AGENDA

COUNCIL MEETING

Wednesday, 26 February 2020, 9.30am

Council Chambers
Council Office
William Street
Paeroa
Membership

Mayor
D A Adams

Councillors
Cr P G Anderson
Cr R D T Broad
Cr P D Buckthought
Cr C A Daley
Cr R G E Garrett
Cr B J Gentil
Cr R Harris
Cr S Howell
Cr P A Milner
Cr D Smeaton
Cr A M Spicer
Cr J R Tilsley
Cr R L Wilkinson

Executive Leadership
L D Cavers
D Peddie
A de Laborde
P Thom
S Fabish

Public Distribution
Paeroa Office/Library
Plains Area Office
Waihi Area Office/Library

Chief Executive
L D Cavers
Ngā Karakia Timatanga (opening)

(1)
Kia tau te rangimarie
Kia whakapapa pounamu te moana
Hei huarahi ma tatou i te rangi nei
Aroha atu, aroha mai
Tatou i a tatou katoa
Hui e! Taiki e!

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

(2)
Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātarata ki tai.
E hī ake ana te atākura he tio,
he huka, he hauhunga.
Haumi e! Hui e! Taiki e!

Get ready for the westerly
and be prepared for the southerly.
It will be icy cold inland,
and icy cold on the shore.
May the dawn rise red-tipped on ice,
on snow, on frost.
Join! Gather! Intertwine!

Karakia Whakamutunga (closing)

Kia whakai-ria te tapu
Kia wātea ai te ara
Kia turuki whakataha ai
Haumi e. Hui e. Taiki e!

Restrictions are moved aside
So the pathways is clear
To return to everyday activities
Join Gather Intertwine!
COUNCIL AGENDA

Wednesday, 26 February 2019 – 9.30am

Council Chambers, Council Office, William Street, Paeroa

Order of Business

1. Karakia timatanga – Cr Wilkinson
2. Apologies
3. Declarations of Late Items
4. Declarations of Interests
5. Confirmation: Council Minutes – (12-02-20) (2720780)
6. Receipt and Adoption: Audit and Risk Committee Minutes (11-02-20) (2721726)
7. Liability Management and Investment Policy - February 2020 (2722976)
   Appendix A: Proposed Liability Management & Investment Policy (2722947)
   (marked up version)
9. CEO Monthly Report for February 2020 (2723092)
10. Resolution to approve Mayor as member of all Working Parties (2723350)
12. Planning and Environmental report - December 2019 and January 2020
    (27222970)
14. Report to Council re Rehabilitation Bond (2722927)
15. Section17A Review Animal Control 2020 (2723320)
16. Transforming the RMA 2020- (272280)
17. 2019-20 Second Quarter Non-Financial Performance Results Council Report
    (2723005)
18. Transport Report - January 2020 (2722978)
21. District Drainage Activity Report - January 2020 (2723006)
22. Receipt and adoption Minutes: Western Plains Drainage District - 04-02-20
    (2723486)
23. Receipt and adoption Minutes: Eastern Plains Drainage District – 04-02-20
    (2723485)

Public Excluded

24. Item 1: Replacement Fuel Contract (report will be distributed prior to the meeting)
Matters to be taken with the Public Excluded

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

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

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<td>Replacement Fuel Contract (report to be distributed prior to the meeting)</td>
<td><strong>Section 7(2)(i)</strong> Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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HAURAKI DISTRICT COUNCIL MEETING

MINUTES OF A MEETING OF THE HAURAKI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON WEDNESDAY, 12 FEBRUARY 2020 COMMENCING AT 9.00 AM

PRESENT
D A Adams (His Worship the Mayor), Cr P A Milner (Deputy Mayor), Cr P G Anderson, Cr R D T Broad, Cr P D Buckthought, Cr C A Daley, Cr R G E Garrett, Cr B J Gentil (from 9.03am), Cr R Harris, Cr S Howell (from 9.20am), Cr D Smeaton, Cr J R Tilsley and Cr R L Wilkinson

IN ATTENDANCE
Messrs L D Cavers (Chief Executive), A de Laborde (Group Manager - Engineering Services), D Peddie (Group Manager - Corporate Services), P Thom (Group Manager - Planning & Environmental Services), S de Laborde (Infrastructure Systems and Planning Manager), Mrs J Nelson (Strategic Planning Projects Manager), Mrs C Mischewski (Strategic Planner), Mrs T Casey (Strategic Planner), A Chwesik (Community Facilities Officer), D Lees (Property Manager), Ms H O’Carroll (Library Services Manager), Mrs M Brebner (Library Services Team Leader), Ms K McLaren (Community Engagement Officer) and Ms C Black (Council Secretary)

KARAKIA TIMITANGA
Cr Buckthought opened the meeting with a karakia.

APOLOGIES

RESOLVED
THAT the apology for absence of Cr A Spicer and for the lateness of Cr B Gentil and Cr S Howell be received and sustained.

C20/37 Harris/Daley CARRIED

LATE ITEMS

Pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the Chairperson called for late items to be accepted.

RESOLVED
THAT pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following late item be accepted for discussion.

- Change to Council Meeting Date – March 2020

The item was not on the agenda because the item was unavailable at the time of the agenda deadline.

Discussion on the item could not be delayed because a decision was required to allow time for the new date to be publically notified within the required timeframe.

C20/38 Daley/Anderson CARRIED
DECLARATIONS OF INTERESTS

There were no declarations of interests.

Cr Gentil attended the meeting at 9.03am.

CONFIRMATION: COUNCIL MINUTES: (29-01-20) (2705121)

RESOLVED

THAT the minutes of the meeting of the Hauraki District Council held on Wednesday, 29 January 2020 are received and confirmed as a true and correct record.

C20/39 Buckthought/Wilkinson CARRIED

RECEIPT AND ADOPTION: COMMUNITY GROWTH COMMITTEE MINUTES (30-01-20) (2717049)

RESOLVED

THAT the minutes of the Community Growth Committee meeting held on Thursday, 30 January 2020 be received and the recommendations therein adopted.

C20/40 Harris/Anderson CARRIED

DESTINATION COROMANDEL HALF-YEARLY REPORT (2702365)

Hadley Dryden, General Manager – Destination Coromandel and Chairman, John Sandford were in attendance and presented the organisations six monthly activity report in line with their Letter of Agreement which requires them to report to Council every six months. The report covered work undertaken and milestones achieved, progress against key performance measures and targets, progress against the current Destination Coromandel Business Plan and actual versus budgeted/intended expenditure.

The representatives provided one of their latest promotional travel video’s in the Hauraki District which highlighted ‘Travel Tips for the Shorebird Coast’.

RESOLVED

THAT the report be received.

C20/41 Adams/Smeaton CARRIED

Cr Howell attended the meeting at 9.20am.
The Mayor left the meeting at 9.29am
The Deputy Mayor took the chair.
The Mayor returned to the meeting at 9.36am and resumed the chair.

HAURAKI RAIL TRAIL CHARITABLE TRUST ANNUAL REPORT 2019 AND UPDATE ON ACTIVITIES (2702378) PRESENTATION # 2721361)

Diane Drummond, Chief Executive of the Hauraki Rail Trail was in attendance and provided a report and presentation on the activities of the Hauraki Rail Trail Charitable Trust over the past six months as well the Trust’s budget. Also attached was a briefing for incoming Councillors from the Waikato Regional Cycle Trail Network.

RESOLVED

THAT the report be received.

C20/42 Broad/Harris CARRIED
The Project Manager of the Maritime Park and Museum, Eric Souchon was in attendance and spoke to the Maritime Park’s quarterly report included within the agenda.

RESOLVED

THAT the report be received.

C20/43 Daley/Harris CARRIED

The meeting adjourned at 10.15am

The meeting reconvened at 10.36am

The Mayor left the meeting at 10.36am, the Deputy took the chair.

2019 TRIENNIAL ELECTIONS – EXECUTIVE SUMMARY (2718516)

The Chief Executive presented the report in the absence of the Group Manager – Community Services and Development. The report provided an update and financial summary from Councils appointed Electoral Officer (Independent Electoral Services Ltd) on the local government triennial election held in October 2019.

RESOLVED

THAT the report be received.

C20/44 Daley/Tilsley CARRIED

APPOINTMENT TO WAIKATO PLAN LEADERSHIP COMMITTEE (2718489)

The Chief Executive in the absence of the Group Manager – Community Services and Development presented a report which sought consideration to the appointment of the Mayor to the Waikato Plan Leadership Committee.

RESOLVED

THAT the report be received.

C20/45 Buckthought/Wilkinson CARRIED

RESOLVED

THAT Council appoints Mayor Dameion (Toby) Adams to the Waikato Plan Leadership Committee.

C20/46 Harris/Anderson CARRIED

Declaration: Conflict of Interest – Item 13.

Cr Garrett declared a conflict of interest in the following item and took no part in the discussion and decision.

KEREPEHI BOWLS AND SPORTS CLUB INC. 2020 (2718639)

The Property Manager presented a report which sought Council’s approval in principle, for the extension of the Kerepehi Bowls and Sport Club Inc. by 30 metres to the west of the existing
clubroom to allow the club to apply for external funding with deadline dates between council meetings.

**RESOLVED**

THAT the report be received.

C20/47 Harris/Broad **CARRIED**

**RESOLVED**

THAT Council support in principle the extension of the Kerepehi Bowls and Sports Club Inc., and

THAT Council delegate to the Mayor, Recreation Portfolio Holder and Plains Ward Chair to provide final approval when the designs are received.

C20/48 Broad/Wilkinson **CARRIED**

**DRAINAGE RESERVE RETA CRESCENT SUBDIVISION (2712881)**

The Property Manager presented a report recommending that part of a Council owned fee simple property in Reta Crescent, Kerepehi, be set apart under section 52(4) of the Public Works Act 1981 for water storage and drainage purposes and vested in Council.

**RESOLVED**

THAT the report be received.

C20/49 Broad/Gentil **CARRIED**

**RESOLVED**

THAT Council approve of the Minister for Land Information, by notice in the Gazette, declaring, pursuant to section 52(4) of the Public Works Act 1981, that part of Section 2 SO 514123 (being part land in Record of Title 857466), comprising 0.1414 ha, and shown as Section 2 on SO plan 541334 (not yet approved as to survey) be set apart for water storage and drainage purposes and the vesting of the land in Council, and

THAT Council authorise its Chief Executive, pursuant to section 52(6) of the Public Works Act 1981, to sign a written request to the Minister for Land Information, declaring by notice in the gazette, that Section 2 SO 541334, area 0.1414 ha, be set apart for water storage and drainage purposes and the vesting of the land in Council, and

THAT Council authorise its Chief Executive, pursuant to section 52 (7) of the Public Works Act 1981 to sign a statutory declaration to the effect that Council is authorised by law to undertake the work for which it is proposed to set apart Section 2 SO 541334, area 0.1414 ha, as sufficient evidence for the Minister of Land Information of that fact, and

THAT Council, as Grantor and Grantee, under Easement Instrument 7935629.7 to store and drain water over that part of section 2 SO 514123 marked A on SO 514123, consent to the proposal under section 52(4) Public Works Act 1981, to set apart Section 2 SO 541334, area 0.1414 ha, for water storage and drainage purposes and vesting of the land in Council, and

THAT Council approve the engagement of the services of Dunwoodie &Green Surveyors Limited to undertake the survey/plan preparation/plan lodgement of the land required for water storage and drainage purposes, and

THAT Council approve the engagement of Lyfestyle Research Limited, a LINZ Accredited Supplier, to undertake the work required to obtain LINZ approval to the setting apart of
Section 2 SO 541334 for water storage and drainage purposes and the vesting of the land in Council, and

THAT costs of this process to be funded from Council’s property account.

C20/ Broad/Howell CARRIED

COMMUNITY INITIATIVES REPORT JANUARY 2020 (2715329)

The Community Engagement Officer presented the Community Initiatives activity report to January 2020.

RESOLVED

THAT the report be received.

C20/50 Tilsley/Daley CARRIED

Request for Financial Assistance: Ryan Millar – Tennis Training (2704242)

A request has been received from Ryan Millar, seeking funding assistance in support of his attendance to train at an Adelaide tennis academy due to his achievements in representative tennis. He has also sought funding from other sponsors towards his training.

RESOLVED

THAT the correspondence from Ryan Millar be received, and

THAT $500.00 is granted from the Waihi Ward Community Assistance Fund to Ryan Millar towards the Adelaide 2020 Tennis Academy costs.

C20/51 Gentil/Anderson CARRIED

COMMUNITY RECREATION REPORT JANUARY 2020 (2718282)
APPENDIX A: HDC SPORT COORDINATORS (SPORT WAIKATO) QUARTERLY REPORT (2707104)

Community Services staff presented the recreation activity report to January 2020.

The Libraries Manager presented the quarterly report on district libraries and introduced the recently appointed Library Services Team Leader, Melanie Brebner.

The Community Facilities Officer provided an update on the status on the district swimming pool season and reported on other community recreational activities of note. In the absence of the Parks and Reserves Manager, he responded to questions on matters raised in the report and advised he would follow up with updates from the Parks and Reserves Manager on any matters of particular concern.

The HDC Sports Co-ordinators (Sport Waikato) quarterly report to 31 December 2019 was included with the report for the member’s information as Appendix A.

RESOLVED

THAT the report be received.

C20/52 Wilkinson/Garrett CARRIED

The Mayor returned to the meeting at 11.05am and resumed the chair.
COMMUNITY FACILITIES REPORT - JANUARY 2020 (2718473)

The Community Facilities Officer presented the report on district facilities to January 2020.

RESOLVED

THAT the report be received.

C20/53 Wilkinson/Smeaton CARRIED

2020-21 ANNUAL PLAN - COUNCIL REVIEW OF BUDGETS (2718570)

The Group Manager – Corporate Services and Strategic Planner presented for the review and feedback of the members, the proposed budgets and work programme for the 2020-21 financial year (01 July 2020 to 30 June 2021).

RESOLVED

THAT the report be received.

C20/54 Adams/Garrett CARRIED

RESOLVED

THAT the proposed budgets be approved for inclusion in the draft 2020/21 annual plan.

20/55 Milner/Buckthought CARRIED

2020-21 ANNUAL PLAN ENGAGEMENT APPROACH (2718573)

The Strategic Planner presented the members with the proposed approach for engagement relating to the 2020-21 Annual Plan, guided by an assessment of the significance and materialness.

RESOLVED

THAT the report be received.

C20/56 Adams/Tilsley CARRIED

RESOLVED

THAT any feedback on the assessment of significance and materialness for the 2020/21 annual plan be communicated to staff, and

THAT the proposed engagement plan for the 2020/21 annual plan be approved.

C20/57 Smeaton/Broad CARRIED

OUR PLACE TA TATOU KAINGA (COMMUNITY OUTCOMES REVIEW) (2718483)

The Strategic Planning Manager presented a report in relation to the Community Outcomes Review taking into account the wellbeing of communities as part of the development of the Long term Plan.

RESOLVED

THAT the report be received.

C20/58 Adams/Gentil CARRIED
At its Council workshop on 28 January 2020, Council reviewed the community engagement plan and provided feedback and suggestions on engaging our communities. The Council approved the draft engagement plan (phases one and two) in principle, with the proviso that it would be refined as per discussions and brought back at a later date.

Formal approval of phase one of the engagement plan was now requested.

**RESOLVED**

THAT Our Place | Tā tātou kainga community engagement plan – phase one be approved.

C20/59 Adams/Tilsley  

The meeting adjourned at 12.00

The meeting reconvened at 12.40pm

**DANGEROUS AND INSANITARY BUILDINGS POLICY REVIEW (2706515)**

The Strategic Planner presented a report seeking approval of the proposed review timeframes of the earthquake-prone, dangerous and insanitary buildings policy 2010 and to seek formation of a councillor working party to work with staff on the policy review process.

**RESOLVED**

THAT the report be received.

C20/60 Adams/Garrett  

**RESOLVED**

THAT the Council approve the timeframes for the review of the Earthquake-prone, Dangerous and Insanitary Buildings Policy 2010, and

THAT Councillors Milner, Daley, Broad and Anderson be appointed to a Councillor working party to work with staff on the review, and

THAT the Councillor working party work with staff to establish a draft stakeholder engagement approach for approval by the Council, to be undertaken as part of the special consultative procedure (s83 of the Local Government Act 2002).

C20/61 Buckthought/Howell  

**IMPLEMENTATION OF EARTHQUAKE-PRONE BUILDING SYSTEM (2706517)**

The Strategic Planner presented a report which summarised the central government’s earthquake-prone building system for the member’s information. Staff sought that a working party be formed to work with staff on implementation of the system and associated policy work.

**RESOLVED**

THAT the report be received.

C20/62 Adams/Wilkinson  

**RESOLVED**

THAT the Council approve the timeframes for the implementation of the earthquake-prone building system contained in this report, and
THAT Councillors Milner, Daley, Broad and Anderson be appointed to a Councillor working party to work with staff on the implementation of the earthquake-prone building system, including the development of a communications plan, and

THAT the Councillor working party work with staff on the identification of ‘busy thoroughfares’ and ‘strategic transport routes’ for the approval of the Council prior to public consultation, and

THAT the Councillor working party work with staff to establish a draft stakeholder engagement approach for approval by the Council, to be undertaken as part of the special consultative procedure (s83 of the Local Government Act 2002) for the identification of ‘busy thoroughfares’ and ‘strategic transport routes’, and

THAT the Councillor working party work with staff and report back to the Council on the options for potential council funding (if any) associated with the implementation of the earthquake-prone buildings system.

C20/63 Tilsley/Broad CARRIED

REVIEW OF 2017 GAMBLING POLICY (2706521)

The Strategic Planner presented a report which sought approval of the timeframes in which to review the Gambling Policy 2017 and sought that a working party is formed to work with staff on the review of the policy.

RESOLVED

THAT the report be received.

C20/64 Adams/Smeaton CARRIED

The Mayor left the meeting at 1.03pm, the Deputy Mayor took the chair.
The Mayor returned to the meeting at 1.04pm and resumed the chair.

RESOLVED

THAT the Council approve the timeframes for the review of the Gambling Policy 2017 contained in this report, and

THAT Councillors Milner, Tilsley, Spicer, Garrett, Wilkinson and Smeaton be appointed to a Councillor working party to work with staff on the review of the Gambling Policy 2017, including engagement undertaken prior to the special consultative procedure, and

THAT the Councillor working party work with staff to establish a draft stakeholder engagement approach for approval by the Council, to be undertaken as part of the special consultative procedure (s83 of the Local Government Act 2002).

C20/65 Daley/Tilsley CARRIED

REVIEW OF FREEDOM CAMPING BYLAW 2013 (2716523)

The Strategic Planner presented a report which sought approval of the timeframes for the review of the Freedom Camping Bylaw 2013 and sought the formation of a working party to work with staff on the review.

RESOLVED

THAT the report be received.

C20/66 Adams/Garrett CARRIED
RESOLVED

THAT the Council approve the timeframes for the review of the Freedom Camping Bylaw 2013 contained in this report, and

THAT Councillors Milner, Tilsley, Spicer, Garrett, Wilkinson and Broad be appointed to a Councillor working party to work with staff on the review of the Freedom Camping Bylaw 2013, including engagement undertaken prior to the special consultative procedure, and

THAT the Councillor working party work with staff to establish a draft stakeholder engagement approach for approval by the Council, to be undertaken as part of the special consultative procedure (s83 of the Local Government Act 2002).

C20/67 Wilkinson/Gentil CARRIED

2020 REVIEW OF LEGAL HIGHS POLICY 2014 (2713414)

The Strategic Planner presented a report which sought approval from Council that the Legal High Policy 2014 continue in force without amendment but be incorporated in the new policy template.

RESOLVED

THAT the report be received.

C20/68 Adams/Tilsley CARRIED

RESOLVED

THAT in accordance with section 69 of the Psychoactive Substances Act 2013, and after a review of the Council’s Local Approved Products (Legal Highs) Policy 2014, the Council approve that the Policy remain unamended, and

THAT the Council approve the Local Approved Products (Legal Highs) Policy 2014 be reformatted with the new Council branding and policy format attached as Appendix A.

C20/69 Howell/Anderson CARRIED

WAIKATO LIFELINE UTILITIES STEERING GROUP (2705635)
APPENDIX A - WAIKATO LIFELINE UTILITIES BOOKLET (2705632)
APPENDIX B - WAIKATO LIFELINE UTILITIES STEERING GROUP MINUTES 22-11-19 (2705631)

The Infrastructure Systems and Planning Manager presented a report which advised of the formation of the Waikato Lifelines Utilities Group (WLUG). Their role is to work together with Waikato territorial authorities to identify, analyse, and reduce the long term risks to life and property, as well as develop operational systems and capabilities before an emergency or disaster happens.

RESOLVED

THAT the report be received.

C20/70 Smeaton/Daley CARRIED
**LATE ITEM**

**CHANGE TO COUNCIL MEETING DATE – MARCH 2020 (2720651)**

In consideration of the annual Beach Hop Warm-up Event which is held in Waihi at the end of March every year, a number of members and the Mayor have requested they wish to attend. It was therefore proposed that the Council meeting scheduled for the end of month Wednesday, 25 March be moved forward by one day to Tuesday, 24 March 2020.

**RESOLVED**

THAT the report be received.

C20/71 Milner/Howell **CARRIED**

**RESOLVED**

THAT it be approved that the Council meeting scheduled for Wednesday, 25 March 2020 be changed to the new date of Tuesday, 24 March 2020 commencing at 9.00am.

C20/72 Milner/Howell **CARRIED**
**Matters to be taken with the Public Excluded**

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

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

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C20/73       Tilsley/Broad  **CARRIED**
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

C20/76 Harris/Daley CARRIED

Water Loss Issues Waihi - 11 and 12 February 2020

Cr Garrett on behalf of the members, wished to convey the members appreciation to staff for their efforts in investigating and addressing the cause of the water loss issues which had occurred over the 11th and 12th of February and for the support they had offered the community of Waihi during this time.

Cr Buckthought closed the meeting with a karakia at 1.30pm.

CONFIRMED
HAURAKI DISTRICT

AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE HAURAKI ROOM, WILLIAM STREET, PAEROA ON TUESDAY, 11 FEBRUARY 2020 COMMENCING AT 9.00 AM

PRESENT    Cr R G Harris (In the Chair), His Worship the Mayor D A Adams, Cr P A Milner, Cr C Daley and Cr D Smeaton

IN ATTENDANCE    L D Cavers (Chief Executive), D Peddie (Group Manager – Corporate Services), S Baker (Finance Manager) and Ms C Black (Council Secretary)

KARAKIA TIMATANGA

Mayor Adams opened the meeting with a karakia.

APOLOGIES

RESOLVED

THAT the apology of Cr A Spicer be received and sustained.

ARC20/01    Milner/Daley    CARRIED

LATE ITEMS

There were no late items.

DECLARATIONS OF INTERESTS

There were no declarations of interests.

Election of Audit and Risk Committee Chair

Nominations were sought for the election of Chairperson of the Audit and Risk Committee to be appointed in the interim until an appointment of an independent chairperson has been made.

Cr Milner nominated Cr Harris to the role as Chairperson. The nomination was supported by Cr Daley.

RESOLVED

THAT Cr Harris be elected as Chairperson of the Audit and Risk Committee in the interim until an appointment of an independent chair has been made.

ARC20/02    Milner/Daley    CARRIED
Audit and Risk Committee - Independent Chairperson

Discussions were held regarding the appointment of an independent chairperson of the Audit and Risk Committee for the 2020-2023 triennium. It was agreed that the previous chair, Paul Bennett be thanked of his input over the years since his appointment in 2014.

RESOLVED

THAT Paul Bennett be formally thanked for his leadership as independent chair of the Hauraki District Councils’ Audit and Risk Committee for the period 2014-2019 and advise him that his services are no longer required, and

THAT a letter be written by the CEO and the Mayor on behalf of the Committee advising Paul Bennett of this decision and thanking him for his service.

ARC20/03 Harris/Smeaton CARRIED

The meeting adjourned at 9.30am
The meeting reconvened at 9.40am

Due to the agreement and consensus of the Committee that Paul Bennett is no longer engaged as independent chair, consideration was requested as to his replacement.

It was proposed that the Committee consider the appointment of Mr Conall Buchanan, due to his background in business, in local government and the community and that he be approached to gauge his interest in taking on the role as independent chair of the Audit and Risk Committee.

RESOLVED

THAT Conall Buchanan be approached seeking his interest in the appointment as independent chairperson of the Hauraki District Council - Audit and Risk Committee for the 2020-2023 triennium.

ARC20/04 Harris/Adams CARRIED

AUDIT AND RISK COMMITTEE - WORK PROGRAMME REPORT FEBRUARY 2020 (2707400)

The Group Manager – Corporate Services presented the work programme for the 2020 year for the member’s consideration and feedback.

RESOLVED

THAT the report be received.

ARC20/05 Adams/Milner CARRIED

RESOLVED

THAT the Committee adopts the work programme subject to the amendment that the date proposed for the Aon and PWC presentation is moved out to a later date to allow the new independent chairperson to settle into the role.

ARC20/06 Adams/Harris CARRIED
PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS JANUARY 2020 (2707411)  
APPENDIX A - AUDIT NZ MANAGEMENT REPORT ACTION SCHEDULE (JANUARY 2020) (2707417)

The Finance Manager presented the report which presented the progress against matters raised by Audit NZ as a result of the 2017-18 and 2018-19 interim audit.

Findings of the management report on the 2018 annual report and the interim audit for 2019 annual report were updated within the report.

RESOLVED
THAT the report be received.

ARC20/07 Harris/Daley CARRIED

Cr Daley suggested target dates be included in the progress report. She considered there needs to be more detail as to why projects are being rolled over.

Cr Harris commented on the reporting of service requests response times and referred to the pipe breaks information issue identified in 2019 by Audit NZ. He suggested reviewing non-financial performance targets need to be included as a high priority at the LTP stage.

AUDIT NZ FINAL AUDIT MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2019 (2707408)  
APPENDIX A - HAURAKI DC 2019 FINAL REPORT TO GOVERNORS (2707325)

The Finance Manager presented a report on the Audit NZ’s final Audit Management Report for year ended 30 June 2019 to the Audit and Risk Committee.

RESOLVED
THAT the report be received.

ARC20/08 Daley/Smeaton CARRIED

Key feedback received from Audit NZ:

- **Service Request System** - Enhance controls and review processes over the customer service request system to ensure that attendance and resolution times are recorded accurately in the system. They also recommended a review of the key decisions made when initially entering the service request information into the system to enable the data to be better aligned to reporting requirements.

- **Landfill** - Obtain an expert opinion on the likely remaining term that remediation will be required for each landfill site, as well as considering the likely costs of the required work over that term. We also recommend a review of the discount rate applied when calculating the landfill provision.

- **Procurement** - Understanding the risks: Procurement and contract management
RESOLVED

THAT the proposed Liability Management and Investment Policy be endorsed by the Committee, and

THAT the Committee recommends the proposed Liability Management and Investment Policy be submitted to Council for adoption.

ARC20/15 Milner/Daley CARRIED

Cr Harris left meeting at 10.32am.
The Mayor took the chair.
Cr Harris returned to the meeting at 10.34am and resumed the chair.

INTERNAL AUDIT FUNCTION AND PRIORITIES 2707406)
APPENDIX A - INTERNAL AUDIT PRIORITIES - CHART (2707326)

The Group Manager – Corporate Services presented a report on the future of the internal audit function.

RESOLVED

THAT the report be received.

ARC20/16 Daley/Adams CARRIED

In 2015, KPMG was appointed as HDC’s internal auditors. The initial work programme consisted of five reviews, which were conducted over an 18-month period. These reviews were:

1. Procurement
2. Cash handling
3. Accounts payable
4. Payroll
5. Asset management.

In June 2018 PWC conducted a fringe benefit tax review and in 2019 Simpson Grierson conducted a legal review of the documents used in the setting of Councils rates.

Direction was sought from the Committee as to whether the Council engages KPMG to complete further internal audit work.

Staff outlined options and provided some commentary around the advantages and disadvantages of each of the options.

RESOLVED

THAT the Committee supports Option 3 – select one area, contract management, for internal audit as previously identified by KPMG.

ARC20/17 Adams/Daley CARRIED
AUDIT AND RISK COMMITTEE - TREASURY REPORT AS AT 31 JANUARY 2020 (2707415)

The Group Manager – Corporate Services presented a report which updated on the current position of the loan/debt status, against the parameters outlined in the Council’s Financial Strategy and Liability Management Policy.

RESOLVED

THAT the report be received.

ARC20/09 Adams/Daley CARRIED

Noted: Goldfields Railway 5 years from 31 October 2014 for $30,000 for replacement of Waitete Bridge. It was requested that the date of the balance stated should be 31 January 2020 and not 31 July 2019.

FINANCE QUICK FACTS (2707404)

The Finance Manager presented the report on the quick financial facts and reference document attached.

RESOLVED

THAT the report be received.

ARC20/10 Harris/Daley CARRIED

REPORT ON AUTO APPROVED INVOICES AND MITIGATION (2707401)

The Finance Manager presented a report which updated on the work undertaken to address auto approved invoices that occurred in the period from 1 July 2019 – 31 December 2019.

RESOLVED

THAT the report be received.

ARC20/11 Harris/Milner CARRIED

As part of the audit of the 2016/17 Annual Report. Audit NZ noted that a system patch was applied to Council’s Financial Software (Authority) that enabled some invoices to be automatically approved for payment if it had a self-approved purchase order and the goods or services had been receipted. The application of this system patch defeated the purpose of requiring one-up approval for invoices and therefore created a risk that purchases made were not appropriate or did not relate to Council’s operations.

A process change in Authority Accounts Payable module which was implemented in May 2019 has seen no more instances of auto approved invoices.

Staff will continue to monitor this area.
DEPARTURES FROM PROCUREMENT POLICY REPORT DECEMBER 2019 (2707412)

The Chief Executive and Finance Manager presented a report which provided information regarding the uses of the Departures from Procurement Policy process that have occurred between 1 July 2019 and 31 December 2019.

RESOLVED

THAT the report be received.

ARC20/18 Harris/Daley CARRIED

RISK REPORT TO AUDIT AND RISK COMMITTEE FEBRUARY 2020 (2707409)
APPENDIX A - HDC_RISK_REGISTER - FEBRUARY 2020 (2701483)

The Finance Manager presented a report which provided the Corporate Risk Register to the Audit and Risk Committee for review.

RESOLVED

THAT the report be received.

ARC20/19 Harris/Daley CARRIED

HEALTH SAFETY AUDIT AND RISK REPORT 4 FEBRUARY 2020 (2705491)

The Health and Safety Advisor and Human Resources Advisor were in attendance and provided the bi-monthly activity report on the organisation’s health and safety processes to date. The report included statistical information and a summary of initiatives and training being implemented to ensure the health safety of all employees.

RESOLVED

THAT the report be received.

ARC20/21 Harris/Milner CARRIED
RESOLVED

THAT the Audit and Risk Committee note the measures implemented by staff to mitigate associated risks.

ARC20/12 Adams/Daley  CARRIED

INTERNAL DEBT AT 30 JUNE 2019 AND FORECAST FOR 30 JUNE 2020 (2707407)

The Group Manager – Corporate Services presented a report which updated the Committee on Councils internal debt position as at 30 June 2019 and provide a forecast position for 30 June 2020.

RESOLVED

THAT the report be received.

ARC20/13 Daley/Milner  CARRIED

The Audit and Risk Committee were last presented with a report at their meeting on 20 October 2015 on internal borrowing/lending balances. The last update was presented to the committee in June 2019 for containing a forecast internal debt position for 30 June 2019.

LIABILITY MANAGEMENT AND INVESTMENT POLICY - REPORT TO ARC FEBRUARY 2020 (2707402)
APPENDIX A - PROPOSED LIABILITY MANAGEMENT INVESTMENT POLICY - MARKED UP VERSION

The Finance Manager presented a report on the proposed Liability Management and Investment Policy for review.

RESOLVED

THAT the report be received.

ARC20/14 Harris/Daley  CARRIED

The Local Government Act (the Act) requires all local authorities (Councils) to adopt the following six funding and financial policies:

1. Revenue and financing
2. Development and/or financial contributions
3. Liability management
4. Investment
5. Remission and postponement of rates on Māori freehold land
6. Local board funding (if your local authority has local boards)

Each of these policies can only be adopted or amended following consultation in accordance with the requirements of section 82 of the Act. However, change to the liability management and investment policies can be made by Council resolution (Section 105 of the Act).

The Liability Management and Investment Policy was last reviewed and revised as part of the 2018-28 Long Term Plan process in 2017. This policy is now up for review as part of the 2021-31 Long Term Plan process.
RESOLVED

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

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

<table>
<thead>
<tr>
<th>Item No.</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) Under Section 48(1) for the Passing of this Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1</td>
<td>KPMG- Progress report 31 January 2020 (2697410)</td>
<td>Section 7(2)(b)(i) - Protect information where the making available of the information: (1) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>Item 1</td>
<td>Appendix A - KPMG Internal Audit Reviews progress report 31 January 2020 (2697412)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item 2</td>
<td>Audit and Risk Committee – Remission of Water Arrears (2713744)</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>Item 3</td>
<td>Rates in Arrears - December 2019 (2707435)</td>
<td>7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>Item 4</td>
<td>Overview of Council’s Insurance Policies December 2019 (2707422)</td>
<td><strong>Section 7(2)(b)(i)</strong> - Protect information where the making available of the information: (2) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
</tbody>
</table>

ARC20/22 Harris/Daley **CARRIED**
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

ARC20/29 Adams/Harris CARRIED

Mayor Adams closed the meeting with a karakia at 11.28am.

CONFIRMED

R G Harris
Chairperson

14 April 2020
Decision Report

To: Council

From: Group Manager Corporate Services

Date: Wednesday, 19 February 2020

File reference: Document: 2722951
Appendix A: 2722947

Meeting date: Wednesday, 26 February 2020

Subject: Proposed Liability Management and Investment Policy

Recommendation:
THAT the report be received, and
THAT the proposed Liability Management and Investment Policy, as endorsed by the Audit and Risk Committee, be adopted by Council.

1 Purpose
To provide the Council with the proposed Liability Management and Investment Policy for review.

2 Background
The Local Government Act (the Act) requires all local authorities (Councils) to adopt the following six funding and financial policies:
1. Revenue and financing
2. Development and/or financial contributions
3. Liability management
4. Investment
5. Remission and postponement of rates on Māori freehold land
6. Local board funding (if your local authority has local boards)
Each of these policies can only be adopted or amended following consultation in accordance with the requirements of section 82 of the Act. However, change to the liability management and investment policies can be made by Council resolution (Section 105 of the Act).

The Liability Management and Investment Policy was last reviewed and revised as part of the 2018-28 Long Term Plan process in 2017. This policy is now up for review as part of the 2021-31 Long Term Plan process.

The proposed Liability Management and Investment Policy Appendix A, was reviewed and endorsed by Council’s Audit and Risk Committee at their meeting of 11th February 2020.

3  Issue and options

Our Treasury advisers, PWC, have reviewed the current policy, and have recommended a number of key changes to the policy to better equip Council in in light of changes currently impacting the local government sector. The changes proposed are track changed in Appendix A to assist the reader.

The changes have been recommended to better align the Policy with the proposed changes by the Local Government Funding Agency (LGFA) as well as the changes to credit rating methodology by Standard & Poor’s (S&P) earlier this year. Despite Council not having a formal credit rating, these impacts are flowing through the sector particularly in the area of liquidity management. Furthermore, we have recommended a revised interest rate risk management framework which provides greater flexibility in the medium term management of interest rates whilst continuing to meet a prudent risk management approach.

Significant changes proposed
The following are the key changes recommended to the Policy:

Borrowing limit definitions have been updated to align with changes the LGFA has proposed in providing greater clarity for Councils.

- Throughout the Policy, we recommend recognition of on-lending activity to Council Controlled Organisations (CCOs), including Council Controlled Trading Organisations (CCTOs). Further, these statements allow for the possibility of direct lending from the LGFA to these entities.
- Interest rate risk control limits have been reviewed and changes have been recommended to shift to a revised policy framework that allows for flexibility in interest rate risk management.
- Changes to the funding risk control limits are recommended to provide more flexibility in Council’s funding arrangements, whilst still maintaining a spreading and smoothing of debt maturities.

Section by section Policy update

Limits on Borrowing & Giving of Security
To ensure consistency with the updates the LGFA is proposing in relation to its borrowing covenant definitions, we recommend amendments to Council’s current definitions.

On-lending to Council Controlled Organisations and Council Controlled Trading Organisations
We recommend a new Policy section outlining changes to CCO/CCTO lending activity in light of upcoming changes to the LGFA foundation policy which considers direct lending opportunities. The new Policy section also supports the formalisation of practices relating to Council’s on-lending activities.

