

Agenda for a meeting of the Policy & Regulatory Committee to be held via Audio Visual Conference on **TUESDAY, 22 MARCH 2022** commencing at **9.30am**.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

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GJ Ion
CHIEF EXECUTIVE

POLICY & REGULATORY COMMITTEE

Reports to:	Council
Chairperson:	Cr Jan Sedgwick
Deputy Chairperson:	Cr Noel Smith
Membership:	The Mayor, all Councillors and Mrs Maxine Moana-Tuwahangi (Maangai Maaori)
Meeting frequency:	Six-weekly
Quorum:	Majority of the members (including vacancies)

Purpose

The Policy & Regulatory Committee is responsible for the Council's governance policies and bylaws, reviewing the District Plan and overseeing civil defence and emergency management issues.

In addition to the common delegations on page 10, the Policy & Regulatory Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To establish, implement and review the governance policy framework that will assist in achieving the Council's strategic priorities and outcomes.
2. To develop, review and approve the consultation process for Council bylaws.
3. To consider and determine changes to the schedules and parking restrictions in the Public Places Bylaw 2016, including hearing any submissions relating to those proposed changes.
4. To hear and determine matters arising under current bylaws, including applications for dispensation from compliance with the requirements of bylaws, unless such matters are otherwise delegated by Council.
5. To administer the Council's District Plan in accordance with the Resource Management Act 1991.
6. To monitor the performance of regulatory decision-making by the District Licensing Committee¹, Regulatory Subcommittee and officers under their respective delegations.
7. To monitor the Council's Civil Defence and Emergency Management framework.

¹ For clarity, the District Licensing Committee is a committee of Council under the Sale and Supply of Alcohol Act 2012.

The Committee is delegated the following powers to act:

Governance Policies

- Develop and agree governance policies for the purpose of consultation/engagement.
- Recommend to Council policy for adoption, amendment or revocation.
- Monitor and review policy, including recommending amendments to any policy as and when required.

Bylaws

- Develop and approve the statement of proposal for new or amended bylaws for consultation.
- Recommend to Council new or amended bylaws for adoption.

District Plan

- Review and approve for notification a proposed district plan, a proposed change to the District Plan, or a variation to a proposed plan or proposed plan change (excluding any plan change notified under clause 25(2)(a), Schedule 1 of the Resource Management Act 1991)
- Withdraw a proposed plan or plan change under clause 8D, Schedule 1 of the Resource Management Act 1991.
- Make the following decisions to facilitate the administration of plan changes, variations, designation and heritage order processes:
 - a. To decide whether a decision of a Requiring Authority or Heritage Protection Authority will be appealed to the Environment Court by the Council and authorise the resolution of any such appeal, provided such decisions are consistent with professional advice.
 - b. To consider and approve Council submissions on a proposed plan, plan changes, and variations.
 - c. To monitor the private plan change process.
 - d. To accept, adopt or reject private plan change applications under clause 25, Schedule 1, Resource Management Act 1991.

Other Resource Management Issues

- Pursuant to Section 34(1) of the Resource Management Act 1991, to exercise all of the Council's functions, powers and duties under that Act, except the functions, powers and duties:
 - a. that cannot be delegated or that are otherwise retained by the Council under its terms of reference; or
 - b. expressly delegated to other Council committees or decision-making bodies, or officers.

- Monitor and approve submissions in relation to National Policy Statements.

Civil Defence and Emergency Management

- Monitor the performance of Waikato District's civil defence and emergency management response against Council's requirements under the Civil Defence and Emergency Management Act including:
 - a. implementation of Government requirements; and
 - b. co-ordinating with, and receiving reports from, the Waikato Region Civil Defence and Emergency Management Group Joint Committee.

Other Delegations

- Exercise all of the Council's functions, powers and duties under the Building Act 2004, the Health Act 1956, and the Food Act 2014, and the respective regulations made under these Acts, except the functions, powers and duties:
 - a. that cannot be delegated or that are otherwise retained by the Council under its terms of reference; or
 - b. expressly delegated to other Council committees or decision-making bodies, or officers.
- Approval of attendance of elected members at conferences, seminars, training or events, in accordance with Council policy.

To | **Policy & Regulatory Committee**
Report title | **Confirmation of Minutes**

1. Purpose of the report
Te Take moo te puurongo

To confirm the minutes for the meeting of the Policy & Regulatory Committee held on Wednesday, 24 November 2021.

2. Staff recommendations
Tuutohu-aa-kaimahi

THAT the minutes for a meeting of the Policy & Regulatory Committee held on Wednesday, 24 November 2021 be confirmed as a true and correct record.

3. Attachments
Ngaa taapirihanga

Attachment 1 – P&R Minutes, Wednesday, 24 November 2021

Date:	14 March 2022
Report Author:	Grace Shaw Democracy Advisor
Authorised by:	Gaylene Kanawa Democracy Team Leader

Minutes for the meeting of the Policy & Regulatory Committee of the Waikato District Council held via Audio Visual Conference on **WEDNESDAY, 24 NOVEMBER 2021** commencing at **9.30am**.

Present:

Cr NMD Smith (Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr AD Bech
Cr JA Church
Cr C Eyre
Cr JM Gibb
Cr SL Henderson
Cr SD Lynch
Cr RC McGuire
Cr FM McInally
Cr EM Patterson
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr GJ Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Mrs S O’Gorman (General Manager Customer Support)
Mr R MacCulloch (General Manager Service Delivery)
Mr C Morgan (General Manager Community Growth)
Mr M Horsfield (Democracy Advisor)
Mrs LM Wainwright (Democracy Advisor)
Mrs T Heera (Strategic Planner)
Mr F Bell (Strategic Planner)
Mr A Pipe (Environmental Health Team Leader)
Mr G Bellamy (Senior Transportation Engineer)
Ms L Hood (Corporate Planner)
Ms J Bell-Wymer (Corporate Planner)
Mrs S Bourke (Community Safety Manager)
Ms H Beaven (Corporate Planner)
Ms M Russo (Corporate Planning Team Leader)
Ms A Sayer (Policy Advisor)
Ms A Diaz (Chief Financial Officer)
Mr J Ebenhoh (Planning & Policy Manager)
Ms M May (Community Connections Manager)
Ms Z Al-Khaleefa (Three Waters Contract Engineer)

Attending (continued):

Ms K Ridling (Senior Solicitor RMA)
 Ms S Baker (Community Venues & Events Team Leader)
 Ms R Law (Reserves Planner)
 Mr J Fuller (Strategic Planner)
 Ms T Oakes (Animal Control Team Leader)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Smith/Thomson)

THAT the Policy & Regulatory Committee accepts the:

- a) apologies from Cr Sedgwick and Ms Moana-Tuwhangai for non-attendance;
and
- b) apology from Cr Patterson for early departure.

CARRIED

P&R2111/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Smith/Gibb)

THAT:

- a) the agenda for the meeting of the Policy & Regulatory Committee held on **Wednesday, 24 November 2021** be confirmed;
- b) all reports be received;
- c) in accordance with **Standing Order 9.4** the order of business be changed with agenda item 6.8 [*Chief Executive's Business Plan*] being considered after agenda item 5; and
- d) the following matter be discussed at an appropriate time during the course of the meeting:
 - **Item 6.9 – Community Connections Strategic Portfolio Review.**

CARRIED

P&R2111/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs Patterson/Eyre)

THAT the minutes for the meeting of the Policy & Regulatory Committee held on Wednesday, 13 October 2021 be confirmed as a true and correct record.

CARRIED

P&R2111/03

ACTIONS REGISTER

Agenda Item 5

The report was received [*P&R2111/02 refers*] and the following points were raised:

External facing policies

ACTION: This item to remain on the register pending completion of the project.

Resource Recovery Centre – Huntly Resource Recovery Centre

ACTION: This item to be closed and removed from the register.

Resource Recovery Centre – Northern Resource Recovery Centre

ACTION: This item to remain on the register pending an update to the Committee's scheduled meeting of Tuesday, 25 January 2022.

Future of Local Government

ACTION: This item to be closed and removed from the register.

Policy and Bylaw Review Programme

ACTION: Staff to forward a copy of the Stock Underpasses - Financial Assistance Policy to Councillor Eyre.

Annual Dog Control Report

ACTION: This item to be closed and removed from the register.

REPORTS

Chief Executive's Business Plan

Agenda Item 6.8

The report was received [P&R2111/02 refers] and the following points were raised:

- COVID was impacting capex delivery. A report would be submitted to the Infrastructure Committee on the impact of COVID on the waters programme.
- The relationship between Waikato District Council and Central Government was developing well.

Update on Policy and Bylaw Review Programme November 2021

Agenda Item 6.1

The report was received [P&R2111/02 refers] and the following points were raised:

- The Livestock Movement Bylaw was out for consultation and to date, nine (9) submissions had been received.
- The Waste Management and Minimisation Bylaw had been delayed due to the release of the Draft Emissions Plan from central government which would have a significant affect on the content of the bylaw.
- The 2022 World Rally championship would return to New Zealand on Thursday, 29 September 2022 to Sunday, 2 October 2022. The "Road Closure for Motor Sports Events" policy would be reviewed prior to the rally event.

National Policy Statement on Urban Development 2020: Insertion of Housing Bottom Lines
Agenda Item 6.2

The report was received [P&R2111/02 refers]. No discussion was held.

Resolved: (Crs Bech/Patterson)

THAT:

- a) the recommended mandatory changes to the Operative Waikato District Plan (OWDP) (Waikato and Franklin Sections) are approved as outlined in Section 4, option 1 as follows:

“Option 1: The NPS-UD’s requirement to insert minimum housing bottom lines for the short term, medium term and long term, within the OWDP (Waikato Section and Franklin Section) is mandatory. The OWDP will be updated on Thursday, 16 December 2021 to meet this mandatory requirement. The insertion of the housing bottom lines will be made without using the process outlined in Schedule 1 of the Resource Management Act 1991, i.e. without public submissions and hearings; and

- b) these changes take place prior to Thursday, 16 December 2021 with public notice issued within five (5) working days following implementation.

CARRIED

P&R2111/04

Approval for Consultation: Proposed Waikato District Council Dog Control Bylaw and Policy
Agenda Item 6.3

The report was received [*P&R2111/02 refers*]. No discussion was held.

Resolved: (Crs Patterson/Gibb)

THAT, as required under Section 83 of the Local Government Act 2002, the Policy & Regulatory Committee:

- a) **adopts the Statement of Proposal for the Proposed Waikato District Council Dog Control Bylaw and Policy (Attachments 1 and 2);**
- b) **approves the commencement of public consultation on the proposed Waikato District Council Dog Control Bylaw 2015 (Attachments 3 and 4) and Dog Control Policy (Attachments 5 and 6) to be undertaken between Wednesday, 1 December 2021 and Sunday, 16 January 2022;**
- c) **agrees to hear submissions on the Waikato District Council Dog Control Bylaw being considered, and if requested by submitters, be heard by the Committee at a hearing to be held in February 2022;**
- d) **recommends to Council that:**
 - i. **the Waikato District Council Dog Control Bylaw is the most appropriate form of Bylaw;**
 - ii. **the Waikato District Council Dog Control Bylaw is the most appropriate way of addressing the perceived problems; and**
 - iii. **Council confirm the Bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990 and that it is satisfied that the Bylaw can be justified as a reasonable limitation on people's rights and freedoms;**
- e) **agrees that in the event the consultation period is affected by the Covid pandemic, alternative means of consultation and hearing of submitters, including audio visual, may be used as required to meet the timeframe for consultation with communities.**

CARRIED

P&R2111/05

Adoption of the Gambling Venues Policy 2021

Agenda Item 6.4

The report was received [*P&R2111/02 refers*] and the following point was raised:

- Terminology within the legislation had been amended to reflect the name change from the Racing Act 2003 to the Racing Industry Act 2020 as the Racing Board was now known as The TAB New Zealand.

Resolved: (His Worship the Mayor/Cr Bech)

THAT the Policy & Regulatory Committee recommends that Council adopt the Gambling Venues Policy 2021 as set out in Attachment 2 of the report.

CARRIED

P&R2111/06

The Corporate Planning Team Leader introduced Ms Leisa Hood (Corporate Planner).

Approval for Consultation on Easter Trading Policy 2022

Agenda Item 6.5

The report was received [*P&R2111/02 refers*]. No discussion was held.

Resolved: (Crs Patterson/Gibb)

THAT the Policy & Regulatory Committee:

- a) approves the proposed Easter Trading Policy 2022 for consultation under Section 83 of the Local Government Act 2002; and
- b) adopts the Statement of Proposal on the proposed Easter Trading Policy 2022.

CARRIED

P&R2111/07

Revocation of Policies

Agenda Item 6.6

The report was received [P&R2111/02 refers]. No discussion was held.

Resolved: (Crs Church/Eyre)

THAT the Policy and Regulatory Committee recommends to Council that the policies listed below be revoked with immediate effect:

- a) **Halls and Community Centres Policy,**
- b) **Rural Halls (Operation and Election of Hall Committees) Policy,**
- c) **Rural Halls – Administration Services for – Policy,**
- d) **Town Halls – Administration Policy,**
- e) **Fencing of Council Reserves Land Policy,**
- f) **Footpath Prioritisation Policy,**
- g) **Reserves – Committees of Management Policy,**
- h) **Rural Road Lighting Prioritisation Policy,**
- i) **Trade Waste Agreements Policy,**
- j) **Trade Waste Bylaw Charging Policy, and**
- k) **Water Rates – Discontinuing Supply Policy.**

CARRIED

P&R2111/08

Proposed 2021 Amendments to the Schedules of the Waikato District Council Speed Limits Bylaw 2011
Agenda Item 6.7

The report was received [P&R2111/02 refers] and the following points were raised:

- The proposed amendments focussed on school roads and the alignment of speeds between existing and newly developed areas.
- An information page and interactive maps would be placed on Council's website.

Resolved: (His Worship the Mayor/Cr Church)

THAT as required under Section 83 of the Local Government Act 2002, the Policy & Regulatory Committee:

- a) adopts the Statement of Proposal (Attachment 1);
- b) approves the commencement of public consultation on the proposed Waikato District Council Speed Limits Bylaw 2011 schedules (Attachment 2) to be undertaken between Wednesday, 1 December 2021 and Sunday, 23 January 2022;
- c) agrees that submissions on the Waikato District Council Speed Limits Bylaw schedules be considered, and if requested by submitters, be heard by Policy & Regulatory Committee at a hearing to be held in February 2022;
- d) recommends to Council that the Waikato District Council Speed Limits Bylaw:
 - i) is the most appropriate form of Bylaw;
 - ii) is the most appropriate way of addressing the perceived problem;
 - iii) does not give rise to any implications under the New Zealand Bill of Rights Act 1990; and
 - iv) recommends that Council make a public resolution in accordance with s16(2)(a)(i) to update the date of the Land Transport Rules.
- e) notes that in the event that the consultation period is affected by the COVID pandemic, alternative means of consultation and hearing of submitters, including audio visual, may be used as required to meet the timeframe for consultation with communities; and

CARRIED

P&R2111/09

To | **Policy & Regulatory Committee**
Report title | **Confirmation of Minutes**

1. Purpose of the report
Te Take moo te puurongo

To confirm the minutes for the meeting of the Policy & Regulatory Committee (Easter Trading By-Law Hearing and Deliberations) held on Tuesday, 8 February 2022.

2. Staff recommendations
Tuutohu-aa-kaimahi

THAT the minutes for a meeting of the Policy & Regulatory Committee (Easter Trading By-law Hearing and Deliberations), held on Tuesday, 8 February 2022 be confirmed as a true and correct record.

3. Attachments
Ngaa taapirihanga

Attachment 1 – P&R Easter Trading By-Law - Tuesday, 8 February 2022

Date:	14 March 2022
Report Author:	Grace Shaw Democracy Advisor
Authorised by:	Gaylene Kanawa Democracy Team Leader

Minutes for a hearing of the Policy & Regulatory Committee (to hear and consider submissions and make recommendations on the Proposed Waikato District Council Easter Trading Policy 2022) held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 8 FEBRUARY 2022** commencing at **9.01am**.

Present:

Cr JD Sedgwick (Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr AD Bech
Cr C Eyre
Cr JM Gibb
Cr SL Henderson
Cr SD Lynch
Cr RC McGuire
Cr FM McNally
Cr EM Patterson
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr J Ebenhoh (Planning & Policy Manager)
Ms M Russo (Corporate Planning Team Leader)
Ms L Hood (Corporate Planner)
Ms A Sayer (Policy Advisor)
Mrs G Kanawa (Democracy Team Leader)
Ms G Shaw (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Gibb/Thomson)

THAT the Policy & Regulatory Committee accepts the apology from Cr Church.

CARRIED

P&R2022/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs) Henderson & Eyre

THAT the agenda for the hearing of the Policy & Regulatory Committee held on Tuesday 8 February 2022 (to hear and consider submissions and make recommendations on the Proposed Waikato District Council Easter Trading Policy 2022) be confirmed and all items therein be considered in open meeting.

CARRIED

P&R2022/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

REPORTS

Submissions on the Proposed Waikato District Council Easter Trading Policy 2022

4.1.1

The Policy & Planning Manager gave an overview of the proposed policy.

Resolved: (His Worship the Mayor/Cr Thomsen)

THAT That the Policy and Regulatory Committee:

- a. consider all submissions and, where requested, hear and consider submissions on the notified Proposed Easter Trading Policy pursuant to section 83 of the Local Government Act 2022; and
- b. recommend to Council any amendments to the Easter Trading Policy 2022 as a result of submissions received.

CARRIED

P&R2022/03

Hearing of Submissions

The Chairperson summarised the process for the hearing.

The following submissions were presented, and submitters responded to questions from the Committee:

Ms Sonja Maree (Submission 2760 - Page No. 19)

Ms Sonja Maree advised that she would not be in attendance at the hearing, but noted her submission would still be considered in the deliberations section of the meeting.

Mr David Whyte (Submission 2870, Page No. 23)

Tabled Item: Presentation (Attachment 4.1)

Mr Whyte noted he was in attendance as a resident and on behalf of his family. He presented the attached powerpoint presentation and the following matters were discussed:

- Definition of 'option 3' required clarity. It was clarified that option 3 would enable Easter trading to take place across part or parts of the Waikato district. It was determined that Mr Whyte supports option 2.
- Mr Whyte's support for option 2 was focussed around employee/employer mental health, the value of rest, time with whanau and improved productivity.
- Mr Whyte raised the issue of burnout and self-harm amongst shop owners/employees who do not receive the opportunity for adequate time off.
- Cr Bech raised the point that this matter is a national issue, and should be decided on at a central Government level to ensure consistency across regions.
- Mayor Sanson suggested that the proposed by-law would support small business in communities such as Raglan, who have been struggling since the start of the COVID-19 pandemic.
- Cr Thomson suggested that business owners were fearful they would be prosecuted for being open under option 2.
- Many businesses have been impacted by COVID-19 closures and are struggling, therefore would benefit from Easter trading.

DELIBERATIONS

The Committee considered both oral and written submissions and made the following recommendation to Council for adoption at their meeting scheduled for 28 February 2022.

Resolved: (His Worship the Mayor/Cr Bech)

THAT the Policy & Regulatory Committee recommend to Council that:

- a. **the updated Easter Trading Policy 2022, as set out on page 26 of the agenda, be adopted; and**
- b. **notes the policy enables trading on Easter Sunday within the Waikato District but does not require shops to trade if they do not wish to.**

The above motion was put by division, for which the voting was as follows:

For the motion: Cr Bech, Cr Eyre, Cr McInally, Cr Patterson, Mayor AM Sanson, Cr Sedgwick, Cr Smith and Cr Thomson.

Against the motion: Cr Gibb, Cr Henderson, Cr Lynch, Cr McGuire and Cr Woolerton.

The motion was declared **CARRIED** by 8 votes to 5.

CARRIED

P&R2022/04

There being no further business, the hearing was closed at 9.51am.

Minutes approved and confirmed this _____ day of _____ 2022.

JD Sedgwick
CHAIRPERSON

To | **Policy and Regulatory Committee**
Report title | **Actions Register – March 2022**

1. Purpose of the report
Te Take moo te puurongo

To update the Policy and Regulatory Committee on the actions arising from the previous meeting.

2. Staff recommendations
Tuutohu-aa-kaimahi

That the Policy and Regulatory Committee receives the report.

3. Attachments
Ngaa taapirihanga

Attachment 1 – Policy and Regulatory Committee Actions Register March 2022

Date:	8 February 2022
Report Author:	Evonne Miller, PA General Manager Customer Support
Authorised by:	Sue O’Gorman General Manager Customer Support

	Action	Responsible to Action	Status/Update/Response
1.	<p><u>External facing policies</u></p> <p>Staff to work with the Communications Team to place all external facing policies onto Council's website with a quick access link to each policy.</p>	<p>Planning & Policy</p> <p>Melissa Russo</p> <p>Communications Team</p>	<p>Corporate Planning have met with Communications to determine the best way to make all external policies available on the website.</p> <p>Corporate Planning will need to do a tidy up of naming conventions etc of the documents before this can occur however, we aim to have them available before end of calendar year.</p> <p>Work in progress and to remain on register.</p>
2.	<p><u>Northern Resource Recovery Centre</u></p> <p>To remain on the register pending an update to the committees scheduled meeting Tuesday 8 February 2022.</p>	<p>Solid Waste</p> <p>Phil Ellis</p>	<p>January 2022:</p> <p>Staff can now get access to the site and are currently engaging consultants to conduct Geotech and a hazardous site assessment.</p> <p>November 2021:</p> <p>Budget this year (\$150k) for site investigation work. Unable to access the site due to Covid-19 boundary issues (Tuakau is in Auckland zone). Hopefully we can access the site after Xmas to get the work under way and completed this financial year.</p>
3.	<p><u>Policy and Bylaw Review Programme</u></p> <p>Staff to forward a copy of the Stock Underpasses - Financial Assistance Policy to Councillor Eyre.</p>	<p>Planning & Policy Team Leader</p> <p>Melissa Russo</p>	<p>Staff emailed the policy to Councillor Eyre on 24 November 2021</p>

To | **Policy and Regulatory Committee**
Report title | **Earthquake Prone Buildings Consultation**

1. Purpose of the report

Te Take moo te puurongo

To seek approval from the Committee to consult with the community in assisting to identify public thoroughfares, that have sufficient pedestrian traffic to identify as a 'high pedestrian traffic' area across parts of the district.

2. Executive summary

Whakaraapopototanga matua

The Building (Earthquake-prone Buildings) Amendment Act 2016 (Act) requires territorial authorities in areas of medium or high seismic risk to do the following:

- identify potentially earthquake-prone buildings, focussing on priority buildings which hold either a higher level of societal risk, or contain unreinforced masonry (URM) that could fall in an earthquake onto certain thoroughfares, and
- undertake a special consultative procedure under section 83 of the Local Government Act 2002 (LGA) regarding the identification of any parts of public roads, footpaths or thoroughfare that are near or contain URM.

WDC is identified as being in both the medium and low areas of seismic risk. We have identified three towns in the medium seismic risk area that we consider have 'high pedestrian traffic' and contain URM. These include Huntly, Ngaruawahia and Te Kauwhata.

As per MBIE guidance "Community input is important to decide on the thoroughfares and routes to be prioritised due to the variation in local circumstances between territorial authorities. Undertaking public consultation enables communities to decide the appropriate level of risk to accept as a community, informed by their knowledge of the local economy, portfolio of buildings and their uses."

WDC has contracted Waikato Building Compliance to manage this piece of work on its behalf. The main reason being, the limited capacity that WDC has in the Building Quality team to meet its legal obligations for Building Consents, and that there is a legislative timeframe in which this work must be completed.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Policy & Regulatory Committee:

- a. adopts the Statement of Proposal for consultation on high pedestrian traffic areas (as set out in Attachment 1 of this report); and**
- b. acknowledges that there are no strategic priority routes identified in the medium seismic risk zone in the Waikato district that requires consultation as per the Building (Earthquake-prone Buildings) Amendment Act 2016.**

4. Background Koorero whaimaarama

A new national system for managing earthquake-prone buildings was introduced following the 2011 Christchurch earthquake. This was facilitated and legislated by the the Act.

Key changes set out in the Act are summarised as follows:

- territorial authorities must identify potential earthquake prone buildings (EPB)
- owners of identified buildings must obtain engineering assessments of the building (or part) within 12 months, and these are to be carried out by suitably qualified structural engineers
- territorial authorities must then determine whether buildings are earthquake prone or not, and if so, must assign ratings, issue notices and publish information about the buildings in a public register held by MBIE
- owners must display the notice on their building and undertake remedial work to their building within set timeframes.

For the purposes of the above, New Zealand has been divided into three seismic risk areas – high, medium and low, and there are set time frames to identify, assess and remediate EPB based on these seismic risk areas. The Waikato district is identified as being in both the low and medium areas of risk.

Additionally, there is also a category of ‘priority buildings’ in high and medium seismic risk areas only. These are buildings that are considered higher risk because of their construction, type, use or location e.g. Hospital, School or URM in highly occupied areas. They must be identified, assessed and remediated in half the time allowed for other buildings in the area.

A key factor to confirming priority buildings requires councils to identify thoroughfares with sufficient pedestrian traffic or vehicular traffic (streets and footpaths), and strategic transportation routes (those routes used by emergency services). These routes must contain buildings with unreinforced masonry (URM) having the potential to fall in an occupied area during an earthquake.

MBIE guidance requires that community input is important to decide on the thoroughfares and routes to be prioritised due to the variation in local circumstances between territorial authorities. Undertaking public consultation enables communities to decide the appropriate level of risk to accept as a community, informed by their knowledge of the local economy, portfolio of buildings and their uses.

To do this, Council is required to undertake a special consultative procedure (SCP) under section 83 of the LGA outlining the identification of roads, footpaths or other thoroughfare in medium risk areas, that are located near buildings containing URM, and with sufficient vehicle or pedestrian traffic to warrant prioritisation.

Scope of Works

The Waikato district is located in both medium and low risk areas. High pedestrian areas that are also in the medium risk zone in the Waikato district include the main urban centres of Huntly, Ngaruawahia, and Te Kauwhata.

What this means

If a potential EPB is confirmed as earthquake prone by way of a structural engineering assessment, there are timeframes for the remedial works to be completed as follows:

- Medium - 12 years and 6 months for a priority building and 25 years for any other building
- Low - 35 years for any building

Work to date

A stakeholder workshop with representatives from Waikato Building Compliance, WDC and Emergency Services was held in October 2021 to kickstart the identification process of potential priority EPBs, thoroughfares with sufficient pedestrian traffic, and strategic priority routes.

Based off a historical WDC database, letters were sent out to owners of buildings of interest in November 2021 advising them that within the next few months, a Building Inspector from WDC will be inspecting their building to assess if it is potentially earthquake prone.

Emergency stakeholders (e.g. Fire and Emergency NZ, NZ Police, Civil Defence facilities etc) and the Ministry of Education were also contacted advising them of upcoming assessments as they fell into the 'priority buildings' in the Act, that relates to medium or high seismic risk areas.

Assessments of potential EPBs are being carried out in accordance with the MBIE EPB methodology.

Inspections of buildings that contain URM in 'high pedestrian' locations of urban centres in the medium risk areas, will result in such buildings being listed as priority buildings requiring remedial works within 12.5 years.

Waikato Building Compliance are carrying out the assessment work on behalf of WDC. To date they have focused mostly on priority buildings and urban centres in the medium risk areas. This work is expected to be completed by 31 March 2022.

Council workshop

A Council workshop was held on 16 February to inform Council of the changes to legislation and to seek initial feedback on the streets being identified as high pedestrian traffic areas. At that workshop, no additional streets were identified.

Feedback was also sought on the proposal to not identify any strategic transport routes in the district. This approach was also supported by Council.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

High Priority Streets

Council is only required to consult on thoroughfares with sufficient pedestrian traffic in the town centres of Huntly, Ngaruawahia, and Te Kauwhata.

The streets identified were supported by Council at their workshop on 16 February.

Strategic Transport Routes

Regarding strategic transport routes, Council may also, at its discretion, initiate the special consultative procedure to identify buildings that could impede a strategic transport route. Such routes are classified as routes used by emergency service vehicles if no alternative routes are available.

No strategic transport routes have been identified in Huntly, Ngaruawahia and Te Kauwhata as there are a number of alternative routes available. This approach was supported by Council at their workshop on 16 February and was also the opinion of the emergency stakeholders, as discussed at a workshop in October 2021.

Therefore, strategic transport routes have been excluded from public consultation.

5.1 Options

Ngaa koowhiringa

No options are available for Council to consider because this is a legislative requirement for Council to complete the consultation process before 1 July 2022, however the Committee can determine to amend part(s) of the proposal by way of adding in or removing any of the high pedestrian traffic areas as identified in the Statement of Proposal (attachment 1).

5.2 Financial considerations

Whaiwhakaaro puutea

There are no material financial considerations to Council associated with the recommendations of this report, however staff acknowledge the impact this decision has, and the potential to have a significant financial impact to building owners identified within high pedestrian streets.

5.3 Legal considerations **Whaiwhakaaro-aa-ture**

Staff confirm that the decision to consult complies with the Council's legal and policy requirements. In addition to this there is a legal requirement under the Act for Council to have completed the consultation and a decision made on high pedestrian traffic areas by 1 July 2022.

5.4 Strategy and policy considerations **Whaiwhakaaro whakamaaherehere kaupapa here**

The report and recommendations are consistent with the Council's policies, plans and prior decisions.

5.5 Maaori and cultural considerations **Whaiwhakaaro Maaori me oona tikanga**

No specific cultural issues have been identified with respect to this decision.

5.6 Climate response and resilience considerations **Whaiwhakaaro-aa-taiao**

The matters in this report have no known impact on climate change or resilience for the Council.

5.7 Risks **Tuuraru**

- If the strengthening does not take place there is a risk that the buildings may be damaged in an earthquake and may result in loss of life. Priority buildings are required to be strengthened in a shorter timeframe due to being located on high pedestrian routes.
- The requirements to strengthen the buildings may have economic and financial impacts for the community if owners cannot afford to meet the requirements
- Owners may not meet deadlines and/or are unable to comply with the requirements.

6. Significance and engagement assessment **Aromatawai paahekoheko**

6.1 Significance **Te Hiranga**

The decisions and matters of this report are assessed as of medium significance, in accordance with the Council's [Significance and Engagement Policy](#).

The following criteria are particularly relevant in determining the level of significance for this matter:

- There is a legal requirement to engage with the community.
-

6.2 Engagement Te Whakatuutakitaki

Council engage with the property owners who own buildings within the high pedestrian traffic areas, to inform them of the consultation and seek their views. Beyond this, feedback will be sought from the community at large through general engagement methods ie. website, public notice.

Highest level of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<i>At this particular stage in the process 'Consult' will be the level of engagement used however acknowledging that the process has already 'involved' input from key stakeholders ie. emergency services, to establish a proposal.</i>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Internal
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other (Please Specify)

7. Next steps Ahu whakamua

Consultation is planned for 30 March – 30 April. This will be followed by a hearing (if required) in May (date TBC). A decision will be sought from Council at their last meeting of the financial year.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Committee's Terms of Reference and Delegations. Confirmed

The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (*Section 5.1*). Confirmed

Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (*Section 6.1*). Moderate

The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (*Section 6.2*). Confirmed

The report considers impact on Maaori (*Section 5.5*) Not applicable

The report and recommendations are consistent with Council's plans and policies (*Section 5.4*). Confirmed

The report and recommendations comply with Council's legal duties and responsibilities (*Section 5.3*). Confirmed

9. Attachments Ngaa taapirihanga

Attachment 1 – Earthquake Prone Buildings Statement of Proposal

Attachment 2 – Submission form – Earthquake prone building in our main streets

Date:	22 March 2022
Report Author:	Melissa Russo, Corporate Planning Team Leader Mervyn Balloch, Building Quality Manager
Authorised by:	Sue O’Gorman General Manager Customer Support

**HAVE
YOUR SAY**

STATEMENT OF PROPOSAL

**EARTHQUAKE PRONE BUILDINGS
IN OUR MAIN STREETS**

waikatodistrict.govt.nz

0800 492 452

This Statement of Proposal is made
for the purposes of Sections 83
of the Local Government Act 2002.

IT INCLUDES:

- Background to the proposal
- The proposal and reasons for the proposal
- 'have your say' details

BACKGROUND

A new national system for managing earthquake-prone buildings was introduced following the Christchurch 2011 earthquake. This was facilitated and legislated by the the Build (Earthquake Prone Buildings) Amendment Act 2016.

Key changes set out in the Act are summarised as follows:

- territorial authorities must identify potential earthquake prone buildings (EPB)
- owners of identified buildings must obtain engineering assessments of the building within 12 months, and these are to be carried out by suitably qualified structural engineers
- territorial authorities must then determine whether buildings are earthquake prone or not, and if so, must assign ratings, issue notices and publish information about the buildings in a public register held by MBIE
- owners must display the notice on their building and undertake remedial work to their building within set timeframes.

For the purposes of the above, New Zealand has been divided into three seismic risk areas – high, medium and low, and there are set time frames to identify, assess and remediate EPB based on these seismic risk areas. The Waikato district is identified as being in both the low and medium areas of risk.

Additionally, there is also a category of ‘priority buildings’ in high and medium seismic risk areas only. These are buildings that are considered higher risk because of their construction, type, use or location e.g. Hospital, School or URM in highly occupied areas. They must be identified, assessed and remediated in half the time allowed for other buildings in the area.

A key factor to confirming priority buildings requires councils to identify thoroughfares with sufficient pedestrian traffic or vehicular traffic (streets and footpaths). These routes must contain buildings with unreinforced masonry (URM) having the potential to fall in an occupied area in an earthquake.

MBIE guidance requires that community input is important to decide on the thoroughfares and routes to be prioritised due to the variation in local circumstances between territorial authorities. Undertaking public consultation enables communities to decide the appropriate level of risk to accept as a community, informed by their knowledge of the local economy, portfolio of buildings and their uses.

To do this, we are required to seek your feedback, outlining the identification of roads, footpaths or other thoroughfare in medium risk areas that are located near buildings containing URM, and with sufficient vehicle or pedestrian traffic to warrant prioritisation.

SCOPE OF WORKS

The Waikato district is located in both the medium and low risk areas (see Figure 1). High pedestrian areas that are also in the medium risk zone in the Waikato district include the main urban centres of Huntly, Ngaruawahia, and Te Kauwhata.

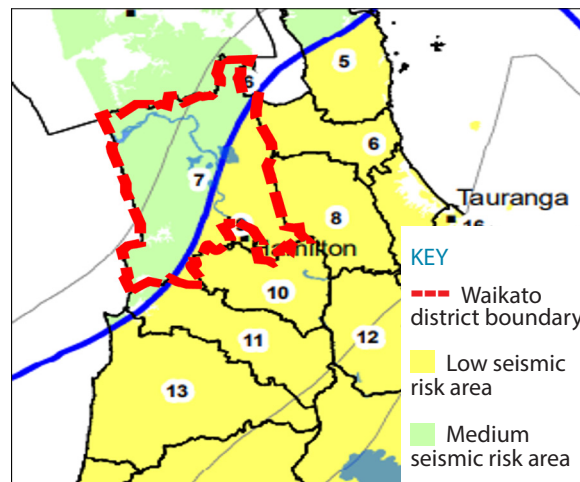


Figure 1: Seismic Risk Assessment

WHAT THIS MEANS

If a potential EPB is confirmed as earthquake prone by way of an engineering assessment, there are timeframes for the remedial works to be completed by as follows:

- Medium - 12 years and 6 months for a priority building and 25 years for any other building
- Low - 35 years for any building




THE PROPOSAL AND REASONS

We've identified high pedestrian traffic areas in Huntly, Ngaruawahia and Te Kauwhata but we want to hear from you. Have we got it right? The Act does not provide criteria to determine 'high pedestrian traffic areas' so we've identified the following streets as we believe they attract the highest volume of foot traffic in each of the towns and addition to some of the buildings or part of the buildings having URM. These high pedestrian traffic areas have been identified by our building inspectors using the EPB methodology, provided as guidance by MBIE.

HUNTLY Great South Road and Riverview Road



 High Pedestrian Foot Traffic Areas



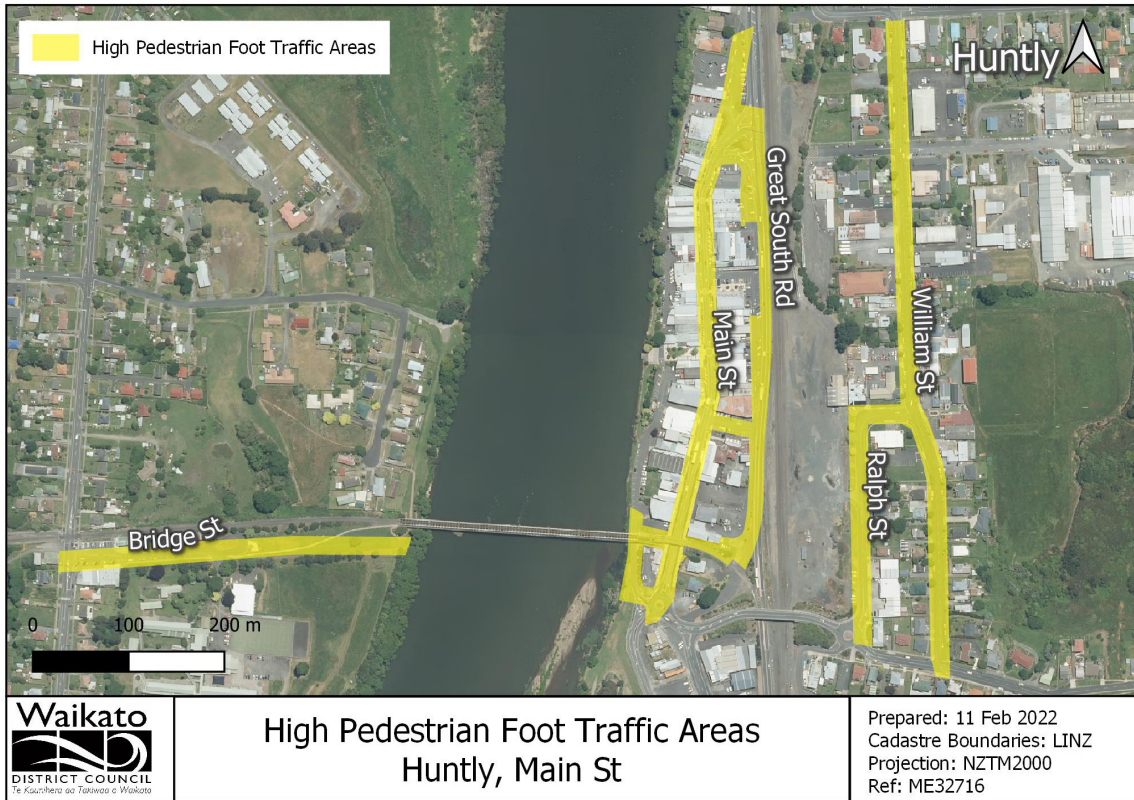
High Pedestrian Foot Traffic Areas
Huntly, Great South Rd

Prepared: 11 Feb 2022
Cadastre Boundaries: LINZ
Projection: NZTM2000
Ref: ME32716

HUNTLY Hakanoa Street



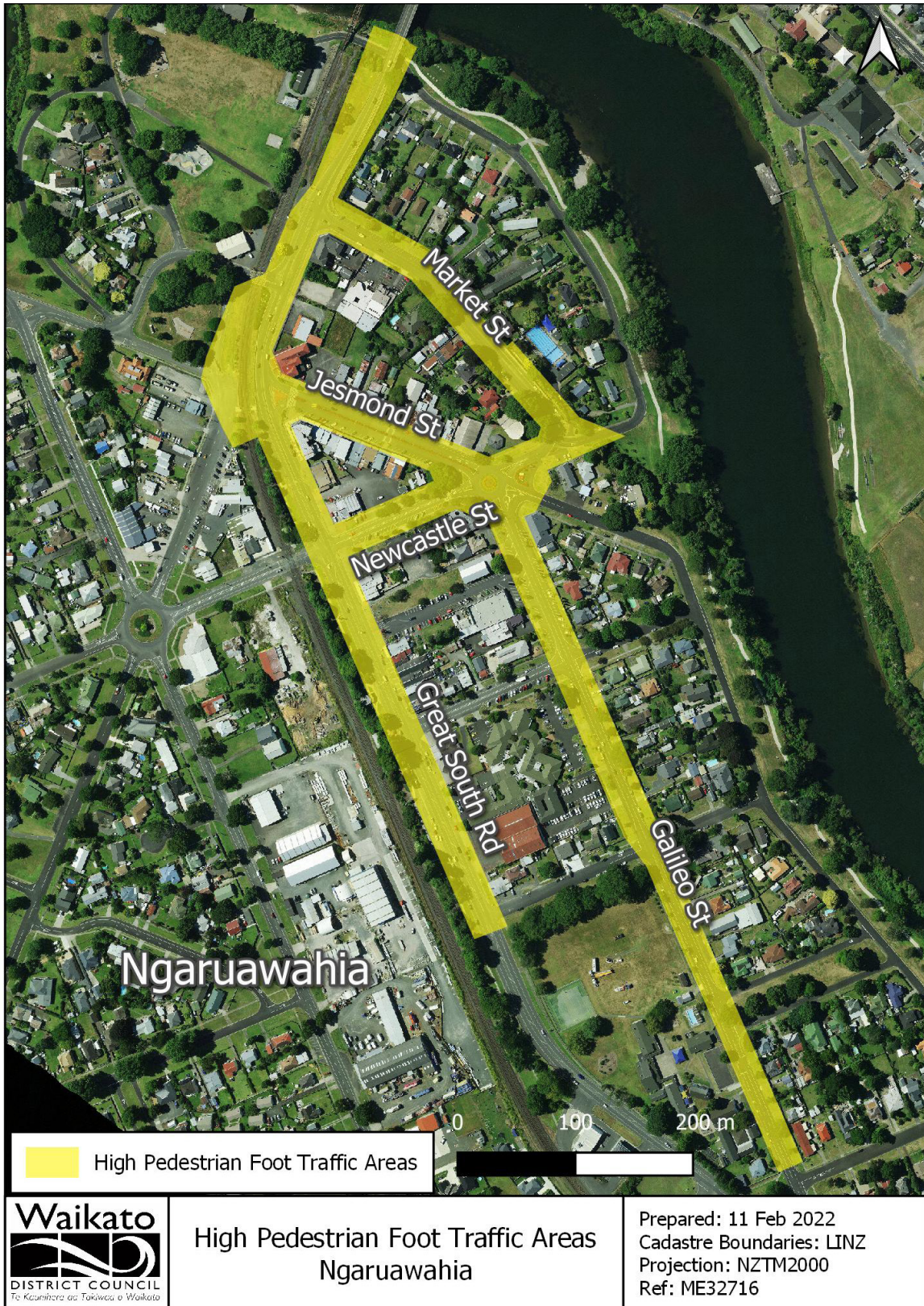
HUNTLY Central business district area



TE KAUWHATA Main Road



NGARUAWAHIA Central business district area



SUBMISSIONS CAN BE:

ONLINE:

www.waikatodistrict.govt.nz/sayit



POSTED:

Waikato District Council
Private Bag 544
Ngaruawahia 3742



DELIVERED:

Waikato District Council
Attn: Corporate Planner
15 Galileo Street, Ngaruawahia 3742



EMAILED:

consult@waidc.govt.nz
Subject heading should read:
"Earthquake Prone Buildings –
Submission"



Huntly Office
142 Main Street, Huntly 3700

Raglan Office
7 Bow Street, Raglan 3225

Tuakau Office
2 Dominion Rd, Tuakau 2121

Te Kauwhata Office
1 Main Road, Te Kauwhata 3710

WHAT HAPPENS NEXT?

Council will acknowledge each submission received in writing, either by letter or email.

Following the closing of submissions on 30 April 2022, all submissions will be reviewed. Verbal submissions will be heard and all submissions formally considered at a Council meeting in May (date to be confirmed). This meeting may take place online however details will be confirmed closer to the time.

IMPORTANT DATES TO REMEMBER:

SUBMISSIONS OPEN – 30 March 2022

SUBMISSIONS CLOSE – 30 April 2022

HEARING OF SUBMISSIONS – May (date to be confirmed)

If you have any further queries, please contact
Melissa Russo on 0800 492 452.



For internal use only:

ECM project # PR-21364-01

ECM no. #

Submission #

Customer #

Property #



Earthquake prone buildings in our main streets

Submission form (please provide feedback by **30 April 2022**)

Name/Organisation

Physical address

Postal address **Postcode**

Email

A hearing will be held in May (date to be confirmed). Would you like to present your submission to Council at the hearing? Yes No

Do you support the areas we have proposed to be high pedestrian traffic areas?
 Yes No

If you answered no, please tell us what areas you think should be included or excluded.

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Need more information or prefer to do it online?
For more information, or to complete the submission form online, visit
www.waikatodistrict.govt.nz/sayit

Privacy statement
The contents of your submission (not including your address and contact details) will be made public through Council agendas and as a result will be published on our website. If you would like your name also kept confidential, please let us know on your submission form.

To	Policy and Regulatory Committee
Report title	Policy and Bylaw Review Programme – March 2022

1. Purpose of the report

Te Take moo te puurongo

To update the Policy and Regulatory (P&R) Committee on progress made on the Policy and Bylaw Review Programme since the previous report in November 2021.

2. Executive summary

Whakaraapopototanga matua

Staff have worked on updating several bylaws and policies since November 2021, including the Dog Control Bylaw and Policy and the Local Alcohol Policy and Easter Trading Policy. Work is also continuing on the review of overdue organisational policies which has led to the proposed revocation of eight policies in a separate agenda item.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Policy and Regulatory Committee provide feedback to staff on any preferences to bring forward the review of any bylaw and which bylaws to de-prioritise as a result, noting the current priority of bylaw reviews detailed in Attachment 1.

4. Discussion

Matapaki

Progress made

Policies and bylaws are key decision-making and regulatory monitoring documents. They need to be kept up to date so any decision or enforcement action using the bylaw or policy that is taken by Council is appropriate and consistent.

The following bylaws and policies have had work carried out on them since November 2021:

- Livestock Movement Bylaw and related policies
 - Dog Control Bylaw and Policy
-

Hearings took place in late February with deliberations scheduled for March.

- Speed Management Bylaw
- Easter Trading Policy 2017
Council adopted the revised Easter Trading Policy on 28 February.
- Local Alcohol Policy
The review of the policy is underway with a Council workshop taking place in early February and a second Council workshop scheduled for April. The policy review must be completed by December 2022.
- Road Closures Policy
The review of this policy has recently commenced and will be presented to a Council workshop in the next few months.
- Revocation of policies
There are also eight policies proposed for revocation in a separate paper on this agenda.

Further details on the bylaw and policy review programme are provided in the attachments to this report.

The review timings noted in the attachments are an estimate only. If the committee would like to see the review of a policy or bylaw fast-tracked, then direction for staff is requested so that other reviews can be re-prioritised or delayed. This is to ensure resourcing in the Corporate Planning team, as well as from subject matter experts is allocated to meet any re-prioritisation.

Policies

Council has several policies that relate to a broad range of acts. These policies cover a variety of activities and while some are on legislated review cycles, policies not required by legislation are intended to be reviewed every three to five years or as required. Policies that are required by legislation are given higher priority than those that are not.

Bylaws

Under s.156 of the Local Government Act 2002 (LGA), bylaws must be reviewed 5 years after they are made and every 10 years thereafter. The LGA gives a grace period of two years (i.e., years 6 and 7 of the bylaw on its first review or years 11 and 12 on the second review cycle), within which the bylaw must be reviewed or it will expire automatically two years after the date on which it should have been reviewed by. It is considered best practice to review a bylaw before the start of the grace period.

Review Process

The process of review often starts with discussion in a Council workshop environment to identify any improvements / corrections / issues related to the policy or bylaw. Once these have been discussed and considered by Council, staff will work through these and produce a report seeking consultation approval from the Policy and Regulatory Committee. Consultation then occurs as appropriate under s.82 or s.83 (which includes a hearing) of the LGA.

The results of the consultation are presented to the committee who can request further changes or corrections to the policy or bylaw in response to submissions. The committee may recommend that Council formally adopt the policy or bylaw. The adopted policy or bylaw is publicly notified, and the review is complete. The whole process can take anywhere from 8 to 18 months depending on the complexities of the document and related issues.

A review may be triggered by a legislated review period or change in legislation, a political driver or an issue having been identified that requires an amendment.

5. Attachments

Ngaa taapirihanga

1. Register of Bylaws
2. Register of Policies

Date:	22 March 2022
Report Author:	Melissa Russo - Team Leader Corporate Planning Anthea Sayer - Policy Advisor
Authorised by:	Clive Morgan General Manager Community Growth

Bylaw Review programme

Bylaw	Status	Priority	Full Review Date	Bylaw Revoked (full review + 2 years)	P&R to approve draft for consultation	Consultation	P&R to recommend adoption	Progress made at March 2022	Comments	Related legislation
Livestock Movement Bylaw	New	1	N/A	N/A	July 2021	October 2021	March 2022	The draft Bylaw was consulted on at the end of 2021. Due to staff resourcing, the hearing has been delayed and is now scheduled early April.	The Livestock Movement Policy and the Stock Underpass Policy is also reviewed concurrently with the bylaw.	Land Transport Act 1998
Speed Limit Bylaw	Expired	2	2016	2018	September 2021	October 2021	March 2022	The Speed Bylaw was consulted on between December 2021 and January 2022. A hearing was held on 17 February and deliberations are scheduled for 2 March.	Section 6 of the Land Transport (Speed Limits Validation and Other Matters) Act 2015 validates the Speed Limits Bylaw i.e., this bylaw can expire but cannot lapse	Land Transport Act 2015
Dog Control Bylaw	2 year grace period	3	2020	2022	October 2021	October 2021	Early 2022	The Dog Control Bylaw was consulted on between November 2021 and January 2022. A hearing was held on 22-24 February and deliberations are scheduled for 22 March.	Dog Control Policy must be reviewed at the same time (s.10AA Dog Control Act).	Dog Control Act 1996
Waste Management and Minimisation Bylaw	New	4	N/A	N/A	February 2022	February 2022	April 2022	No further progress on this Bylaw has been made. The review has been put on hold until the Government adopts their Emissions Reduction Plan (ERP) as the draft ERP signalled overlap with the current draft Bylaw.	Developing a bylaw is one of the action points included in the Waste Management and Minimisation Plan.	
Public Places Bylaw	2 year grace period	5	2021	2023					Work has not yet started on this bylaw review. Council resolved to begin this review in 2022 to allow other bylaw reviews to progress.	
Cemeteries Bylaw	2 year grace period	6	2021	2023				Initial scoping of this review has taken place.		
Reserves and Beaches Bylaw	2 year grace period	7	2021	2023					Work has not yet started on this bylaw review.	
Trade Waste and Wastewater Bylaw	2 year grace period	8	2021	2023					Work has not yet started on this bylaw review.	
Freedom Camping Bylaw	2 year grace period	9	2021	2023					Work has not yet started on this bylaw review. Awaiting direction following MBIE's consultation regarding 'Supporting Sustainable Freedom Camping Aotearoa New Zealand.'	
Alcohol Control Bylaw	Current	10	2025	2027					Review not required until 2025	
Keeping of Animals Bylaw	Current	11	2031	2033				The amended Keeping of Animals Bylaw 2015 was adopted by Council on 17 May 2021. Following adoption, a legal opinion on the adopted bylaw from a member of the public was received. Council's legal team are reviewing this legal opinion. Staff are investigating the scope and process for a review relating to the contested clauses.		
Stormwater Bylaw	Current	12	2026	2028					Review not required until 2028	
Water Supply Bylaw	Current	13	2031	2033					Review not required until 2033	

Water Supply Bylaw	Current	13	2031	2033					Review not required until 2033	
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Register of Policies
Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Appointments to Community Boards and Other Committees Policy	WDC	Operations	Tony Whittaker (Chief Operating Officer)	Oct 2013	Oct 2016	No	Local Government Act Local Electoral Act		UNDER REVIEW	Reviewed policy will be brought to the March Policy and Regulatory Committee.
Cellular Network Site Policy	FDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2008	Jan 2011	No	N/A		UNDER REVIEW	All property related policies are under review and will form part of a new general property management policy. Due to competing priorities, the review won't be complete until later this year.
Conferences and Seminars Policy – Attendance and Payment of Expenses (Including Local Government NZ Conferences)	WDC	Operations	Tony Whittaker (Chief Operating Officer)	Sept 2013	Sept 2016	No	N/A		UNDER REVIEW	Reviewed policy will be brought to the March Policy and Regulatory Committee
Dog Control Policy	WDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Apr 2015	With Dog Control Bylaw	Yes	Dog Control Act 1996	Currently being reviewed alongside Dog Control Bylaw	UNDER REVIEW	Hearings took place on 22, 23 and 24 February. Deliberations scheduled for March.
Easter Trading Policy	WDC	Customer Support	Sue O'Gorman	Apr 2017	Apr 2022	Yes	Shop Trading Hours Act		UNDER REVIEW	Policy was adopted by Council on 28 February.

