Services relates to increased revenue for road maintenance relating to cyclones Gita and Fehi from NZTA. It is offset by increased unplanned expenditure.
- 6.4 The increase in revenue in the Community Development activity is due to additional income from Reserve Financial contributions as more developments are further advanced than anticipated.
- 6.5 The increase in revenue in Council Enterprises is in relation to additional income from harvesting of the Eves Valley and Rabbit Island/Moturoa forests. This is partly offset by increased harvesting costs.
- 6.6 The main driver of the additional revenue in department overheads is a larger than expected dividend from Port Nelson Limited and additional interest revenue. Additional revenue is first used to reduce debt under Council's Treasury Policy. This matter will be the subject of a separate report to the September 2019 Council meeting when the year-end position has been finalised. Additional unbudgeted expenditure will be necessary to implement the outcomes from the Capacity and Capability Review, our Digital Strategy and our new Kaihoutu appointment.

7 Operating Expenditure Analysis

Operating expenditure by Department, \$000's			
	Forecast	Budget	
	2018/19	2018/19	Var
Environment & Planning	4,893	4,433	(459)
Engineering	30,749	28,129	(2,621)
Community Development	10,433	10,771	338
Council Enterprises	6,963	5,843	(1,120)
Governance	1,823	1,775	(48)
Departmental Overheads	30,051	30,143	92
Total Departmental Expenditure	84,913	81,094	(3,819)
Finance expense	7,452	9,696	2,244
Depreciation and amortisation	25,199	26,392	1,193
Waimea Community Dam Net Recoveries	(4,343)	0	4,343
	28,308	36,088	7,780
Total (including dep, amort & recoveries)	113,221	117,182	3,961

- 7.1 A favourable variance of \$4m is forecast in controllable operating expenditure. There are a number of significant items that drive this variance.
- 7.2 The favourable finance expense variance of \$2.2m is the result of interest savings due to a reduced level of debt; a lower than budgeted weighted average interest rate; and a lower than budgeted forecast capital spend.
- 7.3 The Waimea Community Dam Recoveries relate to a payment to the Council from the newly formed Waimea Water Ltd CCO for eligible historical Waimea Community Dam costs up to financial close. These were not included in the budget as the decision on the dam proceeding was not certain. The funds were used to reduce debt incurred by the project.
- 7.4 Depreciation is \$1.2m favourable to budget as a result of a lower than budgeted capital spend. It is also impacted by the revaluation that occurred in the infrastructure area.
- 7.5 Environment and Planning is forecasting to be unfavourable to budget due mainly to increased building control expenses, however there is a favourable offsetting variance in income. The variance is driven by growth and demand for services.
- 7.6 Engineering Services has a forecast \$2.6m unfavourable variance due mainly to additional roading and river expense related to cyclones Gita and Fehi. The Council will receive additional NZTA subsidies to offset a portion of these costs.
- 7.7 Despite the summer drought conditions we are forecasting for metered water revenue to be close to budget as we saw a spike in water use both before restrictions were put in place and following the lifting of restrictions.
- 7.8 Council Enterprises are forecasting an unfavourable variance due to an increase in harvesting and maintenance costs at Rabbit Island/Moturoa (offset by increased harvesting income).

8 Statement of Financial Position
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Statement of Financial Position		
As at 31 March 2019, \$000's		
	Mar-2019	Budget
	YTD	2018/19
CURRENT ASSETS		
Cash and cash equivalents	12,500	6,047
Trade and other receivables	11,096	19,632
Other financial assets	1,012	1,833
Non current assets held for resale	0	560
Total current assets	24,608	28,072
CURRENT LIABILITIES		
Trade and other payables	11,035	17,578
Employee benefit liabilities	2,217	2,180
Current portion of borrowings	25,003	16,228
Current portion of derivative financial instruments	0	818
Total current liabilities	38,255	36,804
Working capital	(13,647)	(8,732)
NON CURRENT ASSETS		
Investments in associates	134,405	123,311
Other financial assets	37,877	38,553
Intangible assets	1,350	1,386
Trade & other receivables	0	0
Forestry assets	41,220	36,724
Investment property	4,695	4,700
Property, plant and equipment	1,425,620	1,428,248
Total non current assets	1,645,167	1,632,922
NON CURRENT LIABILITIES		
Term borrowings	146,497	180,872
Derivative financial instruments	17,865	11,582
Employee benefit liabilities	480	557
Provisions	1,898	3,286
Total non current liabilities	166,740	196,297
Total net assets	1,464,780	1,427,893
EQUITY		
Accumulated equity	616,411	626,909
Restricted reserves	20,366	9,825
Revaluation reserves	828,003	791,159
Total equity	1,464,780	1,427,893

- 8.1 Overall, the financial position of the Council remains strong and ahead of year-end budget expectations.
- 8.2 Trade and Other payable and Trade and other Receivables are both significantly less than the budget amount because of the lower level of accruals done at the end of the March quarter compared with the June quarter.

9 Total Net Debt

- 9.1 Total net debt is forecast to be \$155m as at 30 June 2019, compared to a budget of \$189.2m. This favourable variance is driven primarily by a reduction in capital expenditure and a favourable operating surplus.
- 9.2 Net debt is gross debt less cash on hand and other liquid financial assets.

Total Net Debt, \$000's	
Opening Net Debt July 2018	141,510
Net Debt March 2019	148,988
Projected Net Debt 30 June 2019	154,645
Projected Net Debt 30 June 2019 (LTP)	189,220

10 Capital Expenditure Analysis

Capital Expenditure by Department, \$000's				
	Actual Mar YTD	Forecast 2018/19	Budget 2018/19	Var
Environment & Planning	118	168	428	260
Engineering	20,992	34,312	51,807	17,495
Community Development	1,570	5,805	8,957	3,152
Council Enterprises	66	2,006	3,253	1,247
Governance	14	14	56	42
Departmental Overheads	650	1,143	2,127	984
Total Capital Expenditure	23,410	43,447	66,628	23,181

- 10.1 Overall, the capital programme budget is forecast to be underspent by \$21.2m at year-end.
- 10.2 Delays in several water supply and wastewater projects are driving the majority of the forecast underspend.
- 10.3 The capital underspend in Engineering includes approximately \$3m relating to the Wakefield Water Treatment Plant and reticulation which is on hold and not expected to progress until 2020/2021. Construction of these works are on hold due to:
- delays in securing access and rights to several land parcels for the reticulation
 - water quality testing at the Spring Grove site to better understand what treatment levels are required and potentially lower costs
 - investigation of alternative source and treatment options in the Waimea Plain, now that the Waimea Community Dam is progressing.

Excluding this project, the forecast underspend is \$14.5m. A paper was presented to the Engineering Services Committee on 11 April giving a more detailed view of the drivers of this capital underspend.

Engineering Services Capital Expenditure

Engineering Capital Expenditure by Activity, \$000's				
	Actual	Forecast	Budget	
	Mar YTD	2018/19	2018/19	Var
Coastal Structures	89	89	70	(19)
Rivers & Flood Protection	463	983	821	(162)
Roading - Non Subsidised	2,673	4,323	3,891	(432)
Roading - Subsidised	3,651	6,297	7,683	1,386
Solid Waste	1,132	1,691	2,375	684
Stormwater	4,556	6,509	9,605	3,096
Water Supply	4,742	7,921	15,389	7,469
Wastewater	3,685	6,499	11,972	5,474
Total Capital Expenditure	20,992	34,312	51,807	17,495

- 10.4 Stormwater - the forecast underspend is mainly due to the delay of the purchase of land for the Richmond South stormwater system and the delay of the Pohara Stormwater improvements due to land access agreement issues.
- 10.6 Wastewater - this activity is forecast to underspend its capital programme in 2018/19 primarily due to the re-phasing of work on the Stafford Drive pump station and rising main.
- 10.7 Rivers & Flood Protection - this activity is unfavourable to budget due to continued work on Cyclone Gita repairs.
- 10.8 Rooding – Non Subsidised - this activity is unfavourable to budget primarily due to the Brightwater Town Centre upgrade.
- 10.9 Rooding Subsidised - slower than anticipated progress on the Tasman Loop Cycleway is the key driver of the favourable variance to budget.

Other Departmental Capital Expenditure

Other Departmental Capital Expenditure, \$000's				
	Actual	Forecast	Budget	
	Mar YTD	2018/19	2018/19	Var
Community Development				
RFC's Waimea Moutere	521	830	1,226	396
RFC's Motueka	153	372	1,464	1,092
RFC's Richmond	56	1,088	2,846	1,758
Council Enterprises				
Port Tarkohe	4	439	1,459	1,020
Departmental Overheads				
Operational Property	43	191	904	713
Other	1,641	6,215	6,921	706
Total Other Capital Expenditure	2,418	9,135	14,821	5,685

- 10.10 The key driver of the favourable variance to budget for Community Development relates to RFC's across the Waimea/Moutere, Motueka and Richmond wards. This is largely due to the delay in the purchase of reserve land within these wards. Another contributing factor is aspirational projects where funding has been earmarked and entered into the budget but the actual spend is unlikely to be undertaken within the financial year.

- 10.11 Capital works at Port Tarakohe have been delayed while we look to progress work on the Port Tarakohe business case.
- 10.12 The favourable variance in Departmental Overheads is mainly due to budgeted building upgrades which have been delayed.

11 Accounts Receivable Report 31 March 2019

11.1 Rates Receivable (excluding volumetric water)

- 11.1.1 Outstanding rates receivables continue to trend down slightly, despite district growth and increases in rates year on year with only \$723k owing at 31 March 2019.
- 11.1.2 Debtor days also continue to trend down from 4.7 in 2014-2015 to 3.3 in 2018-2019, showing a faster collection of outstanding accounts.
- 11.1.3 Our continued focus on proactively managing our debtors has enabled this positive result.

11.2 Metered Water Billing

- 11.2.1 Outstanding metered water receivables continue to trend down slightly, despite district growth and increases in water rates year on year.
- 11.2.2 Debtor days have continued to trend down and are sitting at just under the 35 day expectation.
- 11.2.3 Of the metered water owing at 1 July 2018, 99% has been paid, leaving only \$3k owing.
- 11.2.4 Our continued focus on proactively managing our debtors has enabled this positive result.

11.3 Accounts Receivable

- 11.3.1 Debtors' balances have increased by \$0.4m from the prior year, however total revenue has substantially increased, and debtor days have fallen from a peak of 88 days in 2015-2016 to 25 in 2018-2019, indicating faster collections overall.
- 11.3.2 Our continued focus on proactively managing our debtors has enabled this positive result.

11.4 Department of Internal Affairs Rates Rebates Scheme

- 11.4.1 The rates rebate scheme, run by the Department of Internal Affairs (DIA), and administered by local councils, provides a subsidy to low income homeowners for their rates.
- 11.4.2 Rates rebate claims have increased slightly from the prior year, partly due to the new legislation allowing retirement village residents to claim.

	2017/18	2018/19
Number of claims	1,251	1,361
Dollar value of claims	\$727k	\$810k

12 Attachments

Nil

Item 8.6

8.7 STATE HIGHWAY SAFETY ENHANCEMENTS**Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Drew Bryant, Activity Planning Advisor - Engineering Services
Report Number:	RCN19-06-07

Item 8.7**1 Summary**

- 1.1 The New Zealand Transport Agency (NZTA) has requested that the SH6 Nelson to Richmond Safe System Enhancement (deviation safety improvements) and the Tasman State Highway Speed Management Guide (state highway speed review) activities be included in the Tasman Regional Land Transport Plan (RLTP).
- 1.2 The deviation safety improvements activity is to make changes on the State Highway 6 Richmond deviation to reduce the consequences of loss of control crashes as the result of a head-on collision. This will likely involve construction of a central wire rope barrier. The Nelson City section of these works was included in the Nelson RLTP in October 2018.
- 1.3 The state highway speed review activity was previously a single nationwide project but has now been broken up into regional projects for implementation. NZTA will assess each state highway against its tool for determining the safe and appropriate speed (Megamaps). Any decision to change speed limitst will go through a public consolation process.
- 1.4 NZTA proposes to fully fund both the activities, although funding is yet to be approved by the NZTA Board. The Full Council must approve the inclusion of these activities in the RLTP. Inclusion in the RLTP will ensure that these activities are eligible for funding from the National Land Transport Fund.
- 1.5 The Tasman Regional Transport Committee considered this request at its meeting on 26 November 2018, and made the following recommendation:

That the Tasman Regional Transport Committee:

1. **receives the State Highway Safety Enhancements report, RTC18-11-01; and**
2. **recommends to the Full Council that the State Highway Safety Enhancements and the Tasman State Highway Speed Management Guide Implementation activities be included in the Regional Land Transport Plan.**

2 Draft Resolution

That the Full Council

1. receives the **State Highway Safety Improvements report, RCN19-06-07; and**
2. **approves the State Highway 6 Nelson to Richmond Safe System Enhancements (\$2.2 million) and the Tasman State Highway Speed Management Guide Implementation (\$1.3 million) activities for inclusion in the Regional Land Transport Plan, as per attachment 1.**

3 Attachments

- | | | |
|----|--|-----|
| 1. | Original State Highway Safety Enhancements Report | 161 |
| 2. | Tasman Regional Transport Committee Meeting Minutes 26 November 2018 | 167 |



7.1 STATE HIGHWAY SAFETY ENHANCEMENTS

Decision Required

Report To:	Tasman Regional Transport Committee
Meeting Date:	26 November 2018
Report Author:	Drew Bryant, Activity Planning Advisor - Engineering Services
Report Number:	RTRTC18-11-1

1 Summary

- 1.1 The New Zealand Transport Agency (NZTA) has requested that the SH6 Nelson to Richmond Safe System Enhancement activity be included in the recently updated Tasman Regional Land Transport Plan (RLTP).
- 1.2 The activity is to make changes on SH6 Richmond Deviation to reduce the consequences of loss of control crashes as the result of a head-on collision.
- 1.3 NZTA will fund the works, however funding is yet to be secured. Inclusion of this activity in the RLTP will ensure that the activity is eligible for funding.
- 1.4 The SH6 Nelson to Richmond Safe System Enhancement Programmes total budget is estimated at \$2.77 million with a construction cost estimated at \$2.55 million. The majority of this cost would be within the Tasman District (approximately \$2.2 million) with approximately \$350,000 within Nelson City.
- 1.5 The Nelson City section of these works were included in the Nelson RLTP in October 2018.
- 1.6 The RLTP should also include the Tasman State Highway Speed Management Guide Implementation activity. This activity was previously a single nationwide project but has now been broken up into regional implementations.