This section is included to reflect the mechanics of LGFA borrowing (by Council) where there is an intention to on-lend to CCO/CCTOs and where the CCO/CCTO borrows directly from the LGFA. Any direct lending will require credit support to be provided by Council. Changes made
to the LGFA founding documents were voted on at the end of 2018, however will not likely come into effect until early 2020. This period is being used by the LGFA to consult on the mechanics of the transactions. Early indications are that lending will be provided on a case by case basis, approved by the LGFA Board and will depend on the individual circumstances of Council and the related entity.

The framework considers various factors briefly outlined below:

- Credit risk profile of the borrowing entity and the ability to timely meet repayments.
- Impact on Council’s 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 and terms.
- Lending arrangements to CCO/CCTOs must be documented (through a term sheet) on a commercial arm’s length basis.

The recommended changes to the Policy contemplate how Council might provide lending to CCO/CCTOs going forward and the mechanics of how this transaction might be considered.

**Interest Rate Risk Management ‘Corridor Policy’ approach to replace the current interest rate risk management section of the policy**

We recommend Council considers the corridor approach to interest rate management. The corridor approach proposes a minimum and maximum hedge percentage to each year based on the associated debt forecast. This is different from the current maturity sub-limit approach, which bases the hedging percentage on the 12-month debt forecast amount.

Councils with changing forecast debt amounts are more likely to adopt this style of policy. Councils Infrastructure and Finance Strategy indicate increased levels of debt will occur across the tenure of the 2021-31 LTP. Adopting this amendment to the Policy aligns the interest rate risk management framework with the LTP and projected longer term debt path.

The ‘Corridor Policy’ approach continues to achieve interest cost certainty and a spreading of interest rate repricing maturities whilst allowing for flexibility to manage the uncertainty that comes with long-term debt forecasting.

The ‘Corridor Policy’ broadly aligns with the previous structure of minimum and maximum fixed rate hedging limits and weighted average maturity term and provides additional flexibility across the time bands.

The recommended amendments to the interest rate risk control limits have also been stress tested via a financial modelling exercise whereby the interest rate achieved and volatility of interest rate achieved outcomes over a 10-year forward period are examined. Recommended policy limits are reviewed against current limits and previously experienced interest rate scenarios to determine a framework which is consistent with Council’s treasury objectives and provides the best “all-weather” policy.

Utilising a ‘Corridor Policy’ approach requires a greater focus on the longer term interest rate risk position beyond the 12-month forecast debt amount of the current policy. A consistent theme across the local government sector is that forecast debt levels have generally overstated actual debt levels as capital projects are delayed in their delivery. This leads to councils having a greater amount of interest rate fixing and/or raising debt funding which is not immediately required. The ‘Corridor Policy’ approach adapts to these uncertainties by having a declining stepped hedge profile beyond 12 months.

The ‘Corridor Policy’ is based on a rolling forecast (using the LTP debt forecasts, with debt haircuts if desired) rather than a static forecast debt amount in 12 months’ time. This allows
Council to hedge across the debt time horizon rather than focusing on a point in time. For long dated approval of interest rate risk management derivatives, we recommend aligning this with LGFA debt terms offered and have reworded this section to ensure interest rate risk management does not get out of step with debt funding terms.

**Funding risk control limits**
We recommend an adjustment to the current funding risk maturity bands within the framework to allow for a 3 - 7 and 7 years + time frame. Having a wider time band allows more flexibility to strategically manage long term debt amounts and continues to enforce a spreading and smoothing approach avoiding refinancing concentration risk.

**Approved financial instruments**
We recommend the inclusion of two new instruments which are either on offer by the LGFA or likely will be over the course of the next three years (i.e. before the next Policy review). These are committed stand-by facilities and forward starting debt issuance.

**Options**
- The Council could elect to adopt all the amendments as proposed; or
- The Council could elect to request further information before making a decision on whether to adopt some or all of the amendments proposed; or
- The Council could elect to adopt some of the proposals, request further information on some of the amendments proposed, and reject some of the amendments proposed.

### 4 Significance and Engagement Assessment
This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is considered significant under the Significance and Engagement Policy 2017.

### 5 Recommendation
Staff and Council's treasury advisors undertaken this review to ensure that the we satisfy internal requirements for a policy review every three years and that we have a robust Policy to serve Council into the future in light of known changes impacting the local government sector now and into the future.

Councils Audit and Risk Committee reviewed and endorsed the proposed policy, as attached, at its meeting held on 11 February 2020.

As such it is recommended:
- THAT the proposed Liability Management and Investment Policy as attached be adopted by Council.

Duncan Peddie
Group Manager Corporate Services
Section 5i

Liability and investment policy
Liability and investment policy

Liability Management Policy

Principle and Purpose
The Council is governed by the following relevant legislation:

- Local Government Act, 2002

The Local Government Act, 2002 (LGA) contains a number of sections which impact on the Liability Management Policy. The key sections are noted below:

- 101(1): PRINCIPLES OF FINANCIAL MANAGEMENT – A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- 104: CONTENTS OF LIABILITY MANAGEMENT POLICY – This section details what is required in the Liability Management Policy.
- Part 6 SUBPART 4: BORROWING AND SECURITY – There are a number of sections within this Part of the Act which cover the following:
  - prohibition on borrowing in foreign currency
  - constraints on receiver
  - rates as security
  - register of charges maintained by local authority
  - protected transactions
  - the Crown not liable for debts.

Objectives of the Policy
This policy addresses a number of key objectives, along with those required purely for legislative compliance.

The following objectives have been identified.

Prudence
Section 101(1) requires the Council to be prudent in managing its debt. The Council can achieve this by ensuring long-term financial stability. This is measured by financial ratios.

Prudence can also be achieved by making certain that strong control systems are in place. This should ensure that decisions are made by persons with appropriate skills at the correct level of responsibility, and that policies are complied with.

Flexibility
Where possible the Liability Management Policy should have sufficient flexibility to permit the Council to take advantage of the tools available within the legislation. This clearly needs to be consistent with other key objectives, e.g. financial prudence.

An inflexible policy may deny the Council the opportunity to reduce risk, cost or both.

Risk
Risks should be minimised. However, it is necessary to recognise there are trade-offs between the reduction of risk and the cost associated with this.
Borrowing exposes the Council to three principal risks:

- **Liquidity and Funding Risk** – Liquiditiy risk is where the Council does not have the ability to access committed funding at a future time as required. Funding risk centres on the ability to re-finance or raise new debt at acceptable pricing and maturity terms.

- **Interest Rate Risk** – The risk that the Council will be exposed to changes in market conditions, particularly wholesale interest rates, prevailing at any time. It is important to consider this on a forward looking basis when issuing new debt and refinancing existing debt on an ongoing basis. It may impact on the maturity profile of issued debt and the process of re-financing.

- **Credit Risk** – The risk that a party to a transaction, such as a counterparty or a financial intermediary/institution, may not settle or provide committed funding as and when required. This risk is applicable where the Council is both a borrower and an investor, with the more significant risk arising when the Council is an investor.

**Liquidity and Funding Risk Management**

The Council must ensure that it is able to meet its obligations as they fall due. These include ongoing operational expenditures and the repayment of maturing debt obligations, which are not being re-financed. A key factor in funding risk management is to spread and control the risk to reduce the concentration of risk at any one time.

This should be achieved through short-term and long-term liquidity and funding management.

**Minimise Total Cost of Borrowing**

Protecting and minimising the total cost of borrowing over the medium to longer term is a key objective within the Liability Management Policy.

The total cost of borrowing not only includes the interest expense but also advisory fees, transaction costs, internal administrative costs and the commitment of staff resource.

The total of these costs needs to be minimised, rather than focusing on one of the individual items to the exclusion of the others.

An approach to minimising the total cost of borrowing is internal borrowing. This enables the Council to bypass paying the fees and margins between external borrowing and investing interest rates. Internal borrowing also minimises credit risk because the Council is investing funds internally rather than with a third party.
Policies

Interest Rate Exposure (Sec 104(a) LGA)

Interest rate exposure arises from movements in wholesale interest rates over time and the refinancing/raising of new debt that may result in an adverse interest market.

If interest rates are decreasing it may be desirable to have a higher percentage of the Council’s debt held at a floating interest rate to take advantage of the benefit from falling interest rates. Conversely in a period of increasing interest rates it would be better to hold fixed rate debt.

However, it is difficult to form a view of long-term interest rates given the numerous domestic and international influences on our economy. The only way in which optimal interest rate mixes can be determined is by having the benefit of an accurate forecast of future interest rates and movements.

Domestic and international fund managers and corporate treasury departments are often incorrect in their predictions of future trends in interest rates. Such behaviour, i.e. forecasting future interest rates, should be regarded as highly speculative from the Council’s perspective.

Exposure to interest rate risk can be reduced by raising debt at a mixture of floating and fixed interest rates. In addition it is appropriate to have a mix of maturity dates so re-pricing risk is minimised.

Where core debt is at a low level, such as less than $4 million, it may be difficult to efficiently have a flat maturity profile and/or a mixture of fixed and floating interest rates to ensure interest rate risk is minimised. It may be possible to minimise interest rate risk, but potentially suffer from increased transaction and administration costs because of smaller individual debt parcels.

If current interest rates are substantially lower than that currently being paid by the Council, it may be appropriate to re-finance. Other cost factors, such as the transaction costs of re-financing, must also be considered. If the re-financing involves a substantial portion of the Council’s overall debt, special consideration must be given to how it can be made compatible with the Council’s overall desired maturity profile.

Using hedging instruments - which include forward rate agreements, interest rate swaps, and interest rate options, can reduce interest rate risk. These should only be used for the purpose of hedging interest rate risk against specific underlying floating rate borrowings.

The use of hedging instruments is viewed by some as somewhat risky. There have been a number of instances where financial instruments have been used and significant negative results have resulted. It should be noted that these instances are where the instruments were used in a speculative rather than a hedging nature (e.g. Hammersmith Council in London in the late 1980s).

However, the use of hedges to offset risk may be to the Council’s advantage. It would be appropriate if the scale of the transaction were such that there is a significant exposure to a prevailing set of interest rates. By entering offsetting interest rate contracts or the use of other sophisticated tools, the dangers associated with any large position can be minimised.

In deciding whether to use a hedge, two factors should be considered. Firstly, the Council must be confident that the proposed transaction is a genuine hedge, i.e. that it does in fact reduce total risk. Secondly, the cost of the hedge must be justified by the reduction in risk that is achieved.

If there is absolute certainty of the answers to these two questions, then a hedge is appropriate. It is likely that independent expertise would be sought in planning such a transaction.

Liability Management Policy 1 (a): Fixed/Floating Interest Rates

The Council should maintain a mix of fixed and floating interest rates, either directly via individual fixed rate debt securities, or via alternative interest rate management instruments, e.g. interest Rate Swaps.
Debt/borrowings

Council debt/borrowings should be within the following fixed/floating interest rate risk control limits:

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council’s forecast gross external debt should be within the following fixed/floating interest rate risk control limits. Forecast gross external 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 (signed off by the Chief Executive or equivalent), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits.

<p>| Master Fixed/Floating Risk Control Limits Debt Interest Rate Policy Parameters (calculated on rolling monthly basis) |</p>
<table>
<thead>
<tr>
<th>Debt Period Ending</th>
<th>Minimum fixed rate Fixed</th>
<th>Maximum fixed rate Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>55% Current</td>
<td>40%</td>
<td>90%</td>
</tr>
<tr>
<td>Year 1</td>
<td>40%</td>
<td>90%</td>
</tr>
<tr>
<td>Year 2</td>
<td>35%</td>
<td>85%</td>
</tr>
<tr>
<td>Year 3</td>
<td>30%</td>
<td>80%</td>
</tr>
<tr>
<td>Year 4</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Year 5</td>
<td>20%</td>
<td>70%</td>
</tr>
<tr>
<td>Year 6</td>
<td>0%</td>
<td>65%</td>
</tr>
<tr>
<td>Year 7</td>
<td>0%</td>
<td>60%</td>
</tr>
<tr>
<td>Year 8</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Year 9</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Year 10</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Year 11 plus</td>
<td>0%</td>
<td>25%</td>
</tr>
</tbody>
</table>

“Fixed Rate” is defined as an interest rate re-pricing date beyond 12 months forward on a continuous rolling basis.

“Floating Rate” is defined as an interest rate re-pricing within 12 months.

The percentages are calculated on the rolling 12-month projected debt level calculated by the Council management (signed off by the Chief Executive). This allows for pre-hedging in advance of projected physical drawdown of new or refinanced debt. When approved forecasts are changed, the amount of fixed rate hedging in place may have to be adjusted to ensure compliance with the policy minimums and maximums.

The fixed rate amount at any point in time should be spread within the following maturity bands:

<table>
<thead>
<tr>
<th>Fixed Rate Maturity Profile Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1 to 3 years</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3 to 5 years</td>
</tr>
<tr>
<td>5 years plus</td>
</tr>
</tbody>
</table>

The fixed floating interest rates control limits are outlined below:

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.
- 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 beyond 90 days requires specific approval by the Audit and Risk Committee or Council.
- Any “Fixed Rate” is defined as all known interest rate swaps with a maturity beyond 15 years must be approved by the Council. The exception to this will be if Council raises LGFA funding as obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.
• "Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.
• Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).
• Interest rate instrument and this maturity is beyond 25 years. Fixed rate debt maturities are limited by the maximum LGFA bond maturity. Longer maturities are approved by Council.

Instrument use

• Interest rate options must not be sold outright. However, 1:1 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 18 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 cover percentage calculation.
• The forward start period on swap/collar strategies is to be no more than 24 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.
Approved financial instruments are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash management and borrowing</td>
<td>• Bank overdraft</td>
</tr>
<tr>
<td></td>
<td>• Committed cash advance and bank accepted bill facilities (short term and</td>
</tr>
<tr>
<td></td>
<td>long term loan facilities)</td>
</tr>
<tr>
<td></td>
<td>• Fixed Rate Note (MTN)</td>
</tr>
<tr>
<td></td>
<td>• Floating Rate Note (FRN)</td>
</tr>
<tr>
<td></td>
<td>• Uncommitted money market facilities</td>
</tr>
<tr>
<td></td>
<td>• Retail and wholesale bond</td>
</tr>
<tr>
<td></td>
<td>o Committed standby facilities (where offered) from the LGFA</td>
</tr>
<tr>
<td></td>
<td>o Forward starting committed debt, and blending &amp; extending debt with the</td>
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<tr>
<td></td>
<td>LGFA</td>
</tr>
<tr>
<td></td>
<td>• Commercial paper (CP)/ Promissory notes</td>
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<td></td>
<td>• Finance leases</td>
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<tr>
<td></td>
<td>• Uncommitted money market facilities</td>
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<td></td>
<td>• Retail and wholesale bond</td>
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<tr>
<td></td>
<td>o Fixed Rate Note (MTN)</td>
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<tr>
<td></td>
<td>o Floating Rate Note (FRN)</td>
</tr>
<tr>
<td>Interest rate risk management</td>
<td>• Forward rate agreements (FRAs) on:</td>
</tr>
<tr>
<td></td>
<td>o Bank bills</td>
</tr>
<tr>
<td></td>
<td>• Forward start swaps (start date &lt; 24 months)</td>
</tr>
<tr>
<td></td>
<td>• Swap extensions and shortenings</td>
</tr>
<tr>
<td></td>
<td>• Bank bills (purchased caps and one for one collars)</td>
</tr>
<tr>
<td></td>
<td>• Interest rate swaptions (purchased swaptions and one for one collars only)</td>
</tr>
</tbody>
</table>

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.

**Liability Management Policy 1 (b): Maturity Profile**

The funding risk management control limits are outlined below:

- External **long-term debt** and committed debt facilities together with available liquid short-term investments must be maintained at an amount exceeding 110% of existing total external debt. Liquid treasury investments have a term of no more than three months.
- The Chief Executive has the discretionary authority to re-finance existing debt on acceptable terms and conditions. Such action is to be reported to the Council’s Audit and Risk Committee.
- The 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 maturity profile of the total committed funding, in respect to all loans and committed facilities, is to be controlled by the following:

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>MINIMUM %</th>
<th>MAXIMUM %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 3 years</td>
<td>15%</td>
<td>60%</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>25%</td>
<td>60%</td>
</tr>
<tr>
<td>5 years plus</td>
<td>100%</td>
<td>60%</td>
</tr>
</tbody>
</table>

- 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 Audit and Risk Committee or Council approval.
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.

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.

Liability Management Policy 1 (c): Hedging

The Council will only enter into a hedging transaction where it can be clearly demonstrated that:

(i) the transaction is to be used to reduce risk associated with an existing position (it is expressly prohibited to enter into speculative contracts)
(ii) the transaction will reduce risk to the Council, by adjusting an undesirable maturity profile or a fixed versus floating interest rate position
(iii) the cost of the transaction is exceeded by the reduction in risk.

Liquidity (Sec 104(b) LGA)

There is a need to have a policy that ensures the Council has sufficient funds available to meet its immediate cash outflow obligations as they fall due and are payable.

The key factors influencing this policy are prudence, flexibility, minimising total costs and having short term borrowing capacity.

The 1996 Local Government Amendment Act specifically provided for short term borrowing in section 122J. The Local Government Act, 2002 replaced the specific and prescriptive powers previously in place with a general power of competence, specifically in section 12(2):

For the purposes of performing its role, a local authority has -
(a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and
(b) for the purposes of paragraph (a), full rights, powers, and privileges.

The Council needs to have strong forecasting systems in place to ensure it minimises the need for borrowing, especially short-term borrowing, and maximises the returns available from the investment of surplus funds.

Liability Management Policy 2

The Council will ensure that it has, at all times, sufficient funds available to meet its obligations as they fall due. Potential sources of funds include cash deposits and committed but undrawn lines of bank facilities.

Pursuant to Section 12(2) of the Local Government Act, 2002, the Council may borrow funds on a short-term basis to provide for efficient and effective cash management. Borrowing under this policy shall be used for the purpose of meeting temporary cash flow shortfalls and will not be used as a permanent source of funds. (For the purpose of this policy “permanent sources of funds” are those funds borrowed for a term longer than 12 months).

The Council delegates responsibility for establishing short-term debt and overdraft facilities and the day-to-day management of any Council overdraft facility to the Chief Executive and staff. The long-term borrowing requirements for any year are approved by the Council.

Credit Risk (Sec 104(c) LGA)

In any financial transaction, there is a risk that the counterparty may be unable or unwilling to settle the transaction as agreed. This risk is reduced when the Council is the borrower as the Council would be the settler of the transaction, although there is a risk of a bank lender not providing committed funding upon demand. However where the Council has transacted a hedge contract, such as an interest rate swap, there is a need to ensure the party with which the transaction has been placed is capable of settling that transaction over the entire term.

Risks are minimised by limiting the Council’s dealings to counterparties with appropriate industry standing, credit rating, financial adequacy and track record.
Liability Management Policy 3

The Council will satisfy itself, in all its borrowing and interest rate management transactions with counterparties, that:

- they have a long-term Standard & Poor’s (S&P) (or equivalent Fitch or Moody’s rating) credit rating of at least A or above, and/or short term rating of A-1 or above
- banks are New Zealand registered banks with the Reserve Bank of New Zealand
- the New Zealand Local Government Funding Agency Limited (LGFA) has a long-term credit rating of at least AA-.

This is to give the Council reasonable certainty that obligations under concluded contracts will be honoured.

The following table sets out the policy limits:

<table>
<thead>
<tr>
<th>Counterparty</th>
<th>Minimum S&amp;P long term/short term credit rating</th>
<th>Interest rate risk management instrument maximum per counterparty ($million)</th>
<th>Total maximum per counterparty, including investments ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZ Registered Bank</td>
<td>A/ A-1</td>
<td>10.0</td>
<td>20.0</td>
</tr>
<tr>
<td>LGFA</td>
<td>AA-/A-1</td>
<td>unlimited</td>
<td>unlimited</td>
</tr>
</tbody>
</table>

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

- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional × Maturity (years) × 3%.

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 instrument and prevailing market conditions the instrument is traded in and re-priced from.

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

Debt Repayment Policy (Sec 104(d) LGA)

This policy gives effect to the objective of minimising the Council’s interest rate risk.

Liability Management Policy 4

Funding terms are to be set to ensure that the overall borrowing is consistent with an even spread of debt maturities.

Where repayment by the use of a sinking fund or loan repayment reserve is contemplated, sufficient funds will be provided to enable the repayment of the loan at the time contemplated.

Where the Council has surplus long-term funds these may be used to repay debt if this doesn’t compromise other aspects of the liability management policy.

Specific Borrowing Limits

The amount of debt that is raised by the Council clearly has implications for the Council’s overall financial position and future income streams required to fund the debt. This is fundamentally dictated by the community’s ability to pay.

Appropriate limits on total borrowing should be reflected as ratios or dollar limits in terms of income streams, interest expense and debt per assessment.

Liability Management Policy 5(a)

The Council must ensure that its borrowing satisfies the following limits:
**Net external debt / total revenue** ≤ 175%

**Net external public debt per assessment** ≤ $8,000

**Net interest expense / total revenue** ≤ 10%

**Net interest expense / rates revenue** ≤ 15%

- Total revenue 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 consolidated external debt less liquid financial investments. **Any council lending to a CCO or CCTO can be deducted from debt (following approval by the LGFA) but only where the CCO or CCTO is a going concern and not dependent upon council financial support.**
- Liquid investments are available 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
  - Bank term deposits relating to prefunded debt maturities.
- External debt funding and associated investment activity relating to pre-funding is excluded from the liquidity ratio calculation.
- LGFA borrower notes can be deducted for the LGFA liquidity calculation.
- Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- Annual rates revenue is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act, 2002.
- Borrowing limits are measured on Council only not consolidated group.
- Disaster recovery requirements are to be met through the liquidity ratio.

**Liability Management Policy 5(b)**

There are no limits on internal borrowing.

**Provision of Security**

In the past, territorial local authorities offered the ability to levy a special rate as security to a lender. This afforded the lender significant comfort (i.e. reduced their risk), and lower interest rates could be achieved.

The current approach provides for similar security by way of a debenture trust deed, giving the ability for a receiver to set a rate to repay any principal and interest owing. It now also allows councils to offer assets as security. It is likely that assets as a form of security would be viewed by the lenders as riskier than special rates; this would imply an increase in the cost of interest to the Council. It is therefore unlikely that assets would be offered as security to lenders.

The Council should not prevent itself from offering fixed assets as security if this was the most appropriate course of action to take. It needs to be recognised that the Council is prohibited from giving any form of security over certain classes of land, or over assets held under a trust or endowment.

**Liability Management Policy 6**

In general, the Council will secure its borrowings against its rates revenue.

The Council is prepared to give security over its assets. Before giving security against any assets, the Council must be satisfied that doing so is fairly reflected in the cost of borrowing. Comparisons of the cost of borrowing between different alternative borrowing transactions must account for different requirements as to the giving of security.

**Any Council lending to a CCO or CCTO will be on a secured basis and be approved by Council.**
Giving of Loan Guarantees

The provision of a guarantee on behalf of an organisation should enable the provision of goods or services at a lower cost because of a reduction in the organisation’s cost of interest. This indirect benefit to the Council must be weighed against the lack of control associated with guaranteeing the obligations of another party, the increased risk to the Council that is involved, and whether there are any offsetting considerations such as the potential availability of assets to offset obligations under the guarantee.

It is appropriate to cap the limits on the total to be guaranteed, both overall and to any one organisation. Monitoring of the guaranteed party is a first step towards limiting the Council’s risk. Consideration should be given to requiring notice of any abnormal or extraordinary events that relate to a substantial change in the nature, objectives or functions of the guaranteed organisation, or that could affect the ability of the guaranteed organisation to meet its financial obligations. Notice would be required as soon as the event occurred, or it became reasonably possible to occur.

The most serious disadvantage guarantees is the absence of controls on guaranteed organisations, as opposed to purely procedural reporting requirements. There should be rules requiring organisations to maintain their ability to meet their obligations, analogous to interest coverage ratios and balance sheet ratios required of the Council by the borrowing limits policy. These rules are yet to be developed.

The remedies for the failure of a guaranteed organisation to comply with the agreement to guarantee its obligations require consideration. While the terms of a particular agreement to guarantee should specify the remedies available to the guarantor, these remedies must lie purely against the guaranteed party. They cannot, as a matter of contractual privity, affect the rights of the lender.

Liability Management Policy 7

The Council may act as guarantor to bank loans for an incorporated organisation which will provide, improve, or develop amenities for recreation, amusement or the instruction of the public.

Council may act as a financial guarantor to a Council wholly owned, council controlled organisation, once approved by Council.

The total combined amount the Council may guarantee at any one time shall not exceed 10.0% of the general rates levied in any year. The maximum amount the Council may guarantee to any one qualifying organisation shall be 5.0% of total rates levied, except that in special circumstances the limit of 5.0% may be exceeded upon Council resolution.

Each organisation that the Council has provided a loan guarantee shall provide to the Council:
- a six-monthly unaudited financial report within three months of the first six months of the financial year
- an annual audited financial report within four months of the balance date
- a statement from the bank lending the money to the qualifying organisation each year that shows the principal outstanding at the end of that period and payment made during the year.

Internal Borrowing/Investing

Where possible, the Council will borrow or invest funds internally, so as to minimise its total cost of borrowing while still providing a market rate of return on its investments. The Council will also borrow or invest internally to minimise its credit risk. The Council may include a margin on borrowings or investments to recover administration costs.

Liability Management Policy 8(a)

Where at all possible, the Council will borrow or invest internally rather than externally.

Liability Management Policy 8(b)

The Council will charge interest on internal borrowings, charged in arrears, at a margin above the Council’s average borrowing costs for the year. The basis point margin is determined by the Chief Executive.
Liability Management Policy 8(c)
The Council will pay interest on internal investments, charged in arrears, at a margin below the Council’s average borrowing costs less a basis point margin determined by the Chief Executive.

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 CCO/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 or CCTO must be approved by Council. In recommending an arrangement for approval the GMCS considers the following:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- Impact on Council’s credit standing, debt cap amount (where applied), 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 or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- Lending arrangements to CCO or CCTO 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 and expiry date is 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.

New Zealand Local Government Funding Agency Limited

Liability Management Policy 9

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, e.g. 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.

Delegation of authority
Council delegations are held in the Delegations Manual.

Investment Policy

Principles and Purpose
The Council is governed by the following relevant legislation:
The investment policy, required by legislation, is one aimed at formalising existing approaches and ensuring a fresh view is taken in light of the other changes and requirements included within the Local Government Act, 2002 (LGA).

The Trustee Act, 1956 highlights that when acting as a trustee or investing money on behalf of others, 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.

There are two main sections of the Local Government Act, 2002 that impact on the Investment Policy, noted below:
- 102(4)(c): INVESTMENT POLICY – Requires every local authority to adopt an investment policy using the special consultative procedure.
- 105: CONTENT OF INVESTMENT POLICY – Details what is required in an Investment Policy.

**Objectives of the Policy**

Section 105 LGA requires the Council to include its objectives in terms of which financial and equity investments are to be managed. The following objectives have been identified.

**Prudence**

Section 101(1) LGA requires the Council to be prudent in managing its investments. The Council, as a responsible corporate citizen and custodian of public funds, recognises that it should manage investments in a prudent manner. This will require a risk averse approach with care to ensure unnecessary risks are avoided.

For the Investment Policy, prudence can be achieved by ensuring that strong control systems are in place. This should ensure that decisions are made by those persons with appropriate skills at the correct level of responsibility, and that policies are complied with.

**Flexibility**

Where possible the Investment Policy should have sufficient flexibility to permit the Council to take advantage of all the tools and opportunities available. This clearly needs to be consistent with other key objectives, e.g. financial prudence.

**Minimisation of Risk and Maximisation of Returns**

These two objectives are effectively opposing forces. It is well documented that investments with low risk carry low returns and conversely those investments with high risk carry high returns. The Council should seek to maximise returns from a given risk acceptance position; it is important to establish what degree of risk the Council is prepared to accept and then seek to maximise returns.

Prudence requires a degree of conservatism in investments, meaning that the Council should be more risk averse than the average investor. Therefore, it should predominantly invest in low risk, low return investments.

**Liquidity**

It is emphasised in the Liability Management Policy that liquidity management is essential. A key element of this is the negotiability of investments and timing and matching of investment maturities to expected outflows, e.g. operating expenditures, project payments and debt retirement.

Given the uncertainty that inevitably surrounds forecasting, it is prudent that the Council provides some coverage factor for unexpected transactions as provided by the liquidity management policy through committed unused bank facilities and treasury investments of no more than three months.
When making investment decisions it is important to consider the length of time the investment will be placed for and the liquidity of the investment.

Policies
The policies provide a framework within which decisions can be made, rather than providing a prescriptive set of criteria that is currently employed for surplus funds management.

General Policy (Sec 105 LGA)

Investment Policy 1
The Council, as a responsible corporate citizen and custodian of public funds, recognises that it should manage investments in a prudent manner. This will require a risk averse approach and care to ensure unnecessary risks are avoided.

The Council aims to maximise its returns in the long-term while ensuring risks remain within the Council’s accepted range.

New Zealand Local Government Funding Agency Limited investment
Despite anything else 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. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a guarantor.

Disposition of Revenue and Proceeds

Investment Fund
The Council’s most significant investment was previously its shareholding in Power New Zealand. When the shares were sold the sale proceeds were placed into a notional investment fund.

The Council identified a number of key strategic assets including the Power New Zealand share holding, forestry holdings and leasehold sections held at Waihi Beach. The net proceeds from the sale of these assets was or will be placed into the same investment fund (net proceeds are defined as gross sale proceeds less costs of sale, any accrued debt arising from previous holding costs not previously funded, and any rehabilitation costs.)

The Council has determined that in the interests of fairness and equity the investment fund benefits should be ascribed to the benefit of all ratepayers. Twenty five percent of the fund income will be allocated to funding of projects. Seventy five percent will be used to reduce the District General Rate.

General Funds
Proceeds from the investment of surplus funds are credited to the District General Rate pool. Separate reserve funds are allocated interest at the estimated average rate of return achieved for the financial year.

Asset sale proceeds are generally credited to the fund or activity that provided the funding for the original purchase. Asset sale proceeds could also be credited to funds notified in the resolution by the Council approving sale if required or appropriate.
Investment Policy 2

Returns from investments, after the deduction of expenses, will be applied as follows:

- 25% of the income from the Investment Fund will be credited to the District Community Projects Assistance Fund. This fund will be used to assist with the completion of community projects. The Council will allocate the funding on a project-by-project basis.
- 75% of the income from the Investment Fund will be used to reduce the District General Rate requirement.
- Interest will be credited to separate reserve funds on the basis of the estimated average yield on surplus funds for the financial year less the margin for recovery of overheads.
- Returns will be applied in accordance with any resolution of the Council.
- Returns will be applied to the Council’s general operating revenues.

Net asset sale proceeds will be credited to the fund or activity which originally provided the funding for the asset’s original purchase, or to any other fund as per the Council resolution.

Management and Reporting (Sec 105(d) LGA)

Delegated authority to approve investments should rest with the Chief Executive. However, for practical reasons the power to negotiate such investment needs to be extended.

Operational Procedures will, where possible, ensure that:

- There is clear segregation of duties between persons executing treasury arrangements, those authorising treasury arrangements, confirming, settling and accounting/reporting.
- Transactions are made only with approved counterparties.
- Transactions comply with legislative requirements.
- Monthly reconciliation of all cash holdings, surplus funds and investments are completed. These are to be independently reviewed and approved by the Corporate Services Manager.
- There is close control over daily, weekly and monthly and longer-term cash flow projections so that the Council’s working capital requirements are met.

Quarterly reports should be made to the Council for the three month periods ending 30 September, 31 December, 31 March and 30 June each financial year. Included within these reports should be details of the following:

- Investments on hand at the end of the quarter, including the names of counterparties, sums invested with each, terms of each investment, and interest rates being earned.
- The average earnings rate on investments made during the quarter.
- A commentary on movements in interest rates during the quarter and the effect of these on anticipated returns for the financial year. This could include a comparison to interest rates earned over the previous six months.

Investment Policy 3a

The Chief Executive shall have delegated authority to negotiate and authorise any investment transaction within the approved policy, and shall be authorised to delegate that authority.

Investment Policy 3b

Quarterly reports will be made to the Council (for the three month periods ending 30 September, 31 December, 31 March and 30 June each financial year).

Included within these reports should be details on:

- Investments on hand at the end of the quarter, including the names of counterparties, counterparty credit rating, sums invested with each, terms of each investment, and interest rates being earned.
- The average earnings rate on investments held during the quarter.

Acquisition of New Investments and Credit Risk (Sections 105(c) and 105(e) LGA)

Credit risk (also called default risk) is the risk that a counterparty will not be able to meet interest or principal payments when due.
The credit risk of issuers can be established via international credit agencies such as Moody’s, Fitch, and Standard and Poor’s (S&P). When viewing the ratings supplied by the agencies it is relevant to consider the instruments or debt type being rated.

There are different debt types depending on the security or ranking offered. Credit risk can be reduced by limiting investments to highly credit rated organisations and diversifying the type and maturity of investments.

The Council may, from time to time, wish to promote the development and expansion of commercial organisations through the advance of funds. It should be recognised that while there may be sound reasons to justify the advances, this may involve a departure from normal investment policy. The following policy is to cover this eventuality.

**Investment Policy 4(a)**
Credit risk will be minimised by investing only in high quality investments. For the purposes of this Policy, this means that investments will only be acquired that have Standard & Poor’s ratings for short-term investments of A-1 or higher and for long-term investments of A+ or higher. Equivalent Moody’s and Fitch ratings may apply.

Approved financial instruments are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments (no greater than 12 months)</td>
<td>Short term bank deposits</td>
</tr>
<tr>
<td></td>
<td>Bank certificates of deposit (RCDs)</td>
</tr>
<tr>
<td></td>
<td>Treasury bills</td>
</tr>
<tr>
<td>Investments</td>
<td>LGFA borrower notes</td>
</tr>
</tbody>
</table>

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.

**Investment Policy 4(b)**
The Council may, in its discretion, acquire investments of up to $500,000, that depart from Investment Policy 4(a) where it considers that the departure would advance its broader social or other policy objectives.

A Council resolution is required to authorise an investment under this provision, and that resolution shall note that it departs from the Council’s ordinary policy on credit risk and the reasons justifying that departure.

**Return on Investment (Sec 105(e) LGA)**
The Council should, within the parameters of other policies, seek to maximise the returns on its investments. The returns must, however, reflect the risk involved.

Government stock is regarded as a risk-free investment and as such is the benchmark from which the pricing of other investments is determined.

A higher risk should only be accepted if the expected return is also higher. Although greater returns may be achieved by investing in securities issued by corporates (such as company debentures) it must always be remembered that the higher yield represents the extra margin that is generally required to compensate the investor for increased default risk.
**Investment Policy 5**

The expected return on all funds invested should reflect the risk involved, according to the following guidelines:

- If a potential investment carries greater risk than is consistent with the Council’s credit risk policy then an investment will not be made, irrespective of the expected returns.
- Where there are two investments of equivalent risk within the Council’s risk constraints, the investment with the higher expected return shall be selected if compliant with counterparty credit limits.
- If there are two investments of different risks, but both are within the Council’s risk constraints, an assessment will be made of the trade-off between the risks and expected returns of the two options. The investment that is considered to be the most attractive for the Council, having regard to prudence, policy compliance, the risks and the expected returns, will be selected.

**Liquidity and Term (Sec 105(b) and 105(e) LGA)**

The liquidity and term of investments are important considerations in relation to an overall investment portfolio. The failure to match the availability of funds to expected cash outflows, or to provide for unexpected outflows, can carry considerable costs in the form of short-term bridging finance, penalty interest costs, and capital loss.

The ability to liquidate an investment is determined by the existence of potential buyers. A lack of liquidity may force the seller to discount the price below its current market value. Liquidity is affected by characteristics such as the credit-worthiness of the issuer and the volume of supply.

The term of investments can vary from a one-day term, such as call deposits, to a long-term, such as 10 years. When investments are less liquid, the maturity or term of the investment assumes higher significance.

Investments should be principally focused on credit quality of the issuer, term, liquidity and policy compliance; investment maturities should closely match expected cash outflows and liquidity management requirements.

Often investments have been made on the basis of best return without identifying what ultimate maturity date is required. To invest with a significant degree of certainty requires comprehensive forecasting systems and procedures.

**Investment Policy 6**

The Council’s portfolio shall be arranged to provide sufficient funds for planned cash outflows and to otherwise allow the payment of obligations as they fall due.