Register of Policies

Updated: 8 March 2022

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	Policy is current										
	Ready to be revoked										
	Will be revoked										
	Under review										
				(Customer Support General Manager)				1990			
	Leases to Individuals and Commercial Organisations Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2010	Jan 2013	No	N/A		UNDER REVIEW	All property related policies are under review and will form part of a new general property management policy. Due to competing priorities, the review won't be complete until later this year.
	Leasing of Reserve Land Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2010	Jan 2013	No	N/A		UNDER REVIEW	All property related policies are under review and will form part of a new general property management policy. Due to competing priorities, the review won't be complete until later this year.
	Licences – Grazing Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 1990	Jan 1993	No	N/A		UNDER REVIEW	All property related policies are under review and will form part of a new general property management policy. Due to competing priorities, the review won't be complete until later this year.

Register of Policies

Updated: 8 March 2022

<table border="1"> <tr><td>Overdue for review</td></tr> <tr><td>Policy is current</td></tr> <tr><td>Ready to be revoked</td></tr> <tr><td>Will be revoked</td></tr> <tr><td>Under review</td></tr> </table>	Overdue for review	Policy is current	Ready to be revoked	Will be revoked	Under review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Overdue for review															
Policy is current															
Ready to be revoked															
Will be revoked															
Under review															
Local Alcohol Policy	WDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Dec 2016	Dec 2022	Yes	Sale and Supply of Alcohol Act 2012		UNDER REVIEW	First workshop took place in early February. Staff are now drafting a revised policy. Second workshop scheduled for early April.					
Livestock Movement Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2011	Jan 2014	No	N/A	Being reviewed alongside the Livestock Movement Bylaw	UNDER REVIEW	Consultation occurred September to November 2021. Hearings are scheduled for March.					
Notable Tree Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Nov 2014	Nov 2017	No	N/A		UNDER REVIEW	Review is underway noting that it will need to reflect the PDP and Heritage Policy.					
Property Management Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2010	Jan 2013	No	N/A		UNDER REVIEW	All property related policies are under review and will form part of a new general property management policy. Due to competing priorities, the review won't be complete until later this year.					

Register of Policies

Updated: 8 March 2022

<table border="1"> <tr><td>Overdue for review</td></tr> <tr><td>Policy is current</td></tr> <tr><td>Ready to be revoked</td></tr> <tr><td>Will be revoked</td></tr> <tr><td>Under review</td></tr> </table>	Overdue for review	Policy is current	Ready to be revoked	Will be revoked	Under review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Overdue for review															
Policy is current															
Ready to be revoked															
Will be revoked															
Under review															
	WDC	Operations	Alison Diaz (Chief Finance Officer)	Aug 2017	Aug 2020	No	N/A		UNDER REVIEW	Reviewed policy will be brought to the March Policy and Regulatory Committee					
	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Mar 2012	Mar 2015	Yes	N/A		UNDER REVIEW	The review of this policy has recently commenced.					
	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Mar 2016	Oct 2018	Yes	N/A		UNDER REVIEW	Review has been delayed due to resourcing issues.					
	WDC	Operations	Alison Diaz (Chief Finance Officer)	Nov 2018	Nov 2021	Yes	N/A		UNDER REVIEW	Draft policy was presented to the December 2021 Audit and Risk Committee. Separate report on March Policy and Regulatory Committee meeting.					
	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Dec 2006	Dec 2009	No	N/A	Being reviewed alongside the Livestock Movement Bylaw	UNDER REVIEW	Consultation occurred September to November 2021. Hearings are scheduled for March.					

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Stock Underpasses – Financial Assistance Policy	FDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2002	Jan 2005	No	N/A	Being reviewed alongside the Livestock Movement Bylaw	UNDER REVIEW	Consultation occurred September to November 2021. Hearings are scheduled for March.
Street Lighting and Other Security/Amenity Lighting Policy	FDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 1997	Jan 2000	No	N/A		UNDER REVIEW	Currently determining if this policy can be revoked.
Te Reo Maaori Policy	WDC	Operations	Tony Whittaker (Chief Operating Officer)	Apr 2016	Apr 2019	No	N/A	A review of this policy will take place shortly	UNDER REVIEW	Draft policy has been drafted and presented to ELT in February.
Treasury Risk Management Policy (including Liability and Investment Policies)	WDC	Operations	Alison Diaz (Chief Finance Officer)	Dec 2018	Dec 2021	Yes	N/A		UNDER REVIEW	Reviewed policy going to March 2022 Policy and Regulatory Committee meeting
Vehicle Entrance Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2009	Jan 2012	No	N/A	Currently being reviewed. Will be combined with the Vehicles Crossing Policy (FDC).	UNDER REVIEW	Review has been delayed due to resourcing issues.

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Appointing Directors and Trustees to Council Controlled Organisations Policy	WDC	Operations	Chief Executive Group	Feb 2014	Feb 2017	Yes	N/A		REVIEW	Review will take place early this year
Control of Business Advertising Signs/Displays in Public Places Policy	FDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Jan 1998	Jan 2002	No	N/A		REVIEW	Checking if this Policy can be revoked as it is covered by the Public Places bylaw.
District Minor Improvement Programme Policy	WDC	Operations	Unknown	Jan 2011	Jan 2014	No	N/A		REVIEW	Checking if this policy can be revoked. This funding has now been transferred to the Community Aspirations and Blueprints budget.
District Tree Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Apr 2015	Apr 2018	Yes	N/A		REVIEW	Needs a minor review. This will occur once the Proposed District Plan is approved.
Easements Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Dec 2014	Dec 2017	Yes	N/A		REVIEW	

Register of Policies

Updated: 8 March 2022

<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #f8d7da; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 20px; background-color: #d4edda; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 20px; background-color: #fff3cd; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 20px; background-color: #d4edda; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 20px; background-color: #fff3cd; border: 1px solid black;"></div> </div>	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Overdue for review										
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Funding for Road Closures for Community Events Policy	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Jan 2009	Jan 2011	No	N/A		REVIEW	The review of this policy will begin shortly.
Grass Verge Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Sep 2016	Oct 2019	Yes	N/A	This policy will be reviewed this year, noting that the policy works well and will only require minor changes.	REVIEW	
Heritage Policy	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Apr 2014	Apr 2017	Yes	N/A	Review has been delayed in order for the Heritage Strategy to progress. The strategy will provide direction to the policy review.	REVIEW	
Lump Sum Payment Policy (Rates)	WDC	Operations	Alison Diaz (Chief Finance Officer)	Jan 2004	Jan 2007	No	N/A		REVIEW	Review will take place this year.
Plaques, Memorials and Monuments Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Sep 2016	Sep 2019	Yes	N/A	Needs a minor review.	REVIEW	
Relocatable Home Parks and	FDC	Service Delivery	Roger MacCulloch	Jan 2009	Jan 2012	No	N/A		REVIEW	Review will begin shortly.

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Camping Grounds Policy			(General Manager Service Delivery)							
Road Closure for Motor Sport Events Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Mar 2012	Mar 2015	Yes	N/A		REVIEW	The review of this policy will begin shortly.
Sponsorship of, and Advertising On, Council Properties and Assets Policy	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2002	Jan 2005	No	N/A		REVIEW	
Te Kaupapa Here o Ngaa Tohu Reorua - Bilingual Signage Policy	WDC	Operations	Tony Whittaker (Chief Operating Officer)	May 2017	May 2020	Yes	N/A	A review of this policy will take place shortly	REVIEW	
Climate Response and Resilience Policy	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Dec 2021	Dec 2022	Yes	N/A		CURRENT	Updated policy adopted by Council on 13 December 2021.
Code of Conduct	WDC	Operations	Tony Whittaker (Chief Operating	Dec 2019	Dec 2022	Yes	Local Government Act 2002		CURRENT	Will be reviewed after the October local body election

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current			Officer)							
Ready to be revoked	WDC	Operations	Tony Whittaker (Chief Operating Officer)	Mid - 2019	Mid- 2022	Yes	N/A		CURRENT	Will be reviewed in 2022
Will be revoked	WDC	Operations	Tony Whittaker (Chief Operating Officer)	May 2019	May 2022	Yes			CURRENT	Will be reviewed early in 2022
Under review	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Sep 2018	Sep 2023	Yes	Building Act 2004		CURRENT	
	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Jun 2021	Jun 2024	Yes	Local Government Act 2002		CURRENT	
	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Jan 2007	N/A	Yes	Local Government Act 2002		CURRENT	

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current										
Ready to be revoked										
Will be revoked										
Under review										
Development or Financial Contributions	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Jan 2009	N/A	Yes	Local Government Act 2002		CURRENT	
Fraud Prevention Policy	WDC	Operations	Alison Diaz (Chief Finance Officer)	Jul 2021	Jul 2024	Yes	N/A		CURRENT	
Gambling Venues Policy	WDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Dec 2021	Dec 2024	Yes	Gambling Act 2003 and Racing Act 2003		CURRENT	Revised Policy was adopted by Council in December 2021.
Lead Developer Fund (Water/Wastewater) Policy	WDC	Watercare	Ian Cathcart (Special Infrastructure Projects Manager)	Nov 2021	Nov 2024	No	N/A		CURRENT	
Library Policy	WDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Oct 2019	Oct 2024	Yes	N/A		CURRENT	
Meremere Community Committee Charter	WDC	Operations	Tony Whittaker (Chief Operating	Mid- 2019	Mid - 2022	Yes	N/A		CURRENT	Will be reviewed in 2022

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current			Officer)							
Ready to be revoked	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Mar 2021	Mar 2024	Yes	N/A		CURRENT	
Will be revoked	WDC	Customer Support	Sue O'Gorman (Customer Support General Manager)	Jul 2019	Jul 2024	Yes	Psychoactive Substances Act 2013		CURRENT	
Under review	WDC	Operations	Alison Diaz (Chief Finance Officer)	Jun 2021	June 2024	Part of LTP	N/A		CURRENT	
	WDC	Operations	Alison Diaz (Chief Finance Officer)	Jun 2021	June 2024	Part of LTP	Local Government Act 2002		CURRENT	
	WDC	Community Growth	Clive Morgan (General Manager Community Growth)	Dec 2020	Dec 2023	Yes	Local Government Act 2002		CURRENT	
	WDC	Operations	Tony Whittaker (Chief	Sept 2018	Sept 2022	Yes	Local Government Act 2002		CURRENT	Will be reviewed after the October 2022 local body elections.

Register of Policies

Updated: 8 March 2022

	Overdue for review										
	Policy is current										
	Ready to be revoked										
	Will be revoked										
	Under review										
		Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
				Operating Officer)							
Strategic Land Acquisition and Disposal Policy		WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Oct 2019	Oct 2024	Yes	N/A		CURRENT	
Te Kauwhata Community Committee Charter		WDC	Operations	Tony Whittaker (Chief Operating Officer)	Mid- 2019	Mid - 2022	Yes	N/A		CURRENT	Will be reviewed in 2022
Water Leak Remission Policy		WDC	Service Delivery	Ian Cathcart (Special Infrastructure Projects Manager)	Sept 2021	Sept 2024	Yes	N/A		CURRENT	
Risk Management Policy		WDC	Operations	Katja Jenkins (Risk Advisor)	Aug 2021	Aug 2026	Yes	N/A		CURRENT	
Application of Interest to Council Reserves Policy		WDC	Operations	Alison Diaz (Chief Finance Officer)	Jan 2010	Jan 2013		N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
Bus Shelter - Public and Private Policy		WDC	Service Delivery	Roger MacCulloch (General	Jan 2007	Jan 2010	No	N/A		REVOKE	A separate revocation report is going to the

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current			Manager Service Delivery)							February Policy and Regulatory Committee
Ready to be revoked	WDC	Watercare	Ian Cathcart (Special Infrastructure Projects Manager)	Nov 2021	Nov 2024	No	N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
Will be revoked	FDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Not stated	Not stated	No	N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
Under review	WDC	Operations	Alison Diaz (Chief Finance Officer)	Jan 2005	Jan 2008	No	N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
	FDC	Operations	Alison Diaz (Chief Finance Officer)	Jan 2009	Jan 2012	No	N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 2014	Jan 2017	No	N/A		REVOKE	A separate revocation report is going to the February Policy and Regulatory Committee
	WDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 1998	Jan 2001	No	N/A		REVOKE	A separate revocation report is going to the February Policy and

Register of Policies

Updated: 8 March 2022

Overdue for review	Council (WDC/FDC)	Group	Policy Owner	Date approved	Next review date	On website	Required under Statute? If so, which act?	Comments	Status	Update since last Committee meeting?
Policy is current			Manager Service Delivery)							Regulatory Committee
Ready to be revoked										
Will be revoked										
Under review										
Covenants Policy			Manager Service Delivery)							Regulatory Committee
Vehicle Crossings Policy	FDC	Service Delivery	Roger MacCulloch (General Manager Service Delivery)	Jan 1997	Jan 2000		N/A	Will be revoked and combined with WDC's Vehicle Entrance Policy.	WILL BE REVOKED	

To | **Policy and Regulatory Committee**
Report title | **Revocation of Policies – March 2022**

1. Purpose of the report

Te Take moo te puurongo

To recommend to the Policy and Regulatory Committee that a total of eight organisational policies are revoked.

2. Executive summary

Whakaraapopototanga matua

Staff seek approval to revoke the following policies:

- Application of Interest to Council Reserves Policy 2010
- Bus Shelters - Public and Private Policy 2007
- Community Water Fluoridation Policy 2012
- Non-Standard Road Name Signs and Entrance Structures Policy
- Rating for Services Policy 2008
- Rating Rural Community Centre Areas Policy 2009
- Refuse Collection and Disposal Policy 2007
- Reserve Contributions and Conservation Covenants Policy 1998

Policies are key decision-making documents and therefore need to be kept up to date to ensure that decisions being made are appropriate and consistent. The policies identified are no longer required as they have either been superseded by other documents or laws or are deemed out-of-date and unnecessary.

The policies to be revoked have been attached to this report.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Policy and Regulatory Committee recommends to Council that the policies listed below be revoked with immediate effect:

- a. **Application of Interest to Council Reserves Policy 2010**
- b. **Bus Shelters - Public and Private Policy 2007**
- c. **Community Water Fluoridation Policy 2012**
- d. **Non-Standard Road Name Signs and Entrance Structures Policy**
- e. **Rating for Services Policy 2008**
- f. **Rating Rural Community Centre Areas Policy 2009**
- g. **Refuse Collection and Disposal Policy 2007**
- h. **Reserve Contributions and Conservation Covenants Policy 1998**

4. Background Koorero whaimaarama

Council currently has 50 governance policies of which eight are overdue for review (excluding the policies proposed to be revoked). Best practice is that policies be reviewed every three years. However, to progress the Policy Review Programme, policies will be reviewed at five-yearly intervals until three-yearly intervals become more manageable.

5. Discussion and analysis Taataritanga me ngaa tohutohu

5.1 Discussion

Work is progressing on Council's Policy Review Programme. A total of eight policies have been identified as being able to be revoked because they have been or will be superseded by another document or are no longer in use. All the policies proposed to be revoked were adopted between 1998 and 2012.

A summary of each policy is noted below along with the reasons for revocation.

Finance Policies

- **Application of Interest to Council Reserves Policy 2010**
This policy notes the interest rates applied to Council's various reserves. This policy is now included in the updated Treasury Risk Management Policy (see separate report on the updated policy on this Policy and Regulatory Committee agenda).
-

- **Rating for Services Policy 2008**

This policy states that activities within the district that cannot be related to a specific area will be treated as district activities. It also notes that if a ward or community board wants a higher level of service, a targeted rate can be struck for that particular area.

This policy can be revoked as Council's Revenue and Financing Policy covers the appropriate funding mechanisms. A separate rating policy statement is not required by the Local Government (Rating) Act 2002.

- **Rating Rural Community Centre Areas Policy 2009**

This is a Franklin District Council policy. Its purpose is for the establishment or alteration of community centre rates. It can also be revoked as Council's Revenue and Financing Policy covers the appropriate funding mechanisms. A separate rating policy statement is not required by the Local Government (Rating) Act 2002.

Service Delivery Policies

- **Bus Shelters - Public and Private Policy 2007**

This policy provides detail on the annual funding for public bus shelters and the standards to be applied for both public and private shelters.

This policy is no longer required as private bus shelters on the road reserve are not encouraged and funding for public bus shelters is provided for in the Long Term Plan.

- **Non-Standard Road Name Signs and Entrance Structures Policy**

This is a Franklin District Council Policy. It is unclear when this policy was adopted ([but was prior to amalgamation in 2010](#)). Its intent is to 'warn' developers that the erection of non-standard road name signs and entrance structures on road reserve is at Council's pleasure.

This policy is no longer required. Non-standard road name signs and entrance structures on road reserves are discouraged and this area is covered by the signs policy within the District Plan.

- **Community Water Fluoridation Policy 2012**

The Health (Fluoridation of Drinking Water) Amendment Bill was passed into law late last year. The legislation's intent is for a nationally consistent approach to community water fluoridation meaning the decision on whether to fluoridate community water has been removed from territorial authorities and is now the role of the Director-General of Health to direct local authorities to add fluoride to water supply.

This means this policy is no longer relevant.

- **Refuse Collection and Disposal Policy 2007**

This policy is a series of statements on district refuse collection, waste management and the privatisation of refuse transfer stations. It has now been superseded by the Waste Management and Minimisation Plan.

- **Reserve Contributions and Conservation Covenants Policy 1998**

This policy outlines circumstances when a reserve contribution is reduced or waived due to the landowner creating a conservation covenant.

It is no longer needed, as Council does not charge financial contributions for reserves under the District Plan and Resource Management Act. Reserves were brought in under the Development Contributions Policy meaning financial contributions for reserves stopped then.

5.2 Options

Ngaa koowhiringa

Staff have assessed that there are two reasonable and viable options for the committee to consider. This assessment reflects the level of significance of the decision. The options are set out below.

Option 1 - Revoke the policies

The policies included are no longer required, as they have either been superseded by another document or deemed to be out of date and of little to no value in their current form.

Option 2 - Retain the policies mentioned above

The policies included could be retained, however all are currently out of date and are no longer in use.

Staff recommend option 1, as there is no longer a need for these policies.

5.3 Financial considerations

Whaiwhakaaro puutea

There are no material financial considerations associated with the recommendations of this report.

5.4 Legal considerations

Whaiwhakaaro-aa-ture

Staff confirm that the preferred option complies with Council's legal and policy requirements.

5.5 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The report and recommendations are consistent with Council's policies, plans and prior decisions.

5.6 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

There are no impacts on Maaori or other material cultural issues resulting from the revocation of these policies.

5.7 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

The matters in this report have no known impact on climate change or resilience for Council.

5.8 Risks

Tuuraru

There are no risks associated with this decision. Any risk around the policies still being required after revocation has been mitigated by discussing the status of these policies with subject matter experts and group managers to ensure they are out of date and no longer used.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance, in accordance with Council's [Significance and Engagement Policy](#).

6.2 Engagement

Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult ✓	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
	The owners of the policies proposed to be revoked have been consulted and will be notified of the outcome of the report.				

The following stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	ü	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards / Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui / Local iwi and hapuu
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other

7. Next steps

Ahu whakamua

If the Committee agrees to revoke these policies, the policy register will be updated accordingly.

8. Confirmation of statutory compliance

Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and committee's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Not applicable
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments

Ngaa taapirihanga

1. Application of Interest to Council Reserves Policy 2010
2. Bus Shelters - Public and Private Policy 2007
3. Community Water Fluoridation Policy 2012
4. Non-Standard Road Name Signs and Entrance Structures Policy
5. Rating for Services Policy 2005
6. Rating Rural Community Centre Areas Policy 2009
7. Refuse Collection and Disposal Policy 2014
8. Reserve Contributions and Conservation Covenants Policy 1998

Date:	22 March 2022
Report Author:	Anthea Sayer - Policy Advisor
Authorised by:	Clive Morgan General Manager Community Growth

Application of Interest to Council Reserves Policy

Policy Sponsor: Chief Executive
 Policy Owner: General Manager, Strategy and Support
 Approved By: Policy Committee
 Date Approved: xx month year
 Next Review Date:

Objectives

To document the

Related Documents/Legislation

Treasury Management Policy 'Interest on Special Fund and Reserves Accounts'

Application

This Policy applies to

Policy Statement(s)

Amendments on Application of interest to Council Reserves to be applied as follows:

Restricted Reserves

Francis Paki Trust	Full interest
Mungal Scholarship Trust	Full interest
Huntly College Jubilee Fund	Full interest

Council Reserves

Carry forwards	No interest
Conservation Reserve/Properties of National Importance	Full interest
Contingency Fund	2% interest (to keep in line with inflation)
Creative NZ	No interest
Disaster recovery fund	2% interest (to keep in line with inflation)
District Wide Community Facility Reserve <i>[Refer WDC05/17/11/17]</i>	Full Interest
General Accounting Reserve Fund	No interest
Hillary Commission loans from WDC contributions	Full interest
Hillary commission grants	No interest
Lake Hakanoa Caravan Park Reserve	Full interest
Land Subdivision Reserve Fund	Full interest

Lead Developer Fund	Full interest
Operational and Technical Services Unit Reserve	No interest
Pensioner Housing	Full interest
Plant Operating Account	Full interest
Property Proceeds Reserve	No interest
Pukemiro Hall reserve	Full interest
Raglan Harbour reserve	Full interest
Refurbishment Hamilton Office	Full interest
Revaluation Reserve	No interest
Road Upgrade Contributions	Full interest
Scada Deficit Reserve	Full interest
Southern Districts Water Upgrade Reserve	Internal Loan Rate
Structure Plan Reserves	Full interest
Strategic Investment Fund [Refer 05/12/18]	No interest
Township Development Reserves	No interest (unless reserve is in deficit, then internal loan rate will apply)
North Waikato Infrastructural Reserve	Full Interest
Tamahere Hall Loan Reserve [Refer WDC06/194/13]	Internal Loan Rate
Development Contribution Reserves [Refer WDC06/194/13]	Full Interest
Franklin Transition [Refer WDC1006/12/13]	Full Interest

Targeted rate reserves

All targeted rate reserve have full interest applied.

Replacement fund reserves

All replacement fund reserves will have full interest applied except Roading, Community Facilities and Libraries. [WDC06/194/14]

These exceptions are due to the replacement fund being fully utilised every year.

Note: Full interest means full interest as applicable when applying the Treasury Management Policy 'Interest on Special Fund and Reserves Accounts'.

Policy Review

This Policy shall be reviewed upon the creation of new reserve.

Bus Shelters (Private and Public) Policy

Policy Sponsor: Waikato District Council
 Policy Owner: General Manager, Roading & Projects
 Policy Number: WDC0712/05/1/12
 Approved By: Chief Executive
 Date Approved: 2007
 Next Review Date:

Objective(s)

What is/are the objectives of this policy?

Application

Roading Committee
 Roading and Projects staff
 Finance staff

Policy Statements

- I. **Public Bus Shelters:**
 - a) Public bus shelters are defined as bus shelters located on an established passenger transport route and which are provided and maintained from within the Council budget;
 - b) That provision be made within the Annual Plan for expenditure of up to \$24,000.00 per annum on the maintenance, renewal and provision of new public bus shelters subject to this provision being reviewed annually to assess demand;
 - c) That to be funded by Council, public bus shelters shall be used by a minimum of ten persons in the peak hour on a continuing basis;
 - d) The Council shall bear all costs associated with public bus shelters located within the road reserve;
 - e) That the following standards be imposed on all public bus shelters placed on road reserves:
 - i) The structure shall be adequately anchored and shall meet all statutory requirements to ensure that it is not displaced by wind or other natural phenomenon;

Previous Review Dates:

- ii) The structure shall be of a re-locatable design to cater for changing needs;
- iii) The appearance, construction and location of the structure shall be to the approval of the Rooding Group Manager.

2. Private Bus Shelters

- a) Private bus shelters are defined as bus shelters erected by a private individual on road reserve with the express permission of the Council, without Council funding and includes school bus shelters;
- b) That the Council does not provide funding for private bus shelters;
- c) That all private bus shelters to be erected on Council road reserve be subject to a permit being obtained from the Council prior to commencement of construction. (Permits issued free of charge. Refer to current Fees & Charges booklet);
- d) That all costs associated with construction and ongoing maintenance of private bus shelters erected upon road reserve be met by the person or persons responsible for the construction of the shelter;
- e) That the following standards be imposed on all applications for private bus shelters to be placed on road reserves:
 - i) That Council gives no tenure to land under the bus shelter;
 - ii) The Council may withdraw at any time the consent granted by a permit to erect a structure on road reserve and, when required, the applicant will remove the structure at his/her own cost;
 - iii) The Council accepts no responsibility for damage to any shelter occasioned by any means whatsoever;
 - iv) The structure shall meet all statutory requirements and shall be adequately anchored to ensure that it is not displaced by wind or other natural phenomenon;
 - v) The structure shall be of a re-locatable design to cater for changing needs and easy removal;
 - vi) The appearance, construction and location shall be to the satisfaction of the Rooding Group Manager.

Policy Review

(how often should this policy be reviewed?)

Previous Review Dates:

Community Water Fluoridation Policy

Policy Owner	Chief Executive
Approved By:	Policy & Regulatory Committee
Approval Date:	
Resolution Number	WDC1211/13/1/2
Effective Date	Nov 2012
Next Review Date:	

Introduction *(delete if not required)*

Objective(s)

What is/are the objectives of this policy?

Definitions *(delete if not required)*

Application

Who does the policy apply to – who should use it?

Relevant Documents/Legislation *(delete if not required)*

Policy Statements

1. Continue community water fluoridation for currently fluoridated schemes and the agreed extensions.
2. Programme community water fluoridation through the 2015 Long Term Plan for the remaining water supplies following consultation with the relevant community boards and subject to availability of funding.
3. Set the dose rate so that the drinking water contains between 0.7 milligrams/litre and 1.0 milligrams/litre of fluoride as per the Ministry of Health Policy.

Policy Review

(how often should this policy be reviewed?)

This policy will be reviewed as deemed appropriate by the Chief Executive, or at least once every three years.

C. 1.12 Non Standard Road Name Signs and Entrance Structures Background

During consideration of this policy item, Councillors noted that discretion to allow these structures rested with Council Officers. The intent of the following policy is to warn developers that such structures are erected 'at Council's pleasure' and as such could be removed at any time if Council so wishes.

Policy

The erection of non-standard road name signs and entrance structures on road reserve be at Council's pleasure.

Rating for Services Policy

Policy Sponsor: Waikato District Council
Policy Owner: General Manager,

Policy Number:
Approved By: Waikato District Council
Policy Reference: WDC05/105/1/2
Date Approved: 2005
Next Review Date:

Objectives

Application

Waikato District Council
WDC staff
Finance staff

Policy Statement(s)

All activities within the district that cannot be related to a specific area, for example, water supply, wastewater, and land drainage, will be treated as district activities.

Standard charges have been adopted for services such as libraries, swimming pools, permits, dog registration, playing fields, etc.

If any Ward or Community Board wishes to provide services of a higher standard than that provided by the district a Targeted Rate will be struck over that Ward or Community Board District.

Policy Review

E4.7 Rating Rural Community Centre Areas

Purpose

This policy is for the establishment or alteration of community centre rates. Its purpose is to give Council the ability to manage the Community Hall rates up to the maximum the policy allows, where many are funded by a rate to ratepayers through their rates.

Definitions

For the purpose of this policy

“Community centre” means any facility or group of facilities for social, recreational, cultural, or educational purposes or for the physical or intellectual well-being and enjoyment of the residents of the district or any group or section of them, whether alone or together with other persons.

“Community centre area” means a part of the district declared by the council pursuant to section 606 of the Local Government Act 1974 (the Act) to be a community centre area for the purposes of that Part as at 1 July 2003, and includes a joint community centre area established pursuant to section 607 of the Act as at 1 July 2003; or any area constituted by Council resolution in accordance with the policy for Establishing / Altering Community Centre Areas.

Legislation

Community centre committees must be aware of Sections 82-90 and Sec 95 of the Local Government Act 2002, when proposing the creation of or change to a community centre rate. Council can advise committees on this legislation.

Policy

The community centre committee must resolve the rate for the new financial year. Written notice of this is then given to Council, where this notice must be received by Council on or before 31 January to be included in the next rating year.

Under no circumstances shall the rate exceed \$75.00 (excluding GST) per annum per targeted rateable residential dwelling unit.

Council will include any proposed change to the rate with the draft annual plan or community plan. Upon acceptance of the rate in the community plan or annual plan, the new rate will become the rate payable to the community centre committee subject to compliance with Council Policy's 2.8.1.12 and 2.8.1.15.

Limitations

Unless the community centre committee can demonstrate good reasons for any rateable property paying a community centre rate to more than one community centre, no rateable residential dwelling unit shall be required to pay more than one community centre rate.

2005/3/29, SP/2009/12/9

Refuse Collection and Disposal Policy

Policy Sponsor: General Manager,

Policy Owner:

Policy Number: WDC0712/05/1/12
WDC05/33/1/3
WDC06/189

Approved By: Chief Executive

Date Approved: 2005, 2006, 2007

Next Review Date:

Objective(s)

What is/are the objectives of this policy?

Application

Who does the policy apply to – who should use it?

Policy Statements

WDC0712/05/1/12 District Refuse Collection

Council retains ownership and operational control of its Domestic Refuse Collections.

The status quo (ie a targeted rate funded collection of a maximum of two 60 litre bags per week per property) be retained for the provision of refuse collection in the district.

A prepaid bag refuse collection system can be operated in Raglan in accordance with Raglan's Zero Waste Policy.

WDC05/33/1/3 Waste Management

Commercial businesses can negotiate directly with the refuse collection contractor to dispose of commercial waste and provision of recycling services.

The fees charged by the refuse transfer stations may be subsidised.

Provision be made at the refuse transfer stations for collection of hazardous wastes.

Refuse Transfer Station leases shall include a specific requirement for recycling.

Previous Review Dates:

WDC06/189 **Privatisation of Refuse Transfer Stations**

Council retains ownership of Refuse Transfer Stations.

Policy Review

(how often should this policy be reviewed?)

Previous Review Dates:

Reserve Contributions and Conservation Covenants Policy

Policy Sponsor: General Manager, Water & Facilities
 Policy Owner: Facilities Manager
 Policy Number: WDC98/96/6/2
 Approved By: Chief Executive
 Date Approved: 1998
 Next Review Date:

Objective(s)

What is/are the objectives of this policy?

Application

Who does the policy apply to – who should use it?

Policy Statements

That Council shall normally require the full reserve contribution to be paid when a landowner enters into a voluntary conservation covenant. This is because reserve contributions are levied to provide Council with funds to develop recreational amenities, whereas conservation covenants are entered into primarily to achieve conservation rather than recreation objectives.

That Council, through the Hearings Committee, shall assess applications to waive or reduce reserve contributions when a voluntary conservation covenant is entered into, taking into account the following factors:

- 1) The size of the covenant area.
- 2) The covenant costs met by the landowner (legal, fencing, surveying).
- 3) The covenant costs met by Council (legal, fencing, surveying).
- 4) The extent to which there is a public recreation benefit from the covenant area (public access or landscape values).
- 5) The amount of reserve contribution payable.

Policy Review

(how often should this policy be reviewed?)

Previous Review Dates:

To | **Policy and Regulatory Committee**
Report title | **Sensitive Expenditure Policy Review**

1. Purpose of the report **Te Take moo te puurongo**

To seek the Committee's recommendation to Council to adopt the revised Sensitive Expenditure Policy.

2. Executive summary **Whakaraapopototanga matua**

Council's Sensitive Expenditure Policy was due for review by 30 November 2021. Staff review commenced in October with further updates made in November to incorporate feedback from Audit New Zealand.

While the Policy & Regulatory Committee recommends policy amendments to Council for approval, as it is a key control in the management of fraud risk, the Audit & Risk Committee is also involved in the review of the Sensitive Expenditure Policy. The Audit and Risk Committee endorsed the revised Sensitive Expenditure Policy at their meeting on 16 December 2021.

Minor changes to the policy are requested to address grammatical errors, updates to fringe benefit tax budget implications and council's credit card limit and clarity around private use of council suppliers and 'my boost' employee benefits scheme.

3. Staff recommendations **Tuutohu-aa-kaimahi**

THAT the Policy and Regulatory Committee recommends to Council that the revised Sensitive Expenditure Policy be adopted.

4. Background **Koorero whaimaarama**

Public entities are required to establish and maintain a sensitive expenditure policy. Senior management are expected to review the policy regularly and communicate the policy to all staff and elected representatives at least annually.

Council's Sensitive Expenditure Policy was developed in line with the Auditor General's Good Practice Guide 'Controlling sensitive expenditure: Guide for public organisations'. These guidelines outline the principles applicable to sensitive expenditure and the scope of policies and procedures required of a public entity. Clause 3.4 of Part 3 outlines the generic content of policies and procedures, as follows:

"Sensitive expenditure policies need to:

- Make clear what types of expenditure are and are not allowed.
- Outline clear approval processes that are specific about who approves what (including that expenditure should generally be approved before it is incurred) and any exceptions to that.
- Set spending limits or boundaries and specifying dollar limits and defined boundaries, where practicable. Otherwise, the policies need to be clear about when people are expected to exercise careful judgement as to what is actual and reasonable.
- Allow manager discretion to grant an exception (management override) to a policy or procedure only in exceptional circumstances.
- Specify the monitoring and reporting regime (including when exceptions to policies have been granted) and, where applicable, controls or checks that may be applied; and
- Specify the requirements for review of the policies and procedures."

The proposed amendments to the Sensitive Expenditure Policy continue to comply with these requirements and complement the other Council policies such as Fraud Prevention, Codes of Conduct (staff and elected members), Gifts & Hospitality, Reimbursement of Expenses, and Rewards and Recognition Policies.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

The amendments being proposed are:

Item	Current Policy position	Proposed changes
Change in Policy review date	The timing of the policy reviews does not align with the committee meeting cycle.	Moving the review date to February, will allow the Audit & Risk Committee to review the policy in December of the prior year with the Policy & Regulatory Committee finalising the process in February.

Grammatical errors		Minor updates for hyperlink references, spelling and formatting.
Fringe Benefit Tax (FBT)	Section 5.6 (d) stipulates FBT budgetary considerations to be approx. 50% increase in cost	The budgetary impact has been updated to the FBT single rate which is approximately 64%.
Credit card limit	Section 6.1.1 states that the credit card spending limit is \$5,000	During 2020, Council resolved to increase the credit card limit to \$20,000
Fuel card usage	Section 6.1.2 states that fuel cards should not be used for car washes or fuelling private vehicles	Following a fraud investigation in 2019/20 this section has been updated to include 'or for any private expenditure'
Receiving of gifts	The Sensitive Expenditure Policy and the related Gifts and Hospitality Policy do not explicitly address cash gifts	Based on Audit New Zealand feedback, staff are recommending that section 6.5.2 be updated to reflect that receiving cash gifts is unacceptable
Private use of Council suppliers	Section 7.3 referred to the employee benefits scheme N3	Section 7.3 has been updated to reflect the employee benefit scheme my boost On the advice of Audit New Zealand, we have also explicitly stated that council is not to be used as a line of credit

It should be noted that the individual policies and processes referred to throughout the Sensitive Expenditure Policy stipulate the monitoring and other requirements. Non-compliance matters are reported under the Anti-fraud and corruption framework.

5.1 Options

Ngaa koowhiringa

The Policy and Regulatory Committee could choose to recommend the suggested changes to the policy as is, or request further adjustments be made

5.2 Financial considerations

Whaiwhakaaro puutea

There are no material financial considerations associated with the recommendations of this report.

5.3 Legal considerations

Whaiwhakaaro-aa-ture

Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The report and recommendations are consistent with the Council's policies, plans and prior decisions.

5.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

There is no impact on Maaori cultural issues.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

The matters in this report have no known impact on climate change or resilience for the Council.

5.7 Risks

Tuuraru

The proposed amendments to the Sensitive Expenditure Policy comply with and complement the other Council policies such as Fraud Prevention, Codes of Conduct (staff and elected members), Gifts & Hospitality, Reimbursement of Expenses, and Rewards and Recognition Policies, as well as reinforcing the no tolerance position regarding fraud.

6. Significance and engagement assessment Aromatawai paahekoheko

6.1 Significance Te Hiranga

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's [Significance and Engagement Policy](#).

6.2 Engagement Te Whakatuutakitaki

The stakeholders noted below have been engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Other – Audit New Zealand

7. Next steps Ahu whakamua

If the Policy and Regulatory Committee agrees to recommend the revised policy to Council, the matter will be placed on the agenda for the next Council meeting.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Committee's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments Ngaa taapirihanga

Sensitive Expenditure Policy 2022

Date:	22 March 2022
Report Author:	Colin Bailey
Authorised by:	Gavin Ion Chief Executive

Sensitive Expenditure Policy

Policy Owner:	Chief Executive
Date approved:	March 2022
Next review date:	March 2025
Document number:	
Engagement required:	N/A

1 Purpose

To provide a framework for staff entering into or approving sensitive expenditure and other financial transactions on behalf of Council.

This policy should be read in conjunction with specific policies listed in Related Documents/Legislature.

2 Definitions

Approving Manager, a staff member's line manager or a manager higher in the financial delegation approval hierarchy.

Entertainment Expenses expenditure on food, beverages, tickets for events, and related supplies for events, involving one or more Council staff members and/or one or more guests, and the purpose of the expenditure is to represent the Council or provide reciprocity of hospitality or build business relationships in pursuit of Council goals.

Official Function social functions, entertainment events, ceremonies, meetings, special events and conferences that can be demonstrated to provide clear benefit to the Council. Such functions must be sanctioned by the Chief Executive, or the relevant General Manager.

Credit Card includes vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before payment is made.

Sensitive Expenditure any Council expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual staff member that is additional to the business benefit to the entity of the expenditure. It also includes expenditure by Council that could be considered unusual for Council's purpose and/or functions.

Travel, accommodation, gifts and hospitality are examples of sensitive expenditure.

Supplier a current or potential provider of goods or services to the Council.

3 Application

This policy applies to all elected members (including community board and committee members) and staff of the Waikato District Council.

The term 'staff' will be deemed to cover all of the above categories where it is mentioned within this document.

4 Significance

This policy is not considered significant in terms of the Significance and Engagement Policy.

5 Policy Statements – Principles and Controls

5.1 Principles and Ethics

Council spends public money and, consequently, all expenditure should be subject to a standard of probity and financial prudence expected of a local authority and be able to withstand public scrutiny.

Council is obliged to safeguard and use its resources in a responsible manner. Furthermore, Council staff and elected members must guard against actual or perceived conflicts of interest in regard to the use of those resources. Due to the risk of perceived or actual personal benefit to the staff or elected member arising from certain expenditure categories, such as travel, accommodation, gifts and hospitality, the Controller and Auditor-General defines them as 'sensitive' expenditure. The Council expects all staff involved in arranging, making or approving sensitive expenditure to:

- a) do so only for Council purposes;
- b) exercise prudence and professionalism;
- c) not derive personal financial gain;
- d) act impartially;
- e) ensure the expenditure is moderate and conservative in the context of the given situation;
- f) have read and adhered to this and other relevant Council policies.

The Council's two Codes of Conduct identify the required behavioural standards for staff and elected members in all areas of their work.

5.2 Determining when sensitive expenditure is appropriate

In deciding what appropriate sensitive expenditure is, elected members and Council staff need to take account of both individual transactions and the total amount of sensitive expenditure.

Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, Council could be criticised for extravagance and waste.

5.3 Responsibilities of the Mayor, Councillors and General Managers

Overall responsibility for this policy rests with the Mayor, Councillors and the Executive Leadership Team (ELT). This group must make it clear to staff what is and is not 'acceptable sensitive expenditure' and model those behaviours to the highest standard.

5.4 Controls and judgement

In the absence of a specific rule for a given situation, the Mayor, Councillors and ELT are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.

The Mayor, Councillors and ELT are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

5.5 General controls

All claims must be submitted promptly, on the relevant expense reimbursement form, after the expenditure is incurred. Except in exceptional circumstances this means within one month.

Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to the Waikato District Council business.

Valid, original GST compliant tax invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.

All claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.

5.6 Approval of sensitive expenditure

Approval of sensitive expenditure must:

- a) be given by a person senior to the person who will benefit or might be perceived to benefit from the expenditure, wherever practical;
- b) be given before the expenditure is incurred, wherever practical;
- c) be made strictly within delegated authority and only where budgetary provision exists;
- d) ensure that all budgetary considerations include the fringe benefit tax impact (approx. 64% increase in cost)
- e) only be given where the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met.

Expenditure incurred by the Mayor or other elected members (not explicitly approved by Council), will be reviewed by the Chief Executive for compliance with this policy.

In the case of General Managers, approval must be given by the Chief Executive. In the case of the Chief Executive, approval is required from the Mayor.

6 Policy Statements – Specific Areas of Expenditure

6.1 Council credit cards

6.1.1 Bank Credit Cards

The Chief Financial Officer (CFO) operates a credit card account, in the name of the Chief Executive, solely for the procurement of goods or services through the internet.

The credit card spending limit is \$20,000 and the maximum limit per transaction is \$2,500. Changes to these limits shall be approved by the Strategy and Finance Committee.

The credit card is to be stored securely and the card details, such as card number and expiry date restricted to the staff involved in its administration.

Internet purchases are to be made by a delegated member of the finance team who will ensure that:

- a) Purchases are made only from established reputable companies known to Council.
- b) Internet sites are secure and the vendor is reputable.
- c) The procurement complies with Councils procurement policy and manual controls.
- d) A copy of the online order form and invoice is printed to support the payment.

The delegated Finance staff member shall provide a report to the CFO on transactions made on the credit card during the previous month. Such reports shall include the nature and quantum of expenditure and copies of relevant documentation.

Should the credit card be lost or misplaced, the card is to be cancelled immediately and a replacement sought.

Where approval is given by the Chief Operating Officer (COO) to cancel the credit card, the delegated Finance staff member shall promptly destroy the card and advise the issuing bank of its cancellation.

The credit card is not to be used for cash advances and is not available for private use.

If any misuse of the credit card is identified, the Fraud Policy will apply and Council will pursue recovery of the debt wherever possible and practicable in accordance with the process 'Report and Investigate Fraudulent Activity'.

The Strategy & Finance Committee will authorise the issuance of any further credit cards on recommendation from the Chief Executive who must be satisfied that the issuance of any extra card(s) is essential for administrative efficiencies. In recommending the issue of a card the Chief Executive will also include the approved credit limit.

6.1.2 Fleet Fuel Cards

Fuel cards are provided in each Council-owned vehicle for the sole purpose of re-fuelling the fleet vehicle. When purchasing fuel, at designated service stations, the driver must provide the station attendant with the current odometer reading.

Fleet fuel cards shall not be used for car washes or for fuelling private vehicles or for any other private expenditure.

6.2 Travel and accommodation

6.2.1 General

Elected members and staff may need to incur travel and accommodation costs while conducting legitimate Council business elsewhere in New Zealand or overseas. Expenditure should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.

Without prior approval no additional costs will be paid by Council after the conclusion of the conference.

Domestic travel should be undertaken in the most cost effective, practical and efficient manner. For example, travel to Auckland or Taupo or Tauranga is most efficient by car. Travel to Wellington or the South Island will usually be by air.

In assessing the best method of travel, consideration should be given to distance, timetable constraints, urgency, personal health, security and safety.

Any fines (parking or traffic offences) incurred in using motor vehicles are the responsibility of the driver, not Council. This clause does not include any offences in relation to Warrant of Fitness or registration of Council fleet vehicles.

The use of communication technology (e.g., mobile phones, telephones, email, and internet access) should be moderate. Reasonable private use to clear email and communicate with family members, while travelling on council business, is permitted. Staff and Elected Members must use Wi-Fi networks or pre-paid data packages and not use cellular network roaming when travelling internationally.

Staff will generally be permitted to take annual leave in conjunction with Council business as long as the annual leave is incidental to the travel. In other words, there must be a clear business purpose for the travel and this is the primary reason for the travel. Council will not fund any costs associated with private travel or annual leave (other than utilization of accumulated annual leave for staff).

Elected Members, General Managers and staff, with the express approval of the Mayor, Chief Executive or General Manager respectively may undertake private travel (extended travel) before, during or at the end of Council travel, provided there is no additional cost to Council and the private travel is only incidental to the business purpose of the travel.

Council will not reimburse elected members or staff for tipping while they are on business in New Zealand. Council will reimburse elected members and staff for low to moderate tipping during international travel only in places where tipping is local practice.

With the exception of the annual LGNZ Conference where delegate member's spouses may attend at Council's cost (refer [Conferences and Seminars Policy – Attendance and Payment of Expenses](#)), as a general principle, the travel cost of accompanying spouses, partners or other family members are a personal expense and will not be reimbursed by Council.

6.2.2 Private Vehicle

Generally Council will not pay for travel by private motor vehicle where travel by other means is more practical and cost effective. Staff are expected to always use a Council vehicle for Council business if one is available.

Where the use of a private vehicle is approved for Council-related business, the staff member must ensure they have appropriate insurance cover for the vehicle while it is being used on Council business. Any fines (parking or traffic offences) incurred while using a private vehicle on Council business are the responsibility of the driver. Staff reimbursement for the use of a private vehicle will be made in accordance with the [Reimbursement of Expenses Policy](#)

Reimbursement for the use of private vehicles for elected members will be made in accordance with the [Reimbursement of Mileage and Expenses - Elected Members Policy](#).

6.2.3 Air travel

6.2.3.1 General

To the extent practicable, air travel is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible.

All travel bookings are to be made in accordance with the process [Request Corporate Travel and/or Accommodation](#) and associated guidelines.

All air travel shall be booked through an Executive Assistant or appropriate Personal Assistant to ensure that competitive prices are obtained.

Discounted economy or economy class (or a discount airline if applicable) is to be the first choice for journeys. The Chief Executive or Mayor may consider an upgrade to another travel class, for staff or elected member respectively, in special circumstances, if there is:

- a) no additional cost to Council; or
- b) the cost is covered by the person travelling; or
- c) where the work schedule on arrival, or personal health, safety or security reasons make another class preferable.

Stopovers

The cost of stopovers will only be reimbursed where they are pre-approved and have a clear business purpose.

Airline Membership Clubs

The Mayor and Chief Executive will be entitled to Koru Club or equivalent airline membership to reflect the need for travel on Council business. Council will pay for the membership.

The Chief Executive may approve membership of such airline travel clubs for other staff provided there is a clear business purpose for the membership. Such approval will be reviewed annually.

The payment of airline fees for membership clubs is not considered to be remuneration.

Airline Loyalty Rewards

Loyalty rewards from air points (or other loyalty schemes) accruing to elected members or staff carrying out their official duties may remain with the relevant elected or staff member provided the use of airlines supplying air points does not result in Council incurring additional costs.

6.2.3.2 International Travel

Any proposed international travel on Council business, or for training or personal development of the Chief Executive at the cost of Council, must receive prior approval from the Council including details of estimated cost and the expected benefit to the organisation and its ratepayers.

This policy does not apply to international travel undertaken for the purposes of training and personal development of staff (other than the Chief Executive) if the travel has been approved by the Chief Executive and the overall cost has been approved through the Annual Plan or Long-Term Plan process.

Any person travelling internationally on Council business must provide a report to the Mayor or Chief Executive upon their return detailing the benefits of the trip.

6.2.4 Meals and accommodation

6.2.4.1 Elected Personnel

Refer to Council's Policy on ['Conferences and Seminars – Attendance and Payment of Expenses \(including Local Government NZ Conferences\).'](#)

6.2.4.2 Staff

To the extent practicable, accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. This must take into account the location of the accommodation relative to the event, the standard of the accommodation (which should be modest) and security issues. The use of '5 star' or 'luxury' accommodation requires the express approval of the Chief Executive, prior to the booking being confirmed.

All accommodation bookings are to be made in accordance with the process [Request Corporate Travel and/or Accommodation](#)

Wherever possible use is to be made of Council's preferred suppliers and negotiated corporate rates. Where any staff member chooses to stay in private accommodation, no reimbursement will be made.

Reasonable meal costs will be met except where a meal has been provided as part of the meeting, conference, training etc.

Council will meet the cost of the following expenses whilst staff are on Council business:

- a) Meals (including non-alcoholic drinks) to a maximum cost of \$65 per meal per staff member;
- b) Maintaining business related and family communication, in accordance with 6.2.1;
- c) Reasonable expenses for unexpected events, e.g. overnight expenses due to a cancelled plane flight.

Council will not reimburse the following non-business expenses:

- a) Any alcoholic drinks
- b) Use of hotel minibar or pay per view.

Accommodation checkout times are to be observed and Council will not meet any additional costs because of the staff member failing to check out on time except in the case of extenuating circumstances.

6.2.5 Rental Cars and Taxis

Rental cars are only to be used if it is impracticable or uneconomic to use a Council vehicle. Council requires that the most economical type and size of rental car be used, consistent with the requirements of the trip. Any fine (parking or traffic offences) incurred while using a rental vehicle are the responsibility of the driver.

Personal use of a rental car is only permitted in exceptional circumstances and requires the express approval of the relevant General Manager or Chief Executive. All additional costs as a result of private use are the responsibility of the elected member or staff member.

Council expects the use of taxis to be moderate, conservative and cost effective relative to other transport options. Wherever practicable, shuttle, train or bus services are to be used in lieu of taxis.

Taxi cards are only to be used in an individual's name and require the express approval of the Chief Executive. All use of taxi cards/chits is to be transparent with the purpose of each trip recorded on the account.

6.3 Entertainment and hospitality

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to meals and alcohol. It also includes non-catering related items, such as Council funded entry to sporting or cultural events.

There are four business purposes for Council providing entertainment and hospitality:

- a) Building relationships.
- b) Representing the organisation.
- c) Reciprocating hospitality where there is a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality.
- d) Recognising significant business achievement.

Supporting the Council's internal organisational development may in some circumstances also be a legitimate business purpose for moderate expenditure.

The principles of a justified business purpose, moderate and conservative expenditure, should be applied.

All entertainment and hospitality expenditure must be pre-approved where practical and always supported by clear documentation. This documentation must identify the date, venue, costs, recipients and benefits derived and/or reasons for the event. The most senior person present (with delegated authority) should approve and confirm the expenditure as being appropriate.

Council will not reimburse the cost of alcoholic drinks.

Refer also to Council's [Anniversaries, Long Service Awards and Farewell](#) Policy and [Rewards and Recognition](#) Policy.

6.4 Staff support and welfare expenditure

6.4.1 Clothing

Other than official uniforms and health and zero harm-related clothing, elected members or staff will not be clothed at the Council's expense, when they are engaged in a normal business activity.