2 Draft Resolution

That the Tasman Regional Transport Committee:

1. **receives the State Highway Safety Enhancements report, RTC18-11-01; and**
2. **recommends to the Full Council that the State Highway Safety Enhancements and the Tasman State Highway Speed Management Guide Implementation activities be included in the Regional Land Transport Plan.**



STATE HIGHWAY SAFETY ENHANCEMENTS

3 Purpose of the Report

- 3.1 The purpose of this report is to recommend to Full Council that the State Highway Safety Enhancements and the Tasman State Highway Speed Management Guide Implementation activities be included in the Tasman Regional Land Transport Plan.

4 Background and Discussion

- 4.1 NZTA developed a safety programme business case to identify areas with the worst crash record and develop work programmes for inclusion in Regional Land Transport Plans.
- 4.2 This is in direct response to the rising national road toll since early 2013 and the stronger emphasis placed on safety in the 2018 Government Policy Statement on Land Transport.
- 4.3 The Richmond Deviation was identified within the national median barrier programme to mitigate head-on, loss of control and run off the road crashes. These crash types typically result in high severity injury.
- 4.4 The Richmond Deviation is the section of highway between the SH6 Link Road roundabout near the Salisbury Road/Main Road Stoke intersection (Three Roundabouts) and the traffic signals at Gladstone Road in Richmond.
- 4.5 The section described above straddles the boundary between Nelson City and Tasman District. The total length is approximately 1,400 metres with approximately 1,230 metres on the Tasman side and approximately 170m in Nelson as shown in Figure 1, below.

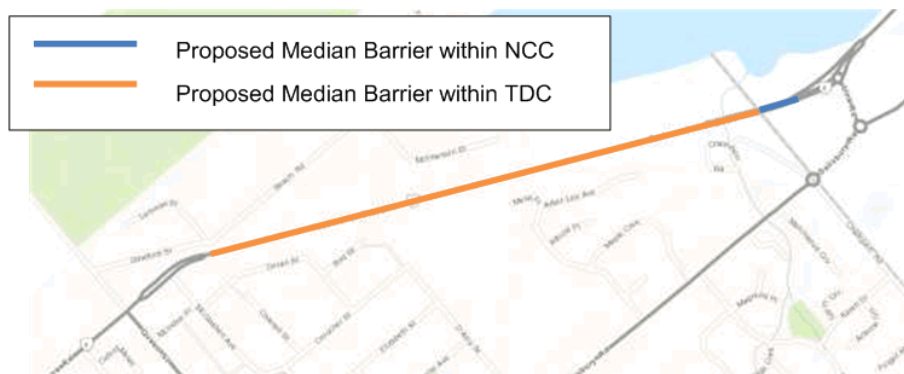


Figure 1: Location of proposed median barrier

- 4.6 The safety programme identifies installation of median barriers (such as the example in Figure 2 below) as one of the Transport Agency's 'quick win' programmes as barrier installation in an unconstrained corridor such as the Richmond Deviation can be installed relatively simply.



Tasman Regional Transport Committee - 26 November 2018

STATE HIGHWAY SAFETY ENHANCEMENTS

Figure 2: Example of a median barrier

- 4.7 Whilst a median barrier is the current proposed solution to mitigate head-on and loss of control accidents, the project will go through a business case which will determine whether a median barrier or some other intervention is the correct solution.
- 4.8 A total budget of \$2.77 million has been allocated. The construction cost has been estimated at \$2.55 million. A majority of the work would be undertaken within Tasman District (approximately 1,230 metres) with a smaller portion within Nelson City (approximately 170 metres).
- 4.9 This activity was included in the Transport Agency Investment Proposal (TAIP) but incorrectly allocated solely to Nelson City. The activity needs to be included in the Tasman RLTP to be eligible for funding. Nelson City Council included the activity in their RLTP in October 2018.
- 4.10 Any works that impact on this stretch of the State Highway network do need to be responsive to the findings of the Network Operating Framework currently being developed by Nelson, Tasman and the Transport Agency for the Richmond and Southern Stoke areas. If that study shows that additional road capacity (i.e. four lanes) are needed in the short or medium term then it would be prudent to delay any safety improvements to ensure they are fit for purpose.
- 4.11 The outcomes from the NOF are due in early to mid-2019.
- 4.12 In the draft Transport Agency Investment Proposal (TAIP) released in April 2018, NZTA included a nationwide activity to implement the speed management guide on state highways. This activity has now been divided into their respective regions and should be reflected in the Tasman RLTP.

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STATE HIGHWAY SAFETY ENHANCEMENTS

5 Options

- 5.1 The Tasman Regional Transport Committee has two options:
- a) Recommend to the Full Council to include the state highway safety enhancement activities in the Regional Land Transport Plan;
 - b) Decline to recommend to the Full Council include the state highway safety enhancement activities in the Regional Land Transport Plan.
- 5.2 Staff recommend option a) to allow state highway safety enhancements to proceed. This route is utilised by a majority of Tasman residents and the activities will have a significant effect on reducing the severity of crashes. The activities have good alignment with the RLTP and meet the goal of reducing death and serious injuries on Tasman roads.

6 Strategy and Risks

- 6.1 The Tasman RLTP has a problem statement regarding safety
- Driver behavior and unforgiving roads lead to unacceptable levels of death and serious injuries.*
- 6.2 The strategic response to this problem is:
- Investment in safety infrastructure and education programmes for locals and visitors targeted at reducing death and serious injury crashes.*
- 6.3 The State Highway safety enhancements activities have good alignment with the strategic response. The routes on state highways are key commuter and transit link for the residents living in Tasman and visitors alike.
- 6.4 Adopting the activity in the Tasman RLTP does not guarantee that any activity will be undertaken. The budget for national state highway improvements has been reduced from previous years, putting pressure on funding all state highway projects. However, if these activities are not included in the RLTP, they cannot be considered.
- 6.5 The activities have been recommended by NZTA and are on the state highway network, therefore NZTA will meet all costs to complete the work, should it proceed.

7 Policy / Legal Requirements / Plan

- 7.1 Section 16 of the Land Transport Management Act 2003 sets out the form and the content of RLTPs.
- 7.2 Section 16 (3)(e) outlines what information must be included in the RLTP to allow assessment for National Land Transport Funding. The activities are summarised in the following table:



Tasman Regional Transport Committee - 26 November 2018

STATE HIGHWAY SAFETY ENHANCEMENTS

Duration	Activity	Organisation Responsible	Contributes to Objectives	Performance Monitoring Measure	Total Cost	NLTF Share	Draft National Priority
2018-21	SH6 Nelson to Richmond Safe System Enhancement	NZTA	6) Deaths and serious injuries on the region's transport system are reduced	Road Safety	\$2,770,000	\$2,770,000	4
2018-2021	Tasman SH Speed Management Guide Implementation	NZTA	6) Deaths and serious injuries on the region's transport system are reduced	Road Safety	\$896,724	\$896,724	1

- 7.3 Section 16(4) outlines that an activity may be proposed if an organisation accepts financial responsibility. In his situation, NZTA will accept financial responsibility for the proposed activities.

8 Consideration of Financial or Budgetary Implications

- 8.1 There are no budgetary considerations or implications to the Council.

9 Significance and Engagement

- 9.1 The recommendation to include the SH6 Richmond deviation safety enhancements activity in the RLTP is of low significance. The decision does not have financial consequences to the Council nor is the decision likely to be controversial.

10 Conclusion

- 10.1 SH6 Nelson to Richmond Safe System Enhancement activity was included in the recently released TAIP and has been included in the Nelson RLTP but was not included in the Tasman RLTP.
- 10.2 If it is included in the Tasman RLTP it will allow the activity to be eligible for funding from the National Land Transportation Fund.
- 10.3 The RTC will need to recommend to Full Council that SH6 Nelson to Richmond Safe System Enhancement and Tasman SH Speed Management Guide Implementation activities be included in the RLTP to allow it to proceed.

11 Next Steps / Timeline

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Tasman Regional Transport Committee - 26 November 2018

STATE HIGHWAY SAFETY ENHANCEMENTS

11.1 Should the RTC recommend to Full Council that the activities be included in the RLTP a report will be presented to the Full Council on 13 December 2018.

12 Attachments

Nil



MINUTES
of the
TASMAN REGIONAL TRANSPORT COMMITTEE MEETING
held
9.30 am, Monday, 26 November 2018
at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: Councillors S G Bryant (Chair), C M Maling, D E McNamara, D J Ogilvie and P F Sangster and Mr J Harland

Committee Advisers – Mr W Findlater, Inspector D Mattison and Ms J Murray

In Attendance: Activity Planning Manager (D L Fletcher), Transportation Manager (J McPherson), Activity Planning Adviser (D Bryant) and Executive Assistant (R L Scherer), Tasman District Council

NZTA Top of the South Lead Strategic Planner (S Higgs)

1 OPENING, WELCOME

The Chairman welcomed everyone to the meeting and invited Inspector Dan Mattison to introduce himself to the members.

2 APOLOGIES AND LEAVE OF ABSENCE

Moved Cr Maling/Cr McNamara
TRTC18-11-1

That apologies from Ms D Smith be accepted.
CARRIED

3 PUBLIC FORUM

Jane Murray spoke about the Nelson Marlborough District Health Board's plan to reactivate the Active Transport Forum which includes Nelson City Council, Tasman District Council and Sport Tasman staff. The Forum will provide advice on active transport to the Nelson and Tasman Regional Transport Committees.

Mr Higgs said that the Transport Agency would also like to be involved in the forum and he will provide the name of a suitable representative to Ms Murray.

4 DECLARATIONS OF INTEREST

5 CONFIRMATION OF MINUTES

Moved Cr Ogilvie/Cr Maling
TRTC18-11-2

That the minutes of the Tasman Regional Transport Committee meeting held on Monday, 17 September 2018, be confirmed as a true and correct record of the meeting.

CARRIED

6 PRESENTATIONS

Nil

7 REPORTS

7.1 State Highway Safety Enhancements

Activity Planning Adviser, Drew Bryant and NZTA Top of the South Lead Strategic Planner, Steve Higgs spoke to the report contained in the agenda which was taken as read.

Mr Bryant outlined the background to the report and the reasons the two projects had not been included in the Regional Land Transport Plan (RLTP). He noted that in order for these projects to be funded in the National Land Transport Programme, they need to be included in the RLTP.

Mr Higgs advised the committee that NZTA is assessing speed management across the country and the safety enhancements is part of that assessment.

In response to a question regarding crash statistics, Mr Higgs agreed to provide crash details on the section of highway along the Richmond deviation including whether crashes are predominantly nose to tail or head on.

Some members of the Regional Transport Committee considered that the safety improvements on the Richmond Deviation are not the highest priority.

Mr Harland said that both projects are the result of the central government focus on safety as the number one issue across whole of state highway network. He noted that the Transport Agency uses modelling tools to identify areas of high risk, including vehicle numbers and speed profiles. He noted that these projects cannot progress if they are not included in the RLTP.

Mr Higgs noted that any safety improvement project will still require a business case before any final recommendation is made. He also suggested that median barriers may be just one option to enhance safety on this stretch of highway.

Moved Cr Maling/Mr Harland
TRTC18-11-3

That the Tasman Regional Transport Committee:

1. receives the State Highway Safety Enhancements report, RTC18-11-01; and
2. recommends to the Full Council that the State Highway Safety Enhancements and the Tasman State Highway Speed Management Guide Implementation activities be included in the Regional Land Transport Plan.

CARRIED**7.2 Transportation Activity Update**

Mr Bryant spoke to the report contained in the agenda which was taken as read.