Individual investments shall be chosen with regard to:

- the period of time for which the funds are surplus to requirements
- the maturity of the investment. Investment terms are for no greater than 12 months
- the ability to liquidate the investment before its maturity
- the extent to which the portfolio already provides funds as required
- the credit quality of the counterparty
- market conditions.

**Portfolio Diversification (Sec 105(b) LGA)**

An important method of reducing the exposure of the Council to any single adverse investment is to spread the amount invested across a number of investments and counterparties. This reduces the danger of extreme losses but also reduces the possibility of large returns.

Past examples of financial collapse of major companies clearly illustrates the inherent dangers in a high exposure to any one form of investment or single issuer.

However, sometimes the cost of diversification may exceed the benefits of diversification by the increased administrative costs and the non-marketability of small parcels that may result.
Investments may be classified into broad risk types: risk free, near risk free, and low risk. There are others that can be classified as medium to high risk investments but these are excluded under this policy (see Investment Policy 4(a)).

**Investment Policy 7**

When investing, the Council will seek to minimise its risk by investing only in institutions with a high degree of security or credit rating, and by limiting maximum exposure in certain cases. The Council has established the following requirements for all financial investments:

<table>
<thead>
<tr>
<th>Counterparty/Issuer</th>
<th>Minimum long term / short term credit rating</th>
<th>Investments maximum per counterparty ($million)</th>
<th>Total financial investment portfolio %</th>
<th>Total maximum per counterparty, including risk management instruments ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Free: NZ Government</td>
<td>n/a</td>
<td>unlimited</td>
<td>100%</td>
<td>unlimited</td>
</tr>
<tr>
<td>Risk Free: LGFA</td>
<td>n/a</td>
<td>unlimited</td>
<td>100%</td>
<td>unlimited</td>
</tr>
<tr>
<td>Low Risk: NZ Registered Bank</td>
<td>A/ A-1</td>
<td>10.0</td>
<td>100%</td>
<td>20.0</td>
</tr>
</tbody>
</table>

In determining the usage of the above gross limits, the following weightings will be used:
- Investments (e.g. Bank Deposits) – Transaction Principal × Weighting 100%.

To avoid undue concentration of exposures, financial investments should be made 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 instrument and prevailing market conditions the instrument is traded in and re-priced from.

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

**Settlement Risk (Sec 105(e) LGA)**

One way to mitigate investment settlement risk is the adoption of costly, time-consuming verification procedures for the transfer of funds and securities. In general, however, it is better to concentrate on the soundness of the other parties to the transaction. The critical factors that reduce settlement risk are similar to those stated in the Liability Management Policy in relation to credit risk:
- appropriate industry standing
- financial adequacy
- long-term S&P credit rating of at least A+ or above
- track record.

**Investment Policy 8**

The Council will satisfy itself, in all its investment transactions that counterparties:
- are financially adequate
- have an appropriate industry standing
- have an appropriate track record
- have an appropriate credit rating

in sufficient degree to give the Council reasonable certainty that obligations under contracts will be performed.

**Document Management and Control**

<table>
<thead>
<tr>
<th>Title</th>
<th>Hauraki District Council Liability Management and Investment Policy 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>Corporate Services</td>
</tr>
</tbody>
</table>
Information Report

To: Council
From: Group Manager Corporate Services
Date: Tuesday, 18 February 2020
File reference: Document: 2718541
Portfolio holder: Councillor Daley
Meeting date: Wednesday, 26 February 2020

Recommendation:
THAT the report be received.

1 Summary

Operating
For the seven months to the end of January 2020, Council is $821,000 or 5.3% over budget on its expenditure. However, there have been a number of key decisions contributing to this. On the 31st of July 2019, following a report by staff, Council agreed to increase the operating budget for roading by $500,000 and reduce its capital project for sealed road resurfacing by the same amount. This is by far the largest contributor to the variance in operating expenditure. Solid waste operating costs for transfer stations and refuse collection are also ahead of budget. Staff expect increased revenue later in the year in the solid waste area to offset part of this increase.
The issues experienced in wastewater overflows in recent months have also led to unfavourable operational expenditure variances in that activity.

Non-rates revenue is tracking $91,000 or 3% under budget. $88,000 of this is in the area of wastewater and reflects the renegotiation of a commercial discharge contract which was renegotiated after this year’s budget was set.

This gives a $912,000 or 7.5% unfavourable variance. If we remove the impact of the reclassification of the roading CAPEX the result is $508,000 unfavourable variance or 4.18%

Duncan Peddie
GROUP MANAGER CORPORATE SERVICES
Operating Revenue (excluding Rates & Roading capital funding from NZTA) | Operating Expenditure | Capital Expenditure
--- | --- | ---
Unfavourable YTD | Unfavourable YTD | Favourable YTD
$3,297,691 | $(91,242) | $(821,000)
YTD budget | YTD budget | YTD Forecast
$3,388,933 | $15,540,000 | $16,429,000
Full year budget | Full year budget | Full year budget (Original)
$5,453,029 | $38,955,000 | $19,135,000
Full year forecast | Full year forecast | Full year forecast
$5,361,787 | $39,776,000 | $28,399,000

Revenue

Fewer fines in the area of animal control has lead to less revenue than anticipated. This is a trend that is expected to continue. Meanwhile, Building Services revenue continues to exceed budget. However this also brings increased costs.

Wastewater revenue is tracking below budget following the renegotiation of a commercial wastewater discharge contract last year to better reflect operating reality and associated costs. Consequently we also expect to see an associated reduction in wastewater operating costs.

We anticipate receiving a significant solid waste income later this year (this is not reflected in the numbers yet). ISPM is amidst negotiations of this payment. Lower than anticipated revenue from Elderly Person Housing due to notice period requirements to increase costs.

Operating Expenditure

Processing the large consent applications have meant that regulatory costs exceed budget. We are yet see this reflected in the associated revenue stream. Solid waste expenses has been higher than budgeted due to increase in Emission Scheme and Consumer Price Index costs, we are awaiting increased income to offset this. Refuse collection and reactive repairs due to a storm event have resulted in unforeseen expenses.

Pavement maintenance will be overspent for the year as approved by council resolution C19/276. this will be offset in the reduction of roading CAPEX.

Capital Expenditure

Capital expenditure is tracking below the revised capital works programme approved by Council. A number of projects previously anticipated to be delivered in the current year will now be completed in the next financial year. The Project Management Office is continually reviewing the practicality of achieving the approved programme.
<table>
<thead>
<tr>
<th>KPI's</th>
<th>Status</th>
<th>Comments or risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net external debt will not exceed 175% of total revenue in any year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expense is ≤ 15% of rates revenue in any year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest expense is ≤ 10% of total revenue in any year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net external debt per rating unit is ≤ $5,000 in any year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed/floating interest rates Profile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Maturity Profile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>parameters for the fixed/floating interest rates and Profile</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Hauraki District Council Financial Measures

Key Indicators for the seven months ending 31 January 2020

Capital Expenditure Forecast - 31 January 2020
Operating Revenue (Excluding Rates)

We expect a favourable variance for the year in building consent revenue.

Operating Expenditure

RMA Implementation: Unforeseen use of Tech Services for complex consents has resulted in adverse variance, however due to a timing issue we might not realise the income in the same month.

Building Services: More costs than budgeted due to use of external peer reviewers for processing higher value consents.

Animal Control: More legal expenses in Animal Control than intended due to ongoing court case, we are currently awaiting a court date and expect further adverse cost variance.

Capital Expenditure

No capital spend or budget for this group of activities.
# Community Development Financial Measures

**Key indicators for the seven months ending 31 January 2020**

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$1,107,000</td>
<td>$0</td>
</tr>
<tr>
<td>Favourable YTD</td>
<td>$0</td>
<td>$7,000</td>
<td>Favourable YTD</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$0</td>
<td>$1,114,000</td>
<td>YTD Forecast</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$0</td>
<td>$2,085,000</td>
<td>Full year budget</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>$0</td>
<td>$2,082,000</td>
<td>Full year forecast</td>
</tr>
</tbody>
</table>

---

**Operating Revenue (Excluding Rates)**

**Expenditure**

Grants and Donations exceed current years budget; however, this is offset by prior years underspend, which are carried over.

**Capital Expenditure**

No capital spend or budget for this group of activities.
## Community Services Financial Measures

**Key Indicators for the seven months ending 31 January 2020**

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$441,000</td>
<td>$3,230,000</td>
<td>$74,000</td>
</tr>
<tr>
<td>Unfavourable YTD</td>
<td>$(7,000)</td>
<td>$(21,000)</td>
<td>$1,787,000</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$448,000</td>
<td>$3,209,000</td>
<td>$1,861,000</td>
</tr>
<tr>
<td>Full year budget</td>
<td>5758,000</td>
<td>56,689,000</td>
<td>$282,000</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>5773,000</td>
<td>56,710,000</td>
<td>53,333,000</td>
</tr>
</tbody>
</table>

### Operating Revenue (Excluding Rates)

Elderly Person Housing revenue is $32K under budget. Rent increases outlined in the annual plan could not be implemented until 7th August due to notification requirements resulting in adverse variance.

We have unbudgeted revenue received from third party grants totalling $75K.

### Operating Expenditure

Recreation Reserves: Refuse collection costs for our recreation reserves are tracking above budget and this is expected to continue for the remainder of the year culminating in a $55K overspend.

### Capital Expenditure

Capital works programme is tracking behind anticipated levels. The Asset Manager is signalling that the Ngatea Library project ($255K) is unlikely to happen this year.
Networks Financial Measures

Key indicators for the seven months ending 31 January 2020

<table>
<thead>
<tr>
<th>Operating Revenue (excluding Rates &amp; Road)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favourable YTD</td>
<td>$1,935,000</td>
<td>$7,803,000</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$1,808,000</td>
<td>$7,109,000</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$2,910,000</td>
<td>$22,522,000</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>$3,075,000</td>
<td>$23,216,000</td>
</tr>
<tr>
<td>Favourable YTD</td>
<td>$4,524,000</td>
<td>$7,094,000</td>
</tr>
<tr>
<td>YTD forecast</td>
<td>$9,420,000</td>
<td>$17,265,000</td>
</tr>
<tr>
<td>Full year budget (Original)</td>
<td>$16,240,000</td>
<td></td>
</tr>
<tr>
<td>Full year forecast</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating Revenue (Excluding Rates)

A commercial wastewater discharge contract was renegotiated resulting in lower income that provided for in the budget. Water Services Manager expects this to be the trend for the year as this has been over budgeted. However we expect see off-setting savings in expenditure. We anticipate revenue of $270K for the year from a third party for Solid Waste Income. Infrastructure Services and Planning Manager is currently amidst these negotiations.

Operating Expenditure

Water - Annual consent charges were not budgeted for. Third party damage and increased personnel costs of moving staff in house have resulted in an adverse variance.

Solid Waste - The unfavourable variance reflects:

the review of Council transfer stations undertaken this year. This review was not envisaged in the budget alongside increased disposal fee and refuse collection costs. This is expected to continue for the remainder of the year.

Road - Pavement maintenance will be overspent for the year as approved by council resolution C19/276.

Land Drainage - Reactive cleaning works at pumpstations created an adverse variance.

Capital Expenditure

Capital works programmes is tracking behind anticipated levels. It is anticipated a number of projects will need to be carried over into the 2020/21 year. We have received a grant totalling $210K for low pressure pumps and pipelines at Karanganake.
Leadership Financial Measures

Key Indicators for the seven months ending 31 January 2020

<table>
<thead>
<tr>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Favourable YTD</strong></td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Unfavourable YTD</strong></td>
<td>($65,000)</td>
<td>Favourable YTD</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$1,840,000</td>
<td>$0</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$3,657,000</td>
<td>$0</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>$3,722,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Operating Revenue (Excluding Rates)**

**Operating Expenditure**

**Democracy:** Councillor Remuneration has been higher than budget for the year, we expect this to continue.

**Policy Development:** There is an overspend in Strategic Planning due to the Kaiauia 20/21 Project. There is an approved budget of $167K for this (including carry forward amount). See resolution C18/585 and C18/586.

**Capital Expenditure**

No capital spend or budget for this group of activities.
RECOMMENDATION | TE WHAIKUPU

THAT the report be received.

1 Staff

We have one new appointment to date this year, and that is an internal promotion for Michelle Matich into the Regulatory Services Team Leader role. Michelle has worked as a Consents Officer – Processing within the Regulatory team for many years. She will begin her new third-tier management role on 9th March.

The vacancy available as a result of Michelle’s promotion will be advertised both internally and externally in due course.

Langley Cavers
Chief Executive
Decision Report

To: Mayor and Councillors

From: Group Manager - Community Services and Development

Date: Monday, 17 February 2020

File reference: Document: 2720677
Appendix A: Working Parties

Meeting date: Wednesday, 26 February 2020

Subject: Resolution to Approve Mayor be a member of all Council’s Working Parties

Recommendation:

THAT the report be received, and

THAT the Mayor is a member of all working parties of Council currently established or established at any time for the 2019-22 triennial period.

1 Purpose

To seek Council approval that the Mayor is formally appointed as a member of all working parties of Council for the 2019-22 triennial period.

2 Background

At its meeting of 13 November 2020, Council adopted the committee structure and the approved the formation and membership of a number of working parties.

At that time, the Mayor was appointed as a member of all working parties with the exception of the Community Housing Working party. A chairperson and deputy person were appointed to each working party to preside at their meetings.

In accordance with Council’s Standing Orders the Mayor is an Ex Officio (by right of office) of all committees and subcommittees of Council. The role of working parties is to achieve a specific objective. They are neither a committee nor subcommittee so standing orders do not apply.

3 Budget Implications

There is no additional expenditure involved in this activity.
4 Recommendation

THAT the Mayor is a member of all working parties of Council currently established or established at any time for the 2019-22 triennial period.

Steve Fabish
Group Manager – Community Services and Development
Appendix A:

Working Parties

Community Housing Working Party
- Cr. Carole Daley (*Chair*)
- Cr. Anne Marie Spicer (*Deputy Chair*)
- Cr. Paul Milner
- Cr. Ray Broad
- Mayor Toby Adams

Councillor Remuneration Working Party
- Mayor Toby Adams (*Chair*)
- Deputy Mayor Paul Milner (*Deputy Chair*)
- Cr. Carole Daley
- Cr. Ross Harris
- Cr. Anne Marie Spicer

CEO Performance Assessment Working Party
- Mayor Toby Adams (*Chair*)
- Deputy Mayor Paul Milner (*Deputy Chair*)
- Cr. Carole Daley
- Cr. Ross Harris
- Cr. Anne Marie Spicer

Councils Organisations Appointment Working Party
- Mayor Toby Adams (*Chair*)
- Deputy Mayor Paul Milner (*Deputy Chair*)
- Cr. Carole Daley
- Cr. Ross Harris
- Cr. Anne Marie Spicer

Social Strategy Working Party
- Cr. Anne Marie Spicer (*Chair*)
- Cr. Jo Tilsley (*Deputy Chair*)
- Cr. Sara-Ann Howell
- Mayor Toby Adams

Property Sale and Purchase Working Party
- Mayor Toby Adams (*Chair*)
- Cr. Paul Milner (*Deputy Chair*)
- Cr. Ray Broad
- Cr. Ross Harris
- Cr. Carole Daley

Kaiapua Coast 2120 Joint Working Party
- Mayor Toby Adams (*Chair*)
- Cr. Ross Harris
- Cr. Anne Marie Spicer
- 3 Waikato Regional Council Councillors (*to be confirmed by WRC*)
- 4 Iwi Representatives

Waste Minimisation Working Party
- Cr. Duncan Smeaton (*Chair*)
- Cr. Anne Marie Spicer
- Cr. Paul Milner
- Cr. Rodney Garrett
- Mayor Toby Adams
Working Parties that have been identified for a specific purpose (membership to be decided when required) are:

- Communications Working Party
- Hauraki Plains Library Working Party
- Representation Review Working Party
Recommendation:
THAT the report be received, and
THAT Council approves the details, responsibilities and delegations of the 2019-22 Emergency Management Committee, as outlined in Appendix A.

1 Purpose
This report is to provide Council with the details, responsibilities and delegations of the 2019-22 Emergency Management Committee. Council will need to formally approve these.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background
At the 13 November 2019 Council meeting, Council adopted its committee structure, their delegations and meeting days and times. A number of committees were identified as still needing to have these details finalised. The Emergency Management Committee was one of these. The Mayor and Emergency Management Portfolio Holder have worked with staff in developing details, responsibilities and delegations of the 2019-22 Emergency Management Committee.

3 Issue and options
The key purpose of the Emergency Management Committee is to provide governance and oversight of planning, community readiness, co-ordination and delivery of the Civil Defence Emergency Management activities within the Hauraki District.
The membership of the committee will consist of:

Phillip Buckthought (Chair)
Mayor Toby Adams (Deputy Chair)
Iwi representative
Paul Milner
Rodney Garrett
Duncan Smeaton

With the external advisors to the committee being:

NZ Police
Fire and Emergency NZ
St John
Waikato Group Emergency Management Office
Hauraki Local Controller
Hauraki Local Recovery Manager

Staff representing these organisations and positions will attend the meeting but will not have voting rights.

It is recommended that Council delegates to the Emergency Management Committee the following powers, duties and responsibilities:

- Prepare for Council adoption and monitor progress of a Hauraki District local emergency management strategy and resulting action plan
- To set timeframes and monitor results of implementing the recommendations that have arisen from the 2019 Hauraki District Council CDEM Capability Report
- Developing, approving, implementing, monitoring and reviewing relevant strategic plans
- Promoting and raising public awareness and preparation of emergency management within the Hauraki District
- Approve the development and continual support of Community Response and Recovery Plans and monitor the success of such plans
- To ensure that the district interests of iwi with regards to emergency management and marae preparedness are identified and acted upon
- To review and recommend to Council on the emergency management budgets and the priorities for expenditure
- To set levels and monitor Council trained staff, to assist with the response and recovery phases to an emergency event
- To ensure that Council has the relevant resources and arrangements in place to manage a response to an emergency event
- To ensure that Council’s key activities have business continuity plans in place to enable these activities continue even if at a reduced level
- Receive update reports from district emergency services
- Receive update reports from Waikato Emergency Management Group and the Joint Committee
- Receive update reports from National Emergency Management Agency
The Committees only delegation is:

- Authority to approve expenditure up to $5,000 per project within existing approved emergency management budgets

4 Significance and Engagement Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

The level of engagement considered appropriate for this matter, at this point in time, is to inform (i.e. one-way communication disseminating information) the external advisors to the committee and residents of the district, of Council’s decision.

5 Budget Implications

The support of this committee is allowed for in the current democracy budget.

The authority for the committee to approve expenditure up to $5,000 per project will be within existing approved emergency management budgets.

6 Recommendation

The Mayor, Emergency Management Portfolio Holder and staff are recommending to Council that, Council approves the details, responsibilities and delegations of the 2019-22 Emergency Management Committee, as outlined in Appendix A.

Steve Fabish  
Group Manager Community Services and Development
## Appendix A: Emergency Management Committee 2019-22

<table>
<thead>
<tr>
<th>Reporting To:</th>
<th>Council</th>
</tr>
</thead>
</table>
| **Membership:** | Phillip Buckthought (Chair)  
Mayor Toby Adams (Deputy Chair)  
Iwi representative  
Paul Milner  
Rodney Garrett  
Duncan Smeaton |
| **External Advisors to the Committee:** | NZ Police  
Fire and Emergency NZ  
St John  
Waikato Group Emergency Management Office  
Hauraki Local Controller  
Hauraki Local Recovery Manager  
*Note: Staff representing these organisations and positions will attend the meeting but will not have voting rights*
| **Meeting Frequency:** | Quarterly meetings (February, May, August and November) or more if required.  
3rd to last Monday of the month at 1pm |
| **Purpose:** | The Emergency Management Committee provides governance and oversight of planning, community readiness, co-ordination and delivery of the Civil Defence Emergency Management activities within the Hauraki District. |
| **Responsibilities:** | The Council delegates to the Emergency Management Committee the following powers, duties and responsibilities:  
- Prepare for Council adoption and monitor progress of a Hauraki District local emergency management strategy and resulting action plan  
- To set timeframes and monitor results of implementing the recommendations that have arisen from the 2019 Hauraki District Council CDEM Capability Report  
- Developing, approving, implementing, monitoring and reviewing relevant strategic plans  
- Promoting and raising public awareness and preparation of emergency management within the Hauraki District  
- Approve the development and continual support of Community Response and Recovery Plans and monitor the success of such plans  
- To ensure that the district interests of iwi with regards to emergency management and marae preparedness are identified and acted upon  
- To review and recommend to Council on the emergency management budgets and the priorities for expenditure |
- To set levels and monitor Council trained staff, to assist with the response and recovery phases to an emergency event

- To ensure that Council has the relevant resources and arrangements in place to manage a response to an emergency event

- To ensure that Council’s key activities have business continuity plans in place to enable these activities continue even if at a reduced level

- Receive update reports from district emergency services

- Receive update reports from Waikato Emergency Management Group and the Joint Committee

- Receive update reports from National Emergency Management Agency

<table>
<thead>
<tr>
<th>Delegation:</th>
<th>Authority to approve expenditure up to $5,000 per project within existing approved emergency management budgets</th>
</tr>
</thead>
</table>

| Management Responsibility: | Group Manager – Community Services and Development |
Decision Report

To: Mayor and Councillors
From: Group Manager Planning and Environmental Services
Date: Tuesday, 4 February 2020
File reference: Document: M2707957
Portfolio holder: Councillor Paul Milner
Meeting date: Wednesday, 26 February 2020
Subject: Planning & Environmental Services Report – December 2019 and January 2020 combined

Recommendation:
THAT the report be received.

Summary

The December/January months resulted in high number of last minute consent applications being lodged just before Christmas and over the non-working days which has stretched processing timeframes over the start of the New Year. Ngatea streetscape and Water supply issues dominated Council’s Communications. The Waihou Piako River Authority Iwi relationship building continues and Kaiaua 2120 Iwi reps are now onboard with this adaptive planning process. The District Plan Change initial assessment reports continue to make progress. Phase 1 of the LTP community engagement sessions have begun. A number of policies are about to be reviewed. There is a further update on Waihi Mine matters.

Customer Services Team

December as a whole was a quieter month for the customer services team which was timely to have resources available to train our new CSA who started with the Council at the beginning of the month. Other notable events during the month which kept the team busy included the Ngatea main street upgrade, an issue with the Hauraki Plains water supply and water rate invoices being posted.

We received 2,417 calls (a similar volume to last year) with 74% of the calls being resolved by the team. A service level of 83% (target of at least 80% of calls answered within 20 seconds) was achieved with an average ring time of 5 seconds; 131 calls were abandoned (result 5.4%, target less than 6.0%). This month the phone calls related to building 20%, rates, 11%, planning 9%, water and general information both 8% with the balance of calls spread across all other areas of the Council.
Historically January is a quieter month for the team and this seemed to be the case this year as well, however the Ngatea main street upgrade continued to create queries with many residents and travellers. The team completed telephony training for the scheduled upgrade of the phone system due in February. Rate rebate applications continue to be processed and to date 88% of last year’s total have been completed.

For the month of January, the team received 2,840 calls with 78% being resolved at first point of contact. A service level of 84.5% was achieved (target of at least 80% of calls answered within 20 seconds) with an average ring time of 6 seconds; 145 calls were abandoned (result 5.1%, target less than 6.0%). Over the month phone calls related to building 25%, rates, 9%, planning 8%, general information 7% with the balance of calls spread across all other areas of the Council.

**Development**

31 January 2020

<table>
<thead>
<tr>
<th>Consents Issued</th>
<th>2018/19</th>
<th>2019/20</th>
<th>Year to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Consents</td>
<td>217</td>
<td>200</td>
<td>92%</td>
</tr>
<tr>
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<td>122</td>
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LIMs 272 255 97%

Landuse and Building Consent activity and LIM applications has decreased so far this year compared to this time last year.

**Communications**

Over the last two months the communications team has been largely focused on the Ngatea main street upgrade project and water, in particular water restrictions and issues with the Waihi and Waikino water supply.

*Streets ahead in Ngatea*

The Ngatea main street upgrade project kicked off with a full road closure on 14 January. Starting before Christmas, the comms team has worked closely with NZ Transport Agency and Higgins to provide regular e-newsletter updates to the Ngatea business community, as well as communication to the wider public through our usual channels including social media, newspaper and radio. We’ve also been working with council’s economic development manager and the Mayor to create promotional videos advertising that the town is still open for business. The unexpected discovery of extremely soft ground during stage one of the project resulted in an extra 10 days of full road closure. An issue with council’s e-newsletter service came to light over this period as about half of the subscribers stopped receiving emails from 17 January onwards. This issue has now been resolved and weekly face to face project updates are being
provided with Elected Members as well as NZTA, Higgins, and HDC staff in attendance. Elected Members and council’s project manager have been in Ngatea on the ground almost daily talking to business owners and helping to resolve issues, on top of the work the comms team has been doing.

At this stage the next two stages of the project are expected to be completed in mid-May. Once the road renewal and kerb and channel work is complete, Council will start replacing the footpath 100 metres at a time, but there are still lots of things yet to be determined for this part of the project.

**Water woes in Waihi**
Due to the drier than normal conditions at the moment, encouraging people to save water has been a focus of comms across the whole district, but particularly in Waihi and Waikino, due to a combination of low river levels, higher than normal demand, and some significant leaks in the network. A total watering ban has been in place in the area for around a month, with a short period of alternate days in between.

The comms team was put through its paces last week when Waihi ran out of water for a short period due to a break in a main raw water pipe. Working with the civil defence team the comms team provided regular updates through the usual channels, and fliers and signs for distribution in the town. The team also worked with media, including TV one news, to organise interviews and provide support and messaging to the Mayor and staff to help get the message out. The comms team were kept busy as they needed to provide timely and relevant information and keep the community and media well updated as the situation unfolded.

**Upcoming projects**
Major projects the team will be focusing on over the next few months include, elected member media and communication training, staff communication training, developing an internal communications strategy and reviewing and updating council’s overarching communications and engagement strategy.

**Iwi Liaison**

Tēnā koutou katoa

**Tūngia te ururoa, kia tupu whakaritorito te tupu o te Harakeke**

*Burn off the overgrowth so that the flax shoot may sprout*

In modern terms this whakataukī refers to the start of a new year or a new Project where one clears away the things that aren’t as important and stays focused on ensuring that new sprouts will grow strong.

**Hakihea (December)**

*Birds are now sitting in their nests*

As the end of the year drew near, work increased as we began to implement and plan for the start of the new year. Not only did we continue with our internal staff training, but we also began planning for the increase of kaupapa Māori for the new year.

A Waipoua Piako Authority hui was held at Mātai Whetū Marae in Kōpū. The Hui was well attended with 4 mayors and many Councillors in attendance. Also present were many of the Treaty negotiators. This Project will see a new entity established that focuses on how we all collectively manage the care and protection of our waterways. It will have a large Māori focus with the view of promoting the importance of the awa (waterways) systems from a Māori perspective.

The Kaiiwa 2120 project had 4 Māori representatives confirmed. These four will be attending their first hui in February 2020.
Hakihea also saw us to once again seek nominations for the Tuia Programme.

**Kohitātea (January)**

*Fruits have now set and man eats of the new food products of the season*

The new year started strongly with lots of new initiatives being planned. These initiatives are all focused around how we as Council strengthen our abilities to grasp and implement Kaupapa Māori within all that we do. By increasing the use of Kaupapa māori within Local Government, we will begin to shift towards more of what good Treaty partners look like.

With Waitangi day approaching. Work was done to establish an internal Waitangi day web page that focused on how the Treaty of Waitangi affected the Hauraki Region. This gave a more indepth look into how the impact of treaty breaches effected Māori within Hauraki.

More planning took place in January for the upcoming year and how we as Council begin to look at working more closely with local Māori here in Hauraki.

Phrase of the month:

"Whū” or wicked

**Regulatory Services Team**

**Planning Implementation**

**Processing**

For last two months 14 subdivision and 18 land use resource consent applications were lodged and to date over that period all were processed within the statutory timeframe of 20 working days except one.

**District Plan Changes**

Work has been continuing on Proposed Plan Change 2 – Waihi Rezoning, with further draft technical reports being received – roading and infrastructure. Comments have also been received from NZTA. A heritage assessment is still to come. Preliminary discussions have been held with representatives of two Iwi (Ngati Hako and Ngati Tara Tokanui). Consultation with these and other Iwi is to be progressed through a hui on 24 February 2020. More detailed consultation with Iwi, as required by the Resource Management Act, will then need to be organised, to the extent determined by the Iwi.

The District Plan Committee met on 17 December 2019. The Committee decided that the top priority for the Proposed Plan Changes remains the Waihi Rezoning, with the Miscellaneous Plan Change being elevated to be the second priority, with the Paeroa Plan Change to be progressed after that.

**Kaimai Windfarm Application**

In late January the Council was advised that the applicant and the three main Iwi submitters (Ngati Tara Tokanui, Ngati Hako and Ngati Tamatera) have entered into an Agreement for Services which details a six-month program of research and consultation which will result in the delivery to the applicant of a Cultural Values Assessment by July this year. This Agreement has also been signed by Ngati Rahiri Tumutumu.

It is therefore anticipated that a Hearing will be able to commence in August this year. This will be a joint hearing with the Waikato Regional Council. Both Councils have appointed the same three independent Commissioners to hear the applications and make decisions on them.
Building Team
In December Council granted 19 Building Consent applications and 22 in January with 20 new dwellings and all except two were processed within the statutory timeframe.

General

Dog Control
Last two months has seen a focus on Whiritoa beach patrols which showed good general compliance with bylaw requirements throughout the summer period. The only challenges were vehicles stuck on the beach or trying to remove prohibited 4x4 vehicles on the beach.

Food Control Audit
IANZ undertook an annual Food Control quality management systems assessment on 19th December involving our Environmental Health officers and our Food Quality Coordinator. As a result of the audit while we have a robust system in place for verification of food control plans and national programmes under the Food Act; we are now addressing the non-conforming system issues identified by that audit and working with MPI to resolve them.

Strategic Planning

Kaiaua Coast 2120 – looking ahead
The inaugural Joint Working Party meeting was held on 10 December 2019. The minutes of this meeting will be provided for Councils consideration once they have been finalised by the joint working party at their next meeting on 18 February 2020.

Wharekawa Marae has provided four iwi representatives to join the joint working party and work with our Mayor and Councillors, Waikato Region Councillors and a Waikato District Councillor, to govern the Kaiaua Coast 2120 project. This is a great opportunity for us to work in partnership with Māori and establish relationships.

The next stage of the project is to set up a community panel to meet monthly throughout 2020 and work through and identify: what is happening? what matters most? and what can we do about it? There will also be catch-ups with the wider community to check in with the community panel’s findings.

Following a good number of nominations, community members have been appointed to the community panel. Mana whenua representatives are also being sought. Staff are currently finalising representatives from DoC, NZTA and rural support to attend panel meetings as well. Cr Harris will also attend.

The project aims to have the draft community plan prepared by the end of this year.

Annual Plan 2020/21
The Council were provided with the proposed budgets and capital works programme for the 2020/21 financial year at its meeting of 12 February. Staff are now working on the development of the draft annual plan for Council consideration at its mid-March meeting.

Additionally, the Council reviewed a draft community engagement approach, and agreed that given there were no significant or material changes proposed for 2020/21, the Council would not consult on the annual plan.

2021 long term planning
The community engagement process is well underway with events having taking place in Paeroa, Waihi and as at the writing of this agenda, it is expected to take place in Karangahake. There are additional events being held throughout February and March of which are currently being finalised. These events will be included in Councillors calendars through meeting requests.
Staff are beginning the early phases of the budget review process, which will continue throughout now until June, at which point a two-day workshop will be held with Councillors in July to review the budgets in detail.

The Development Contributions Policy will continue to progress following the workshop on the 19th February.

Climate change mitigation
At the request of the Waikato Mayoral Forum, the Council is making a small financial contribution to a greenhouse gas stocktake. The stocktake will provide information on current emission levels for each district/city and the Waikato Region and will be completed in early 2020. Staff are also progressing a separate stocktake of the Council’s own emissions. Both items should provide insights to inform future decision-making on the Council’s role in reducing emissions.

Meeting reports to the Council
Staff have been reviewing the way reports are prepared for the elected Council and committees, with a view to better meeting elected member needs and ensuring legislative compliance. Training is currently underway with those staff that prepare reports.

Freedom Camping Bylaw
Council received a report on the Freedom Camping Bylaw at the 12 February 2020 meeting which provided them with some background and established a working party. The working party will meet on 25 February 2020 to consider additional sites and restrictions within the district, particularly in Waihi and Kaiaua.

Gambling Policy
Council received a report on the Gambling Policy review at the 12 February 2020 meeting which provided them with some background and established a working party. The working party will meet on the 25 February 2020 to provide direction on the level of engagement they wish to undertake as part of the initial review of the policy. Staff are currently working to complete a social impact assessment ahead of a following working party meeting.

Dangerous and Insanitary Buildings Policy Review and Implementation of the Earthquake-prone Building system
Council received a report on the Dangerous and Insanitary Buildings Policy review and the implementation of the earthquake-prone building system on 12 February 2020 meeting which provided them with some background and established a working party. The working party will meet on the 17 March 2020 to provide direction on policy options and the level of engagement they wish to undertake as part of the two processes.

Significance and Engagement Policy
Council received a report on the review of the Significance and Engagement policy at the 29 January 2020 meeting which provided them with some background and Council resolved to establish a working party. The working party will meet in late Feb/early March (date to be confirmed) to consider the issues for review in the policy and seek their guidance.

Mining Matters

Peer Review – Open Pit
Each year an independent panel of peer reviewers assembles to review monitoring data from mining operations in Waihi. For HDC the three peer reviewers involving Council’s regulatory responsibilities are Phil Dight (geotechnical), Chris Kidd (hydrogeological) and Craig Ross (land rehabilitation).

In 2019 the Peer Review meeting happened on 10 September and the report ‘2019 Peer Review Report – Open Pit’ was received from Professor Phil Dight on 20 December 2019. This
was the final peer review report to be received for the 2018-2019 review period. The report notes negligible pit wall displacement recorded over the reporting period described as "an excellent outcome after the uncertainties that arose following the instabilities."

The 2019-2020 Peer Review process will begin in July 2020, based upon mine monitoring data collected up to 31 March 2020.

Martha Trust
The Martha Trust last met on 25 November 2019 to consider the responses received from Hauraki District Council, Waikato Regional Council and the Trust Settlor (Oceana Gold) regarding the need for, scope and timing of a review of the Martha Trust Deed.

There is now general agreement between the Councils regarding the need for a review of the Trust Deed and further detail will be provided to the Martha Trust prior for its next meeting in April.

Submission on Discussion Document
On 23 January 2020 a submission on the ‘Discussion Document – Review of Crown Minerals Act 1991’ was forwarded to the Hon Dr Megan Woods, Minister of Energy and Resources (refer Appendix B)

The submission seeks a ‘local share’ of mining royalty payments where a portion of royalty payments be set aside to directly support the long term sustainability of the local communities from where the minerals are derived (via a contestable social fund or the like).

Due to tight timeframes (the Discussion Document was released on 19 November 2019 with submissions closing on 27 January 2020) the submission was signed and submitted under Mayor Toby’s moniker.

WKP Exploration Consent Granted
In December 2019 Council staff granted (under delegated authority) consent to a non-notified, non-complying activity application to modify and remove part of Significant Natural Area in order to undertake mineral exploration at two drill/camp sites at Wharekirauponga.

Whilst the application was for two additional drill sites, the Company formally advised Council that it wishes to surrender four already consented drill sites due to the presence of Archey’s frogs. The application was granted subject to conditions – including a requirement to rehabilitate both sites once activities are finished.

S127 Applications Granted
As reported to Council in November 2019, Oceana Gold made two applications to change (via RMA s.127) a number of resource consent conditions across various consents. The first application, granted in September, sought alignment of conditions across the Project Martha, Correnso and EMMA consents. The second application, granted by independent commissioner on 22 January 2020, sought alignment of conditions across the Favona, Trio, Correnso, SUPA and MDDP consents. Staff will now update the consents and make these available on Council’s website.

Oceana Gold News Release
In a recent industry news release, Oceana Gold announced that it had added 440,000 ounces of gold to resource estimates for the Martha Underground Project, together with an increase in average grade. The indicated resource estimate for Martha Underground now stands at 824,000 ounces of gold.
In the same release Oceana Gold also announced that work is well advanced on the Waihi District Study – a preliminary economic assessment encompassing multiple ore targets within the Martha Underground and the Wharekirauponga prospect. Exploration drilling continues at both sites to support the study which is expected to provide an outlook of Waihi’s possible growth over the next several years.