6.4.2 Financing Social Club activities

Council may make a prudent and reasonable monetary contribution to the staff social club. The contribution may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event or item.

6.4.3 Farewells, long service and retirements

Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion. Refer to Council's [Anniversaries, Long-Service Awards and Farewell Policy](#).

6.4.4 Professional Memberships

Membership to a professional body is sensitive expenditure due to its personal nature.

Payment of professional fees by Council on behalf of a staff member must be:

- a) approved by the General Manager or Chief Executive;
- b) clearly relevant to the performance of the staff member's duties and responsibilities;
- c) for the staff member alone and is not to cover members of their family or other non-staff members;
- d) for no longer than one-year in duration unless significant discounts are available and it is reasonable to expect a two year membership to be an advantage to the Council;
- e) for the benefit of the Council and are not intended to be a personal benefit to staff members, and accordingly are not liable for fringe benefit tax.
- f) cancelled or transferred to an appropriate staff member if the staff member's employment with the Council is terminated, via resignation or otherwise;
- g) refunded directly to the Council if the membership is cancelled.

6.4.5 Sponsorship of staff or others

Staff taking part in an activity that is not part of their job – such as a sporting event – may be sponsored by Council through the provision of, or payment for, goods or services (for example, a t-shirt or an entry fee).

Sponsorship should have a justified business purpose, which could include both publicity for the Council and its objectives and organisational development. The cost to Council must be moderate and conservative. If the sponsorship does not have a justified business purpose, the cost is a donation.

In normal circumstances sponsorship will be provided through a social club rather than directly to the staff member.

Sponsorship of people who are not staff must be undertaken in a manner that is transparent. It is also preferable that, if non-staff are sponsored, the sponsorship is of an organisation they belong to, rather than directly of the individual.

Where a staff member is chosen to represent New Zealand at an international event, special leave may be available at the discretion of the Chief Executive. Refer to the [Sports, Art and Culture Leave Policy](#) for further information.

6.5 Other types of expenditure

6.5.1 Donations & Koha

A donation/koha is a payment (in money or by way of goods or services) made voluntarily and without the expectation of receiving goods or services in return.

Council requires donations to be:

- a) Lawful in all respects.
- b) Disclosed in aggregate in the Council's annual report.
- c) Made to a recognised organisation by normal commercial means (not to an individual).
- d) Not in cash.
- e) Non-political.

The amount of koha given on behalf of Council should reflect the occasion and the prestige of Council in its relations with Tangata Whenua and approved by the Chief Executive or relevant General Manager on advice from the Pouhono Iwi ki te Haapori (Iwi and Community Partnerships Manager).

The following payments are not donations/koha and as such will likely have PAYE/Withholding tax and/or GST implications:

- a) A payment in response to providing a service (e.g. lecturing or presenting).
- b) A payment to a marae for the use of their premises. This may involve accommodation, food and drink, or other related services.
- c) A payment made for Maaori or iwi participation at a hui or a blessing undertaken by Kaumaatua.

6.5.2 Gifts

With the exception of Long Service awards, the giving of gifts up to \$300 requires the approval of the relevant General Manager. Giving of any gift over \$300 requires the approval of the Chief Executive in respect of staff, and the Mayor in respect of elected members.

The giving of gifts must be appropriate, transparent and reasonable.

Refer to Council's [Anniversaries, Long-Service Awards and Farewells Policy](#).

The receiving of a gift is not strictly sensitive expenditure but it is nevertheless a sensitive issue. Refer to Council's [Gifts and Hospitality Policy](#) for information. Receiving cash gifts is unacceptable in any circumstances.

7 Policy Statements – Other Sensitive Financial Transactions

7.1 Loyalty reward scheme benefits/prizes

Except in the cases of airline loyalty rewards (covered under section 2.4 of this policy), fuel loyalty schemes (such as AA Rewards), and Fly Buys etc., Council treats loyalty rewards accruing to staff carrying out their official duties as the property of Council.

Where a reward/prize to the value of less than \$100 is obtained by chance and without inducement, it may be retained by the individual. Rewards or prizes greater than this value should be declared in Council's Interests Register in accordance with the [Gifts & Hospitality Policy](#).

Generally, prizes received from a free competition entry obtained while undertaking Council business are considered to be a loyalty or reward scheme. However prizes received from competitions at trainings or conference events, or through membership of professional bodies, are considered to be the property of the individual, unless their value exceeds \$100 in which case they are to be considered as a gift and disclosed in the Interests Register in accordance with the Gifts & Hospitality Policy.

In situations where receiving a prize or loyalty reward could be perceived as inappropriate, even if Council rather than the individual would benefit from it, Council expects the prize or reward to be declined.

7.2 Private use of Council assets

7.2.1 General

Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, laptops, tablets, cell phones, cameras, means of accessing the internet, vehicles, equipment and stationery.

The cost to Council of personal use of any asset will be recovered wherever possible, unless it is impractical or uneconomic to separately identify those costs.

Personal use of photocopiers is permitted in limited circumstances. Such use should be restricted to lunchtime or after work when the copiers are not so busy, and payment for copies taken must be paid for in accordance with the current photocopy charges listed in the fees and charges.

Personal use of telephones and mobiles is permitted in limited reasonable use circumstances. Elected members and staff who take council-issued devices overseas on personal trips must cover their own roaming and/or call charges.

Personal use of other assets will only be permitted in limited circumstances and prior approval must be obtained from the relevant manager.

The use of Council assets in any private business that any elected member or staff member may operate is strictly prohibited.

7.2.2 Council Vehicles

Council vehicles (except those provided explicitly under an Employment Agreement) are not available for private use. Full details on the provision of and use of Council vehicles are contained in the [On Road Driving and Safe Use of Council Vehicles Policy](#)

7.3 Private use of Council suppliers

Council does not generally support the private use of Council suppliers by staff. Staff are however able to access supplier discount vouchers through the Boost website. Refer Waisite/Staff Information/Staff Purchases for my Boost access details. Staff should pay in full at the time of purchase and must not use the Council as a source of credit.

7.4 Council use of private assets

Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

Pre-approval by the Chief Executive or General Manager is required. In assessing the request the Chief Executive or General Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

Note: The main issue associated with Council's use of private assets is the risk of the Council paying or reimbursing amounts that inappropriately benefit the elected or staff member.

7.5 Disposal of surplus assets

Without the express prior approval of Council, no surplus assets with a market value of more than \$500 per item will be sold directly to staff or elected members. In any event, the sale of surplus assets must:

- a) Maximise the return to Council;
- b) Be sold at no less than the market value determined by an appropriate valuation; and
- c) Be documented by the issuance of a tax invoice and receipt.

Council will not permit direct sale to friends or acquaintances, of staff or elected members, for a surplus asset with a market value of more than \$500.

8 **Policy review**

This policy shall be reviewed at every three years or as required by the Chief Executive.

To | **Policy and Regulatory Committee**
Report title | **Treasury Risk Management Policy Review**

1. Purpose of the report

Te Take moo te puurongo

To outline proposed changes to the Treasury Risk Management Policy and seek a recommendation to Council to adopt the revised Treasury Risk Management Policy.

2. Executive summary

Whakaraapopototanga matua

Managing Council's investments and liabilities through a short, medium, and long-term lens is necessary to reduce the likelihood of adverse financial outcomes for our communities.

The liability management and investment policies required under section 102 of the Local Government Act 2002, are combined into Council's Treasury Risk Management Policy. The policy is due for review, and the Staff and PwC New Zealand (Council's Treasury advisors and subject matter experts) led review commenced in December 2021.

The key changes proposed relate to interest rate risk management, specifically fixed to floating interest rate limits, funding control limits (debt maturities) and borrowing mechanisms for Council Controlled Organisations. Other minor amendments are suggested to tidy up definitions, council staff delegations and new product offerings.

3. Staff recommendation

Tuutohu-aa-kaimahi

THAT the Policy and Regulatory Committee recommends to Council that the revised Treasury Risk Management Policy be adopted.

4. Background

Koorero whaimaarama

Council's Treasury Risk Management Policy was developed in line with advice from PwC New Zealand who are retained as treasury advisors. This ensures the policy is fit for purpose, manages the risk appropriately and best practice is applied wherever possible.

The current Treasury Risk Management Policy was put in place for conditions and circumstances prior to Gearing for Growth and Greatness and the Covid-19 pandemic. The debt ratios and limits, and the interest rate risk management parameters were therefore set according to the conditions in 2018 and in line with anticipated project expenditure at that time. Following two PwC facilitated council workshops in December 2021 and February 2022, the revised Treasury Risk Management Policy revises debt ratios and limits, and interest rate risk management parameters to allow increased flexibility while ensuring risk is managed in line with best practice and Council's risk appetite.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

The amendments being proposed are:

Item	Proposed changes
Debt ratios and limits	<p>The definitions of net debt have been updated to align with Local Government Funding Agency (LGFA) definitions. The definition of liquidity and what satisfies as liquid assets have been clarified. To note:</p> <ul style="list-style-type: none"> • Committed facilities only count towards liquidity if they are available, meaning undrawn and unlinked. • Term deposits are only considered liquid if they mature within 30 days, and • External debt funding and related investment activity relating to pre-funding of upcoming debt maturities is excluded from the liquidity ratio calculation.
Management structure, responsibilities and delegated authorities	<p>A number of the responsibilities previously allocated to the Chief Operating Officer now rest with the Chief Financial Officer. A cascading of responsibilities through to the Finance Manager, Financial Accountant and Accounts Team Leader then ensues.</p>
Interest rate risk management	<p>The hedging bands within the policy have been adjusted:</p> <ul style="list-style-type: none"> • Lower minimum and maximum fixed percentages. • Updated the definitions for fixed and floating rate debt. • Interest rate risk management calculations to now use forecast gross external debt (as opposed to net external debt) and for the compliance measure to move from a point in time measure to an average across the period. • Increasing the forward start period on swaps and collar strategies to be no more than 36 months from 24 months to give greater flexibility for best utilising the shape of the interest rate swap (IRS) curve.

Approved financial instruments	Approved interest rate instruments to include stand-by facilities and forward starting committed debt placements available through the LGFA.
Funding control limits	<ul style="list-style-type: none"> • An adjustment to the maturity bands to a 3 to 7, and 7 years plus time frame, as it has been observed across the sector that the existing 3 to 5 (or 6) years policy tends to constrain debt funding activity. • The wider time-band allows more flexibility and continues to enforce a spreading and smoothing approach to debt management. • Increased limits on debt maturing in the 3 to 7 year period as well as the 7 years plus period.
Borrowing mechanisms of Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's).	A new section within the Policy to address how Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs. The amendment allows Council to lend either directly or indirectly to a CCO or CCTO subject to approval.

Further details of these changes are included in Appendix 3 - PwC presentation of changes to the Treasury Risk Management Policy February 2022.

5.1 Options

Ngaa koowhiringa

PricewaterhouseCoopers have provided detailed independent and expert advice regarding the revisions to the policy, considering best practice and the latest regulations and recommendations.

5.2 Financial considerations

Whaiwhakaaro puutea

Local authorities must manage revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Adhering to set policy parameters will support Council to appropriately manage liability and investment risk. There are no material financial considerations associated with the changes recommended.

5.3 Legal considerations

Whaiwhakaaro-aa-ture

Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The report and recommendations are consistent with the Council's policies, plans and prior decisions.

5.5 Maaori and cultural considerations Whaiwhakaaro Maaori me oona tikanga

There is no impact on Maaori cultural issues.

5.6 Climate response and resilience considerations Whaiwhakaaro-aa-taiao

The matters in this report have no known impact on climate change or resilience for the Council.

5.7 Risks Tuuraru

The proposed amendments to the Treasury Risk Management Policy aim to manage liability and investment related risk within financial prudence parameters.

6. Significance and engagement assessment Aromatawai paahekoheko

6.1 Significance Te Hiranga

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's [Significance and Engagement Policy](#).

6.2 Engagement Te Whakatuutakitaki

The stakeholders noted below have been engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Other – PricewaterhouseCoopers

7. Next steps Ahu whakamua

If the Policy and Regulatory Committee agrees to recommend the revised policy to Council, the matter will be placed on the agenda for the next Council meeting.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Committee's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments Ngaa taapirihanga

Appendix 1 – Treasury Risk Management Policy 2022

Appendix 2 – Treasury Risk Management Policy 2022 showing changes

Appendix 3 - PwC presentation of changes to the Treasury Risk Management Policy February 2022

Date:	22 March 2022
Report Author:	Colin Bailey
Authorised by:	Alison Diaz Chief Financial Officer

Treasury Risk Management Policy

(Including liability and Investment policies)

Policy Owner:	Chief Financial Officer
Date approved:	March 2022
Next review date:	March 2025
Document number:	2131535
Engagement required:	N/A

I Introduction

Waikato District Council (the Council) undertakes borrowing (liability management) and investment activities, which in total are referred to as treasury activity. The Council's treasury activities are carried out within the requirements of the Local Government Act 2002, its related amendments and other relevant local authority legislation.

The Treasury Risk Management Policy (the Policy) provides the framework for all of the Council's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and Long Term Plan (LTP).

This Policy covers:

- a. Liability management

The Council's borrowing activity is largely driven by its capital works programme, mainly related to its infrastructure assets. The Council's liability management policy is discussed in Section 4 of this Policy.
- b. Investments

The Council manages a portfolio of investments comprising equity investments, property, and financial investments. The Council's investment policy is discussed in Section 5 of this Policy.

The Council acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity risk and credit risk arising from its treasury activities. The Council is a risk averse entity and does not wish to incur additional risk from its treasury activities.

The Council's accounting function in relation to its treasury activities is a risk management function focused on protecting the Council's budgeted interest costs and revenues and

stabilising the Council's cash flows. The Council does not undertake any treasury activity that is unrelated to its underlying cash flows or is purely speculative in nature.

Further detailed information and procedures supporting the Policy are contained in the relevant internal policy and procedure manuals.

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

2 Purpose

This document identifies the policy of the Council in respect of treasury management activities. The Policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of the Council cover these matters. The key objective of this Policy is to control and manage costs and investment returns that can influence the Council's operational budgets and public equity. Specifically:

2.1 Statutory objectives

The statutory objectives of the Policy are as follows:

- a. All external borrowing, investments and incidental financial arrangements (e.g., use of interest rate hedging financial instruments, equity investments in the form of uncalled capital, and lending arrangements with CCOs and CCTOs) will meet requirements of the Local Government Act 2002.
- b. The Council is governed by the following relevant legislation:
 - i. Local Government Act 2002, in particular Part 6 including sections 101,102,104, 105, and 112 to 116.
 - ii. Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
 - iii. Trusts Act 2019. When exercising any power to invest trust property, a trustee must exercise the care and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in Part III, Subpart I of the Act - Duties of trustee.
- c. All projected external borrowings are approved by the Council as part of the Annual Plan or the LTP process.
- d. The Council will not enter into any borrowings denominated in a foreign currency.
- e. The Council will not transact with any Council Controlled Organisation (CCO) on terms more favourable than that which the Council would achieve without pledging rates revenue.

- f. All legal documentation in respect to external borrowing and financial instruments will be approved by Council's legal counsel prior to the transaction being executed.
- g. Hire Purchase, Deferred Purchase, Trade Credit - for the purposes of sub-paragraph (c)(ii)(B) of the definition of "borrowing" in section 112 of the LGA 2002, "borrowing" does not include:
 - i. Debt incurred in connection with hire purchase of goods, the deferred purchase of goods or services, or the giving of credit for the purchase of goods or services, if the goods or services are obtained in the ordinary course of Council's performance of its lawful functions, on terms and conditions available generally to parties of equivalent credit-worthiness, for amounts not exceeding in aggregate \$250,000; or
 - ii. The deferred purchase of goods or services or the giving of credit for the purchase of goods or services through the mechanism of contract retentions held for periods less than 365 days.
- h. Other - Instruments not specifically referred to in this Policy may only be used with specific Council approval.
- i. The Council routinely defers payment following completion of construction or other large scale engineering contracts in accordance with standard industry practices. Although this practice may mean that these deferred payments fall within the definition of borrowing for the purposes of the Act and this Policy, these contractual arrangements create very little risk for the Council. There is no interest exposure on these payments; the credit-worthiness of the contracting party is not relevant; and the deferred period is sufficiently long that no impact on liquidity is anticipated, as payments can be programmed in advance through the annual plan process or standard cash flow procedures. Therefore, the Council will enter into these contracts in accordance with its standard procurement procedures, and deferred payment conditions will not require any additional approval by the Council.

3 General objectives

The general objectives of the Policy are as follows:

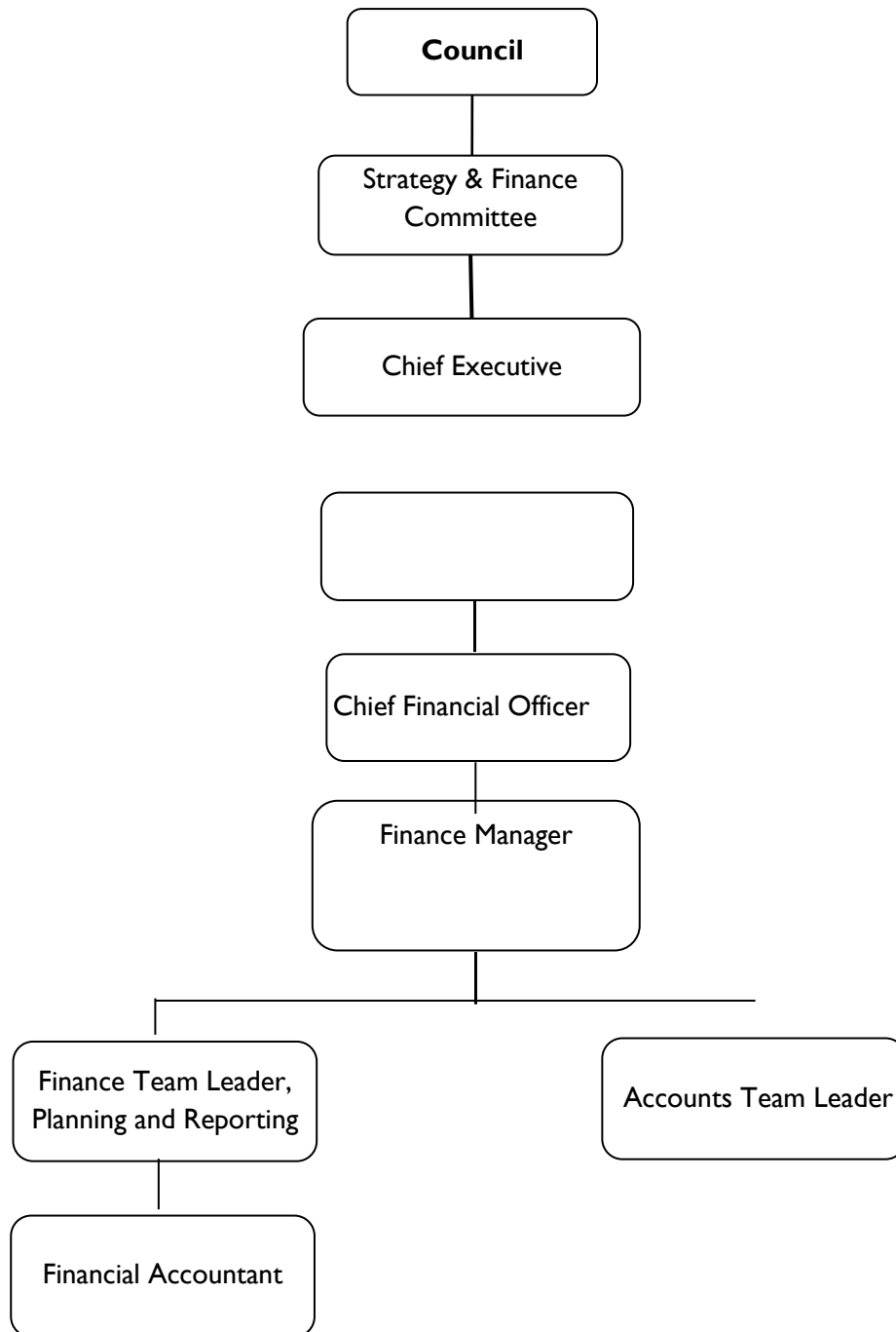
- a. Minimise the Council's costs and risks in the management of its external borrowings and maximise its return on investments.
- b. Monitor, evaluate and report on treasury performance.
- c. Borrow funds and transact risk management instruments within an environment of control and compliance under this Policy so as to protect the Council's financial assets and costs.
- d. Arrange and structure external long term funding for the Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement.

- e. Monitor, report and comply with financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements and as reported in this Policy
- f. Monitor the Council's return on investments in CCO's, property and other shareholdings.
- g. Ensure the Council, management and relevant staff are kept abreast of latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- h. Maintain liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen, funding requirements.
- i. Minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- j. Ensure that all statutory requirements of a financial nature are adhered to.
- k. Ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.
- l. Develop and maintain relationships with financial institutions and investors in the Council's debt securities.

4 Management structure, responsibilities and delegated authorities

4.1 Financial services treasury risk management structure

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



Details of roles and responsibilities are set out below.

4.2 Delegated authorities

The Council

The Council has ultimate responsibility for ensuring that there is an effective Policy for the management of its risks. In this respect the Council decides the level and nature of risks that are acceptable, given the underlying objectives of Council. While the Policy can be reviewed and changes recommended by other persons, the authority to make or change Policy cannot be delegated.

In this respect, it is the Council's responsibility to:

- a. Approve and amend the Policy
- b. Approve the external borrowing programme for the year through the Annual Plan or LTP
- c. Approve the long-term financial position of Council through the LTP
- d. Approve borrowing strategy outside policy parameters
- e. Approve seal register signatories – transfers of stock/register new debt issues
- f. Approve charging assets as security over borrowing
- g. Approve acquisition and divestiture of investments
- h. Approve the borrowing, and dealing limits and the respective authority levels delegated to the CE, CFO and other management
- i. Ensure a triennial review of the Policy takes place

Strategy & Finance Committee

It is the Strategy and Finance Committee's responsibility to:

- a. Review performance of treasury risk management strategies in place and revise as appropriate
- b. Recommend alterations to the Policy
- c. Overview management of the Council's relationships with financial institutions and markets

Chief Executive

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

- a. Ensure the Council's policies comply with existing and new legislation
- b. Approve the register of cheque and electronic banking signatories
- c. Approve opening and closing of bank accounts
- d. Approve new external borrowing undertaken in line with Council resolution and approved borrowing strategy

Receive advice of non-compliance of Policy and significant treasury events from the Chief Financial Officer (CFO)

It is the responsibility of the CFO to:

- a. Recommend Policy changes to the Council for approval
- b. Manage the long-term financial position of the Council as outlined in the LTP
- c. Ensure management procedures and policies are implemented in accordance with this Policy
- d. Approve new counterparties and counterparty limits
- e. Raise new loans in accordance with Council-approved borrowing programme, and carry out debt negotiations in accordance with strategy and policy

- f. Propose new funding requirements to the CE, and, if required, submission to the Council
- g. Recommend authorised signatories and delegated authorities in respect of all treasury activities
- h. Conduct a review, at least triennially, of the Policy, treasury procedures and counterparty limits
- i. Implement day-to-day borrowing and investment strategies in line with overall strategy developed by Strategy & Finance Committee
- j. Authorise use of Council-approved interest rate risk management instruments in line with strategy and treasury policy
- k. Approve investment, investment interest rate risk management and daily cash management strategies within delegated limits
- l. Execute approved treasury management strategies in the absence of the Finance Manager

Finance Manager (FM)

It is the responsibility of the Finance Manager to:

- a. Manage responsibility for treasury risk management activities
- b. Approve treasury transactions in accordance with delegated authority (sign and approve all Treasury deal tickets)
- c. Ensure all financial instruments are valued and accounted for correctly in accordance with current best practice standards
- d. Monitor and review the performance of the treasury function in terms of achieving the objectives
- e. Authorise external borrowing, investing, interest rate, and cash management transactions with approved counterparties
- f. Investigate financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to the CFO as appropriate
- g. Check all treasury deal confirmations against the treasury spread sheet and report any irregularities immediately to both the CFO and CE
- h. Account for all treasury transactions in accordance with legislation, generally accepted accounting principles, and Council's accounting, funding and financial policies
- i. Approve all amendments to Council records arising from checks to counterparty confirmations
- j. Review and approve treasury spread sheet reconciliation to the general ledger
- k. Review and approve monthly bank reconciliations
- l. Undertake on-going risk assessment of borrowing and investment activity including procedures and controls
- m. Review and make recommendations on all aspects of the Policy to the CFO, including dealing limits, approved instruments, counterparties, general guidelines for the use of financial instruments, and the considerations when on-lending or entering other financial arrangements with CCOs and/or CCTOs.
- n. Monitor treasury exposures on a regular basis, including current and forecast cash and liquidity position, interest rate exposures and borrowings. Execute approved treasury management strategies in the absence of the Accounts Team Leader

Finance Team Leader, Planning and Reporting

It is the responsibility of the Team Leader Planning and Reporting to:

- a. Oversee the activities undertaken by the Financial Accountant
- b. Co-ordinate the compilation of short-term cash flow forecasts and cash management

Financial Accountant

It is the responsibility of the Financial Accountant to:

- a. Update treasury spreadsheets for all new, re-negotiated and maturing transactions.
- b. Monitor and update credit ratings of approved counterparties.
- c. Capture settlement information for external borrowing, investment, cash management, and interest rate management transactions
- d. Check general ledger reconciliations to treasury spreadsheet
- e. Co-ordinate the compilation of medium- to long-term cash flow forecasts
- f. Reconcile monthly summaries of outstanding financial contracts from bank counterparties to internal records
- g. Handle all administrative aspects of bank counterparty agreements and documentation such as loan agreements and ISDA documents
- h. Prepare treasury reports
- i. Check compliance against limits and prepare report on an exceptions basis
- j. Complete treasury deal tickets

Accounts Team Leader

It is the responsibility of the Accounts Team Leader to:

- a. Execute all treasury risk management activity including borrowing, investment, and interest rate management transactions in accordance with set limits
- b. Monitor all treasury exposures daily

4.3 Delegation of authority and authority limits

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

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

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

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

Activity	Delegated Authority	Limit
Approving and changing Policy	Council	Unlimited
Approve external borrowing programme for year	Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments other than financial investments	Council	Unlimited
Approval for charging assets as security over borrowing	Council	Unlimited
Approve new and re-financed bank facilities and new debt programmes	Council	Unlimited
Approving new and refinanced lending activity with CCO/CCTOs	Council	Unlimited
Approving of Council guarantees or uncalled capital relating to CCO/CCTO indebtedness	Council	Unlimited (subject to legislative and other regulatory limitations)
Approve LGFA membership for CCO/CCTOs	Council	Unlimited
Approving transactions outside Policy	Council	Unlimited
Overall day-to-day treasury management	CE (delegated by Council) CFO (delegated by CE)	Subject to Policy
Re-financing existing debt	CE (delegated by Council) CFO (delegated by CE)	Subject to Policy
Approve new external borrowing in accordance with Council resolution	CE (delegated by Council) CFO (delegated by CE)	Per Council approved borrowing programme
Negotiate bank facilities	CFO	N/A
Negotiation and ongoing management of lending arrangements to CCO /CCTOs	CFO	Per approval / per risk control limits
Manage borrowing and interest rate strategy	Finance Manager	N/A
Adjust interest rate risk profile	Finance Manager	Per risk control limits
Managing funding and investment maturities	Finance Manager	Per risk control limits
Approve use of interest rate options instruments	CFO	Subject to Policy

Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes roll-overs on debt and interest rate swaps	Council CE CFO Finance Manager	Unlimited \$30M \$25M \$10M
Manage cash/liquidity requirements	Finance Manager	Per risk control limits
Authorising list of signatories	CE	Unlimited
Opening/closing bank accounts	CE	Unlimited
Triennial review of Policy	CFO	N/A
Ensuring compliance with Policy	CFO	N/A

5 Policy review

This policy will be reviewed and amended if required on a three-yearly basis.

Liability Management Policy

I Introduction

The Council borrows for the following primary purposes:

- a. Funding the Council's capital works, primarily infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments
- b. Short-term debt to manage timing differences between cash inflows and outflows, and to maintain the Council's liquidity
- c. Specific debt associated with significant 'one-off' projects and non-financial investments from time to time
- d. Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business
- e. On-lending to CCOs/CCTOs, or otherwise providing them the necessary guarantee (CCOs)/equity investment (e.g., uncalled capital) (CCTOs) to allow them to borrow directly from the LGFA.

Section 104 of the LGA 2002 requires that the Liability Management Policy must state the policies in respect of liability management, including:

- a. Interest rate exposure
- b. Credit exposure
- c. Liquidity
- d. Debt repayment

2 Objectives

The objectives of the Liability Management Policy are consistent with market best practice and will consider the Council's 10-year plans as set out in the LTP. The key Liability Management objectives in relation to borrowings are to:

- a. Prudently manage the Council's external borrowing activities to ensure the ongoing funding of the Council
- b. Borrow only under Council-approved facilities and as permitted by this Policy
- c. Minimise external borrowing costs within prudent risk management control limits
- d. Manage exposure to adverse interest rate movements
- e. Ensure operational controls and procedures are in place to protect the Council against financial loss, opportunity cost and other inefficiencies

3 Debt ratios and limits

Debt is to be managed within the following macro limits:

Ratio	Borrowing Limit
Net External Debt / Total Annual Revenue	<175%

Net Interest on External Debt / Total Annual Revenue	<20%
Net Interest on External Debt / Annual Rates Income	<25%
Liquidity (external debt + available committed bank facilities + available liquid investments to existing external debt)	>110%

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

Net external debt is defined as total external debt less liquid financial assets/investments.

Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Liquidity is defined as external debt plus available committed bank facilities plus liquid investments divided by current external debt.

Liquid assets are defined as being:

- Overnight bank cash deposits
- Short term bank cash deposits (up to 30-days)
- Bank registered certificates of deposit (RCD's) less than 181 days
- Approved fixed interest securities
- Listed, non-core equity investments

External debt funding and related investment activity relating to pre-funding of upcoming debt maturities is excluded from the liquidity ratio calculation.

Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate). 'Rates' excludes regional levies.

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

Borrowing Limits are measured on Council only not consolidated group.

Disaster recovery requirements are met through the liquidity ratio and contingency reserves.

In approving new debt, the Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's long term financial strategy and asset management plans.

4 Asset/Activity management plans

In approving new debt Council considers the impact on its external borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's LTP.

5 Borrowing mechanisms

The Council is able to externally borrow through a variety of market mechanisms including issuing Commercial Paper (CP), fixed rate bonds and floating rate notes (FRN's) through private placements, direct bank borrowing, Local Government Funding Agency (LGFA), or loans with private placement investors, accessing the short and long-term capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size, and pricing) the CFO considers the following:

- a. Available terms from banks, LGFA, debt capital markets and loan stock issuance
- b. The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- c. Prevailing interest rates and margins relative to term for debt issuance, capital markets and bank borrowing
- d. The market's outlook on future interest rate movements as well as its own
- e. Legal documentation and financial covenants together with credit rating considerations
- f. For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing
- g. 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

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate and manage its relationships with its investors and financial institutions.

6 Debt repayment

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

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

7 Security

Security will usually be provided to banks for the provision of debt facilities and treasury products and also to other investors in the Council's debt. Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally or *pari passu* with other lenders.

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

Physical assets will be charged only where:

- a. There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g., project finance)
- b. Council considers a charge over physical assets to be appropriate

Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

8 New Zealand Local Government Funding Agency Limited investment

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

- a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA in the form of Borrower Notes
- b. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- d. Subscribe for shares and uncalled capital in the LGFA; and
- e. 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

9 Guarantees/contingent liabilities and other financial arrangements

The Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives. The Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.

Financial arrangements include:

- a. Advances to community organisations

The Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed.

10 Internal borrowing of special and general reserve funds

Given that Council may require funding for capital expenditure over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary, they should be used for internal borrowing purposes when external borrowing is required. Accordingly, Council maintains its funds in short term maturities emphasizing counterparty

credit worthiness and liquidity. The interest rate yield achieved on the funds is therefore a secondary objective.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using available borrowing facilities.

Any internal borrowing of reserve funds used must be reimbursed for interest revenue lost. Interest on internally-funded loans is charged on at least an annual basis on the weighted average difference between the average interest rate for investment and the average interest rate for external debt.

II Performance measurement

The performance of the external borrowing activity will be measured against predetermined benchmarks:

- a. Adherence to Policy and in particular the borrowing limits
- b. Unplanned overdraft costs – specifically that daily bank balances are within limits considering unforeseen external activity
- c. Comparison of actual monthly and year to date interest costs vs. budget borrowing costs
- d. Comparison of actual monthly borrowings with budgeted borrowings
- e. Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTP

Investment policy

I Introduction

The Council holds financial investments sufficient to match reserve accounts created by council resolution and as a result of short term cash flow surpluses. The Council also manages investments in equities, property and Council controlled organisations.

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

Specific purposes for maintaining investments include:

- a. For strategic purposes consistent with Council's LTP
- b. To reduce the current ratepayer burden
- c. The retention of vested land
- d. Holding short term investments for working capital and liquidity requirements
- e. Holding investments that are necessary to carry out Council operations consistent with Annual Plans and the LTP, to implement strategic initiatives, or to support inter-generational allocations
- f. Provide funding through the provision of committed bank facilities in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets
- g. Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves
- h. Invest proceeds from the sale of assets

Section 105 of the LGA 2002 requires that the Council's Investment Policy must state the policies in respect of investments, including:

- a. The mix of investments
- b. The acquisition of new investments
- c. An outline of the procedures by which investments are managed and reported on to the Council
- d. An outline of how risks associated with investments are assessed and managed

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

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

2 Objectives

The objectives of this investment policy are consistent with market best practices and will consider the requirements of the Council's Annual Plan and LTP. The key investment policy objectives are to:

- a. Prudently manage the Council's investment assets in the interests of the Waikato district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss
- b. Manage investments in accordance with the LGA 2002 and the Trusts Act 2019; administer, manage and account for its funds and exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others
- c. Maximise investment income with a prudent level of investment risk. The Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns
- d. Invest only in approved securities and asset classes as permitted by this Policy. Accordingly, only creditworthy counterparties are acceptable
- e. Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required
- f. Minimise potential risk due to adverse interest rate movements
- g. Regularly review the performance and credit worthiness of all investments
- h. Maintain operational controls and procedures to best protect the Council against financial loss, opportunity cost and other inefficiencies

3 Policy

The Council's general policy on investments is that:

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

4 Acquisition of new investments

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

The authority to acquire financial investments is delegated to the COO.

5 Investment mix

The Council maintains investments in the following assets from time to time:

Pure commercial and semi-commercial

- a. Equity investments, including Council Controlled Organisations (CCO), Council-Controlled Trading Organisations (CCTOs), and other shareholdings
- b. Property investments incorporating land, buildings, a portfolio of ground leases and land held for development

Perpetual

- a. Financial investments incorporating longer term and liquidity investments
- b. Loans and guarantees to related community organisations

6 Equity investments

Investments in companies, organisations and property must be approved by specific resolution of Council having regard to all relevant information, including (but not limited to) the following:

- a. To act in the best interests of the community
- b. Legislative authority to hold such investments
- c. The degree of equity interest or control able to be exercised
- d. Prudence generally
- e. The likely returns on the investment compared with lower risk investments
- f. Re-saleability of property held for investment purposes
- g. To promote the development of the district
- h. To reduce the reliance on traditional revenue sources (such as rates)
- i. Other advantages

6.1 Specific investments

The Council considers its specific financial investments (listed below) as representing the best interests of the community and ratepayers. The Council's exposure to risk would be that of any other financial shareholder. Specific investments include the following:

- a. Civic Assurance - This company evolved from the former Municipalities Insurance Co-operative and New Zealand Local Government Insurance Corporation. The reason for the Council holding shares is that as a member of the co-operative, the Council was entitled to a shareholding related to the level of its premiums. This is not seen as core business for Council but previous attempts to sell its shareholding have failed because there is no ready market for these shares. The Local Government Act specifically excludes Civic Assurance so that it is not classified as a CCO.
- b. Strada Corporation Limited – This CCO, which commenced operations in 1992, is a contracting business for physical works. The Council holds shares in this organisation as this operation provides roading and related services, which are seen as being part of the Council's core business.

- c. Waikato Regional Airport Limited (WRAL) - In December 1995, the Council, along with four other Waikato local authorities, purchased the Crown's 50 per cent shareholding in WRAL. The purchase increased the Council's shareholding to 15.625 per cent. The Council considers that the airport is a significant infrastructural asset for the region and is important for economic growth and development. For this reason, the Council has elected to retain its shareholding. In addition, the Local Government Act defines shareholding in an airport as a strategic asset.
- d. Local Authority Shared Services – There are a number of services provided by local authorities, particularly in respect of information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it. Historically those have been addressed by one Council developing the service and sharing it with others on an agreed basis.

6.2 Liquid financial investments

The Council is a net borrower of funds and should apply surplus funds to debt repayment and wherever possible internally borrow from special reserve funds to meet future capital expenditure. An exception to this is that the Council may invest liquid funds externally for the following reasons:

- a. Strategic purposes consistent with the Council's long term strategic plan
- b. The retention of vested land
- c. Holding short term liquid investments for working capital requirements
- d. Holding investments that are necessary to carry out Council operations consistent with Annual Plan's and the LTP

For the foreseeable future, the Council will be in a net borrowing position and liquid investment funds will be prudently invested as follows:

- a. Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections
- b. Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest is credited to the particular fund
- c. Internal borrowing will be used wherever possible to avoid external borrowing.

6.3 Special funds and reserve funds

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

Accounting entries representing monthly interest accrual allocations will be made using the Council's average weighted cost of funds for that period and will be charged in accordance with the application of interest to Council Reserve appendix A. Reserves on funds will be credited at the weighted average cost of funds less 0.5 per cent margin.

6.4 Loans to related or community organisations

The Council may grant loans to community organisations on a case-by-case basis subject to available funding and the appropriate security and repayment ability of the organisation. Priority will be given to those organisations on Council-owned land.

Each community organisation granted a loan will pay an appropriate administration fee determined as part of the loan application.

The Council prefers to loan funds to community organisations rather than provide financial guarantees to other financial institutions.

Any loans to related community organisations will be on a commercial basis. The interest rate used for such loans will be the budgeted internal loan rate plus a 1 per cent margin, to be renewed annually.

6.5 Trust funds

Where the Council holds funds as a trustee then such funds must be invested on the terms provided within the trust.

7 **New Zealand Local Government Funding Agency Limited Investment**

Despite anything earlier in this Policy, the Council can enter into a commitment that could result in it becoming a shareholder in the New Zealand Local Government Funding Agency Limited (LGFA). In borrowing from LGFA, the Council can agree to the issue of borrower notes to the value of 2.5% of the total amount borrowed. These will be held by LGFA while the borrowing is outstanding and may in certain situations convert to shares in LGFA. Also, as a Guaranteeing Local Authority the Council is required to commit to subscribe for redeemable shares in LGFA in certain circumstances. As LGFA is a Council-controlled organisation, the Council has undertaken specific consultation to satisfy the requirements of section 56 of the Local Government Act 2002.

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

- a. Obtain a return on the investment; and
- b. 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.

8 **Performance measurement**

The performance of the investing activity will be measured against adherence to policy.

9 Risk recognition, identification and management

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

9.1 Interest rate risk

9.1.1 Risk recognition

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

The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of investment returns or interest costs. Both objectives are to be achieved through the active management of underlying interest rate exposures.

9.1.2 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council.

Approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) Committed standby facilities where offered by the LGFA Uncommitted money market facilities Loan stock/bond issuance <ul style="list-style-type: none"> • Floating Rate Note (FRN) • Fixed Rate Note (MTN) Commercial paper (CP) NZD denominated Private Placements Finance leases Forward starting committed term debt with the LGFA
Investments	Short term bank deposits Bank bills Bank certificates of deposit (CD's) Treasury bills LGFA borrower notes / CP / bonds Local Authority stock or State Owned Enterprise (SOE) bonds and FRN's Corporate bonds Floating Rate Notes Promissory notes/Commercial paper Redeemable Preference Shares (RPS)

Interest rate risk management	<p>Forward rate agreements (FRAs) on:</p> <ul style="list-style-type: none"> • Bank bills • Government bonds <p>Interest rate swaps including:</p> <ul style="list-style-type: none"> • Forward start swaps • Amortising swaps (whereby notional principal amount reduces) • Swap extensions, deferrals, and shortenings <p>*Interest rate options on:</p> <ul style="list-style-type: none"> • Bank bills (purchased caps and one for one collars) • Government bonds • Interest rate swaptions (purchased only)
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*(Footnote: Approval of use of interest rate risk management is covered in section 3.3 of this Policy under 'Delegations of Authority and Authority Limits')

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

9.1.3 Control limits

Net debt/borrowings

Exposure to interest rate risk is managed and mitigated through the risk control limits below.

Council's net external debt should be within the following fixed/floating interest rate risk control limits:

Debt Interest Rate Policy Parameters (Calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed	Maximum Fixed
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11	0%	25%
Year 12	0%	25%
Year 13	0%	25%
Year 14	0%	25%
Year 15	0%	25%

A fixed rate maturity profile that is outside the above limits but self-corrects in less than 90 days is not in breach of this Policy. However, maintaining a maturity profile outside of the above limits beyond 90 days require specific approval by Council.

The percentages are calculated on the rolling 12-month projected gross debt less prefunding level calculated by management (signed off by the COO). Gross external debt is the amount of total external debt less any pre-funded debt. This allows for pre-hedging in advance of projected physical drawdown of new external debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

“Fixed Rate” is defined as all known interest rate 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.

Any interest rate swaps with a maturity beyond 10 years must be approved by the Council.

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 in isolation (i.e., repurchased) otherwise both sides must be closed out simultaneously. The sold option leg of the collar structure must not have a strike rate ‘in-the-money.’

Purchased borrower swaptions mature within 12months.

Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.0% 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 to be no more than 36 months, unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

Liquid financial investment portfolio

Financial investments will, where possible, be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programs as outlined within the LTP.

Special funds/reserve funds

Given that the Council will require funding for capital expenditure cash shortfalls for the remaining life of the existing special / reserve funds, the Council should wherever practical cease to create, contribute or continue such funds. Where such funds are deemed necessary, they should be used for internal borrowing purposes. This will negate counterparty credit risk and any interest rate gap risk that occurs when the Council borrows at a higher rate compared to the investment rate achieved by special / reserve funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such. Instead, the Council will manage these funds using internal borrowing facilities. Accounting entries representing monthly interest accrual allocations will be made using the Council's average weighted cost of external funds for that period.

Shares

The Council will consider selling its non-strategic shareholdings where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt. In its considerations the Council will consider the risks associated with continuing to own the asset and the risks associated with the Council's total debt.

Proceeds from share sales will go to repay existing debt, unless the Council specifically directs that the funds be put to another use.

Investment properties

Investment properties will only be purchased in the future where such acquisition will strategically fit the Council's core activities.

Any funds received from the sale of investment properties will be used to repay existing debt, unless the Council specifically directs that the funds be put to another use.

9.2 Liquidity risk/funding risk

9.2.1 Risk recognition

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

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

- a. Local government risk is priced to a higher fee and margin level
- b. The Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- c. A large individual lender to the Council experiences its own financial/exposure difficulties resulting in the Council not being able to manage its debt portfolio as optimally as desired
- d. New Zealand investment community experiences a substantial 'over supply' of Council investment assets
- e. Financial market shocks from domestic or global events
- f. When on-lending funds to CCOs/CCTOs, Council should ensure the debt forecast includes their expected future funding needs also

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

9.2.2 Liquidity/funding risk control limits

The Council must approve all new external loans and borrowing facilities.

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.

External debt and available committed loan facilities together with liquid investments must be maintained at an amount that averages 110 per cent of total external debt.

Council can pre-fund up to 18 months forecast external debt requirements including re-financings. Such pre-funding may be re-invested with banks as term deposits.

The COO has the discretionary authority to re-finance existing external debt on more favourable terms. Such action is to be ratified and approved by the Council at the earliest opportunity.

The maturity profile of total external debt in respect to all loans and committed facilities is to be controlled according to the following limits:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile outside these limits beyond 90-days requires specific approval by Council

To minimise concentration, risk the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

9.3 Counterparty credit risk

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

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

Counterparties and limits can only be approved based on long-term credit ratings (Standard & Poor's or Moody's) being A- and above or short term rating of A2 or above, with the exception of New Zealand local authorities.

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

The following matrix guide will determine limits:

Counterparty/Issuer	Minimum long term / short term credit rating	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government		Unlimited	none	unlimited
NZD Registered Supranationals	AAA	20.0	none	20.0
Local Government Funding Agency		20.0	none	20.0
State Owned Enterprises	A-/ A2	5.0	none	5.0
NZ Registered Bank - ANZ Bank Limited - ASB Bank Limited - Bank of New Zealand - Kiwibank - Westpac Banking Corporation - ICBC - Bank of China	A-/ A2	20.0	30.0	50.0
Corporate Bonds/ CP*	A-/ A2	2.0	none	2.0
Local Government Stock/ Bonds/ FRN/ CP**	A-/ A2 (if rated) Unrated	10.0 5.0	none none	10.0 5.0
<p>* Subject to a maximum exposure no greater than 25 per cent of total funds invested in corporate debt at any one point in time.</p> <p>** Subject to a maximum exposure no greater than 60 per cent of total funds invested in Local Government debt at any one point in time</p>				

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

- a. Investments (e.g., bank deposits) – Transaction Notional x Weighting 100% (unless a legal right of set-off over corresponding borrowings exists, whereupon a 0% weighting may apply)

- b. Interest rate risk management (e.g., swaps, FRAs) – Transaction Notional x Maturity (years) x 3%

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

Individual counterparty limits are kept in a spreadsheet by management and updated on a day to day basis. Credit ratings should be reviewed by the CFO regularly and any material credit downgrades should be immediately reported to both the COO and CE and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread.

9.4 Borrowing mechanisms to Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)

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 lending arrangement (direct or indirect) to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the CFO 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 and rating, 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 the 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 lending arrangements must be executed under legal documentation (e.g., loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

9.5 Foreign currency

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

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

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

All foreign currency hedging must be approved by the COO.

9.6 Operational risk

Operational risk is the risk of loss because of human error (or fraud), system failures or inadequate processes, procedures or controls.

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

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

9.6.1 Dealing authorities and limits

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

9.6.2 Segregation of duties

Adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in borrowing and investment activity. Accordingly strict segregation of duties is not always achievable.

The Council will seek to minimise this risk by:

- a. Controlling the reporting structure of finance staff
- b. The CFO will report directly to the CE on Treasury Risk Management Policy issues
- c. Maintaining an effective approval process for borrowing and investment activity

Procedures

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

Procedures should include:

- a. Regular management reporting

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

Organisational, systems, procedural and reconciliation controls to ensure:

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

Organisational controls

The CFO has responsibility for establishing appropriate structures, procedures and controls to support borrowing, investing, interest rate and cash management activity.

All borrowing, investing, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by the Council.

Cheque/electronic banking signatories

Positions approved by the CE as per register.

Dual signatures are required for all cheques and electronic transfers.

Cheques must be in the name of the counterparty crossed “Not Negotiable, Account Payee Only”, via the Council bank account.

Authorised personnel

All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Recording of deals

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

Confirmations

All inward deal confirmations including LGFA/bank funding and registry confirmations are received and checked by the Financial Accountant against completed deal tickets and the treasury spread sheet records to ensure accuracy.

All deliverable securities are held in the Council’s safe.

Deals, once confirmed, are filed (deal ticket and attached confirmation) by the Financial Accountant in deal date/number order.

Any discrepancies arising during deal confirmation checks which require amendment to the Council records are signed off by the CFO.

Settlement

Most of the borrowing, investing, interest rate and cash management transactions are settled by direct debit authority.

For electronic payments, batches are set up electronically. These batches are checked by the Accounts Team Leader to ensure settlement details are correct. Payment details are authorised by two approved signatories as per Council signing registers.

Reconciliations

Bank reconciliations are performed monthly by the Accounts Team Leader and checked and approved by the Finance Manager. Any unresolved un-reconciled items arising during bank statement reconciliation which require amendment to the Council's records are signed off by the CFO.

A monthly reconciliation of the treasury spreadsheet to the general ledger is carried out by the Financial Accountant and approved by the Finance Manager.

9.7 Legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, the Council may be exposed to such risks. If the Council is unable to enforce its rights due to deficient or inaccurate documentation the Council will seek to minimise this risk by:

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

9.7.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with the Council. All ISDA Master Agreements for financial instruments must be signed under seal by the council.

The Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, re-financings and investment structures.

9.7.2 Financial covenants and other obligations

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

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

10 Measuring treasury performance

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

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

10.1 Operational performance

The performance of the borrowing activity will be measured against pre-determined benchmarks:

- a. Adherence to Policy and in particular the borrowing limits
- b. Unplanned overdraft costs – specifically that daily bank balances are within limits considering unforeseen external activity
- c. Comparison of actual monthly and year to date interest costs vs. budget borrowing costs
- d. Comparison of actual monthly borrowings with budgeted borrowings
- e. Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTP

10.2 Management of debt and interest rate risk

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

11 Cash and working capital management

Cash management deals with the net balance in the Council's main bank accounts. The Accounts Team Leader is responsible for managing the Council's cash surpluses and/or deficits. Cash and working capital management procedures should include:

- a. Calculating and maintaining comprehensive rolling cash flow forecasts on a daily (two weeks forward), weekly (four weeks forward) and monthly (12 months forward) basis. These cash flow forecasts determine Council's funding gaps and borrowing requirements/surpluses for investment
- b. On a daily basis, electronically download all Council bank account information
- c. Co-ordinating Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters
- d. Undertaking short term borrowing functions as required, minimising overdraft costs
- e. Ensuring efficient cash management through improvement to forecasting
- f. Minimising fees and bank charges by optimising bank account/facility structures

- g. Monitoring Council's usage of overdraft and committed bank facilities. Overdraft facilities are utilised as little as practical. Committed bank overdraft facilities of \$500,000 are maintained
- h. Matching future cash flows to smooth overall timeline
- i. Providing reports detailing actual cash flows during the month compared with those budgeted
- j. Maximising the return from available funds by ensuring significant payments are made within the suppliers' payment terms, but no earlier than required, unless there is a financial benefit from doing so
- k. Interest rate management on cash management balances is not permitted
- l. Cash is invested for a term of no more 181 days and in approved instruments and counterparties

The Council maintains a daily balancing report (bank reconciliation) and short-term and long-term cash flow projections which are updated monthly, and which form the basis of its cash management activity. Generally, cash management surpluses are available for periods less than 90 days.

Cash management instruments are limited to:

- a. Call deposits with New Zealand registered banks
- b. Corporate Commercial Paper with a maturity less than three months
- c. Term deposits (less than three months) with registered banks
- d. A target average daily balance of \$0 to \$100,000 is aimed for in the main bank account, with surplus transferred to call deposits

Cash and the counterparties on cash management instruments may only be invested with approved counterparties within the limits detailed in Section 6.3

12 Reporting

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

12.1 Treasury reporting

The following reports are produced:

Report Name	Frequency	Prepared By	Recipient
Daily Cash Position Treasury Spread sheet	Daily	Accounts Team Leader	Finance Manager
Treasury Exceptions Report	As required	Accounts Team Leader	CFO
Treasury Report Signalling significant changes in treasury management strategy	As required	Financial Accountant	SFC

Quarterly Treasury Report <ul style="list-style-type: none"> • Policy limit compliance • Borrowing limits • Funding and Interest Position • Funding facility • New treasury transactions • Cost of funds vs budget • Cash flow forecast report • Liquidity risk position • Counterparty credit • Treasury performance • Debt maturity profile • Treasury investments 	Quarterly	Financial Accountant	SFC
Statement of Public Debt	As required	Financial Accountant	SFC
LGFA covenant compliance certificate	Annually	Financial Accountant	LGFA
Revaluation of financial instruments	At least Annually	Financial Accountant	SFC
Internal audit on treasury management activity	At least triennially	CFO	Council
Review of treasury risk management policy	At least triennially	CFO	Council

12.2 Accounting treatment of financial instruments

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

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

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

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

All treasury financial instruments must be revalued (marked-to-market) at least once annually for risk management purposes. Banks can confirm valuation of financial instruments at least six monthly and during periods of significant change quarterly.

