

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

**Date:** Thursday 31 July 2025  
**Time:** 9.30am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street, Richmond  
**Zoom conference link:** <https://us02web.zoom.us/j/88149754774?>  
Meeting ID: 881 4975 4774  
Meeting Passcode: 840611

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## **Tasman District Council**

### **Kaunihera Katoa**

# **AGENDA**

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#### **MEMBERSHIP**

<b>Mayor</b>	Mayor T King	
<b>Deputy Mayor</b>	Deputy Mayor S Bryant	
<b>Councillors</b>	Councillor C Butler	Councillor M Kininmonth
	Councillor G Daikee	Councillor C Mackenzie
	Councillor B Dowler	Councillor K Maling
	Councillor J Ellis	Councillor B Maru
	Councillor M Greening	Councillor D Shallcrass
	Councillor C Hill	Councillor T Walker

(Quorum 7 members)

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## AGENDA

- 1 OPENING, WELCOME, KARAKIA
- 2 APOLOGIES AND LEAVE OF ABSENCE

### Recommendation

That the apologies be accepted.

- 3 PUBLIC FORUM  
Nil
- 4 DECLARATIONS OF INTEREST
- 5 LATE ITEMS
- 6 CONFIRMATION OF [MINUTES](#)

That the minutes of the Tasman District Council meeting held on Wednesday, 11 June 2025, be confirmed as a true and correct record of the meeting.

That the minutes of the Tasman District Council meeting held on Thursday, 19 June 2025, be confirmed as a true and correct record of the meeting.

That the minutes of the Tasman District Council meeting held on Wednesday, 25 June 2025, be confirmed as a true and correct record of the meeting.

That the confidential minutes of the Tasman District Council meeting held on Thursday, 19 June 2025, be confirmed as a true and correct record of the meeting.

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**9 CLOSING KARAKIA**



## 7 REPORTS

### 7.1 CIVIL DEFENCE EMERGENCY - JUNE/JULY 2025

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Robyn Scherer, Executive Assistant and Advisor to the Mayor
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-1

#### 1. Presentation / Whakatakotoranga

Transportation Manager, Jamie McPherson and Principal Hydrologist, Martin Doyle will make two separate presentations to the Council relating to the civil defence emergency, June/July 2025.

#### 2. Attachments / Tuhinga tāpiri

Nil

**7.2 LOCAL GOVERNMENT RATEPAYER ASSISTANCE SCHEME PROPOSAL****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Mike Drummond, Chief Financial Officer
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-2

**1. Purpose of the Report / Te Take mō te Pūrongo**

- 1.1 To determine the Council's investment (if any) to complete the proposal for a Local Government Ratepayer Assistance Scheme (RAS).

**2. Summary / Te Tuhinga Whakarāpoto**

- 2.1 Local Government New Zealand (LGNZ), along with a group of metro councils, the New Zealand Local Government Funding Agency Limited (LGFA), Rewiring Aotearoa (RA) and Cameron Partners have been working on a financing scheme; the Ratepayer Assistance Scheme (RAS). Council involvement in the scheme is voluntary.
- 2.2 The scheme promoters have prepared a presentation on the proposed scheme (**Attachment 1**). There are still scheme details to be finalised and further work and funding (\$2.5 million) for this is required.
- 2.3 The scheme was originally envisaged as a rates postponement scheme to allow ratepayers to defer the payments of rates and for the deferred rates and interest to come out of a future sale of the property. This approach is like equity release through a Reverse Mortgage or a Home Reversion Scheme.
- 2.4 The original proposal has expanded to now include funding for Development Contributions and Property Improvement Loans. This change aims to achieve the critical mass needed for financial viability by incorporating deferred contributions and levies into the scheme.
- 2.5 To undertake final development requires additional funding commitment from the sector of \$2.5 million. The Council has been invited to subscribe to this additional funding for an equity stake in the proposed RAS Council Control Organisation (CCO) should it proceed. We understand that the group proposing the scheme has already received sufficient funding commitments to proceed with final development the proposal.
- 2.6 The LGFA has made no assumptions regarding the impact to their recent Statement of Intent (SOI) forecasts from the proposed Ratepayer Assistance Scheme ("RAS"). LGFA has committed (subject to shareholder approval) to contributing towards the establishment and ongoing management of the RAS. This Council, as a LGFA shareholder, will at a future date need to decide to support or otherwise the LGFA's involvement.
- 2.7 Staff have concerns over the increased extent of the proposal, the LGFA taking an equity stake in the RAS vehicle, the potential shifting of developer costs onto new landowners and

the expectation of the Council being involved in funding property improvement loans. This report includes some commentary on these concerns, but that is not the focus of this report - that is a decision to fund further development of the proposal.

### 3. Recommendation/s / Ngā Tūtohunga

**That the Tasman District Council**

1. **receives the Local Government Ratepayer Assistance Scheme Proposal report, RCN25-07-1; and**
2. **notes the proposal prepared by Local Government New Zealand, Local Government Funding Agency, Rewiring Aotearoa and Cameron Partners, Attachment 1 to the agenda report; and**
3. **notes the decision to support the final Local Government Ratepayer Assistance Scheme is a matter for a future Council decision; and**
4. **declines the opportunity to invest in the proposed Local Government Ratepayer Assistance Scheme at this time; and**
5. **declines at this time to participate in the proposed Local Government Ratepayer Assistance Scheme; and**
6. **requests staff advise the Local Government Funding Agency, the Local Government Funding Agency Shareholders' Council and Local Government New Zealand of these decisions.**

### 4. Background / Horopaki

- 4.1 LGNZ, along with a group of metro councils, the LGFA, RA and Cameron Partners have been working on a financing scheme; the RAS.
- 4.2 Due to the LGFA involvement the proposal has been discussed by the LGFA Shareholders Council. There were a range of views over the scheme and the involvement of the LGFA in providing funding including taking an equity stake in the proposed CCO.
- 4.3 This attached presentation (**Attachment 1**) sets out details of the proposed RAS and seeks support from councils. **The RAS is intended to supply three funding services to councils:**
  - 4.3.1 Deferred Development Contributions/Development Levies
  - 4.3.2 Property Improvement Loans
  - 4.3.3 Rates Postponement

#### **Deferred Development Contributions/Development Levies**

- 4.4 Development Contributions are paid by developers typically in Tasman when the subdivision is consented. There is no evidence that, for this Council, the impost of Development Contributions is restricting housing growth. The proposal would allow developers to convert those Development Contributions into annual payments over c30 years. This approach would move the Development Contribution cost on to the subsequent landowners. Given section prices are driven primarily by availability and market forces, I would not expect that this scheme option would reduce section prices. It could more likely increase developers' profit margins.

- 4.5 This is really a consideration of whether providing financing for developers is a core function of the Council, given the other demands on our limited resources.

### Property Improvement Loans

- 4.6 In the past the Council has provided some loans via the Warmer Tasman Scheme. These have been phased out over the last 10 years. Councils have been warned over being involved in consumer financing with following all the consumer finance requirements. The repayments required individual targeted rates to be applied to individual properties. That was an administratively burdensome process.
- 4.7 In recent times, these types of property improvement loans are being provided by banks often at concessional rates. The more likely uptake would come from ratepayers without a mortgage meeting the additional costs would still need that normal lending criteria to be enforced.
- 4.8 Central government may also use the opportunity to place pressure on local government to provide funding to support government initiatives like increasing sola power uptake or improving the housing stock.
- 4.9 This is really a consideration of whether this a core function of the Council given the other demands on our limited resources.

### Rates Postponement

- 4.10 This Council does not have an existing Rates Postponement Scheme. Previous Rates Postponement Schemes I have been involved with were expensive to set up and run and had very limited uptake. Ratepayers were sensibly required to take independent financial advice before entering such schemes.
- 4.11 There are private sector alternatives to release equity from a property. These are relatively complex structures requiring legal and financial advice. These alternatives include:
- 4.11.1 The widely advertised **Reverse Mortgage Schemes** (offered by Heartland Bank and SBS Bank) These typically have interest rates around 2% higher than bank mortgage rates along with upfront legal and valuation fees.
  - 4.11.2 The more recent (2024) **Home Reversion Schemes**. Homeowners aged 70+ sell up to 35% of their home's equity over 10 years. In return, they receive regular income payments (~2.5% of home value per annum), no interest or debt accrual. This scheme also has upfront legal and valuation fees.
- 4.12 Management of a Council-endorsed scheme would need administration support and these costs would need to be recovered from the Rates Postponement Scheme participants. Given the alternatives provided by the private sector, the key advantage to ratepayers of the proposed RAS Rates Postponement Scheme would be lower interest costs, as funding would come from the LGFA.
- 4.13 What the RAS is and how it works:
- 4.13.1 The RAS would be operated by a Council Controlled Organisation.
  - 4.13.2 The Council would need to meet the RAS membership requirements including developing its IT interface, invoicing and collection systems, security requirements. This is likely to be costly given the current Council's legacy financial system.

- 4.13.3 The RAS would lend directly to ratepayers and the Council would collect the repayments. There would be administration costs for the Council.
- 4.13.4 The RAS debt would be off the Council balance sheet as no Council would hold more than 20% of the equity in the RAS.
- 4.13.5 Any charges from the RAS to ratepayers would need to be collected by the Council as part of the rates, although they will likely be described as a levy on the rates bill. That is similar to how growth funding under the Infrastructure Funding and Financing Act (IFF) is managed.
- 4.13.6 Councils can opt into RAS.

## **5. Analysis and Advice / Tātaritanga me ngā tohutohu**

- 5.1 The attached presentation is positioned as a promotional case for Council involvement in the proposed ratepayer assistance funding scheme. It is framed as a promotional overview and should be considered in that context when assessing the merits and potential risks of participation.
- 5.2 The background section of this report covers the wider aspects of the current proposal. This analysis and advice are focused on the immediate request for the Council to fund the continued development of the scheme that ultimately would convert to an equity stake in the RAS CCO.
- 5.3 The proposal assumes that LGFA shareholders will support its involvement in the RAS, including taking an equity share. This approach raises some concerns. The Council, as a shareholder in the LGFA and as a guarantor of LGFA debt, has an increased exposure. It is also being debated if it is appropriate for the LGFA to move from its core role in funding local government into this new activity.
- 5.4 The business case is set out in slide 15 of the **Attachment 1**. The key matter is that the business case relies on the proposed scheme achieving scale especially given the low 1% margin to cover its operating costs. A break-even point would be c \$700 million in RAS loans.
- 5.5 The scheme promoters require sufficient funding to move forward and finalise the proposal. None of this funding would be spent before the estimated cost has been covered. Our understanding is that sufficient funding has been committed for the final development of the scheme to proceed.
- 5.6 Given the Council's financial position and the demands being placed on the Council at this time, it is proposed that no investment into this scheme be made.

## **6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea**

- 6.1 There is no budgeted investment in the proposed RAS. To invest, the Council would need to borrow funds. With the recent weather-related events, the Council's finances and in particular the Council's borrowing limits will be under considerable pressure.
- 6.2 If the Council was to invest an amount in the order of \$50,000 to \$100,000 could be seen a reasonable commitment.
- 6.3 A return on that unbudgeted investment would be some years away.

## 7. Options / Kōwhiringa

7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	To invest in the completion of the RAS Proposal	Small potentially commercial opportunity. Would support this sector initiative.	Immediate requirement to borrow to fund the investment.  The scheme may not proceed meaning the investment would be lost.
2.	Not to invest in the completion of the RAS Proposal	No immediate financial commitment.  Will not impact a future Council accessing the RAS if it proceeds.	Lost potential investment opportunity.

**7.2 Option 2 Not to invest in the completion of the RAS Proposal is recommended.**

## 8. Legal / Ngā ture

8.1 There are no legislative requirements about this decision.

## 9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

9.1 There has been no iwi consultation on this decision.

## 10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

10.1 This decision is of low significance and no engagement has occurred.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	No	This decision is to invest in the current RAS proposal to progress it to the go/no-go stage.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	No	
3.	Is there a significant impact arising from duration of the effects from the decision?	No	
4.	Does the decision relate to a strategic asset? (refer Significance and	No	

	Issue	Level of Significance	Explanation of Assessment
	Engagement Policy for list of strategic assets)		
5.	Does the decision create a substantial change in the level of service provided by Council?	No	
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	No	

#### **11. Communication / Whakawhitiwhiti Kōrero**

11.1 No communication has occurred or is planned

#### **12. Risks / Ngā Tūraru**

12.1 There are no material risks in this decision. The RAS will progress to the go/no go decision point whether or not this Council provides funding for the remaining development work.

#### **13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi**

13.1 This matter requiring a decision in this report was considered by staff in accordance with the process set out in the Council's 'Climate Change Consideration Guide 2024'. There are no climate change considerations relevant to this decision.

#### **14. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru**

- 14.1 There are no policies relevant to this decision. There is no provision in the 2025-26 Annual Plan or the 2025-35 Long Term Plan for an investment or consideration of a Ratepayer Assistance Scheme.


#### **15. Conclusion / Kupu Whakatepe**

- 15.1 This report is primarily to provide information to elected members on the developing Ratepayer Assistance Scheme. It outlines an opportunity for the Council to support the proposed RAS by co-funding further development of the proposal. Given the Council's financial position and its priorities it is not recommended that the Council support the further development of the proposal.

#### **16. Next Steps and Timeline / Ngā Mahi Whai Ake**

- 16.1 The Council's decision will be communicated to LGNZ, the LGFA and the LGFA Shareholders' Council.