Peter Thom
Group Manager: Planning and Environmental Services
Appendix A: Monitoring Report

Publication of the Annual Report.
That the Annual Report is completed, audited and adopted by Council by 31st October, each year.

The last Annual Report for 2018/19 was adopted on 30 October 2019.

Special Consultative Procedure
That all issues subject to a special consultative procedure meet the requirements of the Local Government Act, 2002.

This has been undertaken as required with all Council Plans; Policies and Bylaws. At the time of writing, the joint sub-regional review of the Waste Minimisation and Management Plan is currently being consulted on in the form of the special consultative procedure.

Resource Consents & LIMs

Target

All notified resource consents applications are decided and issued within statutory timeframes.
99% of all notified resource consent applications are decided and issued within 70 working days.

31 January 2020

Notified Consents to the end of January 2020

In 2 Out of time 0 (Limited Notified)

1 July 2019 – 31 January 2020

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<td>0%</td>
</tr>
<tr>
<td>Ext. of time</td>
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<td>0</td>
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100% of all building consents are issued within statutory timeframes - 20 working days
All LIMs are issued within statutory timeframes. All LIMS are issued within 10 working days.

### No. of LIMs

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<td>% in time</td>
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### LIMs by Ward

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<td>Waihi</td>
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<table>
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### # LIMS Processed

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<th>Avg Processing</th>
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<th>% in time 2019/20</th>
<th>% Overtime</th>
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<td>5.76</td>
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### LIMS Processed Graph

- **2018/19**
- **2019/20**

- **Month**: July, August, September, October, November, December, January, February, March, April, May, June
- **No. of LIMs**: 0 to 60
- **Avg Processing**: 4.1 to 6.6

---

**July**

- **No. of LIMs**: 49
- **% in time**: 100%
- **Avg Processing**: 6.50

---

**August**

- **No. of LIMs**: 49
- **% in time**: 100%
- **Avg Processing**: 6.00

---

**September**

- **No. of LIMs**: 32
- **% in time**: 100%
- **Avg Processing**: 6.10

---

**October**

- **No. of LIMs**: 45
- **% in time**: 100%
- **Avg Processing**: 6.04

---

**November**

- **No. of LIMs**: 44
- **% in time**: 100%
- **Avg Processing**: 5.30

---

**December**

- **No. of LIMs**: 28
- **% in time**: 100%
- **Avg Processing**: 4.3

---

**January**

- **No. of LIMs**: 25
- **% in time**: 100%
- **Avg Processing**: 4.7

---

**February**

- **No. of LIMs**: 34
- **% in time**: 100%
- **Avg Processing**: 5.8

---

**March**

- **No. of LIMs**: 45
- **% in time**: 100%
- **Avg Processing**: 6.5

---

**April**

- **No. of LIMs**: 32
- **% in time**: 100%
- **Avg Processing**: 5.4

---

**May**

- **No. of LIMs**: 35
- **% in time**: 100%
- **Avg Processing**: 6.3

---

**June**

- **No. of LIMs**: 32
- **% in time**: 100%
- **Avg Processing**: 6.3

---

**TOTAL**

- **No. of LIMs**: 450
- **% in time**: 100%
- **Avg Processing**: 5.76

---

**2018/19**

- **No. of LIMs**: 255
- **% in time**: 99%
- **Avg Processing**: 5.6
APPENDIX B

23 January 2020

Minister of Energy and Resources
Freepost PO Box 18 888
Parliament Buildings
Wellington 6160

Dear Hon Dr Megan Woods


The Hauraki District Council would like to discuss the distribution of mining royalty payments (royalty payments) with the Minister via the current review of the Crown Minerals Act 1991.

The distribution of royalties and what they are being taken for has often been debated and we raised this matter with the previous Government in 2012 when we made a joint submission with Newmont Waihi Gold on the Crown Minerals (Permitting and Crown Land) Bill.

In 2014 the Labour Party and New Zealand First made a commitment to the mayors and councillors in attendance at the ‘Royalty Payments – the case for a local share’ forum in Wellington that they would be open to a review of the current royalty payments distribution system. Both Parties signalled support for the idea that a portion of royalty payments be distributed to the local community from which the minerals are derived. This differs from the current regime where all tax and royalty revenue streams are retained by central government and do not directly benefit the local communities in which the mining activity occurs.

We believe the current royalty payments distribution system is not as fair and equitable as it could be and we are disappointed that the distribution of royalty payments does not seem to have been specifically addressed in the current review of the Crown Minerals Act 1991. We hope that it is not too late for this matter to be addressed within the review, specifically within the wider context of the four community well-beings – i.e. social, economic, environmental and cultural.

We have included a brief overview of mineral mining in our district and a summary of why the matter of royalty payment distribution is important for our local communities, in particular the town of Waihi and township of Karangahake. We also provide some comments on an alternative approach to the current distribution of royalty payments and attach a letter of support, with some good ideas, from the Waihi Community Forum. We would be happy to discuss this with you in more detail.
Mining in the Hauraki District

The Hauraki District is a relatively small district with a usually resident population of 20,022 at the 2018 Census. Mining has been a part of the landscape in and around Waihi and the Karangahake Gorge since the 1870s. This mining ceased in 1952. Current mining recommenced in earnest with the granting of a mining licence in 1987 which permitted the Martha Mine to be developed as an open pit mine in the centre of Waihi.

The Martha Pit area was extended with a resource consent granted in 1999 and five underground mines have since been consented: Favona (2005), TRIO (2011), Correnso (2013), Slevin (2016) and Martha Underground (2019).

Council is also aware that Oceana Gold are actively exploring for additional gold and silver reserves in and around Waihi at the present time. Given the large amount of exploration being undertaken, it is highly likely that other reserves will be identified with the potential for new resource consents to be lodged and additional mines to be established in the future.

Oceana Gold purchased the mine from Newmont Mining Corporation in 2016 and currently employs around 430 full time equivalent employees/contractors. Over the 2016-2018 period Oceana Gold paid on average $18.4m in company tax per annum and over the same time, around $3.9m in royalties per annum.

Rationale for a change

New Zealand is in a very small minority of countries in which all of the tax and royalty revenue streams are retained entirely by central government. Other major mining operations in Australia, Ghana, Indonesia, and Peru, for example all have some form of local royalty or tax sharing.

We recognise the Government’s desire to ensure mining operations benefit the whole of New Zealand, but believe this is already done through the collection of company tax. This was by far the most significant fiscal flow from Oceana Gold’s mining operations, with approximately $4.70 in company tax paid for every $1 in royalty over a three-year period. This shows there is already a substantial portion of money benefiting New Zealand Inc. from company income tax. In addition to this, there is a significant personal income tax yield paid to the Government via the 430 FTEs employed by the Company.

We believe a portion of royalty payments should be set aside to directly support the long term sustainability of the local communities, because unlike other industries mining is based on a finite resource. The areas that host these mines will have a reduced GDP and asset base once those resources have been extracted and operations cease.

Employment and other economic benefits such as those provided by Oceana Gold in Waihi cannot be sustained post-closure, unless the community establishes alternative sources of future economic growth. This is why it is so important a portion of mining royalties be used to fund local projects and establish new sustainable initiatives that will last into the future even after mining has ceased. We have historical examples of local royalty payments being administered sustainably in New Zealand, where much of the wealth of the Otago gold rush in the 19th Century was invested locally in assets that continue to benefit the community today – most notably the University of Otago.
Also, many communities that host mining operations have small populations with higher deprivation ratings than other areas of New Zealand. Whilst Waihi is our largest town, with a usually resident population of 5,403 at the 2018 Census, it also has the highest deprivation rating with a deprivation value of 10 on a scale of 1-10.

This means the town is in the top 10 per cent of socio-economically deprived areas in New Zealand. In turn, the decile ratings of the primary schools and the secondary school reflect this higher deprivation rating. The Council has a focus on improving the economic and social wellbeing of our communities where we’re able, to ensure more of our residents have jobs, liveable income levels, and the resources needed to achieve a better standard of living. However, with rating affordability issues and increasing costs and challenges of maintaining our infrastructure, our communities have less discretionary funds to go towards community projects to enhance the quality of life for residents.

An alternative approach

We would like to see a system in place where Central Government collects the royalty payment in full then distributes a percentage of this to the local community via a contestable social fund or the like. This Council does not seek funds from mining royalties for Council infrastructure and services, as we do not want to create an unhelpful dependency between mining operations and the role of councils. Instead, we wish the money to go directly to the local community to invest in sustainable development initiatives – like those mentioned in the attached letter from the Waihi Community Forum. Overall, the aim should be for revenues generated by the mining sector to contribute to economic growth and social development.

Local Government New Zealand has argued strongly for the development of a ‘local share’ programme. It’s an argument supported by the success of overseas ‘local share’ initiatives, such as the successful “Royalties for Regions” programme which has operated in Western Australia since 2008. While this Council is advocating for mineral mining royalties to be distributed back to local communities, and not to the Council, we also see the merit in the Western Australia model.

Summary

In summary, we believe the system for the distribution of mining royalty payments needs to be reviewed so a portion of this revenue is distributed to local communities from which the minerals are extracted. New Zealand’s system is not in line with royalty distribution systems in many other countries, and the communities that host mining operations are often those that could benefit from extra funding the most.

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1 NZDep2006 and NZDep2013 Index of socio-economic deprivation, University of Otago.
2 In the Hauraki District approximately 28% of households are likely to have issues affording their district council rates, without factoring in the regional council rates as well. This premise is based on the rough benchmark that affordability problems arise where rates exceed 5% of gross household income, as per the Shand Report, found in the Local Government Rates Inquiry 2007. In our research various measures were used including; the level of overdue rates, average residential rates, household income, home ownership, and residential rates vs. costs per ratepayer.
The Council is not seeking revenue from royalty payments, but believes this revenue should be distributed via a contestable fund directly to the community for social development and initiatives that support sustainable social and economic growth into the future (the types of initiative outlined in the attached letter from the Waihi Community Forum). We want our regions to be as prosperous as they can be and we believe the Government can help us achieve that goal. We want to transition into a more sustainable future; a future where Waihi is economically sustainable even when mining operations cease.

We have not touched on the issues of the percentage and distribution avenues of royalty payments within this letter. We would however welcome the opportunity to work with the Ministers on these policy issues. Thank you for your time in this matter. We look forward to hearing from you.

Yours sincerely

D A (Toby) Adams, JP
Mayor
Hauraki District Council
# Decision Report

**To:** Mayor and Councillors  
**From:** Marina van Steenbergen  
**Date:** Monday, 17 February 2020  
**File reference:** Document: 2722408  
**Portfolio holder:** Councillor Paul Milner  
**Meeting date:** Wednesday, 26 February 2020  
**Subject:** Draft National Policy Statement for Indigenous Biodiversity

## Recommendation:

THAT the report be received, and

THAT the Council, subject to any amendments to the draft submission, approved lodgement of the submission with the Ministry for the Environment by 14 March 2020.

## 1 Purpose

This report seeks Council input into the preparation of a submission on the Draft National Policy Statement for Indigenous Biodiversity.

The submission period closes on 14 March 2020.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

## 2 Background

In addition to the draft National Policy Statement, the Government has released a discussion document (He kura koiora i hokia – the nurturing of our treasured species) and a Section 32 Report and Cost Benefit Analysis.
Links to the two key documents that have been referenced in this Report are included for your use:


National Policy Statements (NPS) are one of the instruments provided for by the Resource Management Act, which the Government can use to provide/require a nationally consistent approach to dealing with specific issues, on which local authorities make decisions.

NPS state objectives and policies for matters of national significance. They can also include more specific direction on how these objectives and policies are to be given effect to, for example in our District Plan.

In this case it is to provide direction to Councils on our responsibilities for protecting, maintaining and enhancing indigenous biodiversity under the RMA.

In preparing a proposed NPS the Resource Management Act states that an assessment has to be undertaken, and a report prepared, of the costs and benefits of the proposals, and the appropriateness of the proposals to achieve desired outcomes (purpose of the Act).

**Key provisions in the RMA recognising biodiversity**

- **Section 5** sets out the purpose of the Act, "to promote sustainable management of natural and physical resources” and biodiversity is a type of natural resource. As such, it is indirectly managed through all matters of section 5(2).

- **Section 6** outlines matters of national importance that everyone must recognise and provide for when exercising functions and powers under the Act. Section 6(c) covers the maintenance of biodiversity, referring to the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna. Biodiversity is also indirectly managed by protecting natural character (section 6(a)) and outstanding natural features and landscapes (section 6(b)).

- **Section 7** outlines the indirect management of biodiversity through the maintenance and enhancement of the quality of the environment (section 7(f)), and the intrinsic value of ecosystems (section 7(d)).

- **Section 30(1)(c)(iiiia)** covers the function of regional councils to control the use of land to maintain and enhance ecosystems in water bodies and coastal waters.

- **Section 30(1)(ga)** outlines the function of regional councils to establish, implement and review objectives, policies and methods for maintaining indigenous biological diversity.

- **Section 31(b)(iii)** states that it is a territorial authority function to control the effects of the use of land on the maintenance of indigenous biological diversity.

- **Section 62(1)(i)(iii)** requires that a regional policy statement states the local authority responsible, in the whole or any part of the region, for specifying the objectives, policies and methods for the control of the use of land to maintain indigenous biodiversity.
Purpose of the Proposed NPS

To address the decline in New Zealand’s indigenous flora and fauna and stop the continual loss of biodiversity.

"Aotearoa New Zealand’s indigenous biodiversity is at a crisis point. Despite progress in conservation management over the past 20 years, we have around 4000 species threatened or at risk of extinction.

Our economic success relies on our natural environment. It gives us a competitive advantage that underpins our top two export earners – tourism and primary production. Our unspoilt nature is our brand, which is used to promote our exports. Indigenous ecosystems provide services such as clean water, nutrient cycling, pollination, and pest management. Safeguarding our indigenous ecosystems and the services they provide is important for New Zealand’s future prosperity.

However, the provisions protecting and maintaining indigenous biodiversity under the Resource Management Act 1991 (RMA) are unclear, and subject to different interpretations, applications and monitoring by councils. Biodiversity is also indirectly managed by protecting natural character (section 6(a)) and outstanding natural features and landscapes (section 6(b)). This has led to inadequate regulatory protection, repeated litigation costs, confusion and uncertainty, and an undervaluing of biodiversity in decision-making – and ultimately indigenous biodiversity loss."

Development of Proposed NPS

A stakeholder-led Biodiversity Collaborative Group was set up to develop the proposed NPS and make recommendations for systems improvement and non-regulatory support mechanisms.

The Group was made up of: Royal Forest and Bird Protection Society of NZ Inc; Federated Farmers of NZ Inc; NZ Forest Owners’ Association; Environmental Defence Society Inc; Extractive/Infrastructure Industries and Iwi Chairs’ Forum.

Its report was reviewed and revised by DOC and the Ministry for the Environment (MfE) after discussions with the Treaty Partners (20 + hui) and some Councils.

New Zealand Biodiversity Strategy

The current 20-year strategy was published in 2000 and DOC is currently working on the next 20-year strategy. The strategy sets out the overall framework and the NPS would be one of the tools to implement this.

Overview of Proposed NPS

– Primary Objective = to maintain indigenous biodiversity
– This requires at least, no reduction in:
  " a) the size of populations of indigenous species
  b) indigenous species occupancy across their natural range
  c) the properties and function of ecosystems and habitats
d) the full range and extent of ecosystems and habitats

e) connectivity between, and buffering around, ecosystems

f) the resilience and adaptability of ecosystems.”

The proposed NPS applies to terrestrial biodiversity (not coastal or freshwater biodiversity) and to wetland restoration and enhancement.

The Core Components

A. Recognising te ao Maori (the Maori World, a Maori perspective/worldview) and the principles of the Treaty of Waitangi

B. Identifying important biodiversity and Taonga

C. Managing Adverse Effects on biodiversity from activities

D. Restoration and enhancement of biodiversity

E. Monitoring and implementation

Details

A Proposed NPS establishes an enhanced role for Iwi in decision making about biodiversity and to incorporate tikanga (Maori customary values, practices and traditions) and Matauranga Maori (Maori customary knowledge, traditional knowledge or intergenerational knowledge) into managing indigenous biodiversity – where this is consented to by tangata whenua.

This is summarised as:

”Local authorities will initiate consultation early to ensure that Māori perspectives are considered when pen is first put to paper to draft plans and policies, not as an afterthought. This will help to ensure that local authorities have the information and relationships to work with tangata whenua to incorporate mātauranga and tikanga Māori into the core of the planning framework, in environmental monitoring, effects management (for example through what effects are controlled, how they are assessed, and through tikanga tools like rāhui), and to ensure indigenous biodiversity management is through the lens of Hutia te Rito.”

Hutia te Rito is a fundamental concept to be at the forefront of consideration when making decisions about biodiversity management. “At a minimum, this requires decision makers to recognise and provide for the inter-relationships between to hauora o te tangata (the health of the people) and:

- te hauora o te koiora (the health of indigenous biodiversity)
- te hauora o te Taonga (the health of species and ecosystems that are Taonga)
- te hauora o te taiao (the health of the wider environment)
Specific soles for Maori are proposed in identification, monitoring and development of regional biodiversity strategies.

B

“Significance” is defined – using a standard set of ecological criteria.

A process is set out for how Councils (TAs) are to identify, map and schedule significant natural areas (SNA).

A process is set for tangata whenua to proactively identify and manage Taonga species and ecosystems – if tangata whenua want to do so.

Council (TAs and Regional Councils) are to work together and survey and record areas outside SNAs to:

- identify the likely presence or absence of highly mobile indigenous fauna in their districts
- include maps in regional and district plans of areas where these species are likely to be present, where this will help protect them
- provide people and communities with information about these species and their habitat requirements, as well as how to protect them and their habitats.
- Include objectives, policies or methods in resource management plans for managing adverse effects on highly mobile fauna and for maintaining viable populations of these species across their natural range.

Where presence is known or certain these areas would be identified and mapped as SNAs.

Where uncertain or there is limited information managing adverse effects, as necessary to maintain viable populations of these fauna across their natural range is required.

C1

For SNA classified as “high” specific effects, of any subdivision use or development, would have to be avoided:

1) loss of ecosystem representation and extent
2) disruption to ecological sequences, mosaics or processes
3) fragmentation or loss of buffering or connectivity within and between ecosystems or habitats
4) a reduction in population size or occupancy of any indigenous taxa that are listed as ‘threatened’ or ‘at risk’ in the NZ Threat Classification System lists.”

Other adverse effects would have to be managed. An effects management hierarchy is proposed to assist with this. This would also apply to effects on ‘medium’ SNAs.
C2 There is provision for 4 specific new activities within ‘high’ SNAs, largely SNA protection and safety related, as well as SNAs established and managed for other purposes.

Five (5) specific activities are provided for, for ‘medium’ SNAs:

- nationally significant infrastructure
- Mineral and aggregate extraction
- Provision of papakainga, Marae and ancillary community facilities associated with customary activities on Maori land.
- Use of Maori land in a way that will make a significant contribution to enhancing the social, cultural or economic wellbeing of tangata whenua.
- A single dwelling on an allotment created before the date this proposed NPS comes into effect.”

C3 & C4 There is specific provision for managing SNAs within plantation forests, and providing for existing activities – including pastoral farming.

C5 There are general rules applying to biodiversity outside of identified SNAs.

C6 There are specific provisions for use and development of Maori land, recognising that due to historical limitations these lands are less likely to have been developed and more likely to still have indigenous cover. Could result in unfair impact on Maori and widen disadvantages created by historic confiscation and loss of land.

Applies to ‘medium’ SNAs, and where there is no practicable alternative location.

C9 Three (3) options for dealing with SNAs on geothermal ecosystems are put forward for consideration. While “small geothermal systems” are identified in the Waikato Regional Plan at Miranda, Ngatea and Kerepehi, they don’t have surface expression as SNAs to my knowledge.

C10 Biodiversity offsetting and biodiversity compensation.

Resource consent applicants must already consider how their proposed activities avoid, remedy or mitigate any adverse effects on the environment, including on indigenous biodiversity. We must consider proposals to “offset” or “compensate for” any residual effects (those left after avoidance, remediation and mitigation).

Offsets and compensation balance residual adverse effects by providing positive effects elsewhere.

The proposed NPS includes a framework (Appendices 3 & 4) for the use of offsetting and biodiversity compensation.
To assist with these assessments additional information will have to be proposed by applicants, and we have to insert provisions relating to this in the District Plan within 1 year of this NPS coming into effect.

The goal of a biodiversity offset is to achieve “no net loss” and preferably a “net gain” of indigenous biodiversity values.

D1 Restoration and enhancement of degraded SNAs, connections, buffers and wetlands.

“We need to recognise that restoration and enhancement are essential to maintaining indigenous biodiversity and turning the tide on its loss.”

Priority areas for this being – degraded SNAs, areas that provide important connectivity or buffering functions, wetlands and former wetlands.

We would be required to promote restoration and enhancement through our District Plan, and Long Term and Annual Plans.

In particular, we would need to consider incentives to promote restoration and enhancement, particularly for Maori land. Examples – rates remissions, provision of free advice to assist landowners, grants to assist with fencing, pest management, restorative plantings.

D2 Restoring indigenous vegetation cover in depleted areas.

“Indigenous biodiversity is depleted where there is low indigenous vegetation cover. This is particularly in urban environments. Increasing indigenous vegetation cover across the landscape, such as bush in parks and gullies, is essential to maintaining indigenous biodiversity.”

Regional Councils are to be required to set targets for increasing indigenous vegetation cover in their Regional Policy Statements (RPS), after assessing the percentage of such cover in urban and rural areas.

For urban areas found to have less than 10% indigenous vegetation cover a target to achieve at least 10% within a specified time has to be set.

For rural areas with less than 10% the Regional Council is to determine the target and the timeframe.

If the 10% is already exceeded Regional Councils are encouraged to set higher targets.

D3 Regional biodiversity strategies.

“Regional biodiversity strategies are strategic documents that align a community behind a shared set of priorities. They can set milestones, assign roles, encourage collaboration, and create funding avenues”.

It is proposed that Regional Councils have to prepare such strategies, which would have the purpose of promoting “a landscape scale restoration and enhancement vision for the region’s indigenous biodiversity”.

Preparation is to be undertaken collaboratively with territorial authorities, tangata whenua, communities and other identified stakeholders and must be completed within 6 years of the NPS commencing.

We would then have to have regard to the strategy when developing restoration and enhancement objectives, policies and methods for inclusion in our plans.

**Indicative Costs**

**Summary of Indicative Implementation Costs**

The following summarises the aggregate indicative cost ranges estimated for each type of council and central government to implement the NPSIB. These are a combination of one-off and ongoing costs calculated over a 30-year time horizon and expressed in present value terms (using a 6% discount rate). The estimated aggregate implementation cost ranges are as follows:

- For each district council: $824,000-$1,450,000.
- For each regional council: $1,090,000-$4,045,000.
- For each unitary authority: $1,846,000-$5,321,000.
- For central government: $1,766,200-$2,649,250.

**Implementation Cost Gaps**

There are a number of council implementation requirements within the NPSIB provisions that have not been costed (in monetary terms), as well as potential costs faced by other stakeholders. These gaps include:

- The costs for district councils to identify locations and opportunities for restoration and enhancement, to identify and/or describe taonga species and ecosystems with tangata whenua, and to work with regional councils to map highly mobile fauna.

- The costs for regional councils to identify depleted indigenous biodiversity environments, to identify locations and opportunities for restoration and enhancement, to identify and/or describe taonga species and ecosystems with tangata whenua, and to work with district councils to map highly mobile fauna.

**Draft Submission**

The discussion document sets out 62 specific questions. I have not attempted to answer all of these, concentrating on questions, and issues, I think will be most relevant to Council.

**Q1** Do you agree a National Policy Statement for Indigenous Biodiversity (NPSIB) is needed to strengthen requirements for protecting our native plants, animals and ecosystems under the Resource Management Act 1991 (RMA)
The Council agrees that stronger national direction on how to implement the current statutory requirements – sections 5, 6, 7, 30, 31 and 62 is desirable. A National Policy Statement appears to be the appropriate method to provide this.

**Q2 The scope of the proposed NPSIB focuses on the terrestrial environment and the restoration and enhancement of wetlands. Do you think there is a role for the NPSIB within coastal marine and freshwater environments?**

The coastal marine and freshwater environments are already adequately covered by other national level instruments (eg NZ Coastal Policy Statement 2010). Inclusion in the proposed NPS would result in a duplication of provisions and potentially differing provisions for those areas.

**Q3 Do you agree with the objectives of the proposed NPSIB?**

The Council agrees with the overall purpose of the proposed NPS – the maintenance of indigenous biodiversity, and how this is expressed in the objectives and policies. The Council recognises that biodiversity continues to be lost, areas and numbers are reducing to critical levels in many cases, and action is needed to halt, and ideally, reverse this decline. The objectives and policies also recognise that maintaining and enhancing biodiversity can effect communities and landowners in negative as well as positive ways. Objective 6 specifically recognises that people and communities need to still be able to provide for their social, economic and cultural wellbeing now and in the future.

**Q4 Hutia te Rito recognises that the health and wellbeing of nature is vital to our own health and wellbeing. This will be the underlying concept of the proposed NPSIB. Do you agree Yes / No? Why / why not?**

**Q5 Does the proposed NPSIB provide enough information on Hutia te Rito and how it should be implemented? Yes / no. Is there anything else that should be added to reflect te ao Maori in managing Indigenous Biodiversity.**

**Q6 Do you think the proposed NPSIB appropriately takes into account the principles of the Treaty of Waitangi? Yes / No? Why / why not?**

**Q7 What opportunities and challenges do you see for the way in which councils would be required to work with tangata whenua when managing indigenous biodiversity? What information and resources would support the enhanced role of tangata whenua in indigenous biodiversity management? Please explain.**

**Q8 Local authorities will need to consider opportunities for tangata whenua to exercise kaitiakitanga over indigenous biodiversity, including by allowing for suitable customary use of indigenous flora. Do you think the proposed NPSIB appropriately provides for customary use? Yes / no, please explain.**

**Q9 What specifics information, support or resources would help you implement the provisions in this section (section A)?**
The Council supports proposals for closer involvement of tangata whenua in maintaining and enhancing biodiversity. The main challenge it sees is that this is another matter that iwi are expected to become fully involved in, while many are already struggling with current expectations – in terms of their resources – in time as much as anything.

The Government needs to provide practical support to Iwi to enable them to participate to the extent envisaged.

Q10 Territorial authorities will need to identify, map and schedule Significant Natural Areas (SNAs) in partnership with tangata whenua, landowners and communities. What logistical issues do you see with mapping SNAs, and what has been limiting this mapping from happening?

Q11 Of the following three options, who do you think should be responsible for identifying, mapping and scheduling of SNAs? Why?

a. Territorial authorities
b. regional councils
c. a collaborative exercise between territorial authorities and regional councils.

Q12 Do you consider the ecological significance criteria in Appendix 1 of the proposed NPSIB appropriate for identifying SNAs? Yes/no? Why/why not?

Q13 Do you agree with the principles and approaches territorial authorities must consider when identifying and mapping SNAs? (see Part 3.8(2) of the proposed NPSIB) Yes/no? Why/why not?

Q14 The NPSIB proposes SNAs are scheduled in a district plan. Which of the following council plans should include SNA schedules? Why?

d. regional policy statement
e. regional plan
f. district plan
g. a combination.

Q15 We have proposed a timeframe of five years for the identification and mapping of SNAs and six years for scheduling SNAs in a district plan. Is this reasonable? Yes/no? What do you think is a reasonable timeframe and why?

As part of the District Plan review the Council has already mapped and scheduled Significant Natural Areas (SNAs) in its District Plan. However, the identification of the SNAs was undertaken by the Waikato Regional Council.
The identification of SNAs should be the responsibility of Regional Councils. Regional Councils employ a range of technical specialists, generally have significantly more resources than territorial authorities, and identification on a region-wide basis would give a much more consistent result (notwithstanding the standard set of ecological criteria to be used).

The cost, particularly to smaller territorial authorities, of either employing in house staff, or engaging consultants, would be prohibitive.

For existing SNA schedules the Regional Council should also be responsible for classifying each one as “High” or “Medium”. Again territorial authorities generally do not have in house expertise to do this, the cost of consultants would be onerous, Regional Council do have in house experts and all the background data.

The Council supports the scheduling and mapping of SNAs in the District Plan as this is a “landuse” matter and territorial authorities are responsible for landuse. It is most beneficial to Council, land owners, and users of the District Plan to have all land use provisions within the same document.

The Proposed NPZ also provides that we have 3 years to have our currently scheduled and mapped SNAs assessed by a suitably qualified ecologist – to ensure they substantially confirm with the proposed criteria.

Q16 Do you agree with the proposed approach to the identification and management of toanga species and ecosystems? (see Part 3.14 of the proposed NPSIB). Yes / No?

The Council supports proposals for closer involvement of tangata whenua in maintaining and enhancing biodiversity. The main challenge it sees is that this is another matter hat iwi are expected to become fully involved in, while many are already struggling with current expectations – in terms of their resources – in time as much as anything.

The Government needs to provide practical support to Iwi to enable them to participate to the extent envisaged.

Q17 Part 3.15 of the proposed NPSIB requires regional councils and territorial authorities to work together to identify and manage highly mobile fauna outside of SNAs. Do you agree with this approach? Yes / No? Why / why not?

While it is recognised that section 6 already covers “significant habitats of indigenous fauna”, given that these are not necessarily within significant indigenous regulations, it is, and will remain one of the most difficult requirements to implement.

For example, long tailed bats forage on open farmland and often roost within forestry plantations. Migrating waders, such as oyster catchers etc require overland flyways.
It is agreed that the Regional Council (for reasons set out earlier) is best placed to survey and record areas outside of SNAs where highly mobile fauna have been, or are likely to be, sometimes present.

Once that has been done, where this is possible, it is agreed such areas should be mapped or described in District Plan (for reasons set out above).

However, given their in house specialist staff, the onus of providing information to communicates about highly mobile fauna and their habitats and best practise techniques for managing adverse effects on them, should be the responsibility of Regional Councils.

Q18 **What specific information, support or resources would help you implement the provisions in this section (section B)?**

Should the responsibilities set out above be allocated to territorial authorities, financial support would need to be provided to Councils to enable them to carry out – payment for technical experts primarily.

In addition, these organisations holding information on highly mobile fauna, and management techniques need to provide this, ideally free of charge, to territorial authorities.

Q19 **Do you think the proposed NPSIB provides the appropriate level of protection of SNAs? Yes/no? Why/why not? (see Part 3.9 of the proposed NPSIB)**

Q20 **Do you agree with the use of the effects management hierarchy as proposed to address adverse effects on indigenous biodiversity instead of the outcomes-based approach recommended by the Biodiversity Collaborative Group? Yes/no? Why/why not?**

Q21 **Are there any other adverse effects that should be added to Part 1.7(4), to be considered within and outside SNAs? Please explain.**

Q22 **Do you agree with the distinction between high- and medium-value SNAs as the way to ensure SNAs are protected while providing for new activities? Yes/no/unclear? Please explain. If no, do you have an alternative suggestion?**

Q23 **Do you agree with the new activities the proposed NPSIB provides for and the parameters within which they are provided for? (see Part 3.9(2)-(4) of the proposed NPSIB) Yes/no? Why/why not?**

Q24 **Do you agree with the proposed definition for nationally significant infrastructure? Yes/no? Why/why not?**
Q25 Do you agree with the proposed approach to managing significant indigenous biodiversity within plantations forests, including that the specific management responses are dealt with in the NESPF? (see Part 3.10 of the proposed NPSIB) Yes/no? Why/why not?

Q26 Do you agree with managing existing activities and land uses, including pastoral farming, proposed in Part 3.12 of the proposed NPSIB? Yes/no? Why/why not?

Council agrees that it is useful to apply a ranking to SNAs – not all will be of equal significance.

The Council supports the exemption of certain activities from the requirement to avoid adverse effects. Those listed should have minimal effect on overall indigenous biodiversity.

Also supported is the more lenient management approach for nationally significant infrastructure, mineral and aggregate extraction, customary activities on Maori land and use of Maori Land to make a significant contribution to enhancing social, cultural or economic wellbeing of tangata whenua, and 1 dwelling per title created before NPS comes into effect.

Q27 Does the proposed NPSIB provide the appropriate level of protection for indigenous biodiversity outside SNAs with enough flexibility to allow other community outcomes to be met? Yes/no? Why/why not?

Q28 Do you think it is appropriate to consider both biodiversity offsets and biodiversity compensation (instead of considering them sequentially) for managing adverse effects on indigenous biodiversity outside of SNAs? Yes/no? Why/why not?

Q29 Do you think the proposed NPSIB adequately provides for the development of Māori land? Yes/no? Why/why not?

Q30 Part 3.5 of the proposed NPSIB requires territorial authorities and regional councils to promote the resilience of indigenous biodiversity to climate change. Do you agree with this provision? Yes/no? Why/why not?

Q31 Do you think the inclusion of the precautionary approach in the proposed NPSIB is appropriate? (see Part 3.6 of the proposed NPSIB) Yes/no? Why/why not?
Q32 What is your preferred option for managing geothermal ecosystems? Please explain.
   a. Option 1
   b. Option 2
   c. Option 3
   d. Or do your alternative option – please provide details

Q33 We consider geothermal ecosystems to include geothermally influenced habitat, thermo-tolerant fauna (including microorganisms) and associated indigenous biodiversity. Do you agree? Yes/no? Why/why not?

Q34 Do you agree with the framework for biodiversity offsets set out in Appendix 3? Yes/no? Why/why not?

Q35 Do you agree with the framework for biodiversity compensation set out in Appendix 4? Yes/no? Why/why not? Include an explanation if you consider the limits on the use of biodiversity compensation set out in Environment Court Decision: Oceana Gold (New Zealand) Limited v Otago Regional Council as a better alternative.

Q36 What level of residual adverse effect do you think biodiversity offsets and biodiversity compensation should apply to?
   a. More than minor residual adverse effects
   b. All residual adverse effects
   c. Other. Please explain

Q37 What specific information, support or resources would help you implement the provisions in this section (section C)?

The Council agrees that achievement of the overall purpose – halting biodiversity decline, will require controls over indigenous biodiversity outside of SNAs, and that controlling adverse effects of subdivision, landuse and development through the effects management hierarchy is appropriate. Ie the provisions will be more flexible and there is no requirement to avoid key adverse effects.

Q38 The proposed NPSIB promotes the restoration and enhancement of three priority areas: degraded SNAs; areas that provide important connectivity or buffering functions; and wetlands. (see Part 3.16 of the proposed NPSIB) Do you agree with these priorities? Yes/no? Why/why not?
Q39  Do you see any challenges in wetland protection and management being driven through the Government’s Action for healthy waterways package while wetland restoration occurs through the NPSIB? Please explain.

While the Council agrees that prioritisation can be beneficial the work required (by the territorial authorities) to identify the locations of “SNAs whose ecological integrity is degraded” and “areas that provide important connectivity or buffering functions” would be significant. Ie this would appear to require site inspections for all aspects above Regional Councils, with their specialist staff, would appear to be much better placed to carry out such assessments. For Councils with existing SNA schedules, which are found to be acceptable under clause 3.8, it would also require a lot of work to establish which fall into these 2 priority types.

Q40  Part 3.17 of the proposed NPSIB requires regional councils to establish a 10 per cent target for urban indigenous vegetation cover and separate indigenous vegetation targets for non-urban areas. Do you agree with this approach? Yes/no? Why/why not?

The Council agrees that increasing indigenous vegetation cover across the landscape, including in urban areas in parks and gullies, it essential to improve the long term future of indigenous biodiversity.

A realistic timeframe would need to be set for the achievement of the target percentage. The NPS should give guidance to Regional Councils on this. Also on a realistic target for rural areas.

Clarification is needed of what urban and rural areas are – in the sense of is the 10% target to apply to each village/town/city. A lower limit on the size of what is an “urban area” is needed. For example, is Patetonga consisting of around 20 small lots, an urban area – because some of those lots are zoned “Township” – identified in the District plan as land within an “Urban Area”.

For rural areas – will this be calculated by the Region as a whole, each District/City as a whole, or by subsets of each District/City?

Q41  Do you think regional biodiversity strategies should be required under the proposed NPSIB, or promoted under the New Zealand Biodiversity Strategy? Please explain.

Q42  Do you agree with the proposed principles for regional biodiversity strategies set out in Appendix 5 of the proposed NPSIB? Yes/no? Why/why not?