Mr Bryant spoke about the Council's recent active transport survey which had indicated that people want to use cycling as their main form of transport, however, time and distance are the main reasons they don't, closely followed by safety issues. Mr Bryant said that the survey information will help staff in developing the active transport strategy.

Mr Bryant advised the committee that the Richmond bus loop service is scheduled to start in 2019 and staff have been investigating route options. He also noted a recent initiative where a community trust has been formed to investigate options to provide a public transport service from Brightwater and Wakefield. Council staff are providing assistance to the trust.

Mr Bryant spoke about the Nelson-Tasman combined growth strategy where Tasman District Council staff have been invited to help with investigating options with Nelson City Council and the Transport Agency to improve the local network operating area including state highways and their interaction with local roads.

Mr Bryant noted that the proposed lower speed limit on State Highway 60 from McShane Road to Maisey Road will be presented to the Transport Agency Board for their approval on 14 December 2018. It is hoped that the new speed limit can be introduced before the holiday season.

Mr Bryant spoke about the recent Trafanz conference which had a particular focus on safety. He noted that several organisations are pushing to reduce speed limits that are appropriate to the local environment.

Activity Planning Manager, Dwayne Fletcher advised the committee that Council staff had been invited to participate in the detailed business case for the Southern Link. He said that over the next nine-12 months the business case will look at the whole corridor and also consider alternative options including bus services and road widening.

Mr Higgs said that the Southern Link business case will be broadened to include the recent Government Policy Statement including land use growth and other factors that impact on transport networks generally.

Mr Harland stressed that the Southern Link detailed business case will need to ensure that the final plan will work for Tasman as well as Nelson. This would require a good understanding of all the drivers including any growth in freight traffic to Nelson Port if the Waimea Community Dam goes ahead.

In response to a question regarding recent vehicle policing statistics, Police representative Dan Mattison noted that speed contributed to 25 percent of offending and that at one stage drugs were responsible for 53% of offences. Transportation Manager, Jamie McPherson also noted that drug use had risen in the latest local crash statistics.

In response to a question, Mr Bryant confirmed that staff will be holding a Council workshop focusing on active transport early in 2019. He added that staff want to complete the active transport strategy in time for any funding requests to be included in the Council's Long Term Plan.

Mr Harland noted that in line with the recent Government Policy Statement (GPS), high profile walking and cycling projects can attract enhanced financial assistance rate funding from the Transport Agency.

Mr McPherson said that Council staff are currently looking at projects that could attract the enhanced funding, including footpaths that meet the criteria.

In response to a question about the setting of speed limits within Tasman District, Mr McPherson said that staff had invited the community to suggest roads they believe should be considered for lower speed limits. Staff will then consider and short list suggested sites before gaining the Council's approval for public consultation.

In response to a question, Mr McPherson said that speed humps are only used where there are severe and urgent safety risks, for example in Paton Road.

Mr Harland noted that heavy vehicles and buses generate a lot of noise when they use speed humps and the height of buses can make negotiating them unsafe.

In response to a question about High Street in Motueka, Mr Higgs said that the Transport Agency is finalising the detailed business case. Transport Agency staff are also looking at options that could meet the criteria for the GPS low cost-low risk activity, eg in King Edward Street.

In response to a question about repairs to the Takaka Hill, Mr Harland noted that a significant amount of work will be completed this summer and again in the 2019-2020 summer season.

In response to a question about the speed limit restrictions introduced on SH63/6 when SH1 was closed after the Kaikoura earthquake, Mr Higgs said he would get an update on when the restrictions will be reviewed.

In response to a question about the active transport survey, Mr Findlater urged the Council staff to ensure they also consulted with groups such as the Automobile Association and the Chamber of Commerce as they are also part of the community.

In response to a question, Mr McPherson advised he would contact Tasman Journeys for an update on the SH6 Clover Road intersection works and report back to the Committee members.

The Regional Transport Committee discussed the option of reinstating the State Highway Liaison meetings previously held between the Transport Agency and the Council. Mr Harland said that he would prefer that any issues previously discussed at liaison meetings are raised at the Regional Transport Committee meetings.

Further to the discussion regarding the Southern Link, Mr Harland asked that Ms Murray send the District Health Board's health impact assessment to be included in the business case.

**Moved Cr Ogilvie/Cr McNamara
TRTC18-11-4**

That the Tasman Regional Transport Committee receives the Transportation Activity Update report, TRTC18-11-02.

Tasman District Council Minutes of Tasman Regional Transport Committee – 26 November 2018

CARRIED

8 CONFIDENTIAL SESSION

The meeting concluded at 10.40 am.

Date Confirmed:

Chair:

Confirmed Minutes

8.8 STATE HIGHWAY 60 - MOTUEKA HIGH STREET**Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Jamie McPherson, Transportation Manager; Robyn Scherer, Senior Executive Assistant - Engineering
Report Number:	RCN19-06-08

Item 8.8**1 Summary**

- 1.1 At the Tasman Regional Transport Committee meeting on 15 April 2019, the New Zealand Transport Agency (NZTA) presented a report regarding the business case for road safety improvements on State Highway 60 through High Street, Motueka.
- 1.2 In 2016, the Transport Agency considered short to medium term improvements for Motueka's High Street on State Highway 60. The investigation confirmed that poorly designed pedestrian crossings were contributing to crashes, and improvements to the design and layout of key intersections could improve accessibility and safety for all users.
- 1.3 More detailed investigations started in early 2017 followed by public engagement in June and July 2017. The Agency considered the public feedback and combined with the outcome of the detailed investigations, arrived at a draft option. However, the draft option was unable to be funded from the National Land Transport Fund as higher ranked priorities across New Zealand took precedence.
- 1.4 The Transport Agency is now seeking the Council's endorsement of the draft option for improvements to State Highway 60, Motueka High Street so that the work undertaken to date is not lost and is able to be picked up again should funding priorities or opportunities change.
- 1.5 The Tasman Regional Transport Committee endorsed the draft option as shown in the attached report (RTC19-0-01, **Attachment 1**) and recommends that Tasman District Council also approve it.

2 Draft Resolution

That the Full Council

- 1. receives the report, State Highway 60, Motueka High Street, RCN19-06-08; and**
- 2. approves the draft option for safety improvements on State Highway 60, Motueka High Street as noted in the Tasman Regional Transport Committee report, RTC19-04-01 (Attachment 1); and**
- 3. notes that the recommended safety improvements may be actioned if New Zealand Transport Agency funding priorities change.**

3 Attachments

- 1. Report to Tasman Regional Transport Committee 2019-04-15 175**

**7.1 NEW ZEALAND TRANSPORT AGENCY REPORT - SH60 MOTUEKA HIGH STREET INVESTIGATION****Decision Required**

Report To: Tasman Regional Transport Committee
Meeting Date: 15 April 2019
Report Author: Jamie McPherson, Transportation Manager
Report Number: RTRTC19-04-1

1 Summary

- 1.1 The New Zealand Transport Agency has provided a report (**Attachment 1**) to the Tasman Regional Transport Committee regarding the SH60 Motueka High Street Investigation.

2 Draft Resolution

That the Tasman Regional Transport Committee:

1. **receives the New Zealand Transport Agency Report - SH60 Motueka High Street Investigation report, RTC19-04-01; and**
2. **endorses the draft option as detailed in Section 4 of the report and as shown in the drawings in Attachment 1; and**
3. **recommends to Tasman District Council that they endorse the draft option as detailed in section 4 and as shown in the drawings in Attachment 1.**



Tasman Regional Transport Committee - 15 April 2019

NEW ZEALAND TRANSPORT AGENCY REPORT - SH60 MOTUEKA HIGH STREET INVESTIGATION

3 Purpose of the Report

- 3.1 The purpose of this report is to provide an update to the Committee regarding work to develop a draft option for State Highway 60 through central Motueka.

4 Background and Discussion

- 4.1 See attached memorandum (**Attachment 1**) from the New Zealand Transport Agency

5 Attachments

- 1. Memorandum from New Zealand Transport Agency

To Tasman Regional Transport Committee
Cc
From New Zealand Transport Agency (Transport Agency)
Date 15 April 2019
Subject SH 60 Motueka High Street Investigation

1. Purpose

- Update the Tasman Regional Transport Committee following community consultation undertaken in 2017 and subsequent technical work to develop a Draft Option for State Highway 60 through central Motueka.
- Ensure the Tasman Regional Transport Committee acknowledge that the majority of the interventions within the Draft Option are unable to be funded from the National Land Transport Fund as higher ranked priorities exist nationally.
- Seek endorsement of the Draft Option to ensure the work undertaken to date;
 - is not lost and is able to be efficiently picked back up should funding priorities or opportunities change, and
 - to allow the NZTA to complete the business case with a shared understanding of Council's views.

2. Resolution

Receive this update from the New Zealand Transport Agency on the SH60 Motueka High Street Investigation;

Endorses the Draft Option as detailed in section 4 and as shown in the drawings in Appendix 2;

Recommends to Tasman District Council that they endorse the Draft Option as detailed in section 4 and as shown in the drawings in Appendix 2.

3. Background

In 2016, the Transport Agency considered short to medium term improvements for Motueka's High Street on SH60. The investigation confirmed that poorly designed pedestrian crossings were contributing to crashes and improvements to the design and layout of key intersections could improve accessibility and safety for all users.

More detailed investigations started in early 2017 followed by public engagement in June and July 2017. The Transport Agency considered the public feedback and, combined with the outcome of the detailed investigations, arrived at a draft option.

The Tasman District Council is now invited to provide any further feedback on this draft option to enable the completion of this Detailed Business Case.

4. Discussion

4.1 Draft Option

The draft option includes the package of works shown below with their development described in detail in Appendix 1 and shown in Appendix 2.

Location	Description
King Edward Street /Old Wharf Road intersection	Install a new roundabout to improve side road access. The intersection is part of an over-dimension route and the design will allow for use by semi-trailers and HPMVs. Optimising sight lines at the roundabout requires the purchase of private land.
Whakarewa Street / Woodland Avenue	To respond to development on Whakarewa Street a roundabout will be necessary at this intersection in the future. Construction is dependent upon the scale, timing and traffic impacts from future developments.
Zebra crossings on High Street	These will all be replaced with signalised crossings to improve pedestrian safety (with the Tudor Street crossing incorporated into the intersection signals).
High Street/Tudor St. Intersection	Install traffic signals to make it easier and safer for pedestrians to cross High Street and Tudor Street, and make it easier for vehicles to turn in and out of Tudor Street.
High Street/Wallace St. intersection	A right turn bay will be provided so that the right turning traffic does not block the through traffic lane. The kerblin on the east side of High Street will be amended.
Pedestrian crossing north of Wallace Street	Pedestrian signals will be installed to improve the safety of pedestrians. No trees will be removed.
Pedestrian crossing south of intersection with Pah Street and Greenwood Street	Pedestrian signals will be installed to improve the safety of pedestrians. Yellow hatching will be installed at the Pah Street /Greenwood Street intersection so that queuing traffic does not block the intersection, enabling some side street turn movements when the pedestrian signals are in use.
High Street- between Pah Street and Poole Street	Provide pedestrian refuge to assist safe crossing.
High St /Parker St/Fearon St intersection	Minor safety works to improve sight lines from Parker Street looking north.
High St between Whakarewa St & Poole St	Provision for cyclists at intersections by marking advanced stop boxes and approach cycle lanes.
High Street parking	Improve off-street parking signage. Remove build outs in front of the museum. Overall High Street parking will be reduced by 27 spaces from 119 to 92.
Local road on-street parking	Overall side street parking will be reduced by 12 spaces (Tudor Street 6 P60 spaces, Old Wharf Road 4 spaces, King Edward Street 4 spaces). Co-share investment with Tasman District Council to develop additional parking opportunities near High Street.
High Street speed limit	Undertake formal engagement to lower speed limit between Whakarewa Street and Poole Street. Consider marking sharrow on High Street to help cyclist placement, priority and driver awareness of cyclists if speeds are reduced.

4.2 NLTF Decision

The pre-implementation and implementation phases of the SH60 Motueka High Street project did not get included in the National Land Transport Programme when it was announced in August 2018.

The assessment resulted in a Medium results alignment and Medium cost-benefit appraisal as assessed against the NZTA's Investment Assessment Framework for GPS 2018. This assessment was not a high enough to rank above other projects when considering the wider national context.

4.3 Next Steps

So that the investigation work done to date and insights gained from the community engagement are not lost the Transport Agency plan to complete the business case. The documentation will need to acknowledge that some of the components of that business case were developed under the guidance of the 2015 GPS that had an efficiency focus that is not as strongly featured in the 2018 GPS.

The key is that the investigation work and community engagement is not wasted and the business case is completed and ready to inform future funding opportunities that may arise.

4.4 Low Cost Low Risk Work Stream

From a safety perspective the highest priority element of the Motueka Town Centre investigation was the intersection of High Street SH60 and King Edward Street. Investigation and design of safety improvements via the Low Cost Low Risk Programme have been included at this location for 2018/19.