#### **17. Attachments / Tuhinga tāpiri**

1.   LGFA Ratepayers Assistance Scheme

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# RAS

**LOCAL GOVERNMENT**  
Ratepayer Assistance Scheme



# RATEPAYER ASSISTANCE SCHEME

THE OPPORTUNITY FOR LOCAL GOVERNMENT



## Executive summary and contents

RAS is a local government initiative that will significantly enhance LAs' funding and financing toolbox - providing flexibility to LAs as to how they charge and ratepayers in how they pay

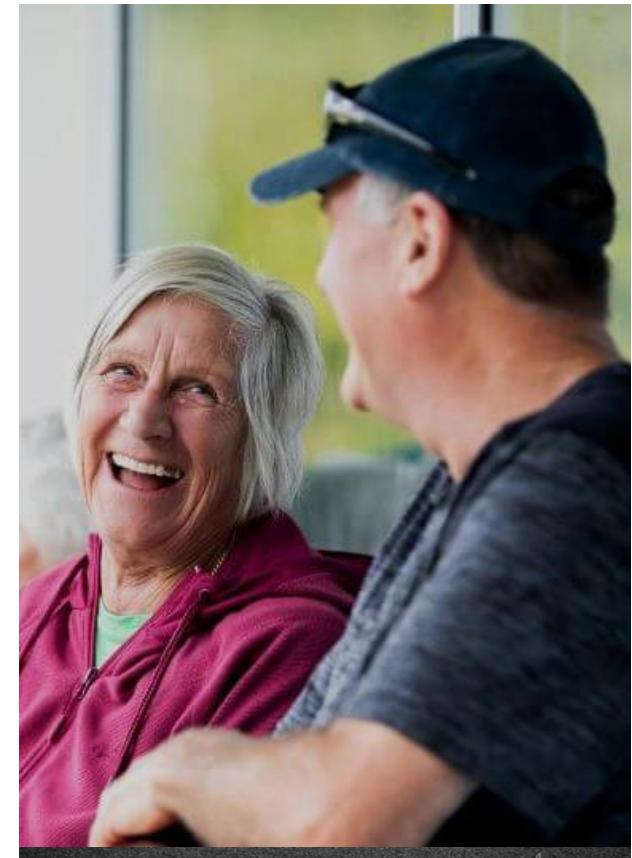
- The Ratepayer Assistance Scheme (RAS) supports local government funding and financing by:
  - Converting multi-year Local Authority (LA) charges to ratepayers into efficient upfront payments to LAs
  - Effectively lending to ratepayers at very low cost
- The RAS would be owned by LAs, off-balance sheet and can be used to finance Development Contributions / Levies, Property Improvement Loans and Rates Postponement
- The Minister for Local Government has confirmed that he is supportive of the RAS and has recommended that local government undertakes further, final development work
- To undertake final development requires additional funding commitment from the sector of \$2.5 million (without this the RAS will not proceed) and there is the opportunity for councils to be part of the group of funding councils
- This document sets out details of the RAS opportunity and support sought from councils as follows
  1. **The RAS Opportunity**
    - The services RAS provides:
      2. **Deferred Development Contributions / Development Levies**
      3. **Property Improvement Loans**
      4. **Rates Postponement**
  5. **What the RAS is and how it works**
  6. **Business case analysis**
  7. **The development process to date and the next steps through to a final stop / go decision**
  8. **What is required from the local government sector and the opportunity for councils**
  9. **What to do next if you are interested**



# 1. The RAS Opportunity

The RAS has been developed by LGNZ, LGFA, a group of metro councils and Cameron Partners to support councils and ratepayers to address a range of economic and social issues

- The economic and social disruption from the cost-of-living crisis, an ageing population plus the investment requirements to meet infrastructure, health & safety and environmental resilience is affecting all New Zealanders
- The local government sector is responding with policies to address these issues, but it needs additional tools to ensure these policies can be financed, administered efficiently and are effective
- Local Government New Zealand (LGNZ), along with a group of Metro councils, the New Zealand Local Government Funding Agency (LGFA), Rewiring Aotearoa (RA) and Cameron Partners have been working on an innovative financing scheme, the RAS
- The purpose of the RAS is to facilitate and enhance the effectiveness of a range of existing and prospective government and local government policies by:
  - Addressing ratepayer affordability concerns
  - Incentivising ratepayers to take advantage of, and comply with policies through providing ratepayers with flexibility to decide when to pay local government charges and/or very competitive finance terms
- The RAS is very flexible with multiple applications possible – to date the focus has been on three applications:
  1. **Deferred Development Contributions (DCs) / Development Levies (DLs)** which enables developers to convert upfront DC / DL payments into annual payments over ~30 years while ensuring local authorities still receive full payment upfront
  2. **Property Improvement Loans (PILs)** to encourage investment in properties that has both private and public benefits, for example installation of solar panels and home insulation / heating
  3. **Rates Postponement (RP)** providing relief to ratepayers by using equity in their homes to defer payment of general rates (and could in-principle include all LA charges) until their house is sold



# 1. The RAS Opportunity

Central government has confirmed it is supportive and recommended further development – this requires local government to confirm its support and funding

- In many respects, the RAS is similar to the LGFA – it:
  - Utilises the strength of local government rates charge to provide security
  - Achieves scale by aggregating requirements across the sector in order to access very efficient and flexible financing from the capital markets
  - Is then able to pass on these financing efficiencies to ratepayers
- An important distinction between the RAS and LGFA is that the RAS will lend directly to individual ratepayers whereas the LGFA lends to local authorities
- The RAS would be a new entity owned by LAs, providing a national shared service available to all LAs – it would:
  - Undertake all administrative functions in regard to the services it provides (in many cases removing this from councils)
  - Importantly, be off-balance sheet for LAs so that there is no impact on council financing capacity
- The Minister for Local Government has confirmed that he is supportive of the RAS, has instructed his officials to commence policy work on the RAS in August 2025 and has recommended that local government undertakes further detailed development work to enable a final stop / go decision in late 2025
- To move forward, the local government sector needs to confirm its support for the RAS and sufficient funding commitment to fund final development
- The opportunity is for councils to be part of the funding group that supports final development of the RAS and ultimately establishment of the RAS – without further funding support the RAS will not proceed



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## 2. Deferred DCs / DLs

Deferred DCs / DLs will spread the cost over say, 30 years, supporting development. It will be easier for LAs to charge the full allowable cost and receive payment upfront







- LAs charge ratepayers / developers DCs for new developments to contribute to the costs of supporting infrastructure
  - DC costs are significant (one-off charges are on average ~\$20k to \$30k per property but can be \$60k+)
  - 2026 annual plans forecast over \$700 million revenue to be raised from DCs nationally
- The proposed Development Levy System (DLS) is expected to expand the scope of DLs to enable LAs to fully recover development growth costs and raise more revenue to fund growth infrastructure
- **BUT** the DLS combined with supply chain issues and inflation pressures means developers will need to pay more – the affordability of these increased charges and risk to the very developments that the charges are intended to support are critical considerations
- The RAS will be able to effectively convert upfront DCs / DLs into series of annual payments over say 30 years
- Under a Deferred DC / DL scheme, LAs would continue to do what they do now and invoice DCs / DLs at appropriate milestones (e.g. issue of 224c certificate or Code of Compliance) but developers would have the option to either:
  - Pay DCs / DLs in full; or
  - Choose to defer DCs / DLs through the RAS
- In the case of deferred DCs / DLs, the RAS would pay the upfront DC / DL to the LA and the current and future owners of the properties, would repay these upfront DCs / DLs (+ interest) as annual RAS levies:
  - Importantly, future owners would expect to pay less for properties with deferred DCs / DLs to reflect the RAS levies that will be charged in future on an annual basis
  - In any event, the purchaser of a property will have the option to require the outstanding RAS levies to be repaid by the seller of the property prior to them taking ownership (although new purchasers may decide that they prefer to pay less upfront for the property and take advantage of the attractive financing rates applied by the RAS)



## 2. Deferred DCs / DLs

The new DLS will facilitate increased LA charges to property developers to more fully fund the costs of growth-related infrastructure



<ul style="list-style-type: none"><li>• DCs are a substantial revenue source for LAs (~\$700 million nationally) and this is expected to increase considerably under the DLS</li><li>• The increased costs will drive demand for alternative payment arrangements such as deferred DCs / DLs, underpinning the ability for RAS to achieve a breakeven financial position in a reasonable timeframe</li><li>• Auckland Council estimates 50% of its DC revenue is from small developments (under four houses), including a significant number of ‘mum and dad’ developers undertaking developments such as subdividing their existing property</li></ul>	<div><div>Average DC</div><div></div><div>\$20k – 30k</div></div>	<div><div>Some DCs are much larger</div><div></div><div>\$60k+</div></div>	<div><div>Under the DLS charges are expected to be larger individually and in aggregate</div></div>	
<ul style="list-style-type: none"><li>• Some developers highlight DCs as a factor that impedes development and encourages land banking and in response, some LAs end up discounting DCs</li><li>• A range of private and public sector options are available for property developers and LAs - these options typically do not support:<ul style="list-style-type: none"><li>▪ Development; and/or</li><li>▪ LAs recovering the full allowable DC charge</li></ul></li></ul>	<div><div>Don't develop</div><div></div><div>DCs / DLs can inhibit development</div></div>	<div><div>Development Finance</div><div></div><div>Development loans are expensive</div></div>	<div><div>Fully charge DCs / DLs</div><div></div><div>Affordability, risk to development</div></div>	<div><div>LA Deferred DCs / DLs</div><div></div><div>Admin and impact on LA debt capacity</div></div>



Stan and Jess, with their children Rebecca and Josh, have a home with a large backyard in Auckland

Stan and Jess are considering building an additional house on their section to initially provide accommodation for Jess' parents and then, in time their children. At some point they are likely to sell the property to help fund their own retirement. The DC that would be triggered by their development is a barrier to them developing the property

Stan and Jess would opt in to use the RAS's Deferred DC / DL product:

- The Deferred DC / DL removes any potential disincentive of the material upfront DC / DL cost to undertake the development
- The RAS would convert the DC into an annual levy payment secured against the property
- The LA would receive the full DC / DL payment upfront
- Stan and Jess would pay their 'share' of the DC / DL while they own the property (and other owners in due course)

LAs wish to encourage development but must provide the necessary infrastructure to support this

Some LAs continually face strong developer opposition to paying DCs

We understand that some developers point to LA DCs as an impediment to development

A Deferred DC / DL offering would be a very attractive option for developers:

- Providing flexible payment terms
- Spreading the costs of the infrastructure over a 30-year term
- Providing LAs with a constructive response to developers' DC / DL cost concerns
- Providing the full DC / DL payment to the LA upfront

### 3. Property Improvement Loans

LAs can currently adopt policies to provide financing to ratepayers that can be repaid via voluntary targeted rates – these arrangements can be financed and administered by RAS

- Current legislation enables LAs to adopt policies to provide financing to ratepayers that can be repaid over a fixed period via a voluntary targeted rate secured against a rateable property
- These policies typically relate to supporting and incentivising ratepayers to invest in their properties to achieve desirable private and public benefits. For example, various councils provide retrofit home insulation loans to ratepayers with loans repaid on a table mortgage basis
- Current PILs usage across most LAs (and therefore private and public benefits) is relatively low:
  - Similar to RP, LAs have been reluctant to offer and promote PILs as they must be financed out of LAs' existing financing capacity
  - In some cases, the interest cost charged to ratepayers has not been sufficiently attractive relative to ratepayers' financing alternatives
  - LAs have encountered operational and regulatory challenges
- RAS could provide PILs for individual and community projects (e.g. home insulation, heat pumps, double glazing windows, earthquake strengthening, solar panels, water tanks, septic tanks, EV chargers, stock exclusion fencing, sea walls) that:
  - Facilitate the growth of safer, healthier, more resilient and environmentally sustainable homes and communities
  - Are voluntary / 'opt-in' for ratepayers
  - Provide ratepayers with competitive financing options (~1% – 1.5% below standard mortgage rates)
  - May reduce or delay LAs' required investment in infrastructure (e.g. private water tanks could reduce the need for additional LA water storage capacity)
  - Are 'off-balance sheet' for LAs, removing the financing impediment for LAs





### 3. Property Improvement Loans

PILs support uptake of individual and community property improvements with significant public benefits, furthering LA and government's policy goals



- Private property improvements can have significant private and public benefits (e.g. safer, healthier and more environmentally friendly communities)
- Current legislation enables LAs to offer PILs (repaid via voluntary targeted rates) to further policy objectives, but use by LAs is not widespread – largely due to operational, cost and compliance issues
- Achievement of certain policy objectives / public benefits are limited by the one-off costs that property owners need to pay for the improvements

- A range of private and public sector options are available for property owners and LAs / government
- LAs / government can directly subsidise private property improvements, but these have limited efficiency
- Recent examples of LA provided PILs highlight the administrative and financing challenges

#### Don't improve



Reduced social benefits and policy objectives achieved

#### Bank loan



Expense and availability?

#### Govt subsidies



Public sector vs private sector costs

#### LA schemes



Admin burden and uses LA financing capacity



Josh, Sophie and baby live in City "X" in an old villa purchased five years ago. They are required under council regulations to either reinforce or remove the two existing chimneys in their home

Josh and Sophie currently heat their home with open fires but have decided it will be best long-term to remove the fireplaces. However, each fireplace costs \$8k to remove and they will need to invest in a heat pump costing \$2k

Council "X" decides to offer RAS PILs for chimney removal and insulation / heating

Josh and Sophie opt to use the chimney removal and heating PILs:

- Accessing cheaper finance than the current alternatives
- Improving the safety and healthiness of their home
- Council "X" moves closer to achieving its seismic resilience targets



June is looking to buy a new car and is interested in an EV to reduce her emissions and save fuel costs. She is also nervous about power outages

June can just afford the slightly higher purchase price of an EV. However, she is currently unable to also afford the cost of a home Vehicle to Grid (V2G) charger

June opts to use the RAS PILs product as this:

- Improves the affordability of purchasing an EV
- Is cheaper finance than available alternatives
- Reduces her emissions while increasing her energy resilience
- Unlocks savings in fuel costs and maintenance
- Enables her to charge her EV when prices are low, use the car as a battery when prices are high and even sell a few kwh a day to reduce her power bill

Just 30% of households with vehicles plugged in and exporting is the equivalent power output capacity of every power plant in NZ combined. More than enough to deal with higher daily peaks as our economy electrifies and avoid some costly system upgrades

### 3. Property Improvement Loans

PILs are very flexible and can deliver significant cost of living and quality of life benefits for ratepayers – it is up to central government and local government to decide what PILs could be applied to



- In indicating support for further development of the RAS, the Minister has asked that particular consideration for how PILs could be used to support the uptake of renewable, lower-cost energy
- While originally envisioned for residential properties, there is no reason government and councils could not extend PILs to other rateable properties – e.g. financing install of medium-sized solar and water-way fencing on farms
- In principle, RAS PILs could also be used to avoid LA capital expenditure



*Ngaio and Rick have just had a big shock as their electricity daily charge and unit prices increased by 20% from 1 April. They have looked into solar and want to install a 9kw solar system to reduce their power bills and not fear the seemingly inevitable increases coming next April. But the \$18k upfront cost is a big ask for the household with three young kids. They elect to take out a PIL through the RAS as it is cheaper and easier to access than other options available to them. Once installed, they are able to save ~75% of their power bills.*

*After they've fully paid off the solar system through the RAS over the 30 year warranty period of the solar panels, they have saved over \$40k*

*Their decision to install solar has also:*

- Encouraged them to swap out their gas heating for electric
- Improved the energy resilience of their community
- Helped NZ keep more water in the hydro lakes in dry years, due to the 11% "sunlight premium" of solar in dry years
- Increased NZ's electricity generation (if 80% of homes had a 9kw system, it would be about 40% more electricity generation)
- Supported the wider electrification of the NZ economy



*The ten property owners at beach "X" are concerned about erosion and the impact of climate change which potentially puts their properties at risk in an extreme weather event*

*They have collectively engaged engineering advisors and a construction company to scope a seawall to protect their properties and they have received a firm quote of \$180k*