Q43  Do you think the proposed regional biodiversity strategy has a role in promoting other outcomes (eg, predator control or preventing the spread of pests and pathogens)? Please explain.
Q44 Do you agree with the timeframes for initiating and completing the development of a regional biodiversity strategy? (see Part 3.18 of the proposed NPSIB) Yes/no? Why/why not?

Q45 What specific information, support or resources would help you implement the provisions in this section (section D)?

A Regional Biodiversity Strategy would assist in achieving consistency across each region.

Q46 Do you agree with the requirement for regional councils to develop a monitoring plan for indigenous biodiversity in its region and each of its districts, including requirements for what this monitoring plan should contain? (see Part 3.20) Yes/no? Why/why not?

Q47 Part 4.1 requires the Ministry for the Environment to undertake an effectiveness review of the proposed NPSIB. Do you agree with the requirements of this effectiveness review? Yes/no? Why/why not?

The Council accepts that monitoring is required to ensure that the purposes of the NPS, and the various policies and rules and other plans provisions, created under it, are being achieved.

Development of the region-wide monitoring plan is appropriate to ensure consistency.

Q48 Do you agree with the proposed additional information requirements within Assessments of Environment Effects (AEEs) for activities that impact indigenous biodiversity? (see Part 3.19 of the proposed NPSIB). Yes/no? Why/why not?

Q49 Which option for implementation of the proposed NPSIB do you prefer? Please explain.

a. Implementation as soon as reasonably practicable – SNAs identified and mapped in five years, scheduled and notified in plans in six years.

b. Progressive implementation programme – SNAs identified and mapped within seven years, scheduled and notified in plans in eight years.

Q50 Do you agree with the implementation timeframes in the proposed NPSIB, including the proposed requirement to refresh SNA schedules in plans every two years? Yes/no? Why/why not?

The Council does agree with the additional information applicants will be required to provide with their applications. Unless Councils receive adequate information it is not possible to properly assess proposals and their effects.
It is also agreed that the SNA schedules need to be reviewed regularly. To minimise the costs of this, it would be useful to tie the frequency in with the re-flying of aerial photography, while recognising that this may be too infrequent to effectively deal with unauthorised removal of indigenous biodiversity.

Q51 Which of the three options to identify and map SNAs on public conservation land do you prefer? Please explain.

a. Territorial authorities identify and map all SNAs including public conservation land

b. Public conservation land deemed as SNAs

c. No SNAs identified on public conservation land

d. Other option.

Q52 What do you think of the approach for identifying and mapping SNAs on other public land that is not public conservation land?

For consistency, SNAs should be identified on public conservation land. All such land could be deemed to be SNA – except where aerial photos clearly show the land is in pasture or exotic forest.

In general, other public land does not involve such large areas as public conservation land. As set out above, the Regional Council should be responsible for identifying and mapping SNAs, including on other public land.

Q53 Part 3.4 requires local authorities to manage indigenous biodiversity and the effects on it of subdivision, use and development, in an integrated way. Do you agree with this provision? Yes/no? Why/why not?

Q54 If the proposed NPSIB is implemented, then two pieces of national direction – the NZCPS and NPSIB – would apply in the landward-coastal environment. Part 1.6 of the proposed NPSIB states that if there is a conflict between these instruments, the NZCPS prevails. Do you think the proposals in the NPSIB are clear enough for regional councils and territorial authorities to adequately identify and protect SNAs in the landward-coastal environment? Yes/no? Why/why not?

Q55 The indicative costs and benefits of the proposed NPSIB for landowners, tangata whenua, councils, stakeholders, and central government are set out in Section 32 Report and Cost Benefit Analysis. Do you think these costs and benefits are accurate? Please explain, and please provide examples of costs/benefits if these proposals will affect you or your work.

Q56 Do you think the proposed NPSIB should include a provision on use of transferable development rights? Yes/no? Why/why not?
Q57 **What specific information, support or resources would help you implement the provisions in this section (section E)?**

The Council does not support inter property transferrable development rights, but does support additional development rights on the property including an SNA. However this is a matter that should be left to individual Councils to determine – as part of their overall subdivision and development objectives and policies.

Q58 **What support in general would you require to implement the proposed NPSIB? Please detail.**

- a. Guidance material
- c. Technical expertise
- d. Scientific expertise
- e. Financial support
- f. All of above.
- g. Other (please provide details)

Q59 **Do you think a planning standard is needed to support the consistent implementation of some proposals in the proposed NPSIB? Yes/no? If yes, what specific provisions do you consider are effectively delivered through a planning standard tool?**

Q60 **Do you think there are potential areas of tension or confusion between the proposed NPSIB and other national direction? Yes/no? Why/why not?**

Q61 **Do you think it is useful for RMA plans to address activities that exacerbate the spread of pests and diseases threatening biodiversity, in conjunction with appropriate national or regional pest plan rules under the Biosecurity Act 1993? Yes/no? Why/why not?**

Q62 **Do you have any other comments you wish to make?**

Should Council’s submission that a lot of the required work would be more than appropriately carried out by the Regional Council not be accepted, it will certainly require support to implement this NS. The required support would be the full range of Guidance Material, technical and scientific support and financial support.

Even already having SNAs scheduled and mapped the NPS would require a lot of work:

- Verification of current SNA schedule/mapping
- Ranking each SNA as medium or high
- Reviewing schedule every 2 years
- Prioritising SNAs for restoration and enhancement
- Achieving targets for increased indigenous vegetation cover
- Surveying and recording areas outside SNAs where highly mobile fauna have been, or likely to be, sometimes present (in conjunction with regional council).
- Making amendments to District Plan
- Assisting Regional Council with preparation of regional biodiversity strategy, and monitoring plan, and identifying Taonga.

Financial support would be essential given the indicative overall costs and size of Council’s rating base, and other work required by other National directions.

The Council does not currently employ any staff with relevant technical or scientific expertise.

3 Recommendation

THAT the Council, subject to any amendments to the draft submission, approved lodgement of the submission with the Ministry for the Environment by 14 March 2020.

Marina van Steenbergen
District Planner
Decision Report

To: Mayor and Councillors

From: Senior Projects Planner

Date: Friday, 14 February 2020

File reference: Document: 2721508
Appendix A: 2681540

Portfolio holder: Mayor, Deputy Mayor

Meeting date: Wednesday, 26 February 2020

Subject: Quanta of Rehabilitation and Closure Bond

Recommendation:
THAT the report be received, and

THAT the Waihi Gold Mines Rehabilitation Bond quantum under the Extended Martha Mineral Area (EMMA) consent, subsequent underground mine consents and Project Martha, be confirmed as $52.84 million for the 2019/2020 year.

THAT the bond surety held between Oceana Gold (NZ) Ltd and Land Information New Zealand be excluded from the sureties confirmed by the Council for the 2019/2020 year.

THAT Oceana Gold (NZ) Limited be advised of Council’s resolutions.

1 Purpose

The purpose of this report is to provide information to the Council to enable it to set a rehabilitation bond quantum to be provided by Oceana Gold (NZ) Limited for mining activities at Waihi for the 2019/2020 year.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

As a condition of the Extended Martha Mineral Area (EMMA) consent (and equivalent Waikato Regional Council consents), District and Regional consents for subsequent underground mines
and the recently commenced Project Martha, the consent holder is required to provide and maintain in favour of the Councils (Hauraki District Council and Waikato Regional Council) a rehabilitation and closure bond (the Rehabilitation Bond). The Rehabilitation Bond is required to be reviewed and updated annually.

The Rehabilitation Bond effectively covers the costs of all rehabilitation works required for the Oceana Gold mining sites in Waihi. The bond would enable the Councils to undertake all the rehabilitation works identified in the Rehabilitation and Closure Plan to achieve “closure” of the sites in the event that Oceana Gold exited the sites on 30 June the following year (in this case 30 June 2020).

The final closure criteria will always remain under development while additional consents are granted, additional mining works are undertaken and rehabilitation works completed. The Rehabilitation and Closure Plan is updated annually to take account of these changes. Closure will be achieved when all the works scheduled in the Rehabilitation and Closure Plan at the cessation of mining have been completed to the required standard. Completion of these works is estimated to be 13 years after the cessation of mining. As Project Martha is expected to be operational for around 12 years, actual closure, including flooding of the pit, is some 25 years away.

Oceana Gold’s existing bond quanta for the Rehabilitation Bond comprise the following:

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>Quantum Amount (NZ dollars)</th>
<th>Expiry Date</th>
<th>Type</th>
<th>Institution held with</th>
<th>Rating (entity rating held with and last date of rating)</th>
<th>Beneficiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation Bond</td>
<td>$8.09 million</td>
<td>19/12/2022</td>
<td>Bond Deed</td>
<td>HongKong and Shanghai Banking Corporation Ltd</td>
<td>AA- (Standard &amp; Poors Outlook is stable 13/11/2019)</td>
<td>Hauraki District Council &amp; Waikato Regional Council or OGNZL (if not called upon)</td>
</tr>
<tr>
<td>Rehabilitation Bond</td>
<td>$24.8 million</td>
<td>01/07/2020</td>
<td>Bond Deed</td>
<td>BNP Paribas Bank</td>
<td>A+ (Standard &amp; Poors Outlook is stable 05/04/2019)</td>
<td>Hauraki District Council &amp; Waikato Regional Council or OGNZL (if not called upon)</td>
</tr>
<tr>
<td>Rehabilitation Bond</td>
<td>$8.345 million</td>
<td>01/07/2020</td>
<td>Bond Deed</td>
<td>HongKong and Shanghai Banking Corporation Ltd</td>
<td>AA- (Standard &amp; Poors Outlook is stable 13/11/2019)</td>
<td>Hauraki District Council &amp; Waikato Regional Council or OGNZL (if not called upon)</td>
</tr>
<tr>
<td>Water Rights Bond</td>
<td>$2,450,362 million at the end of September 2019 (interest accruing)</td>
<td>01/10/2026 (based on water rights expiry date)</td>
<td>Trust Fund Cash</td>
<td>Trustees: OG – Bernie O'Leary WRC – Janine Becker Public Trust (as Administrators of the Trust Fund)</td>
<td>AA (Fitch Ratings Outlook is stable 22/05/2019) Money held is guaranteed by the NZ Government</td>
<td>Forfeited to Waikato Regional Council should the Company abandon the project or refunded back to the Company upon expiry of the consents provided all conditions have been met.</td>
</tr>
</tbody>
</table>
The Councils also hold a bond deed for the Capitalisation Bond (to fund the Martha Trust in perpetuity) and this will be the subject of a separate report to Council (most likely in March).

3 Issue and options

Oceana Gold are recommending an increased Rehabilitation Bond quantum this year – from $43,360,000 last year (set jointly by WRC and HDC) to $52,840,000 this year (an increase of $9.48 million).

The proposed increase in the Rehabilitation Bond is due to the following matters:

- Additional cost for treatment associated with the Martha Pit north wall rockfall debris (i.e. additional $4.2 million cost for treatment required to neutralise increased acidity).
- A change in the pit lake re-watering model and increased abstraction rates associated with the recently consented Project Martha (i.e. increased rate/cost of pumping to rewater historical underground mines and Martha Pit – an increase of around $1.4 million).
- Updating inflation and discount rates (i.e. less return from interest on the bond quantum – while the bond is paid as a lump sum, not all the bond quantum would be required on day one). The net effect is a proposed increase of around $2 million.
- Increased costs for rehabilitation of one of the waste rock embankments (i.e. shortfall of non-acid forming material for capping) which adds around $1.1 million.
- Various other additional costs and charges (including Council rates) associated with the site.

In terms of the quantum of the Rehabilitation Bond, I note that there have been 19 iterations of the Rehabilitation and Closure Plan since the EMMA project commenced in 1999. Each year there has been a corresponding review of the Rehabilitation Bond in terms of the cost of works that would be required to achieve closure – with particular regard paid to works that have been completed and additional works required as a result of new consents.

Over the last 19 years there have been various ‘spot checks’ undertaken by Council staff and experts with regard to both works required to achieve the required outcomes in the Rehabilitation and Closure Plan and the unit rates applied (for example, the cost to excavate and move the required amount of earth, recontour and revegetate land, etc.).

On the basis of previous reviews, and the proposed increase in the Rehabilitation Bond, staff are of the view that the schedule of works and associated costings are reasonable and appropriate. Staff have not reviewed the additional sums (referred to above) in detail but consider the additional costs are likely to be reasonable given the conservative assumptions applied.

I note that the WRC has reviewed the rehabilitation bond quanta as proposed by Oceana Gold and determined that the quantum be set at the level as proposed (the two Councils must each make decisions in setting the Rehabilitation Bond quanta).

Discussion

Resource consents for Project Martha were granted in 2018 and mine ‘development’ is currently underway. There has also been an extensive, and apparently successful, exploration programme to locate additional resources in Waihi and the surrounding area. Oceana Gold is currently planning to be extracting and processing ore in Waihi until 2030 and it is considered there is very little likelihood of operations ceasing at the site within the short term (i.e. 5-10 years) and certainly not within the next 12 months.

If Oceana Gold were to leave the site then the most likely scenario is that the Company would sell the site as a going concern in which case all obligations would fall to the new owner.
In the extremely unlikely event of operations ceasing at the site over the next 12 months then Oceana Gold would still need to undertake rehabilitation and closure of the site. In this instance it would be unlikely that the bonds would be called upon as the Company would still exist and be required to complete all rehabilitation and closure obligations – calling upon the bonds would be a scenario the Company would likely want to actively avoid.

In our opinion, there currently exist two scenarios where the bonds would be called by the Councils. These are if the Company was adjudged bankrupt or if the Company remains but in effect is a shell Company and does not complete the rehabilitation and closure requirements despite relevant RMA processes (e.g. enforcement action).

It is considered that these two scenarios are only likely to occur if the price of gold drops dramatically or if the Company is unable to obtain funding from banks for existing and new mining activities. The price of gold and silver has fluctuated to some degree over the last few years but not dramatically and therefore the scenario of potential bankruptcy in the current economic climate is not considered likely. Under either of these scenarios the Councils could call the bond.

However, before either of these scenarios occurred it is more likely that the site and existing operations would be sold given the current consented and projected resources available within the site in which case all obligations would fall to the new owner.

For the Councils, we consider that the bigger risk is if the Company takes on too much debt or has an existing mine that soaks up all equity within the Company. This scenario is considered more likely to occur than the price of gold significantly decreasing over the next 12 months or so.

Oceana Gold is a relatively small company within the mining and exploration scene with four working mines and two prospects on their books. The working mines are Waihi, Macraes, Haile in the USA and Didipio in the Philippines (which has been out of production for the last four months awaiting the appropriate paperwork from the relevant authorities). Other mining interests are in Southeast Asia, South America and New Zealand. We note the Company also has interests in Canadian based companies associated with exploration activities in Canada and the USA and is involved in the Reefton Mine (NZ) that is currently undergoing rehabilitation and closure.

Whilst Oceana Gold is no longer listed on the New Zealand share market, it remains listed on the Toronto and Australian stock exchanges and as such is required to regularly report on its activities.

Summary
Overall, we consider there remains a very small risk of the Company going bankrupt if the price of gold and silver were to drop dramatically, or if their share price was to drop significantly over the next 12 months or so. In any event, we are of the view that the Company’s recommended rehabilitation quantum would suffice for the remediation required at the site to enable closure.

LINZ Bond
It is noted in the letter that accompanied the ‘Waihi Gold Mines 2019-20 Rehabilitation Bond’ (refer to Attachment A) that the Company requested the Councils include a new bond held between the Company and LINZ that also relates to the site. The bond quantum is $500,000 and held in favour of LINZ.

This surety is a new bond arrangement associated with a recent access arrangement with LINZ for the mine projects underneath, and surface expressions within, Martha Pit. The Company
states it would be unreasonable to double bond the site so proposes to include this surety as part of those required by the Councils.

**Summary**
Overall, despite what the Company states, it is considered there is no certainty that the conditions and obligations required by LINZ would extend to the conditions and obligations required by the Councils. It is therefore considered that this new bond should not form part of the securities held with the Councils that are associated with the site (refer back to the table above), because the Councils cannot call upon the bond should this be required.

**Looking Forward**
With Project Martha now consented and being developed the following matters associated with the Rehabilitation Bond will be worked on further by staff of WRC, HDC and Oceana Gold over the next 12-18 months:

- An assessment of whether the individual P80 estimate for the base and risk cost is appropriate or whether a higher P value should be used (i.e. P90 or P95 to generate a more conservative sum). [P80 is a sum that has an 80% chance of exceeding the value of the works required (rather than a 50% based upon a median value)].
- An assessment of the insurances covered within the bond quantum.
- An assessment of what additional lake water quality costs are required and whether these are sufficiently funded in the Rehabilitation Bond (discussion to be led by WRC).
- The final state of the site needs to be discussed further with the Company as changes to those originally proposed as part of the EMMA consent are apparent (e.g. the pit lake reserve is now mainly in the extended Martha Pit as a result of the Eastern Layback). In this respect, there will need to be alignment with provision made through the Capitalisation Bond.

### 4 New deliverable
This is not a new deliverable but rather an update on existing requirements.

### 5 Significance and Engagement Assessment
This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

### 6 Budget Implications
There are no budget implications on existing Council expenditure resulting from the report resolutions.

### 7 Recommendation
Staff recommend that the Rehabilitation and Closure Bond quantum be confirmed as $52.84 million for the 2019/20 year and that the bond held between Oceana Gold and LINZ be excluded from the sureties that Hauraki District Council confirms. It will be necessary to advise Oceana Gold of Council’s resolutions.

Leigh Robcke  
Senior Project Planner
Appendix A:

15 November 2019

Waikato Regional Council
Private Bag 3038
Waikato Mail Centre
HAMILTON 3240

Hauraki District Council
PO Box 17
PAEROA

Attention:  Sheryl Roa, Leigh Robcke

Dear Sheryl and Leigh

RE: REHABILITATION AND CAPITALISATION BOND SUMS 2019-2020

We engaged Lane and Associates to review the Rehabilitation and Capitalisation Bonds for existing operations and the recently commenced Project Martha. The reports have now been finalised and copies of these reports are attached for your review.

The Rehabilitation Bond quantum has been revised to $52.84M. With Councils and LINZ already holding $44.09M (as at 30 June 2019), a bonding increase of $8.75M is required.

The Capitalisation Bond revised quantum is $7.1M. This is an increase of $2.05M from what was recommended last year. The significant increase is primarily due to inflation and discount rate adjustments.

In reference to Council’s letter dated 10 April 2017, we are in the process of finalising a response to address the four matters raised and will provide further correspondence by the end of the year. We understand that the Capitalisation Bond will remain at $10.4M until these matters are addressed.

Yours sincerely

OCEANA GOLD (NEW ZEALAND) LTD

Bernie O’Leary
General Manager - Waihi
Decision Report

To: Mayor and Councillors

From: Group Manager Planning and Environmental Services

Date: Tuesday, 18 February 2020

File reference: Document: 2723094

Portfolio holder: Councillor Milner

Meeting date: Wednesday, 26 February 2020

Subject: Section 17A Review Animal and Noise Control Services

Recommendation:

THAT the report be received, and

THAT Council approves that a full section 17A review of the Animal and Noise Control Services activity is not required at this time but be undertaken in three years’ time, and

THAT Council allows to tender the contract for the combined activities of Animal and Noise Control services for a three year period.

1 Purpose

This report summarises the high level Section 17A(S17A) review of the Animal and Noise control services for Hauraki District Council and seeks approval to undertake a full S17A review in three years’ time and to allow tendering for a new contract for a period of three years.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

Legislative requirements

Service Delivery Reviews are now a legislative requirement under Section 17A of the Local Government Act 2002(the Act).

This states:

“A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.”
The Act goes on to specify that a review must be undertaken in the following circumstances:

- When a significant change to the level of service is proposed
- Within two years of a contract or binding agreement expiring
- At any other time, but no less than six years following the last review.

Under S17A (2) (a to b) of the Act, do not need to review if:

- Contracts / agreement cannot reasonably be changed within two years or
- Potential benefits do not justify costs.

Any decision not to review needs to be documented and is still subject to Section 77 to 81 of the Act.

**Council wide review**

Council undertook a review of its 35 aggregated services in 2016 to understand its obligations in meeting S17A requirements. Council took a pragmatic approach so it could focus its operational resources on reviewing services where greater value can be gained using cost effectiveness criteria. The animal control activity was rated as 32nd on the list (out of 35) using Council’s framework for its first review cycle.

### 3 Issue and options

**The existing contract**

The existing Animal and Noise Control Contract finishes on 30th June 2020 and covers the following four compliance areas:

- Dog control
- Wandering stock control
- Noise control
- Whiritoa Beach control.

The contract has an annual fee of $265,337.19 (excluding GST) and the term is for three years, from 2017 to 2020. Dog and noise control services make up the majority of the services, at about 68% and 20% respectively, based on the contract prices.

**Review methodology**

The following steps have been completed in undertaking this Section 17A review:

- Reviewed the documented current service delivery arrangements including exploring sub regional opportunities such as shared services with neighbouring councils
- Discussions with Council’s Group Manager Planning and Environmental Services
- Reviewed key documents (including the existing contract)
- Completion of a high-level Section 17A assessment based on the above
- Identified preferred option and next steps.

**Current delivery arrangements**

Council combined four compliance areas into a single contract with similar control activities to make it attractive for suppliers to provide services in a rural district. Historically this has provided Council greater value for money than procuring four separate contracts.
Council currently outsources its animal and noise control services to Hauraki Animal Control Services Limited. The current contract was originally awarded in June 2013 for two years to 30 June 2015 and extended (renewed) for two years to June 2017. A new contract was then awarded to Hauraki Animal Control Services commencing 1 July 2017 through to 30 June 2020. This was followed by a Council approved price variation in 2018 to allow for an additional Noise Control Officer.

Council wishes to extend the contract for another three years with the incumbent supplier. At the end of that contract period (June 2023), a full procurement process will be undertaken starting with a formal S17A review. This will allow this S17A review to align with other reviews of Council’s services and S17A six year cycles.

**High level assessment**

In considering the options for the delivery of Council’s animal and noise control services, the following factors were considered:

1. Shared services
2. Cost effectiveness of review.

At this point in time Council does not wish to explore shared services with its neighbouring councils. The costs to explore and assess these options would outweigh any likely tangible benefits.

The cost effectiveness test was assessed as part of this review. Although the annual value of the contract is not insignificant, it is unlikely that any material efficiencies or demonstrable benefits will be identified in a review of the current contract arrangements. The current contract arrangements are very cost effective as it already combines four compliance functions.

At the end of that contract period (June 2023), a full procurement process will need to be undertaken starting with a formal S17A review. It is most likely that the incumbent contractor will not be tendering for work at that time so the market will need to be tested to gain the most efficient service delivery arrangement.

4 **Significance and Engagement Assessment**

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

5 **Recommendation**

Through this high level assessment, it is clear at this time that the potential benefits of undertaking a full s17A review in relation to the Animal and Noise Control service do not justify the costs of undertaking the review.

Instead the following recommendations have been made for the S17A review of Council’s animal and noise control services:

1. Tender the contract for the four combined compliance areas of dog control, noise control, wandering stock control and Whiritoa Beach control for a three year period
2. That a full S17A review of this activity is not undertaken now but in three years’ time prior to the full procurement process.

Peter Thom
Group Manager Planning and Environmental Services
**Information Report**

**To:** Mayor and Councillors  
**From:** Group Manager Planning and Environmental Services  
**Date:** Monday, 17 February 2020  
**File reference:** Document: 2721925  
**Portfolio holder:** Mayor  
**Meeting date:** Wednesday, 26 February 2020  
**Subject:** Transforming the Resource Management System

**Recommendation:**  
THAT the report be received.

1 **Summary**

The Resource Management Review Panel has been established by the Government to undertake a comprehensive review of the Resource Management Act and other significant legislation comprising the resource management system. In mid-November last year they produced an Issues and options paper which identifies the main issues to be addressed in the reform process and offers possible ways in which they might be addressed. Local Government New Zealand (LGNZ) has prepared a submission on this.

2 **Background**

The Government is undertaking a comprehensive review of the resource management system. This is an opportunity to design a system that delivers better outcomes for the environment, people and the economy. To be successful, the Review Panel believes that they need to design a resource management system that responds to our distinct environmental, social and cultural context.

This includes:

- New Zealand’s physical characteristics and unique biodiversity
- the Treaty and the relationship between iwi/Māori and the Crown
- the significant ways we all value and connect with the environment.
The Resource Management Review Panel is leading the review and released an issues and options paper. They were open to receive comments on this paper no later than Monday 3 February 2020.

3 Content


The issues and options paper puts forward a number of questions regarding changes to the RMA. LGNZ’s submissions provides answers to these.

Overall LGNZ agrees that there is need for reform of resource management systems as the current system:

- under values natural ecosystems and stifles economic activity through red tape
- will struggle to address challenges such as adapting to climate change and rising sea levels
- takes too long to agree plans and is too costly to use land and to develop resources and infrastructure.

The following is a summary of LGNZs position on the issues identified in the paper

Issue 1 – legislative architecture LGNZ supports the current integrated approach of environmental management and land use planning.

Issue 2 – purpose and principles of the RMA LGNZ supports the structure of the RMA as it currently is, due to the value of case law that has been built up over time. LGNZ supports a focus on national direction but notes that this must be aligned and not conflicting. Further LGNZ suggest that central and local government should partner to avoid a one-size-fits-all decision making and ensure local and regional differences are factored into decision making.

Issue 3 – recognising Te Tiriti o Waitangi LGNZ notes section 8 is powerful but is perhaps not given the weight required by those implementing the RMA. LGNZ suggest that the place of the Treaty along with roles and responsibilities needs to be more clear cut, along with an acknowledgment of the time it takes to ensure meaningful participation of iwi/hapū.

Issue 4 – strategic integration across the resource management system LGNZ has previously recommended a regional spatial planning process. They point out that central, regional and local government will need to collaborate in this spatial planning process and be bound by it.

Issue 5 – addressing climate change and natural hazards LGNZ state that there is a need to use the RMA as a tool to address mitigation. LGNZ believe that the Government should revise the RMA to consider the impact of greenhouse gases when making decisions (this would require a reversal of the current position of regional councils not being able to control greenhouse gas emissions).

LGNZ agree that there is a need for national direction around restrictions on development and agree with the need to look at how the RMA provides for managed retreat. There is a need to build some flexibility into the RMA to enable councils to be adaptive to change, e.g. how consents might be more flexible if change is needed in light of climate change impacts (particularly where those impacts take hold sooner than expected). In addition, there is no national framework that outlines funding mechanisms for tackling the costs of adaptive measures.

Issue 6 – national direction LGNZ agree that national direction is an important component of the resource management framework. However, they suggest a collaborative approach, with
local government having more say in what the priorities for national instruments should be and when they are warranted.

Further LGNZ supports the view that national standards should be the default unless there are local standards, in which case these should take precedence.

Issue – 7 – policy and planning framework LGNZ advocates for plan agility. Too often plans are caught up in lengthy hearings and appeal processes. It should be possible for a local authority to develop and make operative a complex management plan within a single three-year electoral cycle.

Issue 8 & 9 – consents approvals, economic instruments LGNZ believes that greater use of resource rentals, or other similar economic instruments, would encourage resources to be put to their most productive use and move away from a first-come-first served approach. Care would need to be taken to ensure that granting access to resources is not seen as an easy tool for raising revenue.

Issue 10, 11 &12 – allocation, system monitoring and oversight, compliance monitoring and enforcement LGNZs view is that there needs to be better:

- practice by councils in the compliance, monitoring and enforcement area
- oversight of council’s compliance, monitoring and enforcement responsibilities.

Issue 13 – institutional roles and responsibilities LGNZ notes the establishment of a water regulator; calls to establish an independent freshwater commission; and new roles for the EPA. LGNZ notes this increases the complexity of the resource management system and there needs to be clarity around roles and responsibilities.

Issue 14 – reducing complexity LGNZ has no comment on this issue.

4 Conclusion

The RMA Review Panel’s Issues and Options paper transforming the RMA identifies the main issues to be addressed in the Government’s reform process and offers possible ways in which they might be addressed. It also poses a series of questions for interested parties to consider and respond to. They have endeavoured to adopt a neutral approach to the issues raised and are very much open to any constructive suggestions for reform.

LGNZ on behalf of Councils have reviewed this paper and offered their response to these issues in Appendix A for Councils information.

Peter Thom
Group Manager Planning and Environmental Services
Transforming the resource management system: opportunities for change

Local Government New Zealand’s submission on the Issues and Options paper

February 2020
SUBMISSION

We are. LGNZ.

LGNZ is the national organisation of local authorities in New Zealand and all 78 councils are members. We represent the interests of councils and lead best practice in the local government sector. LGNZ provides advocacy and policy services, business support, advice and training to our members to assist them to build successful communities throughout New Zealand. Our purpose is to deliver our sector’s Vision: “Local democracy powering community and national success.”

This final submission was endorsed under delegated authority by Dave Cull, President, Local Government New Zealand (LGNZ).

Introduction

In September 2015 Local Government New Zealand (LGNZ) brought together a cross-sector group of experts and practitioners to take a first principles look at New Zealand’s resource management system. The scope of this work was broad and was not confined to the role of local government alone. Our December 2015 paper a “blue skies” discussion about New Zealand’s resource management system drew on the views of these experts and highlighted a series of key concerns regarding the performance of the system. It concluded that our resource management system is not delivering. It takes too long to agree on plans and it is too costly to gain permissions to use land, and to develop resources and infrastructure. Delay in confirming plans creates uncertainties and there is a cost for all parties. The bespoke models for plan making in Canterbury and Auckland acknowledged this as a problem with the standard, Schedule 1 process.

We came to the view that the resource management system under-values natural ecosystems, the importance of resilience in decision-making, and stifles economic activity through red tape. As a result, LGNZ’s view that the resource management system will struggle to address the great challenges that lie ahead such as adapting to climate change and rising sea levels. These changes place billions of dollars’ worth of private and public assets at risk. They demand resource management systems and institutions capable of navigating the retreat from coastal and low-lying settlements, investing in inter-generational infrastructure and new ways of designing, building and living with risk.

These are decisions that will be contested on grounds of social equity, cultural cohesion, and their environmental and economic consequences. Commentators and practitioners frequently point to three issues that stop our resource management system from meeting expectations:

- There is a lack of effective horizontal and vertical integration within our resource management system – key resource management statutes have different purposes and follow different and overlapping processes for making related decisions. This creates inefficiency and frustrates efforts to ensure decisions under one framework support objectives set under another and vice versa;
- Objectives and incentives at different tiers of decision-making – central, regional and local – are often not aligned. This frustrates efforts to coordinate and leverage synergies in funding and investment; and
- Too much emphasis is placed on making strategies and plans, and on the development and design of consents, relative to monitoring the outcomes of the regulatory actions of councils and incentivising compliance and good practice.
SUBMISSION

Our December 2015 paper set out a proposed approach to addressing these issues and proposed:

- Taking immediate steps to address pressing issues; and
- “Over-writing” the core statutes of the system (RMA, Local Government Act 2002 and Land Transport Management Act 2003) to improve their clarity, reduce their complexity and enhance their connectivity.

LGNZ agrees that there is a need for reform of the resource management system. The system needs to be flexible enough to allow locally-tailored solutions that integrate decision-making across domains and give resource managers the tools they need to align budgets and behavioural incentives with desired objectives.

**Issue: 1 Legislative architecture**

1. Should there be separate legislation dealing with environmental management and land use planning, or is the current integrated approach preferable?

The current integrated approach is preferred. It is accepted that the RMA has not sufficiently protected the natural environment or achieved good outcomes for our urban areas or built environment, and we support these being addressed through a single statute rather than through two separate statutes. That being said, this review provides an opportunity to ensure that the RMA delivers a planning framework that is tightly integrated and resilient. Inherent to this is clearly defined powers, functions and roles.

Regarding issues with the urban/built environment we do not share the view that this is a problem with the RMA per se, but argue it is more an issue of the relationship between the RMA and other statutes and issues of funding and financing for infrastructure.

The RMA is not a coercive piece of legislation – it is enabling, creating a framework – it does not require “things to be done.” If this element is seen as being critical, it points to the need to look at other legislative means which have a hook into funding decisions.

Creating separate legislation would create a new set of “interface issues” between the two pieces of legislation. Local government, as the agent already implements approximately 30 regulatory statutes, the RMA is just one.

**Issue: 2 Purpose and principles of the Resource Management Act: 991**

2. What changes should be made to Part 2 of the RMA?

For example:

3. Does s5 require any modification?
4. Should ss. 6 and 7 be amended?
5. Should the relationship or ‘hierarchy’ of the matters in section 6 and 7 be changed?
6. Should there be separate statements of principles for environmental values and development issues (and in particular housing and urban development) and, if so, how are these to be reconciled?
7. Are changes required to better reflect te ao Māori
8. What other changes are needed to the purpose and principles in Part 2 of the RMA?

LGNZ does not have the evidence to support a case for amending ss6 and 7 as a priority. We see value in the case law that has been built up and also the suite of national direction, over time. However we urge you to consider the submissions of local government, making decisions under the RMA on this matter, as these submissions will be well informed.
SUBMISSION

We note that sections 6 and 7 have become a long “shopping list over time and we see there could be value in some rationalisation.”

We see the need for Part 2 to embody a precautionary approach, which give councils cover when there are uncertainties or evidence gaps. Further, the concept of kaitiakitanga should be embedded in the purpose of the Act to give the act greater resonance for Māori.

We hold the view that Part 2 matters, in addition to separate statements of principles for environmental values and development issues, that have the potential to add complexity to the Act and could make implementation challenging.

It could be argued that practice needs to be improved in this space and this will achieve necessary changes.

A focus on the national direction that will assist local government to implement the RMA and address the issues is the focus we would advocate. In addition with this, there is the need to ensure the national direction is aligned and is not conflicting.

We would like to see a pathway introduced that enables councils to partner with central government in the development of locally-focused “national” direction. Local government, charged with giving effect to national direction, should have a co-development role alongside central government in setting the agenda for national direction and on designing the tools that express that direction.

Central government’s role in the resource management system is critical. It is responsible for ensuring the overall efficiency and effectiveness of the system and that it maximises our collective welfare, it is the Treaty partner with iwi, it sets national objectives that councils give effect too, it facilitates national consistency and it shares approaches and processes that work. Recent proposals to give central government more power in local decisions have, however, been met with concern.

Many in the local government, community and environmental sectors view these proposals as a step too far. A step that carries the risk of instability and uncertainty – the ability to appeal directly to the Minister provides an attractive alternative pathway to decisions for some. Such powers also risk separating communities from the decisions that matter most to them, disengaging them from their local government institutions and leading to decisions that are less reflective of local values or circumstances. Giving central government greater say in key local decisions risks further reducing transparency and accountability, because it does not connect the decision-maker with those paying for it, notably local communities. As it is in New Zealand’s highly centralised, unicameral political system, there are too few checks and balances on central government’s power outside of the courts, particularly on decisions that affect local communities made in Wellington without local-level input. We need to strike a balance between national and local political direction and while regional spatial planning is one way of bringing together different players in decision-making, for matters of national significance that “bite” in regionally specific locations, central government may need to partner with local government in decision-making or in changing local policy settings through a national instrument.

This may be a more certain way of ensuring that issues are balanced appropriately than directing decision-making responsibilities to an independent expert panel or a Minister and leaving those decisions to be made under the same national set of criteria. Enabling partnerships between council and central government to prepare locally-tailored national direction will:

- Ensure good quality decisions are made on complex issues of national interest even where local capacity to make these decisions is stretched or where a decision may be unpopular;
- Improve national/local integration on matters of national interest;
SUBMISSION

- Ensure that the decision makers have the mandate and incentive to consider national, regional and local issues;
- Avoids one-size-fits-all decision-making by ensuring that local and regional differences are factored into decision-making; and
- Allow risk sharing on politically sensitive issues.

Issue: 3 Recognising Te Tiriti o Waitangi / the Treaty of Waitangi and te ao Māori

9. Are changes required to s8, including the hierarchy with regard to ss. 6 and 7?
10. Are other changes needed to address Māori interests and engagement when decisions are made under the RMA?

Section 8 is a powerful statement but perhaps is not given the weight required by those charged with implementing the RMA. To that end, the place of the Treaty along with roles and responsibilities need to be more clear-cut. Local government in the course of its duties encounters a broad range of differing expectations and perceptions between tangata whenua. Linked to this, is the need for greater acknowledgement of the time it takes to ensure meaningful participation of iwi/hapū in decision-making processes. Practice has changed but it is very varied. Our work illustrates this.

Issue: 4 Strategic integration across the resource management system

11. How could land use planning processes under the RMA be better aligned with processes under the LGA and LTMA?
12. What role should spatial planning have in achieving better integrated planning at a national and regional level?
13. What role could spatial planning have in achieving improved environmental outcomes?
14. What strategic function should spatial plans have and should they be legally binding?
15. How should spatial plans be integrated with land use plans under the RMA?