5. Conclusion

The Transport Agency has consulted with the community on State Highway 60 through central Motueka in 2017. In considering the public feedback and combined with the outcome of the detailed investigations the Transport Agency has arrived at a draft option that balances the competing demands on High Street.

The project did not receive pre-implementation or implementation funding in the 2018-2021 National Land Transport Programme.

To ensure the work done to date is not lost and is ready for any future funding opportunities should they arise the Transport Agency is seeking Council's feedback and endorsement of the Draft Option so that the business case can be finalised on a shared understanding of the preferred short to medium term interventions.

APPENDIX 1- Council Consultation Document

Motueka High Street Investigation

Draft option

March 2019



New Zealand Government

APPENDIX 1– Council Consultation Document

1. BACKGROUND / CONTEXT

The NZ Transport Agency is seeking to complete a Detailed Business Case into short to medium term improvements for Motueka's High Street on SH60. This investigation commenced in 2016 but was put on hold following the release of the Government Policy Statement (GPS) in 2018.

In completing the final components of this investigation, the Transport Agency has reviewed this existing draft option report in view of the GPS and the Transport Agency's focus on issues of safety, access and proactive modal shift. This has resulted in some amended wording but has not changed the recommended draft package of works.

State Highway 60 (SH60) through Motueka High Street is a two-lane road with on-street parking on both sides, intersections with local roads and high numbers of pedestrians. The road is critical for through traffic and facilitates local and regional economic growth. It carries approximately 13,000 vehicles per day, increasing to 16,000 in the summer peak. The through traffic and local access from side roads combine to create a complex environment for road users in the town centre. This has given rise to concerns about safety (particularly for pedestrians) and local access during the summer when High Street is congested.

In 2016, the NZ Transport Agency considered short to medium term improvements for Motueka's High Street on SH60. We confirmed that poorly designed pedestrian crossings were contributing to crashes and improvements to the design and layout of key intersections could improve accessibility and safety for all users. More detailed investigations started in early 2017 followed by public engagement in June and July 2017. The Transport Agency considered the public feedback and, combined with the outcome of the detailed investigations, arrived at a draft option. The Tasman District Council is now invited to provide feedback on this option to enable the completion of this Detailed Business Case.

2. OBJECTIVES

The project objectives, developed in consultation with key stakeholders, are to:

- improve the safety of pedestrians on High Street (SH60) by reducing the number of pedestrian injury crashes;
- improve road safety on High Street (SH60) by reducing the number of vehicular injury crashes.
- improve the current LoS on side roads at key High Street (SH60) intersections¹ until at least 2024;
- maintain the current level of service (LoS) for through traffic on High Street (SH60)² until at least 2024;

In summary, the project aims to improve High Street pedestrian and vehicular safety, and local road accessibility, while maintaining High Street traffic flows.

For High Street/SH60 intersections, a decline or improvement in the level of service/accessibility (LoS) is indicated by the actual delay and the perception of that delay by motorists. These levels of service are categorised as:

¹ from LoS F in 2016 to LoS D in peak hour

² at key intersections target LoS B in peak hour

APPENDIX 1– Council Consultation Document

LoS A	Primarily free-flow operation, delay at intersections is minimal.
LoS B	Reasonably unimpeded operation, delay at intersections is not significant.
LoS C	Stable operation, longer queues at intersections may contribute to lower travel speeds.
LoS D	Less stable condition in which small increases in flow may cause substantial increases in delay and decreases in travel speed.
LoS E	Unstable operation and significant delay. At or close to capacity.
LoS F	Flow at extremely low speed. Congestion is likely occurring at intersections, as indicated by high delay and extensive queuing. The amount of traffic approaching exceeds that which can pass it.

In similar environments elsewhere, a LoS D, E and F for side roads is considered appropriate at peak times because this avoids over-investment and results in more efficient design and use of infrastructure. Delays are normally acceptable and expected by users during peak periods.

3. PROPOSAL DEVELOPMENT

Our investigation identified problems with access from side roads on to High Street/SH60 that were leading to driver frustration and unnecessary risk-taking. Other problems included the safety of vulnerable road users such as cyclists and issues with pedestrian crossings.

The draft option was determined following:

- A workshop with stakeholders to develop and agree to the problems, benefits and objectives; review previous work; and identify a long list of options;
- A multi-criteria analysis to determine a shortlist of options that made the most contribution to the objectives, as well as other criteria including social, environmental and economic contributors;
- Development of the short list into a set of options for consultation;
- Community consultation during June/July 2017;
- Further analysis using traffic modelling and economic assessment to identify a draft option.

Consultation showed community support for:

- roundabouts at the King Edward Street/Old Wharf Road and Whakarewa Street/Woodland Avenue intersections;
- minor improvements at the Parker Street/Fearon Street intersection
- a lower speed limit;
- improved parking signage; and
- safety improvements for cyclists.

In the central shopping area, there was support to:

- remove the zebra crossings;
- install traffic lights at the Tudor Street T-intersection and Pah Street/Greenwood Street cross roads;
- signalise the crossing point just north of Wallace Street.

People expressed concern about the loss of parking on High Street, particularly with the addition of a right turn bay at Wallace Street. As a result, we undertook further work on the options following consultation feedback and conducted more detailed traffic modelling analysis. The outcomes were:-

- Loss of on-street parking could be mitigated to some extent by realigning the traffic lanes at Wallace Street.
- Introducing traffic lights at the intersection of Pah Street/Greenwood Street would create considerably longer queues at peak times and more delay and associated impacts for High Street. As a result, the draft recommendation includes pedestrian signals just south of the Pah Street/ Greenwood Street intersection rather than a full set of traffic lights. This will improve side road access to a lesser extent.

APPENDIX 1- Council Consultation Document

- The roundabout at the Whakarewa Street/Woodland Avenue intersection is not currently economically justified, but the option should be retained and reconsidered if development in the local area predicts side road traffic delays at this intersection lower than LoS D.

The draft option provides the best combination of improvements to address the issues related to pedestrian safety, overall safety and road access, whilst maintaining the flow of through traffic on High Street to an acceptable LoS. It offers safety and accessibility improvements with a benefit cost ratio between 3 and 5 against a preliminary cost estimate of between \$5M and \$7M.

When assessed overall against the project objectives, the draft option delivers:

Objective	Target	Existing	Draft option
Pedestrian injuries	reduce the number of pedestrian injury crashes over 5 years to less than 6	10 (2012–2016)	Predicted to reduce from 10 to 7
Overall crashes	reduce the number of vehicular injury crashes over 5 years to less than 10	21 (2012–2016)	Predicted to reduce from 21 to 17
Key side road intersections*	Peak hour LoS F in 2016 improving to LoS D until 2024	Worst movements are all LoS F, except for Tudor Street which currently has LoS E	<ul style="list-style-type: none"> • King Edward Street /Old Wharf Road intersection improves to LoS C • Tudor Street right turn improves to LoS C • Whakarewa Street improves to LoS D • Pah Street / Greenwood Street improves to LoS D
High Street through traffic	Peak hour LoS B at key intersections until 2024	Peak hour LoS B	Peak hour LoS decreases slightly to LoS C

* After the initial improvements, side road LoS will decrease over time as State Highway and side road traffic volumes increase

Improvements are proposed for specific sites along High Street/SH60 based on value for money returns. They include intersection improvements, pedestrian crossing improvements, and a reduced speed environment. The site-specific improvements are expected to reduce the 5-year pedestrian injury crash rate by 30% and the number of vehicle crashes by 20% for the length of the corridor. Additional intersection improvements, such as a roundabout at Whakarewa Street/Woodlands Avenue, may be triggered by increasing traffic.

The draft option is expected to improve pedestrian safety and side road access onto the State Highway and will contribute to an overall reduced level of risk for all road users. Over the next 10 years, the proposed improvements will also protect the LoS for through traffic. The proposed improvements are expected to raise the LoS to LoS C by 2027, compared to LoS F if no action is taken.

Evidence indicates negligible delays on High Street, except over the summer peak period, where delays of up to five minutes occur. Over time, delays through Motueka are likely to increase, but while these delays only occur over the summer, coinciding with the tourist season, there is insufficient evidence for the Transport Agency to progress alternative solutions. An appropriate mechanism to ensure an effective long-term solution is via Tasman District Councils land use / structure planning development.

APPENDIX 1- Council Consultation Document

4. DRAFT OPTION

The draft option includes the package of works shown below and illustrated in Attachment 1.

Location	Description
King Edward Street /Old Wharf Road intersection	Install a new roundabout to improve side road access. The intersection is part of an over-dimension route and the design will allow for use by semi-trailers and HPMVs. Optimising sight lines at the roundabout requires the purchase of private land.
Whakarewa Street / Woodland Avenue	To respond to development on Whakarewa Street a roundabout will be necessary at this intersection in the future. Construction is dependent upon the scale, timing and traffic impacts from future developments.
Zebra crossings on High Street	These will all be replaced with signalised crossings to improve pedestrian safety (with the Tudor Street crossing incorporated into the intersection signals).
High Street/Tudor St. intersection	Install traffic signals to make it easier and safer for pedestrians to cross High Street and Tudor Street, and make it easier for vehicles to turn in and out of Tudor Street.
High Street/Wallace St. intersection	A right turn bay will be provided so that the right turning traffic does not block the through traffic lane. The kerblines on the east side of High Street will be amended.
Pedestrian crossing north of Wallace Street	Pedestrian signals will be installed to improve the safety of pedestrians. No trees will be removed.
Pedestrian crossing south of intersection with Pah Street and Greenwood Street	Pedestrian signals will be installed to improve the safety of pedestrians. Yellow hatching will be installed at the Pah Street /Greenwood Street intersection so that queuing traffic does not block the intersection, enabling some side street turn movements when the pedestrian signals are in use.
High Street- between Pah Street and Poole Street	Provide pedestrian refuge to assist safe crossing.
High Street /Parker Street /Fearon Street intersection	Minor safety works to improve sight lines from Parker Street looking north.
High Street between Whakarewa Street and Poole Street	Provision for cyclists at intersections by marking advanced stop boxes and approach cycle lanes.
High Street parking	Improve off-street parking signage. Remove build outs in front of the museum. Overall High Street parking will be reduced by 27 spaces from 119 to 92.
Local road on-street parking	Overall side street parking will be reduced by 12 spaces (Tudor Street 6 P60 spaces, Old Wharf Road 4 spaces, King Edward Street 4 spaces). Co-share investment with Tasman District Council to develop additional parking opportunities near High Street.
High Street speed limit	Undertake formal engagement to lower speed limit between Whakarewa Street and Poole Street. Consider marking sharrows ³ on High Street to help cyclist placement, priority and driver awareness of cyclists if speeds are reduced.

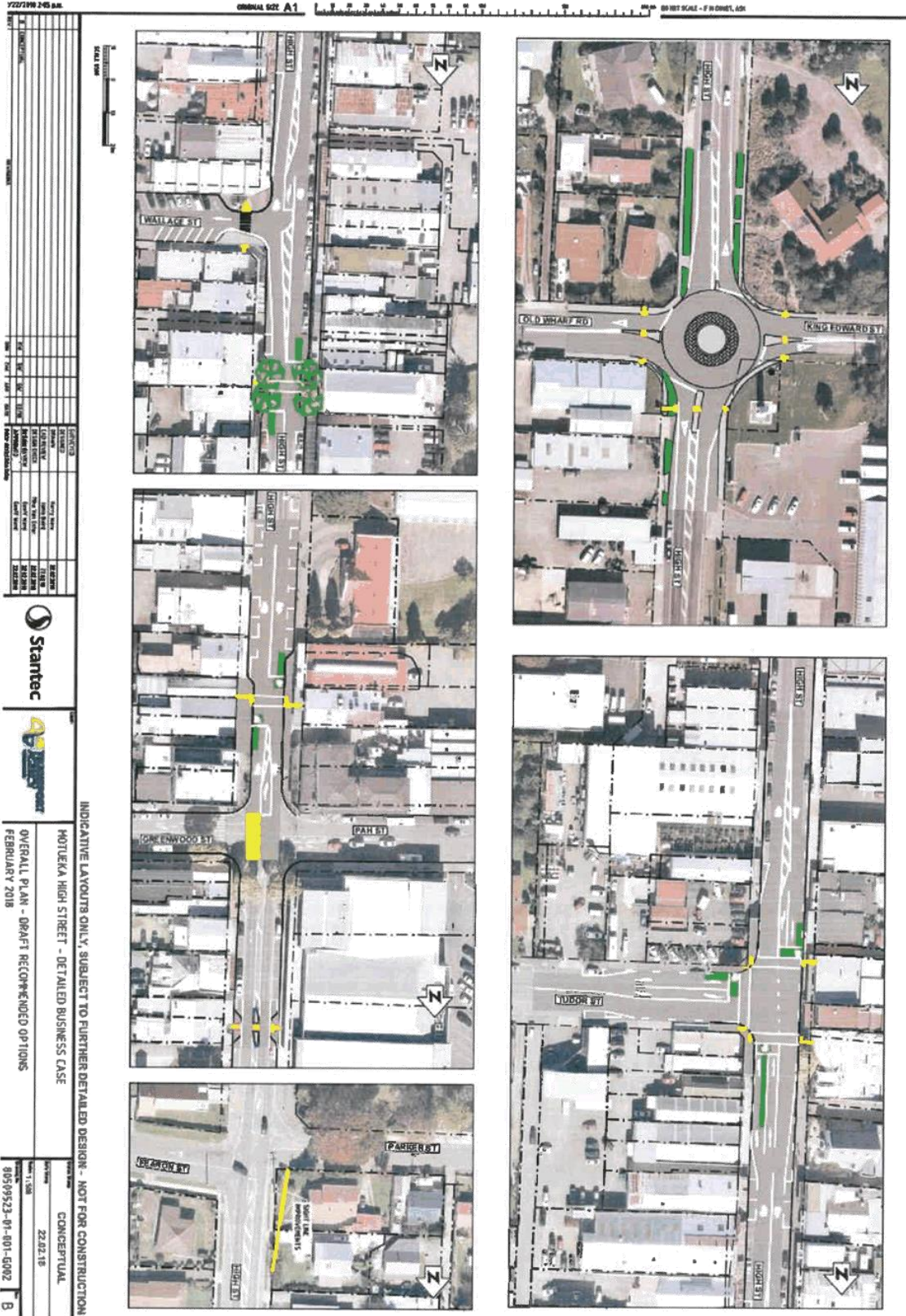
³ A sharrow ('shared lane arrow') is a double-chevron road marking indicating a shared cycle/vehicle lane. It warns motorists that the road is part of a cycle route and it encourages cyclists to use more of the lane where there is potential danger (e.g. from parked cars), but not enough room for a dedicated cycle lane.