*All of the property owners are willing to contribute to the seawall but some are retired and do not have access to financing and do not wish to use their small savings which they use for living expenses*

*Seven of the ten property owners at "X" beach opt to use a RAS PIL to finance their contribution to the seawall at cheaper finance than current alternatives (the other three owners pay direct)*

*Of the seven who use the PIL:*

- Three repay the PIL over ten years via annual RAS levies
- Four choose to postpone payment of the voluntary targeted rate using RP

*The seawall is built and the following year, Cyclone Ada causes widespread damage but Beach "X" is unscathed because of the protection provided by the seawall*



*Council "Y" is aware it has a large number of ratepayers that have septic tanks that are deteriorating and starting to cause environmental issues (leaching into streams and the harbour)*

*The geography makes it difficult to provide reticulated wastewater services to most of the properties and in any event Council "Y" has insufficient financial capacity to undertake the necessary investment for a new wastewater network*

*Instead, Council "Y" is imposing new septic tank regulations and commencing an inspections process. It anticipates virtually all septic tanks (installed over 50 years ago) will require replacement at an average cost of \$20k*

*Council "Y" intends to offer a RAS PIL to ratepayers who are required to replace their tanks with a payment term of 20 years:*

- Many affected property owners comply with the new council regulation and choose to take advantage of Council "Y"'s septic tank PIL
- Property owners who take up the PIL are able to repay the loan over a 20-year period at \$1,000 p.a. + interest (PIL interest rate is lower than alternative options)
- The council achieves its environmental policy objectives
- The council avoids a significant investment in a reticulated wastewater network that it can ill afford

## 4. Rates Postponement

RP allows qualifying ratepayers to defer rates and pay on sale of their property – in principle all LA charges could be deferred in the same way

- RP provides flexibility to ratepayers (like a reverse equity mortgage) to decide to pay LA charges at some time in the future, partially mitigating:
  - Affordability issues – the impost on property owners will only increase as New Zealand seeks to address underinvestment in infrastructure
  - Demographic changes – e.g. an aging population and a growing cohort of fixed income / elderly home owners
  - General cost of living challenges
- Many LAs already provide RP schemes although these have limited uptake, due to:
  - Demand side factors - e.g. limited awareness; challenging application processes
  - Supply side factors - e.g. restrictive and varying eligibility criteria; LAs' reluctance to promote RP due to the impact on their short-term cashflows and financing capacity
- RAS RP is an opportunity for a standardised, highly efficient national RP scheme that provides RP benefits to a larger proportion of NZ ratepayers at very competitive financing rates (~1% – 1.5% below standard mortgage rates; ~4% to 5% below reverse mortgage rates)
- Eligible ratepayers will have the opportunity to defer general rates payments and the RAS could also offer ratepayers the option to postpone other RAS or LA related levies such as Deferred DCs / DLs and PILs
- British Columbia, Canada (population ~5 million) has a property tax regime similar to New Zealand's rating system:
  - It has had a property tax deferral scheme in place for many years providing a strong precedent and insights
  - In 2024 the British Columbia Property Tax Deferral Scheme had 83,000+ users, ~\$2.7 billion in loans (it has quadrupled in size from ~\$670 million in 2016) and includes ~3.9% of British Columbia households









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## 4. Rates Postponement

A nationwide RP scheme would be a highly efficient solution that assists older home owners avoid financial hardship by offering them the ability to postpone their rates



<ul style="list-style-type: none"><li>• Living costs in NZ during retirement can be significant</li><li>• Superannuation payments are unlikely to cover all living costs for many low-income ratepayers</li><li>• Without savings or other sources of income, retirees can experience financial hardship</li><li>• LA rates are a significant expense and are expected to increase above inflation for the foreseeable future</li></ul>	<div><b>'No frills retirement for a couple'</b> \$54k p.a. in the regions \$47k p.a. in main centres</div>	<div><b>'Choices retirement for a couple'</b> \$63k p.a. in the regions \$91k p.a. in main centres</div>
	NZ Super payments \$42k p.a. (post tax) for a couple where both qualify And \$27k p.a. (post tax) for an individual living alone	
	NZ average 2024 residential rates \$3,200 p.a. and rising steeply	

<ul style="list-style-type: none"><li>• A range of private and public sector options are available</li><li>• These are limited in their effectiveness and efficiency and not always available</li><li>• They do not always align with ratepayers' objectives – most ratepayers do not want to be forced to sell their home</li></ul>	<div><b>Reverse mortgage</b>  Reverse mortgages are very expensive</div>	<div><b>Sell home</b>  Downsize, move to a retirement village or more affordable region</div>	<div><b>Rates rebate</b>  Eligible ratepayers can receive up to ~\$790 p.a.</div>	<div><b>Existing LA RP</b>  Not widely marketed, inefficient and expensive</div>
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John and Jane (both 65) have retired, live in City "X" and expect to live to 90. They are fixed income / elderly homeowners and despite having \$1.4 million of assets (home \$1.2 million and KiwiSaver \$200k), they are struggling to make ends meet. They intend to utilise their savings to meet living costs and the occasional extravagance

They pay ~\$4,000 p.a. of LA rates (~8% of their post tax pension income) and are concerned about the forecast rates increases of up to 10% p.a. for the next three years

RP:

- Increases their annual cashflow by ~\$4,000 and insulates them from future rates increases – they eat out once a week at the local byo
- Enables them to stay in their home for the next 10 years

Ten years later, their home's value has increased to \$1.5 million. They sell it, repay the ~\$60k RP debt and realise \$1.44 million from the sale



Diane (70) has retired, lives alone in City "Y" and expects to live to 90. She owns a small unit worth \$600k and otherwise has no investments or savings. Her only income is NZ Super so she is forced to live very frugally and she struggles to afford to travel to Auckland to visit her grandchildren

She pays ~\$3,200 p.a. of LA rates (12% of her post tax pension income) and is very concerned about the forecast rates increase of ~10% p.a. for the next three years and whether that will impact her ability to see her family.

RP:

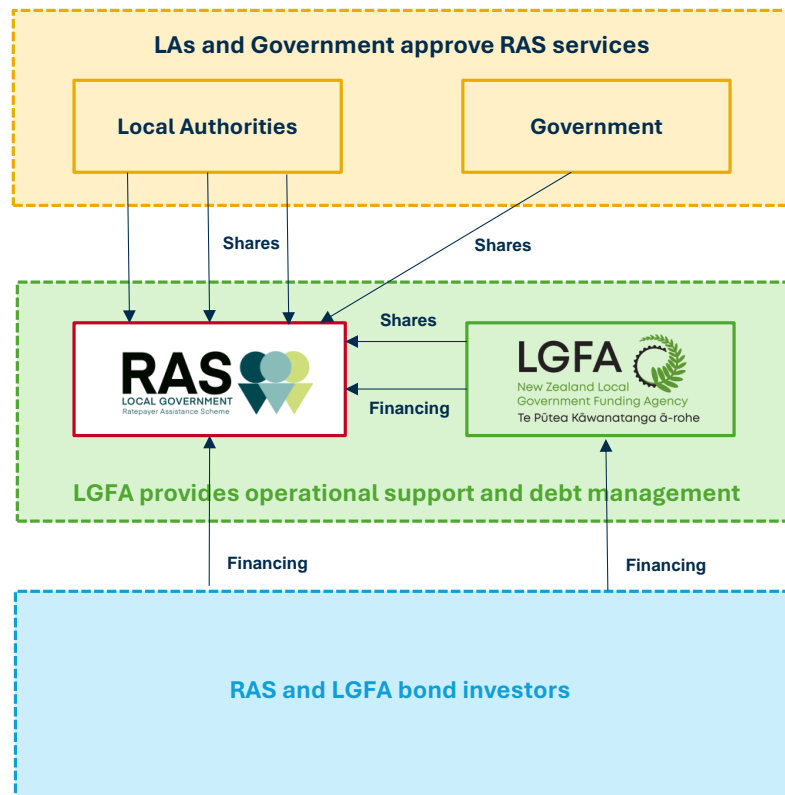
- Increases her annual cashflow by ~\$3,200, insulates her from future rates increases and enables her to visit her family three times a year
- Enables her stay in her unit for the remainder of her life

When she passes away at 90, her unit sells for \$900k and her \$150k RP debt is repaid



## 5. What it is and how it works

Structurally the RAS has many similarities to the LGFA – it will be owned by LAs, LGFA and government, providing services to LAs and their ratepayers

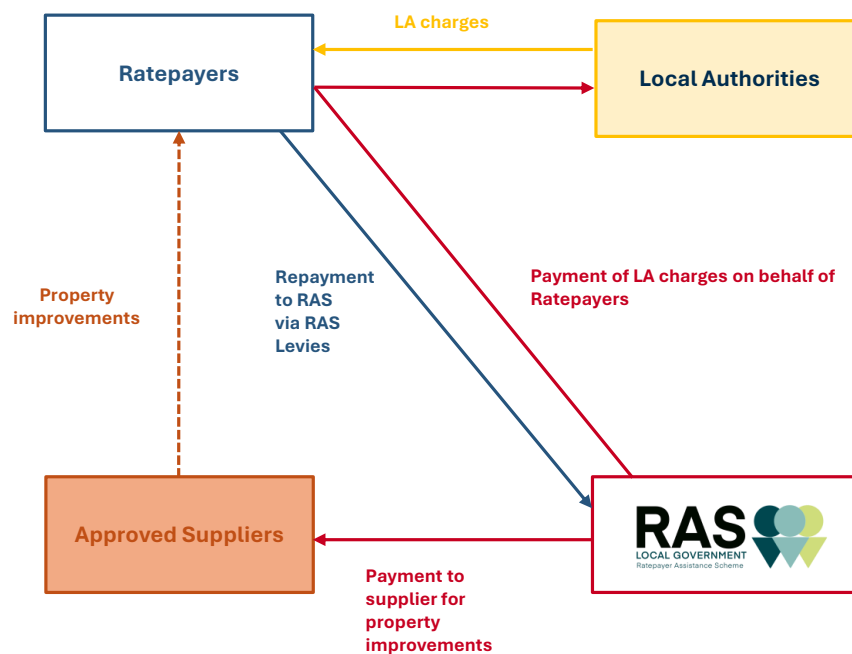


- The RAS would be a new entity (a CCO), owned by LAs, LGFA and central government
- The RAS would have no discretion to whom and for what it could lend money – all the services it provides would need to be approved by LAs and central government
- To ensure the RAS is off-balance sheet, the maximum individual stake is less than 20%
- All LAs will be able to use the services of the RAS (regardless of whether they are a shareholder or not), subject to meeting RAS's membership requirements – e.g. IT interface, invoicing, collections, security requirements
- LGFA has a critical role in regard to RAS – providing financial and operational support to the RAS (on a commercial contractual basis), using LGFAs existing capabilities, avoiding duplication and maximising efficiency
- The LGFA board has provided in principle approval (subject to LGFA shareholder approval) for the following
  1. **Ownership** up to the maximum allowable (~20% of RAS shares)
  2. **Debt facility** to enable RAS to “warehouse” its loans to ratepayers before issuing its own RAS bonds to the capital markets
  3. **Preference shares investment** (potentially \$100 million + over time) to ensure RAS maintains an appropriate equity ratio as its loan book grows
  4. **Shared services arrangements** across many corporate functions such as financial, HR and IT services
  5. **Management of the RAS bond programme** – using LGFAs existing skills, and networks (it is expected that there will be significant crossover between RAS and LGFA bond investors)



## 5. What it is and how it works

The RAS effectively does what LAs can and already do, but does it more efficiently and effectively, taking on the administrative burden and risk of providing the services while being off-balance sheet so that there is no impact on LAs' financing capacity

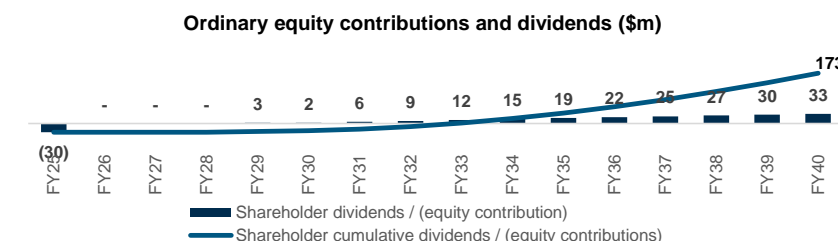
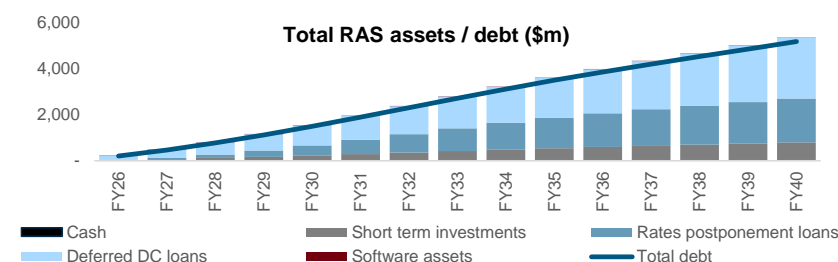


- The RAS structure is based on the LGFA structure
- Importantly, given the RAS is providing services on behalf of LAs, the RAS would have the power to impose a levy charge equivalent to a rate to ensure it gets repaid
- The RAS structure and its ability to impose a 'rate-like' levy would enable it to achieve a very high credit rating
- With this very high credit rating, the RAS would raise very low-cost, long-term financing from the capital markets and pass this on to ratepayers (ratepayer financing will be between ~1-1.5% lower than standard mortgage rates)
- LAs will opt-in as to whether they wish to allow their ratepayers to use the RAS's services
- Ratepayers will also opt-in to use the RAS's services
- The interface between LAs, RAS and ratepayers will be as seamless as possible – for example in the case of RP or deferred DCs / DLs:
  - Ratepayers would "apply" through their LA via a web-based portal on the LA's website
  - The application would go directly to RAS for processing
  - Once approved, payment of the rate charge or DC / DL is made to the LA by the RAS
  - At the appropriate time the RAS will levy the ratepayer to obtain repayment
  - The RAS levy will be separately itemised on the LA's rates invoice, collected by the LA and then distributed to RAS
- In the case of PILs the process would be the same except that RAS would make payment to the approved supplier of the property improvement

## 6. RAS financial business case

In addition to the provision of valuable services for LAs and ratepayers, business case analysis indicates that very strong commercial returns may be available to shareholders