Our work in 2015 recommended a regional spatial planning process that has the power to carry vision into action. Although there are some connections between the RMA, Local Government Act 2002 (LGA) and Land Transport Management Act 2003 (LTMA), they have different purposes and it is difficult to ensure decisions under one, support objectives set under another and vice versa. While particularly pressing for our growing urban centres, the need for aligned decision-making goes beyond urban planning and is relevant for addressing many issues facing New Zealand. The agencies, central, regional and local government required to implement it will need to collaborate in the spatial planning process. A spatial plan should avoid subsequent consultation on matters already subject to the plan and, critical to success, is that parties to the plan are bound by it.

Furthermore, iwi organisations are increasingly influential in resource management governance and decision-making and our resource management system must enable effective cooperation between central government, local authorities and iwi organisations if we are to achieve the outcomes our communities want. Decision-making at this level needs to reflect what we value and what we want to achieve so we can expect them to involve a significant investment of time and resource. They are political in nature and the process must satisfy democratic principles. Other than ensuring due process, this is not the place for the courts. Introducing a spatial regional planning framework would:

- Allow communities to participate in a single “joined-up” discussion about the objectives they have and what that means for resource use, development and protection;
• Generate a clear overarching vision that provides direction on the environmental outcomes we expect to achieve, clarifies the rights and responsibilities of resource users and increases investment certainty; and

• Increase co-ordination between decisions made under different statutes and the institutions responsible for administering them.

**Issue: 5 Addressing climate change and natural hazards**

16. *Should the RMA be used as a tool to address climate change mitigation, and if so, how?*

17. *What changes to the RMA are required to address climate change adaptation and natural hazards?*

There probably is a need to use the RMA as a tool to address mitigation, and for the RMA to align with the Climate Change Response Act 2002. LGNZ members passed this remit at the AGM in 2019: LGNZ members collectively adopt the position that government should revise the Resource Management Act 1991 to adequately consider the impact of greenhouse gases when making decisions under the law to ensure that the Resource Management Act is consistent with the Zero Carbon Bill. This would essentially require a reversal of the current position of regional councils not being able to control greenhouse gas emissions.

We raise the practical question of how emissions associated with resource consent applications would actually be measured/monitored. Where the changes to the RMA empower local government to factor mitigation considerations into consenting decisions, central government would need to set a nationally consistent framework first to ensure fairness and consistency of process.

We agree with the need for national direction around restrictions on development and agree with the need to look at how the RMA provides for managed retreat.

Adaptation is likely to require councils to be flexible in their responses (ie certain adaptive measures might be needed sooner than expected, or might need to change depending on the scale of climate change impacts), so there is a need to build some flexibility into the RMA to enable councils to be adaptive to change. In addition, there is no established national policy framework that outlines funding mechanisms for tackling the costs of adaptive measures. This can impede the decision-making process, particularly when communities are being faced with tough decisions.

A recent report prepared by local government on the challenges it faces in building community resilience, identifies that one issue is the variation of underlying information that informs analysis/decision-making. The report identified that it would be helpful if the factual basis underpinning local judgements about the scale of natural hazards was more uniformly agreed and accepted, particularly where susceptibility to hazards is national or affects more than one local authority jurisdiction (eg sea level rise). The report also identified that, where the susceptibility of a hazard is variable (as with flood hazards), there should be an agreed and consistently applied methodology for determining susceptibility. Broadly, the issue is that in the absence of mandated core data (as methodology inputs) and methodologies councils can be reluctant to take a position on risk, favouring further research over meaningful action to reduce risk. The report recommends that a national position on key hazard-specific risk assessment input data (ie scale and likelihood) and/or methodologies for determining scale and likelihood of hazard at the local level be adopted (with the risk assessment and response left to individual local authorities).
SUBMISSION

Priorities for advancing this proposal are nationally agreed and applicable sea level rise projection(s); a flood prediction modelling methodology; and levels of loss-of-life risk that warrant, and determine the extent of intervention (ie what should be regarded as intolerable/tolerable/acceptable loss of life risk). These should be suitable for RMA planning purposes. The recommendation was that to give legal authority to the “standards” proposed they should ultimately be issued as an NES.

We also recommend consideration being given to how consents might be more flexible if change is needed in light of climate change impacts (particularly where those impacts take hold sooner than expected, or have more significant consequences than expected etc).

18. How should the RMA be amended to align with the Climate Change Response Act 2002?

There is a need to look at how the RMA will align with the risk assessment and National Adaptation Plan and a need for alignment with mitigation provisions (as above).

Issue: 6 National direction

19. What role should more mandatory national direction have in setting environmental standards, protection of the environment generally, and in managing urban development?

National direction is an important component of the resource management framework. LGNZ commissioned work in 2011 which is some time ago but some of the findings are still relevant. http://www.lgnz.co.nz/assets/Uploads/72605665f3/Rationalising-National-Intervention-under-the-RMA.pdf

Of note, the report recommended there is a case to be made for local government to work in closer partnership with central government in the development of national instruments, in what the priorities should be and when they are warranted. There is currently a (variable) opportunity. Because, by definition, NESs standardise requirements, remove variation and “extremes” there is invariably a case for benefits to be made that cannot be made with the same authority in respect of NPSs for local government to participate along with other stakeholders but no recognition of its dominant role in NPS/RMA implementation.

While the national government will always retain the right to govern in accordance with its elected mandate, in our system of devolved environmental management there would seem sense in a much more collaborative approach being taken between central and local government on this issue. Local government after all is best placed to understand implementation issues and when a “pan-council” response is required. It also has direct access to the information to justify (or not) intervention options.

A critical policy issue to resolve however, is the relationship between national and regional (local) standards.

By way of example, in respect of freshwater, national direction was established in 2011, then amended every three years since (2014 and 2017). In addition, since 2010 some regions have had additional direction provided by agreed Crown/Iwi Treaty settlement agreements (eg for the Waikato and Waipa rivers the Te Ture Whaimana has the status of an NPS). In good faith, councils and their communities have invested significant time and resources to give effect to such national direction through various plan changes. The national direction for fresh water is set to change again in 2020, proposing national standards that override a number of local standards developed through plan changes (eg Waikato/Waipa Plan Change 1: to date $22m+, 8 years, 1200 submissions and yet to notify decisions version to commence Environment Court stage).
The obvious question is why bother with the time and cost of preparing local plans in future, including giving effect to Treaty settlements, if these can simply be overridden by new national direction every three years. Compared to the national process, processes used to set local standards are significantly more robust in terms of testing both community support and technical evidence.

LGNZ supports the view that national standards be used as a default for all of New Zealand unless or until local standards promulgated under the First Schedule of the RM Act are made operative, in which case the local standards take precedence.

**Issue: 7 Policy and planning framework**

20. How could the content of plans be improved?
21. How can certainty be improved, while ensuring responsiveness?
22. How could planning processes at the regional and district level be improved to deliver more efficient and effective outcomes while preserving adequate opportunity for public participation?
23. What level of oversight should there be over plans and how should it be provided?

LGNZ has long advocated for “plan agility”. Plans, and regional plans in particular (responding to environmental issues) need to be able to be developed and made operative in timeframes that respond to the urgency and relevancy of the issues. Too often plans are caught up in very lengthy hearings and appeals processes that mean they can be out of date before that are operative. At least part of the solution is to adopt a plan making process nationwide that removes or restricts de novo Environment Court appeals.

There is obvious recent precedent for this approach in Canterbury and in Auckland. The process proposed for plans dealing with freshwater matters also adopts this model and while we have supported this in principle we foresee, problems in applying it to matters that are ring fenced to “freshwater”. LGNZ supports wider use of this plan making model and we consider addressing this this needs to be an essential part of RM reform. We believe that such a decision-making model will at least halve the time required to make regional plans operative.

We have called for reform for many years to dramatically improve the ability to put in place effective resource management policies. It should be possible for a local authority to develop and make operative a complex resource management plan within a single three-year electoral cycle. The single change that can transform the pace of resource management policy making is to remove recourse to the Environment Court on policy matters.

**Issue: 8 Consents/approvals**

24. How could consent processes at the national, regional and district levels be improved to deliver more efficient and effective outcomes while preserving appropriate opportunities for public participation?
25. How might consent processes be better tailored to the scale of environmental risk and impact?
26. Are changes required for other matters such as the process for designations?
27. Are changes required for other matters such as the review and variation of consents and conditions?
28. Are changes required for other matters such as the role of certificates of compliance?
SUBMISSION

We defer to the submissions of local government on these matters as they have the operational experience to inform their submissions on these points and we do not have a singular “national view”.

Issue: 9 Economic instruments

29. What role should economic instruments and other incentives have in achieving the identified outcomes of the resource management system?

30. Is the RMA the appropriate legislative vehicle for economic instruments?

Much of the wealth generated from the use of resources that New Zealanders consider to be held in common accrue privately. Meanwhile the social, environmental and cultural costs are carried by the community.

LGNZ’s 2015 work considered the role of economic instruments and proposed that the costs of rights to access and use resources held in common should be met by those who benefit from them.

Debates around the distribution of costs and benefits generated by activities that rely on extracting value from natural resources like minerals, fresh water and the coastal marine area expose an issue that is far reaching. We lack the means to ensure that New Zealanders are able to access a fair share of the benefits from the use of common-pool resources (either as direct inputs or to assimilate discharges) and to prevent the largely social and environmental cost being shifted to the public.

We hold the view that a fairer distribution of costs and benefits, possibly enabled by the greater use of resource rentals or other similar economic instruments, would encourage resources to be used by those activities that generate the greatest long-term public and private value. It may also help us move away from a first-come-first-served approach to resource allocation, which is proving problematic where resources, or environmental limits, are fully allocated. Revenues from resource rentals or user charges may also be a welcome addition to environmental clean-up funds, resources for monitoring and evaluating system performance and other resource management system functions. Contestable resource rights would also ensure that any resource is put to its most productive use.

However, care would need to be taken to ensure that decisions granting access to resources and the collection of rents or royalties are adequately separated. This will be important to ensure that granting access to resources is not seen as an easy tool for raising revenue at the cost of environmental bottom lines or wider community objectives. The current resource management system does enable rents to local government for the occupation of space in the Coastal Marine Area. However, this tool has largely been left unutilised because of perceived complexity and political risk associated with its use (these charges are set under the RMA). The potential impact on existing and future rights means that rents and royalties will be controversial and their development will require specialist input and careful consideration. However, the ability to ensure that the community shares in the benefits from the use of common resources with the potential to improve the allocation and sustainability of resource use without more costly and inefficient regulation means, we believe, that payments for resource use should be considered in any design of a future resource management system.

Issue: 10 Allocation

31. Should the RMA provide principles to guide local decision-making about allocation of resources?

32. Should there be a distinction in the approach taken to allocation of the right to take resources, the right to discharge to resources, and the right to occupy public space?
SUBMISSION

33. Should allocation of resources use such as water and coastal marine space be dealt with under the RMA or elsewhere as is the case with minerals and fisheries, leaving the RMA for regulatory issues?

LGNZ has not undertaken sufficient work on this matter to be able to make submissions. We want to be able to be fully informed about options before making a submission and are not able to do so at this time.

Issue: 11 System monitoring and oversight

34. What changes are needed to improve monitoring of the resource management system, including data collection, management and use?

35. Who should have institutional oversight of these functions?

We already have a number of institutions charged with providing oversight of the resource management system and we note the local government sector encourages those charged with providing this oversight to perform these roles effectively because they are critical.

There is an issue in terms of duplication and complexity that creates both inefficiencies and gaps, because of councils being monitored under multiple legislation. The system does not need additional institutions; the system needs the institutions to function better.

Issue: 12 Compliance, monitoring and enforcement

36. What changes are needed to compliance, monitoring and enforcement functions under the RMA to improve efficiency and effectiveness?

37. Who should have institutional responsibility for delivery and oversight of these functions?

38. Who should bear the cost of carrying out compliance services?

LGNZ's Regional Sector commissioned an independent report in 2018 to improve the availability of data on CME functions:

https://www.lgznz.co.nz/assets/Uploads/bc9da4d6c7d3CME-Regional-Sector-Metrics-Report-FINAL.pdf

Key recommendations that are relevant to the questions posed are as follows:

• While variation is to be expected given the diffuse nature of the regime and lack of oversight in the past, there is ample opportunity for councils to now work to standardise approaches to fundamental CME tasks, which would enable national scale data to have much stronger value due to increased comparability;

• Resourcing for CME is varied, but overall appears to be relatively low in several councils, possibly too low to carry out the minimum requirements set down within the newly promulgated Best Practice Guidelines. The variation is not generally explained by relative wealth, land area or population – but appears often driven by other matters;

• Many councils were unable to provide some relatively basic information for these survey questions. While information management is doubtless an area in which the sector has improved greatly in recent years, further development is required to maintain reasonable levels of transparency;
SUBMISSION

The internal policy framework for CME in many agencies is incomplete or has aspects that open councils and individuals within those councils up to reputational risk from an inability to demonstrate fair and clear decision-making processes. The sector must carefully consider performance in this space as independence, transparency and consistency are fundamental components of being a credible regulator;

Some councils perform consistently well across all or most measures in this survey while the reporting of others demonstrates some significant shortcomings that should be addressed. Continuing to administer a robust and regular reporting framework, including review and improvement of the current suite of metrics, will help to drive performance improvement year on year; and

Unitary authorities do not sufficiently demarcate their regional vs district CME activities in their information management systems, meaning that the level of transparency on regional-level operations they can provide is lower than their regional council counterparts. This erodes both the comparability of the collective dataset and has reputational implications for the unitary councils.

LGNZ considers that the current responsibilities for CME should sit where they do currently and that improved practice is key. Better oversight of the system is critical and is absolutely necessary and we note the new role proposed for the EPA in CME will "introduce some tension into the system”. In our view the important matter to be addressed is providing better oversight - we do not have a view on where this should sit.

Issue: 13 Institutional roles and responsibilities

39. Although significant change to institutions is outside the terms of reference for this review, are changes needed to the functions and roles or responsibilities of institutions and bodies exercising authority under the system and, if so, what changes?
40. How could existing institutions and bodies be rationalised or improved?
41. Are any new institutions or bodies required and what functions should they have?

We note the work underway to establish a water regulator. While the focus will be drinking water, the regulator will also have a role in storm water and wastewater, which will interface with the functions of regional councils exercising their functions under the RMA.

There is also a call to set up an independent freshwater commission and the EPA is being given new functions with regard to compliance, monitoring and enforcement.

The complexity in the system is increasing which needs to be acknowledged, pointing to the need to be absolutely clear about roles and responsibilities of the various institutions.

Issue: 14 Reducing complexity

42. What other changes should be made to the RMA to reduce undue complexity, improve accessibility and increase efficiency and effectiveness?
43. How can we remove unnecessary detail from the RMA?
44. Are any changes required to address issues in the interface of the RMA and other legislation beyond the LGA, LTMA?

We defer to the submissions of local government on these matters as they have the operational experience to inform their submissions on these points.
Information Report

To: Mayor and Councillors
From: Strategic Planner
Date: Tuesday, 18 February 2020
File reference: Document: 2722550
Appendix A: Second quarter non financial performance results

Portfolio holder: All elected members
Meeting date: Wednesday, 26 February 2020
Subject: 2019/20 second quarter non financial performance results – Council report

Recommendation:
THAT the report be received.

1 Purpose

The purpose of this report is to present the Council the non financial performance results (including mandatory results) for the second quarter of the 2019/20 year.

2 Background

As part of the development of our 2018-28 Long Term Plan we set out levels of service for our groups of activities. These levels of service are our commitment to the community regarding what can be expected for the delivery of services, facilities, infrastructure and projects. A level of service can be anything from the frequency that our public toilets are cleaned, to the quality of our roading network. Additionally, those levels of service statements include targets that we aim to achieve in that year.

Every quarter staff are required to report against those levels of service. These results are reported to the Council to provide an indication of how the organisation’s performance is tracking and to identify any areas of improvement. The end of year results are included in the Annual Report to provide the public with an overview of the Council’s performance against what we signalled they can expect from us in our 2019/20 Annual Plan.
In October 2019, while undertaking its audit of the 2018/19 annual report, Audit NZ found significant issues with the data that underpinned some non-financial performance measures. These issues related to median response times and resolutions times for customer service requests relating to water supply and wastewater overflow. More specifically, these issues revolved around the incorrect classification of service request data, incomplete service request data, and incomplete closure of service requests.

Since October, Council has invested resource into investigating and addressing the issues with the system and process used for handling service requests. Improvements were identified and are in the process of being implemented. As a result of such improvements still being implemented, the underlying data for quarters one and two is unfortunately unreliable. However, staff believe that the results for quarters three and four will be significantly improved as the changes to address the issues are implemented.

3 Content

This report contains the non financial performance results for the second quarter of 2019/20. These results show the performance for the second year of the 2018-28 Long Term Plan. The results are attached as Appendix A. A summary of the results is shown below (shown as percentages of the total number of measures):

<table>
<thead>
<tr>
<th>Year to date</th>
<th>1st quarter</th>
<th>2nd quarter</th>
<th>3rd quarter</th>
<th>4th quarter</th>
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<tbody>
<tr>
<td>2019/20 non-financial performance results</td>
<td>25</td>
<td>33</td>
<td>15</td>
<td>18</td>
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</tbody>
</table>
4 Conclusion

This report presents to Council the non financial performance results for the second quarter of the 2019/20 year. This is an information only report.

Terri Casey
Strategic Planner
### Appendix A:

**Second quarter performance results (1 October 2019 to 31 December 2019)**

#### Community Services:

<table>
<thead>
<tr>
<th>#</th>
<th>Activity</th>
<th>Our level of service</th>
<th>How we will measure our performance</th>
<th>Target 2019/20</th>
<th>Staff Results 2nd Quarter 1/10/19 to 31/12/19</th>
<th>Year to date results</th>
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<tbody>
<tr>
<td>1</td>
<td>Democracy</td>
<td>You can expect: the Council to conduct all its business in an open and transparent manner.</td>
<td>Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publicly available at least two clear working days prior to the meeting date, as measured by the Council secretary’s checklist.</td>
<td>100% of agendas are available on the internet and in the Council offices and libraries two clear working days prior to the meeting date.</td>
<td>Not Achieved: 90% (9/10) of agendas were available on the internet and in the Council offices and libraries two clear working days before each meeting in the second quarter.</td>
<td>Not Achieved: 97% (30/31) of agendas were available on the internet and in the Council offices and libraries two clear working days before each meeting in the year to date.</td>
</tr>
<tr>
<td>2</td>
<td>Libraries</td>
<td>You can expect: modern and relevant library spaces to support community needs.</td>
<td>Percentage of library users satisfied with library services, as measured by the customer satisfaction survey.</td>
<td>&gt;95% of customers satisfied</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 97% of customers are satisfied with library services. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 97% of customers are satisfied with library services. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
</tr>
<tr>
<td>3</td>
<td>Libraries</td>
<td>You can expect: modern and relevant library spaces to support community needs.</td>
<td>The number of library members is increasing, as measured by the Library Management System.</td>
<td>&gt;50% of District population are members</td>
<td>Achieved: 54% (10,657) of the district population are members of district libraries in the second quarter.</td>
<td>Achieved: 54% (10,657) of the district population are members of district libraries in the year to date.</td>
</tr>
<tr>
<td>4</td>
<td>Libraries</td>
<td>You can expect: opportunities to learn, meet and grow in a friendly library environment.</td>
<td>The number of Library-led community based learning programmes available, as measured by monthly library report to Council.</td>
<td>15 programmes across the district per year.</td>
<td>On Track: 7 library-led community based learning programmes were available in the second quarter. These included: Toddler Time x 2, Book Chat x 2, October School holiday activities x 3.</td>
<td>On Track: 7 library-led community based learning programmes were available in the year to date.</td>
</tr>
<tr>
<td>5</td>
<td>Swimming Pools</td>
<td>You can expect: Council operated swimming pool facilities to be safe for users and staff.</td>
<td>Daily safety and maintenance audits are carried out at each Council pool during the public swimming season, as measured by the monthly reports prepared by the Pool Supervisor.</td>
<td>100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within: 1. High risk – addressed within 24 hours 2. Medium risk – addressed within one week</td>
<td>Achieved: 100% (181/181) of safety and maintenance audits were completed during the second quarter.</td>
<td>On Track: 100% (181/181) of safety and maintenance audits were completed in the year to date.</td>
</tr>
</tbody>
</table>
### Key:

- **Achieved:**
- **Not achieved / not on track**
- **On track**
- **Not applicable**

<table>
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<tbody>
<tr>
<td>6</td>
<td><strong>Swimming Pools</strong></td>
<td>You can expect:</td>
<td>Percentage of pool users satisfied</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 93% of pool users were satisfied with the operation of Council swimming pools. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 93% of pool users were satisfied with the operation of Council swimming pools. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
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<td></td>
<td>Council operated swimming pool facilities to be safe for users and staff.</td>
<td>the operation of Council swimming pools, as measured by customer satisfaction survey.</td>
<td>≥90% of customers satisfied</td>
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<tr>
<td>7</td>
<td><strong>Parks and reserves</strong></td>
<td>You can expect:</td>
<td>Percentage of users satisfied with</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 90% of users were satisfied with the services and facilities provided at the district’s sports fields, parks and reserves. The next survey will be carried out in June 2020 and the outcome will determine the result for this measure.</td>
<td>Not yet measured: Results of the 2019 satisfaction survey show that 90% of users were satisfied with the services and facilities provided at the district’s sports fields, parks and reserves. The next survey will be carried out in June 2020 and the outcome will determine the result for this measure.</td>
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<td>sports fields and recreational reserves that meet the requirements of users.</td>
<td>services and facilities provided at the district’s sports fields, parks and reserves, as measured by customer satisfaction survey.</td>
<td>≥90% of customers satisfied</td>
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<td>8</td>
<td><strong>Parks and reserves</strong></td>
<td>You can expect:</td>
<td>Playground facilities are regularly</td>
<td>Achieved: 100% (60/60) of playground inspections were completed in the second quarter.</td>
<td>On Track: 100% (120/120) of playground inspections were completed in the year to date.</td>
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<td>safe playground facilities.</td>
<td>inspected to ensure they are safe, and compliant with national playground safety standards, as measured by Playground audit reports completed by Construction &amp; Maintenance (C&amp;M) staff.</td>
<td>100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.</td>
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<tr>
<td>9</td>
<td><strong>Halls</strong></td>
<td>You can expect:</td>
<td>Number of justified complaints from</td>
<td>On Track: There were eight justified complaints received from hall users in the first quarter. The complaints were regarding broken or faulty equipment and cleanliness.</td>
<td>On Track: There were 16 justified complaints received from hall users in the year to date.</td>
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<td></td>
<td>Council-managed halls to be clean and well maintained to meet the needs of the community.</td>
<td>hall users regarding the cleanliness and maintenance standard of the halls, as measured by the service request database.</td>
<td>2019/20: ≤35 complaints per year</td>
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<td>10</td>
<td><strong>Pensioner Housing</strong></td>
<td>You can expect:</td>
<td>Percentage of tenants satisfied with</td>
<td>Not yet measured: The pensioner housing survey has not yet been completed. It is carried out annually in the fourth quarter.</td>
<td>Not yet measured: The pensioner housing survey has not yet been completed. It will be undertaken in the fourth quarter.</td>
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<td></td>
<td>pensioner units to be maintained to a comfortable and safe standard.</td>
<td>the comfort and safety of the unit, as measured by the annual tenant satisfaction survey.</td>
<td>≥85% of tenants satisfied with the comfort and safety of the units.</td>
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<tr>
<td>11</td>
<td><strong>Public Toilets</strong></td>
<td>You can expect:</td>
<td>Number of justified complaints</td>
<td>On Track: 13 justified complaints were received in the second quarter.</td>
<td>On Track: 25 justified complaints were received in the year to date.</td>
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<td>clean and maintained</td>
<td>regarding whether public toilets are</td>
<td>≤50 complaints per year.</td>
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<td>public toilets which meet</td>
<td>clean, maintained and sufficiently stocked with consumables, as measured by service</td>
<td>The complaints were regarding broken equipment and cleanliness.</td>
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<td>the needs of the public.</td>
<td>request database.</td>
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<td>12</td>
<td>Cemeteries</td>
<td>Number of justified complaints regarding grounds maintenance at all Council cemeteries,</td>
<td>Achieved: No justified complaints were received in the second quarter.</td>
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<td>On Track: No justified complaints were received in the year to date.</td>
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<td>You can expect:</td>
<td>as measured by the service request database.</td>
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<td>efficiently serviced and</td>
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<td>well maintained cemeteries.</td>
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<td>13</td>
<td>Community Growth</td>
<td>Percentage of customers satisfied with the Council’s approach to Economic Development, as measured by our customer satisfaction survey.</td>
<td>≥70% of customers satisfied with approach</td>
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<td>Not yet measured: Results of the 2019 satisfaction survey show that 70% of users were satisfied with the Council’s approach to Economic Development. The next survey will be carried out in June 2020 and the outcome will determine the result for this measure.</td>
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<td>You can expect:</td>
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<td>the community will be</td>
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<td>aware of economic</td>
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<td>development initiatives.</td>
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<td>14</td>
<td>Community Growth</td>
<td>Number of regular economic development updates provided to the public, across various communications platforms, as measured by communication officer’s records.</td>
<td>Eight updates regarding economic development per year.</td>
<td></td>
<td>Achieved: 5 updates regarding economic development were provided during the second quarter. 10/10/2019 - Facebook post about Waihi becoming a Motorhome Friendly Town (also reported on in Hauraki Herald and the Motor Caravanner magazine). 15/10/2019 - media release about Business Bites ‘The 2020 Challenge’ and also sent as e-newsletter. 1/11/2019 - HDC News item on the Kaiaua Business Opportunities meeting. Information about this event was also posted on the HRT Facebook page. 13/11/2019 - e-newsletter about Business Bites ‘The 2020 Challenge’ event. 13/12/2019 - media release and e-newsletter about Fond Foods dog treat business opening.</td>
<td>Achieved: Nine updates regarding economic development were provided in the year to date.</td>
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<td>You can expect:</td>
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<td>development initiatives.</td>
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<td>15</td>
<td>Community Growth</td>
<td>The total tourism expenditure in the Hauraki District is being maintained or increasing, as measured by total tourism expenditure.</td>
<td>Tourism expenditure is maintained or increasing on previous calendar years’ result.</td>
<td></td>
<td>Achieved: Tourism expenditure is estimated to be $91.5m as at September 2019. This is a 5% increase compared with September 2018. (Infometrics Quarterly Monitor)</td>
<td>On Track: Tourism expenditure was $91.5m as at September 2019. This is a 5% increase compared with September 2018.</td>
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<td>On Track: 100% of the actions identified in the Social Strategy for 2019/20 have been progressed or completed in the year to date.</td>
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<td>16</td>
<td>Community Initiatives</td>
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<td>tourism, investment,</td>
<td>Each year a councillor working party will prioritise and update the actions contained within its Social Strategy action plan.</td>
<td>90% of the actions identified within the Social Strategy for the given year have been progressed or completed.</td>
<td>On Track: Connected Communities pillar: - Of the 3 actions identified, 3 items in action. Safe and Healthy Communities pillar: - Of the 3 actions identified, 3 items in action. Creative and Proud Communities: - Of the 2 actions identified, 5 items in action. 7 actions in total identified for the 2019/20 year. Review of the Social Strategy Towards 2028 document and Action Plan scheduled for third quarter.</td>
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<td>businesses and a skilled workforce to the Hauraki District.</td>
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<tr>
<td>17</td>
<td>Community Protection</td>
<td></td>
<td>Community response and recovery plans are developed and maintained as measured by reports to the Council.</td>
<td>• Four community response plans are developed and maintained each year • One recovery plan developed each year in 2019/20 and 2020/21.</td>
<td>On Track: 4 community response plans have been progressed or developed in the second quarter - Kaiaua/Whakatiwai/Waharau, Turua, Waitakaruru/Miranda and Kerepehi. These plans are 'live' documents - completion is ongoing. Development of a recovery plan has not been progressed at this stage.</td>
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<td>On Track: 4 community response plans have been progressed or developed in the year to date. (Completion is expected in the third quarter). Development of a recovery plan has not been progressed at this stage.</td>
</tr>
<tr>
<td>18</td>
<td>Community Protection</td>
<td></td>
<td>We will have a sufficient number of key management civil defence emergency positions filled by trained staff, as measured by staff training records.</td>
<td>90% positions filled by trained staff.</td>
<td>Achieved: 100% (9/9) of key management civil defence emergency positions were filled by trained staff in the second quarter.</td>
<td>On Track: 100% (9/9) of key management civil defence emergency positions were filled by trained staff in the year to date.</td>
</tr>
</tbody>
</table>
### Engineering Services:

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<td>19</td>
<td>Land transport</td>
<td>You can expect: a safe transport network provided for users and the community.</td>
<td>MANDATORY MEASURE: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</td>
<td>Reduce fatalities and serious injury crashes to 0.</td>
<td>Not On Track: There were 0 fatalities in the second quarter. Not on Track: There was 1 severe injury crash in the second quarter.</td>
<td>Change from previous year: Fatalities: -3 Serious injuries: +1</td>
</tr>
</tbody>
</table>

### Year to date results

- Not On Track: There were 0 fatalities in the year to date.
- Not on Track: There were 3 severe injury crashes in the year to date.

### Change from previous year

- Fatalities: -3
- Serious injuries: +1

| 20 | Land transport | You can expect: footpath assets to be fit for purpose. | Percentage of residents satisfied with the quality of footpaths, as measured by the annual customer satisfaction survey. | ≥75% | Not yet measured: The results of the 2019 annual satisfaction survey show that 58% of customers were satisfied with the quality of roads in the District (excluding State Highways). The 2020 survey will be carried out in June and the outcome will determine the result for this measure. | |

### Year to date results

- Not yet measured: The results of the 2019 annual satisfaction survey show that 58% of customers were satisfied with the quality of roads in the District (excluding State Highways). The 2020 survey will be carried out in June and the outcome will determine the result for this measure.

### Change from previous year

- Fatalities: -3
- Serious injuries: +1

| 21 | Land transport | You can expect: footpath assets to be fit for purpose. | MANDATORY MEASURE: The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Council’s relevant document (e.g. the annual plan, asset management plan, annual works program or long term plan). | 95% footpaths with defect rating >5 are isolated for safety and remedied within 7 days. | Achieved: 100% (5/5) of regulatory/warning sign issues were resolved within 7 days. | |

### Year to date results

- Achieved: 100% (5/5) of regulatory/warning sign issues were resolved within 7 days.

### Change from previous year

- Achieved: 100% (5/5) of regulatory/warning sign issues were resolved within 7 days.

### Change from previous year

- 93% (55/59) were resolved within 6 weeks.
### Key:

<table>
<thead>
<tr>
<th>Achieved:</th>
<th>Not achieved / not on track</th>
<th>On track</th>
<th>Not applicable</th>
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<td>23</td>
<td>Land transport</td>
<td>You can expect: a roadway network that addresses safety and amenity issues.</td>
<td>All reported potholes are repaired on District roads within specified timeframes.</td>
<td>85% within 5 days for &gt;100 vehicle per day (vpd) roads and within 14 days for &lt;100 vpd roads.</td>
<td>Achieved: 89% (8/9) potholes on &gt;100 vpd roads were repaired within five days.</td>
<td>On Track: 89% (24/27) potholes on &gt;100 vpd roads were repaired within five days.</td>
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<tr>
<td>24</td>
<td>Land transport</td>
<td>You can expect: the preservation of the pavement life of sealed roads.</td>
<td><strong>MANDATORY MEASURE:</strong> The average quality of ride on a sealed local road network, measured by smooth travel exposure.</td>
<td>2018-21: 96%</td>
<td>Achieved: The smooth travel exposure for the second quarter is 96%.</td>
<td>On Track: The smooth travel exposure for the year to date is 96%.</td>
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<tr>
<td>25</td>
<td>Land transport</td>
<td>You can expect: the preservation of the pavement life of sealed roads.</td>
<td><strong>MANDATORY MEASURE:</strong> The percentage of the sealed local road network that is resurfaced.</td>
<td>Percentage of the local road network ressealed per year (as determined by the asset management plan): 2019/20: 8% ressealed</td>
<td>On Track: Resealing contractor currently in network completing reseals programme. 90% complete as of 17/01/2020.</td>
<td>On Track: 8.5% (44.28 km of 518.5 km total length) of the sealed local road network scheduled for resurfacing over the 2019/20 construction season, 90% complete as of mid-January 2020.</td>
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<tr>
<td>26</td>
<td>Land transport</td>
<td>You can expect: the preservation of the pavement life of sealed roads.</td>
<td>Percentage of customers satisfied with the quality of roads in the District (excluding State Highways) as measured by the annual customer satisfaction survey.</td>
<td>2019/20: ≥73%</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 49% of customers were satisfied with the quality of roads in the District (excluding State Highways). The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 49% of customers were satisfied with the quality of roads in the District (excluding State Highways). The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
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<tr>
<td>27</td>
<td>Land transport</td>
<td>You can expect: customer service requests to be dealt with promptly and appropriately.</td>
<td><strong>MANDATORY MEASURE:</strong> The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the long term plan.</td>
<td>100% of service requests are responded to within 10 working days.</td>
<td>Not Achieved: 93% (340/364) of the customer service requests were responded to within 10 working days in the second quarter.</td>
<td>Not on Track: 90% (712/789) of the customer service requests were responded to within 10 working days in the year to date.</td>
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<tr>
<td>28</td>
<td>Land transport</td>
<td>You can expect: customer service requests to be dealt with promptly and appropriately.</td>
<td>Issues reported to the Council regarding State Highways are forwarded to the New Zealand Transport Agency.</td>
<td>2018-21: 95% of all reported issues are forwarded within one working day.</td>
<td>Achieved: 98% (54/55) of all reported issues regarding state highways were forwarded to the NZ Transport Agency within one working day in the second quarter.</td>
<td>On Track: 99% (109/110) of all reported issues regarding state highways were forwarded to the NZ Transport Agency within one working day in the year to date.</td>
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<tr>
<td>29</td>
<td>Land transport</td>
<td>You can expect: access</td>
<td>Time for road access to be</td>
<td>100% of Arterial and Collector</td>
<td>Achieved: 100% (0/0) of arterial and collector</td>
<td>On Track: 100% (0/0) of arterial and collector</td>
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<td>roads were open within 24 hours in the year to date. 100% (1/1) of all other roads were open within 72 hours.</td>
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<td>30</td>
<td>Water supply</td>
<td>You can expect:</td>
<td>MANDATORY MEASURE: The extent to which the Council’s drinking water supply complies with: a) Part 4: Bacterial Compliance Criteria b) Part 5: Protozoal Compliance Criteria</td>
<td>100% compliance for: a) Bacteria b) Protozoa at all water plants.</td>
<td>Not on Track: Kerepehi Bacteria - Not achieved Protozoa - Achieved Waitakaruru Bacteria - Not achieved Protozoa - Achieved Paeroa Bacteria - Achieved Protozoa - Achieved Waihi Bacteria - Achieved Protozoa - Achieved Kaimanawa Bacteria - Not achieved Protozoa - this is not measured at Kaimanawa.</td>
<td>Kerepehi and Waitakaruru were only provisionally compliant with bacteria. Staff believe that they have sufficient supporting evidence to change this outcome to “Achieved” and are working with the DHB in this regard.</td>
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<td>water that is safe to drink.</td>
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<td>31</td>
<td>Water supply</td>
<td>You can expect:</td>
<td>MANDATORY MEASURE: The percentage of real water loss from the Council’s networked reticulation system (including a description of the methodology used to calculate this).</td>
<td>2019/20: 31%</td>
<td>Not yet measured: This is calculated annually in the fourth quarter.</td>
<td>Not Achieved: For the year to date: Kerepehi Bacteria - Not achieved Protozoa - Achieved Waitakaruru Bacteria - Not achieved Protozoa - Not achieved Waitakaruru Bacteria - Not achieved Protozoa - Achieved Paeroa Bacteria - Achieved Protozoa - Achieved Waihi Bacteria - Achieved Protozoa - Achieved Kaimanawa Bacteria - Not achieved Protozoa - Not measured</td>
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<td>losses from the</td>
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<td>water supply network</td>
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<td>to be minimised.</td>
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<td>32</td>
<td>Water supply</td>
<td>You can expect:</td>
<td>The number of unplanned interruptions to the water supply system per 1000 properties per year</td>
<td>&lt;10</td>
<td>Not Achieved: There were 10.14 unplanned interruptions to the water supply system per 1000 properties in the second quarter.</td>
<td>Not on Track: There were 13.49 unplanned interruptions to the water supply system per 1000 properties in the year to date.</td>
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<td>a reliable water</td>
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<td>supply.</td>
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<tr>
<td>33</td>
<td>Water supply</td>
<td>You can expect:</td>
<td>MANDATORY MEASURE: The average consumption of drinking water per day per resident within the Hauraki District.</td>
<td>2018-28: &lt;250 litres per resident per day (measured annually).</td>
<td>Not yet measured: This is calculated annually in the fourth quarter.</td>
<td>Not yet measured: This is calculated annually in the fourth quarter.</td>
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<td>a reliable water</td>
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<tr>
<td>34</td>
<td>Water supply</td>
<td>You can expect:</td>
<td>MANDATORY MEASURE: Where the Council attends a call-out in response to a fault or unplanned</td>
<td>Urgent: Percentage attendance less than 2 hours – 95% Percentage</td>
<td>Not Achieved: Urgent: 80% (68/85) attended in less than 2 hours 81% (69/85) resolved in less than 8 hours</td>
<td>Year to date: Urgent: 77% (88/113) attended in less than 2 hours 84% (92/113) resolved</td>
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<td>customer service</td>
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<td>requests to be</td>
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<td>promptly and appropriately.</td>
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<td>interruption to its networked reticulation system, the following median response times are measured:</td>
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<td><strong>Urgent Call-outs</strong> (Urgent = complete loss of supply of drinking water):</td>
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<td>• Attendance <em>(from the time that the Council receives notification to the time the service personnel reach the site)</em>.</td>
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<td>Non-Urgent: 75% (85/113) attended in less than 4 hours 85% (97/113) resolved in less than 3 days</td>
<td>in less than 8 hours</td>
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<td>• Resolution <em>(from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption)</em>.</td>
<td></td>
<td>Urgent: Median attendance = 39 minutes* Median resolution = 99 minutes*</td>
<td>Non-Urgent: 80% (159/197) attended in less than 4 hours 86% (171/197) resolved in less than 3 days</td>
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<td><strong>Non-Urgent Call-outs</strong> (Non-urgent = there is still a supply of drinking water):</td>
<td></td>
<td>Non-Urgent: Median attendance = 30.50 minutes* Median resolution = 108 minutes*</td>
<td>Non-Urgent: Median attendance = 39 minutes Median resolution = 99 minutes</td>
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<td></td>
<td></td>
<td>• Attendance <em>(from the time that the Council receives notification to the time that service personnel reach the site)</em>.</td>
<td></td>
<td>This is an estimate as these values are based on the service requests that had recorded times and the percentage of those that met the given criteria</td>
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<td></td>
<td>• Resolution <em>(from the time that the Council received notification to the time that service personnel confirm resolution of the fault or interruption)</em>.</td>
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<td>35</td>
<td>Water supply</td>
<td>You can expect: potable water to be supplied to consumers.</td>
<td></td>
<td>Water quality: ≤12/1000 Service quality: ≤8/1000 Water pressure/flow issues: ≤1/1000</td>
<td>Not on Track for the year to date:</td>
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<td><strong>MANDATORY MEASURE:</strong> The total number of complaints received by Council about any of the following: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; and</td>
<td></td>
<td>Water quality: 2.86 per 1000 connections Service quality: 10.74 per 1000 connections Water pressure/flow issues: 1.79 per 1000 connections.</td>
<td>Water quality: 4.18 per 1000 connections Service quality: 14.56 per 1000 connections Water pressure/flow issues: 2.51 per 1000 connections.</td>
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<td>36</td>
<td>Water supply</td>
<td>You can expect: the Council to provide its water supply services at agreed levels of service.</td>
<td>Customers are satisfied with the water quality supplied by the Council.</td>
<td>≥80%</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 73% of customers were satisfied with the quality of drinking water supplied by the Council. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 73% of customers were satisfied with the quality of drinking water supplied by the Council. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
</tr>
<tr>
<td>37</td>
<td>Water supply</td>
<td>You can expect: water supplies to be operated in compliance with regulatory requirements.</td>
<td>Achieve a high level of compliance at all water treatment plants, as measured by the number of: • abatement notices; and • infringement notices; and • enforcement orders; and prosecutions received by Council in relation those resource consents.</td>
<td>0</td>
<td>Achieved: There were 0 abatement notices, 0 infringement notices, and 0 enforcement orders and prosecutions received in the second quarter.</td>
<td>On Track: There were 0 abatement notices, 0 infringement notices, and 0 enforcement orders and prosecutions received in the year to date.</td>
</tr>
<tr>
<td>38</td>
<td>Wastewater</td>
<td>You can expect: wastewater services that meet regulatory requirements.</td>
<td>MANDATORY MEASURE: The number of dry weather sewerage overflows from the Council’s sewerage system, expressed per 1000 sewerage connections to that sewerage system.</td>
<td>2019/20: &lt;3 per 1000 connections</td>
<td>Achieved: There were 0.71 dry weather overflows per 1000 wastewater connections in the second quarter. Total of 4</td>
<td>On Track: There were 1.6 dry weather overflows per 1000 wastewater connections in the year to date.</td>
</tr>
<tr>
<td>39</td>
<td>Wastewater</td>
<td>You can expect: the risk of environmental and public health impacts to be mitigated.</td>
<td>The frequency of dry weather overflows from pump stations will be minimized.</td>
<td>&lt;1 pump-station overflow per 20 pump stations per year.</td>
<td>Achieved: There were 0.83 pumpstation overflows per 20 pump stations in the second quarter.</td>
<td>Not on Track: There were 1.24 pumpstation overflows per 20 pump stations in the year to date.</td>
</tr>
<tr>
<td>40</td>
<td>Wastewater</td>
<td>You can expect: the community and the environment to be provided with protection.</td>
<td>MANDATORY MEASURE: Compliance with the Council’s resource consents for discharge from its sewerage system. Measured by the number of: • abatement notices; and • infringement</td>
<td>• 0 abatement notices • 0 infringement notices; • 0 enforcement orders; • 0 prosecutions received by the Council.</td>
<td>Achieved: • 0 abatement notices • 0 infringement notices; • 0 enforcement orders; • 0 prosecutions received by the Council in the second quarter.</td>
<td>Not on Track: • 3 abatement notices • 0 infringement notices; • 0 enforcement orders; • 0 prosecutions received by the Council in the year to date.</td>
</tr>
</tbody>
</table>
### Wastewater

#### Activity

You can expect: a safe and reliable wastewater service.

#### Our level of service

MANDATORY MEASURE:
The total number of complaints received by Council about any of the following:
- sewerage odour;
- sewerage system faults;
- sewerage system blockages; and
- the Council’s response to any of these issues, expressed per 1000 connections to Council’s sewerage system.

#### How we will measure our performance

<table>
<thead>
<tr>
<th>Period</th>
<th>Target</th>
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<tbody>
<tr>
<td>2019/20</td>
<td>≤12 per 1000 connections</td>
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#### Target 2019/20

<table>
<thead>
<tr>
<th>Period</th>
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<tbody>
<tr>
<td>2019/20</td>
<td>≤12 per 1000 connections</td>
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#### Year to date results

<table>
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<tr>
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<tbody>
<tr>
<td>41 Wastewater</td>
<td>You can expect: customer service requests to be dealt with promptly and appropriately.</td>
<td>MANDATORY MEASURE: Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council’s sewerage system, the following median response times measured:</td>
<td>Attendance – 95% within 2 hours Resolution – 95% within 8 hours</td>
<td>Attendance – 67% within 2 hours Resolution – 67% within 8 hours</td>
<td>Not Achieved for the year to date*: Attendance – 67% within 2 hours Resolution – 67% within 8 hours</td>
</tr>
<tr>
<td>42 Wastewater</td>
<td>You can expect: a safe and reliable wastewater service.</td>
<td>MANDATORY MEASURE: The total number of complaints received by Council about any of the following: sewerage odour; sewerage system faults; sewerage system blockages; and the Council’s response to any of these issues, expressed per 1000 connections to Council’s sewerage system.</td>
<td>2019/20: ≤12 per 1000 connections</td>
<td>Achieved: The total number of complaints received about: wastewater odour; wastewater system faults; wastewater system blockages; and the Council’s response to any of these issues, was 4.4 per 1000 connections in the second quarter. From a total of 25</td>
<td></td>
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<tr>
<td>43 Wastewater</td>
<td>You can expect: a safe and reliable wastewater service.</td>
<td>Percentage of users satisfied with the quality of the wastewater services provided.</td>
<td>≥95%</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 96% of customers were satisfied with the quality of wastewater services provided by the Council. The 2020 survey will be carried out in June and the outcome will determine</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 96% of customers were satisfied with the quality of wastewater services provided by the Council. The 2020 survey will be carried out in June and the outcome will determine</td>
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<td>44</td>
<td>Stormwater</td>
<td>You can expect: stormwater systems to protect houses from flooding in urban areas.</td>
<td><strong>MANDATORY MEASURE:</strong> • The number of flooding events that occur in the Hauraki district. • For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority’s stormwater system.)</td>
<td>2019/20: &lt;2 per 1000</td>
<td>Achieved: There were 0 flooding events in the district in the second quarter. The number of habitable floors affected by flooding events that occurred in the second quarter was 0 per 1000 properties connected to the stormwater system.</td>
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<tr>
<td>45</td>
<td>Stormwater</td>
<td>You can expect: the stormwater network to be reliable.</td>
<td><strong>MANDATORY MEASURE:</strong> The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council’s stormwater system.</td>
<td>&lt;5/1000 connections</td>
<td>Not on Track: The number of complaints received about the performance of the stormwater system in the second quarter was 7.04 per 1000 properties connected to the stormwater system. We had a rainfall event that exceeded the networks capacity (ie &gt;10 year or 10% AEP) in December which led to the large number of complaints.</td>
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<tr>
<td>46</td>
<td>Stormwater</td>
<td>You can expect: the stormwater network to be reliable.</td>
<td>Number of reported stormwater blockages per 100km of pipeline per year</td>
<td>&lt;20</td>
<td>On Track: There were 11.28 reported stormwater blockages per 100 km of pipeline in the second quarter.</td>
</tr>
<tr>
<td>47</td>
<td>Stormwater</td>
<td>You can expect: the stormwater network to be reliable.</td>
<td>Percentage of stormwater above ground assets in satisfactory condition (condition grades 1,2 or 3)</td>
<td>2019/20: NA</td>
<td>Not applicable: No target specified for 2019/20.</td>
</tr>
<tr>
<td>48</td>
<td>Stormwater</td>
<td>You can expect: the stormwater network to be reliable.</td>
<td>Customers are satisfied with the stormwater service provided.</td>
<td>≥80%</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 68% of customers were satisfied with the quality of stormwater services provided by the Council. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
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<tr>
<td>49</td>
<td>Stormwater</td>
<td>You can expect: the community and the environment to be provided</td>
<td><strong>MANDATORY MEASURE:</strong> Compliance with the Council’s resource consents for discharge from its stormwater</td>
<td>0</td>
<td>Achieved: There were: 1. 0 abatement notices; and 2. 0 infringement notices; and 3. 0 enforcement</td>
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</table>
### Key:

- **Achieved:**
- **Not achieved / not on track:**
- **On track:**
- **Not applicable:**

<table>
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<tr>
<td>50</td>
<td>Stormwater</td>
<td>You can expect: customer service requests to be dealt with promptly and appropriately.</td>
<td>System. Measured by the number of: 1. abatement notices; and 2. infringement notices; and 3. enforcement orders; and 4. prosecutions received by Council in relation those resource consents.</td>
<td>(&lt;2) hours.</td>
<td>Achieved: The flooding event that occurred in this quarter did not result in any habitable buildings being affected.</td>
<td>On track: There was one flooding event in the year to date, however this did not result in any habitable floors being affected.</td>
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<tr>
<td>51</td>
<td>Land drainage</td>
<td>You can expect: pasture protection to be provided.</td>
<td>MANDATORY MEASURE: The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.</td>
<td>100%</td>
<td>Achieved: 100% of floodgates and pumpstations were maintained to their full service potential. 100% of floodgates and pumpstations were repaired to their full service potential. No damage during the reporting period. WPDD: 15% ~ EPDD: 15% ~ of the work required to raise the stopbanks to their full level service potential has been completed.</td>
<td>On Track: 100% of floodgates and pumpstations were maintained to their full service potential. 100% of floodgates and pumpstations were repaired to their full service potential. No damage during the reporting period. WPDD: 15% ~ EPDD: 15% ~ of the work required to raise the stopbanks to their full level service potential has been completed.</td>
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<tr>
<td>52</td>
<td>Land drainage</td>
<td>You can expect: pasture protection to be provided.</td>
<td>Number of properties still ponding after 3 days from a 1 in 10-year event or less (impacting the pasture)</td>
<td>0</td>
<td>Achieved: There was no ponding for more than 3 days and no 10% AEP (1 in 10 year) events during the second quarter.</td>
<td>On Track: There was no ponding for more than 3 days and no 10% AEP (1 in 10 year) events during the year to date.</td>
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<tr>
<td>53</td>
<td>Land drainage</td>
<td>You can expect: reliable land drainage networks.</td>
<td>Percentage of affected customers satisfied with the land drainage and flood protection services. 2019/20: 80%</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 51% of customers were satisfied with the land drainage and flood protection services. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 51% of customers were satisfied with the land drainage and flood protection services. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
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</tr>
<tr>
<td>54</td>
<td>Land drainage</td>
<td>You can expect: timely response to</td>
<td>Where the Council responds to a service request Urgent: 1 hour Non-urgent:</td>
<td>Not Achieved: Urgent: There have been no urgent</td>
<td>On Track in the year to date:</td>
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### Key:

- **Achieved:** Green
- **Not achieved / not on track:** Orange
- **On track:** Red
- **Not applicable:** Yellow

### Council Agenda - 26-02-20

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<td>55</td>
<td><strong>Solid waste</strong></td>
<td>You can expect: public education on waste minimisation to be increasing and the adverse effects of waste on the environment minimised.</td>
<td>A waste minimisation education strategy is developed and implemented.</td>
<td>Two education campaigns are undertaken each year.</td>
<td>On Track: There are three education campaigns were undertaken in the second quarter. Enviroschools: 15 Paper4trees: 23 Zero Waste: 11 We are also working on a new kerbside educational campaign to encourage the public to minimise what should be put out for refuse and what can be recycled or even compost.</td>
<td>On Track: Three education campaigns underway in the year to date.</td>
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<tr>
<td>56</td>
<td><strong>Solid waste</strong></td>
<td>You can expect: public education on waste minimisation to be increasing and the adverse effects of waste on the environment minimised.</td>
<td>Number of justified complaints that collection is not completed on the scheduled day, as per the service request database.</td>
<td>≤3 complaints (that collection was not completed) per 1000 customers per annum.</td>
<td>On Track: There were &lt;1 justified complaints that kerbside collection was not completed on the scheduled day in the second quarter (per 1000 customers per annum).</td>
<td>On Track: There were 0.0021 justified complaints that kerbside collection was not completed on the scheduled day in the year to date (per 1000 customers per annum).</td>
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<tr>
<td>57</td>
<td><strong>Solid waste</strong></td>
<td>You can expect: public education on waste minimisation to be increasing and the adverse effects of waste on the environment minimised.</td>
<td>The quantity of household waste collected from the kerbside per person is decreasing.</td>
<td>A 5% decrease in kerbside household waste to landfill from approx. 78 kg per person per annum to 74 kg per person by 2022.</td>
<td>Not On Track: The amount of household waste collected from the kerbside and going to landfill was 18.32 kg per person per annum in the second quarter. This is a slight increase of 0.63 kgs from the previous year.</td>
<td>On Track: The amount of household waste collected from the kerbside and going to landfill was 36.22 kg per person per annum in the year to date. This is a reduction of 0.92 kgs from the previous year (2.4% decrease).</td>
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<tr>
<td>58</td>
<td><strong>Solid waste</strong></td>
<td>You can expect: public education on waste minimisation to be increasing and the adverse effects of waste on the</td>
<td>The total quantity of waste sent to landfill per person per annum is reducing.</td>
<td>A 13% reduction in the total quantity of waste sent to landfill from 363 kg per person per annum to 316 kg</td>
<td>On Track: The total quantity of waste sent to landfill was 70.06 kgs per person per annum in the second quarter. This is a decrease of 19.33 kgs from the previous year (27.5% decrease).</td>
<td>On Track: The total quantity of waste sent to landfill was 130.22 kgs per person per annum in the year to date. This is a decrease of 18.23 kgs from the previous year (12.2% decrease).</td>
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<tr>
<td></td>
<td>Solid waste</td>
<td>environment minimised.</td>
<td>Percentage of users satisfied with the kerbside collection service in our annual customer satisfaction survey.</td>
<td>≥85% of users satisfied.</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 89% of customers were satisfied with the kerbside collection service. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The results of the 2019 annual satisfaction survey show that 89% of customers were satisfied with the kerbside collection service. The 2020 survey will be carried out in June and the outcome will determine the result for this measure.</td>
</tr>
</tbody>
</table>
### Planning and Environmental Services:

<table>
<thead>
<tr>
<th>#</th>
<th>Activity</th>
<th>Our level of service</th>
<th>How we will measure our performance</th>
<th>Target 2019/20</th>
<th>Staff Results 2nd Quarter 1/10/19 to 31/12/19</th>
<th>Year to date results</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>Iwi liaison</td>
<td>You can expect: the Council to establish formal relationships with Iwi holding mana whenua status in the district following the signing of Treaty Settlements.</td>
<td>We will work with each Iwi with mana whenua status in the district to establish Memorandums of Partnerships as individual Iwi Treaty Settlements are signed.</td>
<td>Memoranda of Partnerships agreed and documented within 15 months of each signed Settlement.</td>
<td>On Track: First hui planned for early 2021. A priority of the hui will be representation and Memorandums of Partnerships.</td>
<td>On Track: First hui planned for early 2021. A priority of the hui will be representation and Memorandums of Partnerships.</td>
</tr>
<tr>
<td>61</td>
<td>Iwi liaison</td>
<td>You can expect: the Council to establish formal relationships with Iwi holding mana whenua status in the district following the signing of Treaty Settlements.</td>
<td>We will work with the Hauraki Collective post-Settlement governance entity to establish a Forum following the signing the Hauraki Collective Treaty Settlement.</td>
<td>Forum established within 18 months of the Collective Treaty Settlement being signed.</td>
<td>On Track: While no forum is formally established yet, some progress has been made in the second quarter. Staff have been preparing to engage with Iwi, are being upskilled, and are attending training to understand Iwi thinking.</td>
<td>On Track: While no forum is formally established yet, some progress has been made in the second quarter. Staff have been preparing to engage with Iwi, are being upskilled, and are attending training to understand Iwi thinking.</td>
</tr>
<tr>
<td>62</td>
<td>Policy dev.</td>
<td>You can expect: the Council to plan its policy development in accordance with relevant legislative requirements.</td>
<td>All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes, as recorded in the resolution database.</td>
<td>100% of all legislatively required documents are adopted within statutory timeframes.</td>
<td>On Track: 100% (1/1) of legislatively required documents were adopted within the statutory timeframes in the second quarter, being the Annual Report 2018/19.</td>
<td>On Track: 100% (1/1) of legislatively required documents were adopted within the statutory timeframes in the year to date.</td>
</tr>
<tr>
<td>63</td>
<td>Policy dev.</td>
<td>You can expect: the Council to make decisions a transparent and democratically accountable way.</td>
<td>Percentage of customers satisfied with the Council's consultation and engagement regarding major policies and strategies, as measured by customer satisfaction survey.</td>
<td>≥75% of customers satisfied</td>
<td>Not yet measured: The 2019 satisfaction survey results showed that 57% of residents are satisfied with the Council’s consultation and engagement regarding major policies and strategies. The next satisfaction survey will be carried out in July/August 2020.</td>
<td>Not yet measured: The 2019 satisfaction survey results showed that 57% of residents are satisfied with the Council’s consultation and engagement regarding major policies and strategies. The next satisfaction survey will be carried out in July/August 2020.</td>
</tr>
<tr>
<td>64</td>
<td>Policy dev.</td>
<td>You can expect: the Council to meet its statutory requirements under the Resource Management Act 1991.</td>
<td>All Changes and Variations to the District Plan are processed within statutory requirements, as measured by Council records.</td>
<td>There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.</td>
<td>Achieved: There were no active Changes or Variations to the District Plan in the second quarter.</td>
<td>On Track: There were 0 successful appeals or judicial reviews on any Change or Variation to the District Plan (as a result of administrative or</td>
</tr>
<tr>
<td>#</td>
<td>Activity</td>
<td>Our level of service</td>
<td>How we will measure our performance</td>
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</tr>
<tr>
<td>65</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: resource consents to be decided and issued within Resource Management Act 1991 timeframes.</td>
<td>Notified resource consent decisions issued within statutory timeframes, as measured by the resource consent database.</td>
<td>100% of decisions issued within statutory timeframes</td>
<td>Achieved: 100% (0/0) of notified resource consent decisions were issued within statutory timeframes in the second quarter.</td>
<td>On Track: 100% (1/1) of notified resource consent decisions were issued within statutory timeframes in the year to date.</td>
</tr>
<tr>
<td>66</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: resource consents to be decided and issued within Resource Management Act 1991 timeframes.</td>
<td>Non-notified resource consent decisions are issued within statutory timeframes, as measured by the resource consent database.</td>
<td>100% of decisions issued within statutory timeframes</td>
<td>Achieved: 100% (25/25) (land use - 22/22, subdivision = 13/13) of non-notified resource consent decisions were issued within statutory timeframes in the second quarter.</td>
<td>Not Achieved: 98% (57/58) of non-notified resource consent decisions were issued within statutory timeframes in the year to date.</td>
</tr>
<tr>
<td>67</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: resource consents to be decided and issued within Resource Management Act 1991 timeframes.</td>
<td>Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.</td>
<td>100% of decisions issued within statutory timeframes</td>
<td>Achieved: 100% (6/6) of permitted boundary activity certificates were issued within statutory timeframes in the second quarter.</td>
<td>On Track: 100% (14/14) of permitted boundary activity certificates were issued within statutory timeframes in the year to date.</td>
</tr>
<tr>
<td>68</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: a monitoring service which ensures compliance with consent conditions.</td>
<td>All land use consents issued during the previous financial year are monitored within 12 months of being granted, as measured by the resource consent database.</td>
<td>80% of consents granted in the previous financial year are monitored within the next 12 months</td>
<td>Achieved: 98% (42/43) of land use consents issued during 2018/19 were monitored within 12 months of being granted in the second quarter.</td>
<td>On Track: 92% (60/65) of land use consents issued during 2018/19 were monitored within 12 months of being granted in the year to date.</td>
</tr>
<tr>
<td>69</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: Land Information Memoranda (LIM) to be issued within agreed timeframes.</td>
<td>Non-urgent LIMs issued within 10 working days (statutory), as measured by the applications database.</td>
<td>100% issued on time</td>
<td>Achieved: 100% (84/84) of non-urgent LIMs were issued within 10 working days in the second quarter.</td>
<td>On Track: 100% (144/144) of non-urgent LIMs were issued within 10 working days in the year to date.</td>
</tr>
<tr>
<td>70</td>
<td>Resource Mgmt. Imp.</td>
<td>You can expect: Land Information Memoranda (LIM) to be issued within agreed timeframes.</td>
<td>Urgent LIMs* are issued within 3 working days, as measured by the applications database.</td>
<td>100% issued on time</td>
<td>Achieved: 100% (50/50) of urgent LIMs were issued within 3 working days in the second quarter.</td>
<td>On Track: 100% (79/79) of urgent LIMs were issued within 3 working days in the year to date.</td>
</tr>
</tbody>
</table>

*Note only urgent LIMs with an electronic address will be agreed timeframes. be issued within Memoranda (LIM) to information. You can expect: Land consent conditions. which ensures monitoring service granted, as months of being granted in the second quarter. statutory timeframes in the year to date. On Track: 100% (14/14) of permitted boundary activity certificates were issued within statutory timeframes in the year to date. On Track: 92% (60/65) of land use consents issued during 2018/19 were monitored within 12 months of being granted in the year to date.
**Key:**

<table>
<thead>
<tr>
<th>#</th>
<th>Activity</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Resource Mgmt. Imp.</td>
<td>100%</td>
<td>Percentage of customers satisfied with the service they receive during the resource consent process, as measured by the customer satisfaction survey</td>
<td>≥75% of customers satisfied.</td>
<td>2019: Not achieved: 2019 satisfaction survey results showed that 85% of residents are satisfied with the Council’s resource consent services. The 2020 survey will be carried out in January and June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The 2019 satisfaction survey results showed that 85% of residents are satisfied with the Council’s resource consent services. The 2020 survey will be carried out in January and June and the outcome will determine the result for this measure.</td>
</tr>
<tr>
<td>72</td>
<td>Building control</td>
<td>100%</td>
<td>Building consent applications are processed within 20 working days, as measured by the Building Consent Tracking Database.</td>
<td>100% are issued within 20 working days of receiving the application, providing the application is complete.</td>
<td>Not Achieved: 96% (74/77) of building consent applications were processed within 20 working days in the second quarter. This was due to resourcing and the number of complex consents.</td>
<td>Not Achieved: 98% (173/177) of building consent applications were processed within 20 working days in the year to date.</td>
</tr>
<tr>
<td>73</td>
<td>Building control</td>
<td>33% (134) of all pools to be inspected annually</td>
<td>All private swimming pools on Council’s pools register will be inspected at least every three years.</td>
<td>On Track: 93/134 (69%) of private pools were inspected during the second quarter. The balance to be inspected over the next two quarters of this year.</td>
<td>On Track: 93/134 (69%) of private pools were inspected in the year to date. The balance to be inspected over the next two quarters of this year.</td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>Building control</td>
<td>2019-28: 80% of customers satisfied</td>
<td>Percentage of customers satisfied with the service they receive during the building consent process, as measured by the customer satisfaction survey.</td>
<td>Not yet measured: The 2019 satisfaction survey results showed that 67% of residents are satisfied with the service they receive during the building consent process. The 2020 survey will be carried out in January and June and the outcome will determine the result for this measure.</td>
<td>Not yet measured: The 2019 satisfaction survey results showed that 67% of residents are satisfied with the service they received during the building consent process. The 2020 survey will be carried out in January and June and the outcome will determine the result for this measure.</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>Comm. Protection</td>
<td>100% of all food premises are assessed annually</td>
<td>All known food premises are monitored for compliance with relevant legislation as measured by the food premises database.</td>
<td>On Track: 45% (57/126) of food premises required to be monitored this quarter, were monitored. The remainder of these are programmed to be reviewed in the next two quarters.</td>
<td>On Track: 45% (57/126) of food premises required to be monitored this quarter, were monitored. The remainder of these are programmed to be reviewed in</td>
<td></td>
</tr>
<tr>
<td>#</td>
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</tr>
<tr>
<td>76</td>
<td>Comm. Protection</td>
<td>You can expect: that the Council will carry out its role in public safety by implementing the Sale and Supply of Alcohol Act 2012.</td>
<td>New and renewed On/Off and Club Liquor Licences are issued within three months of receiving the application, providing there are no objections and the application is complete, as measured by audit(s) of application records</td>
<td>100% are issued within three months.</td>
<td>Achieved: 100% (4/4) of On/Off/Club liquor licences were issued within three months in the second quarter.</td>
<td>On Track: 100% (4/4) of On/Off/Club liquor licences were issued within three months in the year to date.</td>
</tr>
<tr>
<td>77</td>
<td>Comm. Protection</td>
<td>You can expect: Excessive noise complaints will be responded to by the Council.</td>
<td>All complaints regarding excessive noise are investigated within two hours of the complaint being received, as measured by contractor’s monthly report (from service request database).</td>
<td>100% investigated within two hours.</td>
<td>Achieved: 100% (67/67) of complaints regarding excessive noise were investigated within two hours of the complaint being received in the second quarter.</td>
<td>On Track: 100% (92/92) of complaints regarding excessive noise were investigated within two hours of the complaint being received in the year to date.</td>
</tr>
<tr>
<td>78</td>
<td>Animal control</td>
<td>You can expect: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.</td>
<td>Known dogs in the District are registered annually, as measured by registration records.</td>
<td>≥97% of known dogs are registered</td>
<td>Achieved: 99.57% (4416/4435) of known dogs in the district are registered in the second quarter.</td>
<td>Achieved: 99% (4416/4435) of known dogs in the district are registered in the year to date.</td>
</tr>
<tr>
<td>79</td>
<td>Animal control</td>
<td>You can expect: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.</td>
<td>Complaints about wandering stock on public roads are responded to within two hours, as measured by the contractor’s monthly report.</td>
<td>100% of complaints responded to within two hours</td>
<td>Achieved: 100% (9/9) of complaints about wandering stock on public roads were responded to within two hours in the second quarter.</td>
<td>On Track: 100% (16/16) of complaints about wandering stock on public roads were responded to within two hours in the year to date.</td>
</tr>
<tr>
<td>80</td>
<td>Animal control</td>
<td>You can expect: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.</td>
<td>Dog attack complaints are responded to within two hours, as measured by the contractor’s monthly report.</td>
<td>100% of complaints responded to within two hours</td>
<td>Achieved: 100% (10/10) of dog attack complaints were responded to within two hours in the second quarter.</td>
<td>On Track: 100% (22/22) of dog attack complaints were responded to within two hours in the year to date.</td>
</tr>
</tbody>
</table>
**Information Report**

**To:** Mayor and Councillors  
**From:** Transportation Manager  
**Date:** Tuesday, 11 February 2020  
**File reference:** Document: M2721129  
Appendix A: Capital Works Programme  
Appendix B: Roading Financial Report  
**Portfolio holder:** Mayor Adams  
**Meeting date:** Wednesday, 26 February 2020  
**Subject:** Transportation Report January 2020

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**Recommendation:**

THAT the report be received

---

**1 Introduction**

This report provides the latest information on the Hauraki District Council’s Transportation activities for the period ending 31 January 2020

**2 Discussion**

**2.1 Operational Activities**

**2.1.1 Key Operational Achievements**

A summary of operational maintenance work and activities done during the month of January 2020 is given below:

- Ongoing cyclic maintenance activities.
- Pavement repairs on sealed roads  
  - Aorangi Rd  
  - Awaiti West Rd  
  - Franklin Rd  
  - Keepa Ave  
  - Kensington Rd  
  - Komata Reefs Rd
- Robinson Rd
- Strange Rd
- Te Moananui Flats Rd
- Waimarei Ave
- Waitawheta Rd
- Waitekauri Rd
- Hauraki Rd
- Baxter Rd
- Boyd Rd
- Bradford St
- Bulltown Rd
- Campbell Rd (Waihi)
- Consols St
- Fleet St
- Knowles Cres
- Lawrence Rd
- Maratoto Rd
- Mataura Rd
- Mathers Rd
- Moresby Ave Service Lane (Rp62 Rh)
- Symond St

- Continuing work on traffic signs and sight rails.
  - Darlington St
  - Piako River Bridge #16
  - Willoughby St
  - Canal West Rd
  - Canon St
  - Front Miranda Rd
  - Huirau Rd
  - Wani Rd
  - Golden Valley Rd
  - Hauraki Rd
  - Johnston St
  - Ridge View Pl
  - Savage Rd
  - Waitete Rd
  - Wrigley St
  - Landlyst Rd
  - Awaiti Rd
  - Factory Lane
  - Leonard St
  - Marshall St
  - Porritt St
  - Pukekauri Rd
  - River Rd (Ngatea)
  - Waitawheta Rd
  - Ferry Rd (Komata)
  - Komata Reefs Rd
  - Puhunga Island Rd North
  - Strange Rd

- Drainage work
  - Mahuta Rd North
  - Pouarua Rd North

- Slips on Komata Reefs Rd

- Incident Response
  - Tree down on Komata Reefs Rd
Rubbish removal on Kaihere Rd
Removal of tree hanging over one-lane bridge on Woodlands Rd,
Removal of tree from Campbell Rd, Waihi. Fire brigade was first responder.
Responded to issue where someone has sprayed a message on the road surface at Puhunga Island Rd bridge. This relates to the traffic management of the SH2 project through Ngatea.
Removing glass from a broken windscreen in Parry Palms Ave, Waihi.
Underslip and culvert damage on Goble Rd
Removal of tree down on Waikumete Rd
Responding to a crash site in Pukekauri Rd
Responding to a crash on Kaihere Rd
Removal of broken glass from Gilmour Str

- Rural roadside mowing and weed spraying.
- Streetlights in Kaiaua installed and commissioned.

2.1.2 Comments on Expenditure Financial Year to date

Expenditure to date is still tracking within the projected approved budget. Items of interest to note is that:
1. The higher than budgeted expenditure for Pavement Maintenance (pre-seal repairs) is starting to reflect in the Actual Year to Date amount. This higher than budgeted expenditure ($500k) was approved by Council for the Heavy Maintenance Programme (C19/276).
2. Lower than expected expenditure in Other Subsidised are mainly attributed to
   a. Slower than expected completion of routine bridge maintenance activities due to a illness of a key staff member of the Road Maintenance Contractor. This expenditure is expected to increase as bridge maintenance activities can also carry on in the winter months.
   b. Lower than expected expenditure on Minor Safety projects
   c. Lower than budgeted expenditure on Emergency events to date.

The Financial Report is included in Appendix B.

2.2 Capital Projects
2.2.1 Key Capital Project Achievements

Table 1 below shows the progress on the main capital projects scheduled for the 2019/20 financial year.

Table 1: Main Capital Projects – 2019/20

<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Rehabilitation – 2019/20</td>
<td>95%</td>
<td>Construction of Pavement Rehabilitation sections on Old Tauranga Rd, Central Rd South and Kaihere Rd are completed. One outstanding issue related to land drainage on Kaihere Rd.</td>
</tr>
<tr>
<td>Budget, Programs and Projects</td>
<td>Progress % complete</td>
<td>Comments / explanations (if off track)</td>
</tr>
<tr>
<td>-------------------------------</td>
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<td>---------------------------------------</td>
</tr>
<tr>
<td>Pavement Rehabilitation – 2020/21</td>
<td>60%</td>
<td>Designs for Awaiti West Rd, East Coast Rd and Pipiroa Rd Rehabilitation projects are nearly complete, and are currently programmed for construction in 2020/21</td>
</tr>
</tbody>
</table>
| Minor Improvements (2019-20) | 20% | Selected Projects to date:  
- Station Rd/SH25 intersection pedestrian crossing construction scheduled for March to April.  
- Waitete Rd footpath between Kimberley and Rata Streets design approved.  
- Top 11 Safety Risk roads – low cost treatments of 9 roads designed and under review.  
- Potential bridge replacement project being investigated – Mahuta Rd North Bridge no. 2.  
- Network wide assessment and making safe of slips on unsealed roads – consultant appointed and design work progressing.  
- Waitete Rd North hill section corridor improvements – under investigation  
- Ongoing footpath safety improvements linked to footpath renewal projects  
- Slips along Awaiti Canal Rd – investigation  
- Preventative maintenance on Komata Reefs Rd – investigation  
- Signage to indicate the end of maintained network – under investigation  
- Warning signage at Kindy’s and Playcentres – to be implemented  
- New Kea crossing at school in Coronation Rd – under construction  
- Potential upgrades to existing Kea Crossings in Turua and Norwood Ave – investigation |
<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward Projects 2019/20</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

- Whiritoa streetlighting upgrade – investigation underway to confirm need.
- Package of edge lines and centrelines to be implemented district wide as part of annual remark – reviewed and ready to be issued to contractor
- Speed limit bylaw review (speed management) – awaiting quote from consultant for preparation of speed management plan
- Hauraki/Huirau intersection widening project – design review by Technical Services. Land take negotiations to commence.