APPENDIX 1- Council Consultation Document

5. NEXT STEPS

Following feedback from Tasman District Council, the Detailed Business Case will be completed.

APPENDIX 2 - Plans





MINUTES
of the
TASMAN REGIONAL TRANSPORT COMMITTEE MEETING
held
9.30 am, Monday, 15 April 2019
at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: Councillors S G Bryant (Chair), C M Maling, D E McNamara and P F Sangster and New Zealand Transport Agency (NZTA) , Director Regional Relationships, Mr J Harland

In Attendance: Committee Advisers, Mr W Findlater and Ms J Murray

Transportation Manager (J McPherson), Activity Planning Manager (D L Fletcher), Activity Planning Adviser (D Bryant) and Senior Executive Assistant (R L Scherer)

NZTA Planner (R Palmer), NZTA Systems Manager (A James) and NZTA Top of the South Lead Strategic Planner (S Higgs)

1 OPENING, WELCOME

The Chairman welcomed everyone to the first Regional Transport Committee meeting of 2019.

2 APOLOGIES AND LEAVE OF ABSENCE

Moved Cr Sangster/Cr Maling

TRTC19-04-1

That apologies from Cr D J Ogilvie be accepted.

CARRIED

Apologies from Committee Advisers, Inspector D Mattison and Ms D Smith were also noted.

3 PUBLIC FORUM

Nil

4 DECLARATIONS OF INTEREST

Nil

5 CONFIRMATION OF MINUTES**Moved Cr Maling/Cr Sangster****TRTC19-04-2****That the minutes of the Tasman Regional Transport Committee meeting held on Monday, 26 November 2018, be confirmed as a true and correct record of the meeting.****CARRIED****6 PRESENTATIONS**

Nil

7 REPORTS**7.1 New Zealand Transport Agency Report - SH60, Motueka High Street Investigation**

Transportation Manager, Jamie McPherson introduced the report prepared by the New Zealand Transport Agency. Mr McPherson noted that the report requests the Committee to make recommendations to Tasman District Council regarding the SH60, Motueka High Street investigation.

NZTA Planner, Rhys Palmer spoke to the report contained in the agenda which provided an update on the Transport Agency's investigations into the traffic congestion and safety issues on SH60, Motueka High Street.

Mr Palmer noted that NZTA staff are presenting the report to the committee to gain their feedback and endorsement so that if NZTA programme funding priorities change, the Transport Agency can re-open the project and commence any works that receive funding.

Mr Palmer spoke about the investment objectives of the business case for SH60, Motueka High Street which include improved pedestrian safety, improved vehicle safety at key intersections and maintenance of through-capacity and side road access.

Mr Palmer used a powerpoint presentation to demonstrate the safety improvements that could be carried out at each intersection along parts of SH60, Motueka High Street.

The Chairman circulated a memorandum which Cr Ogilvie had prepared outlining his perspective of some immediate steps that could be taken to improve safety on SH60, Motueka High Street.

In response to a question, Mr James agreed that the Transport Agency could do some low-cost, low-risk fixes now and these would not undermine the long-term intentions of the business case.

In response to a question from NZTA Regional Director, Relationships, Mr Harland, NZTA Systems Manager, Andrew James agreed that the Agency could look at the option of providing marking for a right turn bay at the Wallace High Street intersection.

In response to a question, Mr James noted that the Transport Agency had undertaken extensive consultation with both the community and the SH60, Motueka High Street working party. As part of this consultation a number of different scenarios and options to improve the route had been presented. He advised that Transport Agency had not carried out any further communication with the community about the preferred options as this could raise false expectations and wasn't

seen as necessary until the work is ready to progress.

Moved Cr Sangster/Mr Harland

TRTC19-04-3

That the Tasman Regional Transport Committee:

- 1. receives the New Zealand Transport Agency Report - SH60 Motueka High Street Investigation report, RTC19-04-01; and**
- 2. endorses the draft option as detailed in Section 4 of the report and as shown in the drawings in Attachment 1; and**
- 3. recommends to Tasman District Council that they endorse the draft option as detailed in section 4 and as shown in the drawings in Attachment 1; and**
- 4. recommends that the New Zealand Transport Agency be encouraged to investigate low-cost, low-risk options to make High Street, Motueka safer in the near term.**

CARRIED

7.2 Speed Management Plan Update - Early Public Engagement

Transportation Manager, Jamie McPherson spoke to the report contained in the agenda which was taken as read. He noted that the report is for the committee's information advising them that Tasman District Council will be reviewing the Tasman Speed Management Plan.

Mr McPherson advised the committee that the previous speed management plan had focused on the top ten percent of the District's roads that required a speed limit change for safety reasons. He noted that consistent speed limits are a tool that can have a positive impact on road safety.

Mr McPherson spoke about safe and appropriate speeds and the risk of different networks throughout the country making speed limit changes at different rates resulting in uncertainty for drivers. He noted that staff intend to work with Nelson City Council and the Transport Agency to ensure speed management is consistent within the Nelson-Tasman region.

The Committee discussed the current open road posted speed limit of 100 kph used on New Zealand roads and the fact that often this speed cannot be achieved because of the sheer nature of the road geometry. Committee members also spoke about the number of accidents on our roads caused by driver inattention especially with the use of mobile phones while driving.

Mr Findlater left the meeting at 10.33 am.

Mr McPherson spoke about the Council's plans to carry out a survey with the local community focusing on speed limits. The survey will be launched during Road Safety week from 6 to 12 May 2019. He noted that staff intend to undertake the survey in collaboration with the Council's road safety partners, the Police, ACC, Nelson City Council and the Transport Agency. The results of the survey will be conveyed to the committee as soon as they are available.

Mr Harland agreed that the Transport Agency would support the Council as much as it can with the speed limit survey but noted that it had limited resources. He suggested that the Council's survey should reference local roads rather than the state highway network.

Moved Cr McNamara/Cr Maling

TRTC19-04-4

That the Tasman Regional Transport Committee receives the Speed Management Plan Update - Early Public Engagement report, RTC19-04-02.**CARRIED****New Zealand Transport Agency Update**

Mr Harland and NZTA Lead Transportation Planner, Mr Higgs provided an update on New Zealand Transport Agency activities. They advised that the Transport Agency is currently taking a long term view of how the state highway network will function over the next 30 years.

Mr Harland suggested that there is likely to be some significant changes of how our roads are used in the not too distant future. He spoke about the introduction of autonomous vehicles, the use of hydrogen or electric-power vehicles and other forms of transport, for example scooters using footpaths which are not currently designed for them.

In response to a question, Mr Harland agreed that issues such as sea level rise and climate change will also be an integral consideration in the Transport Agency's long term view of the state highway network.

Mr James spoke about the bailey bridges that had been installed on SH63 after the Kaikoura earthquake. He noted that the Transport Agency now intends to remove the bridges for use in other areas. In response to concerns from Cr Bryant, Mr James agreed to provide an update about the reasons for removing the bridges as information for the next meeting of the Lake Rotoiti Community Council.

Mr James also spoke about remedial works on the Takaka Hill. He noted that while a number of minor works are near completion, work will close down over winter and some sections of the road will continue to be one-lane only. He said that Transport Agency staff are currently carrying out the design work for the five largest slip sites and work will start on these sites during the summer construction period.

In response to a question about the variable speed limits on SH6 through to Murchison, Mr James advised that the Transport Agency intends to carry out a formal review of the speed limit on this section of the highway.

In response to a question about the Transport Agency's use of road barriers on the state highway network, Mr James said that the barriers had been placed in high risk areas for safety reasons and had already proven to be effective in preventing accidents.

In response to a question from Cr Sangster about the remedial works on the Puramahoi section of SH60, Mr James said he would investigate the reasons for staging the work in small sections and respond to Cr Sangster directly.

8 CONFIDENTIAL SESSION

Nil

The meeting concluded at 11.04 am.

8.9 NRDA - THIRD QUARTER SUMMARY REPORT**Information Only - No Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Sharon Flood, Strategic Policy Manager
Report Number:	RCN19-06-09

Item 8.9**1 Summary**

- 1.1 The Nelson Regional Development Agency (NRDA) has prepared this summary report to highlight the Tasman District specific outcomes achieved over the July 2018 to April 2019 period. This report complements the six-month updated provided to the Joint Council meeting in March 2019 and is aligned to the Outcomes and Performance Measures section of Council's Service Level Agreement with NRDA.

2 Draft Resolution

That the Full Council receives the NRDA - Third Quarter Summary Report RCN19-06-09.

3 Purpose of the Report

- 3.1 The purpose of this report is to report on the Outcomes and Performance Measures set out in the service level agreement between Nelson Regional Development Agency (NRDA) and Council. NRDA are also seeking an indication from Council as to the focus of their service delivery.
- 3.2 Mark Rawson, CEO of NRDA and Meg Matthews Chair of NRDA will be at the meeting to present this report.

4 Background and Discussion

- 4.1 The Nelson Regional Development Agency (NRDA) has prepared this summary report to highlight the Tasman District specific outcomes achieved over the July 2018-April 2019 period. This report fulfils the third quarter reporting requirements set out in our Service Level Agreement with NRDA, dated December 2018.
- 4.2 This report complements the six-month updated provided to the Joint Council meeting in March 2019.
- 4.3 The Nelson Regional Development Agency exists to make a difference to the future prosperity of the Nelson Tasman region through positioning, connecting and promoting the Region. They do this by partnering with the public and private sectors in the attraction and retention of talent, visitors and investment who want to add value to the identity of the extraordinary Nelson Tasman region.
- 4.4 NRDA's three key functions are:
- 4.4.1 Positioning the Nelson Tasman region as a place where talent and investment wants to be.
 - 4.4.2 Connecting our clever people and companies with opportunities to grow and innovate.
 - 4.4.3 Promoting the destination as a place of choice for higher-value visitors who visit between March and November.

Highlights of Tasman District Focused Activity

- 4.5 Attachment 1 to this report sets out the activity and outcome areas in the Service Level Agreement between NRDA and Council, and provides a progress commentary on each of the performance measures.
- 4.6 The following are some of the key highlights from NRDA's focused activities within the Tasman District.
- 4.7 NRDA's Regional Business Partner (RBP) Programme won the "Best Performing Region in NZ" award. Currently there are 50 Tasman based companies actively engaged in the RBP programmes with just over \$200,000 paid to Tasman based companies in Research and Development (R&D) investment.
- 4.8 Over the past nine months, NRDA has hosted over 200 international travel trade and media guests to help them experience the Tasman region first-hand. This has generated 400 international media stories with an Equivalent Advertising Value of \$12.7m.