- A comprehensive business case analysis has been undertaken on a “desktop” basis by Cameron Partners with input from LGFA and IT service providers (to assist with scoping and quantification of the core IT system which is critical to the effective and efficient operation of the RAS)
- Multiple scenarios have been developed and the base case scenario is considered conservative – it assumes:
  - Deferred DC / DLs uptake of 25% of new DCs from FY26
  - No PILs have been assumed in the current base case (this assumption will be revisited during final development)
  - RP uptake of 3.0% is achieved by FY34 with significant uptake occurring in years two to five. By FY31, ~52k households use RP
- The next stage of development will firm up these assumptions, including engagement with market providers including IT system service providers
- The economics of RAS rely on it achieving scale so that it can cover its operating costs:
  - The financial modelling assumption is that the RAS net margin is 1% (ie for every \$100 million of loans it will generate \$1 million to cover its operating costs)
  - Once RAS has achieved breakeven, surplus cashflow is available to distribute to shareholders
- The base case scenario indicates:
  - Equity of ~\$30 million is required to cover establishment costs and operating deficits until RAS achieves breakeven
  - Breakeven is achieved in year 4 (based on assumed annual operating costs ~\$7m)
  - Full “payback” of initial investment in year 8
  - An annual dividend yield of over 100% by year 15



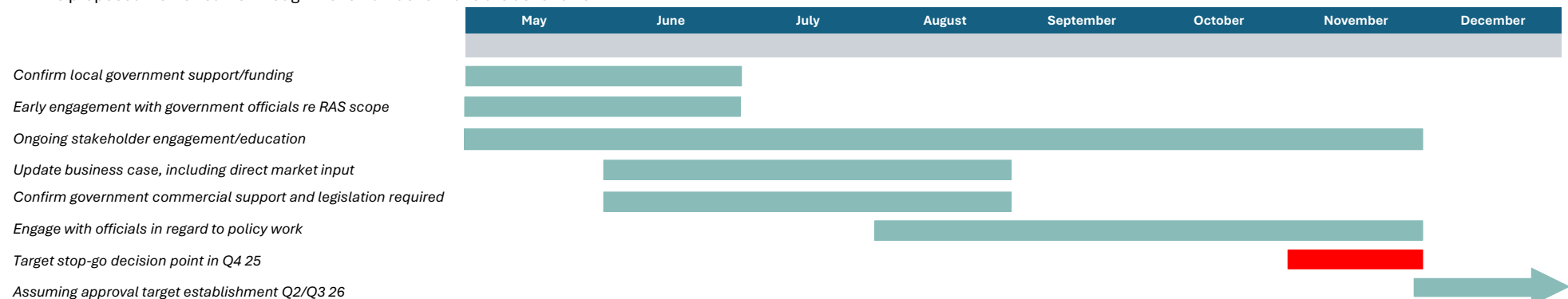


## 7. Development to date and next steps

Development of the RAS has occurred over a number of years, overseen and funded by a Steering Group – final detailed development is now required to facilitate a “stop-go” decision to proceed with RAS establishment



- The RAS Steering Group has comprised LGNZ, Auckland Council, Hamilton City Council, Tauranga City Council, Wellington City Council, Christchurch City Council, LGFA and RA
- The Steering Group has been supported by a suite of advisors who have each undertaken significant work to date, including:
  - Cameron Partners which has led development / business case analysis indicating that a break-even position could be reached in a short timeframe and commercial returns could be strong
  - Russell McVeagh which envisages the RAS being implemented through its own legislation (using similar principles and mechanics to the LGFA and IFFA)
  - PWC (accounting and tax) and S&P who have reviewed the RAS structure and raised no red flags regarding ‘off-balance sheet’ / ‘off-credit’ treatment for LAs
- Given the significant development already undertaken, with the requisite local government support it is anticipated that the RAS could be established within a 12-18 month timeframe
- In outlining his support, the Minister for Local Government has recommended that, to enable his officials to move quickly in August 2025, the Steering Group undertakes significant further development
- The proposed workstreams through the remainder of 2025 are as follows:





## 8. Support and funding commitment required

In order to undertake final development in conjunction with government officials, support and additional funding commitment from local government is required

- As outlined, RAS would be a national service available to all LAs and ratepayers, providing services that will enhance LA funding and financing options and delivery of a range of desirable policy outcomes for ratepayers. In addition, analysis indicates RAS could provide very strong commercial returns to its shareholders
- \$2.5 million (incl. 20% contingency) in “at risk” development funding is estimated through until a “stop/go” decision in Q4 25
- Assuming a “go” decision – it is estimated ~\$30 million in total equity will be required (including the \$2.5m in development funding), covering commercial, legal, accounting, tax, IT and recruitment advice during the development and establishment phase (~\$10m) + the IT system and allowance to cover operating deficits while RAS reaches scale and financial breakeven (~\$20m). This equity requirement will be confirmed during final development
- All development funding will qualify as equity and is included in the estimated total equity requirement
- The opportunity for councils is to be part of the group of funding councils:
  - Sufficient funding is required to move forward, without it the RAS will not proceed, but no funding will be spent until commitments from councils are received for the total estimated funding costs
  - A number of councils are intending to put the RAS proposal to their elected members in May / June 2025 seeking a decision regarding support and funding commitment – Auckland Council has already confirmed its support to provide \$600k of the required development funding
  - It is intended that funding councils will make meaningful funding contributions and provide an in-principle indication of their willingness to use RAS and subscribe for equity at its establishment
- To encourage early participation and to minimise free-riding, governance arrangements have been proposed outlining decision rights for the funding councils – the “RAS Governance Group” (see Appendix). The RAS Governance Group may receive advantageous subscription terms based on the timing of funding provided – e.g.:
  - All funds provided by members of the RAS Governance Group during the development and establishment stages will be recognised in their RAS shareholding when the entity is established (including any funding already provided to enable the RAS development to date)
  - An incentive arrangement may be applied for the funding provided at earlier stages of the process – e.g. 2 shares for every \$1 early funding provided



## 9. What to do next if you are interested

Timing is critical, local government funding needs to be confirmed by the end of June in order to undertake the development work to be ready to engage with officials in August – without funding, the RAS will not proceed

- If you are interested in understanding more about the RAS and deciding whether your council wishes to support RAS and potentially provide funding, please contact:

**Hugo Ellis**  
Partner  
Cameron Partners  
[hugo.ellis@cam.co.nz](mailto:hugo.ellis@cam.co.nz)  
021 608 346

**Scott Necklen**  
Deputy CE  
LGNZ  
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029 924 1210

**Mark Butcher**  
Chief Executive  
LGFA  
[mark.butcher@lgfa.co.nz](mailto:mark.butcher@lgfa.co.nz)  
021 223 6573

- The RAS team is available to work with you as required, including presenting to elected members and executives
- In addition, significant development work has already been completed, and extensive analysis and materials are available including the original comprehensive business case completed in late 2022 (which will be updated during the next stage) and a generic council paper outlining the RAS opportunity

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## Appendix – Proposed governance during development



1. Members of the RAS Governance Group will comprise:
  - Local Government New Zealand (LGNZ)
  - Local Government Funding Agency (LGFA)
  - Rewiring Aotearoa (RA)
  - Local Authorities (LAs) who are funding the development of the RAS
2. It is possible that the Governance Group may expand overtime - eg:
  - Additional LAs may wish to join as funding LAs (the LGFA establishment process commenced with five funding LAs and at establishment this had increased to 18 LAs + central government)
  - Central government provides funding
  - Potentially other stakeholders may provide funding
3. It is expected that LGFA and LA members of the RAS Governance Group will form some or all of the shareholders of the RAS at its establishment (central government and other LAs that are not members of the RAS Governance Group may also be invited to be shareholders)
4. To encourage early participation in the RAS Governance Group and to minimise free-riding, members of the RAS Governance Group may receive advantageous subscription terms based on the timing of funding provided. For example:
  - All funds provided by members of the RAS Governance Group during the development and establishment stages will be recognised in their RAS shareholding when the entity is established (including any funding already provided to enable the RAS development to date)
  - An incentive arrangement may be applied for the funding provided at earlier stages of the process
5. A subset of the RAS Governance Group will be known as the Steering Group
6. The rationale for the Steering Group is to ensure a small group of Governance Group members are able to make day-to-day decisions required to ensure the process can advance in an efficient manner
7. The Governance Group will:
  - Work together to make strategic decisions relating to the development, establishment and ongoing operations of the RAS and the policies and policy criteria that the RAS will support (for example the economic and decision rights attached to RAS shareholdings and the qualifying criteria for various RAS products such as rates postponement)
  - Collectively make stop-go decisions (although individual members may also decide not to proceed)
  - Delegate authority to the Steering Group to make day-to-day decisions including committing to costs to be borne by the RAS Governance Group within a pre-agreed budget
  - Make decisions by way of a simple majority
8. The Steering Group will comprise a smaller group of personnel appointed by the Governance Group and will:
  - Have responsibility for day-to-day oversight of the development and establishment process
  - Meet on a regular basis (e.g. weekly) and as required with Cameron Partners (the Lead Advisor) and other advisors to make day-to-day decisions
  - Update the Governance Group and other stakeholders, such as central government (e.g. the minister and / or officials) on a regular basis (e.g. every 4 to 6 weeks) and more often as appropriate
  - Seek decisions on strategic matters from the Governance Group
  - In the first instance, represent the RAS Governance Group in its engagement with other parties
  - Comprise representatives from no more than two LAs, LGNZ, LGFA and RA
9. At this stage, in order to progress the establishment of the RAS Governance Group a Steering Group has been formed comprising LGNZ, LGFA and RA

# RAS

**LOCAL GOVERNMENT**  
Ratepayer Assistance Scheme



**7.9 AMENDMENTS TO THE DELEGATIONS REGISTER****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Deidre Hemera, Assurance and Improvement Manager
<b>Report Authorisers:</b>	Steve Manners, Chief Operating Officer
<b>Report Number:</b>	RCN25-07-3

**1. Purpose of the Report / Te Take mō te Pūrongo**

- 1.1 To seek delegations in the Tasman District Council Delegations Register for the Chief Executive Officer.

**2. Summary / Te Tuhinga Whakarāpoto**

- 2.1 The report requests approval to increase the financial delegation of the Chief Executive Officer from \$1 million to \$10 million. The proposed changes are appended in **Attachment 1** with tracked changes.
- 2.2 The Government Procurement Rule 8 requires the consideration of the total value over the whole of life of each contract. The implementation of Rule 8 will increase the value of procurements for approval to more than the current financial delegation of the Chief Executive Officer. The financial delegation of the Chief Executive Officer was last amended in 2012.
- 2.3 Legislation requires that only the Council can delegate its powers and functions, and this applies to the financial delegation of the Chief Executive Officer. Any changes, or additions to delegations, under this statute must be made by the Council.
- 2.4 The financial authority delegation this report seeks of the Council to increase is already delegated to the Chief Executive Officer. The report does not seek to amend any of the other existing financial authority delegations to staff.
- 2.5 The Delegations Register will be updated with any changes approved by the Council.

**3. Recommendation/s / Ngā Tūtohunga****That the Tasman District Council**

- receives the Amendments to the Delegations Register report RCN25-07-3; and**
- approves the proposed increase to the financial delegation of the Chief Executive Officer, Attachment 1 to the agenda report, being an extract from the Council's Delegations Register; and**
- notes that the Delegations Register will be updated to reflect the approved changes.**

#### 4. Background / Horopaki

- 4.1 Legislation requires that only the Council can delegate its powers and functions, and this applies to the Chief Executive Officer's financial delegation.
- 4.2 The Government Procurement Rule 8 requires the consideration of the total value over the whole of life of each contract. The total value must include everything required for the full delivery of the goods, services or works. This includes the value of the options to purchase additional goods, services or works; options to extend the term of the contract; paying any premiums, fees or commissions to the supplier or broker; any related revenue streams a supplier receives; any other form of remuneration or payment due to the supplier or to a third party or any interest payable.
- 4.3 The implementation of Rule 8 will increase the value of procurements for approval to more than the current financial delegation of the Chief Executive Officer.
- 4.4 The financial delegation of the Chief Executive Officer was last amended in 2012.

#### 5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 In response to Rule 8 of the Government Procurement Rules procurement thresholds reflect whole of life contract value. Whole of life contract value includes all potential contract extensions, maintenance, disposal costs as well as broader outcomes (e.g. economic, social, environmental).
- 5.2 Using whole-of-life contract value ensures the Council considers all costs over the lifespan of a good or service—not just the upfront price—leading to better long-term financial and service outcomes. This approach helps avoid hidden future costs and supports more sustainable, strategic investment decisions.
- 5.3 The consequence of this change is that procurements or contracts previously approved by the Chief Executive Officer will no longer fall within their delegation. This table provides examples of how the use of Whole of Life ("WoL") contract values changes the thresholds for which procurements/contracts can be approved by the CEO in their current \$1 million delegation.

	<b>Initial 3 year contract</b>	<b>Possible extension for 2 years</b>	<b>Disposal / Exit Costs</b>	<b>Whole of Life Cost (WoL)</b>	<b>Approval without WoL</b>	<b>Approval with WoL</b>
<b>Contract A</b>	\$500k	\$300k	\$50k	\$850k	Within CEO delegation	Within CEO delegation
<b>Contract B</b>	\$700k	\$400k	\$50k	\$1.05m	Within CEO delegation	Outside CEO delegation
<b>Contract C</b>	\$900k	\$700k	\$100k	\$1.7m	Within CEO delegation	Outside CEO delegation

<b>Contract D</b>	\$4m	\$3m	\$500k	\$7.5m	Outside CEO delegation	Outside CEO delegation
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- 5.4 To ensure continued efficiency, an increase in the CEO financial delegation is recommended to reduce unnecessary delays and administrative burden.
- 5.5 This report seeks that the Council increases the financial delegation of the Chief Executive Officer from \$1 million to a minimum of \$10 million.
- 5.6 This increase is essential for the Chief Executive Officer to approve contracts which now have incorporate the Whole of Life costs. As such, delegations under the Governance section (Councillors' Delegations) and the Statutory Delegations are required to enable efficiency and legislative compliance in delivering services.
- 5.7 The financial delegation of the Chief Executive Officer this report seeks the Council to increase is to enable approval of contracts for projects already approved by the Council through their inclusion in the long term plan.

## **6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea**

- 6.1 There are no financial or budgetary implications for the Council approving the proposed changes to the Delegations Register.

## **7. Options / Kōwhiringa**

- 7.1 The options are outlined in the following table:

<b>Option</b>		<b>Advantage</b>	<b>Disadvantage</b>
1.	Approve the proposed change to the Delegations Register to increase the financial delegation for the Chief Executive Officer from \$1 million to \$10 Million	Enables alignment with the Government Procurement Rules, Rule 8 and relative to the outcome of the increased value of contracts which are now impacted by their whole of life value.  Enables efficiency in contract approval.	No disadvantages.
2.	Approve the proposed change to the Delegations Register to increase the financial delegation for the Chief Executive Officer from \$1 million to \$5 Million	Enables alignment with the Government Procurement Rules, Rule 8 and relative to the outcome of the increased value of contracts which are now impacted by their whole of life value.  Enables efficiency in contract approval.	The increase to \$5 million may not be adequate to meet the number of procurements which will exceed \$5 million.  Impacts on efficiency in delivering services.