13 Policy review

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

The CFO has the responsibility to prepare a review report that is presented to the Council. The report will include:

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

The Council receives the report, approves Policy changes and/or rejects recommendations for Policy changes.

APPENDIX A

Application of interest to Council Reserves

Amendments on Application of interest to Council Reserves to be applied as follows:

Restricted Reserves

Francis Paki Trust	Full interest
Mungal Scholarship Trust	Full interest
Huntly College Jubilee Fund	Full interest

Council Reserves

Carry forwards	No interest
Conservation Reserve/Properties of National Importance	Full interest
Contingency Fund	2% interest (to keep in line with inflation)
Creative NZ	No interest
Disaster recovery fund	2% interest (to keep in line with inflation)
District Wide Community Facility Reserve [Refer WDC05/171/1/7]	Full Interest
General Accounting Reserve Fund	No interest
Hillary Commission loans from WDC contributions	Full interest
Hillary commission grants	No interest
Lake Hakanoa Caravan Park Reserve	Full interest
Land Subdivision Reserve Fund	Full interest
Lead Developer Fund	Full interest
Operational and Technical Services Unit Reserve	No interest
Pensioner Housing	Full interest
Plant Operating Account	Full interest
Property Proceeds Reserve	No interest
Pukemiro Hall reserve	Full interest
Raglan Harbour reserve	Full interest
Refurbishment Hamilton Office	Full interest
Revaluation Reserve	No interest
Road Upgrade Contributions	Full interest
Scada Deficit Reserve	Full interest
Southern Districts Water Upgrade Reserve	Internal Loan Rate
Structure Plan Reserves	Full interest
Strategic Investment Fund [Refer 05/12/1/8]	No interest
Township Development Reserves	No interest (unless reserve is in
North Waikato Infrastructural Reserve	Full Interest
Tamahere Hall Loan Reserve [Refer WDC06/194/1/3]	Internal Loan Rate
Development Contribution Reserves [Refer WDC06/194/1/3]	Full Interest
Franklin Transition [Refer WDC1006/12/1/3]	Full Interest

Targeted rate reserves

All targeted rate reserves have full interest applied.

Replacement fund reserves

All replacement fund reserves will have full interest applied except Roothing, Community Facilities and Libraries. [WDC06/194/1/4]
These exceptions are due to the replacement fund being fully utilised every year.

Note: Full interest means full interest as applicable when applying the Treasury Management Policy 'Interest on Special Fund and Reserves Accounts'.



Treasury Risk Management Policy (including liability and Investment policies)

Policy Owner:	Chief Financial Officer
Date approved:	March 2022-2024
Next review date:	December-March 2025 <u>2024-2024</u>
Document number:	2131535
Engagement required:	N/A

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I Introduction

Waikato District Council (the Council) undertakes borrowing (liability management) and investment activities, which in total are referred to as treasury activity. The Council's treasury activities are carried out within the requirements of the Local Government Act 2002, its related amendments and other relevant local authority legislation.

The Treasury Risk Management Policy (the Policy) provides the framework for all of the Council's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and Long Term Plan (LTP).

This Policy covers:

- a. Liability management
The Council's borrowing activity is largely driven by its capital works programme, mainly related to its infrastructure assets. The Council's liability management policy is discussed in Section 4 of this Policy.
- b. Investments
The Council manages a portfolio of investments comprising equity investments, property, and financial investments. The Council's investment policy is discussed in Section 5 of this Policy.

The Council acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity risk and credit risk arising from its treasury activities. The Council is a risk averse entity and does not wish to incur additional risk from its treasury activities.

The Council's accounting function in relation to its treasury activities is a risk management function focused on protecting the Council's budgeted interest costs and revenues and

stabilising the Council's cash flows. The Council does not undertake any treasury activity that is unrelated to its underlying cash flows or is purely speculative in nature.

Further detailed information and procedures supporting the Policy are contained in the relevant internal policy and procedure manuals.

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

2 Purpose

This document identifies the policy of the Council in respect of treasury management activities. The Policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of the Council cover these matters. The key objective of this Policy is to control and manage costs and investment returns that can influence the Council's operational budgets and public equity. Specifically:

2.1 Statutory objectives

The statutory objectives of the Policy are as follows:

- a. All external borrowing, investments and incidental financial arrangements (~~e.g.e.g.~~ use of interest rate hedging financial instruments, [equity investments in the form of uncalled capital, and lending arrangements with CCOs and CCTOs](#)) will meet requirements of the Local Government Act 2002.
- b. The Council is governed by the following relevant legislation:
 - i. Local Government Act 2002, in particular Part 6 including sections 101,102,104, 105, and 112 to 116.
 - ii. Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
 - iii. ~~Trustee-Trusts Act 2019+956. When exercising any power to invest trust property, a trustee must exercise the care and skill that a prudent person of business would exercise in managing the affairs of others~~~~When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.~~ Details of relevant sections can be found in Part III, [Subpart 1](#) of the Act - [Duties of trustee investments](#).
- c. All projected external borrowings are approved by the Council as part of the Annual Plan or the LTP process.
- d. The Council will not enter into any borrowings denominated in a foreign currency.

- e. The Council will not transact with any Council Controlled Organisation (CCO) on terms more favourable than that which the Council would achieve without pledging rates revenue.
- f. All legal documentation in respect to external borrowing and financial instruments will be approved by Council's legal counsel prior to the transaction being executed.
- g. Hire Purchase, Deferred Purchase, Trade Credit - for the purposes of sub-paragraph (c)(ii)(B) of the definition of "borrowing" in section 112 of the LGA 2002, "borrowing" does not include:
 - i. Debt incurred in connection with hire purchase of goods, the deferred purchase of goods or services, or the giving of credit for the purchase of goods or services, if the goods or services are obtained in the ordinary course of Council's performance of its lawful functions, on terms and conditions available generally to parties of equivalent credit-worthiness, for amounts not exceeding in aggregate \$250,000; or
 - ii. The deferred purchase of goods or services or the giving of credit for the purchase of goods or services through the mechanism of contract retentions held for periods less than 365 days.
- h. Other - Instruments not specifically referred to in this Policy may only be used with specific Council approval.
- i. The Council routinely defers payment following completion of construction or other large scale engineering contracts in accordance with standard industry practices. Although this practice may mean that these deferred payments fall within the definition of borrowing for the purposes of the Act and this Policy, these contractual arrangements create very little risk for the Council. There is no interest exposure on these payments; the credit-worthiness of the contracting party is not relevant; and the deferred period is sufficiently long that no impact on liquidity is anticipated, as payments can be programmed in advance through the annual plan process or standard cash flow procedures. Therefore, the Council will enter into these contracts in accordance with its standard procurement procedures, and deferred payment conditions will not require any additional approval by the Council.

3 General objectives

The general objectives of the Policy are as follows:

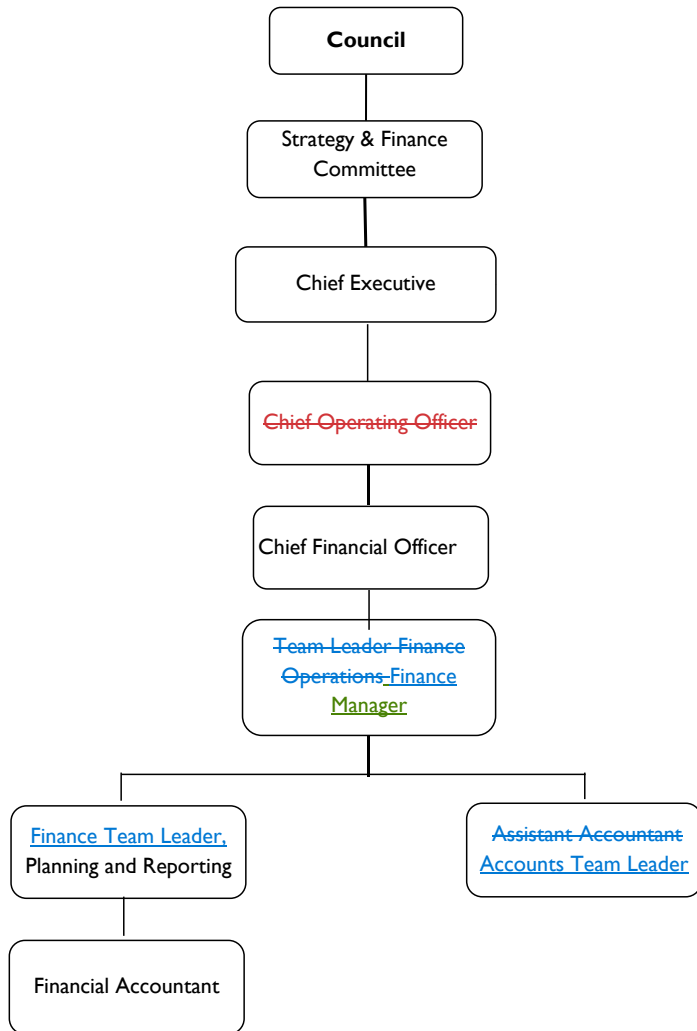
- a. Minimise the Council's costs and risks in the management of its external borrowings and maximise its return on investments.
- b. Monitor, evaluate and report on treasury performance.
- c. Borrow funds and transact risk management instruments within an environment of control and compliance under this Policy so as to protect the Council's financial assets and costs.

- d. Arrange and structure external long term funding for the Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement.
- e. Monitor, report and comply with financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements and as reported in this Policy
- f. Monitor the Council's return on investments in CCO's, property and other shareholdings.
- g. Ensure the Council, management and relevant staff are kept abreast of latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- h. Maintain liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen, funding requirements.
- i. Minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- j. Ensure that all statutory requirements of a financial nature are adhered to.
- k. Ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.
- l. Develop and maintain relationships with financial institutions and investors in the Council's debt securities.

4 Management structure, responsibilities and delegated authorities

4.1 Financial services treasury risk management structure

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



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Details of roles and responsibilities are set out below.

4.2 ~~3.2~~ Delegated authorities

The Council

The Council has ultimate responsibility for ensuring that there is an effective Policy for the management of its risks. In this respect the Council decides the level and nature of risks that are acceptable, given the underlying objectives of Council. While the Policy can be reviewed and changes recommended by other persons, the authority to make or change Policy cannot be delegated.

In this respect, it is the Council's responsibility to:

- a. Approve and amend the Policy
- b. Approve the external borrowing programme for the year through the Annual Plan or LTP
- c. Approve the long-term financial position of Council through the LTP
- d. Approve borrowing strategy outside policy parameters
- e. Approve seal register signatories – transfers of stock/register new debt issues
- f. Approve charging assets as security over borrowing
- g. Approve acquisition and divestiture of investments
- h. Approve the borrowing, and dealing limits and the respective authority levels delegated to the CE, ~~CFO~~ and other management
- i. Ensure a triennial review of the Policy takes place

Strategy & Finance Committee

It is the Strategy and Finance Committee's responsibility to:

- a. Review performance of treasury risk management strategies in place and revise as appropriate
- b. Recommend alterations to the Policy
- c. Overview management of the Council's relationships with financial institutions and markets

Chief Executive

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

- a. Ensure the Council's policies comply with existing and new legislation
- b. Approve the register of cheque and electronic banking signatories
- c. Approve opening and closing of bank accounts
- d. Approve new external borrowing undertaken in line with Council resolution and approved borrowing strategy
- e. Receive advice of non-compliance of Policy and significant treasury events from the ~~Chief Financial Officer- General Manager of Strategy and Support~~

~~Chief Operating Officer (COO) Chief Financial Officer (CFO)~~

It is the responsibility of the ~~COO-CFO~~ to:

- a. Recommend Policy changes to the Council for approval
- b. Manage the long-term financial position of the Council as outlined in the LTP
- c. Ensure management procedures and policies are implemented in accordance with this Policy
- d. Approve new counterparties and counterparty limits
- e. Raise new loans in accordance with Council-approved borrowing programme, and carry out debt negotiations in accordance with strategy and policy

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- f. Propose new funding requirements to the CE, and, if required, submission to the Council
- g. Recommend authorised signatories and delegated authorities in respect of all treasury activities
- h. Conduct a review, at least triennially, of the Policy, treasury procedures and counterparty limits
- i. Implement day-to-day borrowing and investment strategies in line with overall strategy developed by Strategy & Finance Committee
- j. Authorise use of Council-approved interest rate risk management instruments in line with strategy and treasury policy
- k. Approve investment, investment interest rate risk management and daily cash management strategies within delegated limits

~~k.l.~~ Execute approved treasury management strategies in the absence of the Finance Manager,

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~~Chief Financial Officer (CFO)~~ Finance Manager (FM)

It is the responsibility of the Finance Manager~~CFO~~ to:

- a. Manage responsibility for treasury risk management activities
 - ~~Approve treasury transactions in accordance with delegated authority (sign and approve all Treasury deal tickets)~~
 - b. Approve treasury transactions in accordance with delegated authority (sign and approve all Treasury deal tickets)
- ~~b.c.~~ Ensure all financial instruments are valued and accounted for correctly in accordance with current best practice standards
- ~~e.d.~~ Monitor and review the performance of the treasury function in terms of achieving the objectives
- ~~e.e.~~ Authorise external borrowing, investing, interest rate, and cash management transactions with approved counterparties
- ~~e.f.~~ Investigate financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to the ~~CFO/COO~~ as appropriate
- ~~f.g.~~ Check all treasury deal confirmations against the treasury spread sheet and report any irregularities immediately to both the ~~CFO/COO~~ and CE
- ~~g.h.~~ Account for all treasury transactions in accordance with legislation, generally accepted accounting principles, and Council's accounting, ~~and~~ funding and financial policies
- ~~h.i.~~ Approve all amendments to Council records arising from checks to counterparty confirmations
- ~~i.j.~~ Review and approve treasury spread sheet reconciliation to the general ledger
- ~~j.k.~~ Review and approve monthly bank reconciliations
- ~~k.~~ Execute approved treasury management strategies in the absence of the Assistant Accountant/Management Accountant or Team Leader Finance Operations/Finance Manager
- l. Undertake on-going risk assessment of borrowing and investment activity including procedures and controls
- m. Review and make recommendations on all aspects of the Policy to the ~~CFO/COO~~, including dealing limits, approved instruments, counterparties, and general guidelines

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for the use of financial instruments, ~~and the considerations when on-lending or entering other financial arrangements with CCOs and/or CCTOs.~~

- ~~n.~~ Monitor treasury exposures on a regular basis, including current and forecast cash and liquidity position, interest rate exposures and borrowings
- ~~n.~~ Execute approved treasury management strategies in the absence of the Accounts Team Leader

Finance Team Leader, Planning and Reporting

It is the responsibility of the Team Leader Planning and Reporting to:

- ~~a.~~ Oversee the activities undertaken by the Financial Accountant
- ~~b.~~ Co-ordinate the compilation of short-term cash flow forecasts and cash management

~~Team Leader Finance Operations~~Finance Manager

~~It is the responsibility of the Team Leader Finance Operations~~Finance Manager to:

- ~~a.~~ Execute approved treasury management strategies in the absence of the Assistant AccountantManagement Accountant
- ~~b.~~ Check monthly bank reconciliations

Financial Accountant

It is the responsibility of the Financial Accountant to:

- a. Update treasury spreadsheets for all new, re-negotiated and maturing transactions.
- b. Monitor and update credit ratings of approved counterparties.
- c. Capture settlement information for external borrowing, investment, cash management, and interest rate management transactions
- d. Check general ledger reconciliations to treasury spreadsheet
- e. Co-ordinate the compilation of medium- to long-term cash flow forecasts
- f. Reconcile monthly summaries of outstanding financial contracts from bank counterparties to internal records
- g. Handle all administrative aspects of bank counterparty agreements and documentation such as loan agreements and ISDA documents
- h. Prepare treasury reports
- ~~i.~~ Check compliance against limits and prepare report on an exceptions basis
- ~~j.~~ Complete treasury deal tickets

~~Assistant Accountant~~Management Accountant Accounts Team Leader

It is the responsibility of the ~~Assistant Accountant~~Management Accountant Accounts Team Leader to:

- a. Execute all treasury risk management activity including borrowing, investment, and interest rate management transactions in accordance with set limits
- ~~b.~~ Complete treasury deal tickets
- ~~e.b.~~ Monitor all treasury exposures daily

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~~4.2 Co-ordinate the compilation of short-term cash flow forecasts and cash management~~

4.3 Delegation of authority and authority limits

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

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

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

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

Activity	Delegated Authority	Limit
Approving and changing Policy	Council	Unlimited
Approve external borrowing programme for year	Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments other than financial investments	Council	Unlimited
Approval for charging assets as security over borrowing	Council	Unlimited
Approve new and re-financed bank facilities and new debt programmes	Council	Unlimited
<u>Approving new and refinanced lending activity with CCO/CCTOs</u>	<u>Council</u>	<u>Unlimited</u>
<u>Approving of Council guarantees or uncalled capital relating to CCO/CCTO indebtedness</u>	<u>Council</u>	<u>Unlimited (subject to legislative and other regulatory limitations)</u>
<u>Approve LGFA membership for CCO/CCTOs</u>	<u>Council</u>	<u>Unlimited</u>
Approving transactions outside Policy	Council	Unlimited
Overall day-to-day treasury management	CE (delegated by Council) CFO (delegated by CE)	Subject to Policy
Re-financing existing debt	CE (delegated by Council) CFO (delegated by CE)	Subject to Policy

Approve new external borrowing in accordance with Council resolution	CE (delegated by Council) CFO (delegated by CE) CE	Per Council approved borrowing programme
Negotiate bank facilities	CF OO	N/A
<u>Negotiation and ongoing management of lending arrangements to CCO /CCTOs</u>	CFO	<u>Per approval / per risk control limits</u>
Manage borrowing and interest rate strategy	CF OO Finance Manager	N/A
Adjust interest rate risk profile	CF OO Finance Manager	Per risk control limits
Managing funding and investment maturities	CF OO Finance Manager	Per risk control limits
Approve use of interest rate options instruments	CF OO CFO	Subject to Policy
Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes roll-overs on debt and interest rate swaps	Council CE CF OO CFO Finance Manager	Unlimited \$30M \$25M \$10M
Manage cash/liquidity requirements	CF OO Finance Manager	Per risk control limits
Authorising list of signatories	CE	Unlimited
Opening/closing bank accounts	CE	Unlimited
Triennial review of Policy	CF OO	N/A
Ensuring compliance with Policy	CF OO	N/A

5 Policy review

This policy will be reviewed and amended if required on a three-yearly basis.

Liability Management Policy

1 Introduction

The Council borrows for the following primary purposes:

- a. Funding the Council's capital works, primarily infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments
 - b. Short-term debt to manage timing differences between cash inflows and outflows, and to maintain the Council's liquidity
 - c. Specific debt associated with significant 'one-off' projects and non-financial investments from time to time
 - d. Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business
- ~~e. — On-lending to CCOs/CCTOs, or otherwise providing them the necessary guarantee (CCOs)/equity investment (e.g. uncalled capital) (CCTOs) to allow them to borrow directly from the LGFA.~~

Section 104 of the LGA 2002 requires that the Liability Management Policy must state the policies in respect of liability management, including:

- a. Interest rate exposure
- b. Credit exposure
- c. Liquidity
- d. Debt repayment
- ~~e. Specific borrowing limits~~
- ~~f. The giving of security~~

2 Objectives

The objectives of the Liability Management Policy are consistent with market best practice and will take into account the Council's 10-year plans as set out in the LTP. The key Liability Management objectives in relation to borrowings are to:

- a. Prudently manage the Council's external borrowing activities to ensure the ongoing funding of the Council
- b. Borrow only under Council-approved facilities and as permitted by this Policy
- c. Minimise external borrowing costs within prudent risk management control limits
- d. Manage exposure to adverse interest rate movements
- e. Ensure operational controls and procedures are in place to protect the Council against financial loss, opportunity cost and other inefficiencies

3 Debt ratios and limits

Debt is to be managed within the following macro limits:

Ratio	Borrowing Limit
Net External Debt / Total Annual Revenue	< 175 +50%
Net Interest on External Debt / Total Annual Revenue	<20%
Net Interest on External Debt / Annual Rates Income	<25%
Liquidity (e External _term -debt + available committed bank facilities + available liquid short term financial investments to existing external debt)	>110%

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

Net external debt is defined as total external debt less liquid financial assets/investments.

Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Liquidity is defined as external ~~term~~-debt plus ~~available~~ committed bank facilities plus liquid investments divided by current external debt.

Liquid assets are defined as being:

- Overnight bank cash deposits
- Short term bank cash deposits (up to 30-days)
- Bank registered certificates of deposit (RCD's) less than 181 days
- Approved fixed interest securities
- Listed, non-core equity investments

External debt funding and related investment activity relating to pre-funding of upcoming debt maturities is excluded from the liquidity ratio calculation.

Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate). 'Rates' excludes regional levies.

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

Borrowing Limits are measured on Council only not consolidated group.

Disaster recovery requirements are met through the liquidity ratio and contingency reserves.

In approving new debt the Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's long term financial strategy and asset management plans.

4 **Asset/Activity management plans**

In approving new debt Council considers the impact on its external borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's LTP.

5 **Borrowing mechanisms**

The Council is able to externally borrow through a variety of market mechanisms including issuing Commercial Paper (CP), fixed rate bonds and floating rate notes (FRN's) through private placements, direct bank borrowing, Local Government Funding Agency (LGFA), or loans with private placement investors, accessing the short and long-term capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, ~~size~~, and pricing) the ~~COO-CFO~~ takes into account the following:

- a. Available terms from banks, LGFA, debt capital markets and loan stock issuance
- b. The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- c. Prevailing interest rates and margins relative to term for debt issuance, capital markets and bank borrowing
- d. The market's outlook on future interest rate movements as well as its own
- e. Legal documentation and financial covenants together with credit rating considerations
- f. For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing
- g. 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

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate and manage its relationships with its investors and financial institutions.

6 **Debt repayment**

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

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

7 **Security**

Security will usually be provided to banks for the provision of debt facilities and treasury products and also to other investors in the Council's debt. Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all

Council rates levied under the Rating Act. The security offered by Council ranks equally or pari passu with other lenders.

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

Physical assets will be charged only where:

- a. There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance)
- b. Council considers a charge over physical assets to be appropriate

Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

8 New Zealand Local Government Funding Agency Limited investment

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

- a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA in the form of Borrower Notes
- b. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- d. Subscribe for shares and uncalled capital in the LGFA; and
- e. 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

9 Guarantees/contingent liabilities and other financial arrangements

The Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, ~~Trusts~~ trusts, or ~~Business Units~~ Business units, when the purposes of the loan are in line with Council's strategic objectives. The Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.

Financial arrangements include:

- a. Advances to community organisations

The Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed.

10 Internal borrowing of special and general reserve funds

Given that Council may require funding for capital expenditure over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary

they should be used for internal borrowing purposes when external borrowing is required. Accordingly Council maintains its funds in short term maturities emphasizing counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds ~~is therefore~~ is therefore ~~is~~ a secondary objective.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using available borrowing facilities.

Any internal borrowing of reserve funds used must be reimbursed for interest revenue lost. Interest on internally-funded loans is charged on at least an annual basis on the weighted average difference between the average interest rate for investment and the average interest rate for external debt.

II Performance measurement

The performance of the external borrowing activity will be measured against pre-determined benchmarks:

- a. Adherence to Policy and in particular the borrowing limits
- b. Unplanned overdraft costs – specifically that daily bank balances are within limits taking into account unforeseen external activity
- c. Comparison of actual monthly and year to date interest costs vs. budget borrowing costs
- d. Comparison of actual monthly borrowings with budgeted borrowings
- e. Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTP

Investment policy

I Introduction

The Council holds financial investments sufficient to match reserve accounts created by council resolution and as a result of short term cash flow surpluses. The Council also manages investments in equities, property and Council controlled organisations.

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

Specific purposes for maintaining investments include:

- a. For strategic purposes consistent with Council's LTP
- b. To reduce the current ratepayer burden
- c. The retention of vested land
- d. Holding short term investments for working capital and liquidity requirements
- e. Holding investments that are necessary to carry out Council operations consistent with Annual Plans and the LTP, to implement strategic initiatives, or to support inter-generational allocations
- f. Provide funding through the provision of committed bank facilities in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets
- g. Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves
- h. Invest proceeds from the sale of assets

Section 105 of the LGA 2002 requires that the Council's Investment Policy must state the policies in respect of investments, including:

- ~~a.~~ ~~The objectives in terms of which financial and equity investments are to be managed~~
- ~~b.~~ ~~a.~~ The mix of investments
- ~~c.~~ ~~b.~~ The acquisition of new investments
- ~~d.~~ ~~c.~~ An outline of the procedures by which investments are managed and reported on to the Council
- ~~e.~~ ~~d.~~ An outline of how risks associated with investments are assessed and managed

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

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

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2 Objectives

The objectives of this investment policy are consistent with market best practices and will take into account the requirements of the Council's Annual Plan and LTP. The key investment policy objectives are to:

- a. Prudently manage the Council's investment assets in the interests of the Waikato district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss
- b. Manage investments in accordance with the LGA 2002 and the ~~Trustee-Trusts Act 2019-1956~~; administer, manage and account for its funds and exercise the care, diligence and skill that a prudent person of business would exercise in ~~the~~ managing the affairs of others
- c. Maximise investment income with a prudent level of investment risk. The Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns
- d. Invest only in approved securities and asset classes as permitted by this Policy. Accordingly, only creditworthy counterparties are acceptable
- e. Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required
- f. Minimise potential risk due to adverse interest rate movements
- g. Regularly review the performance and credit worthiness of all investments
- h. Maintain operational controls and procedures to best protect the Council against financial loss, opportunity cost and other inefficiencies

3 Policy

The Council's general policy on investments is that:

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

4 Acquisition of new investments

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

The authority to acquire financial investments is delegated to the COO.

5 Investment mix

The Council maintains investments in the following assets from time to time:

Pure commercial and semi-commercial

- a. Equity investments, including Council Controlled Organisation's (CCO), Council-Controlled Trading Organisations (CCTOs), and other shareholdings
- b. Property investments incorporating land, buildings, a portfolio of ground leases and land held for development

Perpetual

- a. Financial investments incorporating longer term and liquidity investments
- b. Loans and guarantees to related community organisations

6 Equity investments

Investments in companies, organisations and property must be approved by specific resolution of Council having regard to all relevant information, including (but not limited to) the following:

- a. To act in the best interests of the community
- b. Legislative authority to hold such investments
- c. The degree of equity interest or control able to be exercised
- d. Prudence generally
- e. The likely returns on the investment compared with lower risk investments
- f. Re-saleability of property held for investment purposes
- g. To promote the development of the district
- h. To reduce the reliance on traditional revenue sources (such as rates)
- i. Other advantages

6.1 Specific investments

The Council considers its specific financial investments (listed below) as representing the best interests of the community and ratepayers. The Council's exposure to risk would be that of any other financial shareholder. Specific investments include the following:

- a. Civic Assurance - This company evolved from the former Municipalities Insurance Co-operative and New Zealand Local Government Insurance Corporation. The reason for the Council holding shares is that as a member of the co-operative, the Council was entitled to a shareholding related to the level of its premiums. This is not seen as core business for Council but previous attempts to sell its shareholding have failed because there is no ready market for these shares. The Local Government Act specifically excludes Civic Assurance so that it is not classified as a CCO.
- b. Strada Corporation Limited – This CCO, which commenced operations in 1992, is a contracting business for physical works. The Council holds shares in this organisation as this operation provides roading and related services, which are seen as being part of the Council's core business.

- c. Waikato Regional Airport Limited (WRAL) - In December 1995, the Council, along with four other Waikato local authorities, purchased the Crown's 50 per cent shareholding in WRAL. The purchase increased the Council's shareholding to 15.625 per cent. The Council considers that the airport is a significant infrastructural asset for the region and is important for economic growth and development. For this reason, the Council has elected to retain its shareholding. In addition, the Local Government Act defines shareholding in an airport as a strategic asset.
- d. Local Authority Shared Services – There are a number of services provided by local authorities, particularly in respect of information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it. Historically those have been addressed by one Council developing the service and sharing it with others on an agreed basis.

6.2 Liquid financial investments

The Council is a net borrower of funds and should apply surplus funds to debt repayment and wherever possible internally borrow from special reserve funds to meet future capital expenditure. An exception to this is that the Council may invest liquid funds externally for the following reasons:

- a. Strategic purposes consistent with the Council's long term strategic plan
- b. The retention of vested land
- c. Holding short term liquid investments for working capital requirements
- d. Holding investments that are necessary to carry out Council operations consistent with Annual Plan's and the LTP

For the foreseeable future, the Council will be in a net borrowing position and liquid investment funds will be prudently invested as follows:

- a. Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections
- b. Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest is credited to the particular fund
- c. Internal borrowing will be used wherever possible to avoid external borrowing.

6.3 Special funds and reserve funds

Liquid assets will not be required to be held against special funds and reserve funds. ~~Instead~~Instead, the Council should internally utilise or borrow these funds where ~~ever~~ possible.

Accounting entries representing monthly interest accrual allocations will be made using the Council's average weighted cost of funds for that period and will be charged in accordance with the ~~Council's~~ application of interest to Council ~~Reserve~~Revenue appendix A, Policy. Reserves on funds will be credited at the weighted average cost of funds less 0.5 per cent margin.

6.4 Loans to related or community organisations

The Council may grant loans to community organisations on a case-by-case basis subject to available funding and the appropriate security and repayment ability of the organisation. Priority will be given to those organisations on Council-owned land.

Each community organisation granted a loan will pay an appropriate administration fee determined as part of the loan application.

The Council prefers to loan funds to community organisations rather than provide financial guarantees to other financial institutions.

Any loans to related community organisations will be on a commercial basis. The interest rate used for such loans will be the budgeted internal loan rate plus a 1 per cent margin, to be renewed annually.

6.5 Trust funds

Where the Council holds funds as a trustee then such funds must be invested on the terms provided within the trust.

7 **New Zealand Local Government Funding Agency Limited Investment**

Despite anything earlier in this Policy, the Council is able to enter into a commitment that could result in it becoming a shareholder in the New Zealand Local Government Funding Agency Limited (LGFA). In borrowing from LGFA, the Council can agree to the issue of borrower notes to the value of ~~2.51~~6% of the total amount borrowed. These will be held by LGFA while the borrowing is outstanding and may in certain situations convert to shares in LGFA. Also, as a Guaranteeing Local Authority the Council is required to commit to subscribe for redeemable shares in LGFA in certain circumstances. As LGFA is a Council-controlled organisation, the Council has undertaken specific consultation to satisfy the requirements of section 56 of the Local Government Act 2002.

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

- a. Obtain a return on the investment; and
- b. 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.

8 **Performance measurement**

The performance of the investing activity will be measured against ~~pre-determined benchmarks~~[adherence to policy](#).

- a. ~~Adherence to Policy~~
- b. ~~Comparison of actual monthly and year to date accrued returns vs investing the entire treasury portfolio at the combined average of the 90 day bank bill rate and the three-year investor swap rate, over the last two years~~
- c. ~~A maturity profile showing the average yield in each maturity band compared against the current market yields~~

9 Risk recognition, identification and management

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

9.1 Interest rate risk

9.1.1 Risk recognition

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

The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of investment returns or interest costs. Both objectives are to be achieved through the active management of underlying interest rate exposures.

9.1.2 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council.

Approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) Committed standby facilities where offered by the LGFA Uncommitted money market facilities Loan stock/bond issuance <ul style="list-style-type: none"> • Floating Rate Note (FRN) • Fixed Rate Note (MTN) Commercial paper (CP) NZD denominated Private Placements Finance leases Forward starting committed term debt with the LGFA

Investments	Short term bank deposits Bank bills Bank certificates of deposit (CD's) Treasury bills LGFA borrower notes / CP / bonds Local Authority stock or State Owned Enterprise (SOE) bonds and FRN's Corporate bonds Floating Rate Notes Promissory notes/Commercial paper Redeemable Preference Shares (RPS)
Interest rate risk management	Forward rate agreements (FRAs) on: <ul style="list-style-type: none"> • Bank bills • Government bonds Interest rate swaps including: <ul style="list-style-type: none"> • Forward start swaps • Amortising swaps (whereby notional principal amount reduces) • Swap extensions, deferrals and shortenings *Interest rate options on: <ul style="list-style-type: none"> • Bank bills (purchased caps and one for one collars) • Government bonds • Interest rate swaptions (purchased only)

*(Footnote: Approval of use of interest rate risk management is covered in section 3.3 of this Policy under 'Delegations of Authority and Authority Limits')

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

9.1.3 Control limits

Net debt/borrowings

Exposure to interest rate risk is managed **and mitigated** through the risk control limits below.

Council's net external debt should be within the following fixed/floating interest rate risk control limits:

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed	Maximum Fixed
Current	5040%	10090%
Year 1	4045%	10090%
Year 2	4035%	9585%
Year 3	3530%	9080%
Year 4	3025%	8575%
Year 5	1520%	8070%
Year 6	0%	7565%
Year 7	0%	7060%
Year 8	0%	6555%
Year 9	0%	6050%

Year 10	0%	5550%
Year 11	0%	5025%
Year 12	0%	2545%
Year 13	0%	2540%
Year 14	0%	2535%
Year 15	0%	2530%

A fixed rate maturity profile that is outside the above ~~limits, but~~ limits but self-corrects in less than 90 days is not in breach of this Policy. However, maintaining a maturity profile outside of the above limits beyond 90 days require specific approval by Council.

~~(Amended 11 April 2016)~~

~~'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 ~~net-gross~~ debt ~~less~~ prefunding level calculated by management (signed off by the COO). ~~Net-Gross~~ external debt is the amount of total external debt ~~net of liquid financial assets/investments less any pre-funded debt~~. This allows for pre-hedging in advance of projected physical drawdown of new external debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

"Fixed Rate" is defined as all known interest rate 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.

Any interest rate swaps with a maturity beyond 10 years must be approved by the Council.

~~Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.~~

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 in isolation (i.e. repurchased) otherwise both sides must be closed out simultaneously. The sold option leg of the collar structure must not have a strike rate 'in-the-money.'

Purchased borrower swaptions mature within ~~18~~ 12-months.

Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.0% 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 to be no more than ~~24-36~~ months, unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

Liquid financial investment portfolio

Financial investments will, where possible, be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programs as outlined within the LTP.

Special funds/reserve funds

Given that the Council will require funding for capital expenditure cash shortfalls for the remaining life of the existing special / reserve funds, the Council should wherever practical cease to create, contribute or continue such funds. Where such funds are deemed necessary they should be used for internal borrowing purposes. This will negate counterparty credit risk and any interest rate gap risk that occurs when the Council borrows at a higher rate compared to the investment rate achieved by special / reserve funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, ~~instead~~ ~~Instead~~ the Council will manage these funds using internal borrowing facilities. Accounting entries representing monthly interest accrual allocations will be made using the Council's average weighted cost of external funds for that period.

Shares

The Council will consider selling its non-strategic ~~share holdings~~ ~~shareholdings~~ where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt. In its considerations the Council will take into account the risks associated with continuing to own the asset and the risks associated with the Council's total debt.

Proceeds from share sales will go to repay existing debt, unless the Council specifically directs that the funds be put to another use.

Investment properties

Investment properties will only be purchased in the future where such acquisition will strategically fit the Council's core activities.

Any funds received from the sale of investment properties will be used to repay existing debt, unless the Council specifically directs that the funds be put to another use.

9.2 Liquidity risk/funding risk

9.2.1 Risk recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management

centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

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

- a. Local government risk is priced to a higher fee and margin level
- b. The Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- c. A large individual lender to the Council experiences its own financial/exposure difficulties resulting in the Council not being able to manage its debt portfolio as optimally as desired
- d. New Zealand investment community experiences a substantial 'over supply' of Council investment assets

e. Financial market shocks from domestic or global events

e.f. When on-lending funds to CCOs/CCTOs, Council should ensure the debt forecast includes their expected future funding needs also

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

9.2.2 Liquidity/funding risk control limits

The Council must approve all new external loans and borrowing facilities.

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.

External ~~term~~ debt and available committed ~~debt-loan~~ facilities together with liquid investments must be maintained at an amount that averages 110 per cent of ~~existing-total~~ external debt.

Council has the ability to pre-fund up to 18 months forecast external debt requirements including re-financings. Such pre-funding may be re-invested with banks as term deposits.

The COO has the discretionary authority to re-finance existing external debt on more favourable terms. Such action is to be ratified and approved by the Council at the earliest opportunity.

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

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 5-7 years	+525 %	6085 %
5-7 years plus	+00 %	4060 %

~~A maturity schedule outside these limits requires specific Council approval. 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 outside these limits beyond 90-days requires specific approval by Council~~

To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

9.3 Counterparty credit risk

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

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

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's or Moody's) being A- and above or short term rating of A2 or above; with the exception of New Zealand local authorities.

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

The following matrix guide will determine limits:

Counterparty/Issuer	Minimum long term / short term credit rating	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government		Unlimited	none	unlimited
NZD Registered Supranationals	AAA	20.0	none	20.0
Local Government Funding Agency		20.0	none	20.0
State Owned Enterprises	A-/ A2	5.0	none	5.0
NZ Registered Bank - ANZ National Bank Limited - ASB Bank Limited - Bank of New Zealand	A-/ A2	20.0	30.0	50.0

- The Hong Kong and Shanghai Banking Corporation - Westpac Banking Corporation - ICBC - Bank of China				
Corporate Bonds/ CP*	A-/ A2	2.0	none	2.0
Local Government Stock/ Bonds/ FRN/ CP**	A-/ A2 (if rated) Unrated	10.0 5.0	none none	10.0 5.0
* Subject to a maximum exposure no greater than 25 per cent of total funds invested in corporate debt at any one point in time.				
** Subject to a maximum exposure no greater than 60 per cent of total funds invested in Local Government debt at any one point in time				

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

- Investments (e.g. bank deposits) – Transaction Notional Weighting 100% (unless a legal right of set-off over corresponding borrowings exists, whereupon a 0% weighting may apply)
- Interest rate risk management (e.g. swaps, FRAs) – Transaction Notional Maturity (years) 3%

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

Individual counterparty limits are kept in a spreadsheet by management and updated on a day to day basis. Credit ratings should be reviewed by the CFO regularly and any material credit downgrades should be immediately reported to both the COO and CE and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread.

9.4 Borrowing mechanisms to Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)

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 lending arrangement (direct or indirect) to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the CFO 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 and rating, 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 the 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 lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

9.49.5 Foreign currency

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

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

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

All foreign currency hedging must be approved by the COO.

9.59.6 Operational risk

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

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

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

9.5+9.6.1 Dealing authorities and limits

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

9.5.29.6.2 Segregation of duties

Adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in borrowing and investment activity. Accordingly strict segregation of duties is not always achievable.

The Council will seek to minimise this risk by:

- a. Controlling the reporting structure of finance staff
- b. The CFO will report directly to the CE [on Treasury Risk Management Policy issues](#)
- ~~c. The CFO will on Treasury Risk Management Policy issues report directly to the CE~~
- ~~d.c.~~ Maintaining an effective approval process for borrowing and investment activity

Procedures

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

Procedures should include:

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

Organisational, systems, procedural and reconciliation controls to ensure:

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

Organisational controls

The CFO has responsibility for establishing appropriate structures, procedures and controls to support borrowing, investing, interest rate and cash management activity.

All borrowing, investing, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by the Council.

Cheque/electronic banking signatories

Positions approved by the CE as per register.

Dual signatures are required for all cheques and electronic transfers.

Cheques must be in the name of the counterparty crossed “Not Negotiable, Account Payee Only”, via the Council bank account.

Authorised personnel

All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Recording of deals

All deals are recorded on properly formatted deal tickets by the ~~Assistant Accountant~~ ~~Management Accountant~~ ~~Accounts Team Leader~~ ~~Financial Accountant~~ ~~and~~ and approved by the ~~Finance Manager~~ ~~CFO~~. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) are maintained and updated promptly following completion of transaction.

Confirmations

All inward deal confirmations including LGFA/bank funding and registry confirmations are received and checked by the ~~Assistant Accountant~~ ~~Accounts Team Leader~~ ~~Management Financial Accountant~~ ~~Accountant~~ against completed deal tickets and the treasury spread sheet records to ensure accuracy.

All deliverable securities are held in the Council's safe.

Deals, once confirmed, are filed (deal ticket and attached confirmation) by the ~~Assistant Accountant~~ ~~Accounts Team Leader~~ ~~Management Accountant~~ ~~Financial Accountant~~ in deal date/number order.

Any discrepancies arising during deal confirmation checks which require amendment to the Council records are signed off by the ~~CFO~~.

Settlement

The majority of borrowing, investing, interest rate and cash management transactions are settled by direct debit authority.

For electronic payments, batches are set up electronically. These batches are checked by the ~~Assistant Accountant~~ ~~Accounts Team Leader~~ ~~Management Accountant~~ to ensure settlement details are correct. Payment details are authorised by two approved signatories as per Council signing registers.

Reconciliations

Bank reconciliations are performed monthly by the ~~Assistant Accountant~~ ~~Accounts Team Leader~~ ~~Management Accountant~~ and checked and approved by the ~~CFO~~ ~~Finance Manager~~.

Any unresolved un-reconciled items arising during bank statement reconciliation which require amendment to the Council's records are signed off by the ~~CFO~~.

A monthly reconciliation of the treasury spreadsheet to the general ledger is carried out by the Financial Accountant and approved by the ~~Finance Manager~~ ~~CFO~~.

9.6.9.7 Legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, the Council may be exposed to such risks. In the event that the Council is unable to enforce its rights due to deficient or inaccurate documentation the Council will seek to minimise this risk by:

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

9.6.9.7.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with the Council. All ISDA Master Agreements for financial instruments must be signed under seal by the council.

The Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, re-financings and investment structures.

9.6.9.7.2 Financial covenants and other obligations

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

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

10 Measuring treasury performance

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

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

10.1 Operational performance

The performance of the borrowing activity will be measured against pre-determined benchmarks:

- a. Adherence to Policy and in particular the borrowing limits
- b. Unplanned overdraft costs – specifically that daily bank balances are within limits taking into account unforeseen external activity
- c. Comparison of actual monthly and year to date interest costs vs. budget borrowing costs

- d. Comparison of actual monthly borrowings with budgeted borrowings
- e. Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTP

10.2 Management of debt and interest rate risk

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

11 Cash and working capital management

Cash management deals with the net balance in the Council's main bank accounts. The ~~Assistant Accounts Team Leader~~~~Accountant~~~~Management Accountant~~ is responsible for managing the Council's cash surpluses and/or deficits. Cash and working capital management procedures should include:

- a. Calculating and maintaining comprehensive rolling cash flow forecasts on a daily (two weeks forward), weekly (four weeks forward) and monthly (12 months forward) basis. These cash flow forecasts determine Council's funding gaps and borrowing requirements/surpluses for investment
- b. On a daily basis, electronically download all Council bank account information
- c. Co-ordinating Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters
- d. Undertaking short term borrowing functions as required, minimising overdraft costs
- e. Ensuring efficient cash management through improvement to forecasting
- f. Minimising fees and bank charges by optimising bank account/facility structures
- g. Monitoring Council's usage of overdraft and committed bank facilities. Overdraft facilities are utilised as little as practical. Committed bank overdraft facilities of \$500,000 are maintained
- h. Matching future cash flows to smooth overall timeline
- i. Providing reports detailing actual cash flows during the month compared with those budgeted
- j. Maximising the return from available funds by ensuring significant payments are made within the suppliers payment terms, but no earlier than required, unless there is a financial benefit from doing so
- k. Interest rate management on cash management balances is not permitted
- l. Cash is invested for a term of no more 181 days and in approved instruments and counterparties

The Council maintains a daily balancing report (bank reconciliation) and short-term and long-term cash flow projections which are updated monthly and which form the basis of its cash management activity. Generally cash management surpluses are available for periods less than 90 days.

Cash management instruments are limited to:

- a. Call deposits with New Zealand registered banks
- b. Corporate Commercial Paper with a maturity less than three months

- c. Term deposits (less than three months) with registered banks
- d. A target average daily balance of \$0 to \$100,000 is aimed for in the main bank account, with surplus transferred to call deposits

Cash and the counterparties on cash management instruments may only be invested with approved counterparties within the limits detailed in Section 6.3

12 Reporting

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

12.1 Treasury reporting

The following reports are produced:

Report Name	Frequency	Prepared By	Recipient
Daily Cash Position Treasury Spread sheet	Daily	Assistant Accountant Accounts Team Leader Management Accountant	CF Finance Manager
Treasury Exceptions Report	As required	Assistant Accountant Accounts Team Leader Management Accountant	CF FO
Monthly Treasury Report Signalling significant changes in treasury management strategy	Monthly As required	Financial Accountant	SFC
Quarterly Treasury Report <ul style="list-style-type: none"> • Policy limit compliance • Borrowing limits • Funding and Interest Position • Funding facility • New treasury transactions • Cost of funds vs budget • Cash flow forecast report 	Quarterly	Financial Accountant	SFC

<ul style="list-style-type: none"> Liquidity risk position Counterparty credit Treasury performance Debt maturity profile Treasury investments 			
Statement of Public Debt	Quarterly As required	Financial Accountant	SFC
LGFA covenant compliance certificate	Annually	Financial Accountant	LGFA
Revaluation of financial instruments	At least Annually	Financial Accountant	SFC
Internal audit on treasury management activity	At least triennially	CEO	Council
Review of treasury risk management policy	At least triennially	CEO	Council

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12.2 Accounting treatment of financial instruments

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

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

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

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

All treasury financial instruments must be revalued (marked-to-market) at least once annually for risk management purposes. Banks can confirm valuation of financial instruments at least six monthly and during periods of significant change quarterly.

13 Policy review

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

The [CEO](#) has the responsibility to prepare a review report that is presented to the Council. The report will include:

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

The Council receives the report, approves Policy changes and/or rejects recommendations for Policy changes.

APPENDIX A

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Application of interest to Council Reserves

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Amendments on Application of interest to Council Reserves to be applied as follows:

Restricted Reserves

Francis Paki Trust	Full interest
Mungai Scholarship Trust	Full interest
Huntly College Jubilee Fund	Full interest

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Council Reserves

Carry forwards	No interest
Conservation Reserve/Properties of National Importance	Full interest
Contingency Fund	2% interest (to keep in line with inflation)
Creative NZ	No interest
Disaster recovery fund	2% interest (to keep in line with inflation)
District Wide Community Facility Reserve [Refer WDC05/17/1/17]	Full Interest
General Accounting Reserve Fund	No interest
Hillary Commission loans from WDC contributions	Full interest
Hillary commission grants	No interest
Lake Hakanoa Caravan Park Reserve	Full interest
Land Subdivision Reserve Fund	Full interest
Lead Developer Fund	Full interest
Operational and Technical Services Unit Reserve	No interest
Pensioner Housing	Full interest
Plant Operating Account	Full interest
Property Proceeds Reserve	No interest
Pukemiro Hall reserve	Full interest
Raglan Harbour reserve	Full interest
Refurbishment Hamilton Office	Full interest
Revaluation Reserve	No interest
Road Upgrade Contributions	Full interest
Scada Deficit Reserve	Full interest
Southern Districts Water Upgrade Reserve	Internal Loan Rate
Structure Plan Reserves	Full interest
Strategic Investment Fund [Refer 05/12/1/8]	No interest
Township Development Reserves	No interest (unless reserve is in
North Waikato Infrastructural Reserve	Full Interest
Tamahere Hall Loan Reserve [Refer WDC06/194/1/3]	Internal Loan Rate
Development Contribution Reserves [Refer WDC06/194/1/3]	Full Interest
Franklin Transition [Refer WDC1006/12/1/3]	Full Interest

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Targeted rate reserves

All targeted rate reserve have full interest applied.

Replacement fund reserves

All replacement fund reserves will have full interest applied except Rooding, Community Facilities and Libraries. [WDC06/194/1/14]. These exceptions are due to the replacement fund being fully utilised every year.

Note: Full interest means full interest as applicable when applying the Treasury Management Policy 'Interest on Special Fund and Reserves Accounts'.

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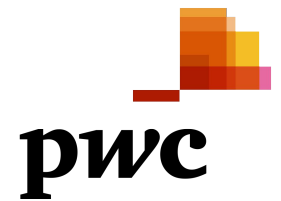
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Treasury workshop presentation

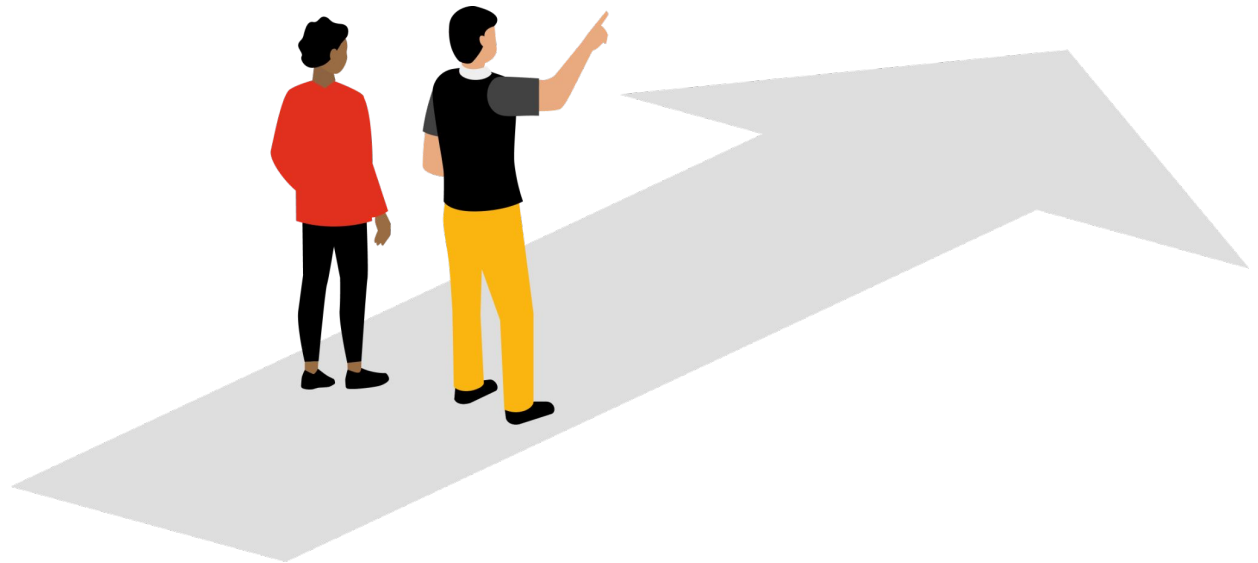
Alex Wondergem - Partner

8 February 2022



Agenda

1. Statutory framework and Treasury management objectives
2. Updates to the Treasury Risk Management Policy
3. Compliance Report



1

Statutory framework
and Treasury
management objectives

Statutory Framework

Context is that Council is a prudent financial manager

- Paragraph 14 – Principles relating to local authorities

“A local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets”

- Paragraph 101 – 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”

- Exercise care, diligence and skill in treasury decisions

Treasury management objectives and responsibilities

- Council is a prudent financial manager.
- Responsible for governance and oversight of intergenerational assets.
- Statutory objectives under the Act include prudent stewardship, a balanced budget and management of resources that promotes the current and future interests of the community.
- Council's Liability Management and Investment Policies (Policy) includes financial objectives to:
- Manage investments and liabilities in a manner consistent with current governing legislation and Council's strategic and commercial objectives.
- Avoid adverse interest rate related increases to rates and maintain overall interest costs within budgets.
- Manage and minimise the impact of market risks such as interest rate risk on Council's assets and liabilities by undertaking appropriate hedging activity in the financial markets.