- 4.9 NRDA recently partnered with ShiftOn, to host a Talent and Technology focused Chamber Business After 5 event in Motueka. The event, which attracted over 60 local business people, provided an opportunity to share insights for attracting and retaining talent, tips for thriving in the digital age and some advice around pursuing change.
- 4.10 A total of 35 Tasman companies participated in the recent regional Talent attraction and retention research project. The outcomes will be used to provide direction for NRDA's wider talent attraction and retention programme next year (2019/2020).
- 4.11 So far this year, over 700 locals, business and partner organisations have utilised the regional identity tools and assets, 25% of which are from the Tasman region.
- 4.12 NRDA has progressed two significant tourism and one high-value manufacturing related investment proposals this year. Both tourism investment opportunities are still live, one is in the early project feasibility stage and the second is in a more detailed due-diligence phase. The manufacturing opportunity has decided not to relocate to our District.
- 4.13 NRDA has maintained a high-degree of engagement and support from the Tasman visitor sector over the past year, with 73% (63) of the NRDA individual visitor sector businesses partners located in the Tasman District. They have also developed an investment partnership with Tasman Bay Promotions Association this year for some specific targeted visitor marketing projects.
- 4.14 The Quest for Manaakitanga project was a unique opportunity to work with Tourism NZ and National Geographic Global to raise the profile of Nelson Tasman. The project generated a significant amount of marketing reach and exposure for the Tasman District to the over 330 million consumers in our target market. Some of the feedback for the team included: "Thank you for realising what Upper Moutere has and allowing our moment to shine. I know it is all thanks to you" Judy Finn, Neudorf Vineyards

Future Focus

- 4.15 Tasman has a number of key challenges that are impacting on its economic prosperity including the ageing population, reduced rate of population growth, working age population, low productivity and wages, and tight supply of affordable homes, for both rental and purchase. These critical challenges underscore the need for regional development that increases the uptake of innovation and technology across all industries and attracts talent and investment to the region.
- 4.16 NRDA are seeking feedback on prioritisation of projects. NRDA received some feedback on this issue on 26 March 2019 at the Joint Committee meeting, but are now seeking more detailed feedback from each Council on the following questions:
- 4.16.1 What is NRDA doing that Council likes?
- 4.16.2 What specific things should NRDA be doing that they currently are not doing, and how do Council see that these things will be funded?
- 4.16.3 What are NRDA doing that they shouldn't be doing?
- 4.16.4 Is there an expectation that NRDA should focus on short term tactical matters that can be measured?

5 Conclusion

- 5.1 The NRDA has prepared this summary report to highlight the Tasman District specific outcomes achieved over the July 2018-April 2019 period. This report fulfils the third quarter reporting requirements set out in our Service Level Agreement with NRDA, dated December 2018.

6 Next Steps / Timeline

- 6.1 The final report for the year will be presented to Council at its September 2019 meeting.
- 6.2 NRDA are currently drafting their Statement of Intent, which is programmed to be adopted by NCC in late July/ early August 2019.

7 Attachments

1. NRDA - Third Quarter Reporting

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Nelson Regional Development Agency – Third Quarter Report

Item 8.9

Attachment 1

3.0 SLA Outcomes & Performance Measures	
Economic Development and Business Support	
Activity and Outcome Areas	Progress Commentary
<p>1. Economic knowledge and insights are regularly delivered (min Quarterly) to Stakeholders via website, publications, and update events.</p>	<ul style="list-style-type: none"> We have taken NRDA Team meetings to 5 Tasman businesses over the past 9 months, this provides the team an opportunity to learn about what is important to these businesses and discuss what we can do to assist them on their future growth path. This has led to many follow up activities being undertaken. The business visited have included: Seifried Estate Wines, Nelson Pine, Nelson Forests, Tasman Bay Food Group and Pharmalink. We hosted our June board meeting at Nelson Forests and as part of the meeting we invited around 10 key local business stakeholders to join the board for a discussion around what they see as some of the most important issues to the future of their business and the region. In early 2019, we produced summary economic impact reports related to the fires and the drought to support TDC in working with the Government around securing the resources to manage the significant impacts. An annual Economic Summary Report was presented to the Tasman District Council - 22nd March 2019. The Sept 2018, December 2018 and March 2019 quarterly economic reports can be found on the following web link: https://ecoprofile.infometrics.co.nz/nelson-tasman/QuarterlyEconomicMonitor <u>The Annual Economic Summary Report - Overview</u> <p>Compared to the wider region and to New Zealand as a whole, Tasman has performed well in many areas especially in job growth and Tourism spend. However there are some issues with the quality of that job growth, which has been in lower-skilled occupations which are paying lower wages and Tasman productivity has fallen while Total NZ has risen. Tasman’s lower-than average wages is a factor in the attraction of talent especially when combined with the tight supply of affordable homes, for both rental and purchase. Yet the business community need access to talent as well as investment if they are to improve their productivity. This remains a key challenge for the region and underscores the need for regional development that increases the uptake of innovation and technology across all industries and attracts talent and investment to the region.</p>
<p>2. NRDA Actively supports business in Te Taihu and activity input into the development and implementation of the Te Taihu Intergenerational Regional Growth Strategy.</p>	<ul style="list-style-type: none"> NRDA is an active part of the Regional Strategy Project team. One of the NRDA team members is working full-time alongside the Wakatu team in a programme management and data insights role. TDC are a key part of the project team and there will be a significant amount of Tasman based events around the stakeholder engagement for the development of the strategy, which is due to commence in July.
<p>3. NRDA facilitates Innovation events with Tasman Participation.</p>	<ul style="list-style-type: none"> NRDA recently partnered with ShiftOn, in hosting a Talent and Technology focused Chamber Business After 5 event held in Motueka. The event provided an opportunity to share some insights for attracting and retaining talent, tips for thriving in the digital age and some advice around pursuing change. The event attracted over 60 local businesspeople and received some great feedback from the attendees. In partnership with the Government the NRDA delivers the Regional Business Partner Programme (RBP), which includes three key components: 1. Mentoring; 2. Capability Building Vouchers; 3. R&D and Innovation funding and programmes. <ul style="list-style-type: none"> Over \$1.1 million has been attracted in support funding, with approximately 20% of that funding going to Tasman companies. Around 50 Tasman based companies are actively engaged in the RBP programmes so far this year. It is also worth noting that a number of Tasman based companies have also participated in the follow innovation events we have delivered: Lean Cluster, Build for Speed, Better by Lean and Agritech Emerging Technology workshops. All of this activity is focused on helping businesses to add value and educate them about the disruptive technologies that are impacting on the future of the business environment at an ever-increasing pace.

Item 8.9

Attachment 1

	<ul style="list-style-type: none"> ○ Currently the NRDA RBP programme has the highest net promoter score in New Zealand (customer satisfaction rating +96) and the NRDA was awarded the Best Performing Regional Business Partner region by NZTE and Callaghan Innovation.
<p>4. NRDA supports an environment that encourages business innovation, investment and entrepreneurship.</p>	<ul style="list-style-type: none"> • The NRDA has also spent significant time working with national and international businesses looking to invest in the region by establishing operations in Tasman. Our role includes hosting business leaders, providing regional and district-level information and data, Connecting them with local professionals, suppliers and developers, connecting with relevant Government entities and promoting the benefits of the district and region for their business and staff. • There have been 6 initial inquiries, with two significant tourism and one high-value manufacturing related proposals progressing to a more serious investigation stage this year. Both tourism investment opportunities and are still live, one is in the early project feasibility stage and the second is in a more detailed due-diligence phase. The manufacturing opportunity has decided to not relocate and consolidate on their current site in another region. For these three investments housing affordability, talent availability, infrastructure and how the region stacks up against competing destinations for their capital were their main considerations.
<p>5. NRDA encourages education and employment opportunities to retain or attract younger residents and contributes an inclusive and welcoming community.</p>	<ul style="list-style-type: none"> • Working closely with some of the region’s major employers through the Nelson Tasman Innovation Neighbourhood (NTIN), many of who have numerous connections to the Tasman district, we have just completed a comprehensive piece of research around talent attraction and retention in the region to understand the challenge from both employers and talent perspective. This research was completed in collaboration with over 100 businesses in the region, 35% from Tasman. The findings will be used to provide direction for NRDA’s wider talent attraction and retention programme, which will have a focus on talent with skills for the future with a conscious bias to those aged between 30-50. • The key findings demonstrated: <ul style="list-style-type: none"> • That 60% of businesses said that talent attraction was one of their top 3 challenges, and 88% said it was a concern. • That all expected attraction of future talent to get considerably harder in the near future. • While all levels of roles were identified as difficult to fill, mid to senior technical roles followed by Senior Exec’s were identified as the most challenging. • The top 4 challenges identified by both and employers and prospective employees around attracting talent to the region were: <ol style="list-style-type: none"> i. Reputation for paying low wages, which is important, both in terms of community well-being and when competing in a national market. ii. Need for partners/spouses to find a job or the risk of their career stalling without a clear ‘Plan B’. iii. Lack of understanding of the types of career opportunities our region and the image of some industries, which needs to be improved. iv. High cost of living and availability of housing. • One of the major activities we are currently undertaking in trying to assist with the talent attraction challenge is the continued development of Regional identity tools and assets, and the up-take of these by the local community. So far over 700 locals, business and partner organisations have utilised the tools, and our tracking data we can see that 25% are from the Tasman region. • NRDA has a strong partnership with NMIT and the Nelson Tasman Chamber around the Mahitahi Colab. One of the priority initiatives is connecting students with the business community to undertake real-world research projects. Different members of the team also participate in a range of NMIT course and department advisory groups assisting to provide an industry view around their programme delivery. • NRDA partners with NMIT in the delivery of the Nelson Tasman Young Enterprise programme. This year there are a number of teams from Tasman based schools involved.
<p>Destination Marketing and Management</p>	
<p>Activity and Outcome Areas</p>	<p>Progress Commentary</p>
<p>For the purpose of this report we have combined all of the visitor sector activity performance measures.</p>	<p>NRDA’s Destination Management function has the highest impact in the Tasman region.</p> <p>Tasman Market Performance: (Dec 2018)</p> <ul style="list-style-type: none"> • Total Spend Tourism spend in Tasman has decreased by approx. 1% to December 2018 which is behind the NZ average and delivered approx.. \$320m of direct spend into the local economy. The biggest beneficiaries of this spend continue to be the retail sector at 47% of spend. In comparison, attractions and

<ol style="list-style-type: none"> 1. Marketing Campaigns 2. Marketing Collateral 3. Trade Hosting 4. Improved Information about Nelson Tasman as a visitor destination 5. Market research 6. Increase in domestic and international visitation across shoulders 7. Increase in Tasman industry participation in marketing. 	<p>activities secured only 20% of spend. It is worth nothing this period includes the impacts of both Gita last year and the re-opening of State-highway one from Picton to Christchurch.</p> <ul style="list-style-type: none"> • Of most importance however is the improvement in seasonality since 2015 /16. Seasonality is measured by the peak spend in the summer months compared with the low points in Winter. In 2015/16 Summer second was 4.2 times higher than Winter. In 2018/19 that had improved to 2.9 : 1. Which is a sign of the shoulder seasons growing and is consistent with the feedback we get from our visitor sector partners. <p>Strategy for a Destination Management Plan:</p> <ul style="list-style-type: none"> • Target high value visitors to travel to Nelson Tasman in the shoulder seasons (March-November) • The tourism sector needs to be sustainable – economically, socially and environmentally. • Nelson Tasman does not fall directly on the main NZ tourist route so must work proactively to ensure that visitors include it in their holiday plans. • NRDA work with 86 individual businesses partners who contributed approx. \$160K in partner contributions to the organisation. Of these 63 (73%) businesses are located in Tasman. It is important to acknowledge that a large majority of these businesses also contribute additional revenue for specific targeted activities as well as a significant amount of in-kind investment for which we are very appreciative. • NRDA also has a range of strategic investment partnerships with the visitor sector which are very relevant to the Tasman district, including Nelson Airport, Nelson Tasman Cycles Trust and Tasman Bay Promotions Association who all contribute various levels of investment for specific targeted projects. • As part of our key stakeholder engagement activity, we hosted the Tourism NZ Board in the Abel Tasman in April and we also hosted some key local and national visitor sector influencers in the Abel Tasman for 3 days. In addition to both Councils, this included: Christchurch and Wellington Airports, DoC, Tourism Industry Aotearoa, Tourism NZ, ANZ bank, Chamber of Commerce and a range of visitor sector stakeholders. Both of these activities were heavily supported by Wilsons Abel Tasman and the local industry they provided a great platform for the region to get our key destination management messages across to key influencers in the industry. <p>International Trade and Media Marketing</p> <ul style="list-style-type: none"> • Focus on Australia, USA, UK and Germany primarily, with emerging markets being India and China • We influence the influencer by leveraging the work being done by much larger organisations such as TNZ, Air NZ and CIAL • The Quest for Manaakitanga project was a unique opportunity to work with TNZ and National Geographic Global to raise the profile of Nelson Tasman, it generated a significant amount of marketing reach and exposure for the Tasman District to the over 330million consumers in our target market. You can see some of the promotional material at: National Geographic Travel Content: https://www.nationalgeographic.com/mynewzealandstory For more information please visit https://www.newzealand.com/au/campaign/your-new-zealand-story • This project generated the following piece of feedback for the team - <i>“Thank you for realising what Upper Moutere has and allowing our moment to shine. I know it is all thanks to you”</i> Judy Finn, Neudorf Vineyards • In addition this year we have made a proactive effort to generate a significant amount of Golden Bay content to support getting their proposition back to the market after the challenges of last year. • In the past 9 months we have hosted over 200 famil guests to experience the Tasman region first-hand, generated 400 international media stories with an Equivalent Advertising Value of \$12.7 million. • Personally trained travel trade at events in NZ (such as at TRENZ) as well as off-shore in Australia, USA, UK and Europe. This was combined with Destination Marlborough where appropriate. We represented all our business partners in Nelson and Tasman. <p>Domestic Consumer Marketing</p> <ul style="list-style-type: none"> • Focus on authentic digital communication which has a much great impact than direct advertising. The Tasman District features strongly in all of this activity.
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<ul style="list-style-type: none"> • Ongoing work with social influencers and media travel writers resulting in 350+ pieces of social content created by 11 influencers to an audience of over 2 million people. • AA Traveller + NZME multi-channel campaign targeted the Auckland market which reached an audience of over 1 million. • Collaboration with Air NZ around the Kiaora Magazine, which had a strong Tasman district flavour. • Collaboration with Marlborough and the Interislander to target the Wellington Market in Autumn generating over 3,000 competition entries. • Creation of two Tasman specific videos focussing on the Abel Tasman and conservation stories. <p>Business Events</p> <ul style="list-style-type: none"> • NRDA takes a proactive approach to attract business events which typically take place in the shoulder season with high value visitors often bringing families and extending their stay to enjoy the wider region. • We have hosted 26 perspective business events clients in the Tasman district so far this year. <p>Major Events</p> <ul style="list-style-type: none"> • NRDA supported 16 significant sporting and cultural events, 15 of which had a direct positive impact on the Tasman District including the All Blacks vs Argentina Rugby Test which significantly boosted accommodation bookings and retail sales in both Nelson and Tasman at an otherwise quieter time of year. <p>i-SITE</p> <ul style="list-style-type: none"> • It is also worth noting that just over 60% of the Nelson City i-SITE sales are for products in the Tasman District.
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8.10 MAYOR'S ACTIVITY REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Richard Kempthorne, Mayor
Report Number:	RCN19-06-10

1. Summary

- 1.1 The attached report is a commentary of the Mayor's activities for the months of May to 10 June 2019 for Councillors' information.