Option		Advantage	Disadvantage
3.	Do not approve the proposed changes to the Delegations Register or only approve in part.	No advantages.	Impacts on efficiency in delivering services.  Demands on the CEO to request authority to approve requests exceeding their delegated financial authority.

## 7.2 Option 1 is recommended.

### 8. Legal / Ngā ture

8.1 Delegated authority needs to come directly from the Council.

### 9. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

9.1 The proposed changes to the Delegations Register are considered of low significance and no community engagement and consultation has been required.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	Generally, delegations are an operational matter for the Council to ensure that the Council can operate as efficiently as possible.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	It is important that staff hold appropriate delegations to make decisions which can have a positive or not so positive impact on those customers.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	Ensuring delegations are in place helps to improve services for customers and at the same time, reduce risk to the Council.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	NA	
5.	Does the decision create a substantial change in the level of service provided by Council?	NA	
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	NA	



	Issue	Level of Significance	Explanation of Assessment
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	NA	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	NA	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	NA	

#### **10. Communication / Whakawhitiwhiti Kōrero**

- 10.1 Staff have been involved in proposing changes to the Delegations Register and will be advised if these are approved.

#### **11. Risks / Ngā Tūraru**

- 11.1 There are no risks applicable if the increase to the financial delegated authority is increased.
- 11.2 There is a risk of non-compliance with the Government Procurement Rules, Rule 8, if the increase in financial delegated authority is not increased by continuing to approve procurements which are not inclusive of Whole of Life values.



#### **12. Conclusion / Kupu Whakatepe**

- 12.1 Ensuring the increase to the financial delegated authority of the Chief Executive Officer will enable compliance with the Government Procurement Rules and improve efficiencies, and it is recommended that the proposed changes to the Delegations Register be approved by the Council.

#### **13. Next Steps and Timeline / Ngā Mahi Whai Ake**

- 13.1 The Delegations Register will be updated with the proposed changes once approved by the Council.

<b>14. Attachments / Tuhinga tāpiri</b>
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1.   Schedule of Financial Delegations

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Tasman District Council Delegations Register – Part Three Schedule One

Schedule of Financial Delegations

Category	A	B	C	D	E	F	G	H	I
	Contract award within approved budgets <sup>1</sup>	Approval of purchase orders and invoices <sup>3</sup>	Approval of progress payments on awarded contracts that have been approved by Council, an appropriate Committee or Tenders/Procurement Panel <sup>4</sup>	Debt write-off, fee waivers or discounts	Emergency expenditure approval	Authorised to bank, transfer and invest funds and sign cheques	Reallocating capital budgets	Reallocating operating budgets - allowed as long as within overall direct operating cost budget.	Receipt and/or administer external grants or funding on behalf of the Council, including entering into a contract for the receipt of the funds
		Approval of expense claims and sensitive expenditure <sup>7</sup>				Approve leasing/granting of leases & licenses			
		Approval of progress payments on awarded contracts (excluding contracts approved by Council, a Committee or Tenders/Procurement Panel), within approved budgets <sup>10</sup>				Enter contracts for management of council property			
Expenditure type	Capex and Opex limit	Capex and Opex limit	Capex and Opex limit	Capex and Opex limit	Capex and Opex limit	Capex and Opex limit	Capex and Opex limit	Opex	Capex and Opex limit
Tenders/Procurement Panel	Exceed \$1m in value <sup>6</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive	<del>\$5m</del>	<del>\$5m</del>	Subject to individual delegations made by resolution	\$100,000	<del>\$5m</del>	Yes	Yes <sup>8</sup>	Yes	Unlimited
Tier 2 Group Managers	\$500,000	\$500,000	Subject to individual delegations made by resolution	\$50,000	\$500,000	Yes	Yes <sup>8</sup>	Yes	\$500,000
Tier 3 - level 1 (Community Infrastructure)	\$300,000	\$300,000	Subject to individual delegations made by resolution	\$0	\$0	For permitted managers only	\$0	Yes	N/A
Tier 3 - level 2 (Other) <sup>9</sup>	\$50,000	\$50,000	N/A	\$0	\$0	For permitted managers only	\$0	Yes	N/A
Project Delivery / Project Managers (Tier 4 Community Infrastructure) <sup>5</sup>	\$0	\$50,000	N/A	\$0	\$0	No	\$0	N/A	N/A
Other Staff <sup>2</sup>	\$0	\$20,000 maximum and subject to individual review	N/A	\$0	\$0	For permitted staff only	\$0	N/A	N/A

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## 7.4 RICHMOND ASSOCIATION FOOTBALL CLUB - RESERVE FINANCIAL CONTRIBUTIONS FUNDING

**Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Grant Reburn, Reserves and Facilities Manager
<b>Report Authorisers:</b>	Richard Kirby, Group Manager - Community Infrastructure
<b>Report Number:</b>	RCN25-07-4

### 1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 This report is to consider additional funding from the Richmond Reserve Financial Contributions (RFC's) account to cover the Development Contributions charged to the Richmond Association Football Club's (AFC) which it was not aware of when estimating the costs associated with the development of new changing rooms and toilets at Jubilee Park Richmond.

### 2. Summary / Te Tuhinga Whakarāpoto

- 2.1 The Council allocated \$435,000 towards the Richmond AFC toilet and changing room development in 2024/25. The funding which was approximately 60% of the total project cost in line with the RFC funding policy and funded from the Richmond Reserve Financial Contributions budget. The balance of the project cost was covered by Richmond AFC.
- 2.2 With all the physical works completed, the Club has found it has a shortfall in funding. Some of this shortfall relates to the Development Contribution levies that were applied with the Building Consent application and was not foreseen as a cost by the Club. The Club has approached the Council with a request to cover the Development Contribution levies.
- 2.3 The Development Contribution levies amounted to \$46,000 (excl GST).

### 3. Recommendation/s / Ngā Tūtohunga

**That the Council**

- receives the Richmond Association Football Club - Reserve Financial Contributions Funding report RCN25-07-4; and**
- approves additional funding of \$46,000 (excluding GST) from the Richmond Reserves Financial Contributions Account 2025/26 to cover the Development Contributions levied against the new changing rooms and toilets at Jubilee Park, Richmond.**

#### 4. Background / Horopaki

- 4.1 The club has recently advised Council staff that it has exceeded its project budget due to unforeseen construction-related expenses and variations. In addition, the club had not anticipated being liable for Development Contributions, which have been confirmed at a cost of \$46,000.

#### 5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 Staff have considered the request for additional funding and recommend assisting the club with the funding Development Contribution component of the costs amounting to \$46,000. This will enable the club to cover some of its outstanding costs.
- 5.2 The Richmond AFC plays an important role in the Richmond community by offering both men's and women's football teams. The clubroom facilities support these teams and are also shared with the Toi Toi Cricket Club, ensuring efficient use of Council-provided space at Jubilee Park.

#### 6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 6.1 After the recent adoption of the Annual Plan 2025/2026, the estimated closing balance of the Richmond RFC account as at 30 June 2026 will be \$7.1 million. Therefore, the account has sufficient funds to accommodate the proposed \$46,000.
- 6.2 However, it should be noted that the recent emergency events will place considerable pressure on an already stressed Annual Plan budget for the 2025/2026 year and the debt cap. This will only add to that even though the amount is from an account with sufficient funds.

#### 7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Approve the contribution of \$46,000 to cover the Development Contributions levies.	The club can meet their project funding responsibilities.	Requires the use of additional Richmond RFC funding.
2.	Decline the funding request.	No further RFCs used on this project	The club will be impacted financially and won't receive code of compliance certification until they can pay outstanding regulatory bills.

Option		Advantage	Disadvantage
3	Approve funding a portion of the \$46,000.	The club will receive some funding relief.	The club will need to source additional funding from other sources to cover the shortfall.

## 7.2 Option 1 is recommended.

### 8. Legal / Ngā ture

- 8.1 There are no known legal requirements relating specifically to this decision.
- 8.2 Currently the club is required to pay the Development Contributions levied before a code of compliance certificate can be issued under the Building Act.

### 9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 9.1 This decision has no known implications for iwi.

### 10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low - moderate	There may be some interest from other clubs, churches or developers.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Mod - high	May impact on the club's ability to operate and provide a community service as this decision would help the club's financial position.
3.	Is there a significant impact arising from duration of the effects from the decision?	Moderate	There could be a significant impact over several years on the club financially as the DC levies were not budgeted and if not paid, penalties could apply.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	NA	Private club asset on Council Open Space land.
5.	Does the decision create a substantial change in the level of service provided by Council?	No	Does not impact on levels of service provided by the Council.
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	The proposal will have a relatively minor impact on the Richmond RFCs budget in 2024/25.



	Issue	Level of Significance	Explanation of Assessment
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	No	

#### **11. Communication / Whakawhitiwhiti Kōrero**

- 11.1 Communication has been carried out with the Richmond AFC club and the Regulatory and Policy teams within Council.

#### **12. Risks / Ngā Tūraru**

- 12.1 If this decision is not approved, it may have financial impacts for the club that could jeopardise its ability to operate during the current season or even in the longer term.
- 12.2 There is a risk of setting a precedent that could have negative financial implications for the Council, should other clubs located on reserve land seek RFC funding to cover additional development contribution costs in similar circumstances.

#### **13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi**

- 13.1 There are no known impacts on climate change from this decision.

#### **14. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru**

- 14.1 The request from the club for additional Richmond RFC funding to assist with project costs does not conflict with any policies or strategic plans.

<b>15. Conclusion / Kupu Whakatepe</b>
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- 15.1 The request for additional funding from the Richmond AFC has arisen due to unforeseen Development Contribution levies associated with the changing room and toilet development at Jubilee Park.
- 15.2 While this situation is unfortunate, it could be argued that some of these costs might have been anticipated with more thorough planning by the Club. However, it is important to acknowledge that the individuals managing the project are volunteers, committed to supporting their club and enhancing football opportunities within the community.
- 15.3 Considering this, it would be reasonable to consider the additional \$46,000 funding towards the successful completion of the project.

<b>16. Next Steps and Timeline / Ngā Mahi Whai Ake</b>
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- 16.1 The Council's decision will be conveyed to the club.

<b>17. Attachments / Tuhinga tāpiri</b>
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Nil

**7.5 MAYORAL RELIEF FUND - JUNE/JULY 2025****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Robyn Scherer, Executive Assistant and Advisor to the Mayor
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-5

**1. Purpose of the Report / Te Take mō te Pūrongo**

- 1.1 To confirm the eligibility criteria for the Mayoral Relief Fund and the members of the panel who will be assigned to consider the applications to part of that fund.
- 1.2 To confirm membership of a separate Funding Panel to consider the \$340,000 funding received from the Ministry of Primary Industries (MPI). Note, this funding has been ring-fenced within the Mayoral Relief Fund account.

**2. Summary / Te Tuhinga Whakarāpoto**

- 2.1 As a result of the first severe weather event on 26/27 June 2025, and the resulting civil defence emergency, a Mayoral Relief Fund was set up to assist Tasman District residents.
- 2.2 A Mayoral Relief Fund is set up when a community is hit by a natural disaster to help individuals, families, marae or small organisations with immediate need.
- 2.3 A memorandum was sent to the Mayor and Councillors on 30 June 2025 (**Attachment 1**) asking for approval of the eligibility criteria and the nominated panel members to consider applications to the Mayoral Relief Fund. This was required to ensure that the fund could be activated and advertised in a timely manner.
- 2.4 The second severe weather event on 11 July 2025, which necessitated the declaration of a second civil defence emergency, resulted in the extension of the closing date for applications to the Mayoral Relief Fund to 10 August 2025.
- 2.5 Following the second event, funding of \$340,000 was confirmed by the Ministry of Primary Industries. However, MPI have specific requirements in terms of the required panel membership and eligibility criteria for this funding with any funding allocations aimed at the primary farming sector.
- 2.6 This report requests that the Council:
  - 2.6.1 approves the intention of the memorandum circulated on 30 June 2025 (**Attachment 1**); and
  - 2.6.2 approves the members of the Panel to consider applications to the Mayoral Relief Fund (outside the \$340,000 funding from MPI), noting the inclusion of Nelson City Mayor, Nick Smith, and the Tasman District Council, Kaihautū, Renee Thomas, as the iwi representative.

- 2.6.3 Approves the following members of the separate Panel to consider applications to the funding of \$340,000 from MPI – Tim Stevenson (Programme Director at MPI and nominated by MPI), Deputy Mayor Stuart Bryant and Federated Farmers President, Wayne Langford. All three have agreed to join the Panel.

### **3. Recommendation/s / Ngā Tūtohunga**

**That the Tasman District Council**

- 1. receives the Mayoral Relief Fund - June/July 2025 report, RCN25-07-5; and**
- 2. approves the eligibility criteria for the Mayoral Relief Fund outlined in Attachment 1 to the agenda report as follows:**
  - 2.1 applicants must, at the time of their application, be experiencing financial hardship as a result of the emergency events on Thursday/Friday 26/27 June 2025 and Friday 11 July 2025; and**
  - 2.2 priority will be given to those who are defined as owner/occupier or occupiers of property in the Tasman District at the time of the event; and**
  - 2.3 applicants are not eligible for funding assistance from any other source for the same items(s); and**
- 3. agrees that priority will be given to applications for:**
  - 3.1 items which are not covered by insurance or other funds (such as Work and Income New Zealand and the Natural Hazards Commission); and**
  - 3.2 extra financial burden/costs due to severe weather events not covered by insurance or other funds; and**
  - 3.3 family or personal crisis support which is not covered by insurance, another agency or fund (such as the Ministry of Social Development).**
- 4. approves the following members of the panel to consider applications to the Mayoral Relief Fund:**
  - 4.1 Mayor Tim King (Chair)**
  - 4.2 Mayor Nick Smith**
  - 4.3 Deputy Mayor Stuart Bryant**
  - 4.4 Councillor Christeen Mackenzie**
  - 4.5 Councillor Trindi Walker**
  - 4.6 Kaihautū Renee Thomas (representing iwi interests); and**
- 5. notes that the Ministry of Primary Industries will provide \$340,000 funding assistance targeted specifically at the primary sector; and**
- 6. approves the following members of the separate panel to consider the funding of \$340,000 targeted at the primary sector:**
  - 6.1 Tim Stevenson (Programme Director, MPI)**
  - 6.2 Deputy Mayor Stuart Bryant**
  - 6.3 Wayne Langford (Federated Farmers President)**

#### 4. Background / Horopaki

- 4.1 Two severe rainfall events affected the Tasman District on 26/27 June 2025 and again on 11 July 2025. As a result, two separate states of emergency were declared for the Tasman-Nelson region and the Tasman-Nelson Emergency Operations Centre was activated.
- 4.2 The Minister of Emergency Management and Recovery, Hon Mark Mitchell first visited the region on Sunday, 29 June 2025, immediately after the first event to survey the flood damage. During his visit the Minister announced that the New Zealand Government would donate \$100,000 as a first step to set up the Mayoral Relief Fund.
- 4.3 Since then, the Government, through the Ministry of Primary Industries (MPI), has pledged another \$340,000 of funding to be allocated via the Mayoral Relief Fund. This funding will be managed by a different panel comprising MPI staff and others (to be determined).
- 4.4 As at the time of writing this report, public donations (separate to the MPI funding) to the fund are \$210,000.
- 4.5 Applications to the Mayoral Relief Fund close on 10 August 2025.