2

Updates to the Treasury Risk Management Policy

Key changes to the Treasury Risk Management Policy

Debt ratios and limits (section 3)

- We have updated the definitions of net debt to align with LGFA definitions. We have also clarified the definition of liquidity and what satisfies as liquid assets. Important specifications to note are:
 - Committed facilities only count towards liquidity if they are available, meaning undrawn and unlinked;
 - Term deposits are only considered liquid if they mature within 30 days; and
 - External debt funding and related investment activity relating to pre-funding of upcoming debt maturities is excluded from the liquidity ratio calculation.

Management structure, responsibilities and delegated authorities (section 4)

- Whilst changes to treasury activities and controls to ensure adequate segregation of duties are maintained as per current Policy wording, we recommend Council confirm delegations mapping per current delegations register.
- A number of the responsibilities previously allocated to the Chief Operating Officer now rest with the Chief Financial Officer.
- A cascading of responsibilities through to the Finance Manager, Financial Accountant and Accounts Team Leader would then ensue.

Key changes to the Treasury Risk Management Policy

Interest rate risk policy (section 9.1)

- Interest rate changes we have recommended Council consider adjusting the hedging bands within the policy.
- Lower minimum and maximum fixed percentages
- Updated the definitions for fixed and floating rate debt to align with the corridor policy approach.
- Interest rate risk management calculations to now use forecast gross external debt (as opposed to net external debt) and for the compliance measure to move from a point in time measure to an average across the period.
- Increasing the forward start period on swaps and collar strategies to be no more than 36 months from 24 months to give greater flexibility for best utilising the shape of the interest rate swap (IRS) curve.

The updated fixed/floating interest rate risk control limits are as follows:

Debt Period Ending	Minimum Fixed	Maximum Fixed
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11	0%	25%
Year 12	0%	25%
Year 13	0%	25%
Year 14	0%	25%
Year 15	0%	25%

Key changes to the Treasury Risk Management Policy

Approved financial instruments (section 9.1.2)

- Approved interest rate instruments to include stand-by facilities and forward starting committed debt placements available through the LGFA.

Funding risk control limits (section 9.2)

- An adjustment to the maturity bands within the framework to allow for a 3 to 7 and 7 years plus time frame, as we have observed across the sector that the existing 3 to 5 (or 6) years policy tends to constrain debt funding activity.

- Having a wider time-band allows more flexibility and continues to enforce a spreading and smoothing approach to debt management.
- We also recommend Council increase the limits on debt maturing in the 3 to 7 year period as well as the 7 years plus period. The new maturity profile controls would be as follows:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

Key changes to the Treasury Risk Management Policy

Borrowing mechanisms of Council Controlled Organisations and Council Controlled Trading Organisations (section 9.4)

- We recommend including a new section within the Policy to address how Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.
- The policy allows for Council to lend either directly or indirectly to a CCO or CCTO subject to approval.
- In approving any CCO/CCTO lending arrangements, we recommend Council considers the following key factors:
 - Credit risk profile of the borrowing entity and its ability to meet repayments.
 - Impact on Council's credit rating, debt cap amount (if any), lending covenants with the LGFA and bank lenders as well as Council's future borrowing capacity.
 - The form and quality of security arrangements provided.
 - The lending rate and terms.
- If Council approves and engages in CCO/CCTO lending arrangements the policy requires it be done on a commercial arm's length basis and be executed under the appropriate legal documentation.
- Legal documentation should be reviewed by Council's independent legal counsel and approved by Council.

Key changes to the Treasury Risk Management Policy

Borrowing mechanisms of Council Controlled Organisations and Council Controlled Trading Organisations (section 9.4)

- In addition to changes impacting Council's lending to CCOs/CCTOs, CCO/CCTOs are now able to become members of the LGFA.
- Our understanding is that lending will be provided on a case by case basis, approved by the LGFA Board and will depend on the individual circumstances of the Council and the related entity.
- To reflect this and the addition of section 9.4 we also updated Council's delegation of authority and authority limits table (section 4.3) to include the following:

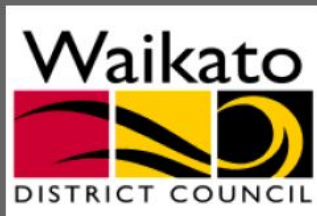
Activity	Delegated Authority	Limit
Approving new and refinanced lending activity with CCO/CCTOs	Council	Unlimited
Approving of Council guarantees or uncalled capital relating to CCO/CCTO indebtedness	Council	Unlimited (subject to legislative and other regulatory limitations)
Approve LGFA membership for CCO/CCTOs	Council	Unlimited
Negotiation and ongoing management of lending arrangements to CCO/CCTOs	CFO	Per approval / per risk control limits

3

Compliance Report

Compliance Report

Waikato District Council



Treasury Compliance Report

December 2021

Compliance Report

Debt ratios and borrowing benchmarks

Waikato District Council

Debt is to be managed within the following macro limits:

Policy criteria	Policy limit	Actual	Compliance
The percentage of net external debt to annual revenue	175%	49.0%	✓
Net interest expense on net external debt as a percentage of total annual revenue	20%	2.6%	✓
Net interest expense on net external debt as a percentage of planned annual rates	25%	4.1%	✓
Liquidity ratio	110%	127.0%	✓

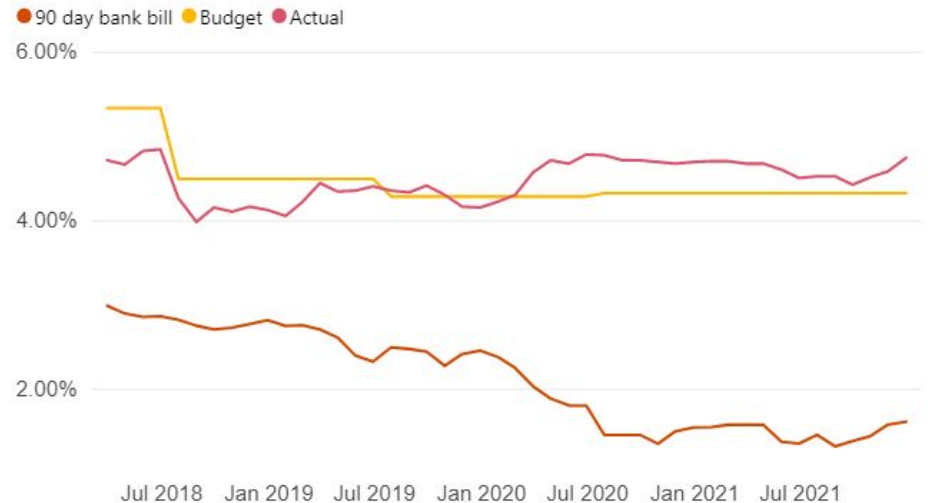
Definitions

- **Net external debt** = total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents
- **Total annual revenue** = earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets)
- **Net interest expense** = total interest and financing costs less interest income
- **Liquidity** = external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt

Actual monthly and year to date interest rate costs are compared to budget borrowing costs on the following basis:

Actual borrowing costs are <= budgeted borrowing costs	Budget	Actual	Compliance
Current month	\$375,500	\$505,571	✗
Year to date	\$2,253,000	\$2,233,457	✓

Actual vs budgeted cost of funds and 90 day bank bill

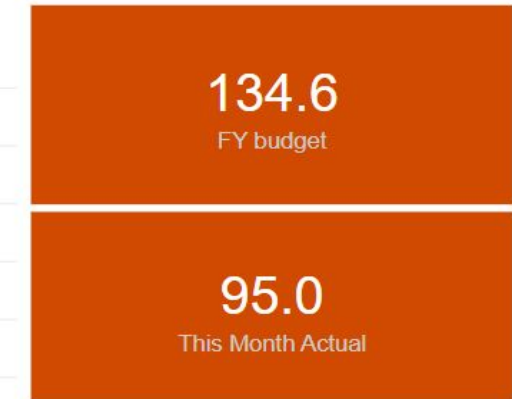
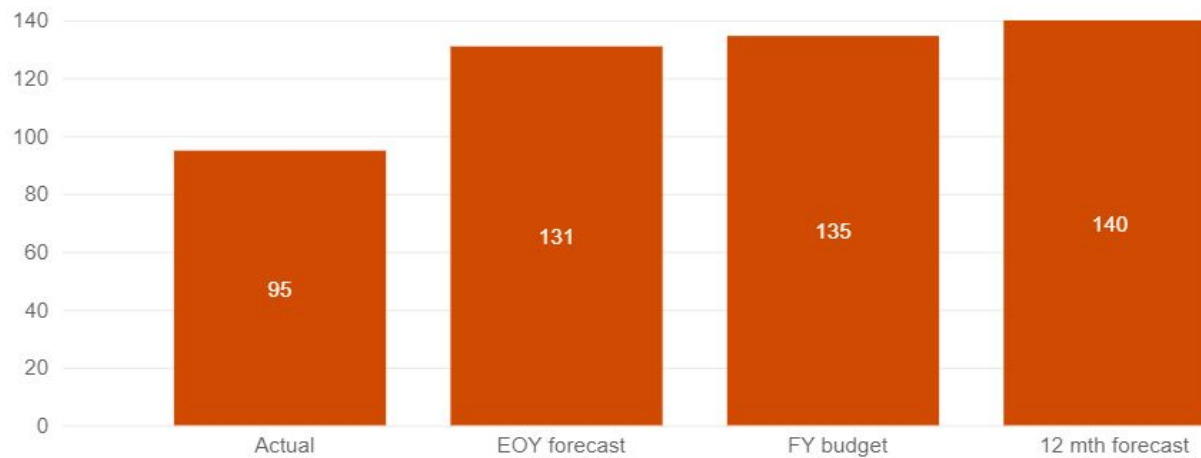


Compliance Report

Debt benchmarking

Waikato District Council

This graph depicts actual borrowing - LGFA plus bank (BNZ)



Comment on performance

Actual monthly (gross) borrowing is within end-of-year budget

Policy criteria	Policy limit	Actual	Within policy
Debt affordability benchmark - limit on debt(actual debt <= limit on debt)	287.50	95.00	✓
Balanced budget benchmark (revenue / expenses)	100%	106%	✓
Essential services benchmark (CAPEX / dep'n - infrastructure)	100%	166%	✓
Debt servicing benchmark (borrowing costs / revenue)	15%	3%	✓

Borrowing costs = finance expenses per statement of comprehensive revenue and expense



Compliance Report

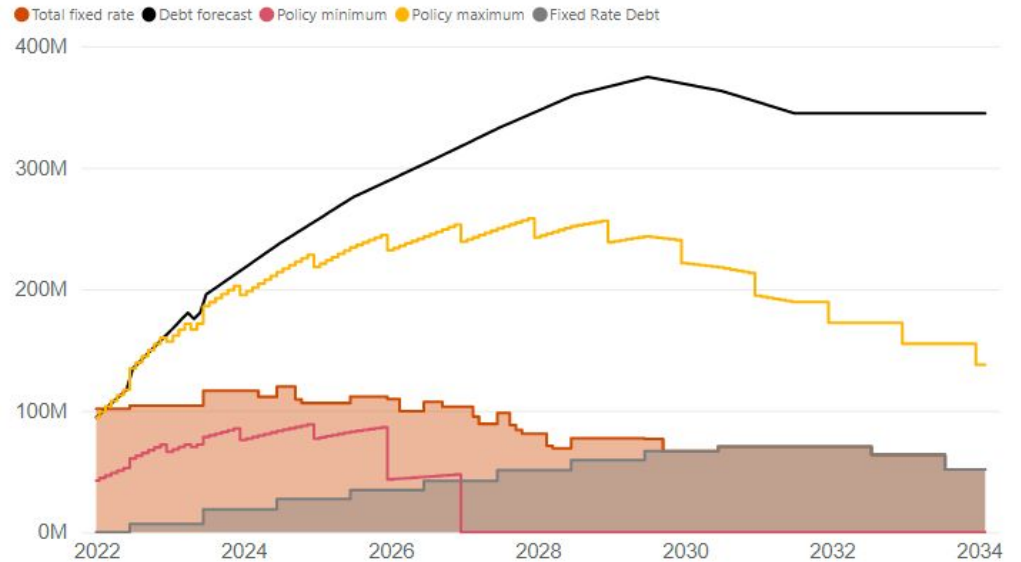
Interest rate risk position

Waikato District Council

Council's net external debt should be managed within the following fixed/floating interest rate risk control limits:

Debt period ending	Debt forecast	Min	Max	Actual
2021	\$94,551,833	45%	100%	107%
2022	\$165,193,500	40%	95%	63%
2023	\$216,800,000	35%	90%	54%
2024	\$256,839,500	30%	85%	41%
2025	\$289,993,500	15%	80%	38%
2026	\$318,736,500	0%	75%	32%
2027	\$346,541,000	0%	70%	23%
2028	\$367,205,500	0%	65%	21%
2029	\$368,944,500	0%	60%	18%
2030	\$353,965,000	0%	55%	20%
2031	\$344,700,000	0%	50%	20%
2032	\$344,700,000	0%	45%	18%
2033	\$344,700,000	0%	40%	15%

Interest rate risk timeline



Compliance Report

Current interest rate swaps (including forward starts)

Waikato District Council

Forward start period to be no more than 24 months unless there is a match with the expiry date of an existing swap of the same notional amount.

Comment on compliance

5 swaps with start periods > 24 months forward all are matched with existing swaps.

Counterparty credit risk

Interest rate risk management instrument maximum per counterparty

NZ registered banks (each)	Policy	Actual	Compliance
ANZ	30.0M	0.0M	✓
ASB	30.0M	0.0M	✓
BNZ	30.0M	16.4M	✓
Westpac	30.0M	0.0M	✓

101,500,000

Total "live" swaps

3.90%

Average interest rate of live swaps



Amount (\$)	Effective date	Termination date	Fixed rate (if effective)
3,000,000	21 October 2024	21 October 2027	4.27%
4,000,000	23 September 2024	23 September 2027	4.26%
4,000,000	25 March 2024	25 September 2026	4.21%
4,000,000	25 March 2024	25 March 2027	4.21%
3,000,000	22 March 2023	22 June 2029	4.20%
3,000,000	20 October 2020	21 October 2024	4.78%
3,000,000	20 October 2020	21 October 2024	4.86%
5,000,000	30 June 2020	29 June 2029	3.63%
4,000,000	23 March 2020	25 March 2024	4.75%
4,000,000	23 March 2020	25 March 2024	4.85%
10,000,000	30 September 2019	28 September 2029	3.55%
2,000,000	19 June 2019	19 March 2027	3.10%
2,000,000	19 June 2019	19 March 2028	3.28%
2,000,000	1 March 2019	1 December 2025	3.85%
10,000,000	28 February 2019	27 February 2026	3.33%
10,000,000	28 August 2018	30 August 2027	3.37%
10,000,000	28 February 2018	28 February 2028	3.33%
6,000,000	31 October 2017	31 January 2027	3.67%
2,000,000	25 September 2017	25 February 2027	3.67%
3,000,000	22 September 2017	23 September 2024	4.78%
2,000,000	22 June 2017	23 June 2025	3.52%
4,000,000	22 June 2016	23 September 2024	4.62%
2,000,000	21 March 2016	21 March 2024	4.94%
4,500,000	23 December 2015	23 September 2024	4.59%
3,000,000	23 March 2015	23 September 2024	4.53%
3,000,000	23 March 2015	23 March 2024	4.64%
3,000,000	22 June 2013	22 March 2023	4.00%
4,000,000	22 June 2013	22 June 2022	3.83%

Compliance Report

Funding and liquidity risk position

Waikato District Council

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

Bucket (years)	Maturing in period	Policy	Actual
0 - 3	60,000,000	15% - 60%	57%
3 - 5	25,000,000	15% - 60%	24%
5 - 15	20,000,000	10% - 40%	19%
Total	105,000,000		100%

125,700,000

Committed Loan/Stock/Facilities/Investments

95,000,000

Current External Debt

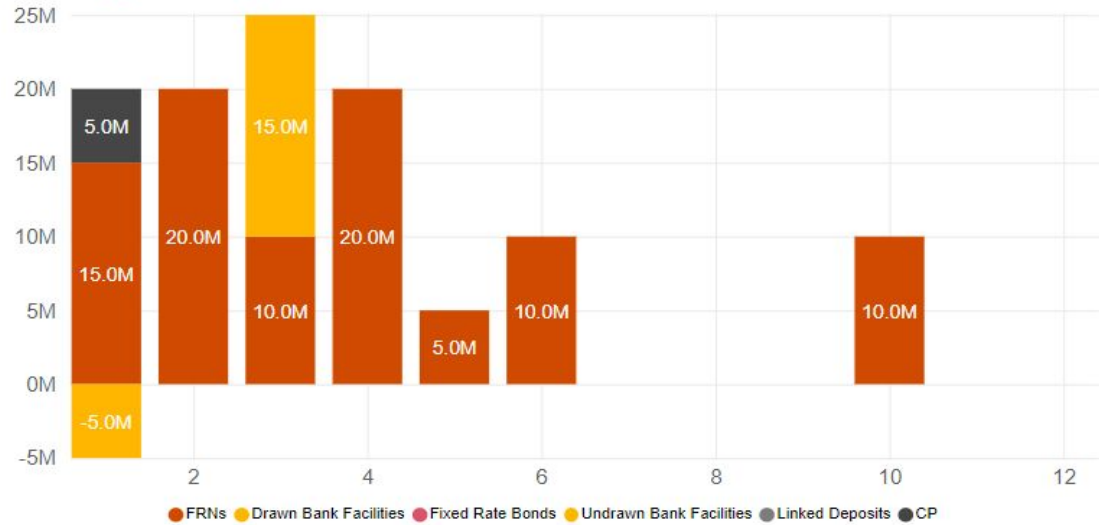
79,300,000

Current Net External Debt

160,098,250

12 month Peak Net Debt Forecast

Funding maturity profile



Liquidity risk controls:

110%

Policy Liquidity Ratio

127%

LGFA Liquidity Ratio (all deposits)



Compliance Report

Financials assets

Waikato District Council

Financial assets

	\$'000
Share investments held for strategic purposes	
Local Authority Shared Services Limited	220
Waikato Regional Airport Limited	23,065
Strada Corporation Limited	700
Civic Financial Services Limited	40
Investments held to reduce the current ratepayer burden	
Community loans as below	451
Short-term investments held for liquidity & working capital requirements	
Bank & cash balances	563
Short-term bank deposits	9,500
Total investments	25,039

For treasury purposes, LGFA borrower notes are netted off against related borrowing

Community loans

Borrower	Current balance (\$)	Maturity date	Interest rate
Tamahere Hall Committee	26,964	June 2022	5.32%
Te Kowhai Hall Committee	3,653	June 2022	5.32%
Tamahere Community Loan	420,521	July 2033	5.32%
Total	451,138		



Compliance Report

Counterparty credit risk

Waikato District Council

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

The following matrix determines counterparty limits for investments and interest rate risk management instruments:

	Investments maximum per counterparty			Interest rate risk management instrument maximum per counterparty			Total maximum per counterparty		
	Policy	Actual	Compliance	Policy	Actual	Compliance	Policy	Actual	Compliance
NZ registered banks (each)									
ANZ	20.0M	3.9M	✓	30.0M	0.0M	✓	50.0M	3.9M	✓
ASB	20.0M	3.9M	✓	30.0M	0.0M	✓	50.0M	3.9M	✓
BNZ	20.0M	3.9M	✓	30.0M	16.4M	✓	50.0M	20.3M	✓
Westpac	20.0M	3.9M	✓	30.0M	0.0M	✓	50.0M	3.9M	✓

Questions



Thank you

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To	Policy and Regulatory Committee
Report title	Enabling Housing Supply Act: Update and Approach

1. Purpose of the report

Te Take moo te puurongo

To inform the Committee on the background and content of the Enabling Housing Supply Act (EHSA), implications for Council, and potential approaches for implementation.

To inform the Committee on the submissions that were lodged in recent months on the Enabling Housing Supply Bill and the most recent discussion document on reform of the Resource Management system.

To seek approval for collaboration with Future Proof Council partners on: Sharing information and resources in relation to implementing the Enabling Housing Supply Act (EHSA); Procuring technical advice on various matters including legal, economic, planning, capacity and urban design issues, as required; and securing potential hearing panel commissioners for the Intensification Planning Instrument (IPI).

To seek approval for investigation with our Future Proof partners, Tier 1 Councils, Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities into giving strong effect to Te Ture Whaimana o Te Awa o Waikato and any other applicable Qualifying Matters (s77G of Enabling Housing Supply Act) concerning the Medium Density Residential Standards (MDRS), with the aim of reflecting the unique characteristics of the Waikato district and its communities.

2. Executive summary

Whakaraapopototanga matua

The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (EHSA) came into force on 20 December 2021. In brief, the new Act:

- a. Requires that Specified Territorial Authorities (which includes Waipa District Council, Hamilton City Council and Waikato District Council) notify an Intensification Planning Instrument (IPI) plan change by August 2022. The IPI must introduce Medium Density Residential Standards (MDRS) into all residential zones (excluding large-lot residential) for towns above 5,000 people. In the case of the Waikato district, this definitely includes Tuakau, Pokeno, Huntly and Ngaruawahia – and probably Raglan and Te Kauwhata. The MDRS permits up to three houses, of up to three storeys, anywhere in specified residential zones without land use or subdivision consent.
-

- b. Prescribes an Intensification Streamlined Planning Process (ISPP) for the Intensification Planning Instrument (IPI). Under this process, a panel of independent hearings commissioners must be engaged to hear and recommend the plan change. The Specified Territorial Authority agrees (adopts) or disagrees with the recommendations in whole or part. The Minister of the Environment (MfE) makes the final decision if the Specified Territorial Authority disagrees with the independent commissioners' recommendations.
- c. Allows for a range of qualifying matters which can exempt certain areas from the intensification requirements.

There is opportunity for Future Proof Territorial Local Authority Councils to partner on the joint preparation and processing of IPIs. In collaboration with these Councils, as well as with Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities, Council has an opportunity to explore the application of Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy for the Waikato River), as well as other potential qualifying matters.

Staff recommend that this collaboration referred to above takes place, with the aim of reflecting the unique characteristics of Waikato district and its communities. The Committee is also asked to note recent submissions on this EHSA legislation and a recent discussion document on wider resource management system reform.

While the significance of the legislative change is high, the significance of the decisions requested today are considered low under Council's Significance and Engagement Policy, because they relate to endorsement of a general approach. The details of Council's proposed IPI plan change will be discussed with Future Proof and iwi partners as above, and brought back to the Committee for approval, prior to notification in August for public submissions.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Policy and Regulatory Committee:

- a. **approves collaboration with Future Proof Council partners (Waipa District Council and Hamilton City Council) on: Sharing information and resources in relation to implementing the Enabling Housing Supply Act (EHSA); Procuring technical advice on various matters including legal, economic, planning, capacity and urban design issues, as required; and Securing potential hearing panel commissioners for the Intensification Planning Instrument (IPI);**
 - b. **approves investigation (in collaboration with Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities, Future Proof Council partners, and other Tier 1 Councils) into giving strong effect to Te Ture Whaimana o Te Awa o Waikato and any other applicable Qualifying Matters (s77G of Enabling Housing Supply Act) concerning the Medium Density Residential Standards (MDRS), with the aim of reflecting the unique characteristics of the Waikato district and its communities;**
-

- c. notes that, the approved submission (as attached to this report) on the Resource Management (Enabling Housing Supply) Amendment Bill, was lodged with the Ministry for the Environment on 16 November 2021, prior to the Bill being passed into law on 21 December 2021; and
- d. notes that, the approved submission (as attached to this report) on the Transforming our Resource Management System discussion document (November 2021), was lodged with the Ministry for the Environment on 28 February 2022.

4. Background

Koorero whaimaarama

Reform of New Zealand's Resource Management System (RM Reform)

New Zealand's resource management system is in a significant reform phase. The current Resource Management Act 1991 is expected to be replaced with three new acts: The Natural and Built Environments Act (NBEA), The Strategic Planning Act (SPA), and The Climate Adaptation Act (CAA). A draft of the NBEA and SPA are due to be released later this year, with a draft of the CAA following next year.

Council has lodged submissions on numerous RM reform documents to date, including New Directions for Resource Management in New Zealand ('Randerson Report', 2020) and a July 2021 exposure draft of the Natural and Built Environments Bill. Most recently, the Ministry for the Environment released a further discussion document entitled 'Our Future Resource Management System.' Council's submission was approved by its Submission Forum¹ and submitted on 28 February; it is attached to this report. It is consistent with Council's previous submissions on this matter and with submissions from other Future Proof Councils.

¹ The following excerpt from the Council's "Terms of Reference and Delegations for Council, and Committees of Council," provides details on the Submission Forum and associated processes:

Submissions and legislation

7. Approve submissions to external bodies/organisations on legislation and proposals that impact governance policy or matters.

NOTE: The following process can be used in the event that a submission cannot be presented to the relevant committee prior to the due date for submission:

a. The Mayor, Deputy Mayor and Chairpersons of the Infrastructure, Policy & Regulatory and Strategy & Finance Committees (the Submission Forum) may jointly approve a submission.

b. Officers will circulate the submission to the Submission Forum for approval, providing at least 24 hours for the review of the submission.

c. Each member of the Submission Forum will confirm by response whether they approve the submission or have any feedback on the submission.

d. Where possible, a consensus of the Submission Forum members should be sought. If required, a majority view will prevail.

e. Any submission approved via this process must be presented to the next relevant committee meeting for noting.

Enabling Housing Supply Act (EHSA)

While the broader RM reform has been underway, a new significant piece of planning legislation was quickly passed into law late last year. The **Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill** was introduced on 19 October, submissions closed on 16 November, and it was passed into law on 20 December. Council's submission, attached to this report, was approved by its Submission Forum, and the Deputy Mayor spoke to the Select Committee in December in support of the submission. Strong concerns were raised by Council and much of the local government sector as a whole, in relation to lack of consultation, the geographic scope across entire towns and cities, and inadequate consideration of infrastructure constraints, cultural and environmental matters, and the importance of urban design and supporting town centres.

The Enabling Housing Supply Act (EHSA) requires that Specified 'Tier One' Territorial Authorities (which include Waipa District Council, Hamilton City Council, Waikato District Council and 11 other Councils in the Auckland, Tauranga, Wellington and Christchurch regions) notify an Intensification Planning Instrument (IPI) plan change by August 2022 – with immediate legal effect. The IPI must introduce Medium Density Residential Standards (MDRS) into all residential zones (excluding large-lot residential) for towns above 5,000 people as of 2018 (or expected to be part of a housing and labour market greater than 10,000). In the case of the Waikato district, this this definitely includes Tuakau, Pokeno, Huntly, and Ngāruawahia due to their current population – and probably Raglan and Te Kauwhata due to the land supply included in the Proposed District Plan zoning decisions and projected population projections.²

The MDRS significantly expands the densification requirements in National Policy Statement – Urban Development (NPS-UD) that was passed in August 2020, which focused on areas within walkable distance of town centres and public transport stops.³ The MDRS permits up to three houses, of up to three storeys, anywhere in specified residential zones without land use or subdivision consent. This is a significant change from most residential zones in most district plans, which typically only allow for one home of up to two storeys per lot. The permitted activity standards are similar but not identical to the standards in the Waikato Proposed District Plan (PDP) decisions for the Medium Density Residential Zone (MDRZ); height limits and number of units per site are broadly consistent, while bulk and location standards (recession planes, setbacks, site coverage percentages, etc) are generally more permissive in the MDRS than in the PDP's MDRZ. The EHSA does not allow Councils to notify an IPI with more onerous standards, unless these are in relation to a Qualifying Matter (discussed below).

² Te Kauwhata and Raglan did not have the required population of 5000 as of 2018. However, the land supply in the Operative District Plan zoning as well as the Proposed District Plan decisions allows for greater than 10,000 population, consistent with Waikato 2070 (District Growth and Economic Development Strategy), and population projections indicate that there is sufficient demand for this to occur over time. Therefore the MDRS is likely to be required in these two towns unless there are qualifying matters applied.

³ The NPS-UD's specific provisions applying to the 'urban environments' within Waikato District are: "building heights and density of urban form commensurate with the greater of: (i) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or (ii) relative demand for housing and business use in that location."

The spatial extent required for application of the MDRS is much greater than the MDRZs in the PDP decision; the MDRS applies to all residential areas in the six towns above, whereas the MDRZ is focused around town centres within the district.

From a procedural standpoint, the EHS prescribes an Intensification Streamlined Planning Process (ISPP) for the Intensification Planning Instrument (IPI). Under this process, consultation is required through the usual steps of submissions and further submissions. Then a panel of independent hearings commissioners is required to conduct hearings and make recommendations. The Specified Territorial Authority (e.g. Council) agrees (adopts) or disagrees with the recommendations (in whole or in part). The Minister for the Environment makes the final decision if the Specified Territorial Authority disagrees with the independent commissioners' recommendations. There are no appeal rights other than on points of law, which means the available avenue for legal review would only be judicial review through the High Court (rather than typical RMA appeals to the Environment Court).

The EHS allows for a range of qualifying matters which can exempt certain areas from the intensification requirements, these include the following:

- Matters of national importance under Section 6 of the RMA (e.g. historic heritage, natural hazards, significant indigenous vegetation, outstanding natural landscapes and features, etc.)
- Giving effect to the National Policy Statement – Coastal Policy Statement (NZCPS 2010)
- Consideration of Te Ture Whaimana (Waikato/Waipā Vision and Strategy)
- Hauraki Gulf Marine Park Act 2000
- Nationally significant infrastructure
- Open space and the need to give effect to a designation or heritage order
- Consistency with iwi participation legislation
- Providing sufficient business land, and
- Any matter that makes high density as provided for by the MDRS inappropriate.

Any specific part of a District's towns proposed in the IPI to be subject to 'qualifying matters' will not have the MDRS provisions take immediate legal effect; the ISPP process of submissions, hearings etc must be undertaken. Any parts of towns not proposed to be subject to qualifying matters would have MDRS provisions taking legal effect immediately.

The full text of the new EHS can be found at:

<https://www.legislation.govt.nz/bill/government/2021/0083/latest/096be8ed81b8d744.pdf>

5. Discussion and analysis

Taataritanga me ngāa tohutohu

The EHS is highly prescriptive, and the potential for significant negative impact is high (as per the Council's attached submission) unless the Council uses the flexibility allowed by the 'Qualifying Matters' to ensure the IPI adequately reflects the District's unique characteristics.

Qualifying Matters

While some of the qualifying matters are clearly defined (e.g. the PDP-listed historic heritage items, significant natural areas, outstanding natural landscapes, etc.), others require further investigation. For example, collaboration with Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities, along with neighbouring councils, is required to shape the details of how to reflect Te Ture Whaimana. In addition, the final qualifying matter of 'any other matter than makes high density inappropriate' leaves open the possibility of Council addressing a number of considerations, for example:

- **Infrastructure constraints and funding:** Councils may not be able to fund the necessary infrastructure upgrades to service the MDRS level of density across all its residential zones. Development contributions are unlikely to be adequate.
- **Availability or absence of public transport:** Medium-density housing works well when frequent and convenient public transport routes are easily accessible, so that less travel by single-occupancy motor vehicles is required with less impact on the roading network.
- **Proximity or distance from commercial and community facilities (e.g. town centres):** As with public transport, the availability of these facilities within accessible walking distance reduces reliance on motorised transport and can increase the vitality and viability of those facilities and the town centres within which most of them are located. Giving effect to this consideration could help achieve the Council's vision of Liveable, Thriving and Connected Communities.
- **Character:** While simply declaring that application of MDRS would go against the character of an area is unlikely to be accepted as a qualifying matter, it is possible that an evidence-based approach could be supported, reflecting unique building typology, urban vegetation / tree cover, urban design or other exceptional aspects of a particular residential area that would be threatened by the MDRS.

To properly consider the potential for relying on these qualifying matters, it would likely be beneficial to adopt a collaborative approach, including the following:

- Working with FutureProof partner Council's (joint procurement and information-sharing).
- Talking to Waikato-Tainui, Waikato River Authority and other relevant iwi authorities (especially re: Te Ture Whaimana).
- Potential joint hearing panel (in whole or part) on plan changes for Future Proof Council's.
- Information-sharing with other Tier 1 Councils around NZ on their approaches, especially 'any other matter that makes high density... inappropriate'.

There are also legal questions for which Council staff are currently seeking advice, both re: content and process around the IPI and MDRS.

Process and Timing Issues

A complicating factor which gives rise to unique procedural issues for Council is that decisions on the Proposed District Plan (PDP) were just recently released on 17 January, with appeals having closed on 1 March. At the time of the writing of this report, the appeals had not been fully analysed, but it is possible that PDP decisions in relation to our MDRZ and various potential 'qualifying matters' (e.g. historic heritage items or significant natural areas) could be appealed. It is not likely that all relevant appeals would be resolved in time to inform the IPI plan change; in fact, one of the questions is whether any of these appeals should be set to one side while the IPI planning process is undertaken.

The complications relate to the different procedural steps that must be undertaken, depending on whether the relevant provisions of the District Plan are operative, or proposed and still under appeal. Possible avenues for an IPI are:

- **Plan change:** Can only be done to an operative plan or parts of a plan (would require those parts to have no appeals, or to have any appeals quickly resolved, to meet timeframes).
- **Variation:** Can be made to a proposed plan, but typically not done post-decisions due to complications with appeals etc – also puts the affected part of the plan on hold rather than allowing it to become operative (this could slow release of new land supply).
- **Appeals process:** An appeal may request application of MDRS rules within our MDRZ – but this would not resolve issue of spatial extent / qualifying matters etc – particularly given need for public consultation.
- **Possible combination** of the above: e.g. appeal (to apply national MDRS rules / standards), plus plan change (to expand / define spatial extent).

Assuming the IPI is notified in August 2022 as per the Act, an indicative timeframe could be:

- **September 2022 – January 2023:** Submissions, summary of submissions, and further submissions.
 - **February – June 2023:** Preparation of s42a hearing reports and pre-circulation of reports and expert evidence.
 - **July – August 2023:** Public hearing.
 - **September – November 2023:** Recommendations from hearing panel within 30 working days of hearing and Council consideration within 20 working days.
 - **November – December 2023:** Notification of Council decisions and Ministerial decision on any Council rejected recommendations.
 - **January 2024 onwards:** No appeals to Environment Court (only potential judicial review on points of law).
-

5.1 Options

Ngaa koowhiringa

Staff have assessed that there are two reasonable and viable options for the Committee to consider. This assessment reflects the level of significance (see paragraph 6.1) and the relative benefits of the options.

These options are essentially to (1) collaborate with Future Proof and iwi partners as recommended; or (2) to proceed in relative isolation, focusing solely on Waikato district's considerations. Because of the benefits of collaboration in terms of information-sharing, resourcing, partnership etc, the collaborative option is recommended. Discussions to date with Future Proof partners indicate a high degree of overlap with Waikato district in terms of concerns and potential direction.

5.2 Financial considerations

Whaiwhakaaro puutea

Costs in relation to the planning work to prepare an IPI are currently being met in-house through a dedicated budget for 'Implementation of the National Policy Statement – Urban Development,' although the EHSA is a significant unanticipated new piece of legislation, linked to but different from that NPS-UD. Any cost will be reduced through collaboration within the Future Proof partnership and joint procurement. Staff will also seek any funding from the Ministry for the Environment if there is an opportunity.

Implementation of the EHSA could potentially have significant costs for Council in terms of infrastructure and services required to serve medium-density residential development across wide areas not anticipated in our Asset Management Plans or 2024 Long Term Plan. These costs could be reduced through use of 'qualifying matters' to limit the geographic scope of the MDRS.

5.3 Legal considerations

Whaiwhakaaro-aa-ture

The insertion of the EHSA's MDRS will satisfy the requirements of the Resource Management Act 1991 in accordance with sections 77E to 77P and Schedule 3A. There are numerous legal questions around some specific procedural and content matters, for which advice is currently being sought.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

This report and recommendations are consistent with Council's policies, plans and prior decisions. In particular, it strives to maintain and advance Council's vision of Liveable, Thriving and Connected Communities and the community outcomes (particularly Supporting Our Communities and Sustaining Our Environment), as embedded in key policy documents such as Blueprints, Waikato 2070 (District Growth and Economic Development Strategy) and the new decisions on the Proposed District Plan.

It also reflects the targeted investments and decisions made in the 2024 Long Term Plan and its supporting documents (Asset Management Plans, Infrastructure Strategy, Financial Strategy, Development Contributions Policy, etc.) made in support of Council's intended growth patterns.

The placement of the MDRS in the Proposed Waikato District Plan is proposed to be a collaboration with Future Proof Partners and will be consistent with requirements under the EHSA, the RMA and the NPS-UD. It is unclear how much this MDRS will be relevant once the RMA is replaced as per the RM Reform programme currently underway, but the Medium Density Residential Standards (MDRS) is mandatory nonetheless.

5.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

There are considerable Maaori and cultural considerations involved in implementation of the EHSA, in particular through allowance for Te Ture Whaimana as a qualifying matter than can exempt areas from the housing intensification requirements. Another qualifying matter is the following matter of national importance from Section 6(e) of the RMA: 'The relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga.' The recommended approach in this report is to work closely with Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities to ensure these considerations are adequately taken into account in implementation of the MDRS.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

The decisions sought by, and matters covered in, this report are consistent with Council's [Climate Response and Resilience Policy](#) and [Climate Action Plan](#). Making full use of the qualifying matters in the EHSA to better support the natural environment and promote development patterns that reduce reliance on private motor vehicles will help to reduce carbon emissions, through the carbon-absorbing qualities of vegetation and the reduction of fossil fuel use in motor vehicles. Healthier natural environments (e.g. through less impervious surfaces) are also likely to help with climate resilience in terms of capacity to withstand severe weather events.

5.7 Risks

Tuuraru

There are considerable environmental, social and financial risks involved in implementation of the MDRS as currently required by the EHSA. Unaffordable infrastructure, changes in residential character, failure to focus intensification to support town centres and public transport, intensified housing separated from community facilities, and reduction of natural features in urban areas are all examples of these. These risks could lead to political risks, as the public may blame Council for the MDRS when it is notified two months prior to the upcoming local government elections, despite the MDRS being a central government requirement.

The decisions recommended by this report, however, are relatively low-risk. There is minimal perceived disadvantage to collaborating with Future Proof and iwi partners as proposed. When the actual IPI is to be notified in August, it must be accompanied by a cost/benefit analysis as per Section 32 of the RMA.⁴

6. Significance and engagement assessment Aromatawai paahekoheko

6.1 Significance Te Hiranga

The decisions and matters of this specific report are assessed as of low significance in accordance with Council's [Significance and Engagement Policy](#). However, this report is part of a broader project or process that is, or may be in future, assessed as of moderate or high significance.

While several matters in the Policy are considered to apply to implementation of the EHSA and MDRS,⁵ the decisions today do not commit Council to specific implementation provisions. When the IPI is notified, it will be subject to mandatory consultation under the RMA.

⁴ S32 reports are required to:

“(a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—

- (i) economic growth that are anticipated to be provided or reduced; and
- (ii) employment that are anticipated to be provided or reduced; and

(b) if practicable, quantify the benefits and costs referred to in paragraph (a)

⁵ For example:

- There is a legal requirement to engage with the community.
 - The degree to which the issue has a financial impact on Council or the rating levels (both targeted and general) of its communities.
 - The proposal or decision will affect a large portion of the community.
 - The likely impact on present and future interests of the community, recognising Maaori Tikanga (culture values) and their relationship to land and water.
 - The community interest is likely to be high.
 - The likely consequences are controversial.
-

6.2 Engagement

Te Whakatuutakitaki

The EHSA directs Council to incorporate the MDRS into the Waikato District Plan. These MDRS need to be notified by August 2022, and this is a quick turnaround for new standards in a plan. Given the EHSA requirements, Council is unlikely to be able to undertake much pre-consultation with the community (other than with statutory parties listed in Section 3 of Schedule 1 of the RMA), prior to notification of the IPI for submissions and further submissions. Workshops with Elected Members (including Community Board and Community Committee representatives) will be important in attempting to reflect the community's aspirations in the notified IPI.

Collaboration with Tangata Whenua (e.g. through Waikato-Tainui, the Waikato River Authority and other relevant iwi authorities) will also be critical to identifying whether WDC can apply for any qualifying matters concerning the Waikato River and its protection and restoration.

Highest level of engagement	Inform	Consult	Involve	Collaborate	Empower
	✓	✓	✓	✓	<input type="checkbox"/>
	The intent is to involve and collaborate with key stakeholders in the development of the IPI, and then to consult with the public through the Schedule 1 submissions and further submissions process once the IPI is notified in August 2022.				

The following stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
✓	✓	<input type="checkbox"/>	Internal
✓	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards / Community Committees
✓	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui / Waikato River Authority / Ngati Maniapoto / Local iwi and hapuu
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	✓	<input type="checkbox"/>	Other (Please Specify): Future Proof Partners (including Waikato Regional Council, Hamilton City Council and Waipa District Council)

7. Next steps

Ahu whakamua

Next steps, if this report's recommendations are approved, will include further collaboration and investigation around 'qualifying matters' and further workshops with Elected Members to work towards notifying the IPI in August 2022.

8. Confirmation of statutory compliance

Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Committee's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed <ul style="list-style-type: none"> • Council Vision • Community Outcomes • Blueprints • Waikato 2070 • 2024 Long Term Plan (and supporting strategies and plans)
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments

Ngaa taapirihanga

1. Submission on Enabling Housing Supply Act (EHSA), November 2021
2. Resource Management Reform discussion document submission, February 2022

Date:	22 March 2022
Report Author:	Jim Ebenhoh - Planning and Policy Manager
Authorised by:	Clive Morgan General Manager Community Growth

16 November 2021

Minister Eugenie Sage
Chair Environment Committee
Select Committees
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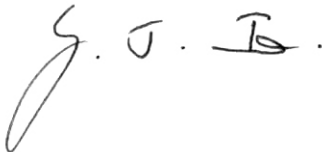
Dear Minister

SUBMISSION ON RESOURCE MANAGEMENT (ENABLING HOUSING SUPPLY AND OTHER MATTERS) AMENDMENT BILL

Thank you for the opportunity to submit on the Resource Management Amendment Bill – Enabling housing supply and other matters.

Please find attached the Waikato District Council's submission, which has had governance approval. Should you have any queries regarding the content of this submission, please do not hesitate to contact Donna Tracey – Strategic Planning Team Leader, by email donna.tracey@waidc.govt.nz or phone 0800 492 452.

Yours faithfully



Gavin Ion
CHIEF EXECUTIVE

Introduction

This is a joint submission to Parliament's Environment Select Committee on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill 2021 (**Bill**), on behalf of the Future Proof Waikato Councils (i.e. Waikato District Council, Hamilton City Council, Waipā District Council, Waikato Regional Council), and Waikato-Tainui (herein referred to as the Future Proof Partners for the purposes of this submission).

The Future Proof Partners are aligned in their strong opposition to the Bill.

The Bill seeks to introduce amendments to the Resource Management Act 1991 (**RMA**) which are in direct conflict with the RMA's single purpose of 'sustainable management'.

The Bill is in direct conflict with The Waikato-Tainui Raupatu (Waikato River) Settlement Act 2010 and Te Ture Whaimana o te awa o Waikato (The Vision and Strategy for the Waikato River).

The Bill is in direct conflict with the National Policy Statement on Urban Development 2020 in that it will fail to enable well-functioning urban environments and will create a fundamental disconnect between land use planning and infrastructure planning.

The Bill is in direct conflict with the strategic growth initiatives currently being implemented by Future Proof and by each of the local authority Future Proof Partners.

The Future Proof Partners oppose the passing of the Bill in its current form. They consider that the Bill is so fundamentally flawed that it should be withdrawn. If it is not withdrawn, substantial amendments to the Bill are required.

This submission is divided into two key parts.

Part A addresses the concerns of the Future Proof Partners at a high-level and sets out recommended amendments on key components of the Bill. Detailed drafting changes are included at the end of Part A.

Part B addresses specific provisions in the Bill by Waikato District Council and identifies a number of amendments, actions and improvements sought by Waikato District.

Part A: Future Proof Partners' Submission Points on the Bill

Overall comments

The Future Proof Strategy is a 30-year growth management and implementation plan specific to the Hamilton, Waipā and Waikato sub-region within the context of the broader Hamilton-Auckland Corridor and Hamilton-Waikato Metropolitan areas. The strategy provides a framework to manage growth in a collaborative way for the benefit of the Future Proof sub-region both from a community and a physical perspective. The Future Proof partnership is the first Crown-Iwi-Local Government Urban Growth Partnership. This submission does not reflect the views of other Future Proof partners, including central government and Auckland council.

The Strategy has been successful in providing a strategic, integrated approach to long-term planning and growth management in the sub-region. The settlement pattern for the Future Proof sub-region takes a compact and concentrated approach.

Recently, the Future Proof strategy has been updated to reflect the provisions in the National Policy Statement on Urban Development (NPS-UD), and consultation is currently taking place on the updated strategy. Significant partner resources have been put into the Future Proof update by all partners, including central government. The Future Proof partners are satisfied that the draft updated Future Proof strategy reflects the direction set in the NPS-UD to ensure sufficient development capacity and contribute towards well-functioning urban environments.

The Future Proof partners acknowledge the bipartisan support for the Bill and commend the Government and Opposition for their commitment to trying to address the country's housing crisis.

However, while the outcomes sought by the Bill fit within the Government's work programme, the provisions are incongruous with well-functioning urban environments and cut across the four wellbeings approach of Government initiatives, notably the Government Policy Statement on Housing and Urban Development (GPS-HUD).

In summary, the Future Proof Partners are extremely concerned that the Bill is a "one size fits all" approach that will not work in practice.

We have therefore outlined a number of amendments that will ensure:

- **Better alignment between the Bill and the RMA**
- **Ensure that the primacy of Te Ture Whaimana/The Vision and Strategy for the Waikato River is given effect to as required by Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.**
- **Provide greater safeguards and certainty for councils, iwi, developers and homeowners/residents in the country's main urban areas.**
- **Provide significantly better housing outcomes in these urban areas for all stakeholders.**

No Meaningful Engagement with Local Government or Iwi on the Bill

The Bill's intent is "To rapidly accelerate the supply of housing where the demand for housing is high. This will help to address some of the issues with housing choice and affordability that Aotearoa New Zealand currently faces in its largest cities".

The Future Proof Waikato councils and Waikato-Tainui are supportive of this overall intent - the Bill (albeit in a highly revised form) could provide greater housing opportunities, which in turn could be part of the solution to address more affordable housing in the country's main urban areas.

We recognise the critical housing issues being faced across the country and the need to look for solutions to address both affordability and supply. However, we have significant concerns with how the Bill was developed and communicated to local government and iwi.

This lack of consultation with local government and iwi has reduced our ability to meaningfully engage with our communities and further explain to them how these changes will impact on existing engagements already underway in planning for growth in the Future Proof areas. In essence, there has been no real opportunity provided by Government for any meaningful input.

In addition, the Future Proof Waikato councils have recently undertaken extensive Long Term Plan engagement for the likes of existing play, parks, and environmental strategies - implementation of the Bill in its current form has the potential to undermine this whole process and the projects that are already planned for.

Future Proof is a key partner of Government as part of the Hamilton-Auckland Urban Growth Partnership to deliver on the objectives of the Urban Growth Agenda. This relationship has been formalised through the Future Proof Partnership, and the development of the H2A Corridor Plan and Hamilton-Waikato Metro Spatial Plan. This is the first Crown-Iwi-Local Government Urban Growth Partnership in New Zealand.

Given this ongoing and successful partnership, the Future Proof Waikato councils and Waikato-Tainui are very disappointed in how the Bill was developed in isolation from local government and iwi, noting that an explicit pillar of the Urban Growth Agenda is to build stronger partnerships with local government to address the fundamentals of land supply, development capacity and infrastructure provision.

The clear lack of engagement with local government, iwi, and residents of Tier 1 high growth councils to date is incredibly disappointing. The Bill, as proposed, is sudden, will have significant impacts on place-making, land-use and infrastructure planning work, as well as undermining many current committed strategic spatial planning partnerships with Central Government, such as the Hamilton to Auckland Corridor Plan, the Metropolitan Spatial Plan and the Future Proof Strategy.

The approach that has been taken to develop and communicate the Bill seriously compromises the spirit of the relationship that has been built up over several years. This is extremely disappointing.

Given the significant wider legislative reforms underway, it is critical that open and transparent dialogue is maintained between central and local government.

Detailed Comments on the Bill

Te Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River

Te Ture Whaimana o Te Awa o Waikato/the Vision and Strategy for the Waikato River (Te Ture Whaimana) is the primary direction-setting document for the Waikato and Waipā Rivers and their catchments, which includes the Waikato River and the lower reaches of the Waipā River.

Te Ture Whaimana arose as a result of Raupatu in the 1860s and its consequences and the ensuing Waikato-Tainui River Claim. The Vision and Strategy is detailed within the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 which sets out the vision, objectives and strategy for the Waikato River. Subsequent Acts have extended Te Ture Whaimana so that it now covers the whole of the Waikato and Waipā river catchments.

Te Ture Whaimana requires that the health and wellbeing of the Waikato and Waipā Rivers is to be restored and protected for current and future generations. It adopts a precautionary approach towards decisions that may result in significant adverse effects on the awa. Section 12 of the River Settlement Act provides that Te Ture Whaimana prevails over RMA planning and policy instruments including National Policy Statements. Section 13 of the River Settlement Act requires that all regional and district plans must 'give effect' to Te Ture Whaimana.

A key aspect of Te Ture Whaimana is protection and restoration of the awa. Te Ture Whaimana represents the strongest direction that Parliament has given in relation to any RMA planning document and it is the pre-eminent planning instrument within the Waikato region. It is particularly noted that in the event of any inconsistency or conflict, Te Ture Whaimana o Te Awa o Waikato prevails over any national policy statement or New Zealand Coastal Policy Statement.

The Kiingitanga Accord (2008)¹ is a deed between the Crown and Waikato-Tainui. Clause 3.4 of the Accord requires that:

- In the development and drafting of any new legislation, the Crown will consider whether, by analogy with the nature and subject matter of the statutes in which the Vision and Strategy has been given statutory recognition under the Waikato River Settlement, such new legislation should also include express legislative recognition of the Vision and Strategy in the same or substantially similar form to that provided under the settlement; and
- Where appropriate, any such new legislation when it is introduced into Parliament shall include express legislative recognition of the Vision and Strategy in the same or substantially similar form to that provided under the Waikato River Settlement.

Whilst there is reference to 'iwi settlement legislation' in the Bill, there is no direct reference to Te Ture Whaimana and no clarity as to how the new Bill would interact with Te Ture Whaimana. The Bill falls squarely within the scope of the commitments in the Kiingitanga Accord and must therefore reasonably include express provisions relating to Te Ture Whaimana.

¹ <https://www.govt.nz/assets/Documents/OTS/Waikato-Tainui/Waikato-Tainui-Kiingitanga-Accord.pdf>

The content of the Bill is irreconcilable with Te Ture Whaimana unless there is a very substantial central government investment in wastewater and stormwater infrastructure within the Waikato Region. Without this commitment from central government, the outcomes sought in the Bill are unachievable. The Future Proof partners submit that the Bill as written is not in accordance with Te Ture Whaimana and does not give effect to the Kingitanga Accord.