2. Draft Resolution

That the Tasman District Council:

1. receives the Mayor's Activity Report RCN19-06-10; and
2. notes the distribution of funds contained within the Mayoral Disaster Relief Fund are occurring, after approval by the Mayoral Disaster Relief Funds Panel.

1	Activities
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- 1.1 On 1 May the winners of the “Beat the Mayor” competition for water savings in our region, dunked me at the Richmond Aquatic Centre. A freezing experience, but well worth giving a fun side to saving water use over our critical water shortage this summer.
- 1.2 On Thursday 2 May I attended the Council Workshop on Climate Change/Natural Hazards in the Council Chambers with Councillors and staff.
- 1.3 On Thursday 2 May I attended the Intepeople Speaker Series at which Prime Minister RT Hon Jacinda Ardern spoke regarding the importance of strong regional economies in the context of the national economy as well as environmental and social concerns that affect all New Zealanders.
- 1.4 On Thursday 2 May I joined the LGNZ Regional Sector late afternoon prior to the Regional Sector meeting on 3 May.
- 1.5 On Saturday 4 May I attended the International Fire Service Day held in Richmond. This was a tremendous opportunity to thank the fire fighters who performed an outstanding job fighting the fire that started in Pigeon Valley on 5 February.
- 1.6 On Saturday 4 May I attended the Sundowners Function aboard the HMNZS Wellington, at port in Nelson with others from the Nelson and Tasman communities.
- 1.7 On Monday 6 May I attended the community’s farewell organised for Mike Tasman-Jones who had been with Council for 18 years. There were many people from throughout our community who came to thank Mike for the contribution he has made to the development of community organisations
- 1.8 On Thursday 9 May I chaired the Full Council meeting held in Council Chambers.
- 1.9 On Friday 10 May I travelled to Blenheim to attend the Sport Tasman Board Meeting.
- 1.10 On Monday 13 May I met with Rex & Annie Lynch to discuss youth with a mission potentially expanding to the Nelson/Tasman Region.
- 1.11 On Tuesday 14 May I attended the Environmental Monitoring and Reporting (EMAR) Governance Group meeting in Wellington.
- 1.12 On Wednesday 15 May we held the Citizenship Ceremony where we had 25 people officiated of 12 different ethnicities.
- 1.13 On Wednesday 15 May I attended the Council Workshop regarding the Annual Plan after which was the Council Workshop for the Plan Change for the Land Development Manual.
- 1.14 On Thursday 16 May I was invited to attend a Hui at the Tuahiwi Marae in Canterbury to discuss the relationship Iwi developed with Civil Defence and many of us from Council during the response to the Pigeon Valley fire.
- 1.15 On Friday 17 May I attended the LGNZ National Council meeting in Wellington.
- 1.16 On Monday 20 May I attended the powhiri held for Craig Churchill, Regional Commissioner for Nelson, Marlborough, West Coast and Kaikoura from the Ministry of Social Development which was held at the Whakatu Marae.

- 1.17 On Tuesday 21 May I attended the Council Workshop regarding the outcomes and conclusions achieved by the Takaka Freshwater and Land Advisory Group addressing water planning issues for the Takaka River and catchments.
- 1.18 On Wednesday 22 May I attended a multi-agency debrief meeting with the various regional agencies involved in the Pigeon Valley Fire, in Richmond. Following this meeting I attended the Joint Civil Defence Emergency Management meeting.
- 1.19 On Thursday 23 May I attended the Engineering Services Committee meeting in Council Chambers.
- 1.20 On Friday 24 May I attended the Te Tauihu 2077 Steering Group meeting in Blenheim.
- 1.21 On Friday 24 May I attended the Top of the South Rural Support Trust Annual General Meeting held in Blenheim.
- 1.22 On Monday 27 May I attended the LGNZ Policy Advisory Group meeting in Wellington.
- 1.23 On Tuesday 28 May and Wednesday 29 May, I hosted the new Dutch Ambassador to New Zealand, Mira Woldberg, while she was in the Tasman Region. She was welcomed by way of powhiri at the Onetahua Marae. We visited the Abel Tasman Monument, she visited the Takaka Museum, and we visited A&A Snacks (a Dutch business located in Upper Moutere) and the Abel Tasman Statue at Tahunanui Beach in Nelson.
- 1.24 On Thursday 30 May I travelled to Christchurch to attend the South Island Destination Management Plan inter-regional steering group meeting.
- 1.25 On Friday 31 May I attended the Full Council Meeting to adopt the Annual Plan followed by a workshop on Freedom Camping Strategy.
- 1.26 On Saturday 1 June I attended the Faalapotopotoga Tagata Samoan Independence Day celebrations with the Samoa Nelson Tasman Community Group.
- 1.27 On Tuesday 4 June, Ashleigh MacBride of St Leonards Road School in Auckland and her teacher were flown to Nelson. Ashleigh is a young student who led the initiative with her school to raise \$550 and pay it into the Mayors Disaster Relief Fund (MDRF) for the Tasman community who were affected by the Pigeon Valley fire. We visited Wakefield School, Wakefield Fire Station and our property in Eves Valley and overlooked Redwood Valley to see the extent of the damage caused by the fire. We also had time to show Ashleigh and her teacher through Council Chambers and the Civil Defence Emergency Operations Centre and meet the team processing MDRF applications.
- 1.28 On 6 & 7 June I attended the LGNZ Rural & Provincial Meeting.
- 1.29 On Friday 7 June I attended the Department of Internal Affairs (DIA) Reference Group meeting in Wellington. This is a group representing Councils that provide drinking water for our communities and we are there to give advice to DIA who in turn give advice to the Minister of Local Government. It has been a very challenging process forming a constructive engagement with the government on this issue.

2 Other

Paul Morgan, Wakatu Incorporation

- 2.1 Paul Morgan (Ngāti Rārua), Chair of Wakatu Board received the University of Auckland's 2019 Te Tohu mō te Kaiārahi Whakahaere Māori – Māori Governance Leader Award. This was announced by the Institute of Directors. This is a real recognition of the value Paul provides in the governance of the Wakatu Incorporation and the support that Paul gives to supporting and growing our regional economy.

Update on Mayoral Disaster Relief Fund 2019

- 2.2 The Mayoral Disaster Relief Fund (MDRF) closed for applications on Sunday 12 May. The administrators are working through the applications and supporting documentation and additional information that has been needed in order to fairly process applications. All additional information requests will need to be provided by 23 June with the aim of completing the distribution of the finance available by 30 June, the end of this financial year.
- 2.3 We have a team of four people working full or part time on processing applications. This has been a very time consuming process.
- 2.4 Tasman District Council has received the following funds for distribution:
- Approximately \$470,000 general donations not tagged to a specific use.
 - \$30,000 from Ministry for Primary Industries (MPI) for partial reimbursement of freight costs for feed required as a result of the drought.
 - Close to \$1.8M from the Lotteries Commission to pay for:
 - damage to properties caused in the firefighting effort
 - reimbursement to Not for Profit organisations who helped during the fire
 - grass seeding and polymer application to steep hillsides to avoid siltation of streams and the Waimea Estuary.
- 2.5 Councillors will be aware that a panel was appointed to consider and make decisions on the distribution of finance that is available to those who have applied to the Mayoral Disaster Relief Fund. The panel members are Mayor Richard Kempthorne and Cr Brown from Tasman District Council, Mayor Rachel Reese and Cr Dahlberg from Nelson City, Shane Graham as iwi representative, and Leighton Evans, CEO of Rata Foundation. Cr Tuffnell has been involved to stand in for me as I am not always available to attend these meetings.
- 2.6 The panel members were established by myself and Mayor Rachel Reese. This has been an extremely effective panel who have assisted in the comprehensive decision making that has been involved.
- 2.7 The Mayoral Disaster Relief Fund administration team consists of four members who are either full time or part time. This has been an extremely time consuming and complex process to gather the information to make recommendations for distribution of funds to the panel members.
- 2.8 A full report on the process used will be provided to Councillors once funding distribution is completed. The Corporate Services Manager has confirmed that the Council processes and

controls are in place. At this stage, the administrators are fully focussed on gathering the information required.

Appendices

Nil

8.11 CHIEF EXECUTIVE'S ACTIVITY REPORT TO FULL COUNCIL**Decision Required**

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Janine Dowding, Chief Executive Officer
Report Number:	RCN19-06-11

1 Summary

- 1.1 This report updates Council on some key issues and activity since my last Activity Report on 9 May 2019.
- 1.2 The updated Council Action Sheet is attached (Attachment 2) for Councillors' information.

2 Draft Resolution**That the Full Council:**

1. receives the Chief Executive's Activity Report to Full Council RCN19-06-11; and
2. agrees to fund \$35,100 towards the Te Taihu (top of the South) 2077 Regional Growth Strategy project from the Strategic Policy 2018/2019 budget , and agrees that the request for further funding of \$50,000 for stage two of the project be considered through the Finance Manager's report on the 2018/19 financial results and carryovers scheduled for the September 2019 Full Council meeting; and
3. confirms the authority to consider and decide on applications made under the Policy on Remission of Excess Metered Water Rates is delegated to the Water Billing Officer up to a value of \$2,000, the Utilities Manager up to \$10,000 and the Engineering Services Manager up to \$20,000; and
4. confirms the authority to consider and decide the policy on remission of penalties be delegated to the Finance Manager and the Revenue Accountant up to a value of \$2,000; and
5. notes in the event of any doubt or dispute arising about the applicable criteria, the rates remission application will be referred to Council for a final decision;
6. notes the Council Action Sheet.

3 Purpose of the Report

- 3.1 The purpose of this report is to advise Council about some key issues and activity since the Full Council meeting on 9 May 2019.

4 Advice and Reporting

Te Taihu 2077 Regional Growth Strategy

- 4.1 Wakatu Incorporated are leading the development of the (Top of the South) Te Taihu 2077 Intergenerational Regional Growth Strategy. The project is being run as a collaborative partnership with ourselves, Nelson City Council, Marlborough District Council, NRDA, iwi, and businesses. A detailed summary is included in Attachment 1.
- 4.2 The Project has been structured as a two staged programme of work. Stage one commenced in March 2019 and is due to be completed in September 2019. The deliverables from this stage will include:
- a) Development of an intergenerational Vision and “Well-Being” framework with collective outcomes and agreed measures / indicators;
 - b) An intergenerational Regional Growth Strategy for Te Taihu;
 - c) A comprehensive data bank to support the development and implementation of the well-being framework and strategy;
 - d) Identification of the priorities for business cases across agreed focus areas: Whānau / People; Pūtea / Economic Playbook; Taiao / The Natural World; Papa Whenua / Enabling Infrastructure; Hihiko / Science & Tech;
- 4.3 Stage two will run from October 2019 to October 2020. During this stage the project team will develop and deliver prioritised identified business cases for key projects that will drive change across Te Taihu. There is potential for significant projects across Te Taihu with benefits to Tasman residents and businesses.
- 4.4 The project recently received funding for stage one from the Government’s Provincial Growth Fund. In addition to this funding Wakatu Incorporation, Nelson City Council and Marlborough District Council have also provided cash contributions of \$50,000 each towards stage one of the project and committed a further \$50,000 to stage two. To-date our Council has committed only in-kind support. Wakatu Incorporation has advised that there is a \$35,100 funding shortfall for stage one and have approached us to fund this shortfall. They have also requested that we commit a further \$50,000 to help fund stage two.
- 4.5 As discussed at the Council workshop on 15 May 2019, we recommend that Council funds the shortfall of \$35,100 to support the project and ensure Tasman District’s continued involvement. We propose to fund this amount from the Strategic Policy 2018/2019 year budget. As discussed at the workshop, as the \$50,000 for stage two is new expenditure that has not been budgeted in the Annual Plan 2019/2020, we will bring this request back to you in September 2019 when we present our Activity Balances Report for the year.