#### 5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 A Mayoral Relief Fund was set up after the civil defence emergency event in the Tasman-Nelson region on 26/27 June 2025. A second emergency event occurred on 11 July 2025.
- 5.2 The Mayoral Relief Fund includes a set of parameters around eligibility for who may receive funding and requires a panel of suitable people who can make recommendations on what funding can be provided to those affected by the emergency.
- 5.3 This report formally confirms the eligibility criteria for the Mayoral Relief Fund and recommends the final panel members to consider applications to the fund.
- 5.4 A separate funding contribution to the Mayoral Relief Fund of \$340,000 was provided by the Ministry of Primary Industries. This funding has separate criteria aimed at providing relief to the primary sector and requires a separate panel to consider applications.

#### 6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 6.1 There are no financial or budgetary implications.

#### 7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Confirm approval of the eligibility criteria and the members of the panel to consider applications for the Mayoral Relief Fund June 2025.	Staff can continue to work on the Mayoral Relief Fund project and provide financial assistance to residents who qualify for that assistance.	Nil

Option		Advantage	Disadvantage
2.	Do not confirm approval of the eligibility criteria and the panel to consider applications for the Mayoral Relief Fund June 2025.	Nil	Significant extra staff and elected member time will be required to consider how we manage the fund, and the applications already received.
3.	Confirm the panel to consider applications to the MPI funding of \$340,000.	Staff can continue to work on applications to the Mayoral Relief Fund and provide financial assistance that are specific to the primary sector.	
4.	Do not confirm the panel to consider applications to the MPI funding of \$340,000.	Nil	The funding will not be provided.

## 7.2 Options 1 and 3 are recommended.

### 8. Legal / Ngā ture

8.1 Nil.

### 9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

9.1 Iwi involved during the civil defence emergency period have indicated that the Tasman District Council Kaihautū can represent their interests during the recovery period.

### 10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

10.1 There are no significant issues with this recommendation.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	A small number of people who have applied for funding assistance will be interested in the outcome of their application.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Yes	The Mayoral Relief Fund will provide support to some residents and members of the primary sector who were affected by the severe rain events in Tasman District on 26/27 June 2025 and 11 July 2025.

	Issue	Level of Significance	Explanation of Assessment
3.	Is there a significant impact arising from duration of the effects from the decision?	No	
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
5.	Does the decision create a substantial change in the level of service provided by Council?	No	
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	No	

## 11. Communication / Whakawhitiwhiti Kōrero

- 11.1 The details of the Mayoral Relief Fund have been actively communicated to residents of the Tasman-Nelson region via the Council's communication channels.
- 11.2 Many applications have been received for the fund and all applications have been acknowledged.
- 11.3 Once applications are considered, Council staff will communicate the outcome (in confidence) with each resident who has applied to the Mayoral Relief Fund.



## **12. Risks / Ngā Tūraru**

12.1 There are no risks in approving this recommendation.

## **13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi**

13.1 Not applicable.

## **14. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru**

14.1 Not applicable.

## **15. Conclusion / Kupu Whakatepe**

15.1 The Mayoral Relief Fund was set up to assist residents who experienced financial hardship because of the emergency events in the Tasman-Nelson region on 26/27 June 2025 and 11 July 2025.

15.2 Applications to the fund close on 10 August 2025.



15.3 The Mayoral Relief Fund Panel will consider each application against the eligibility criteria and the funds available and make recommendations for funding.

## **16. Next Steps and Timeline / Ngā Mahi Whai Ake**

16.1 Applicants will be advised of the outcome of their application as soon as possible.

16.2 A report will be presented to the Council at the conclusion of the Mayoral Relief Fund 2025 project.

## **17. Attachments / Tuhinga tāpiri**

1.   Memo - 30 June 2025 to Mayor and Councillors re Mayoral Relief Fund

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## MEMORANDUM

**TO:** Mayor and Councillors  
**FROM:** Robyn Scherer  
**DATE:** 30 June 2025  
**RE:** **Mayoral Disaster Relief Fund – June 2025**

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Kia ora everyone

I have been asked to manage the Mayoral Disaster Relief Fund to assist people who have been affected by the severe rain event that occurred last Thursday/Friday, 26/27 June 2025. We need your approval as soon as possible of the eligibility criteria for the fund along with the panel consisting of the Mayor, Deputy Mayor and Councillors Mackenzie and Walker who will be charged with considering each of the applications.

### Eligibility Criteria

To be eligible for a grant from the Mayoral Disaster Relief Fund:

1. Applicants must, at the time of their application, be experiencing financial hardship as a result of the emergency event on Thursday/Friday 26/27 June 2025.
2. Priority will be given to those who are defined as owner/occupier or occupiers of property in the Tasman District at the time of the event.
3. Applicants are not eligible for funding assistance from any other source for the same item(s).

Priority will be given to applications for:

1. Items which are not covered by insurance or other funds (such as Work and Income New Zealand and the Earthquake Commission).
2. Extra financial burden/costs due to severe weather events not covered by insurance or other funds; and
3. Family or personal crisis support which is not covered by insurance, another agency or fund (such as the Ministry of Social Development).

### Mayoral Disaster Relief Fund – Panel to consider applications

The Mayor invited Councillors from the two most affected Wards, Waimea-Moutere and Motueka to join him and Deputy Mayor Bryant on the panel to consider applications to the Mayoral Disaster Relief Fund.

Councillors Christeen Mackenzie (Waimea-Moutere) and Trindi Walker (Motueka) have both volunteered to join the panel.

A formal report will be presented to the 31 July 2025 Council meeting confirming the above.

In the meantime, can you please respond to this memorandum via email with your approval of the requirements above.

Thankyou

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<https://tasmandc.sharepoint.com/sites/MayorsOffice/MayoralDisasterReliefFund/Memo-Mayor and Councillors-Mayoral Disaster Relief Fund-2025-06-30.docx>

**7.6 WAIMEA WATER LIMITED - FINAL STATEMENT OF INTENT 2025/2026****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Mike Drummond, Chief Financial Officer
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-6

**1. Purpose of the Report / Te Take mō te Pūrongo**

- 1.1 To present the Waimea Water Limited (WWL) final Statement of Intent 2025/2026.

**2. Summary / Te Tuhinga Whakarāpoto**

- 2.1 The Council considered the draft Waimea Water Limited (WWL) Statement of Intent (SOI) at the Council meeting on 27 March 2025. At that meeting the Council resolved that the draft SOI met their expectations. That feedback was subsequently provided to the Company.
- 2.2 The Company had until 30 June 2025 to deliver their final SOI to the Shareholders for 2025/2026. The 2025/2026 SOI for WWL was received by Shareholders on 25 June 2025 (**Attachment 1**). The final SOI has been reviewed by staff for compliance with the Local Government Act 2002 (LGA).
- 2.3 The final SOI has been updated from the draft and contains the latest budget projections. A number of line items have been updated for the latest estimates. The impact on the Council's water charges is a minor reduction in Council costs in 2026 and 2027 with a rise in costs from 2028. There is a more significant change for Waimea Irrigators Limited (WIL) due to loan repayments and increasing interest costs. There are other minor editorial changes within the final SOI. The performance measures (Page 10) remain unchanged.
- 2.4 The final SOI has been published on the WWL website (1 July 2025). Once the shareholders have formally agreed to the final SOI, it will be also made public on the Council's website.

**3. Recommendation/s / Ngā Tūtohunga****That the Tasman District Council**

- receives the Waimea Water Limited - Final Statement of Intent 2025/2026 RCN25-07-6; and**
- notes the delivery of the Waimea Water Limited Final Statement of Intent 2025-2026 (Attachment 1 to the agenda report) as required under the Local Government Act 2002; and**
- notes Waimea Irrigators Limited, has agreed to the final Waimea Water Limited Statement of Intent 2025-2026 (Attachment 1 to the agenda report); and**

4. notes that the final Waimea Water Limited Statement of Intent (**Attachment 1 to the agenda report**) will be made publicly available on the Councils' website within one month, as required under the Local Government Act 2002.

#### 4. Background / Horopaki

- 1.1 WWL along with other CCOs is required to complete a SOI by 30 June each year. The draft SOI's are required to be delivered to shareholders by 1 March each year. The final SOI is due to be delivered to shareholders by 30 June each year.
- 1.2 The WWL draft SOI was received by the shareholders on 28 February 2025. The SOI covered the period from 1 July 2025 to 30 June 2026. It also included draft financial estimates as of February 2025. The final SOI (**Attachment 1**) received 25 June 2025 includes updated financial estimates and some minor wording changes.
- 1.3 The cost to complete the dam was \$211.2 million. The dam was commissioned in April 2024 and took five years to complete. The focus is now on managing operating costs.
- 1.4 The SOI has been checked for compliance with the statutory requirements and there are no matters to bring to the Council's attention.

#### 5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 The impact of the revised financial estimates is mostly on water charges to WIL. The main driver of this is WWL borrowing cost and loan repayments now the final \$5 million WWL/WIL water charges smoothing facility is in place. There is no material movement in water charges to the Council in 2025/26 or 2026/27. There is a larger variance of c\$50,000-\$60,000 in later years. These variances are within the expected range for the financial estimates.
- 5.2 The company is currently transitioning through post construction and on to future operations. There is also a focus on meeting the "with dam" requirements of the TRMP. The project final commissioning works costs are still being finalised
- 5.3 The SOI assumes a four-member board. We are currently in discussions with WIL and WWL on the final size and composition of the board for this new phase of the dam's operations.
- 5.4 There are no changes to the performance measures from the draft SOI.
- 5.5 The overall impact on 2025/26 water charges to the Council is a reduction of \$9,000 from \$2,977,000 to \$2,968,000. There is an increase in water charges of \$337,000 for WIL. The key driver for this change was the WIL funded repayments on the CIIL \$23 million loan to WWL and updated interest rates following the April re-financing of WIL related debt.

#### 6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 6.1 There are no financial or budgetary implications arising from this decision. The costs of the review of the SOI and engagement with WWL and WIL are met from existing budgets.
- 6.2 The revised water charges from WWL are in line with the 2025/26 Annual Plan budget.

## 7. Options / Kōwhiringa

7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	To agree the final SOI and advise the Company and Waimea Irrigators Limited (WIL) as the other shareholder.	Acceptance of the SOI provides certainty to all parties on expectations for the coming year.	
2.	To not agree to the final SOI and negotiate with WIL on the matters that the shareholders require the Board of WWL to address further in the SOI.		This approach is not recommended as the Council and WIL have previously advised WWL that the draft SOI meets their expectations. The major change from the draft has been the updates to the cost and time to complete estimates. The Council is unlikely to get support from the other shareholder for changes to the final SOI.

7.2 Option 1 is recommended.

## 8. Legal / Ngā ture

- 8.1 A Council-Controlled Organisation (CCO) must have a SOI that complies with clauses 7 to 10 of Schedule 8 of the Local Government Act 2002 (LGA).
- 8.2 The principal objective of a CCO is set out in Section 59 (1) of the LGA.
- 8.3 SOIs must not be inconsistent with the CCO's Constitution.
- 8.4 Draft SOIs must be delivered to the Council on or before 1 March each year. Shareholders may extend the deadline for a period (or periods) not exceeding one calendar month.
- 8.5 The LGA Schedule 8(2) requires the Board to consider any comments on the draft SOI that are made to it by 1 May and deliver a completed SOI to Shareholders on or before 30 June each year.
- 8.6 Section 65 (2) of the LGA requires the Council, as soon as practicable after receiving a SOI for a CCO, to agree to the SOI or, if it does not agree, to take all practicable steps under Clause 6 of Schedule 8 of the LGA to require the SOI to be modified.
- 8.7 If an agreement with the Board of WWL on the SOI is not reached, the shareholders will need to consider imposing a modification of the SOI by resolution of the shareholders using their powers under the LGA Schedule 8(6). This would be a last resort approach, as it would signal a breakdown in the relationship between the shareholders and the WWL Board.

## 9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 9.1 There is no direct iwi engagement in relation to this SOI. Ngāti Koata have a directorship on the board of WWL so have been engaged in the oversight and operation of the company. The Ngāti Koata seat on the board was recently vacated. Staff will be engaging with Ngāti Koata to determine the best way forward to ensure their interests are protected.

## 10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

- 10.1 The adoption of the SOI for WWL is of low significance to ratepayers. The SOI is consistent with arrangements entered into at financial close in December 2018. The project and the formation of WWL have been consulted on through formal engagement and consultation processes. WWL provide regular updates to the Council. Further engagement on the final SOI is not required.
- 10.2 As WWL shareholders, WIL has also considered the draft SOI. Given that WIL have provided some feedback to WWL but there is no change to the final SOI.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	No	
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	No	
3.	Is there a significant impact arising from duration of the effects from the decision?	No	
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Yes	
5.	Does the decision create a substantial change in the level of service provided by Council?	No	
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
8.	Does the proposal or decision involve entry into a private sector partnership	No	

	Issue	Level of Significance	Explanation of Assessment
	or contract to carry out the deliver on any Council group of activities?		
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	No	

#### **11. Communication / Whakawhitiwhiti Kōrero**

- 11.1 The final WWL SOI was received in accordance with the statutory timeframe. The SOI meets statutory requirements. It is appropriate that having turned its mind to the matters in the final SOI that the Council agrees to the SOI.

#### **12. Risks / Ngā Tūraru**

- 12.1 This is a routine decision to agree to a final SOI. There is no material risks associated with this decision.

#### **13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi**

- 13.1 There are no climate change considerations in relation to this decision.

#### **14. Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru**

- 14.1 This SOI is consistent with the provisions in the 2024-34 Long Term Plan and contractual arrangements previously entered into.
- 14.2 The funding matters are also in alignment with the 2025/26 Annual plan financial estimates.

#### **15. Conclusion / Kupu Whakatepe**

- 15.1 The final WWL SOI was received in accordance with the statutory timeframe. The SOI meets statutory requirements. It is appropriate that having turned its mind to the matters in the final SOI that the Council agrees to the SOI.