The Bill does not address the conflict arising from the mandate for further housing intensification and the primacy of Te Ture Whaimana, which requires the restoration and protection of the health and wellbeing of the Waikato River. This objective, and others, call for an overall improvement in water quality. Increased densities of the kind enabled by the Bill will grossly exceed the capacity of existing wastewater and stormwater systems which discharge into the sensitive environment of the awa. These systems are already at capacity and cannot function in a manner which gives effect to Te Ture Whaimana without substantial ongoing investment. The Waikato Councils are attempting to plan for this as best they can under their current fiscal constraints, however the Bill will introduce densities which make the capital expenditure costs impossible to manage at a local government level.

As a practical example, increased impervious areas will lead to increased flood events and poor quality stormwater entering the river. With the immediate introduction of the Bill the Future Proof Waikato Councils would not have time to upgrade existing wastewater and stormwater systems before the Medium Density Residential Standards (MDRS) provisions would be required to be notified. This would potentially result in serious effects on the awa, completely at odds with Te Ture Whaimana. It is certainly not in keeping with the precautionary approach promulgated by Te Ture Whaimana.

The Bill could also allow physical construction of buildings adjacent to the Waikato River with potential environmental and cultural effects.

The Future Proof partners are undertaking a Waikato sub-regional three waters study, which will determine an approach to three waters that is “best for river”. This study will provide the approach and evidential basis for three-waters decision-making in the Future Proof sub-region and will be a key input into the Future Development Strategy (FDS) required under the NPS-UD. The Bill would bring forward the timeframe and require this work to be done within the next six months in order to inform the plan changes required by August 2022. This is not feasible.

The current Bill would skip over the requirement to develop a land use pattern that gives effect to Te Ture Whaimana, and the requirement for strategic spatial planning (which will also be required under the new RMA reforms). By doing so, the Bill would set up development rights that would be hard/impossible to unpick in future if evidence shows that the pattern of urban development is not able to meet the requirements of Te Ture Whaimana. In the Waikato context, the allocable flow of the Waikato River must address Te Ture Whaimana. For example, in Hamilton, the population is expected to reach 428,000 by 2065, and this means a water demand of 184 millions of litres per day (MLD) for Hamilton and 217 MLD for the wider metro area by 2065. Water is a finite resource and there is no guarantee that water take consents will be renewed at current levels in the future.

Whilst Te Ture Whaimana would prevail over an inconsistent NPS, it is unclear what the status of Te Ture Whaimana is in terms of the Bill once enacted.

²https://www.epa.govt.nz/assets/FileAPI/proposal/NSP000046/Evidence-Submitters-evidence/Watercare_Sub_evidence_HCC_WDC_IMayhew.pdf

It is critical to the Future Proof Partners that Te Ture Whaimana is expressly recognised in the Bill as a “Qualifying Matter” which will enable areas within the Waikato to be exempt from the MDRS planning standards.

Summary of our submission points:

- Further time is needed in order to establish the evidential requirements necessary to ensure Te Ture Whaimana is given effect to whilst developing the intensification planning instrument/MDRS plan change for Future Proof councils. This cannot be completed by August 2022. The timing should align with the requirements under the NPS-UD for Future Development Strategies to be completed by 2024.
- In the Waikato context, allow the three-waters business case work currently underway to be completed and to inform the FDS, rather than embed development rights through the Bill which may not be able to be serviced with stormwater, wastewater and water infrastructure in a way that meets the requirements of Te Ture Whaimana.
- In the Waikato context the Bill needs to consider the allocation of scarce resources needed to support the development capacity (e.g. water takes) PRIOR to locking in development rights through the Bill.
- Confirm the primacy of Te Ture Whaimana in the Bill, including but not limited to expressly recognizing it as a “Qualifying Matter”

Which territorial authorities and which urban environments does the Bill apply to?

The Bill contains some critical inconsistencies in the way that it uses terminology, which means that it is almost unworkable in its current form in the Waikato context. In the explanation to the Bill, and in the regulatory impact statement, it is clear that the proposals are meant to relate to ‘cities’ and it is quite clear that the Bill was not intended to apply to Tier 3 urban environments (emphasis added):

*This Bill requires territorial authorities in Aotearoa New Zealand’s **major cities** to set more permissive land use regulations that will enable greater intensification in urban areas by bringing forward and strengthening the National Policy Statement on Urban Development (the **NPS-UD**).*

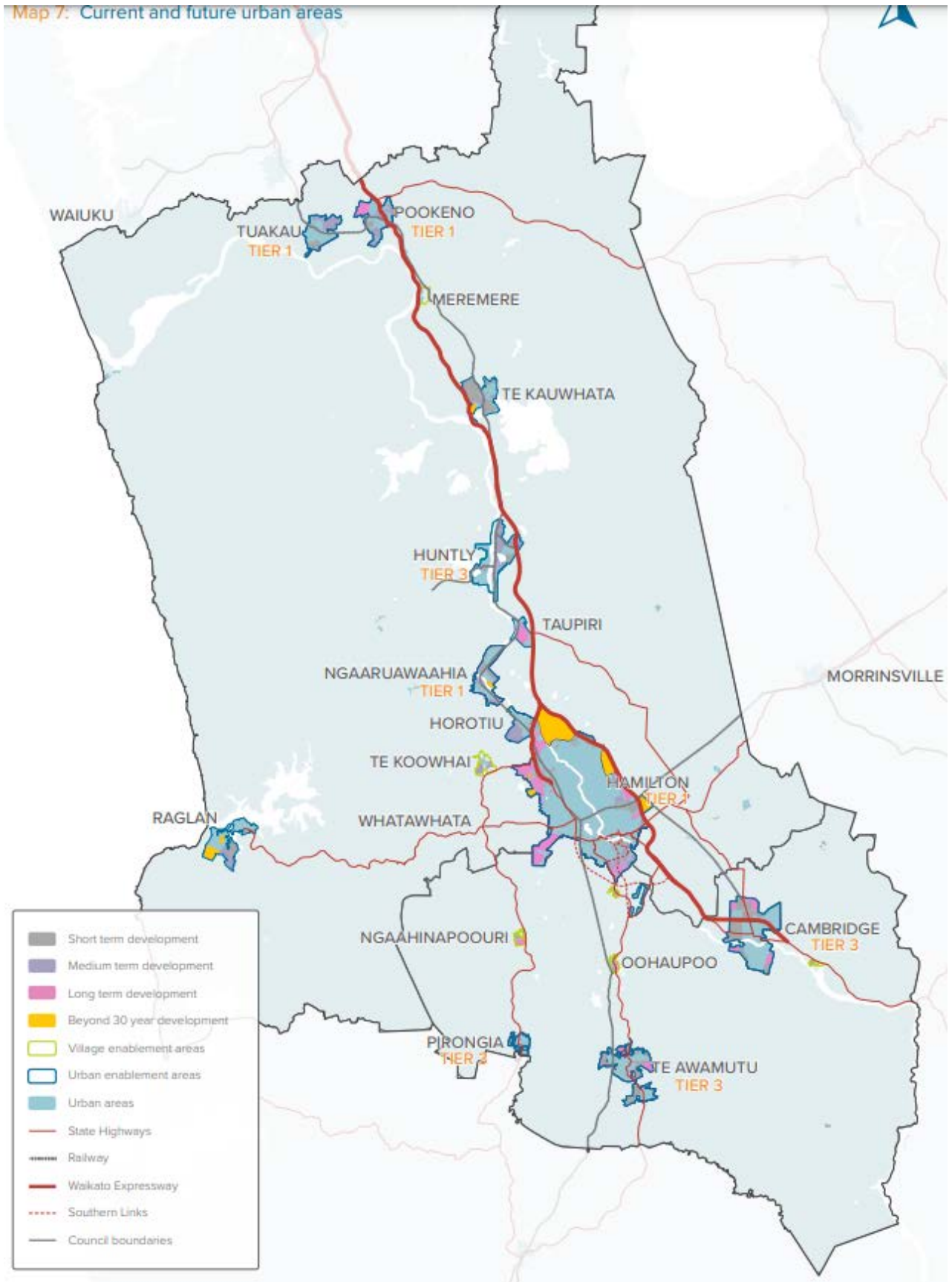
The Bill uses the terms ‘Tier 1 territorial authorities’, ‘relevant territorial authorities’, and ‘urban environments’ to determine where intensification planning instruments, and the MDRS, will apply.

There are some critical inconsistencies in the language used in the Bill. For example:

- The requirement to use the Intensification Streamlined Planning Process (ISPP) to notify plan changes that address the NPS-UD and incorporate the MDRS (intensification planning instruments) by August 2022. This requirement applies to all urban environments (by implication, Tiers 1 and 3 urban environments) within ‘Tier 1 local authorities’, however the NPS-UD provisions referred to (policies 3 and 4) only relate to ‘Tier 1 urban environments’.
- In the explanation to the Bill it mentions that the MDRS will apply in all Tier 1 urban environments and that it applies to areas of Tier 1 urban environments that are zoned or being zoned residential.
- However, in the Bill itself, the MDRS requirements are not limited to Tier 1 urban environments but would apply to the **urban environment of a relevant territorial authority** (the definition of ‘relevant territorial authority’ is every Tier 1 territorial authority). For example, in

s77F it states that every relevant residential zone in an urban environment of a relevant territorial authority must have the MDRS incorporated.

As written, the MDRS could apply to all urban environments in Waikato, Hamilton and Waipā. This would include all urban areas that meet the definition of Tier 1 and Tier 3 urban environments. Future Proof has done significant work, using Statistics New Zealand data, to determine which townships meet the definition of Tier 1 or Tier 3 urban environments. This is shown on the draft Map 7 from the Future Proof strategy (see below). Note that the strategy is open for consultation until 12 November. This map shows that Hamilton, Tuakau, Pookeno and Ngaaruawaahia meet the definition of 'Tier 1 urban environments' under the NPS-UD. Huntly, Cambridge, Te Awamutu and Pirongia meet the definition of 'Tier 3 urban environments'. All other townships in the three territorial authorities do not meet the definition of 'urban environment' under the NPS-UD. The proposed amendment to the definition of 'urban environment' in the Bill would not affect this interpretation.



In our view the Bill as drafted is inconsistent with the purpose outlined in the explanatory notes. The application to our towns undermines the work we are doing at a local level to enhance placemaking with

our local communities. Whilst Hamilton is almost entirely urban in nature, Waikato and Waipā councils have a number of settlements of varying size, set in large expanses of rural land. For example, Ngaaruawaahia is a settlement of less than 8,000 people which is located in the Waikato District but by virtue of its close vicinity to Hamilton's north boundary, is considered to be part of Hamilton's urban environment. Pokeno and Tuakau, in Waikato District, could be considered to be part of Auckland's urban environment. Waikato DC also contains smaller settlements such as Raglan and Te Kauwhata which do not currently qualify as an 'urban environment'. Waipā DC contains the settlements of Cambridge, Te Awamutu, Pirongia and other smaller villages. It needs to be clear where the medium density residential standard (MDRS) are to apply.

It is entirely inappropriate to impose blanket medium density rules across small townships which have a very different character to the Auckland city environment on which the rules have been based.

These towns, as do all towns set in a rural context in New Zealand, currently offer residents a distinctively different living environment to that found in city urban environments. There are also commensurately lower levels of community services (e.g. public transport) and less sophisticated supporting infrastructure. Imposing the MDRS and a blanket provision for medium density housing will be totally out of character with that distinction and undermine the very identity and community outcomes of each town. This distinction needs to be recognised and provided for in planning standards.

Summary of our submission points:

- Amend all references to 'urban environments' in the Bill, and replace with 'Tier 1 urban environments';
- Amend all elements of the Bill to clarify that the Bill is only mandatory in Tier 1 urban environments and does not apply to Tier 3 urban environments or to Tier 1 territorial authorities where they do not have a Tier 1 urban environment within them;
- Amend all elements of the Bill to clarify that the requirements relating to MDRS for the Future Proof councils only apply to Tier 1 urban environments within Hamilton city and not to neighbouring townships;
- Allow the application of the MDRS in Tier 1 urban environments outside of Hamilton and in Tier 3 urban environments in specific areas should the territorial authority, through a plan change process, seek to promulgate these;

Concerns with the blanket nature of the Bill's requirements

The Future Proof partners are concerned that the indiscriminate application of the proposed MDRS to Tier 1 urban environments (and potentially to Tier 3 urban environments as discussed above) has the potential to undermine the intent of the NPS-UD to create well-functioning urban environments. The dispersed and unpredictable nature of how development can occur under this proposal is at odds with creating a compact urban form which supports public transport and makes it difficult to plan infrastructure upgrades required to support this level of additional growth. Of particular concern is the ability to provide the required level of service for three waters.

The blanket approach to the application of the MDRS will make it harder to invest in a targeted way for future infrastructure needs, and risks spreading growth over a larger area compromising the ability to reach the critical mass needed for transport interventions. This has significant cost implications – not just for councils but also for Central Government, particularly Waka Kotahi.

The Future Proof partnership has expended a considerable amount of time and resources to determine a settlement pattern that supports efficient and effective public transport and supports a shift from private cars to other forms of transport. The NPS-UD Objective 8 states “New Zealand’s urban environments: (a) support reductions in greenhouse gas emissions”; the Future Proof Strategy looks to achieve this in part by providing for a compact urban form that supports less carbon intensive transport modes such as active and public transport.

The Future Proof Waikato councils have undertaken significant work already to give effect to the NPS-UD. This work has been methodical and strategically aligned, based on the original criteria within the NPS-UD and underpinned by existing Housing and Business Capacity Assessment work.

The current targeted approach to planning for intensification is considered better placemaking for the existing and future communities of the sub-region than the poorly integrated land-use approach the proposed Bill appears to promote.

The Bill adds additional work and will require elements of the work already undertaken to give effect to the NPS-UD to be reworked. This is frustrating at a time when there are already resourcing issues in the sector, and while other significant reforms are taking place. As a consequence of this Bill, some significant plan changes and district plan reviews across Tier 1 councils will be delayed and some may need to be withdrawn, compounding the issue of land availability and ironically delaying housing land supply further as a result.

Where relevant to each of the Future Proof councils, the consequences of the Bill’s proposed transitional provisions and implications for existing plan changes underway are further elaborated upon in Part B of this submission.

A more focused, staged approach to intensification supports thriving and resilient communities which are accessible and connected to employment, education, social and cultural opportunities - a central crux of the NPS-UD in creating well-functioning urban environments and improved four-wellbeings through the Government’s Policy Statement on Housing and Urban Development 2021 (GPS-HUD).

Focusing growth in more targeted areas also provides councils with a manageable framework to plan for the funding and coordinated delivery of infrastructure needed to service it. The Future Proof strategy concentrates higher densities into targeted areas, usually around city/town centres, with proximity to current and future public transport and with good amenity. This is aligned with infrastructure roll out as identified through the LTP process under the Local Government Act 2002. Any introduction of blanket medium-density needs the infrastructure (hard and social) picture to be aligned to support healthy communities as per the NPS-UD.

Summary of our submission points:

- The Bill should not apply the MDRS as a general residential standard. The MDRS should be able to be applied through council plan changes in bespoke areas where it can be shown that this will result in well-functioning urban environments.
-

Sufficient plan-enabled development capacity already

The Future Proof partners question the timing of this Bill and the proposed blanket introduction of medium density housing enablement. The proposed amendment to the RMA seems to be a belated response to a problem that most councils are now well advanced in addressing.

The Future Proof partners have not been reticent in planning for growth. Together we have spearheaded spatial planning for growth at a regional scale, and further with our Auckland neighbours, through the Hamilton to Auckland Corridor and Metro Spatial Plan work. This Bill effectively shifts the bar again for councils by effectively enabling the tripling (or more) of planned densities throughout the existing city and townships. These changes are also being imposed despite the Housing and Building Development Capacity Assessment (HBA) demonstrating the additional NPS-UD and Bill measures are not required to meet growth.

It is disappointing the Ministry for the Environment's Regulatory Impact Statement (RIS) does not take into consideration the recently submitted HBA'S of Tier 1 councils in its assessment of its MDRA and capacity options as they apply to individual councils.

It is not evident where the demand is to meet the supply of this medium density housing option. The Future Proof partners have just completed their second HBA. Contrary to the statement in the Regulatory Impact Statement that planning decisions are not informed by adequate evidence – the Future Proof HBA was developed in accordance with the evidential requirements of the NPS-UD. Development capacity supply through infill in specified locations and identified greenfield development was found to be more than sufficient to meet anticipated short, medium and long term demand – in fact overall in terms of plan-enabled capacity there is well in excess of what is required. The Future Proof councils' district plans are not a constraint to meeting demand. Infrastructure provision is potentially more of a barrier to the development of housing than the level of supply available under current and proposed district plans in the Future Proof subregion.

Stats NZ building consent figures for September 2021 indicate that a record 47,331 new homes were consented in the year ended September 2021, up 25 percent from the year to September 2020. Multi-unit homes accounted for 46 percent of all new homes consented nationally in the year ended September 2021, up 40 percent from the year to September 2020. In Auckland, multi-unit homes accounted for two-thirds of all new homes consented in the latest year, and nearly one-third of those in the Waikato region.

The driver for demand has been population growth but over the last year as evident in the latest Stats NZ figures there has been no international migration, not a lot of New Zealanders returning and little internal growth. Auckland's population fell by a 1,000 people for the first time ever. A key driver of demand has significantly reduced and it is unclear when growth will return to pre-pandemic levels.

Design Quality of the Built Environment

The Future Proof partners want to build better urban areas, not just bigger urban areas. It's about building quality communities - not just houses. The Bill does not align with the Government's own focus on the four wellbeings, and has the potential to compromise amenity and liveability for a short-term gain in housing numbers.

The Future Proof partners have concerns about the design quality of the built environment resulting from blanket implementation of the Medium Density Residential Standards (MDRS) rules.

Once passed into law, the Bill will require Hamilton City Council, and potentially Waikato and Waipā (depending on the response to our submission point above), to adopt the MDRS rules set out in the Bill. The MDRS sets seven building requirements to enable development and must be incorporated into RMA plans for current and future residential zones in Tier 1 urban environments. The requirements will enable landowners to build up to three houses of up to three storeys on their site as of right on most sites. This includes alterations to existing buildings.

The Future Proof partners are of the view that the MDRS rules are very blunt, and many do not provide good urban design outcomes, particularly given the range of urban areas that we have in the Waikato, ranging from small villages and townships, through to larger townships, and the city of Hamilton. The density and heights being required have been modelled on the Auckland Unitary Plan provisions. Whilst this might work in Auckland, where there are a range of city amenities, including rapid and frequent public transport provision, it will not translate well into the Hamilton context, or into smaller townships outside of the city.

In terms of urban design, there are two issues – macro urban design (for example ensuring good placemaking across the board with good PT, walking, cycling, local facilities and amenity) and micro urban design (for example the design of the buildings). Whilst the Bill focuses on the micro urban design, it does nothing in terms of the consideration of macro urban design issues.

We recognise that Government is prioritising the provision of housing but that should not be at the expense of good urban design outcomes. We have concerns that the proposed permitted baseline for medium density housing is in conflict with the central ethos of the NPS-UD and the recently released Government Policy Statement on Housing and Urban Development (GPS-HUD), which is to create liveable communities and well-functioning urban environments. This is consistent with Waikato District Councils vision Liveable, Thriving, and Connected Communities.

Consideration does need to be given to adjoining properties and potential loss of sunlight and passive home heating. Avoiding these unintended consequences from the introduction of medium-density is a crucial concern for the Future Proof partners, and relates to maintaining healthy communities over time.

Summary of our submission points:

- Amend the Bill to allow consideration of place-based macro urban design issues so that MDRS provisions are only embedded in locations where good place making and well-functioning urban environments can be achieved;
- Consider changes to the medium-density rules to ensure that the provisions address urban design concerns.
- Consider standards or guidance which provide opportunities for new buildings that support climate change objectives, including opportunities for active solar collection in the future, green buildings, and on-site retention of water and re-use of greywater.

Significant increase in pressure on existing infrastructure

Increased densities of the kind enabled by the Bill will grossly exceed the capacity of existing infrastructure. Even under the provisions of the NPS-UD councils face huge challenges in terms of their ability to plan for infrastructure to meet these requirements under current fiscal constraints. The Bill will introduce densities which will result in capital expenditure on infrastructure which exceeds the ability for councils to fund at a local government level.

The Bill does not address or acknowledge the infrastructure funding and financing shortfall to support an integrated solution for a step change in intensification, which would now be required across the entire city and potentially across all townships in the sub-region which meet the Tier 1 and 3 urban environment definition. The councils' infrastructure was not designed to support the full realisation of the current infill plan enabled capacity, never mind the increased densities being anticipated under the NPS-UD and now this Bill.

Under the LGA 2002 councils have an obligation to adopt a prudent financial strategy. It will be impossible for councils to fund the scale of infrastructure required to meet these new density expectations whilst still complying with financial strategies and LGA requirements around prudent debt limits. Even before the Government began imposing further obligations on councils to enable more housing (through the NPS-UDC and now the NPS-UD) councils have advocated for additional funding tools from Government to enable councils to deliver on these new requirements. The current opportunities for government funding are effectively ad-hoc, random and outcome-uncertain invitations to compete with other councils for funding. These initiatives are not a substitute for a proper funding toolbox. Better funding options are needed to enable high-growth councils to plan and deliver the infrastructure needed to support growth and to avoid unacceptable adverse effects on the environment appropriately and sustainably.

There is no mention in the regulatory impact statement, the explanation to the Bill, or in the Bill itself of any associated Government funding for addressing the potential impacts of increased housing density on existing urban infrastructure.

Infrastructure for consideration needs to be more than traditional roading, three waters and parks. As an example, roading needs to be expanded to transport - it is not about moving only cars and freight between towns and cities, but public transport (PT) and active mode opportunities for all. The need for social infrastructure, usually TA-led, not by developers, is generally left out of these conversations around increasing density. Higher density will necessitate more open space and park uses (active and passive) to maintain a quality of life. High density puts pressure on community facilities (halls, pools and libraries) and how people use them. Education facilities (primary and secondary), an integral part of communities, can be overwhelmed by significant increases in population if they are not planned for in advance with land and buildings.

Given the blanket nature of the proposed zone and high impervious surface allowance [50-60%] there will be corresponding loss of urban trees and vegetation and an increase in stormwater run-off. This has both a social and environmental effect. Where medium density is proposed there needs to be access to parks and reserves and consideration of plantings within new greenfield sites along access ways and new open spaces, to offset absence of trees within lots. Low impact design around stormwater can also add vegetation to these developments and offset impervious runoff.

There are already significant unfunded infrastructure investments needed in the life of the Future Proof Waikato councils' 30 Year infrastructure strategies to enable further infill/intensification to support the current plan enabled capacity.

Failure to ensure the nature, location and timing of intensification of the scale promoted by the NPS-UD and this Bill is aligned with necessary new and/or upgraded strategic and local infrastructure will lead to adverse environment, cultural and public health effects from, for example, increasing wastewater overflows and increasing volumes of untreated stormwater, and water pressure issues compromising fire-fighting supply. This fails to ensure councils are giving effect to Te Ture Whaimana o Te Awa o Waikato, Te Mana o te Wai, and is not an indication of a liveable community and well-functioning urban environment.

Ad-hoc, reactionary 'patching' of existing infrastructure to deal with incremental growth demands is not a sustainable approach. Proper infrastructure planning involves understanding and setting a strategic approach for supporting the maximum probable development based on what district plans enable and other spatial planning, then working back in intervals to match infrastructure delivery to growth. In this way the overall infrastructure programme is aligned with growth, integrated with landuse planning, and works towards a properly planned, fit-for-purpose city-full network. Reactionary development-by-development approaches to patch infrastructure creates a failure-before-fix situation risking adverse environmental effects. It also has the real potential to result in wasted infrastructure investment, for example with pipework being replaced multiple times, before coming close to its end-of-life, to incrementally increase capacity.

The timeframes in the Bill itself provides little to no opportunity for robust infrastructure planning to even occur, never mind dealing with actual implementation/construction within an existing urban environment with an existing community that will continue to need water, wastewater, stormwater and transportation services, including the lead-in times necessary for the scale of infrastructure works required. This in itself represents poor integration between land use and infrastructure decisions, with the environment and existing community facing the repercussions.

Additionally, the Bill does not align with the direction in the Draft New Zealand Infrastructure Strategy Rautaki Hanganga o Aotearoa 2021. This strategy recognises that to achieve a thriving New Zealand, we need a world class infrastructure system. Objective 3 of the strategy is to building attractive and inclusive cities that respond to population growth, unaffordable housing and traffic congestion through better long term planning, pricing and good public transport. In addition, Objective 4 (Strengthening resilience to shocks and stresses by taking a coordinated and planned approach to risks based on good quality information) is clearly at odds with the Regulatory Impact Statement for the Bill. As noted previously, the RIS lacks any meaningful or credible information (including nil consultation with local government) to underpin the Bill. We submit that the current Bill does not assist in enabling co-ordinated long-term infrastructure planning that will support the intentions of the draft Infrastructure Strategy.

In summary, the Bill in the current form inadequately recognises the role that infrastructure plays in supporting growth and will create an irreconcilable conflict with the intent of other national directives, including the higher order Te Ture Whaimana o Te Awa o Waikato.

Summary of our submission points:

- Provide certainty that there will be guaranteed funding options made available for councils to fund the infrastructure required to support the level of intensification required by the Bill;

- Amend the Bill to allow areas to be excluded from the MDRS where there is insufficient existing or planned infrastructure capacity to support the level of intensification.
- Explicitly allow for councils to plan, stage and sequence land use changes to align with the delivery of infrastructure necessary to avoid adverse effects on the environment including recognising the need for that infrastructure to align with a strategic, city-full infrastructure network.
- Ensure councils can control and/or limit development where it would otherwise lead to non-compliance with its regional abstraction and discharge consents.
- Allow for councils to apply additional on-lot controls necessary to assist with managing the environmental impacts of growth, for example requiring water sensitive devices.
- Re-think the timeframes for when this Bill would come into force given the NPS-UD HBA demonstrates sufficient short- and medium-term supply for growth in order to allow proper infrastructure planning, staging, and funding work to be completed.
- Urgently consider and provide additional funding tools to allow councils to accelerate the delivery of infrastructure to support additional plan-enabled capacity.
- Retain clause 8 (b)) – “A reference to relevant engineering standards applying in the relevant residential areas to which the MDRS applies”. This may result in activities requiring resource consent where engineering standards cannot be met, which would provide an appropriate mechanism for ensuring infrastructure requirements were met.

NPS UD definition of ‘urban environment’

The Future Proof partners support the proposed amendment to the NPS-UD to change the definition of urban environments to include reference to ‘intended to be’ in relation to territorial authorities. This is consistent with how Future Proof have defined “urban environment” in Future Proof Strategy.

Summary of our submission points: Retain the proposed definition of urban environments as set out in the Bill.

Natural hazard risk and residual risk

The Bill does not mention what the impact of increasing intensification has on natural hazard risk and residual risk. The Waikato Region has a several settlements such as Huntly that are protected by Waikato Regional Council stopbanks. Intensification in these locations would increase the residual risk.

Natural hazard risk assessments are required for any new development, however there is no guidance on risk thresholds, especially when intensifying residential development. This is particularly important for future climate exacerbated hazards. The NPS-UD Objective 8 states “New Zealand’s urban environments: (b) are resilient to the current and future effects of climate change”.

For example, HCC is accelerating its programme to produce 100yr flood hazard mapping and overland flowpath info to cover the entire city - currently most of the urban environment does not have detailed flood hazard modelling info. Individual developers will generally not be sufficiently experienced or resourced to undertake the catchment-scale work needed to produce this type of info. In the absence of this info the Bill would, by default, allow significant development on land potentially affected by flood hazards. This will put people and property at risk during a flood event.

Summary of our submission points: Amend the Bill to explicitly require a natural hazard risk assessment, including an assessment of residual risk, prior to the notification of intensification planning instruments to include the MDRS. As above, this will mean that additional time will be required in order to undertake a natural hazard risk assessment.

Schedule 3 - New Part 4 inserted into Schedule 12

We suggest considering an extension to the date given in Schedule 3 for plan changes to have incorporated the MDRS as the proposed date may inadvertently capture plan changes that have had substantial work undertaken to get them to the point of notification and then have to be withdrawn in part or whole because they were notified without the inclusion of the MDRS. For example, HCC has just notified a plan change to their district plan to update the structure plan for a long planned for greenfield area at Peacocke to the south of Hamilton. The plan change is to update the existing structure plan to reflect policy direction to create a more compact urban form well supported by multi-modal transport. Submissions on the plan change closed on 5 November 2021, after which submissions will need to be summarised, further submissions called for, and s42 reports prepared ahead of hearings. Given the time of year, it is very unlikely that this will be completed ahead of the February 2022 deadline.

Summary of our submission points:

- Extend timeframes to allow plan changes that have already been notified to complete their process. Alternatively, allow for plan changes that have been notified but hearings not held to be able to proceed if they incorporate the MDRS.

Timeframes

The Future Proof partners have serious concerns and reservations around the Bill's projected timeframes for delivery of intensification of housing in urban areas, which is due to commence in August 2022.

Given the climate facing the building industry, particularly regarding the current and predicted foreseeable worldwide supply chain disruption and its impact on the likes of building supplies/material, these timeframes appear to be overly ambitious in terms of the projection of delivering up to 105,500 homes over the next eight years.

The timeframes do not allow adequately for the Future Proof Waikato councils to address the necessary requirements related to Te Ture Whaimana or to plan for the required infrastructure to support the proposed changes.

Summary of our submission points:

- Delete the August 2022 requirement for notification;
- Add a requirement to report to government on the progress being made on changes;
- Align the implementation timeframe of the MDRS with the requirements for completion of an FDS under the NPS-UD.

Climate Change and the Environment

It is unclear how the blanket introduction of MDRS aligns with the central government's commitment to

address climate change and its greenhouse gas emissions targets. Objective 8 of the NPS-UD seeks to achieve urban environments that support reductions in greenhouse gas emissions and are resilient to the current and future effects of climate change. The blanket application of the MDRS will not integrate with levels of accessibility by public and active transport and could work against achieving the critical mass required to support public transport interventions. This outcome is not in accordance with the NPS-UD objective of creating well-functioning urban environments which have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport.

Higher residential densities with reduced open space allowances will result in there being less green space and less trees in our urban environments. The reduction in green open space and trees together with the increase in hard heat absorbing surfaces, risks increasing urban heat, especially when average temperatures are rising and the number of hot days per year increases. This poses a long term risk to health and wellbeing.

Summary of our submission points:

- Consideration should be given to opportunity for passive energy opportunities for each dwelling and its occupants;
- Consider standards or guidance which provide opportunities for new buildings that support climate change objectives, including opportunities for active solar collection in the future, green buildings, and water retention and re-use, and low impact urban design features for stormwater.
- Amend the Bill to ensure locations of MDRS areas are consistent with achieving good public transport and active transport accessibility between housing, jobs, community services, natural spaces and open spaces.

Regulatory Impact Statement for the Bill

The Future Proof partners note that the Regulatory Impact Statement (RIS) for the Bill was finalised on 21 May 2021. The Bill appears to be a solution for Auckland and Wellington, but Hamilton is barely mentioned in the RIS – for example Auckland is mentioned 24 times in the RIS but Hamilton is only mentioned 4 times. The smaller towns around Hamilton are not mentioned at all. Despite this lack of analysis, the Future Proof partner councils are expected to work with the same provisions in the Bill.

The RIS itself makes a number of observations about its limitations. For example, in the ‘Executive Summary’, under the section entitled ‘Limitations and Constraints on Analysis’ (page 2), it states that *“The analysis in this paper was produced in a short period with limited ability to undertake bespoke formal analysis. As a result, analysis is based on existing sources and largely qualitative”*.

Similarly, the section entitled ‘Stakeholder Engagement’ (page 2) notes that *“Due to time constraints, there has been no opportunity for consultation with external stakeholders. This limits the ability to test the feasibility of processes and other aspects of implementation”*.

Clearly then there was no engagement with the local government sector or iwi when developing the RIS. Given the critical role of local government and iwi in the Bill, this is both surprising and indeed, in our view, a major flaw in the background material underpinning the Bill’s development.

Under the section 'Empirical Data' (page 3), the RIS notes that *"Bespoke modelling of the pattern and magnitude of development that would result if default MDRZ is implemented has not been undertaken. Instead, qualitative insights are drawn from other recent modelling exercises"*.

Given the above examples of patent shortcomings in the RIS, the Future Proof partners are strongly of the view that this Bill is being pushed/rushed through with no real detailed analysis or robust engagement, or any clear understanding of unintended consequences.

This is further emphasised in the Joint Regulatory Impact Analysis Review Panel's assessment and comments on page 4 of the RIS i.e:

- *"There has been no public consultation on the proposals which means that the potential consequences identified in the RIS are not fully understood.*
- *"The Panel wishes to particularly highlight the lack of consultation with local councils, which may pose implementation risks for the policy proposals in this paper, and a broader risk to the relationship between central and local government"*.
- *"The RIS could also better support decision making through improvements to clarity of message, presentation of information, and greater use of quantitative evidence to support options assessment"*.

In terms of infrastructure, the RIS makes incorrect broad assumptions on what has been funded in council 10-year plans, and demonstrates a poor understanding of how infrastructure planning and implementation works in conjunction with landuse planning and 10-year plan funding. This would appear to be a key source of failure in how the Bill fails to appropriately address infrastructure.

Plan change costs

The Future Proof Waikato councils have all been working hard to develop provisions to give effect to the NPS-UD, at significant cost to their ratepayers. This investment could effectively be wasted if existing plan change/plan review work needs to be set aside.

The plan change to give effect to the MDRs will require money and resourcing, both of which have not have been provided in this year's LTP or Annual Plan. Local authorities are going to have to find money and resourcing from elsewhere to fulfil the requirements of the Bill. This action is likely to result in the removal of wellbeing focused projects and priorities.

ISPP process

The Future Proof Waikato councils acknowledge the intention of the Intensification Streamlined Planning Process (ISPP) to provide a faster, easier and less costly plan change avenue. However, we are concerned that now allowing for a full consultation process excludes communities from having proper input into what will be a significant change for our urban areas.

If the existing ISPP proposals are intended to remain, the Future Proof Waikato councils suggest consideration could be given to allowing for joint ISPP hearing processes. This would allow councils to run their processes together or in parallel and make use of the same hearing panel.

Specific Changes to the Resource Management (Enabling Housing Supply & Other Matters) Amendment Bill

Suggested amendments are shown in underline and italics, and strikethrough.

RM Amendment Bill Reference	Scope of Amendment	Reasons
Whole Bill	<p>Amend all references to 'urban environments' in the Bill, and replace with 'Tier 1 urban environments'</p> <p>Amend all elements of the Bill to clarify that the Bill is only mandatory in Tier 1 urban environments and does not apply to Tier 3 urban environments or to Tier 1 territorial authorities where they do not have a Tier 1 urban environment within them</p> <p>Amend all elements of the Bill to clarify that the requirements relating to MDRS for the Future Proof councils only apply to Tier 1 urban environments within Hamilton city and not to neighbouring townships.</p> <p>Allow the application of the MDRS in Tier 1 urban environments outside of Hamilton and in Tier 3 urban environments in specific areas should the territorial authority, through a plan change process, seek to promulgate these.</p>	<p>The suggested amendments would make the Bill consistent with the purpose outlined in the explanatory notes. Otherwise it would appear that Bill applies to Future Proof towns which would undermine the work being undertaken at a local level to enhance placemaking within our local communities. Whilst Hamilton is almost entirely urban in nature, Waikato and Waipā councils have a number of settlements of varying size, set in large expanses of rural land. It needs to be clear where the medium density residential standard (MDRS) are to apply.</p>
Clause 77F	<p>77F Medium density residential standards must be incorporated into plans</p> <p>(1) Every relevant residential zone in an urban environment of a relevant territorial authority must have the MDRS incorporated into that zone, <u>provided there is accessibility by existing or planned active or public transport to a range of commercial activities and community services and there is a clear demand for housing in that location.</u></p>	<p>The Bill should not apply the MDRS as a general residential standard in a blanket manner across a city or district. The MDRS should be able to be applied in areas where it can be shown that this will result in well-functioning urban environments and there is a clear need. This would also go some way towards addressing macro urban design outcomes.</p>
Clause 77G	<p>77G Qualifying matters in applying medium density residential standards to relevant residential zones</p> <p>A relevant territorial authority may make the MDRS less permissive in relation to an area within a relevant residential zone if that change is required to accommodate</p> <p>1 or more of the following qualifying matters that are present:</p> <p>(a) a matter of national importance that decision makers are required to</p>	<p>To acknowledge and confirm Te Ture Whaimana as a qualifying matter given that it is the primary direction-setting document for the Waikato and Waipā Rivers and was established under Waikato-Tainui Raupatu Claims (Waikato River)</p>

	<p>recognise and provide for under section 6:</p> <p>(b) a matter required in order to give effect to a national policy statement (other than the NPS-UD), <u>including Te Ture Whaimana – the Vision and Strategy for the Waikato River</u>:</p> <p>(c) a matter required for the purpose of ensuring the safe or efficient operation of nationally significant infrastructure:</p> <p>(d) open space provided for public use, but only in relation to land that is open space:</p> <p>(e) the need to give effect to a designation or heritage order, but only in relation to land that is subject to the designation or heritage order:</p> <p>(f) a matter necessary to implement, or to ensure consistency with, iwi participation legislation:</p> <p>(g) the requirement in the NPS-UD to provide sufficient business land suitable for low density uses to meet expected demand:</p> <p><u>(h) the need to give effect to regional abstraction and discharge consents:</u></p> <p><u>(i) no ability to connect to the urban infrastructure network or insufficient capacity within the network:</u></p> <p>(h) <u>(i)</u> any other matter that makes higher density as provided for by the MDRS inappropriate in an area, but only if section 77I is satisfied.</p>	<p>Settlement Act 2010. Te Ture Whaimana represents the strongest direction that Parliament has given in relation to any RMA planning document and it is the pre-eminent planning instrument within the Waikato region. It is particularly noted that in the event of any inconsistency or conflict, Te Ture Whaimana o Te Awa o Waikato prevails over any national policy statement or New Zealand Coastal Policy Statement.</p> <p>To allow for limits to be applied where this could lead to non-compliance with regional abstraction and discharge consents.</p> <p>To acknowledge the need for development to be able to connect to urban infrastructure networks</p>
<p>Clause 77H</p>	<p>77H Requirements in relation to evaluation report</p> <p>(1) This section applies if a territorial authority is amending its district plan (as required by section 77F).</p> <p>(2) The evaluation report from the relevant territorial authority referred to in section 32 must, in relation to the proposed change,—</p> <p>(a) in relation to an area for which the territorial authority is proposing to make an allowance for a qualifying matter, demonstrate why—</p> <p>(i) the territorial authority considers that the area is subject to a qualifying matter; and</p> <p>(ii) the qualifying matter is incompatible with the level of development permitted by the MDRS (as specified in Schedule 3A) for that area; and</p> <p><u>(b) in the case of natural hazards, undertake a risk assessment, including an assessment of residual risk; and</u></p> <p>(b) <u>(c)</u> assess the impact that limiting development capacity, building height, or density (as relevant) will have on the provision of development capacity; and</p>	<p>The suggested amendments make it explicit that where there are natural hazards (a matter of national importance under section 6 of the RMA 1991) a risk assessment is required, including an assessment of residual risk.</p>
<p>Clause 80F</p>	<p>80F Relevant territorial authority must notify intensification planning instrument</p>	<p>This amendment allows sufficient time for the Future Proof Waikato Councils to</p>

	<p>(1) The following territorial authorities must notify an intensification planning instrument on or before 20 August 2022:</p> <p>(a) every tier 1 territorial authority, <u>except for Waikato Regional Council, Hamilton City Council, Waikato District Council and Waipā District Council, who have until 20 August 2023:</u></p> <p>(b) a tier 2 territorial authority that is required by regulations made under section 80E(1) to prepare a change to its district plan or a variation to its proposed district plan.</p> <p>(2) A tier 2 territorial authority that is required by regulations made under section 80E(2) to prepare a change to its district plan or a variation to its proposed district plan must notify an intensification planning instrument on or before the date specified in those regulations.</p> <p>(3) A territorial authority must prepare the intensification planning instrument—</p> <p>(a) using the ISPP; and</p> <p>(b) in accordance with—</p> <p>(i) clause 95 of Schedule I; and</p> <p>(ii) any requirements specified by the Minister in a direction made under section 80I.</p>	<p>analyse the impact of the intensification planning instrument on Te Ture Whaimana</p>
<p>Schedule I - New Schedule 3A inserted, Clause 8 (Other Matters)</p>	<p>Schedule 3A MDRS to be incorporated by relevant territorial authorities</p> <p><i>Other matters</i></p> <p>8 Other matters to be included in district plan in relation to MDRS</p> <p>The relevant territorial authority must include the following information in relation to the MDRS within the district plan:</p> <p>(a) the enabling objectives and policies for the MDRS; and</p> <p>(b) a reference to relevant engineering standards applying in the relevant residential areas to which the MDRS apply; <u>and</u></p> <p><u>(c) a reference to any urban design guidelines.</u></p>	<p>The Future Proof partners have concerns about the design quality of the built environment resulting from blanket implementation of the Medium Density Residential Standards (MDRS) rules. Incorporating urban design guidelines would go some way to ameliorating the micro urban design issues.</p>
<p>Schedule I - New Schedule 3A inserted, Part 2 – Building Standards</p>	<p>Incorporate the following matters into the building standards:</p> <ul style="list-style-type: none"> - Passive energy opportunities for each dwelling and its occupants. - Supporting climate change objectives, including opportunities for active solar collection in the future, green buildings, and water retention and re-use, and low impact urban design features for stormwater. 	<p>These amendments would align with the central government's commitment to address climate change and its greenhouse gas emissions targets.</p>
<p>Part 4, Clause 31</p>	<p>Part 4 Provision relating to Resource Management (Enabling Housing</p>	<p>Like many growth area councils, the Future Proof Waikato councils have all</p>

	<p>Supply and Other Matters) Amendment Act 2021</p> <p>31 Status of partly completed proposed plans and private plan change requests in tier I urban environments</p> <p>(1) This clause applies to the following in relation to the district plan of a tier I territorial authority:</p> <p>(a) a proposed district plan:</p> <p>(b) a private plan change accepted under clause 25(2)(b) of Schedule I.</p> <p>(2) Subclause (3) applies if the instrument containing the proposed district plan or private plan change referred to in subclause (1)—</p> <p>(a) does, in whole or in part, I or more of the following things:</p> <p>(i) gives effect to policy 3 or 4:</p> <p>(ii) proposes changes to a relevant residential zone and those changes do not incorporate the MDRS:</p> <p>(iii) creates a new residential zone that does not incorporate the MDRS; and</p> <p>(b) has been notified on or before the commencement of this clause but a hearing under clause 8B of Schedule I is not completed on or before 20 February May 2022.</p> <p>(3) If this subclause applies, —</p> <p><u>(a) the territorial authority may continue with the proposed plan, but only if the MDRS is incorporated;</u></p> <p>(a) <u>(b) otherwise,</u> the territorial authority must withdraw the part or whole of the proposed plan as relevant under clause 8D of Schedule I; or</p> <p>(b) in a case where a private plan change has been accepted, the applicant must withdraw the request under clause 28 of Schedule I.</p>	<p>been working hard to develop provisions to give effect to the NPS-UD, at significant cost to their ratepayers. This investment could effectively be wasted if existing plan change/plan review work needs to be set aside.</p>
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Part B: Waikato District Councils Submission Points on the Bill, Supplementary to Part A.

Background: Waikato District Council and its Proposed District Plan

The Waikato District spans more than 400,000 hectares between Hamilton City and Auckland City. It comprises six towns (the largest being Huntly with approximately 7800 people) and multiple villages of various sizes. The Waikato District has strong employment, social and economic relationships with both Hamilton City and Auckland City. Waikato DC, as a regulator, manages large rural and significant ecological environments and recognises the importance of the Resource Management Act 1991 (**RMA**) and how it helps manage the Waikato District's social, economic, environmental and cultural values.

Waikato District and part of the former Franklin District amalgamated in 2010 as part of the Auckland reorganisation. Since then, the Waikato District Plan has comprised two distinct sections (i.e., the Waikato Section and Franklin Section) with varying objectives, policies and rules. In 2014, Council decided to commence its district plan review. From that point, significant investment has been made in the form of financial expenditure, staff time and other resources. This process has culminated in the recent completion of 46 hearings over a period of almost two years, with decisions expected to be released in the next few months.

As mentioned above although Waikato DC is classed as a Tier 1 council, and contains a part of a Tier 1 urban environment by association to Hamilton City, Waikato DC does not believe that the Housing Supply Bill should apply to any townships within the district.

Waikato DC is concerned that the investment of ratepayers' money and these years of work gone into the Proposed Plan could be effectively wasted if the Bill's provisions of MDRS are applicable if changes sought to the bill are not accepted. This would effectively disregard the progress that WDC has achieved in partnership with its local communities and key stakeholders.

Proposed Waikato District Plan – Possible Inclusion of Medium Density Residential Zone

As noted above, Waikato DC is close to releasing decisions on its proposed district plan³. This process has involved significant consultation with our communities and mandatory partnership with iwi. It has been mindful of the districtwide and local area community blueprints that reflect local sentiment about growth and environmental protection.

WDC is generally supportive of a Medium Density Residential Zone, but it must be in the right location. The Waikato District Growth and Economic Development Strategy (2020) identifies Medium Density Residential Zone (MDRZ) in suitable locations, framed with appropriate support for hard infrastructure (three waters, open space, roads and cycleways) and social (community facilities, education). The planning and funding for infrastructure must be considered prior to undertaking any zone changes. For example, a relevant public transport network that can connect communities to appropriate community facilities and employment opportunities.

As part of the PDP process, significant assessments have been undertaken within section 42A reports. The section 42A reports have given consideration to the NPS-UD and recommended the inclusion of

³ <https://www.waikatodistrict.govt.nz/your-council/plans-policies-and-bylaws/plans/waikato-district-plan/district-plan-review/stage-1>

a Medium Density Residential Zoning within six of the districts townships. The section 42A assessments have considered and ensured that the location of Medium Density Housing is appropriately located near transport hubs, business town centres, open spaces and other hard and soft infrastructure.

The blanket approach of Medium-Density is not deemed to be appropriate for rural townships identified within a tier I local authority, such as Waikato District. Appendix I compares the provisions in the Bill and those recommended to the Hearings Panel as part of the Proposed District Plan. This comparison shows that there is consistency between many of the provisions and Waikato DC believes that the provisions recommended to the Hearings Panel will deliver on the intended outcomes of the bill at a more appropriate scale and in the right location for the district.

Unintended consequences of the blanket MDRZ/MDRS provisions on stormwater

Given the blanket nature of the proposed zone and high impervious surface allowances of 50-60%, there will be corresponding loss of urban trees and vegetation and an increase in stormwater run-off. This has both a social and environmental effect as shown in the picture below. Where medium density is proposed there needs to be access to parks and reserves and consideration of plantings within new Greenfield sites along access ways and new open spaces. To offset absence of trees within lots. Low impact design around stormwater can also add vegetation to these developments and offset impervious runoff.



Consider some Permitted Standards or guidance within the MDRZ/MDRS provisions to promote sustainability

Given the potential impact on the environment through runoff, demolition and construction energy and materials, etc, Council recommends consideration of some permitted standards or guidance around the following:

- Applying good Green Building⁴ practices as per the New Zealand Green Building Council. New medium-density homes should be of a similar standard to those built for Kāinga Ora (Ngā Kāinga Anamata⁵).
- On-site retention of water and reuse of water in greywater systems throughout new buildings where possible
- Opportunities for active solar collection through orientation and roof pitch. There should be internal wiring in place or cavities to retrofit solar panels and retention systems across the medium density build on-site as a future proof option. Providing solar potential supports climate change initiatives and provide future power opportunities.

⁴ <https://www.nzgbc.org.nz/about-us-and-membership/our-vision>

⁵ <https://kaingaora.govt.nz/news/new-zealand-public-housing-pilot-to-feature-at-un-climate-change-conference/>

Appendices

Appendix I - Comparison Table Urban Enablement Bill and Waikato District Proposed District Plan.

	Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill	Proposed District Plan – Medium Density Residential Zones. Planners Recommendations
Dwellings	Up to 3 residential dwellings per site	Up to 3 residential dwellings per site
Building Height	Buildings must not exceed 11 metres in height, except that 50% of a building's roof in elevation, measured vertically from the junction between wall and roof, may exceed this height by 1 metre, where the entire roof slopes 15° or more	(a) The permitted height of any building is 11m above ground level <u>(b) In Raglan, the permitted height of any building is 7.5m above ground level.</u>
Height in Relation to Boundary	Buildings must not project beyond a 60° recession plane measured from a point 6 metres vertically above ground level along all boundaries	Daylight Admission - Buildings must not protrude through a height control plane rising at an angle of 45 degrees commencing at an elevation of 3m above ground level at every point of the site boundary
Building Setbacks	Yard Minimum depth Front 2.5 metres Side 1 metre Rear 1 metre (excluded on corner sites)	3m from the road boundary (excluding state highways) 3m from the edge of an indicative road 1m from every boundary other than a road boundary Balconies greater than 1.5 metres above ground level shall be set back a minimum of 4 metres from every boundary other than a boundary to a road or public open space.
Building Setbacks – Water bodies	N/a	Any building must be setback a minimum of: 20m from the margin of any; A. lake; and B. wetland; 23m from the bank of any river (other than the Waikato and Waipa Rivers); 28m from the margin of both the Waikato River and the Waipa River; and

		23m from mean high-water springs.
Building Coverage	The maximum building coverage must not exceed 50% of the net site area.	<p>The total building coverage must not exceed 45%.</p> <p>Within the Te Kauwhata Residential West Area as identified on the planning maps, the total building coverage must not exceed 35%.</p> <p>Within the Bankart Street and Wainui Road Business Overlay Area as identified on the planning maps, total building coverage must not exceed 50%.</p>
Impervious Surfaces	The maximum impervious area must not exceed 60% of the site area.	The impervious surfaces of a site must not exceed 70%.
Outdoor Living Space (Per Unit)	<p>A residential unit at ground floor level must have an outdoor living space that is at least 15 square metres and that comprises ground floor or balcony or roof terrace space that –</p> <p>where located at ground level, has no dimension less than 3 metres: and</p> <p>where provided in the form of a balcony, patio, or roof terrace, is at least 8 square metres and has a minimum dimension of 1.8 metres: and</p> <p>is accessible from the residential unit; and</p> <p>is free of buildings, parking spaces, and servicing and manoeuvring areas.</p>	<p>An outdoor living court must be provided for each dwelling that meets all of the following conditions:</p> <p>It is for the exclusive use of the occupants of the dwelling.</p> <p>It is readily accessible from a living area of the dwelling.</p> <p><u>Where the residential unit contains an internal habitable space (excluding garages, bathrooms, laundries, and hall or stairways) on the ground floor, an outdoor living court shall be provided and shall have a minimum area of 20m² and a minimum dimension of 4m in any direction; and</u></p> <p><u>Where the residential unit has its Principal Living Area wholly at first floor level or above, a balcony shall be provided and shall be located on a balcony of an above ground apartment or terraced house, it 16A.3.9 must have a minimum area of 5m² for studio and one-bedroom dwellings, or 8m² for two or more-bedroom dwellings and a minimum dimension of 1.5m.</u></p>
Outlook Space (Per Unit)	An outlook space must be provided from habitable room windows. Where the room has 2 or more windows, the outlook space must	N/a

	<p>be provided from the largest area of glazing.</p> <p>The minimum dimensions for a required outlook space are as follows:</p> <p>a principal living room must have an outlook space with a minimum dimension of 3x3m</p> <p>all other habitable rooms must have an outlook space with a minimum dimension of 1x1m</p>	
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- Red text above is the planner recommendations to the PDP
- Underlined and strikethrough text is Kāinga Ora recommendations to the PDP

If calling, please ask for
James Fuller



28 February 2022

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Dear Sir/Madam

SUBMISSION ON NBEA EXPOSURE DISCUSSION DOCUMENT 2021

Thank you for the opportunity to submit to the RM Systems Reform Discussion Document as part of the Resource Management Systems Review.