- Kerepehi Town Rd Footpath – Work on entranceways for 25, 71 and 73 to be done as part of the project as previous footpath renewal projects resulted in vehicle scrape issues at these entrances. Construction scheduled for March
- Kerb and Channel projects in Ngatea –
  - Kohunui Str K&C extension designed and ready for construction through maintenance contract, **reduced length and scope to fit budget.** Further stormwater improvements works will be required as a second stage to the project.
  - Request for K&C next to stop bank on River Rd received from WRC. Rough Order cost of $15k. Tentative indications that WRC will fund 50% of the project. Approval from Council will be required.
- Paeroa Ward projects:
<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Thames Rd - Raroa Rd to Station Rd – construction scheduled for March to April.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raroa Rd, Paeroa – construction scheduled for March to April.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arney St, Paeroa - Footpath Renewal (eastern side): design 80% completed. NZTA does not have funding available for renewal of the K&amp;C in the current NLTP.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opatito Rd, Paeroa - Footpath Renewal (Jokers Bakery (SH2) to Deale St): on hold.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arney St, Paeroa - Footpath Renewal (western side): design 80% completed. NZTA does not have funding available for renewal of the K&amp;C in the current NLTP.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willoughby footpath renewal – design completed. Water pipe renewal to be coordinated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queen Str Footpath renewal- completed. As-builds and RAMM update outstanding. Cost reconciliation to be completed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waihi Ward - Johnson Str Parking design cancelled and changed to Haszard Str, as St John’s Ambulances bought a new property. – on hold.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waihi Ward – Selection of footpaths renewals in Whiritoa completed. Further construction on pram crossings to be done in February</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waihi Ward – Consol Street footpath preliminary design completed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget, Programs and Projects</td>
<td>Progress % complete</td>
<td>Comments / explanations (if off track)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Bridge and Structures Component Replacement</td>
<td>15%</td>
<td>Design inspections completed and design of package of high priority works progressing. Selected projects to be implemented during current LTP.</td>
</tr>
<tr>
<td>Bradford Street Extension</td>
<td>15%</td>
<td>Design complete. One Land purchase agreement signed, two yet to be returned. Once land agreements received, the contract can be advertised for construction. Construction may need to be deferred until the summer of 2020/21 due to land purchase delays.</td>
</tr>
<tr>
<td>Mahuta Rd North Underslip</td>
<td>20%</td>
<td>Contractor appointed. Construction to be completed in March 2020</td>
</tr>
</tbody>
</table>

**Progress Key:**
- Red = Off track / behind schedule / over budget
- Orange = Rescheduled
- Yellow = Off track but will be back on track soon
- Green = On track
- Blue = Completed

### 2.2.2 Key Capital Projects Planned for January 2020

The work scheduled for December 2020 is shown in Table 2 below.

The capital programme for the financial year is shown in Appendix A attached.

#### Table 2: Capital Work Programme for January 2020

<table>
<thead>
<tr>
<th>Project</th>
<th>Ward</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Rehabilitation – 2020/21</td>
<td>District</td>
<td>Designs to continue</td>
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<tr>
<td>Minor Improvements (2019/20)</td>
<td>District</td>
<td>Project designs to continue. Appointed projects to continue with construction</td>
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<tr>
<td>Mahuta Rd North</td>
<td>Plains</td>
<td>Construction to continue</td>
</tr>
<tr>
<td>Ward projects</td>
<td>Wards</td>
<td>Paeroa Ward – Thames Rd footpath construction. Waihi Ward – Whiritoa footpath renewal project construction to continue Plains Ward – Kerepehi Town Rd footpath construction to continue</td>
</tr>
</tbody>
</table>

### 2.2.3 Key Issues and Risks

The following major risks associated with the capital programme have been identified.
Table 3 – Capital Programme Risks

<table>
<thead>
<tr>
<th>Issue or Risk</th>
<th>Budget implications</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery of Capital programme due to lack of resources</td>
<td>High</td>
<td>External project managers appointed.</td>
</tr>
</tbody>
</table>

3 Conclusion and Recommendation

In conclusion it is noted that all major projects are progressing and that maintenance activities are implemented on a monthly basis.

It is hereby recommended:

THAT the report be received

Lukas de Haast
TRANSPORTATION MANAGER
## Appendix A

### Capital Works Programme

<table>
<thead>
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<tbody>
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<tr>
<td>Pavement Rehabilitation designs and tender</td>
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</tr>
<tr>
<td>Minor Improvements</td>
<td>Individual projects progressing</td>
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<td>Ward projects</td>
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<tr>
<td>Structures Component Replacements</td>
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<td>xxx</td>
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</tr>
</tbody>
</table>
Appendix B

Roading Financial Measures
Key Indicators for the seven months ending 31 January 2020

<table>
<thead>
<tr>
<th>Operating Revenue (excluding Rates &amp; Capital funding from NZTA)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favourable YTD</td>
<td>$1,575,000</td>
<td>$2,886,000</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$1,575,000</td>
<td>$2,477,000</td>
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<tr>
<td>Full year forecast</td>
<td>$2,564,000</td>
<td>$9,311,000</td>
</tr>
</tbody>
</table>

- Income is higher than budget due to additional projects that have been approved.

- Pavement maintenance will be overspent for the year as approved by council resolution C19/276.

- Capital projects are ramping up over the summer months. It is expected that the planned projects will be delivered this year.
Information Report

To: Mayor and Councillors
From: Water Services Manager
Date: 18 February 2020
File reference: Document: 2707297
Portfolio holder: Councillor Harris
Meeting date: 26 February 2020
Subject: Water Services - Monthly Activity Report for January

Recommendation:

- THAT the report be received

Summary

This report summarises performance and issues in the Water Services work area. The body of the report refers to the January period.

WATER SUPPLY

Water Networks Operations Notebook

Various water mains renewals are underway in:

- Pouarua North Rd – Plains
- Orchard West Rd – Plains
- Junction Rd – Paeroa
- Russell St – Paeroa
- Thorpe St – Paeroa
- Larson Rd – Waikino
- SH2 Ngatea – Main street as part of the road upgrades

A 10m³/hr leak was found at Waikino, this one leak alone, halved the outflow from the Waikino reservoir. Work is still being undertaken to reduce water loss in the Waihi network by, lifting stormwater lids, testing for chlorine, following the stormwater network upstream until it goes dry and then pressure testing the surrounding properties.
This method has had positive results. Multiple small leaks were found in Kenny Street. All of these leaks were old copper service leads. It seems as if the service leads were not replaced when the network pipes were replaced the 1980’s. This will require further investigation and Council might have to consider replacing all the service leads in the Central Business District. Fixing these leaks did not have a significant impact on the water demand. Crews will keep on searching for leaks.

A quotation was obtained to fly the Waihi network with a drone to identify leaks using infrared cameras. The success of the technology and the geotechnical conditions on site did not warrant the expense and a decision was made to not trail this method at this stage.

**Acoustic Devices**

Given our recent success and the extent of the leaks in the network, the decision has been taken to procure a set of acoustic listening devices. The expected cost is $5,500.

**Water Treatment Operations Notebook**

- Tetley’s Quarry water level is at 55%. This is a good sign in late-summer, as it means we are unlikely to run empty before the rains return.
- CCTV Cameras have been installed in all of the water treatment plants; Waitakaruru Water Treatment Plant’s (WTP) cameras still need to be connected to the Kerepehi Control Room.
- The Waihi WTP AOP (Advanced Oxidation process – to treat taste and odour) system has been out of service for the last few weeks with no odour or taste issues.
- An incident is being investigated, where a power failure at Waihi WTP caused a minor chlorine leak on January 20th. The fire brigade was called as part of the emergency response. The alarm systems functioned as planned and the leak was attended to before it became an issue.
- Paeroa WTP’s hot water tank began leaking. A temporary repair was done, and a more permanent solution will be sought. A quote has been received for temporary repairs, and we will investigate the feasibility of replacing both Paeroa and Waihi WTP’s tanks.
- Chemtrex, one of HDC’s new chlorine suppliers, conducted site visits to determine what equipment needs to be provided and what modifications need to be made to our storage areas.
- The pumps at the Pekapeka intake have not been achieving their design flow. This impacted on the treatment capacity at the Kerepehi Water Treatment Plant. A pump specialist visited the intake to inspect the performance of the raw water pumps. At the conclusion of his visit, an action plan was devised to:
  - Have a diver inspect the foot valves and physical inlets in the Waihou River (completed – divers cleared obstructions and pump performance returned to historical flows)
  - Dig up intake line to search for a presumed leak (Not required anymore)
  - Strip and inspect Pump B to check for wear (will be done when there is less pressure on the network)
• Kerepehi and Waihi WTP’s have been running close to their design limits for the past few months.
• Waitakaruru WTP operations were optimised to allow it to run at its design limit, easing the pressure on Kerepehi WTP.

March / April Planned Works
• Water main replacements: Waikino Bridge, Consols Street – Waihi.
• Dead end flushing of water mains to start – this has been delayed due to the current water shortage.
• Longer term repairs to hot water tanks

Water Restrictions

The river level in the Walmsley has dropped to below consent limits and extraction from this source was stopped in December. Waihi is currently supplied from the Ohinemuri River supply. River levels are low and at consent reduction stage. Demand is also very close to treatment capacity. It is therefore difficult to maintain reservoir storage levels. Water restrictions have therefore been implemented. There is currently a total water ban in place in Waihi.

River levels in the rest of the district are also very low and the consumers on the Paeroa network has been asked to start saving water. Water restrictions to other areas might become a necessity in the rest of the district.

Water restrictions are reviewed on a weekly basis by the Group Manager Engineering Services.
WASTEWATER

Networks Operations Notebook

- A potential dry weather overflow is being investigated at the Victoria Street pump station in Waihi. WRC was notified and attended site to take samples.
- 10 Multismart pump controller units have been delivered and installation will start in the coming month.
- An additional pump purchased and installed at the Dean Crescent pump station in Waihi – the station now has 2 pumps therefore significantly reducing risk of an overflow as a result of pump failure.
- The report into the condition of the wastewater pumpstation switchboards and cabinetry has been completed and has identified multiple faults that need addressing. Rectification of this faults will be tendered shortly.
- A replacement pump for the Ramarama pump station in Paeroa has been purchased and will be installed this month.
- Meeting on site with owner of 23 Taylors Ave regarding alignment of proposed sewer diversion. The owner is happy with proposal so the design will now be finalised.

Treatment Operations Notebook

- The following 8 consent exceedances were recorded in January:
  - Kerepehi Sewer Treatment Plant (STP):
    - Total Suspended Solids
  - Ngatea STP:
    - Escherichia coli (E.coli)
    - Total Suspended Solids
  - Paeroa STP:
    - Total Ammoniacal-Nitrogen
    - Total Suspended Solids
  - Turua STP:
    - Total Suspended Solids
  - Waihi STP:
    - Total Kjeldahl Nitrogen (TKN)
    - Total Ammoniacal-Nitrogen
  - Almost all the exceedences are linked to shortened retention time in the ponds. The shortened retention time is due to the amount of silt in the ponds. The infiltration beds(slag beds) at the Paeroa STP is also underperforming due to blockages and the age of the slag. Both of these two issues will require significant investment to resolve and will be addressed as part of the Wastewater strategy.
  - Consultation on the Whiritoa Sewer Treatment plant discharge consent is ongoing. The application has been submitted to Waikato Regional Council for consideration.
  - GHD Consultants have begun work on renewing Paeroa STP’s resource consent and investigating possible plant improvements. A hui is planned for
the middle of February to explain the process for the Wastewater strategy and to consult on the short term consent for the Paeroa STP to local Iwi.

- Avian Botulism is still an issue at some of the Sewer Treatment plants. We are liaising with Fish and Game to try and manage the spread of the disease amongst the birds on our wastewater ponds.
- Leachate from the closed landfill in Bultown road is discharged through a sewer pipe that runs through the area that is affected by settlement. The pipes in this area are very flat and in some cases runs uphill and therefore holds water and that causes leachate encrustation and solids in low lying dips.

March / April Planned Works

- Taylors Ave overflow: - install catch-pit on HDC lot as proposed to WRC to prevent overflow leaving site to neighbours. Includes solids sieving and containment bunding and isolation fencing.
- Continue repairs and maintenance at WWTP’s around sensor renewal and calibration, vulnerable wiring and similar housekeeping issues.
- Maintenance on Waitakaruru pressure pump network
- Preventative network cleaning about pit rim walkway sewers.
- Install Multismarts
STORMWATER

Operations Notebook

- Regular stormwater drain maintenance programme completed

March / April Planned Works

- Installation of 70m of stormwater at Pipiroa Road. This work will complete the piping of the stormwater in the existing residential area road frontage.
- Receive design and seek quotes for drain retaining wall replacement – beside drive of 33 Arney St Paeroa
- Seek landowner approval for storm water bubble up catch-pit lead connection at 475 Hauraki Rd / 14 Waihou St, Turua.
- Tech Services to seek landowner approval for storm water inlet lead connection at rear of 40 Thames Rd.
- Continue to review “Council” drains that should be on the GIS system in Kerepehi and Whiritoa – keep marking up plans to show additional significant drains and overland flow paths and known localised minor ponding areas that will be recommended to be added to GIS.
- Obtain quotations for Walker St Waihi storm water scour remediation gabion design
- Install drain at 76 Kontiki Rd, Whiritoa.

Recommendation

- THAT the report be received

EJ Wentzel
WATER SERVICES MANAGER
## Water Financial Measures

**Key Indicators for the seven months ending 31 January 2020**

<table>
<thead>
<tr>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favourable YTD</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>YTD budget</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>Full year budget</td>
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</tr>
<tr>
<td>Full year forecast</td>
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<tr>
<td>Unfavourable YTD</td>
<td>$(2,487,000)</td>
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<td>YTD budget</td>
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<td>Full year forecast</td>
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<tr>
<td>Full year forecast</td>
<td>$3,000</td>
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<tr>
<td>Capital Expenditure</td>
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<td>$1,614,000</td>
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<tr>
<td>Favourable YTD</td>
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<td>YTD Forecast</td>
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<tr>
<td>Full year budget (Original)</td>
<td>$5,270,000</td>
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</tr>
<tr>
<td>Full year forecast</td>
<td>$10,539,000</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue

### Expenditure

*Treatment:* $21K is spent on annual consent charges, this was not budgeted for. The operating team migrated from C&M to water services. This results in the C&M budget being unspent however the wages for the personnel is anticipated to exceed original budget due to increased team size, $260K YTD.

*Other:* A third party has damaged our reticulation network, this was an unforeseen expense. We aim to recoup this from the responsible party. However this is proving difficult.

*Fixed Costs:* Rates expense is less than budget, representing a saving.

### Capital Expenditure

Capital works programme is tracking behind anticipated levels and would potentially have to be pushed into 2020/2021 Financial Year.
Wastewater Financial Measures
Key Indicators for the seven months ending 31 January 2020

<table>
<thead>
<tr>
<th>Operating Revenue (excluding rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfavourable YTD</td>
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<td>$1,343,000</td>
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<tr>
<td>YTD budget</td>
<td>$(88,000)</td>
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<td>Full year budget</td>
<td>$174,000</td>
<td>$1,230,000</td>
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<td>Full year forecast</td>
<td>$250,000</td>
<td>$3,197,000</td>
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<tr>
<td></td>
<td>$211,000</td>
<td>$3,318,000</td>
</tr>
</tbody>
</table>

Revenue
A commercial wastewater discharge contract was renegotiated resulting in lower income that provided for in the budget. The Water Services Manager expects to see offsetting savings in expenditure.

Expenditure
Pumps: Unfavourable variance reflects increased reactive repairs required due to inclement weather and pump failure at Ngatea.
Other: Unfavourable variance reflects investigations undertaken into dry weather overflow events and also brought on by the wet wipes campaign.
Reticulation: Overflow from network resulted in dig up. Connection failure at Ngatea had to be repaired causing extra costs.
Fixed Costs: Rates expense is less than budget, representing a saving.

Capital Expenditure
Capital works programme is tracking behind anticipated level some projects might carry forward into the next financial year.
### Storm Water Financial Measures

**Key indicators for the seven months ending 31 January 2020**

<table>
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<tr>
<th></th>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
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<td><strong>Full year budget</strong></td>
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<td><strong>Full year forecast</strong></td>
<td>$0</td>
<td>$843,000</td>
<td>$183,000</td>
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</tbody>
</table>

#### Operating Expenditure

- Vegetation Control
- Pumps
- Other
- Mechanical Cleaning
- Maintenance/hiring/strategy
- Hoodgreens

#### Capital Expenditure

- Stormwater

**Revenue**

N/A

**Operating Expenditure**

A number of minor variances to budget.

**Capital Expenditure**

Stormwater Paeroa has exceeded budget by $5K.
1 Summary

This report summarises performance and issues in the Waste Management work area. The body of the report refers to January 2020.

2 General

The weight of refuse going to landfill has decreased in January from both kerbside and our RTS sites. This is reflected in Figures 1 & 2, further down in this report.

The Kerbside measure of waste going to landfill for the month of January was 10.6kg/person, an increase from last month’s 6.7kg/person and is not on target of 6.2kg/person.

The total refuse going to landfill is still below and within the target for 2022, there was a decrease for January at 20.5kg/person. The target is 26.3kg/person/month with November being 20.5kg/person and December being 21.9kg/person.
3 Transport Tonnages:

The tonnage of waste transported from the Paeroa & Waihi transfer stations to the landfill at Tirohia is presented in Figure 1.

![HDC Monthly Transport Tonnage](image)

Figure 1: Waste Transported from RTS’s

Both Paeroa and Waihi tonnages have decreased for the month of January. This is reflected across the data in this report.
4 Diversion

Figure 2 below shows the weight in tons, of each waste stream coming from the three source areas managed in the contract, namely Kerbside collections and the Paeroa and Waihi Refuse Transfer Stations (RTS’s). It shows the current month plotted against the previous month for easy comparison.

The definitions of the different components of the waste stream are as follows:

- **Recycling**: Mixed cardboard, plastics, aluminium, etc., from a Kerbside Wheelie Bin.
- **Glass**: As it says, but sorted into clear, green and brown.
- **Cardboard**: Cardboard on its own, not mixed, from RTSs.
- **Commingle**: The same as recycling, but from the RTSs.
- **Green Waste**: As it says and includes the category Mulch.
- **Refuse**: None of the above, everything that goes to landfill.

<table>
<thead>
<tr>
<th>Summary of Waste Streams for 2019 - 2020</th>
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<tr>
<td>Weight (t)</td>
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<tr>
<td>Recycling</td>
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<td>Glass</td>
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<tr>
<td>Cardboard</td>
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<tr>
<td>Commingle</td>
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<tr>
<td>Green Waste</td>
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</tbody>
</table>

Figure 2: Summary of waste streams in January

In January 2020 30.9% of solid waste collected was diverted from land fill. November and December were 26.8% and 25.5% respectively, giving January a slight increase. We have noticed that diversion at the kerb (48.9%) is always better than the RTSs. Paeroa is at 8.7% and Waihi 20.6%. The assumption is, that most of the recycling is picked up with the kerbside collection.

Waste Minimisation Targets

On the following page are the graphs representing the waste stream going to landfill, compared to the targets set for 2022 in the Waste Minimisation Plan.

Also shown and compared are the volumes of refuse and recycling generated from the various sources, namely: Kerbside collection, Paeroa RTS and Waihi RTS.

The calculations for the graphs were based on the following assumptions:

- Rated properties: 6,927 (rated for refuse collection)
- District Population: 20,022 (2018 Census Data)
- Applied Kerbside Population: 13,300 (2018 Census Data)
### HDC Waste Summary for 2020

#### 2022 Targets

<table>
<thead>
<tr>
<th>Kerbside</th>
<th>Total 2022 Target</th>
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</thead>
<tbody>
<tr>
<td>(kg/Prsn/Yr)</td>
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</table>

#### Kerbside 2022 Target

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<th>Mar</th>
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<th>May</th>
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<th>Jul</th>
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#### Properties Rated: 6,927 (properties)

- Kerbside Population: 13,300 (2018 Census)
- District Population: 20,022 (2018 Census)

### Diversion

#### Refuse (t)

<table>
<thead>
<tr>
<th>Jan</th>
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<tbody>
<tr>
<td>140.6</td>
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#### Re-cycling (t)

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<tbody>
<tr>
<td>134.4</td>
<td>12.3</td>
<td>36.5</td>
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### Recycling

#### Kerbside

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#### Paeroa RTS

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<td>140.6</td>
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<td>140.7</td>
<td>410.6</td>
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#### Waihi RTS

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<th>May</th>
<th>Jun</th>
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<th>Dec</th>
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</thead>
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</tbody>
</table>

### Population Data used:

- updated Jan 2020
5 Capital Works:

Paeroa RTS Site:
- Planning nearly complete.
- Survey data complete.
- Resource Consent application in progress.
- Installation of cameras complete.

Waihi RTS Site:
- Planning complete
- Quotes for almost all components received.
- Resealing complete;
- Civil work design complete.
- Survey and Scala tests complete.
- Next phase – upgrading the scrap metal area.
- Installation of cameras

6 Financial Comment:

Currently, there is nothing out of the ordinary to comment on. Please see Appendix A for a summary.

7 Waste Minimisation:

Media Campaign:
While certain attempts have been made to initiate a media campaign, the focus has been from managing it internally. Due to limited resources it hasn’t taken form and it was suggested by the Communications team that we investigate the use of the same company that we used for the Wet-Wipe campaign.

The progress to date is: staff have met and discussed with the external company our goals and targets. They have been working with Tauranga City Council on the same issue and they (TCC) are happy to share their work with us. We are in the process of initiating a waste audit which will be extended to TCDC. This is the first and essential part of the campaign, it will help us identify and target the main items in the waste stream that can be diverted.

The consultants will be sending us a proposal and options that will be presented to the Waste Minimisation Working Party (WMWP), who will suggest a way forward and then a paper will be brought to Council.

The consultants have suggested a 2-3year campaign, however, once we have a better understanding of the structure and cost of the campaign, then we will speak to our neighbouring Councils to see if they would want to participate in a joint campaign.

Paeroa Reuse Centre:
No change in this paragraph since the last report, the items listed below are being worked on. HDC obligations for the establishment of the Re-use Centre, include obtaining a resource consent to lift part of the site out of the Paeroa Inundation Zone. The resource consent application has been submitted. Once the consent has been obtained work on elevating the ground can commence.

Quotes & procurement for the other areas where HDC has made a commitment, are being worked on and are as follows:
- Installation of a toilet & shower facility in the existing building, this includes new wastewater & water connections.
- Erection of a fence separating the RTS activities from the Re-use Centre,
- Purchase of a shipping container for SEL to use for storage in compensation for the building given to the Re-use Centre to use.
- And finally re-contouring the site for maximum use.

That concludes this report

Steve de Laborde
Infrastructure Systems & Planning Manager
### Appendix A: Financial Report

#### Solid Waste Financial Measures

**Key Indicators for the seven months ending 31 January 2020**

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$56,000</td>
<td>$440,000</td>
<td>$31,000</td>
</tr>
<tr>
<td>Unfavourable YTD</td>
<td>$(2,000)</td>
<td>$(105,000)</td>
<td></td>
</tr>
<tr>
<td>YTD budget</td>
<td>$58,000</td>
<td>$335,000</td>
<td>$124,000</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$65,000</td>
<td>$588,000</td>
<td>$265,000</td>
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<tr>
<td>Full year forecast</td>
<td>$83,000</td>
<td>$993,000</td>
<td>$265,000</td>
</tr>
</tbody>
</table>

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### Revenue

Infrastructure Services and Planning Manager is currently awaiting confirmation of potential usage charges, we anticipate this income to be around $270K.

### Operating Expenditure

Refuse Collection - Increased costs due to Emissions Trading Scheme rates and costs associated with Consumer Price Index have caused a higher than budgeted expense. We aim to recoup some of this expense from bag sales.

Transfer Stations - Waste disposal fee has exceeded budget YTD. This was due to employing extra staff. It is expected to continue for the remainder of the year. Activity Manager expects this to be closer to $300K for the year.

### Capital Expenditure

Capital works programmes are tracking behind schedule, but is anticipated to be delivered on schedule.
Information Report

To: Mayor and Councillors
From: Infrastructure Systems and Planning Manager
Date: Wednesday, 19 February 2020
File reference: Document: M2719577
Appendix Appendix A – Progress of the Annual Spray Programme.
Appendix B – Financial report
Portfolio holder: Councillor Phillip Buckthought
Meeting date: Wednesday, 26 February 2020
Subject: District Drainage Activity Report
To 31 January 2020

Recommendation:
THAT the report be received.

Operations Notebook
- 142.35km of drains have been sprayed and 3kms of drains have been machine cleaned in this financial year.
- While minor work has been done, the full Mechanical cleaning programme as detailed below is now underway.
- Minor maintenance has been undertaken in all districts.
- Routine inspections of floodgates, culverts and pump stations have been undertaken and cleared as required.
- No pump screen cleaning occurred in January.

While not a complete list, the drains inspected so far and scheduled for mechanical cleaning are as follows:

<table>
<thead>
<tr>
<th>B72</th>
<th>Torehape Feeder</th>
<th>D22</th>
<th>North Catchment</th>
</tr>
</thead>
<tbody>
<tr>
<td>B73</td>
<td>Stichbury</td>
<td>C55</td>
<td>Kerepehi Township</td>
</tr>
<tr>
<td>B79</td>
<td>Torehape Equaliser</td>
<td>C50</td>
<td>Monganui</td>
</tr>
<tr>
<td>B52</td>
<td>Railway Canal</td>
<td>D74</td>
<td>Vowles</td>
</tr>
<tr>
<td>B59</td>
<td>Central Rd South East Side</td>
<td>D62</td>
<td>Bradley</td>
</tr>
<tr>
<td>C32</td>
<td>Willow</td>
<td>C14</td>
<td>Towers</td>
</tr>
<tr>
<td>C02</td>
<td>Opani Point</td>
<td>C05</td>
<td>Pines</td>
</tr>
<tr>
<td>C46</td>
<td>Bagnall/Ansford</td>
<td>D23</td>
<td>South Catchment</td>
</tr>
<tr>
<td>D40</td>
<td>McCormick-Jefferies</td>
<td>D37</td>
<td>Simpson</td>
</tr>
<tr>
<td>D24</td>
<td>Spencer</td>
<td>C39</td>
<td>Gumtown R/Side</td>
</tr>
</tbody>
</table>

Capital Works Programme
The capital works consist of assessing and raising stopbanks and refurbishing pumps and pump screens.

Stopbanks
All of our primary stopbanks from Waitakaruru to Miranda North in the Western Plains and the secondary stopbanks on the high level drains of the Eastern Plains, known as The Terraces, are being assessed.

Progress to date:
• The survey and design of the following stopbanks has been completed.
  • Foreshore (WPDD)
    o Waitakaruru to Karito
    o Karito to Hot Springs
    o Hot Spring to Miranda
  • Canals (WPDD)
    o Hot Springs Canal
    o Karito Canal
  • The Terraces (EPDD)
    o Miller
    o Sloane
    o Johnstone
    o Prices
• The resource consent application for works in the Hot Springs and Karito Canals has submitted. See status below.
• The Ecology Assessment has been completed and submitted, as per WRC request.
• Imported material volumes & first order costs for importing material and plant hire have been calculated.

Resource Consents are required for any earthworks in modified watercourses. WRC are still in the process of assessing our application. Once they are satisfied that we’ve addressed their concerns, conditions of the resource consent for cleaning the Hot Springs and Karito Canals will be sent to us to comment on. WRC have assessed the ecological report that we were required to submit and have posed further questions for us to answer. We have sent them a response.

The Borrow Pit dig for the foreshore stopbanks is getting underway, this will take 3-4 months to complete and is a permitted activity, i.e. no resource consent required. This will be a section from just north of the Indian floodgate in Waitakaruru to the mouth of the Karito Canal, approximately 3km. This section of stopbank has the highest percentage of bank below design height. This project is in the procurement phase.

Financial Comment
There is nothing significant to report on the finances yet. There have been a few minor expenses incurred from spraying, however most are expected to start occurring from February when the mechanical cleaning gets underway. Please see Appendix B for a summary.

Elections of Drainage Committees
The new Drainage Committees will be elected in March. The nomination forms are in the process of being sent out to all the rate payers within the drainage districts.

That concludes this report.

Steve de Laborde
INFRASTRUCTURE SYSTEMS AND PLANNING MANAGER
Appendix A – Progress of the Annual Spray Programme.
### Appendix B: Financial Report

#### Land Drainage Financial Measures

**Key Indicators for the seven months ending 31 January 2020**

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue (excluding Rates)</th>
<th>Operating Expenditure</th>
<th>Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$338,000</td>
<td>$43,000</td>
</tr>
<tr>
<td>Favourable YTD</td>
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<tr>
<td>YTD budget</td>
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<td>$336,000</td>
<td>$719,000</td>
</tr>
<tr>
<td>Full year budget</td>
<td>$0</td>
<td>$1,150,000</td>
<td>$1,233,000</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>$0</td>
<td>$1,232,000</td>
<td>$1,233,000</td>
</tr>
</tbody>
</table>

#### Operating Expenditure

- **Vegetation Control**
- **Pumps**
- **Other**
- **Mechanical Cleaning**
- **Maintenance/Fencing/Culverts**
- **Floodgates**

![Operating Expenditure Graph](image)

#### Operating Revenue (Excluding Rates)

No Income for this Activity

#### Operating Expenditure

- **Pumps**: Reactive works involving cleaning and investigations at Western Plains totalled $12K. This was not budgeted for.

#### Capital Expenditure

Capital works programmes is tracking behind anticipated levels. The Pūkorokoro project ($600,000) is unlikely to proceed this year.
HAURAKI DISTRICT COUNCIL

WESTERN PLAINS DRAINAGE DISTRICT

MINUTES OF A MEETING OF THE WESTERN PLAINS DRAINAGE DISTRICT COMMITTEE HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON TUESDAY, 4 FEBRUARY 2020 COMMENCING AT 10.30 AM

PRESENT  Messrs B A Carter (Chairperson), B Keane, G Laurich, H van Eyk, R D Young, P Johnstone, Cr P Buckthought and Cr R Garrett

IN ATTENDANCE  Brendan Manning (WRC - Works Supervisor – Projects and Compliance), A de Laborde (Group Manager –Engineering Services), Mr S de Laborde (Infrastructure Systems & Planning Manager), Mr B Stephens (Drainage Overseer) and Ms C Black (Council Secretary)

APOLOGIES

RESOLVED

THAT the apology of P Paterson and B Pirie be received and sustained.

WPDD20/01  van Eyk/Keane  CARRIED

LATE ITEMS

There was no late items.

CONFIRMATION: WESTERN PLAINS DRAINAGE DISTRICT COMMITTEE MINUTES (03-12-19) (2704096)

RESOLVED

THAT the minutes of the meeting of the Western Plains Drainage District Committee held on Thursday, 03 December 2019 be taken as read and confirmed.

WPDD20/02  Buckthought/van Eyk  CARRIED

MATTERS ARISING FROM THE MINUTES

Gavin Laurich – Hopai Road – Ponding Issues

Gavin Laurich reiterated the issue. Brendan Manning stated he would investigate further with WRC. Gavin believes the floodgate is not in the right place. That is why he is putting a block in it. He believes he is paying full rate. The issue arises when the tide is coming he takes water from other properties.

Karito Canal - Resource Consent

There was discussion regarding the time and compliance issues for this consent.

Steve de Laborde and the Drainage Overseer are still awaiting on final resource consent.

Waikato Regional Council Update – Brendan Manning

- Maukoro Canal – hay has been baled along the edge of the canal.
- WRC staff have sprayed bristle grass along roadside edges of the Maukoro canal.
- Richard Flint has reviewed this area.
Maukoro line back – cleaned Maukoro landing road drain which has had weed removed to clear bank to ensure water can get back out. Taken willow trees out and topped up stopbank.

Helicopter spraying has been booked next 2 weeks. Routine spraying has been undertaken on the Piako.

Tractor has been purchased predominantly for spraying.

Dead ducks have been found in Waitakaruru foreshore drain causing botulism – WRC have been removing them from the direction of the Department of Conservation.

DISTRICT DRAINAGE REPORT (NOVEMBER AND DECEMBER) AND FINANCIAL REPORT (FOR THE 6 MONTHS TO 31 DECEMBER 2019) (2705140)

RESOLVED

THAT the Drainage (November and December) and financial report for the 6 months to 31 December 2019 are received.

WPDD20/03 Buckthought/Johnstone CARRIED

Ngatea Rainfall

Extremely low.

Budget Review Annual Plan 2020-21

Adrian de Laborde presented the Annual Plan 2020-21 budgets. Provided an explanation of the operating budgets and capital works programme. Requested feedback from the Committee on operating budgets not capital works.

There were no significant changes.

Land Drainage Advisory Committees Elections 2020-23 Term

Staff updated on the Land Advisory Committee election process which will be held between 25 February and 31 March.

GENERAL BUSINESS

MEMBERS’ COMMENTS

Ross Young – Mangawhero Flume – old system needs repair downstream.

Gavin Laurich – Brendan addressed question from Gavin regarding Rawerawe roadside drain (by Gill Leonard’s property) looking to cut drain back to increase flow and take out fencing and purchase land option.

The meeting closed at midday.

CONFIRMED

B A Carter
Chairperson

5 March 2020
HAURAKI DISTRICT COUNCIL

EASTERN PLAINS DRAINAGE DISTRICT COMMITTEE

MINUTES OF A MEETING OF THE EASTERN PLAINS DRAINAGE DISTRICT COMMITTEE HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON TUESDAY, 4 FEBRUARY 2020 COMMENCING AT 1.00PM

PRESENT

Messrs R Hunter (Chairperson), K J Reid, K R Caddy, T Nicholson, A Green, P Schouten, R Webster and Cr P Buckthought and Cr R Garrett

IN ATTENDANCE

Brendan Manning (WRC - Works Supervisor – Projects and Compliance), S de Laborde (Drainage Manager), A de Laborde (Group Manager – Engineering Services), Mr B Stephens (Drainage Overseer) and Ms C Black (Council Secretary)

APOLOGIES

RESOLVED

There were no apologies.

LATE ITEMS

There were no late items.

CONFIRMATION OF MINUTES

CONFIRMATION: EASTERN PLAINS DRAINAGE DISTRICT MEETING HELD ON (03-10-19) (2665555)

RESOLVED

THAT the minutes of the meeting of the Eastern Plains Drainage District Committee held on Thursday 03 October 2019 be taken as read and confirmed.

EPDD20/01 Reid/Buckthought CARRIED

MATTERS ARISING FROM THE MINUTES

Items for consideration for inclusion in LTP 2018-28

Members queried projects for inclusion in the LTP.

Richard Webster was concerned that information from HDC and WRC on operational works projects and why they are happening in advance is not well communicated to the Eastern Plains Drainage Committee. He asked that the Committee be included in the same information being discussed.

Roger Hunter asked that a priority list of drains that are programmed to be cleaned be sent through to all committee members.

WRC UPDATE

- Erosion work on Main River by Kopu Bridge to Turua – this work has been undertaken as protection work.
- Awaiti pump station – remedial work has been completed.
• No. 10 floodgate – new flaps just out of kerepehi. Flaps have been replaced. New sluice gates have been replaced with hydraulic rams.

• Awaiti West pump station – re-piling of building has been undertaken as well as 3 other pump stations over the last couple of years.

• Cox’s desilting pipe – burrowpit was filling up. Two new pipes have been installed.

• Tractor has been purchased as a cost saving initiative. Will be used for spraying predominantly and will assist with work on floodgates and pumps.

• Disbanding of Waihou-Piako Catchment Committees – Roger Hunter updated on this matter. Previous members representing Hauraki Plains have voluntarily requested they seek no remuneration for attending catchment committee meetings but stressed that they be reinstated. Currently awaiting a response from WRC. These committees do not have any delegated authority but are advisory only. He believed the effects of the communities will be serious without them.

DRAINAGE REPORT – SEPTEMBER – DECEMBER 2019 AND FINANCIAL REPORT FOR THE 6 MONTHS TO 31 DECEMBER 2019 (2705141)

The Infrastructure Systems and Planning Manager presented the drainage report for September to December and financial report for the period 6 months to 31 December 2019.

RESOLVED

THAT the report be received.

EPDD20/02 Caddy/Buckthought CARRIED

EASTERN PLAINS DRAINAGE DISTRICT – 2020-21 BUDGET REVIEW (2705253)

Adrian de Laborde presented the report. Primary consideration is the operational budget for next financial year.

Staff have aligned the 2020-21 annual budget to what was indicated last year.

LAND DRAINAGE ADVISORY COMMITTEE LECTIONS 2020-2023 TERM

Staff updated on the upcoming Land Drainage Advisory Committee election process which would be taking place over the period 25 February to 31 March.

MEMBERS’ COMMENTS

Andrew Green stated that the culvert head balls in Flint’s portion of the drain need repair.

Ted Nicholson – due to the extreme dry conditions there appears to be no drainage issues in his area.

Richard Webster and Peter Schouten – no issues.

Keven Caddy – noted the very good work carried out by WRC re the dig-out of the Awaiti Canal which has been dug out to Awaiti Road.
Brendan Manning advised that the middle section of the Awaiti Canal has been taken out under the consent.

Kim Reid – stated that H drain has no weed for a change due to dry weather.

Roger Hunter – considered drains are looking good all round.

P3 Group Support

The Chairman asked the members if they know of any farmers that may be under stress due to the current drought conditions or other issues of concern that they refer them to the P3 group who are available for support.

The meeting closed at 2.27pm.

CONFIRMED

R Hunter
Chairperson
7 May 2020