#### **16. Next Steps and Timeline / Ngā Mahi Whai Ake**

- 16.1 Staff will communicate the Council's decision to the other shareholder, WWL and WIL.



- 16.2 A link to the final SOI will be placed on the Council's website within one month as per legislation and after receiving confirmation from WIL that they also agree to the final SOI.

<b>17. Attachments / Tuhinga tāpiri</b>
---

1.  

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# STATEMENT OF INTENT

1 July 2025 – 30 June 2026



*Figure 1 The operating Waimea Community Dam*

30 June 2025

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## 1. Summary

This Statement of Intent (SOI) is presented by the Directors of Waimea Water Limited (WWL, the Company) in accordance with Section 64 of the Local Government Act 2002 (LGA), for adoption by shareholders Tasman District Council (Council) and Waimea Irrigators Limited (WIL).

This SOI provides a clear and succinct understanding of the Company's purpose, the services it delivers, and what success looks like (Part 1 – The performance story).

It also addresses general and specific shareholder expectations (Part 2 – General expectations, Part 3 – Specific expectations).

It is more than a strict compliance document, covering more than the statutory minimum requirements, though strict compliance matters are also captured (Part 4 – Compliance requirements).

This document also provides additional background information that might assist a first-time reader, or to refresh information for readers with familiarity of recent history. (Part 5 – Other background information).

Overall the key theme of this Sol reflect that by the time this Sol takes effect on 1 July 2025, WWL will be 'in operations', albeit also completing some post construction activities.

1. The first set of core objectives for the Jul 2025 – Jun 2026 period of this Sol relate to finalising deferred construction activities.
2. The second set of core objectives relate to the ongoing development and implementation of operations functions for the first important years of operations<sup>1</sup>, including managing; asset management, dam safety compliance, dam operating plans, water management plans and business as usual.

In addition;

3. Closing out the project will be achieved within the final \$211.2m budget. All final costs will be incurred prior to the 30 June 2026 end date of this Sol.
4. Water charges to shareholders are expected to be ~\$7.18m during the period of this Sol, comprising ~\$3.60m OpEx and ~\$3.58m finance costs.
  - a. Cost uncertainties remain for maintenance, environmental compliance, and dam safety matters as processes continue to be bedded in.
  - b. 65% of total costs remain predominantly outside WWL's discretion / control, for finance costs, insurance and rates.

<sup>1</sup> Needs will be reviewed for the long term after fundamental operations are well established.



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## Part 1 – The performance story

*This section tells WWL's 'performance story', providing a clear and succinct understanding of the Company's purpose, the goods and services it delivers and what success looks like. The 'performance story' links together; strategic context, an outcomes framework, and the main objectives, outcomes, targets and measures.*

### 2. Purpose

WWL is committed to operating a safe, reliable, sustainable and efficient dam for the benefit of the Tasman region. WWL's vision is to operate the Waimea Community Dam (WCD) to appropriate high standards to ensure reliable, sustainable and efficient water security and service to shareholders for the expected dam life of 100 years.

### 3. Services

WWL will provide dam operations for its shareholders consistent with its resource consent. In principle, WWL will capture and store water when there is plenty and release it during dry summer months.

### 4. Success

WWL will have the people, systems and positive relationships it needs to effectively deliver and operate the dam, subject to tight financial management.

### 5. Strategic context

*This section summarises the key strategic context for this Sol, as WWL transitions to operations.*

#### 5.1. Deferred project works

Some project works were deferred or delayed due to constraints beyond control of the project team. When this Sol takes effect in July 2025 outstanding works will include:

- Final commissioning of site power systems (micro-hydro and solar).
- The 'defects period' for Separable Portion 2.
- Developing fish passage infrastructure (trap and transfer).

#### 5.2. Developing new operations

WWL will continue to develop and implement new operations systems and processes.

A number of processes will be new and evolving, including asset management systems, dam safety compliance, dam operations management, and water management operations.

Other 'corporate' processes will be little changed from those in place since WWL was formed, including consent and Biodiversity Management Plan (BMP) compliance, finance, governance / secretarial, and fulfilling obligations to shareholders, regulators, financiers, and other stakeholders.



## 6. Five year strategic overview

*This section summarises the five-year strategy.*

WWL will operate a safe, reliable, sustainable and efficient dam for the benefit of the Tasman region.  
WWL will operate the WCD to appropriate high standards to ensure reliable, sustainable and efficient water security and service to shareholders for the expected dam life of 100 years.

## 7. Outcomes framework

*This section summarises WWL's 'outcomes framework' for this Sol.*

WWL will continue to work to an outcomes framework with the following key features;

- Objectives will be clearly articulated to a strategic context (i.e. 'why').
- WWL will commit to achieving key outcomes (i.e. 'what').
- WWL will measure and review progress towards objectives / outcomes (i.e. 'how' and 'when').

*The following sections describe objectives, outcomes, targets and measures as a consequence of using that framework above.*

## 8. Deferred project works

*This section describes objectives for the context above, and outcomes, targets and measures for each objective.*

### 8.1. Complete deferred commissioning works

*Outstanding capital works were deferred for reasons outside control of WWL. Those final works will be completed within the period of this Sol, so that the dam can operate as intended by design.*

#### **Objective**

To have all capital works complete and commissioned

#### **Outcomes - WWL will;**

- 8.1.1. Manage final commissioning works to completion

#### **Targets and measures**

- 8.1.2. Complete commissioning of onsite power systems
- 8.1.3. Commission final access arrangement (including Anslow's Bridge).

### 8.2. Complete the defects period

*The construction phase of the project was completed in two packages (SP1 and SP2). The Contractor has responsibilities to remedy defects. The period to implement fixes is referred to as 'the defects period'. The 'defects period' for SP2 will be completed during the period of this Sol.*

#### **Objective**

Work through the defects period.

#### **Outcomes - WWL will;**

- 8.2.1. Work with the Contractor to address all defects.





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8.2.2.Continue to monitor defects in SP2 works.

**Targets and measures**

8.2.3.Defects identified and addressed (register).

### 8.3. Consider long-term fish trap-and-transfer infrastructure

*Trap-and-transfer processes are being developed and infrastructure for long-term trap and transfer system will be tested during the period of this Sol.*

**Objective**

Collate data to inform appropriate long-term trap-and-transfer needs, with phase 1 to be implemented within existing budget.

**Outcomes - WWL will;**

8.3.1.Work with Council and environmental Contractors to identify long-term trap-and-transfer infrastructure needs.

**Targets and measures**

8.3.2.Long term infrastructure tested.

## 9.Developing new operations

*This section describes objectives for the context above, and outcomes, targets and measures for each objective.*

### 9.1. Dam safety compliance

*WWL must operate and maintain the dam in accordance with Dam Safety Regulations (2022) and New Zealand Society of Large Dams (NZSOLD) guidelines.*

**Objective**

Safely operate the dam in compliance with regulations and guidelines.

**Outcomes - WWL will;**

9.1.1.Comply with regulations requiring a Dam Safety Assurance Programme, including audit and certification by a Recognised Engineer every 12-months, and submission of an annual dam safety certificate to Council as the regulator.

9.1.2.Comply with its own Dam Safety Management System (DSMS), that meets the requirements of the regulations and NZSOLD guidelines.

**Targets and measures**

9.1.3.DSMS complied with.

9.1.4.Annual Dam Compliance Certificate submitted.

### 9.2. Dam operations plans

*Beyond dam safety, WWL must have systems in place to operate and maintain the dam in general, including in accordance with NZSOLD guidelines. WWL must operate and maintain the dam in accordance with the resource consent.*

**Objective**

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WWL will have systems in place to operate and maintain the dam to appropriate standards, and to respond to unusual events.

**Outcomes - WWL will;**

- 9.2.1. Operate a Health, Safety and Wellbeing Management System (HSWMS) that protects the safety and wellbeing of employees and contractors and meets requirements of health and safety legislation. (Refer section 20.)
- 9.2.2. Verify compliance with the HSWMS.
- 9.2.3. Implement an asset management system including a Computerised Maintenance Management System (CMMS), and continue to implement and update plans and procedures described in the Operations and Maintenance Manual (OMM).
- 9.2.4. Maintain compliance with the resource consent.

**Targets and measures**

- 9.2.5. HSWMS reviewed.
- 9.2.6. HSWMS compliance verified.
- 9.2.7. CMMS implemented.
- 9.2.8. OMM complied with.
- 9.2.9. BMP complied with.

### 9.3. Water management

*WWL is committed to working with shareholders on water augmentation, minimising its impact on the environment, taking steps to improve river water quality, and complying with resource consents.*

**Objective**

Augment water supplies as appropriate and manage water quality in accordance with the resource consent.

**Outcomes - WWL will;**

- 9.3.1. Manage water releases from the reservoir in accordance with the Reservoir Release Water Management Plan (RRWMP).
- 9.3.2. Monitor reservoir water quality.
- 9.3.3. Monitor river water quality.

**Targets and measures**

- 9.3.4. RRWMP complied with.
- 9.3.5. Reservoir Water Quality Plan complied with.
- 9.3.6. River Water Quality Plan complied with.

### 9.4. Corporate activities

**Objective**

Continue to maintain a tight focus on financial management and minimising cost, and to operate all 'corporate' functions to best practice proportionate to organisation scale, without compromising safety, reliability, sustainability, and efficiency.

**Outcomes - WWL will;**



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- 9.4.1. Manage costs and funding in accordance with the Company Constitution, best practice, and Generally Accepted Accounting Principles.
- 9.4.2. Regularly report to shareholders Council and WIL, and to financier Crown Irrigation Investments Ltd (CIIL).
- 9.4.3. Receive an unqualified audit opinion from Audit NZ on behalf of the Auditor General.
- 9.4.4. Maintain a Corporate Risk Management System (CRMS).

***Targets and measures***

- 9.4.5. Funding agreements being complied with.
- 9.4.6. Shareholder reporting 100% on time.
- 9.4.7. Unqualified audit opinion received.
- 9.4.8. CRMS being complied with.



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## 10. Performance targets

*This section summarises the targets described above, as Key Performance Indicators (KPI).*

Objective / outcomes	KPI to 30 June 2026	KPI to 30 June 2027
<b>Complete the defects period</b>		
Defects identified and addressed (register)	Completed	n/a
<b>Trap-and-transfer infrastructure</b>		
Test infrastructure	Completed	Review
<b>Dam safety compliance</b>		
DSMS	no material non conformance	no material non conformance
Annual Dam Compliance Certificate	Submitted	Submitted
Annual test and review of EAP	Completed	Completed
<b>Dam operations plans</b>		
HSWMS review and verification	Complete	Complete
Implement asset management system	Completed	n/a
OMM	no material non conformance	no material non conformance
BMP	no material non conformance	no material non conformance
<b>Water management plans</b>		
Reservoir release plans	no material non conformance	no material non conformance
Reservoir and River Water Quality Plans	no material non conformance	no material non conformance
<b>Corporate activities</b>		
Funding agreements	no material non conformance	no material non conformance
Shareholder reporting	no material non conformance	no material non conformance
Audit	Unqualified opinion	Unqualified opinion
CRMS	no material non conformance	no material non conformance



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## Part 2 – General expectations

*This section lists general expectations set by Tasman District Council for all Council Controlled Organisations.*

### 11. Include financial statements and measures

Summaries of profit and loss, cash flow, and balance sheet forecasts are shown below.

#### 11.1. Profit and Loss Overview

<u>Profit and loss (\$000s)</u>	<u>Jun 2026</u>	<u>Jun 2027</u>	<u>Jun 2028</u>	<u>Jun 2029</u>	<u>Jun 2030</u>
<b>Income</b>					
Int + OpEx	6,882	7,239	7,427	7,475	7,538
CIL loan repayments	298	306	313	326	374
SAA repayments	-	-	-	500	500
<b>Total income</b>	<b>7,181</b>	<b>7,545</b>	<b>7,740</b>	<b>8,301</b>	<b>8,413</b>
<b>Expenses</b>					
Interest expense	3,285	3,650	3,789	3,789	3,762
Loan capital expense	-	-	-	500	500
Insurance	808	828	849	870	892
Staff	704	705	726	748	770
Environmental	384	394	397	407	417
Rates	360	369	378	388	397
Dam Operations	420	406	344	352	361
Maintenance / CDSR reserve	240	246	252	258	265
Dam Safety	206	211	216	222	227
Directors	180	180	180	180	180
Professional fees	150	101	142	103	105
Facilities / Admin etc	78	80	82	84	86
Vehicles	34	35	36	37	38
Land costs	48	49	50	52	53
Interest income	(15)	(15)	(15)	(15)	(15)
Depreciation	3,406	3,398	3,392	3,388	3,384
<b>Total expenses</b>	<b>10,288</b>	<b>10,636</b>	<b>10,819</b>	<b>11,362</b>	<b>11,423</b>
<b>Profit (Loss)</b>	<b>(3,107)</b>	<b>(3,092)</b>	<b>(3,079)</b>	<b>(3,061)</b>	<b>(3,010)</b>
<u>Analysis of water charges</u>	<u>Jun 2026</u>	<u>Jun 2027</u>	<u>Jun 2028</u>	<u>Jun 2029</u>	<u>Jun 2030</u>
WIL share	4,213	4,535	4,708	5,264	5,329
TDC share	2,968	3,009	3,032	3,037	3,084
<b>Total</b>	<b>7,181</b>	<b>7,545</b>	<b>7,740</b>	<b>8,301</b>	<b>8,413</b>



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### 11.2. Cash Flow Overview

<u>Cash flows (\$000s)</u>	<u>Jun 2026</u>	<u>Jun 2027</u>	<u>Jun 2028</u>	<u>Jun 2029</u>	<u>Jun 2030</u>
<b>Opening cash balance</b>	1,229	1,186	1,461	1,714	1,754
Received for water charges	7,181	7,545	7,740	8,301	8,413
Interest payments	(3,169)	(3,608)	(3,770)	(3,796)	(3,768)
Paid to suppliers/employees	(3,757)	(3,356)	(3,404)	(3,640)	(3,524)
<b>Operating in (out) flows</b>	<b>255</b>	<b>581</b>	<b>566</b>	<b>866</b>	<b>1,121</b>
SAA payments	-	-	-	(500)	(500)
CIL payments	(298)	(306)	(313)	(326)	(374)
<b>Cash balance</b>	<b>1,186</b>	<b>1,461</b>	<b>1,714</b>	<b>1,754</b>	<b>2,000</b>

Cash flow modelling assumes progressive growth in cash balances to meet future capital or cyclical maintenance requirements.