Please find attached the Waikato District Council's submission, formally approved under delegated authority by the Council on 28 February 2021.

Should you have any queries regarding the content of this submission, please do not hesitate to contact James Fuller – Senior Environmental Planner, by email James.Fuller@waidc.govt.nz or phone 0800 492 452.

Yours faithfully

A handwritten signature in black ink, appearing to read "G. J. Ion".

Gavin Ion
CHIEF EXECUTIVE

Submission to Ministry for the Environment on Transforming our resource management system MfE discussion document (November 2021)

Introduction

Waikato District Council (**WDC**) appreciates the opportunity to submit the Resource Management System Review 2021 (**Discussion Document**). WDC notes that the Discussion Document has not provided much in the way of further information but includes a section on where the Ministry for the Environment (MfE) is in the process and then a section around the new system and how it will be implemented, albeit at a high level. The Discussion Document poses several questions. This submission primarily covers Section 2 of the Discussion Document and answers some of the questions related to the Waikato District.

WDC is in the Waikato Region and is a partner in Future Proof¹. WDC is a member of Local Government New Zealand (LGNZ) and Taituarā, submitting the Discussion Document. This submission provides a specific district-level view of the Discussion Document. It reiterates the sentiments expressed in previous submissions on the:

- Exposure draft of the Natural and Built Environments Bill 2021;
- New Directions for Resource Management in New Zealand: a comprehensive review of New Zealand's resource management system 2020 (Randerson Report);
- Parliamentary papers, all prepared by the Ministry for the Environment (**MfE**).

The Discussion Document indicates the direction of the new Natural and Built Environment Act (NBEA) and the Spatial Planning Act (SPA). The questions in the Discussion Document focus on vital areas of the National Planning Framework (**NPF**) and the development of Regional Spatial Strategies (**RSS**), Natural Built Environment Plans (**NBA Plans**) and regional-scale plans, including district provisions, but with little detail. The NBA Plans are proposed to be considered through independent hearings panels and approved by planning committees after submissions have been received and assessed.

As noted, rather than providing any detail, the Discussion Document contains an explanation of the system and then poses a range of questions about the new system. WDC does not intend to assess the Discussion Document fully and reply to all of the questions. Other submitters have carried out that exercise, including Waikato Regional Council (WRC), other district councils, and Local Government New Zealand (LGNZ) and Taituarā. The key focus of this document will be on setting the scene for the Waikato District and some constructive examples of how WDC has worked with other councils within and outside the region to provide more strategic and integrated planning.

Background: Waikato District and its Proposed District Plan

The Waikato District spans more than 400,000 hectares between Hamilton City and Auckland City. It comprises six towns (the largest being Huntly with approximately 7800 people) and multiple villages of various sizes. The Waikato District has substantial social and economic relationships with Hamilton City and Auckland City. WDC, as a regulator, manages large rural and significant ecological environments and recognises the importance of the Resource Management Act 1991 (**RMA**) and how it helps manage the Waikato District's social, economic, environmental and cultural values.

Waikato District and part of the former Franklin District amalgamated in 2010 as part of the Auckland amalgamation. Since then, the Waikato District Plan has comprised two distinct sections (i.e., the Waikato Section and Franklin Section) with varying objectives, policies and rules.

¹ Future Proof is a joint project set up by the partners (including local and central government) to consider how the sub-region should develop in the future. See link <https://futureproof.org.nz/>

In 2014, Council decided to undertake a district plan review. From that point, significant investment has been made in financial expenditure, staff time and other resources. This process has culminated in the recent decision version of the Proposed District Plan (**PDP**) on 17 January 2022, after 46 hearings over almost two years. The new plan uses the National Planning Standards Framework even though it was not notified in this format.

WDC is concerned that this investment of ratepayers' money could be essentially wasted if regional NBA plans do not build upon the years of work put into the PDP. This would disregard the progress WDC has achieved in partnership with its local communities.

WDC supports the LGNZ, WRC and Hamilton City Council (HCC) submissions in general and their specific answers/examples to the questions in the discussion document. WDC's key exception to WRC's submission is promoting a proportional representation of regional representatives on the committees versus district councils. The representation and make of the RSS and NBA committees will need careful consideration and should not be a one size fits all arrangement.

WDC assumes, given the timeframes, that this is the further consultation requested by LGNZ between MfE on the RM System Reforms and NBA Plans, and we are not sure this is adequate. An excellent example of collaboration is Waikato's Future Proof subregional forum and the Hamilton to Auckland Growth Corridor project (H2A). If the NBEA achieves its overall efficiency and effectiveness goals, it should utilise existing examples and test new systems and processes with as many parties as possible. Local government will need better resourcing and guidance to achieve the outcomes sought in the RM systems review.

Overall Comments

The release of the Discussion Document shows some progress in reviewing the Resource Management system. However, WDC is concerned with how this will work in practice, given the lack of concrete examples around some vital system processes, including the National Planning Framework, Regional Spatial Strategies, NBA Plans, and the process to develop these Plans (independent committees).

As noted in our previous submission to the NBEA Exposure Draft, the Schedule 1 process for plan development and associated hearings can be **costly, take a significant amount of time** and be subject to **hijacking** by **private parties, organisations with vested interests, or those with the most representation**. There are multiple groups in these processes to contend with and many conflicting interests to try and balance. There is a concern about whether the NPF and Planning Committee(s) can realistically condense down the number of district and regional plans into a single NBA Plan(s) for the 14 regions.

For example, the Waikato Region has 11 district councils with different geographical environments consisting of rural, urban, coastal, rivers, lakes, wetlands, geothermal, alpine, and native bush areas. Therefore, in some instances where regions and districts are experiencing growth or other challenging matters around resource use, the option of sub-regional plans should be considered. A one size fits all approach is not ideal in these circumstances.

Proposed Waikato District Plan

WDC has now released the decisions version of the PDP². This process has involved significant consultation with our communities and mandatory partnership with iwi. The PDP reflects the district-wide and local area blueprints of local sentiment about growth and environmental protection. Implementing these district-wide matters could be at risk unless the resulting district plan is incorporated into a new regional type of NBA plan. WDC supports introducing sub-regional plans for some high growth areas to minimise the chances of losing years of work, investment, and goodwill from our local communities and iwi, who have been vital participants in this review process.

A sub-regional plan for specific areas might better reflect WDC information and minimise loss of local identity through whatever organisation implements the new NBA plans with other councils' information based on different viewpoints, e.g., urban versus rural perspectives. WDC has expended significant resources to engage appropriately, manage feedback or submissions and keep communities interested through lengthy processes. However, the new regime of an independent hearings panel and planning committee does seem to take away a large proportion of that local community engagement. This can speed up the process but not lead to good local outcomes.

Councils also have to guard against engagement fatigue when dealing with the community on multiple, ever-changing national, regional and local processes. These can include controversial resource consents, Long Term Plans, growth strategies, private plan changes, designations, urban development, town centre upgrades, and ecological matters like water quality and biodiversity. Councils do not initiate all of these policy changes, yet they are charged with multiple roles in the process, from the gatekeeper through to the decision-maker.

As discussed in the WRC and Taituarā submissions, the NBEA process could cause significant upheaval amongst local government politicians and staff. The NBEA's transitional and implementation elements need to be considered and discussed before releasing the NBEA select committee version. WDC requests that local government be consulted about these issues to ensure that local representatives and staff will continue to be engaged in the transition and implementation of new legislation.

Responses to Discussion Document Questions

National Planning Framework (NPF)

1. What role does the National Planning Framework (NPF) need to play to resolve conflicts that currently play out through consenting?

The NPF will play a key role, given the tensions between National Policy Statements (NPS). For example, the existing and proposed NPS(s) for freshwater management versus urban development versus High-Quality Soils seek competing outcomes. The NPF will need to clearly articulate the priorities for the regions and districts as these may be different based on growth and resource pressures. Resolving the conflict within these areas should be based on accurate data and community input. What takes precedence and where, e.g., environmental limits versus urban development, are not decisions that can be fully centralised.

2. How would we promote efficiency in the Board of Inquiry process while still ensuring its transparency and robustness?

² <https://www.waikatodistrict.govt.nz/your-council/plans-policies-and-bylaws/plans/waikato-district-plan/district-plan-review/decisions/proposed-waikato-district-plan>

Please refer to our previous submission on the exposure draft and other submissions (WRC, HCC and Waipa District Council) dated 4 August 2021.

3. How often should the NPF be reviewed, bearing in mind the relationships between the NPF, regional spatial strategies and Natural and Built Environments Act plans?

The NPF should be reviewed at a maximum every three years and possibly updated annually with case studies and legal information.

WDC supports a national direction to create consistency around setting environmental limits and managing urban development or, better still, an ecosystem approach. National laws need to be considered and developed in partnership with the relevant organisations. As stated, local government should be a key partner in this, given the requirements for local government to administer plans at the coal face. The processes should be simple, tested and ground-truthed and achievable from a local perspective before they are widely adopted. National directions should be worked through the appropriate levels of local government with proper resourcing provided over the long term.

Given the identified failures of the RMA and lack of national direction and guidance initially, it is hoped that the NPF is well resourced and financed. It may be appropriate for the NPF to be adopted before the commencement of the NBEA to ensure a smoother transition of the NPS/NES system into the new legislation. It would be good to pick up critical professionals in various backgrounds and organisations to test some of the provisions proposed (locally or regionally) before a national rollout.

WDC supports the simplification of the contents of plans and makes them easily navigable and more consistent throughout the country. It is anticipated that the implementation of the NPF would provide that consistency in that there would be a central document that would be the reference point for interpretation (assuming the NPF would be similar to the standard instrument approach adopted by the NSW State Government). In addition, enhancing technology over the top of plans to make information more accessible for organisations and individuals is desirable. We support more significant linkage and strengthening via strategic and spatial plans that support urban planning and areas for protection and environmental management. While WDC supports the National Planning Standards approach, caution should not over-specify format or plan content to retain a reasonable degree of local autonomy.

Regional Spatial Strategies (RSS)

4. To what degree should regional spatial strategies (RSS) and implementation agreements drive resource management change and commit partners to deliver investment?

The Regional Spatial Strategy should be the cornerstone on which plans, policies and investments are built into the revised RM system. Consideration should be given to the Hamilton Waikato Metro Spatial Plan (HWMSP) as an excellent example of a collaborative spatial planning exercise that can be realised through regional and district planning documents.

5. How can appropriate local issues be included in RSSs?

Future Proof and the HWMSP should also be considered an example of delivering coherently and democratically delivering subregional planning that captures the significant big-picture issues and retains the local flavours without a substantial loss of democracy.

6. With regional and unitary council boundaries proposed for RSSs, how should cross-boundary issues be addressed?

Please refer to other submissions (WRC, HCC and Waipa District Council)

Overall, WDC supports spatial planning and considers this should play a substantial role in better integration across all levels of government. The technology rollout of this process needs to be consistent nationally, regionally, and locally. Development of legislative linkages between agreed strategic directions, subsequent spatial plans and council plans is required. A consistent engagement mechanism with the central government, iwi, private and public sectors need to be considered and developed to allow integrated planning.

The data and mapping systems should be in alignment. If councils run multiple data systems, these need conversion at a regional or national level to implement a consistent approach. Spatial planning may be the key to vertically integrating the Acts (NBEA, SPA) from a top-down national, regional and local level. The detail could come at a local level with urban development plans as a bottom-up approach. Spatial planning can also bring complex socio-political issues and institutional processes together to enable transformational projects within urban areas or regions. WDC is supportive of this and has worked with other Future Proof partners to develop the HWMSP.

WDC supports the use of spatial planning as an essential tool to improve environmental outcomes by visualising constraints and opportunities within an environment at a sub-regional scale while preventing ad-hoc development. Additionally, measuring environmental impacts at all levels of government with consistent data sets (converted data systems) would be an essential step to inform spatial planning. All government (central and local) information may need to shift to consistent systems overtime to get a significant picture of environmental changes from a national to a local level. All parties should have access to the information.

WDC supports working with stakeholders around strategic plans and sees merit in statutory weighting. If not statutory, spatial strategies and plans should be recognised through a public process that identifies constraints and opportunities concerning growth environmental and economic issues. Any spatial planning information that has been through this public process should not be relitigated.

NBA Plans

7. *Do you agree with the Randerson Panel's recommendation to have one combined Natural and Built Environments Act (NBA) plan per region?*

Yes, to this question if it captures local area nuances.

8. *Would there be merit in enabling sub-regional NBA plans that would be incorporated into an NBA plan?*

The answer is yes in some instances where you have high resource pressures (Environmental or urban). Future Proof is an excellent example of this for areas expecting high growth. However, this is not uniform across the country or even within regions. So, a tailored or toolbox approach is suggested for different regions and the areas within them.

9. *What should the role of local authorities and their communities be to support local placemaking and understanding of local issues in NBA plans?*

Local authorities have a direct connection to their communities. Regionalising plans and policy-making too much will break these connections and potentially damage local areas over the long term. The

Auckland Council is facing challenges in balancing its focus between its urban areas and rural areas and townships. The introduction of Environmental outcomes may provide a solution to these issues.

10. Will the proposed plan-making process be more efficient and effectively deliver planning outcomes?

It may be more efficient to consolidate all the district and regional plans through high-level plan-making. However, WDC is concerned with the practicalities of delivering the planning outcomes needed at a local level and the loss of the community voice.

Regional Spatial Strategies and Natural Built Plan joint committees

Responses to:

11. – 15.

How could a joint committee model balance effective representation with efficiency of processes and decision-making?

How could a joint committee provide for local democratic input?

How could a joint committee ensure adequate representation of all local authority views and interests if not all local authorities are directly represented?

Are sufficient accountabilities included in the proposed new integrated regional approach to ensure strategies and plans can be owned and implemented by local authorities?

How should joint committees be established?

The discussion document holds little detail on these RSS and NBA joint committees, so the questions are challenging to answer. WDC understand mana whenua, regional and local authority representation will be necessary. In Waikato's example, there are large numbers of hapu/iwi/Maori, 11 local authorities across a wide variety of environments and a regional council that traditionally has focused on environmental protection. Therefore, decision making will be challenging and lead to compromised Plans and Policies.

Over emphasising one group over another will lead to disparity in the system, including not achieving equitable balance across environmental, urban, and social development and Maori values. Future Proof shows a potentially better scenario where subregional issues are worked through, culminating in the HWMSP. The HWMSP was created through joint committees formed with clear principles and a framework of Decision making. As discussed above, this is a solution for the Waikato (bespoke), and sub-regional planning may not be needed in other more sparsely populated regions not undergoing intensive growth.

WDC considers that the above highlights the need for additional members to be added to the regional planning committees. For example, suppose there is a representative from the Department of Conservation. In that case, there may also need to be a representative from the Ministry of Housing and Urban Development or the Ministry for Business, Innovation and Employment to balance the increased protection of the environment with urban development and employment opportunities. The Ministry for Fisheries and Oceans may also need to play a role around the coastal elements of any new NBE Plan. The H2A project has had success between regional and district boundaries (Auckland and Waikato) while partnering with Central Government to improve a range of social and economic indicators.

WDC supports a better link between spatial plans and a national monitoring database. The use of technical information supplied for consenting and Notice of Requirements (**NOR**) processes could supplement this environmental database of information. Similar projects in an area should use this information or build on it. The costs of procuring similar technical information are often prohibitive and

lead to non-compliance. WDC considers it beneficial to link back to spatial plans to identify areas of protection, growth, development, and the best sites for critical infrastructure, avoiding critical ecological and cultural areas where possible. A layered approach is preferred where spatial plans could stay at a national or regional level.

Consenting

16. Will the proposed future system be more certain and efficient for plan users and those requiring consents?

It is difficult to answer this question as there is little detail apart from removing an activity class and having environmental limits. We note that plans will need to be more prescriptive and detailed, as is illustrated in overseas examples like the planning systems in Australia, the United Kingdom and the USA. We consider that any new consenting system needs to have a higher level of automation and consistency across the country, e.g., Marlborough District Council³ is an excellent example of a user-focused system.

The use of spatial planning information and digital monitoring by environment experts is a crucial opportunity for improvement. Hosting this as a national portal could help bring data together with regular updates. Consenting, particularly in relation to large infrastructure projects, is very bespoke and technical assessment-hungry; this increases the time to get through the process and costs.

The area of resource consenting is not covered in the exposure Discussion Document, but the planning regime will favour a more prescriptive approach to resource use activities. While this may give certainty from resource consenting and remove the Non-Complying activity classification, the reliance on the precautionary approach could hinder resource consenting in terms of time taken and costs. Giving effect to Te Tiriti o Waitangi is supported, but this will need funding and guidance for mana whenua to take part.

Outstanding questions from our perspective include:

- What is the transition mechanism for resource consents and designations into the new NBA regime, who will hold the information (consent conditions), and how long will they be valid?
- Is there potential for existing consents to be at odds with new environmental limits and outcomes?
- Would the consent conditions require review, and what are the legal implications?
- Does MfE or the NPF need to support councils in these early legal processes to establish clear legal guidance?

Compliance, monitoring, and enforcement

Responses to questions 17-20

Do you agree with the proposed changes to compliance, monitoring and enforcement provisions and tools?

How practical will the proposals be to implement?

Will these proposals lead to more effective monitoring and oversight of the system?

Will the system be able to adequately respond and adapt to changing circumstances?

Overall, a more regional or sub-regional based system may work better. However, there would need to be clear links to a national system and database that is well resourced. An ideal scenario is more staff on

³ <https://smartmaps.marlborough.govt.nz/smapviewer/?map=0c8c074302434a0b8ed0f0c18d77b372>

the ground, with a greater connection to technology to monitor and record resource use over time. Enforcement that is nationally coordinated and any lessons learned could be distributed amongst the regional and local areas to improve consistency and reduce costs.

WDC agrees there has been insufficient monitoring and collection of data information in some areas, which has led to a less than adequate state of the environment and performance of the resource management system. WDC supports improved capability and resourcing of central and local government as identified. WDC would support a central government led stocktake of the data and consistency across local government (data and systems) — consistency of cultural requirements and ecological monitoring, linking them to environmental reporting and planning responses.

WDC acknowledges that monitoring urban matters versus regional and land-based terrestrial areas like conservation covenants is particularly challenging. Developing key indicators to be shared with all local government agencies could improve this process. Local government should still collect and monitor data (general indicators). Still, investment should be made into national databases that collate this information (from different systems and territorial authorities) and analyse it to support national policy.

Role of LG in future systems

Responses to questions 21-23:

What does an effective relationship between local authorities and joint committees look like?

What other roles might be required to make the future resource management system effective and efficient?

What might be required to ensure the roles and responsibilities of local authorities can be effectively and efficiently delivered?

As discussed above, the detail is lacking to make definitive comments around these areas. In general, local authorities are crucial to maintaining and enhancing urban, social, and economic benefits. The Future Proof scenario is a good example that has helped coordinate the focus and resourcing of local authorities while providing for regional outcomes. It helps coordinate appropriate land use, growth, and infrastructure provision across a sub-regional area. Future Proof also brings in central government partners to coordinate social and infrastructure services and funding. This is put through a cultural lens, given that mana whenua is a crucial partner in the process. The benefits include retaining a vital element of local identity and understanding other party roles and responsibilities.

National Maori Entity

Responses to questions 24-25:

What functions should a national Māori entity have?

What should the membership and appointments process be for the entity?

These questions lack concrete examples of how this might work. The Hauraki Gulf Forum is an example of multiple hapu/iwi/Maori being represented by a range of members who may or may not identify with every group. However, they are described as part of a collective representation.

Joint Committee Composition

Responses to questions 26-28:

Should parties in a region be able to determine their committee composition?

What should be the selection and appointments processes for joint committee members?

How do we best provide for existing arrangements (e.g., Treaty settlement or other resource management arrangements)?

These questions are discussed earlier. There is concern that balance is not achieved if there is over-reliance on one or two parties. As mentioned, the Waikato region is large, and the local voice could easily be lost.

Enhanced Mana Whakahono ā Rohe arrangements, integrated with transfers of powers and joint management agreements

Responses to questions 29-31:

How could an enhanced Mana Whakahono ā Rohe process be enabled that is integrated with transfers of powers and joint management agreements?

What should be covered in the scope of an enhanced Mana Whakahono ā Rohe and what should be mandatory matters?

What are the barriers that need to be removed, or incentives added, to better enable transfers of powers and joint management agreements?

Please see previous WDC submissions illustrating where there has been success in partnering directly with Waikato-Tainui, Tangata Whenua and the Waikato River Authority through a Joint Management Agreement (JMA), introduced through Waikato River settlement legislation.

Funding in the future system

Responses to questions 32-33:

How should funding be distributed across taxpayers, ratepayers and individuals?

How should Māori participation be supported at different levels of the system?

The ratepayers are unfairly burdened with the current system's developments and environmental compliance costs. This is especially the case with WDC, where we have a large geographic area and relatively low population base, but this is also reflected in other Waikato-based districts. Infrastructure funding by Central Government has started to shift this imbalance. Still, it is not uniform and consistent across all parties, e.g., trying to pick political and social improvement winners. A more systematic and consistent approach would be better for all. To establish this participation level, the MfE needs to agree on a consistent approach with some of the more prominent iwi and hapu groups and resource other Te Ao Māori groups. Centralised funding for Māori participation would improve outcomes and picking the best current systems at work could help the blueprint for the system.

As discussed in its previous submission, Tangata Whenua engagement varies between iwi and hapu depending on their resourcing and ability to engage. WDC would like to improve with more guidance

and resources to help Tangata Whenua provide consistent engagement in the RM System. The above are good examples of Tangata Whenua engagement, and these should inform future guidance.

Concluding comment

WDC has done its best to answer the questions provided in the discussion document. Still, as noted, it did not give a great deal of additional detail beyond what was in earlier reform documents. Therefore, we have reiterated some of our previous submissions' key concerns and suggestions and generally support the LGNZ/ Taituarā / WRC / HCC submissions.

To	Policy and Regulatory Committee
Report title	Future Constitution of the Waikato District Licensing Committee and Tidy Up of Expiry Dates

1. Purpose of the report

Te Take moo te puurongo

To propose that the Policy and Regulatory Committee undertake a review of the make-up of the Waikato District Licensing Committee (**DLC**),

AND

- a) To recommend that the Committee considers moving the DLC from a mix of elected members and external appointments to a fully independent committee by adopting option 5.1(b) in this paper; and
- b) to recommend tidying up the expiry dates of DLC Members Dr Michael Cameron and Patsi Davies, to ensure our experienced members are available to support the new members on any given panel by adopting option 5.1(c) in this paper.

2. Executive summary

Whakaraapopototanga matua

A review of the make-up of the Waikato District Licensing Committee (**DLC**) is proposed to the Policy and Regulatory Committee for consideration.

The main matter for discussion is whether or not to transition the DLC from a mixture of elected members and independent contractors (as it is currently constituted), to a fully independent panel with no elected members (which is the staff recommendation).

The main opportunity is to ensure that DLC decisions are independent from political influence, or the perception of political influence.

In addition, for administrative simplicity and continuity of service, staff seek approval to extend Commissioner and List Member, Dr Michael Cameron's list membership appointment to expire the same day as his Commissioner appointment, being 1 December 2025 (an extension of a further 3 years and 1 month from 11 November 2022), and extend Patsi Davies to end her list membership duties on 9 August 2026.

The recommendations made in this report have been assessed as low significance in terms of the Significance and Engagement Policy. Although good quality DLC decision making is crucial for communities, there are no proposed changes to any level of service, no additional operational costs, no widespread impact on the community and no change to the legislation which will continue to require the DLC to operate as it currently does. It is proposed that any decisions made by the Policy and Regulatory Committee will be communicated to our communities.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Policy and Regulatory Committee recommends to Council that:

- a) **the District Licensing Committee transition to an independent committee (with no elected members) prior to the commencement of the next triennium (option 5.1(b));**
- b) **the Chief Executive be tasked with the recruitment of at least 1 further Commissioner, who is not an elected member;**
- c) **the expiry of the appointment of Dr Michael Cameron as a list member be extended from 11 November 2022 to 1 December 2025 to coincide with the expiry of his Commissioner appointment (option 5.1(c)); and**
- d) **the expiry of the appointment of Patsi Davies as a list member be extended from 11 November 2022 to 9 August 2026 to provide continued expertise to the DLC (option 5.1(c)).**

4. Background Koorero whaimaarama

The DLC was constituted in 2013 after the introduction of new legislation, and in accordance with section 189 of the Sale and Supply of Alcohol Act 2012 (**the Act**).

Council resolved on 13 May 2013 that an elected member would be appointed as chairperson of the DLC¹. At the previous change of triennium, the Council resolved to retain the structure of the DLC as per previous terms.

The DLC is structured as follows:

Current Chairperson and Deputy Chairperson

The DLC currently has a Chairperson (Cr Smith) and Deputy Chairperson (Cr Church) who are elected members, as permitted by the Act (most recently appointed by Council resolution 12 November 2019).

¹ See attached resolution and accompanying report

Current Commissioner

In December 2020, Council approved the appointment of Dr Michael Cameron as a Commissioner under section 193 of the Act. This was done to ensure continuity of service to our district on licensing matters in circumstances where both the Chairperson and Deputy Chairperson are unable to act because of illness, absence from New Zealand or other sufficient reason (such as conflict of interest or recusal). Dr Cameron's appointment as a commissioner runs until 1 December 2025 (a term of 5 years).

Dr Cameron is also a list member, expiring 11 November 2022, but this paper proposes to match this end date with his commissioner end date.

Current List Members

The DLC also has a number of other list members including; Ms Patsi Davies, Chrissy Hodkinson, Barry Smedts, Jason Howarth and Janet Williams.

- Mr Smedts and Mr Howarth were appointed by Council during 2021 and their terms run until 9 August 2026.
- Ms Davies, Hodkinson and Williams have served on our DLC for some time and are all due to end their current term as list members on 11 November 2022.

We propose to extend Patsi Davies' term as a list member to expire 9 August 2026.

Deciding who sits on a hearing

The Act permits a DLC to be constituted by the Secretary of the DLC at each time a matter is to be considered by the DLC. The Secretary function has been delegated to the Community Safety Manager (i.e. a member of staff). Therefore, when a matter is required to be determined, a DLC will be constituted to hear the matter, including either the Chairperson/Deputy Chairperson/Commissioner to lead, and two list members to support. In practice, the Chairperson will determine who sits on which panel.

The proposals for consideration

The question now before the Policy and Regulatory Committee is whether or not to recommend to Council that we:

- a) continue with the DLC as it currently is (i.e. a mix of elected members and independent commissioners able to take the Chair role), or
- b) consider moving to a completely independent committee (i.e. a DLC without any elected members, but with multiple independent commissioners able to Chair), Council would still be the body for the appointment/review of commissioners

Both options (i.e. a chairperson that is an elected member, and a chairperson that is a commissioner) are permitted by section 189 of the Act. The benefits and drawbacks of each are set out in the options section below.

If a deputy is to be appointed (which is optional), then that deputy would need to be an elected member – therefore a deputy would only be an option if Council chose to continue with elected members as part of the DLC.

In addition, it is proposed that the Committee recommend that Council:

1. approve the extension of the term of Dr Cameron's list membership to marry up with his term as Commissioner (i.e. extend the expiry date from 11 November 2022 to 1 December 2025); and
2. extend Patsi Davies' term as list member from 11 November 2022 to expire 9 August 2026.

These proposals effectively tidy up the outstanding matters of DLC membership and provide continuity of expertise and adequate coverage, including a balance of experienced members with new members through to 2025/2026.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

The original decision to set up the DLC with Elected Members

On 13 May 2013 a report was received by the (then) Policy Committee which included the following analysis on the point of elected members being appointed to the DLC (which was ultimately the decision made)²:

"As most applications dealt with are uncontested, the appointment of an elected member as chair would reduce committee meeting time and administrative costs associated with an independent commissioner."

The subsequent resolution was "THAT Council appoints an elected member as chairperson of the District Licensing Committee".

It is still the case that most applications are uncontested, and therefore can be decided 'on the papers' however we have seen an increase in the number of complex or opposed matters that require a hearing, meaning committee meeting time is increasing.

Having multiple commissioners is likely to enable a more efficient process in that hearings could be done while other matters are decided on the papers by an alternative commissioner. This gives us the option to increase the level of service in times of high demand.

The administrative costs are no greater in having an elected member as chairperson than they are having a commissioner as chairperson as the same process is followed, and time is charged at the same rates.

The appearance of Political Influence

There is a view that DLC decisions, while of importance to communities, should be independent from political influence, or the appearance or perception of political influence.

² See attached.

Whilst the current Chairperson is careful to ensure that he is not involved with matters relating to his ward, there have been instances where the public have viewed DLC proceedings in a negative light due simply to the involvement of elected members (for example the Huntly RSA vs ex Workingmen's club premises which involved an organisation associated with an elected member, although that elected member was not a member of the DLC, questions were still raised).

A fully independent DLC panel would reduce the likelihood of perception that some decisions are politically motivated or influenced and provide continuity through change around local body elections.

It is noted that Hamilton City Council have no elected members on their DLC and Waipa, Waitomo and Otorohanga share independent commissioners to act as Chairperson and have an elected member as Deputy.

Bias and experience – general requirements

Section 192(5) of the Act provides that a person cannot be appointed as a list member if they cannot perform their duties without actual bias or the appearance of bias.

The Act also requires that list members and commissioners have experience relevant to alcohol licensing matters as a pre-requisite for appointment (ss 192(2), 193(2)). Each of our current list members and commissioners meet this threshold.

While there is no explicit experience requirement for elected members acting as Chairperson, the expectation is that the Chairperson of the DLC is appropriately knowledgeable about Sale and Supply of Alcohol and DLC procedural issues. Given the changing nature of the elected membership over time, there is no guarantee that an elected member will have the experience to chair alcohol matters in a way that meets the object of the Act, whereas Council could ensure an independent commissioner does.

Efficiency

The experience of the applicants may also be improved by moving towards an independent committee as scheduling of hearings will not be limited by the availability of elected member's diaries and community commitments.

5.1 Options

Ngaa koowhiringa

Staff have assessed that there are two reasonable and viable options for the Policy and Regulatory Committee to consider relating to the constitution of the DLC overall. This assessment reflects the level of significance (see paragraph 6.1). The options for this decision are set out in the table below.

<i>Constitution of the District Licensing Committee overall</i>		
Option		Considerations / Impacts
a	Continue with the DLC as it currently is (i.e. status quo)	<p>This means that the DLC will remain a mix of elected members and independent commissioners who can act as Chairperson when a DLC is required to be convened.</p> <p>Note this might include an elected member as deputy but a Commissioner as Chair, if necessary.</p>
b	Move to a completely independent committee	<p>This would enable transition to a DLC without any elected members, but with multiple independent professional commissioners who will survive through a triennium change (i.e. not affected by local body elections).</p> <p>Note if this option is selected additional appropriately qualified commissioners should be sought and appointed by Council.</p>

In addition to this decision, staff have assessed that there are two reasonable and viable options for the Policy and Regulatory Committee to consider relating to the terms of existing members. These options are set out in the table below.

<i>Ancillary decision regarding the term of existing members</i>		
Option		Considerations / Impacts
c	Extend Dr Cameron and Ms Patsi Davies as List Members	<p>The effect of this decision would be:</p> <p>An extension of Dr Michael Cameron's appointment as a List Member through to 1 December 2025 (being the expiry date of his role as Commissioner) to ensure administrative simplicity and tidy up expiry dates;</p> <p>AND</p> <p>An extension of Ms Patsi Davies' appointment as a List Member to ensure a mixture of experienced and new members are retained. Ms Davies' appointment would then align with the other newer DLC Members to expire on 9 August 2026.</p>
d	Do not make any changes to the List Membership at this point (status quo)	A further paper will need to be brought to the Policy and Regulatory Committee later in 2022 if this option is taken, as terms are due to end.

Staff recommend options **b) and c)** to enable a professional independent DLC to be formed separately to elected members, with the requisite knowledge and experience to make the best decisions on matters relating to the Sale and Supply of Alcohol.

5.2 Financial considerations

Whaiwhakaaro puutea

The recommendations in this paper will not incur any additional financial obligations over the usual costs of running a DLC (operational budgets). This is because the person chairing a hearing will be remunerated in the same way regardless of the title or authority under which they chair the hearing (i.e. Chairperson, Deputy Chairperson or Commissioner). The DLC has an existing budget and the rates are set by the Ministry of Justice, not by staff or commissioners.

Additional costs around recruitment and appointment would be required if we were to change to a completely independent panel, as we would need to source at least one further commissioner to ensure we had adequate coverage. This can be covered by existing budgets.

5.3 Legal considerations

Whaiwhakaaro-aa-ture

Both options proposed in this paper are permitted by section 189 of the Sale and Supply of Alcohol Act 2012.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The report and recommendations are consistent with the Council's prior decisions, noting the discussion regarding the prior decision referenced in section 5. There is no current strategy or policy governing the District Licensing Committee constitution although creating one will be considered by staff.

5.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

No specific impacts on Maaori have been identified in the proposal to change the constitution of our Committee, or to extend the term of existing members. Note a full recruitment process occurred earlier in 2021 for anyone with the required skills to express an interest in joining our DLC.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

The matters in this report have no known impact on climate change or resilience for the Council.

5.7 Risks

Tuuraru

The recommendations made in this report would provide opportunities to mitigate the current risk regarding the perception of DLC decisions being politically motivated or influenced. It would also provide continuity of service over local body election periods. There is a risk that we may not find a suitably qualified additional Commissioner, however that risk also applies to the appointment of elected members to the role (i.e. the expertise may not exist from the talent pool).

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's [Significance and Engagement Policy](#). For example, there are no proposed changes to any level of service, no additional operational costs, no widespread impact on the community.

6.2 Engagement

Te Whakatuutakitaki

The DLC, while technically a committee of Council, operates in practice as an independent and standalone committee separately from Council. Any change recommended by this paper is therefore minor in practical effect.

Highest levels of engagement	Inform <input checked="" type="checkbox"/>	Consult <input type="checkbox"/>	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>					

No particular stakeholder engagement is proposed.

7. Next steps Ahu whakamua

Staff recommend the Policy and Regulatory Committee consider moving the DLC from a mix of elected members and external appointments to a fully independent committee by adopting option 5.1(b) in this paper. The change would reduce the perception of political bias in the proceedings of the District Licensing Committee and also provide continuity through triennial election periods.

Staff also recommend tidying up the expiry dates of DLC Members Dr Michael Cameron and Patsi Davies, to ensure our experienced members are available to support the new members on any given panel, recommending adopting option 5.1(c) in this paper.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Policy and Regulatory Committee's Terms of Reference and Delegations.	Recommendation to Council required
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed



9. Attachments

Ngaa taapirihanga

Attachment 1 – Report to Policy Committee, 13 May 2013

Attachment 2 - Resolutions – minutes from Council meeting 28 May 2013

Date:	22 March, 2022
Report Author:	Sarah Bourke, Community Safety Manager, and Secretary Waikato District Licencing Committee
Authorised by:	Sue O’Gorman, General Manager Customer Support

POLICY COMMITTEE

NOTICE is hereby given that a meeting of the Policy Committee of the Waikato District Council will be held in the Council Chamber, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 13 MAY 2013** commencing at **9.00am**.

Information and recommendations are included in the reports to assist the Committee in the decision making process and may not constitute Council's decision or policy until considered by the Committee.

A G E N D A

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| 6.5 | <u>2013 Meeting Calendar</u>
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| 6.6 | <u>Road Naming Policy Amendment</u>
File GOV1309 | <i>To be circulated</i> |

G J Ion
CHIEF EXECUTIVE

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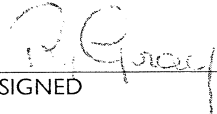

POLICY COMMITTEE

NOTICE OF MEETING

Notice is hereby given that a Meeting of the Policy Committee of the Waikato District Council will be held in the Council Chamber, 15 Galileo Street, Ngaruawahia on **MONDAY 13 MAY 2013** commencing at **9.00am.**

The order of business is to be found in fold-out form at the end of the agenda papers

ITEM NO: 2

TO	Policy Committee	
DATE	3 May 2013	
FROM	RJ Gray Council Support Manager	 SIGNED
APPROVED BY	TG Whittaker Acting Chief Executive	 SIGNED
SUBJECT	Confirmation of Status of Agenda Items	

PURPOSE OF REPORT


That the agenda for a meeting of the Policy Committee held on Monday 13 May 2013 be confirmed and all items therein be considered in open meeting.


RECOMMENDATION

THAT the agenda for a meeting of the Policy Committee held on Monday 13 May 2013 be confirmed and all items therein be considered in open meeting.

ITEM NO: 4.1

TO	Policy Committee
DATE	3 May 2013
FROM	RJ Gray Council Support Manager
APPROVED BY	TG Whittaker Acting Chief Executive
SUBJECT	Confirmation of Minutes


SIGNED


SIGNED

PURPOSE OF REPORT

To confirm the minutes of a Policy Committee meeting held on Monday 11 March 2013.

RECOMMENDATION

THAT the minutes of a meeting of the Policy Committee held on Monday 11 March 2013 be confirmed as a true and correct record of that meeting.

WAIKATO DISTRICT COUNCIL

POLICY COMMITTEE

MINUTES of a meeting of the Policy Committee of the Waikato District Council held in the Council Chamber, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 11 MARCH 2013** commencing at **9.00am**.

Members Present:

- Cr GS Tait (Chairperson)
- His Worship the Mayor, Mr AM Sanson [*until 9.53am*]
- Cr JC Baddeley
- Cr RC Dixon
- Cr DW Fulton
- Cr WD Hayes
- Cr J Hayman [*from 9.08am*]
- Cr SD Lynch
- Cr RC McGuire
- Cr AWD Morse
- Cr L Petersen
- Cr P Sands
- Cr J Sedgwick
- Cr NMD Smith
- Cr MR Solomon

Officers Attending: The following officers were in attendance for all or part of the meeting:

- Mr GJ Ion (Chief Executive)
- Mr TG Whittaker (General Manager Strategy & Support)
- Ms M Edgar (Corporate Planner)
- Mr V Ramduny (Planning & Strategy Manager)
- Mrs R J Gray (Council Support Manager)
- Members of staff

In Attendance:

- Mrs K Goulter (Chief Executive, Hamilton & Waikato Tourism)
- Mr D Scarlett (Director, Hamilton & Waikato Tourism)

POL1303/01 APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

POLI303/02 CONFIRMATION OF STATUS OF AGENDA ITEMS**POLI303/02/1 Resolved: (Crs Dixon/Lynch)**

THAT the agenda for a meeting of the Policy Committee held on Monday 11 March 2013 be confirmed and all items therein be considered in open meeting.

CARRIED on the voices

POLI303/03 DISCLOSURES OF INTEREST

There were no declarations of interest noted.

POLI303/04 CONFIRMATION OF MINUTES**Resolved: (Crs Solomon/Hayes)**

THAT the minutes of a meeting of the Policy Committee held on Monday 11 February 2013 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

POLI303/05 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the Minutes.

POLI303/06 REPORTS**POLI303/06/1 Hamilton & Waikato Tourism – Six Month/End of Financial Year Report
File GOV1309 Agenda Item 6.1**

Representatives from Hamilton & Waikato Tourism, (Mr Scarlett and Mrs Goulter), provided a power point presentation providing statistics and a broad range of highlights during 2012.

Resolved: (Crs Sedgwick/Baddeley)

THAT the report of the General Manager Stakeholder Relations – *Hamilton & Waikato Tourism – Six-Month/End of Financial Year Report* – dated 14 January 2013 be received.

CARRIED on the voices

Cr Hayman entered the meeting at the commencement of the presentation [9.08am] and was present when voting took place.

POLI303/06/2

2013 Local Authority Election Candidate Seminars
File GOV1309; GOV0103 Agenda Item 6.2

Discussion was held on the report and options to promote the electoral process.

Resolved: (Crs Hayes/Lynch)

THAT the report of the Acting Chief Executive – 2013 Local Authority Election Candidate Seminars – dated 27 February 2013 be received;

AND THAT the committee agrees to staff undertaking a communications campaign for the 2013 Local Authority Election.

CARRIED on the voices

His Worship the Mayor retired from the meeting [9.53am] during discussion on the above item and was not present when voting took place.

POLI303/06/3

Chief Executive Business Plan
File GOV1309 Agenda Item 6.3

Resolved: (Crs Hayes/Lynch)

THAT the report of the Chief Executive - Chief Executive's Business Plan - dated 5 March 2013 be received.

CARRIED on the voices

POLI303/06/4

2013 Meeting Calendar
File GOV1309 Agenda Item 6.4

Resolved: (Crs Smith/Sands)

THAT the report of the Chief Executive – 2013 Meeting Calendar – dated 1 March 2013 be received.

CARRIED on the voices


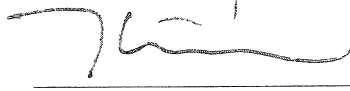
There being no further business, the meeting was declared closed at 10.23am.
Confirmed at a meeting of the Policy Committee held on 13 May 2013.

GS Tait

CHAIRPERSON

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ITEM NO: 4.2

TO	Policy Committee	
DATE	3 May 2013	
FROM	RJ Gray Council Support Manager	 SIGNED
APPROVED BY	TG Whittaker Acting Chief Executive	 SIGNED
SUBJECT	Confirmation of Minutes – Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011	

PURPOSE OF REPORT

To confirm the minutes of a meeting of the Policy Committee held on Friday 5 April 2013 to hear submissions and make recommendation on the Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011.

RECOMMENDATION

THAT the minutes of a meeting of the Policy Committee held on Friday 5 April 2013 to hear submissions and make recommendation on the Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011 be confirmed as a true and correct record of that meeting.

WAIKATO DISTRICT COUNCIL**POLICY COMMITTEE**

MINUTES of a Hearing by the Policy Committee of the Waikato District Council (to hear submissions and make recommendations on Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011 held in the Council Chamber, District Office, 15 Galileo Street, Ngaruawahia on **FRIDAY 5 APRIL 2013** commencing at **10.31am**.

Members Present:

- Cr GS Tait (Chairperson)
- Cr JC Baddeley
- Cr RC Dixon [*from 10.50am*]
- Cr DW Fulton
- Cr SD Lynch
- Cr RC McGuire
- Cr AWD Morse
- Cr L Petersen
- Cr P Sands
- Cr NMD Smith

Officers Attending: The following officers were in attendance for all or part of the meeting:

- Mr K Bracey (Roading Operations Manager)
- Ms M Edgar (Corporate Planner)
- Mr P Henderson (Project Engineer)
- Mrs J Whanga (Permit and Bylaw Co-ordinator)
- Mrs JP Davies (Committee Secretary)

Submitters in Attendance:

- Ms C Duffus (Pokeno Ratepayers Association)
- Mr B Johnston (Pokeno School)
- Mr R Bullick (New Zealand Transport Agency)

POL1304/01 **APOLOGIES AND LEAVE OF ABSENCE**

Resolved: (Crs Smith/Lynch)

THAT an apology be received from and leave of absence granted to His Worship the Mayor Mr AM Sanson, Crs Hayes, Hayman, Sedgwick and Solomon.

CARRIED on the voices

POLI304/02 CONFIRMATION OF STATUS OF AGENDA ITEMS

POLI304/02/1 **Resolved: (Crs Sands/Petersen)**

THAT the agenda for a meeting of the Policy Committee held on Friday 5 April 2013 be confirmed and all items therein be considered in open meeting.

CARRIED on the voices

POLI304/03 REPORTS

POLI304/03/1 **CONSULTATION REPORT: PROPOSED AMENDMENTS
WAIKATO DISTRICT COUNCIL SPEED LIMIT BYLAW 2011**

File: GOV0702; TTR0706; GOVI309 Agenda Item 3

The Corporate Planner addressed the Committee and advised the matters under consideration were the Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011. She advised the committee that Council had received fifteen formal written submissions on the proposed amendments.

Hearing of Submissions

The Corporate Planner **summarised** the submissions from submitters who chose not to be heard in relation to the Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011:

- 1 Aksel Jepsen [Sub No.1]
- 2 Matthew Stockton [Sub No.2]
- 3 Hope Allum [Sub No.3]
- 4 Craig Forrester [Sub No.4]
- 5 Joe & Marina Fulton [Sub No.5]
- 6 Cathy McDonald (NZAA) [Sub No.7]
- 7 RA & BA Wallace [Sub No.9]
- 8 Steve Warner [Sub No.10]
- 9 Greg Wiechern [Sub No.11]
- 10 Annette Pryor [Sub No.12]
- 11 Mrs Hook [Sub No.13]
- 12 Debbie Herbert [Sub No.14]
- 13 Mr Rob Bullock (New Zealand Transport Agency) [Sub No.15]

The Corporate Planner summarised the submissions received and proposed changes included in the submissions. Four of the submissions received related to areas where staff had recommended changes as outlined on page 3 in Table I of the agenda report which were summarised as follows by the Corporate Planner:

- RA & BA Wallace [Sub No.9]: Mangatangi, Mangatawhiri & Maramarua
- Aksel Jepsen [Sub No. 1]: Scotsman Valley Road, Tamahere, Tauwhare & Tauwhare Pa
- New Zealand Transport Agency [Sub No.15]: Helenslee Road, Pokeno
- New Zealand Transport Agency [Sub No. 15]: Koheroa Road, Mercer.

The following submitters were in attendance at the hearing to present their submissions:

- 14 Pokeno School [Sub No.6]
- Mr Blair Johnston
- 15 Pokeno Ratepayers Association [Sub No.8]
- Ms Claudia Duffus

Cr Dixon entered the meeting [10.50am] during presentation of the above submissions.

The Corporate Planner and the Roding Operations Manager referred the Committee to the proposed speed threshold changes of the following areas as outlined in the staff report:

- Mangatawhiri & McKenzie Road, North East Waikato
- Helenslee Road, Pokeno
- Koheroa Road, Mercer
- Okete & Matakotea Roads, Te Uku
- Ruakura & Lissette Roads, Newstead
- Annebrook & Cedar Park Roads, Tamahere.

POL1304/03/2

Resolved: (Crs Baddeley/Petersen)

THAT the report of the Acting General Manager Service Delivery – Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011 – dated 25 March 2013 be received;

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AND THAT the Policy Committee recommends to Council that staff recommendations Proposed Amendments: Waikato District Council Speed Limit Bylaw 2011 become effective from 1 June 2013.

CARRIED on the voices

There being no further business, the meeting was declared closed at 11.50am.

Confirmed at a meeting of the Policy Committee held on 13 May 2013.

GS Tait

CHAIRPERSON

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TO Policy Committee

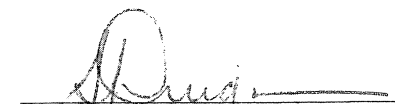
DATE 6 May 2013


FROM S Duignan
General Manager Customer Support

APPROVED BY T G Whittaker
Acting Chief Executive

INDEX/FILE REF GOVI309

SUBJECT **Sale and Supply of Alcohol Act**


SIGNED


SIGNED

REPORT WRITER: Alan Parkes, Environmental Health Manager

PURPOSE OF REPORT

To seek the council's decision regarding the following matters relating to the Sale and Supply of Alcohol Act (the Act):

1. The operation of the District Licensing Committee (DLC);
2. The development of the Local Alcohol Policy (LAP)

IMPLICATIONS

- | | |
|--|--|
| a) Policy | The Act provides for council to adopt a local alcohol policy to give communities greater input into liquor licensing decisions. |
| b) Annual Plan/LTP | The Act has the potential to impact on the LTP in terms of resource requirements and costs. |
| c) Significance | The Act makes significant changes to the way that council administers its liquor licensing functions. |
| d) Financial | There are potential significant financial implications involved in the development of a local alcohol policy and in the administration of the Act. |
| e) Legal | Council is required to meet its legal requirements under the new Act. |
| f) Communication and Consultation | Adoption of a local alcohol policy involves significant consultation requirements with stakeholders and requires the special consultative procedure in section 83 of the Local Government Act 2002 to be followed. |
| g) Community Outcomes | The Act provides for community input into the liquor licensing process. |
| h) Well-beings | The Act contributes to the minimisation of alcohol related harm. |
| i) Tangata Whenua Considerations | Nil. |

SUMMARY

The Sale and Supply of Alcohol Act 2012 makes significant changes to the way the council administers its liquor licensing functions. The council must make decisions in respect of the formation and operation of the new District Licensing Committee and the development of the Local Alcohol Policy. This report provides information, summarises some key issues and seeks direction from the council in respect of these.

RECOMMENDATION

THAT the report of the General Manager Customer Support – Sale and Supply of Alcohol Act – dated 6 May 2013 be received;

AND THAT Council appoints one District Licensing Committee in accordance with section 186 of the Sale and Supply of Alcohol Act 2012;

AND FURTHER THAT Council appoints an elected member as chairperson of the District Licensing Committee;

AND FURTHER THAT Staff identify potential list members of the District Licensing Committee for approval by the incoming council following the local body elections in October 2013;

AND FURTHER THAT Staff work with other councils regarding the establishment of a joint list of members of the District Licensing Committee;

AND FURTHER THAT Council nominates an elected member to the working party developing the Local Alcohol Policy, noting that a draft policy will be presented to the council early in 2014.

REPORT**Background**

The Sale and Supply of Alcohol Act 2012 was enacted on 18 December 2012 with a staged 12 month transition period from the old Sale of Liquor Act 1989. The new Act makes significant changes to the way the council administers its liquor licensing functions.

The key areas of change involve the establishment of a District Licensing Committee (DLC) to determine all applications and for the adoption of a local alcohol policy (LAP) to provide for greater community input into licensing decisions.

Council resolved at its meeting of 18 December 2012 to begin work on a LAP and to explore with other councils the potential for common ground in relation to a local alcohol policy. Staff have met with staff of other councils and all have agreed to collaborate in respect of sharing information, processes and areas of common ground.

Issues

The Act requires the DLC to be in place by 18 December 2013. Council has also resolved to develop a LAP. The local body elections occur in October requiring consideration of how this may affect the appointment of DLC members and the adoption of the LAP.

District Licensing Committee

The DLC is a committee of the council comprising a chairperson who must be either an elected member or a commissioner, and two members appointed from a list of approved members that council is required to maintain. Another elected member may also be appointed as deputy chairperson. Members on the list must have experience relevant to alcohol licensing. Some people are ineligible for inclusion on the list, including anyone who has a conflict such as being involved in the alcohol industry, a constable, a Medical Officer of Health, a licensing inspector or an employee of council. There is also the ability for one or more councils to maintain a combined list of persons jointly approved by those councils to be members of their licensing committees. The council may appoint more than one DLC.

The functions of the DLC are to consider and determine all applications for licences and managers' certificates and temporary authorities and consider enforcement applications for special licences. A quorum of the committee is three members but the chairperson sitting alone may determine applications to which no objection or opposition has been raised.

Issues that the council needs to consider are:

1. How many district licensing committees are required?

The council currently deals with approximately 350 – 400 applications per year that will need to be determined by the committee. The vast majority of these are uncontested and would be able to be determined on the papers by the chairperson sitting alone. The volume of applications received by council suggests that the council requires only one committee.

2. Will the council appoint a commissioner or elected member as chair?

As most applications dealt with are uncontested, the appointment of an elected member as chair would reduce committee meeting time and administrative costs associated with an independent commissioner.

3. How will list members of the committee be recruited and appointed?

Local Government NZ is working on guidance material to assist in the process of recruiting list members but this is not yet available. Some options include public advertisement for expressions of interest or approaching people in the community who may be considered to meet the required criteria. Sufficient numbers will need to be on the list to ensure a quorum is available at any time.