Waimea Community Dam

- 4.6 Waimea Water Ltd Chief Executive, Mike Scott and Board Member, Doug Hattersley will attend part of the Full Council meeting on 20 June 2019 to provide a verbal update to

Council on the Waimea Dam project and to answer any related questions Councillors might have at that time.

- 4.7 The agenda also includes a report from the Corporate Services Manager, Waimea Water Ltd - Final Statement of Intent.

Chief Ombudsman's LGOIMA practice investigation into Tasman District Council

- 4.8 The investigation has been concluded and we have received the provisional report along with the opportunity to make any comments we would like the Chief Ombudsman to consider before the report is finalised. The intention is to finalise the report by 28 June 2019.

5 Updates to Delegations

- 5.1 A change in reporting lines has prompted a review of the staff responsible for deciding on rates remissions for Excess Metered Water Rates. Delegations have also been reviewed with a view to maximising operational efficiency for the Remission of Excess Metered Water Rates and Remission of Penalties while monitoring appropriate controls. The changes proposed are shown below:

4.8 Authority to decide on Rates Remissions

- 4.8.1 *The authority to consider and decide on applications made under the Policy on Remission of Excess Metered Water Rates is delegated to the ~~Program Delivery Manager and the Water Billing Officer~~ up to a value of ~~\$2,000~~^{1,500}, the Utilities Manager up to \$10,000 and the Engineering Services Manager up to \$20,000.*
- 4.8.2 *The authority to consider and decide the policy on remission of penalties be delegated to the Finance Manager and the Revenue Accountant ~~up to a value to be determined from time to time by the Corporate Services Manager, but not exceeding value of \$500~~ up to a value of \$2,000.*
- 4.8.3 *In the event of any doubt or dispute arising about the applicable criteria, the rates remission application will be referred to Council for a final decision.*

6 Managing People

- 6.1 There have been 12 related **health and safety events** reported by staff since my last report. Nine of these were reports of self-discomfort, which is something we encourage staff to report on as early intervention will often resolve the issues. There were two injury events resulting in minor cuts and bruises and one event involving a member of the public reversing into a moving Council vehicle.
- 6.2 This year's **Collective Employment Agreement (CEA) negotiations** have been concluded. Last year a two year term was agreed which meant this year we were only meeting to bargain over a mid-term salary grade variation. Increases across the grades range from 1.4% to 2.6%, with an average of 1.9%. The decision to adopt the Living Wage as a minimum starting rate earlier this year (given the skills required for entry level positions) created a 2.9% increase to our lower end salary grades. The Living Wage will increase this year to \$21.15 gross per hour.
- 6.3 During the month of July our **annual performance conversation** (appraisal) process will conclude for this 12-month cycle and any salary adjustments will be incorporated into the market movements agreed to in this year's CEA negotiations mentioned above.

- 6.4 We recently concluded a four week consultation process on an **organisation change proposal** that includes the introduction of a 2nd tier Chief Information Officer who would have overall responsibility at a department level for the existing Information Services team. Also proposed is a new Operational Governance Team within the Corporate Services Department.
- 6.5 Our in-house **Leadership Development programme** for this year has now been completed and we have six staff participating in this year's SOLGM Accelerated Leadership programme. As mentioned in my previous report to Full Council, this is the second year for the programme and Nelson City Council and Marlborough District Council are part of our Top of the South cohort.
- 6.6 **Recruitment** continues to be a steady activity and we are currently at various stages of recruiting for the following roles:
- Building Assurance Manager (replacement)
 - Compliance & Investigations Officer (replacement)
 - Customer Services Officer – Golden Bay (replacement)
 - Rivers Engineer (new position)
 - Forestry Management Advisor (new position)
 - Desktop Administrator (replacement)
 - Customer Services Officer – Richmond (replacement)
 - Consent Planner – Natural Resources (replacement)
 - Consent Planner – Land Use (replacement)
- 6.7 Since my last report, another 7 appointments have been made:
- Utilities Billing Officer (replacement)
 - Consent Planner – Subdivision (new position)
 - Community Partnerships Officer (replacement)
 - Science Officer – Groundwater (new position)
 - Customer Services Officer – Richmond, fixed term, 12 months (replacement)
 - Senior Resource Scientist – Natural Hazards (replacement)
 - Property Officer – fixed term, 24 months (new position)

7 Attachments

- | | | |
|----|---|-----|
| 1. | Te Taihu Engagement Dates | 209 |
| 2. | Council Action Sheet as at 20 June 2019 | 211 |

TE TAUIHU

CONNECTING OUR LAND & COMMUNITIES

Let's Talk Te Taihu

Evening Forums Featuring a Focused Fireside Chat & Panel Discussion

Conversation	Location	Venue	Date & Time
Resilience - Our Climate, Our People & Our Economy	Nelson	TBC	Monday 1st July 6pm to 8pm
Sustainability - Creating Lasting Change for Future Generations	Blenheim	TBC	Wednesday 3rd July 6pm to 8pm
Future Planning - Making Smarter Decisions About the Places We Live, Work & Play	Takaka	TBC	Thursday 11th July 6pm to 8pm
Leadership - Inclusive Leadership, Change & Advocacy for Te Taihu	Richmond	TBC	Thursday 18th July 6pm to 8pm
Ambition - Exploring Ambition & Courage in Te Taihu	Motueka	TBC	Thursday 25th July 5pm to 8pm
Healthy Communities - Mental Health, Wellbeing & Housing	Picton	TBC	Thursday 8th August 6pm to 8pm

Community Hui

Presenting Strategy Progress, Testing Assumptions & Seeking Community Input

Location	Venue	Date & Time
Motueka	TBC	Wednesday 14th August, 10am to 12pm
Takaka	TBC	Wednesday 14th August, 4pm to 6pm
Richmond	TBC	Thursday 15th August, 10am to 12pm
Nelson	Mahitahi Collab	Thursday 15th August, 4pm to 6pm
Blenheim	TBC	Tuesday 20th August, 10am to 12pm
Picton	TBC	Tuesday 20th August, 4pm to 6pm

Action Sheet – Full Council as at 20 June 2019

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 7 February 2019			
Managing Demand and Public Water Supplies	Report back via weekly Councillor's update as well as to the next Full Council and Engineering Services Committee meetings on how delegated authority has been used by Council officers.	Engineering Services Manager	Complete (ongoing).
Meeting Date 14 February 2019			
Notice of Motion – Cr Ogilvie to 14 February 2019 Full Council Meeting	Staff to prepare a report back to Full Council outlining the options, process, cost and timelines to review the current rating policy as it relates to retirement villages or like operations.	Corporate Services Manager	Complete – reported to 31 May 2019 Full Council meeting.
Mayor's Activity Report	Staff to report to a future Council meeting on the proposal to amend Council's existing Standing Orders to allow members of the public to phone in for the purpose of speaking at Public Forum, at the discretion of the Chairperson.	Chief Executive / Community Development Manager	In progress.
Meeting Date 28 March 2019			
December 2018 Quarterly Financial Update	Staff to confirm the drivers for additional income over budget following the meeting.	Corporate Services Manager	Complete – Council was advised by email.

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 9 May 2019			
Engineering Services Capital Projects Funding	Staff to report back on timing and funding for capital projects in Wakefield, including impacts of work that has been delayed.	Engineering Services Manager	Report will be presented to August 2019 Engineering Services Committee meeting.
Traffic Control Bylaw - Proposed Parking Control Changes	Staff to investigate whether parking signage is large enough to be clearly visible for all users.	Technical Officer - Transportation	Complete - Council is required to follow the national standard under the Traffic Control Devices Manual.
Nelson Tasman Regional Landfill Business Unit - Business Plan 2019-2020	Staff to report back on the process to update the Business Plan to include climate change considerations.	Engineering Services Manager	Will be considered in the new Business Plan, which is being drafted later this year.
Mayor's Activity Report	Staff to consider and report back on drafting and implementing a Beach Bylaw. Mayor to provide a letter of support to Hon Nick Smith in relation to mandatory driver drug testing by Police.	Mayor	Complete.
Chief Executive's Activity Report	Staff to schedule a joint workshop with Nelson City Council on the Future Development Strategy in advance of the next Joint Committee meeting in July 2019. Clarify the amendments sought to the Delegations Register.	EA to Mayor Chief Executive	Complete. Complete – included in CE's Activity Report to 20 June 2019 Full Council.

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 31 May 2019			
Rating Policy – Retirement Villages	Staff to complete preliminary work for Stage 1 of a fixed charge rating review, which includes determining the definition of Separately Used or Inhabited Parts (SUIPs) and the likely number of SUIPs in the District and reports back to the Full Council with the outcomes and implications of Stage 1 work when that work is completed	Revenue Accountant	In progress.
Opportunity to Submit Alternative Proposal to Golden Bay Local Board Proposal Report	Staff to prepare a Council submission to the Local Government Commission on the Golden Bay Local Board Proposal.	Chief Executive	Complete.

8.12 MACHINERY RESOLUTIONS REPORT

Decision Required

Report To:	Full Council
Meeting Date:	20 June 2019
Report Author:	Rhian Williams, Administration Assistant - Governance
Report Number:	RCN19-06-12

EXECUTIVE SUMMARY

The execution of the following documents under Council Seal require confirmation by Council.

RECOMMENDATION/S

That the report be received and that the execution of the documents under the Seal of Council be confirmed.

DRAFT RESOLUTION

That the Tasman District Council

1. receives the Machinery Resolutions report RCN19-06-12 and that the execution of the following documents under the Seal of Council be confirmed:
 - a) Covenant (Amalgamation) – Appleby Farms Ltd, Appleby 54 Ltd and JE Malcom – RM160673 – Consent has been granted under RM160673 to subdivide land at Berryfield Drive, Lower Queen Street. The balance areas of the land contain Limited as to parcels land areas that can only be held by Covenant;
 - b) Authority and Instruction Form to allow an Easement in Gross – BMP Developments Limited – Galeo Road, Redwood Valley – To allow Easements in gross to be registered over Councils water pipes that provide service to this subdivision granted under RM080969;
 - c) Easement – 50 Higgs Road, Mapua – Andrew Browning and Judith Anne Browning – RM161176 – Subdivision of 50 Higgs Road (Lot 11 DP4234, NL2A/991) created the requirement to register easement A in Gross in favour of Tasman District Council over proposed Lot 2 for the Council sewer line;
 - d) Authority and Instruction for Easement In Gross – Tasman Bay Estates – RM150576 – Decks Road and Permin Road, Tasman. Storm water Easements in Gross are required for discharge from Councils walkway constructed as part of RM150576;
 - e) Deed of Assignment of Lease – Motueka Aerodrome, Skydive AT Ltd/ Inflight Ltd – ID 41111L1 & L12 – Skydive AT is being sold to Inflight AT. Lease for Hangar, Office

and jump area to be assigned. Original lease 1/12/18. Interim and final documents signed;

- f) Easement in Gross – 37 Crescent Street, Richmond – Maxine Day – RM171260 – An Easement in Gross in favour of TDC is needed to drain sewage from Lot 2 – shown at F, D, D, A + C on LT PLAN 531669;
- g) Easement in Gross – 37 Crescent Street, Richmond – Maxine Day – RM171260 – An Easement in Gross in favour of TDC is needed to drain sewage from Lot 2 – shown at F, E, D, A + C on DP531669;
- h) Plan Change Approval Certificate under RMA 1991 – Tasman District Council – approval and commencement of Plan Changes:
 - 60 (Rural Land Use and Subdivision – Including 1 and 2 to Plan Change 60)
 - 67 (Waimea Water Management Technical Amendments)
 - 68 (Omnibus)
- i) To the Tasman Resource Management plan as per Council resolution EP19-04-04.
- j) Easement in Gross – Memorial Drive Motueka - Mike McLean Homes Ltd – RM160842 – The right to drain water (E1 10833286.5) over Lot 400 DP 520735 (RT 823867) in favour of TDC requires cancelation because Lot 400 was the balance Lot and is being superseded by Lots 1, 2, 10-12 and 14 + 15;
- k) Deed of Lease – Bruce and Julie Taylor – New Lease for grazing at Waimea River Berm near Appleby Highway, Appleby. 5 year term commencing 1 November 2018 at \$3,200 plus GST pa. Bruce + Julie Taylor’s existing lease expired 30 October 2018;
- l) Easement in Gross – RM170002 – 323 Hill Street, Richmond. Easement in Gross required for Council Services within the subdivision, for Lots 1-10.

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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 relevant part of the proceedings of the meeting in public, as follows:

9.2 Pohara Holiday Park - Store Lease Renewal

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

9.3 Confirmation of appointment of iwi representatives to Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.