4. Does the council wish to establish a joint list with neighbouring councils?

As people with the required skills in the community are likely to be limited, it will be beneficial for the council to explore with other councils the potential to establish a joint list from which members may be drawn. This also contributes to collaborative working relationships between councils.

5. How will the process be managed in light¹⁵ of the local body elections in October?

The DLC comes into existence on 18 December 2013, replacing the current District Licensing Agency. There is a limited time post-election to establish the DLC. This matter will be determined early by the new council with LGNZ running training for committee members in October/November.

The council must approve list members and the question arises as to whether approvals should be made by the current council or by the incoming council following the local body elections. A practical approach would be for suitable members to be identified prior to the election and approvals made by the new council.

There are potential risks should key elected members with experience in hearings not be re-elected. LGNZ is running training for committee members in October/November leaving little time for appointment of members following elections.

Local Alcohol Policy

The process for adopting a LAP is complex, involving research such as a community survey to inform the development and adoption by the council of a draft policy, undertaking consultation on the draft policy using the special consultative procedure including hearing of submissions to produce a provisional policy which is notified and subject to appeal to the Alcohol Regulatory and Licensing Authority and adoption of the final policy once any appeals are resolved. The earliest that a provisional LAP can be publicly notified is 18 December 2013 with the earliest that the final policy can come into force being 18 January 2014 following the appeal period and assuming no appeals are received.

While the council has resolved to develop a LAP, some direction is now sought on how the council wishes to proceed with the development of the LAP particularly in the context of the local body elections. Should the council endeavour to adopt a draft policy or even proceed to adopt a provisional policy prior to the elections there is a risk that the policy may not reflect the views of the new council following the elections with the potential for the work carried out having to be repeated. It is considered, however, that there is insufficient time for a provisional LAP to be ready prior to the elections.

In terms of the legislative process there are three options:

Option 1: Draft policy considered and adopted by the new council following the elections. This option provides sufficient time to undertake necessary research, engage with the community and develop an informed policy. While this will mean that the LAP will not be able to be in place at the earliest possible time under the legislation, this is not considered to be an issue as the new Act does provide stricter default criteria that must be considered before issuing a licence than the current Act.

Option 2: Draft policy developed and adopted by the current council. This option allows the current council to take the process through to a statement of intent and inviting community comment on the draft. However, it then provides for the new council to consider submissions on the draft policy and prepare its own provisional policy. While timeframes may allow a draft policy to be adopted prior to elections, it is not considered that the consultation period could be carried out before the election. As noted above there is also a risk of the new council having differing views to the current council and it would be preferable that the views of the council considering submissions on the draft are those that have been presented to the community in the draft policy.

Option 3: Draft policy and provisional ¹⁶policy adopted by the current council prior to elections. As noted above it is not considered that this can be achieved in the time available.

In developing the draft LAP a working party of relevant staff is being formed and elected member representation is sought for this working party.

To help inform the LAP a community survey has been drafted seeking the views of the community relating to alcohol in their communities. The survey will be available on line and the working party will also consider other ways for the community to respond.

Conclusion

The Sale and Supply of Alcohol Act 2012 requires Council to appoint a District Licensing Committee ready for operation from 18 December 2013. Members should be identified early in order to benefit from training in the new role by LGNZ in October/November. The Council has resolved to adopt a Local Alcohol Policy and staff seek an elected member on the working party.

ITEM NO: 6.2

TO	Policy Committee
DATE	23 April 2013
FROM	G J Ion Chief Executive
INDEX/FILE REF	GOVI309
SUBJECT	Long Term Plan Performance Targets - 2012/2013


 SIGNED

PURPOSE OF REPORT

The purpose of this report is to provide Council with updates on the Long Term Plan (LTP) targets and performance measures. This report sets out the LTP targets and performance for the nine months from 1 July 2012 to 31 March 2013.

IMPLICATIONS

- | | |
|--|--|
| a) Policy | Council has undertaken to review performance targets and progress on a quarterly basis. |
| b) Annual Plan / LTP | The requirement to provide updates on LTP targets is part of our performance monitoring process. |
| c) Significance | Nil. |
| d) Financial | Nil. |
| e) Legal | Nil. |
| f) Communication and Consultation | This report is to keep Council informed of progress with the achievement of LTP targets. |
| g) Community Outcomes | This report addresses the issue of democracy and Council leadership. These dimensions encompass all of the community outcomes. |
| h) Well-beings | Corporate and Council leadership affects all of the four well-beings. |
| i) Tangata Whenua | There are no specific performance measures that address Tangata Whenua issues separate from other parts of the community. |

SUMMARY

LTP performance targets and capital projects have been closely monitored. This report provides progress for the year to date.

RECOMMENDATION

THAT the report of the Chief Executive – Long Term Plan Performance Targets - 2012/2013 – dated 23 April 2013 be received.

REPORT**Background**

Council has a range of performance targets that have been set for the 2012/2022 LTP. Performance against the targets set needs to be monitored. This report provides an update on progress against the targets set and included in the LTP for 2012/2022.

Issues

The following is a summary of progress against the performance targets for the year from 1 July 2012 to 31 March 2013.

Council leadership and organisational support

The performance measures have been reviewed and approved by Council for release in the LTP. The measures are externally focused and reliant on feedback in the Annual Residents' Satisfaction Survey.

In line with discussions with Council we have introduced two new measures to assess the quality of our communication and consultation strategies.

These were key points we discussed through a number of consultation processes during the year.

Service Level	How we'll know we are on track	Progress/Achievement
Residents are satisfied that they are able to influence decisions that the Council makes.	At least 60% of respondents to the Annual Satisfaction Survey agree that they have the opportunity to be involved and participate in the way that Council makes decisions.	58% of residents are satisfied that they are able to influence decisions that the Council makes (54% in 2011). The target has not been met.

Service Level	How we'll know we are on track	Progress/ Achievement
Relationships between the Council and the community are enhanced.	At least 60% of residents or respondents to the Annual Satisfaction Survey understand how the Council makes decisions.	56% of respondents understand how the Council makes decisions (up from 51% in the previous year). The target has not been achieved.
Communication with the community is effective.	At least 50% of respondents to the Annual Satisfaction Survey are satisfied with information provided by the Council.	66% of respondents (65% in 2011) are satisfied or very satisfied with the information provided by the Council in relation to issues raised. The target has been met.
Consultation with the community is effective.	At least 50% of respondents to the Annual Satisfaction Survey are satisfied with the Council's consultation programme.	53% of respondents are satisfied with the Council's consultation programme. There is no corresponding data for the previous year. The target has been achieved.

Options Considered

This report is for the information of the Committee and to keep Council informed of progress.

Points to note from the report are that, whilst the scores could still improve, the measures are showing an upward trend.

The measures we are tracking are all directly related to our communications and consultation strategy.

We have continued this year with our LTP Year Two (Annual Plan) public meetings. This has been a part of the strategy to improve our consultation with the community.

The Community Engagement Strategy is the main step that we have taken this year to improve our performance in this area.

This work is under way with support from Councillors.

Consideration of views of those affected


The performance targets are set to enable residents and ratepayers to assess performance against the LTP. It is an indication of how much progress Council has made in the year.

Conclusion

This report is commenting on the revised framework and reminding Council about the measures being used to assess progress.

ITEM NO: 6.3

TO	Policy Committee
DATE	3 May 2013
FROM	T G Whittaker Acting Chief Executive
INDEX/FILE REF	GOVI309
SUBJECT	Hauraki Gulf Marine Spatial Plan



 SIGNED

PURPOSE OF REPORT

To consider the appointment of Councillor Peter French of Thames-Coromandel District Council to the Hauraki Gulf Marine Spatial Plan steering group.

IMPLICATIONS

- | | |
|--|--|
| a) Policy | Nil |
| b) Annual Plan/LTP | Nil. |
| c) Significance | Nil. |
| d) Financial | Nil. |
| e) Legal | Nil. |
| f) Communication and Consultation | Mayor Tregidga, Chair of the Hauraki Gulf Forum raised this matter with the Chief Executive at a recent Zone 2 meeting in Matamata. Mayor Tregidga is seeking this Council's support to appoint Councillor Peter French from Thame-Coromandel District Council to the Hauraki Gulf Marine Spatial Plan steering group. |
| g) Community Outcomes | This will relate to one or more of the four community outcomes, in particular the environmental outcome. |
| h) Well-beings | This will relate to one or more of the four well-beings, in particular the environmental well-being. |
| i) Tangata Whenua | Tangata Whenua, along with other ratepayers, may be affected to a greater or lesser extent. |

SUMMARY

This report seeks a recommendation regarding the appointment of Councillor Peter French of Thames-Coromandel District Council to the Hauraki Gulf Marine Spatial Plan steering group.

RECOMMENDATION

THAT the report of the Acting Chief Executive – *Hauraki Gulf Marine Spatial Plan* - dated 3 May 2013 be received;

AND THAT Councillor Peter French of Thames-Coromandel District Council be appointed to the Hauraki Gulf Marine Spatial Plan steering group.

REPORT**Background**

The Hauraki Gulf Forum has been working with Auckland Council and Waikato Regional Council, along with the Department of Conservation and the Minister of Primary Industries in developing a marine spatial plan for the Hauraki Gulf.

Issues

Councillors are being asked to support Mayor Tregidga's recommendation that Councillor Peter French of Thames-Coromandel District Council be appointed to the Hauraki Gulf Marine Spatial Plan steering group.

A small portion of the Hauraki Gulf is contained within the Waikato District and Councillor Hayman is our representative on the Hauraki Gulf Forum. Given that Councillor Hayman will not be standing for re-election in October, it seems appropriate to support the recommendation made by the Chair, Mayor Tregidga, to appoint Councillor French.

Options Considered

Councillors could support the appointment of Councillor Peter French to the Hauraki Gulf Marine Spatial Plan steering group, or not.

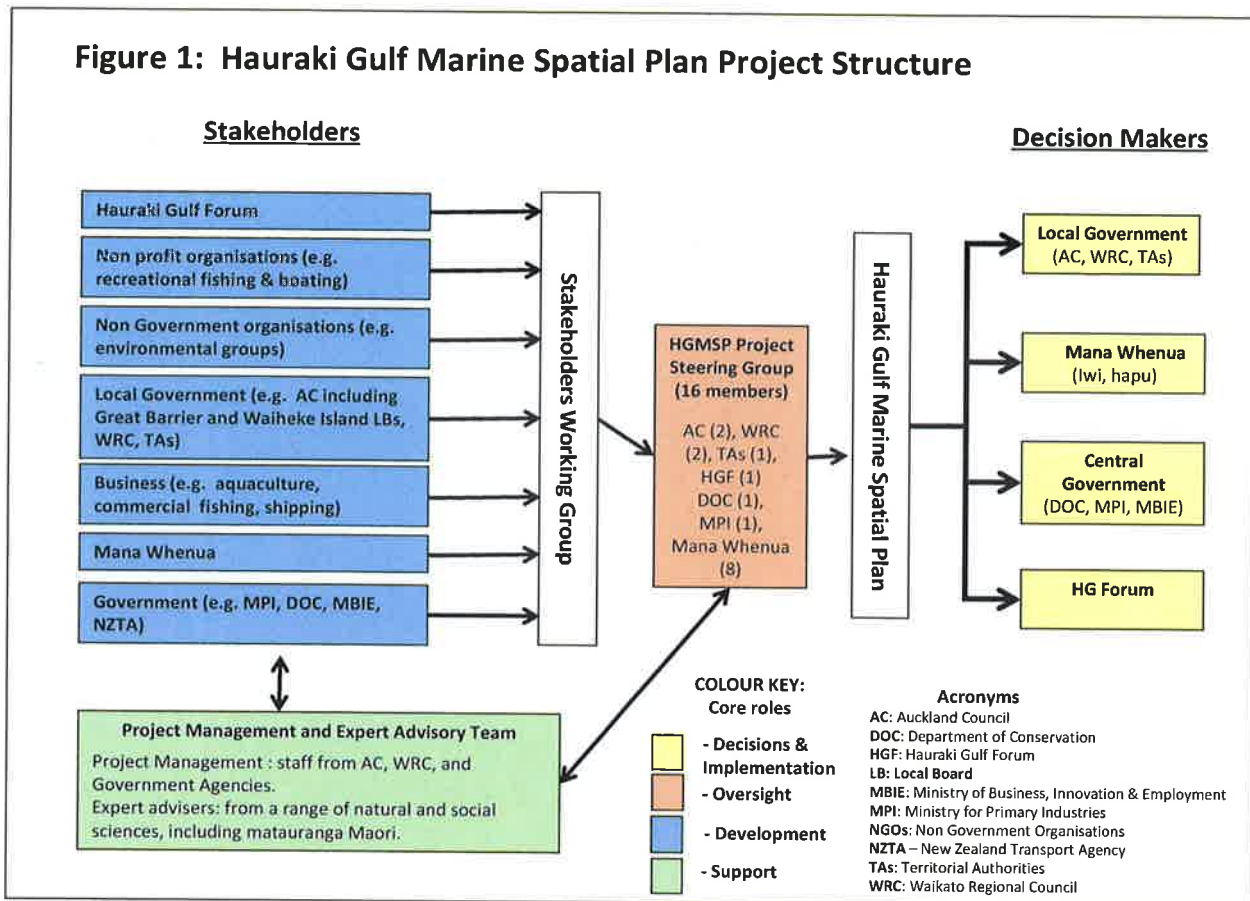
Consideration of views of those affected

It seems appropriate, in view of the larger portion of the Hauraki Gulf being in the Thames-Coromandel District and with Councillor Hayman not seeking re-election, to support the recommendation of the Chair, Mayor Tregidga.

Conclusion

Councillors are being asked to support the recommendation of Mayor Tregidga for Councillor Peter French of Thames-Coromandel District Council to be appointed to the Hauraki Gulf Marine Spatial Plan steering group.

Figure 1: Hauraki Gulf Marine Spatial Plan Project Structure



ITEM NO: 6.4

TO	Policy Committee
DATE	3 May 2013
FROM	T G Whittaker Acting Chief Executive
INDEX/FILE REF	GOV 1309
SUBJECT	Chief Executive's Business Plan



SIGNED

PURPOSE OF REPORT

The Chief Executive's Business Plan is considered each month as a method of keeping Council focused on the strategic issues. The report has been updated to reflect the revised content of the Chief Executive's Performance Agreement which took effect on 1 July 2012.

IMPLICATIONS

a) Policy

This report contains the strategic issues that Council is focused on. The Chief Executive's Business Plan has been updated to align to the Chief Executive's Performance Agreement.

The list has been updated in line with the Chief Executive's Performance Agreement from the June 2012 Council meeting.

b) Annual Plan/ LTP

The list is not exhaustive and is not intended to cover all areas or all projects in the LTP.

The list of projects has been updated to reflect the 2012/2022 LTP.

c) Significance

Nil.

d) Financial

Individual projects have individual budgets approved by Council.

e) Legal

Nil.

f) Communication and Consultation

This report is an opportunity to keep Council updated and informed of progress with the various key issues that we are dealing with. Progress is reviewed at each meeting and the report duly updated.

The list is in line with the Chief Executive's Performance Agreement.

g) Community Outcomes

The projects included in this list link to at least one community outcome.

h) Well-beings

The projects in this list link to one or more of the well-beings.

- i) **Tangata Whenua** Tangata Whenua are affected by a number of the projects approved in the Chief Executive's Business Plan. Examples are:
- Structure Planning
 - Whaanga Coast Wastewater
 - Governance and Shared Services
 - Joint Management Agreements with Waikato-Tainui and Maniapoto
 - District Growth Strategy and Future Proof

RECOMMENDATION

THAT the report of the Acting Chief Executive - *Chief Executive's Business Plan* - dated 3 May 2013 be received.

REPORT

Background

The Chief Executive's Business Plan is a summary of progress on a number of issues targeted by Councillors.

Issues

The Plan is a summary of progress on specific issues. It enables staff and Councillors to focus on the big issues and ensures that attention is given to those things that really matter.

The Plan has been updated in line with the Chief Executive's Performance Agreement for 2012/2013. Councillors resolved in 2011 to elevate the report to reflect a select group of high level projects. This report provides a snapshot on progress.

Options Considered

Council should review the list of projects and decide what changes should be made.

The existing plan has been updated to ensure consistency with the Chief Executive's Performance Agreement.

Consideration of views of those affected

The Plan affects all Councillors and various communities.

Conclusion

Council should take the opportunity to ensure that the Plan does summarise the key issues for Council.

Chief Executive's Business Plan

Key Accountabilities		Performance Measures	Comments	Progress Review
I. General Management I.1 The operations of the Council are managed in a professional, efficient and effective manner that meets all legislative requirements.	1.1.1	That a clear audit report is obtained for the financial year ending 30 June 2013 and that the standard of monitoring and reporting to the Council keeps them informed of all issues that are of a significant nature.	Responsibility for next year.	Interim audit planned for May and June.
	1.1.2	Facilitate the development of the Audit Committee and monitor and report on progress with agreed activities.	Agreement required from the Strategy & Finance Committee on requirements.	<ul style="list-style-type: none"> ▪ Audit Committee operational. ▪ External Audit Committee member appointed.
	1.1.3	As part of keeping Council informed, the Chief Executive is to ensure that a quality control process is in place in relation to the financial implications of major non-roading capital projects and regular updates are provided to the Strategy & Finance Committee. The individual major capital projects are to be agreed with the Strategy & Finance Committee as soon as practicable.	Annual list of projects to be identified.	<ul style="list-style-type: none"> ▪ Update provided in September 2012, November 2012, February and March 2013 incorporating 2012/2013 projects.
	1.1.4	Provide an update at each performance review on activities, value to Council and outcomes achieved by the Chief Executive in relation to regional and national issues.	Council must display a willingness to engage regionally and nationally for this to be an effective goal.	<ul style="list-style-type: none"> ▪ LASS pursuing four identified shared service areas as well as supporting Waikato Local Government Forum Workstreams ▪ Good progress is being made in relation to Three Waters study. ▪ Trade Waste targets on track. ▪ "Waikato Plan" scoped Chief Executives reviewing funding options.

Key Accountabilities		Performance Measures	Comments	Progress Review
				<ul style="list-style-type: none"> ▪ Meeting of all participating Councils held on 25 March. ▪ Council has budgeted for its contribution to the Waikato Mayoral Forum work streams in the 2013/2014 draft Annual Plan.
<p>1.2</p> <p>Staff are led and managed in a professional and cohesive manner, with evidence of good co-ordination between departments and with an emphasis on good customer relations.</p>	1.2.1	Provide an annual update on Executive Team performance and development.	General update will be provided at each performance review.	<ul style="list-style-type: none"> ▪ Discussion held during September 2012 and February 2013 performance review process. ▪ New Executive Team on board by end April.
	1.2.2	a) Provide Council with updates at each performance review on business and quality improvement initiatives particularly aimed at demonstrating the value of this work.	a) A core value for staff is a willingness to look at business and quality improvement initiatives.	<ul style="list-style-type: none"> ▪ Organisation structure being reviewed to seek better alignment of core services. ▪ General Managers appointed. a) Focus at present is on: <ul style="list-style-type: none"> ▪ Customer complaints system has addressed 199 complaints of which 197 have been closed. ▪ CRM review complete. A number of action points being implemented. ▪ Process mapping software now in use. 183 processes now approved and in use with a further 247 processes being

Key Accountabilities		Performance Measures	Comments	Progress Review
1.3 Customer engagement.		b) Provide feedback on the success of procurement initiatives.	b) Procurement opportunities are pursued.	mapped at present. b) Early successes have been achieved in relation to insurance, photocopying, electricity, travel and vehicle purchasing.
	1.3.1	Provide an update on progress with implementing consultation methods approved by Council. Feedback is required on the type of consultation used, the success of the process used and the outcome.	Council is involved in decision making.	<ul style="list-style-type: none"> ▪ Regular reports provided on suggested consultation methods. ▪ Council has agreed to develop a Community Engagement Strategy. ▪ Feedback from customer surveys also used to inform economic development projects.
1.4 Support civil defence and emergency management.	1.3.2	Provide feedback at each performance review to illustrate what improvements have been made in relation to customer engagement. This could include surveys, a review of customer complaints, CRM results or other methods.	A commitment is required from Council to pursue customer engagement.	<ul style="list-style-type: none"> ▪ A steering group has been formed for the Community Engagement Strategy. Several meetings have been held. ▪ Community Engagement Strategy expected in draft form in June 2013.
	1.4.1	Provide feedback on an annual basis through the performance review process on progress to ensure at least 30 staff are trained and able to respond to a civil defence emergency.	<ul style="list-style-type: none"> ▪ Requires a proactive approach and a strong relationship with the Waikato Valley Emergency Operating Area. 	<ul style="list-style-type: none"> ▪ Project Shakeout tested Council's civil defence and emergency procedures. ▪ Improvement opportunities to be implemented. ▪ Council has approved new arrangement to supersede WVEOA. ▪ Seeking to confirm our local controller arrangements.

Key Accountabilities		Performance Measures	Comments	Progress Review
2. Rooding & Transport 2.1 To manage an effective rooding network including associated activities at agreed service levels and within budget.	2.1.1	Deliver the rooding programme as defined by the LTP as amended by the Rooding & Transport Committee from time to time and as appropriate in line with the floating line.	<ul style="list-style-type: none"> ▪ Report provided to Rooding & Transport Committee. 	<ul style="list-style-type: none"> ▪ Regular updates to the Committee continue. ▪ Work programmes are advancing well for 2012/2013. ▪ Process agreed to address emergency works and NZTA subsidy shortfall.
	2.1.2	Provide a report to each Rooding & Transport Committee meeting on progress with the rooding programme and maintenance contracts.	<ul style="list-style-type: none"> ▪ Report provided to Rooding & Transport Committee. 	<ul style="list-style-type: none"> ▪ Monthly reports provided on progress.
3. Community Facilities 3.1 To manage an effective water and facilities programme including associated activities at agreed service levels and within budget.	3.1.1	Deliver the water and facilities programme as defined by the LTP as amended by the Water & Facilities Committee from time to time and as appropriate, in line with the floating line.	<ul style="list-style-type: none"> ▪ Report provided to Water & Facilities Committee. 	<ul style="list-style-type: none"> ▪ Programme progressing well for 2012/2013. ▪ Monthly updates provided to the Committee. ▪ Floating lines well established and followed.
4. Utility Upgrades Upgrade and improvement of utility networks as follows, subject to consultation. a) Stage I upgrade of Pokeno water treatment plant.		Projects contained in the LTP for 2012/2013 are either: 4.1.1 Commenced with expected finishing dates. 4.1.2 Planned with timeframes for completion. 4.1.3 Being reviewed or deleted.	a) Work included in LTP	a) The final design is progressing with tendering of the work planned for May 2013. Council in consultation with neighbours prior to lodging Notice of Requirement.

Key Accountabilities		Performance Measures	Comments	Progress Review
b) Design of wastewater service for Pokeno Village.		4.1.4 Completed	b) Work included in LTP	b) Concept designs have been completed and are now being peer reviewed. A public meeting was held in February to ascertain support for the project. As the general response was limited, further consultation will be required.
c) Huntly wastewater treatment plant upgrade.			c) Work included in LTP	c) The contract (11/077) has been awarded to Brian Perry Civil and is progressing.
d) Ngaruawahia wastewater treatment plant upgrade.			d) Work included in LTP	d) The contract (11/077) has been awarded to Brian Perry Civil and is progressing.
e) Contribution for stormwater treatment ponds in Pokeno.			e) Work included in LTP	e) Project budget is to cover the offset costs that are expected when the stormwater/attenuation ponds and land are vested with Council.
f) Provision of wastewater services to Whale Bay, Te Hui Road and Upper Wainui Road.			f) Council approval to proceed to detailed design.	f) Tender period has now closed. A report will be provided to Council.
g) Ngaruawahia Water Treatment Plant upgrade.			g) Project carried forward from 2011/2012	g) Project complete.

Key Accountabilities		Performance Measures	Comments	Progress Review
5. Long Term Plan 2012/2022 5.1 To implement the projects and performance targets in the 2012/2022 Long Term Plan.		All projects contained in Year One of the Long Term Plan for 2012/2022: <ul style="list-style-type: none"> ▪ Commenced with expected finishing dates. ▪ Planned with timeframes for completion. ▪ Being reviewed or deleted. ▪ Completed. 	<ul style="list-style-type: none"> ▪ Council approved LTP on 26 June. ▪ Reports on progress will be provided to the appropriate Committees. 	<ul style="list-style-type: none"> ▪ Work programmes progressing well.
6. Annual Plan 2013/2014 6.1 To develop an Annual Plan in accordance with the legal requirements for 2013/2014.	6.1.1	Develop and implement a programme to complete the Annual Plan for 2013/2014 by 30 June 2013.	LTP will provide overall direction for the Annual Plan.	<ul style="list-style-type: none"> ▪ Draft Annual Plan approved by Council in March.
7. Structure Plans 7.1 Progress the development of Structure Plans.	7.1.1	<u>Horotiu</u> Provide regular reports to the Strategy & Finance Committee. <ul style="list-style-type: none"> ▪ Resolution of remaining District Plan appeals. ▪ Update progress with the Development Agreement with Riverlea Sands. 	<ul style="list-style-type: none"> ▪ Council has agreed on a strategic approach to each of the appeals. Staff are implementing the agreed actions. ▪ A good relationship has been established with Riverlea Sands. 	<ul style="list-style-type: none"> ▪ Bond being put in place to address entranceway.. ▪ Development Agreement agreed in principle on basis of strategy approved by Council. ▪ Last few matters being resolved.
	7.1.2	<u>Raglan</u> <ul style="list-style-type: none"> ▪ After extensive community consultation a discussion paper will be released in September 2012 for community feedback. ▪ Issues and options paper released in March 2013. 	<u>Raglan</u> <ul style="list-style-type: none"> ▪ Dependent upon consultation process and community engagement. ▪ Dependent upon Council ratification of the Issues and 	<u>Raglan</u> <ul style="list-style-type: none"> ▪ Council kept informed of issues. ▪ Consultation ongoing. ▪ Issues and options paper completed for Council

Key Accountabilities		Performance Measures	Comments	Progress Review
			options paper.	meeting in March.
	7.1.3.	<u>Tamahere</u> Subject to resolution of expressway connectivity: <ul style="list-style-type: none"> ▪ Structure Plan to be notified by 31 July 2012. ▪ Hearing scheduled for December 2012. ▪ Decision version expected by 28 February 2013. 	<u>Tamahere</u> Structure Plan out for consultation.	<u>Tamahere</u> <ul style="list-style-type: none"> ▪ Structure Plan notified on 28 July 2012. ▪ Hearings held in late November 2012. ▪ Decision received and has been notified. ▪ Structure Plan is progressing and is not now subject to Expressway connectivity issues.
	7.1.4	<u>North Waikato Spatial Plan</u> <ul style="list-style-type: none"> ▪ To be incorporated into District Growth Strategy. ▪ Project brief and gantt chart due by June 2013. 	<u>North Waikato Spatial Plan</u> <ul style="list-style-type: none"> ▪ The extent and detail of this project still needs to be agreed. 	<u>North Waikato Spatial Plan</u> <ul style="list-style-type: none"> ▪ Work progressing. ▪ In research, analysis and collation stage.
	7.1.5	<u>Tuakau Structure Plan</u> <ul style="list-style-type: none"> ▪ Community Plan due for completion by December 2012. ▪ Structure Plan to follow with Issues and Options paper developed by June 2013. 	<u>Tuakau Structure Plan</u> <ul style="list-style-type: none"> ▪ Dependent on progress of Community Plan. 	<u>Tuakau Structure Plan</u> <ul style="list-style-type: none"> ▪ Overview and timeline approved by Strategy & Finance Committee in March. ▪ Key stakeholders being identified.
	7.1.6	<u>Ngaruawahia Structure Plan</u> <ul style="list-style-type: none"> ▪ Commence preliminary discussions by 31 March 2012. 	<u>Ngaruawahia Structure Plan</u> <ul style="list-style-type: none"> ▪ Extent of work will depend on progress with other structure plan processes. 	<u>Ngaruawahia Structure Plan</u> <ul style="list-style-type: none"> ▪ Overview and timeline approved by Strategy & Finance Committee in March. ▪ Key stakeholders being

Key Accountabilities		Performance Measures	Comments	Progress Review
				identified.
8. District Growth Strategy and Future Proof 8.1 Implement our District Growth Strategy and contribute to Future Proof where appropriate.	8.1.1	Provide a quarterly update on activities and outcomes of the District Growth Strategy and Future Proof.	Progress based around the implementation of Future Proof.	<ul style="list-style-type: none"> ▪ Three Waters Strategy released for consultation. ▪ Trade waste changes implemented in LTP. ▪ Staff are actively involved in Future Proof initiatives. ▪ Impact of Future Proof reflected in submissions on planning matters.
8.2 Plan Change 2 - Rural Subdivision	8.2.1	Provide regular updates on progress with resolution of the outstanding appeals.	Discussions being held with appellants.	<ul style="list-style-type: none"> • Two appeals resolved to date. • Working through other appeals. • Strategy agreed on approach to Environment Court.
8.3 Review ways in which economic development opportunities can be advanced during the year.	8.3.1	Report to the Strategy & Finance Committee at least quarterly on initiatives undertaken to advance economic development in the district.	Several work-shops with Councillors have focused on economic development.	<ul style="list-style-type: none"> ▪ Economic development funding changes approved in LTP. ▪ Economic development road-map agreed with Council. ▪ Council updated on feedback from District Plan review. ▪ Internal appointment made to economic development role. ▪ Update on economic development activating provided to Strategy & Finance Committee in May.

Key Accountabilities		Performance Measures	Comments	Progress Review
	8.3.2	Report to the Strategy & Finance Committee at least quarterly on customer feedback and the role that staff play in economic development.	Customer feedback is usually forthcoming in relation to proposed consent activity.	<ul style="list-style-type: none"> ▪ Good feedback from developers about Council's approach and support for growth opportunities (Horotiu and Pokeno are two examples). ▪ Staff worked with Pokeno Land Consortium, Lowe Corporation, Van den Brink and Northgate on industrial development.
	8.3.3	Provide quarterly updates to the Strategy & Finance Committee on the Pokeno Land Consortium development and the activity levels relative to LTP projections.	Regular contact maintained with Pokeno Land Consortium.	<ul style="list-style-type: none"> • Indications are that subdivision activity is proceeding faster than projected in the LTP. • A report has been prepared for the Strategy & Finance Committee meeting in May.
<p>9. Joint Management Agreements</p> <p>9.1 Fully participate in the implementation of the Joint Management Agreement with Waikato-Tainui and Maniapoto.</p>	9.1.1	<p>a) Report on a six-monthly basis all activities, involvement and actions undertaken in relation to the Joint Management Agreement with Waikato-Tainui.</p> <ul style="list-style-type: none"> ▪ The report should include comments on activities undertaken to enhance high level management relationships. 	<p>a) Council has formed a co-management Committee (Joint Committee) to advance its relationship with Waikato-Tainui.</p> <ul style="list-style-type: none"> ▪ The Executive Team needs to take this accountability on board. 	<ul style="list-style-type: none"> ▪ Four schedules approved. ▪ The Chief Executives of both organisations are working together on matters of mutual interest. ▪ Joint presentation by the two Chief Executives delivered to the Local Government New Zealand conference. ▪ Council involved in discussions re Waikato-

Key Accountabilities		Performance Measures	Comments	Progress Review
				Tainui Environmental Management Plan.
	9.1.2	a) Progress in developing a Joint Management Agreement with Maniapoto. b) Provide a perspective on the views of other parties. <ul style="list-style-type: none"> ▪ Ensure Council involvement in reaching agreement on a final document. 	a) The Councils need to share a common vision about the agreement.	a) Early discussions held. b) General agreement around a Joint Management Agreement that covers the statutory requirements only. <ul style="list-style-type: none"> ▪ Draft agreement approved by Council. ▪ Final Agreement signed in April.
10. Governance and shared services 10.1 Consider the impacts of the "Better Local Government" review in relation to the Waikato District.	10.1.1	a) Ensure Council is fully informed of the progress of the reforms. b) Prepare and agree submissions with Council in relation to the 'Better Local Government' Bill.	Time is taken to discuss and consider impacts of reform.	a) Council informed of progress with the Bill and subsequent approval as legislation. A full report was provided to the February Policy Committee. b) Submission approved by Council on 24 July 2012.
	10.1.2	Provide a report to the Strategy & Finance Committee at least quarterly on all activities, opportunities and involvement in relation to this review.	Reports are prepared and considered by the Committee.	Submission to Productivity Commission approved by Council in August. <ul style="list-style-type: none"> ▪ Council's submission quoted in draft report. ▪ Updates provided on work of Productivity Commission and Local Government Efficiency Taskforce.

Key Accountabilities		Performance Measures	Comments	Progress Review
10.2 <u>Shared services</u> Consider the opportunities for Council in relation to shared services.				<ul style="list-style-type: none"> ▪ Submission prepared in relation to Development Contributions discussion document.
	10.1.3	Provide regular updates to Council on the Waikato Mayoral Forum and governance matters.	Reports are prepared and considered by the Committee.	<ul style="list-style-type: none"> ▪ Regular updates provided. ▪ LASS pursuing four main shared service initiatives. ▪ Success in relation to vehicle purchasing and insurance. ▪ Five work-streams formed by Waikato Mayoral Forum to progress specific shared service opportunities. ▪ Met with all Councillors from Waikato Councils on 25 March. ▪ Successful insurance broking tender and premium savings. ▪ Electricity contract savings estimated at approximately \$100,000 per annum.
	10.2.1	Provide regular updates to the Strategy & Finance Committee on progress and the involvement of Council in shared service initiatives.	Staff are seeking commitment from other Councils to progress shared services.	<ul style="list-style-type: none"> ▪ LASS resource employed. ▪ Five work-streams formed by Waikato Mayoral Forum to progress specific shared service opportunities.

Completed

- 2012/2013 Annual Report
- Mayoral Forum approves Waikato Spatial Plan proposal in principle
- Ngaruawahia water treatment plant

ITEM NO: 6.5

TO	Policy Committee
DATE	3 May 2013
FROM	T G Whittaker Acting Chief Executive
INDEX/FILE REF	GOV1309
SUBJECT	2013 Meeting Calendar



 SIGNED

PURPOSE OF REPORT

To provide a monthly update on the meeting calendar.

IMPLICATIONS

- | | |
|--|---|
| a) Policy | Council is required to have a programme in place for meetings for 2013. |
| b) Annual Plan /LTCCP | Nil. |
| c) Significance | Nil. |
| d) Financial | Nil. |
| e) Legal | Nil. |
| f) Communication and Consultation | Council is being asked to consider the meetings that will be held in 2013. |
| g) Community Outcomes | There are no direct implications but matters affecting community outcomes will be discussed at the scheduled meetings. |
| h) Well-beings | There are no direct linkages to the four well-beings. The indirect link is via matters discussed at the various meetings. |
| i) Tangata Whenua | There are no specific Tangata Whenua considerations at this time. During 2013 a number of meetings will be held with Tangata Whenua. The calendar will reflect these hui. |

SUMMARY

A monthly update is provided on the meeting calendar. Recent changes are incorporated so that Councillors are kept up to date.

RECOMMENDATION

THAT the report of the Acting Chief Executive – 2013 Meeting Calendar – dated 3 May 2013 be received.

REPORT

Background

Council has already approved a meeting timetable for 2013.

It was agreed that I would provide a monthly update on the meeting calendar including as much relevant information as possible.

Issues

As discussed, Councillors should rely on the latest calendar and dispense with previous copies.

A number of workshops have been scheduled as follows:

Date	Time	Subject
13 May	12.30 pm	▪ Kauri dieback
	1.00 pm	▪ Rethinking local government in the Waikato region
	2.00pm	▪ Change in local government from Auckland's perspective
	3.00pm	▪ Notification of consent applications
28 May	8.30 am	▪ Earthquakes: Ramifications to Councils of submissions to government
	9.00am	▪ Update on Iwi
	9.30am	▪ Development of town centre plan for Pokeno

Options Considered

Council could choose to approve the calendar or not.

The idea of providing a monthly update is beneficial because there are a number of changes that arise on a regular basis.

The calendars provide the most up to date information we have but will not take account of short notice events.

Consideration of views of those affected

A decision on the timetable will affect all Councillors.

Conclusion

Council is being asked to receive and review a monthly update on the meeting calendar for the remainder of 2013.

WAIKATO DISTRICT COUNCIL

MINUTES of a meeting of the Waikato District Council held in the Council Chamber, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 28 MAY 2013** commencing at **1.30pm**.

Members Present: His Worship the Mayor, Mr AM Sanson (Chairperson)
 Cr JC Baddeley
 Cr RC Dixon
 Cr DW Fulton
 Cr WD Hayes
 Cr J Hayman
 Cr RC McGuire
 Cr AWD Morse
 Cr L Petersen
 Cr P Sands
 Cr J Sedgwick
 Cr NMD Smith
 Cr MR Solomon
 Cr GS Tait

Officers Attending: The following officers were in attendance for all or part of the meeting:

Mr GJ Ion (Chief Executive)
 Ms S Duignan (General Manager Customer Support)
 Mr TN Harty (General Manager Service Delivery)
 Mr TG Whittaker (General Manager Strategy & Support)
 Ms A Diaz (Finance Manager)
 Mrs DJ Calnon (Committee Secretary)

In Attendance: Mr A Leaman (Waikato Times)

WDC1305/01 APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Dixon/Hayes)

THAT an apology be received from and leave of absence granted to Cr Lynch.

CARRIED on the voices

WDCI305/02 CONFIRMATION OF STATUS OF AGENDA ITEMS

WDCI305/02/1 **Resolved: (Crs Morse/Petersen)**

THAT the agenda for the meeting of the **Waikato District Council** held on **Tuesday 28 May 2013** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 9 which shall be considered with the public excluded.

CARRIED on the voices

WDCI305/03 DISCLOSURES OF INTEREST

There were no declarations of interest noted.

WDCI305/04 CONFIRMATION OF MINUTES

WDCI305/04/1 **Resolved: (Crs Sedgwick/Tait)**

THAT the minutes of a meeting of the **Waikato District Council** held on **Tuesday 23 April 2013** be confirmed as a true and correct record of that meeting.

CARRIED on the voices

WDCI305/04/2 **Resolved: (Crs Fulton/Baddeley)**

THAT the minutes of an extraordinary meeting of the **Waikato District Council** to hear and consider submissions on the **Long Term Plan Year Two Review (2013/2014 draft Annual Plan)** held on **Monday 20 May 2013, Tuesday 21 May 2013 and Wednesday 22 May 2013** be confirmed as a true and correct record of that meeting.

CARRIED on the voices

WDCI305/05 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

WDC1305/06 COMMITTEE AND DEPARTMENTAL REPORTS**WDC1305/06/1 Policy Committee**WDC1305/06/1/1 Receipt of Committee Minutes – Meeting held on 13 May 2013**Resolved: (Crs Tait/Solomon)****THAT the minutes of a meeting of the Policy Committee held on Monday 13 May 2013 be received.****CARRIED on the voices**WDC1305/06/1/1/1 **Resolved: (Crs Tait/Sedgwick)****POL1305/06/1 Sale and Supply of Alcohol 2012****THAT staff identify potential list members of the District Licensing Committee for approval by the incoming Council following the local body elections in October 2013;****AND THAT staff work with other Councils regarding the establishment of a joint list of members of the District Licensing Committee;****AND FURTHER THAT Council appoints one District Licensing Committee in accordance with section 186 of the Sale and Supply of Alcohol Act 2012.****CARRIED on the voices**WDC1305/06/1/1/2 **Resolved: (Crs Tait/McGuire)****POL1305/06/2 Sale and Supply of Alcohol 2012****THAT Council appoints an elected member as chairperson of the District Licensing Committee.****CARRIED on the voices**WDC1305/06/1/1/3 **Resolved: (Crs Tait/McGuire)****POL1305/06/3 Sale and Supply of Alcohol 2012****THAT Council nominates Cr Baddeley to the working party developing the Local Alcohol Policy, noting that a draft policy will be presented to the Council early in 2014.****CARRIED on the voices**

WDCI305/06/1/1/4 **Resolved: (Crs Tait/Petersen)**

POL1305/06/3 Hauraki Gulf Marine Spatial Plan

THAT Councillor Peter French of Thames-Coromandel District Council be appointed to the Hauraki Gulf Marine Spatial Plan steering group.

CARRIED on the voices

WDCI305/06/1/1/5 **Resolved: (Crs Tait/Smith)**

POL1305/06/6 Rural Numbering Standard Change Implications (Road Naming Policy)

THAT the revised Road Naming policy be approved and the former policies be revoked.

CARRIED on the voices

WDCI305/06/1/2 WEL Energy Trust Submission to Trust Deed Changes
File GOV1301 Agenda Item 6.1.2

Resolved: (Crs Morse/Dixon)

THAT the report of the Chief Executive – *WEL Energy Trust Annual Submission to Trust Deed Changes* – dated 14 May 2013 be received;

AND THAT Waikato District Council retrospectively approves the submission to the WEL Energy Trust in relation to the proposed changes to the Trust Deed.

CARRIED on the voices

WDCI305/06/1/3 Mayor's Diary – From 24 April 2013 to 28 May 2013
File GOV1301 Agenda Item 6.1.3

Resolved: (His Worship the Mayor/Cr Sedgwick)

THAT the report of His Worship the Mayor - *Mayor's Diary – From 24 April 2013 to 28 May 2013* - dated 17 May 2013 be received.

CARRIED on the voices

WDC1305/06/2 Strategy & Finance CommitteeWDC1305/06/2/1 Receipt of Committee Minutes – Meeting held on 14 May 2013**Resolved: (Crs Baddeley/Sands)****THAT the minutes of a meeting of the Strategy & Finance Committee held on Tuesday 14 May 2013 be received.****CARRIED on the voices**WDC1305/06/2/1/1 **Resolved: (Crs Baddeley/Morse)****S&FI305/08/7 Draft Statement of Intent – Waikato District Community Wellbeing Trust****THAT Council adopts the Draft Statement of Intent – Waikato District Community Wellbeing Trust.****CARRIED on the voices**WDC1305/06/2/1/2 **Resolved: (Crs Baddeley/Petersen)****S&FI305/8/13 Budget Request to Pipe Open Drain in Tuakau****THAT \$22,000 be allocated from the Ex FDC Stormwater Targeted Rate (8207) reserve to pipe the open drain behind 38/40 Church Street, Tuakau.****CARRIED on the voices**WDC1305/06/2/2 Increase to Approved Contract Sum Entered into Under Delegated Authority – Contract 12/042 – Various Minor Safety and Kerb & Channel Works
File GOV1301 Agenda Item 6.2.2**Resolved: (Crs Smith/Morse)****THAT the report of the Acting General Manager Service Delivery – Increase to Approved Contract Sum Entered into under Delegated Authority – Contract No. 12/042 Various Minor Safety and Kerb & Channel Works - dated 23 April 2013 be received.****CARRIED on the voices**

WDC1305/06/2/3 Award of Contract for State Highway 1/Horotiu Bridge Road Signalisation Entered into Under Delegated Authority
File GOV1301 Agenda Item 6.2.3

Resolved: (Crs Smith/Tait)

THAT the report of the General Manager Service Delivery – Award of Contract for State Highway 1/Horotiu Bridge Road Signalisation Entered into under Delegated Authority - dated 17 May 2013 be received.

CARRIED on the voices

WDC1305/06/2/4 Receipt of Audit Committee Minutes
File GOV1301 Agenda Item 6.2.4

Resolved: (Crs Baddeley/Sedgwick)

THAT the minutes of a meeting of the Audit Committee held on Tuesday 5 March 2013 be received.

CARRIED on the voices

WDC1305/06/3 Water & Facilities Committee

WDC1305/06/3/1 Receipt of Committee Minutes

Resolved: (Crs Morse/Hayes)

THAT the minutes of a meeting of the Water & Facilities Committee held on Tuesday 7 May 2013 be received.

CARRIED on the voices

WDC1305/06/3/1/1 **Resolved: (Crs Morse/Tait)**

W&F1305/06/10 Submission to the Ministry of Health Regarding Option for Revision of the Framework for Public Health Grading of Community Drinking Water Supplies

THAT Council supports the staff submission to be sent to the Ministry of Health.

CARRIED on the voices

WDC1305/06/3/1/2 **Resolved: (Crs Morse/Tait)**

W&F1305/06/11 Setting Aside Land for Cemetery Purposes – Huntly Cemetery

THAT the council request the Minister of Lands pursuant to section 52(4) of the Public Works Act 1981 to declare the land in the First Schedule hereto to be set apart for cemetery purposes and to remain vested in the Waikato District Council;

AND THAT the Chief Executive be authorised to execute the Consent required pursuant to Part VIII of the Public Works Act to give effect to the same:

First Schedule

All that land comprising 2,041 square metres more or less being Lot 1 DPS 3800 (held in Computer Freehold Register SA13C/1043).

CARRIED on the voices

WDC1305/06/4 Roading & Transport Committee

WDC1305/06/4/1 Receipt of Committee Minutes – Meeting held on 7 May 2013

Resolved: (Crs Smith/Dixon)

THAT the minutes of a meeting of the Roothing & Transport Committee held on Tuesday 7 May 2013 be received.

CARRIED on the voices

WDC1305/06/5 Regulatory Committee

WDC1305/06/5/1 Receipt of Minutes – Regulatory Committee – Meeting held on 14 May 2013

Resolved: (Crs Fulton/Tait)

THAT the minutes of a meeting of the Regulatory Committee held on Tuesday 14 May 2013 be received.

CARRIED on the voices

WDCI305/06/5/2 Receipt of Hearing Minutes – TR Windley.

Resolved: (Crs Fulton/Smith)

THAT the minutes of a Hearing (TR Windley) by the Regulatory Committee held on Monday 29 April 2013 be received.

CARRIED on the voices

WDCI305/07 COMMUNITY BOARD MINUTES

WDCI305/07/1 Onewhero-Tuakau Community Board

Resolved: (Crs Petersen/Hayman)

THAT the minutes of a meeting of the Onewhero-Tuakau Community Board held on Monday 6 May 2013 be received.

CARRIED on the voices

WDCI305/07/2 Taupiri Community Board

Resolved: (Crs Morse/Solomon)

THAT the minutes of a meeting of the Taupiri Community Board held on Monday 13 May 2013 be received.

CARRIED on the voices

WDCI305/07/3 Raglan Community Board

Resolved: (Crs Baddeley/Dixon)

THAT the minutes of a meeting of the Raglan Community Board held on Tuesday 14 May 2013 be received.

CARRIED on the voices

WDCI305/07/4 Ngaruawahia Community Board

Resolved: (Crs Morse/Solomon)

THAT the minutes of a meeting of the Ngaruawahia Community Board held on Tuesday 14 May 2013 be received.

CARRIED on the voices

WDCI305/07/5 Huntly Community Board

Resolved: (Crs Tait/Sedgwick)

THAT the minutes of a meeting of the Huntly Community Board held on Tuesday 21 May 2013 be received.

CARRIED on the voices

WDCI305/08 COMMUNITY COMMITTEE MINUTES

WDCI305/08/1 Te Kauwhata Community Committee

Resolved: (Crs Sedgwick/Petersen)

THAT the minutes of a meeting of the Te Kauwhata Community Committee held on Wednesday 1 May 2013 be received.

CARRIED on the voices

WDCI305/08/2 Meremere Community Committee

Resolved: (Crs Sedgwick/Hayman)

THAT the minutes of meetings of the Meremere Community Committee held on Thursday 11 April 2013 and Thursday 9 May 2013 be received.

CARRIED on the voices

WDCI305/08/3 Tamahere Community Committee

Resolved: (Crs Hayes/Smith)

THAT the minutes of a meeting of the Tamahere Community Committee held on Monday 6 May 2013 be received.

CARRIED on the voices

WDCI305/09 EXCLUSION OF THE PUBLIC

Resolved: (Crs Tait/McGuire)

THAT the public be excluded from the meeting during discussion on the following items of business:

- 1 **Confirmation of Public Excluded Minutes:**
 - 1.1 **Meeting of Waikato District Council – Tuesday 23 April 2013**
- 2 **Receipt of Public Excluded Minutes:**
 - 2.1 **Strategy & Finance Committee – Tuesday 14 May 2013**
 - 2.2 **Roading & Transport Committee – Tuesday 7 May 2013**
 - 2.3 **Tamahere Community Committee – Monday 6 May 2013**
- 3 **Chief Executive's Issues.**

This resolution is made in reliance on sections 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6, 7 or 17 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

That the public conduct of the whole (or the relevant part) of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:

- a) **Protect members, or officers, or employees of any local authority, or any persons to whom section 2(5) of the Local Government Official Information and Meetings Act 1987 applies, from improper pressure or harassment;**
- b) **Protect the privacy of natural persons, including that of deceased natural persons;**
- c) **Prevent the disclosure or use of official information for improper gain or improper advantage;**

AND THAT the exclusion of the public from the whole or relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings before the local authority where a right-of-appeal lies to any Court or Tribunal against the final decision of the local authority in those proceedings.

CARRIED on the voices

Resolution nos WDC1305/10 to WDC1305/14 are contained in the public excluded section of these minutes.

Having resumed open meeting the following resolutions were released from the Public Excluded section of the meeting.

WDC1305/15 REPORTS (Continued)**WDC1305/15/1 S&F1305/12/3 - Whaanga Coast Wastewater Scheme**

It was resolved [WDC1305/12/1/2/3] during the public excluded section of the meeting that the following resolution be released into open meeting but the report remain confidential and unavailable to the public.

'Resolved: (Crs Baddeley/Morse)

THAT Council approves option 2; 'Council retains the current connection charges, allowing the remaining 45 properties to connect during the construction phase (as discussed during consultation) and absorbs the funding deficit through the general rate, via loan repayments of both principal and interest'.

Amended:
Refer WDC1306/10

The original motion was PUT and CARRIED on a show of hands 10 voting in FAVOUR and 3 voting AGAINST.'

Cr Hayman and Cr Smith requested their dissenting votes be recorded.

WDC1305/15/2 R&T1305/10/1 - Stopping and Sale of Unformed Road Adjoining 40 Norrie Avenue, Raglan

It was resolved [WDC1305/12/2/1] during the public excluded section of the meeting that the following resolution be released into open meeting but the report remain confidential and unavailable to the public.

'Resolved: (Crs Smith/Hayes)

THAT the resolution passed by Council on 22 March 2011, reference WDC1103/05/4/2, be rescinded;

AND THAT as the parts of the building and yards of the property at 40 Norrie Avenue, Raglan encroach onto the legal road and having regard for the special historical circumstances surrounding the encroachment of the building, the unformed portion of Norrie Avenue comprising 902m² as shown marked "C" on Survey Office Plan 56895, be stopped pursuant to Sections 116 and 117 of the Public Works Act 1981, and, once stopped, be transferred to the landowners of 40 Norrie Avenue and amalgamated with Certificate of Title SA412/150 at a consideration of \$90,000.00 inclusive of GST;

AND FURTHER THAT this resolution be moved into open meeting with the report to remain confidential and unavailable to the public. [R&T1305/12/1 and WDC1305/12/2/1 refers].

CARRIED on the voices'

There being no further business the meeting was declared closed at 3.19pm.

Confirmed at a meeting of the Waikato District Council held on Tuesday 25 June 2013.

AM Sanson

CHAIRPERSON

Minutes2013/CCL/130528,_CCL_M.doc

To	Policy and Regulatory Committee
Report title	Exclusion of the Public

1. Staff recommendations
Tuutohu-aa-kaimahi

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
PEX 1 2.1 Enabling Housing Supply Act: Appointment of Independent Hearing Panel Chair	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item PEX 1 Enabling Housing Supply Act: Appointment of Independent Hearing Panel Chair	7(2)(a)	To protect a person's privacy.

2. Attachments Ngaa taapirihanga

There are no attachments for this report.

Date:	14 March 2022
Report Author:	Grace Shaw, Democracy Advisor
Authorised by:	Gavin Ion Chief Executive