### 11.3. Balance Sheet Overview

<u>Balance Sheet (\$000s)</u>	<u>Jun 2026</u>	<u>Jun 2027</u>	<u>Jun 2028</u>	<u>Jun 2029</u>	<u>Jun 2030</u>
Cash balance	1,186	1,461	1,714	1,754	2,000
Maintenance / CDSR reserve	(240)	(486)	(738)	(797)	(1,062)
DSR	450	450	450	450	450
Income in advance	(636)	(636)	(636)	(636)	(636)
Prepayments / Receivables	628	642	656	670	685
Non-current assets	1,874	3,540	5,001	4,501	4,001
Current liabilities	(979)	(1,021)	(1,037)	(1,032)	(1,029)
Fixed assets	196,709	193,311	189,919	186,532	183,147
Non-current liabilities	(24,737)	(24,431)	(24,118)	(23,792)	(23,418)
<b>Total net assets</b>	<b>174,255</b>	<b>172,830</b>	<b>171,211</b>	<b>167,650</b>	<b>164,139</b>
Shareholder equity	102,763	102,763	102,763	102,763	102,763
Shareholder advances	83,416	85,082	86,542	86,042	85,542
Retained (a/c'ing) losses	(11,924)	(15,015)	(18,095)	(21,156)	(24,166)
<b>Net equity</b>	<b>174,255</b>	<b>172,830</b>	<b>171,211</b>	<b>167,650</b>	<b>164,139</b>

### 11.4. Forecast assumptions

- 11.4.1. Projected borrowing rates range between 3.5% and 5.6% across various maturity dates.
- 11.4.2. The projected inflation rate ranges from 2.5% to 3.0%.
- 11.4.3. 3.9 FTE staff are included in year 1 on this Sol, scaling back to 3.7 FTE in 2026.
- 11.4.4. Four Directors are budgeted for the duration of forecasts.



## 12. Comply with LGA, Public Records Act and H&S legislation

*This expectation is covered in Part 4 of this document, in sections 28, 29, and 30.*

## 13. Consistency with Shareholder Agreement

*This expectation is covered in Part 3 of this document, in section 23.*

## 14. Dividend policy

WWL is operated on a cost recovery basis only and no dividend is payable.

## 15. Capital expenditure and asset management

*This section summarises capital expenditure and asset management intentions.*

WWL will maintain a tight focus on financial management with respect to any ongoing CapEx and will maintain the dam and other assets within budget constraints and without compromising safety, reliability, sustainability, and efficiency. Refer also to section 25.

## 16. Reporting

*This section summarises how WWL uses the same information for both managing the business and reporting through to Shareholders, and for setting targets and reporting against them.*

WWL will provide shareholders with reports in accordance with the LGA. In addition, WWL will provide quarterly and other reports in accordance with shareholder expectations.

### Statement of Intent

No later than 1 March each year WWL will deliver to shareholders a draft SOI that fulfils the requirements of Section 64 of the LGA. Following shareholder review a final SOI shall be published before 1 July each year.

### Quarterly Reports

No later than two months after the end of the March and September quarters WWL will deliver to shareholders a brief unaudited report containing information and commentary on results for that quarter. Information will include adequacy of working capital levels and provisions for upcoming capital requirements, as required by the Shareholders' Agreement.

### Mid-Year Report

No later than 28 February each year WWL will deliver to shareholders an unaudited report containing information for the six-month period ending the preceding 31 December:

- Commentary on operations and results for the period including progress against SOI objectives.
- Statement of Comprehensive Revenue and Expense, disclosing actual and comparative figures, Statement of Financial Position at the end of the period, and Statement of Cash Flows.
- Adequacy of working capital levels and provisions for upcoming capital requirements, as required by the Shareholders' Agreement.

### Annual Report



No later than the date required by the LGA, currently 30 September, WWL will deliver to shareholders an annual report that fulfils the statutory requirements of Section 67 of the LGA, including audited financial statements that comply with the appropriate reporting standards and contain at least the following information:

- Commentary on operations and results for the year including progress against Sol objectives.
- Statement of Comprehensive Revenue and Expenses disclosing actual and comparative figures, Statement of Financial position at the end of the year, and Statement of Cash Flows.
- Auditor's report.

The Annual Report will be made publicly available on the WWL website [www.waimeawater.nz](http://www.waimeawater.nz).

## 17. Performance Story

*This expectation is covered in Part 1 of this document.*

## 18. Risk management and natural hazards

*This section summarises how the Board is managing risks, including natural hazards.*

WWL will manage risk under three frameworks; the HSWMS concerned with personal health safety, and wellbeing, the DSMS concerned with dam safety, and a CRMS concerned with 'corporate' functions and processes.

All frameworks use a consistent best practice methodology to clearly define risks, identify likelihood, consequence and adequacy of controls, determine target ratings, describe controls to be implemented, and manage / monitor the residual risk.

Natural hazards with a risk consequence to employees, contractors, and visitors in day-to-day operations are managed under the HSWMS. Natural hazards with a risk consequence from dam failure, including to life downstream, are managed under the DSMS. Long range sustainability impacts from climate change are described in the following section 0.

### Personal health and safety

The comprehensive HSWMS process is described in section 30.

### Dam safety

The DSMS process is described in section 9.1.

### Corporate risk

The CRMS outlines the system and processes for managing the risk WWL does not have appropriate 'corporate' practices and protocols in place, that could result in; breaking the law, not meeting shareholder requirements, not meeting financier requirements, or a failure to manage other 'corporate' functions.

For each of those risk themes the CRMS outlines expectations and risks and controls.





## 19. Sustainability

*This section describes measures and targets in place to address environmental and climate change concerns, including measures to; support the transition of WWL to net zero carbon emissions by 2050, prepare for impacts of climate change - including assessing key organisational climate change risks, and minimise waste and support the shift to a circular economy.*

### **Net zero carbon**

WWL has its own micro-hydro power and solar generation with batteries to provide renewable power to power controls (valves), amenities, the site office, and instrumentation at the dam site.

WWL can work with stakeholders to investigate the feasibility of further hydro power generation and transmission, to help mitigate other activities that require diesel or other sources of carbon. These include powering winches to raise/lower intake screens between reservoir and crest, and emergency back-up power. Utilising unused energy from reservoir head to generate power via hydro-turbine could generate 1.5 – 3 MW. Solutions will be investigated by 2035.

Without additional hydro generation, diesel generators could be replaced with mains power or fuelled with biodiesel when available. Solutions will be confirmed by 2035.

Vehicles and boats powered from carbon sources will be replaced with electric, hydrogen or bio-diesel power concurrent with industry / NZ development. Solutions will be confirmed by 2030.

WWL will consider expanding carbon credit offset planting at Rough Island and the Lee Valley. New plans will be confirmed every five years.

WWL will operate a solar powered battery system to power the site office.

### **Climate change impacts**

The entire ethos of the WCD is to secure the region's water supply for the next 100+ years and improve water quality to provide a better environment for people, plants, fish, and animals.

In particular, climate changes studies<sup>2</sup> show expected increases in water demand (increases in the persisting dewpoint that will lead to drier soils and transit losses), and an increased frequency of extraordinary rainfall events (increased peak rainfall intensity but less antecedent precipitation / wetness). These impacts are specifically contemplated in dam design.

- The ~12m<sup>3</sup> reservoir capacity is expected to support a 1:70 year drought. A 20% increase in demand would halve the frequency to a 1:35 year drought, and capacity would still be appropriate.
- The current estimated 1:10,000 year peak inflow is 616 m<sup>3</sup>/s. A 20% increase through climate change would increase this to 741 m<sup>3</sup>/s. Spillway capacity based on computational fluid dynamic modelling is 1200 m<sup>3</sup>/s.

### **Shift to circular economy**

*The circular economy is based on principles driven by design, to; eliminate waste and pollution, circulate products and materials at their highest value, and regenerate nature.*

<sup>2</sup> Including University of Melbourne reports to the Australian National Committee on Large Dams (ANCOLD) conference 28 October 2022.



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As noted above, the entire ethos of the WCD is to secure the region's water supply for the next 100+ years and improve water quality to provide a better environment for people, plants, fish, and animals. The theme to store water that would otherwise 'go to waste' during wet periods so it can instead be used productively during dry periods directly supports a core circular economy principle. In addition, the theme to be able manage / maintain river flows year-round through wet and dry periods directly supports the core principle to regenerate nature.

## 20. Health and safety

*The Board sets appropriate Health and Safety strategy and policy, understand the nature of risks/hazards within the business, monitor performance and activities to ensure risk is being managed, and review Health and Safety systems and performance.*

This expectation is covered in section 30.

## 21. Governance Performance

*This section summarises WWL's governance performance themes*

The Board undertakes regular evaluations of its own performance at least once every eighteen months, to aid shareholders when making decisions on Director remuneration and appointments.

The Chair of the Board references evaluations when making recommendations on the re-appointment or recruitment of Board Directors, to ensure skills, knowledge and experience required of directors is identified, including knowledge of tikanga Māori.

The Board evaluation of its performance is a matter for all shareholders to consider, though WWL acknowledges Council, WIL, and Ngāti Koata each have their own appointment process.

## 22. Other matters

*This section summarises WWL's approach to other shareholder expectations*

WWL ensures effective performance reporting by the inclusion of quantifiable measures and SMART targets, including enhanced measures on Health and Safety. Refer section 9.2.1.

WWL, before making a decision that may significantly affect land or a body of water, considers the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.

WWL ensures there is 'no surprises' communication with the Shareholders on matters which are in the shareholders' or public interest and are not highly commercially sensitive.



## Part 3 – Specific expectations

*This section describes how WWL plans to address specific expectations advised in the Shareholders' Statement of Expectation.*

### 23. Comply with Sol provisions in Shareholders Agreement

*Requirements for WWL's Sol are captured in three forms, the LGA, the Shareholder's annual Statement of Expectation, and section 10 of the Shareholders Agreement. The table below illustrates how this Sol complies with Shareholders' Agreement syntax.*

<u>Shareholders Agreement</u>	<u>Reference / Notes</u>
10.1 / 10.4 "Business plan and 5-year budget ... must include ...Income projections ... projected expenses ... capital expenditure ... cash flow projections ... assets under management and maintenance projection"	Section 11
10.3 "The budget shall be reviewed (and, ... revised if necessary) on a quarterly basis ... to ensure adequate working capital levels and provisions of upcoming capital requirements"	Section 16
10.5 / 10.6 / 10.7 "If the Board does not make any determination in respect of the Cash Reserves, such Cash Reserves shall be carried forward."	Section 11.2
10.9 The Board shall procure the preparation of so that a draft is delivered to the Shareholders no later than 1 March each year, a draft Statement of Intent for the Company for the following Financial Year containing those matters required by Schedule 8 of the LGA and otherwise in accordance with the requirements of the LGA, subject to clause 10.11.	Section 1
10.13 "The Board will ensure that accounting records are maintained for the Company in accordance with NZ GAAP (as consistently applied by the Company and approved by the Board), the LGA and any other applicable legal requirements."	Section 9.4.1
10.10 / 10.11 "Upon completion of the Statement of Intent in accordance with section 3 of Schedule 8 of the LGA (as evidenced by the delivery of the completed Statement of Intent to the Shareholders), the business plan that supports the Statement of Intent will become the business plan for the following Financial Year. Unless otherwise agreed by the Board, the business plan must include, without limitation, information relating to the following:	
(a) situation analysis	Section 5
(b) goals for the relevant Financial Year	Sections 8, 9
(c) key objectives and strategies for the relevant Financial Year	
(d) evaluation of the feasibility of the development or sale of any part of the Business	n/a
(e) action plan	Section 10
(f) a five year strategic overview	Section 0

### 24. Future estimated water charges

Refer section 11.1.

### 25. Asset management strategy

*Asset management strategies should give a clear understanding of maintenance and plant replacement costs over the life of assets.*



WWL has begun its first review of its OMM, alongside the implementation of a CMMS to manage work orders, assets and parts, to cut downtime, costs, and more. WWL's current strategy includes;

1. Complete the implementation of the CMMS, having purchased appropriate software (during the period of this Sol).
2. Update the existing OMM to provide a genuinely useful and pragmatic tool for dam operators (during the period of this Sol).
3. Develop detailed maintenance and replacement plans, with budgets, to fully inform budgeting, fiscal management, and forecasting of upcoming capital or cyclical maintenance requirements (ongoing strategy).

## 26. Building (Dam safety) Regulations

*New Building (Dam safety) Regulations took effect in New Zealand in May 2024 and WWL must maintain compliance.*

New regulations as they apply to WWL (because of the WCD impact classification) relate almost exclusively to operating an effective DSAP. Maintaining DSAP compliance, including an Annual Dam Compliance Certificate, is a fundamental strategic objective specifically referred to in section 9.1 of this Sol.

## 27. Opportunities for collaboration

*Opportunities for collaboration can help ensure overhead costs are as economically sustainable as possible.*

WWL recognises its shareholders have their own other resources and relationships that could be harnessed to avoid duplication of costs. For example, Council has other water infrastructure assets that require both routine and emergency response expertise that WWL also requires.

WWL will carefully consider collaboration opportunities that appropriately balance cost and sustainable value, in particular to align with its wider five strategy.



## Part 4 – Compliance requirements

*The section describes how key pieces of legislation will be complied with.*

### 28. Compliance with Schedule 8 of the LGA

#### 28.1. Objectives

WWL will operate the dam safely, reliably, sustainably, and efficiently.

##### **Personnel safety**

- 28.1.1. WWL will continue to use an appropriate and robust risk based HSWMS to mitigate the risk of serious injuries to staff, contractors and the public during operation of the dam.

##### **Dam safety**

- 28.1.2. WWL will operate the dam to the appropriate high standards described in NZSOLD guidelines<sup>3</sup> and Dam Safety Regulations (2022).

##### **Reliability**

- 28.1.3. WWL will operate and maintain the dam in a manner that allows it to reliably operate over its planned 100-year life to meet the requirements of the resource consent and maintain asset integrity to meet requirements of NZSOLD guidelines.

##### **Sustainability**

- 28.1.4. WWL will ascribe to a sustainability-based management regime that considers and balances:
  - 28.1.4.1. Economic sustainability by providing shareholders with a safe, reliable and efficient asset.
  - 28.1.4.2. Environmental sustainability by understanding consumption and waste, emissions and implementing its environmental and biodiversity management plans.
  - 28.1.4.3. Transition to net zero carbon emissions by 2050.
  - 28.1.4.4. Social sustainability by engaging and nurturing positive relationships with the community it works within, contributing to its community and its prosperity, and being a good employer.

##### **Efficiency**

- 28.1.5. WWL will operate the dam within approved budgets while always bearing in mind the priority objectives to provide a safe, reliable and sustainable asset. WWL will efficiently and proactively manage operating risks.

<sup>3</sup> [https://nzsold.org.nz/wp-content/uploads/2017/08/nzsold\\_dam\\_safety\\_guidelines-may-2015.pdf](https://nzsold.org.nz/wp-content/uploads/2017/08/nzsold_dam_safety_guidelines-may-2015.pdf)



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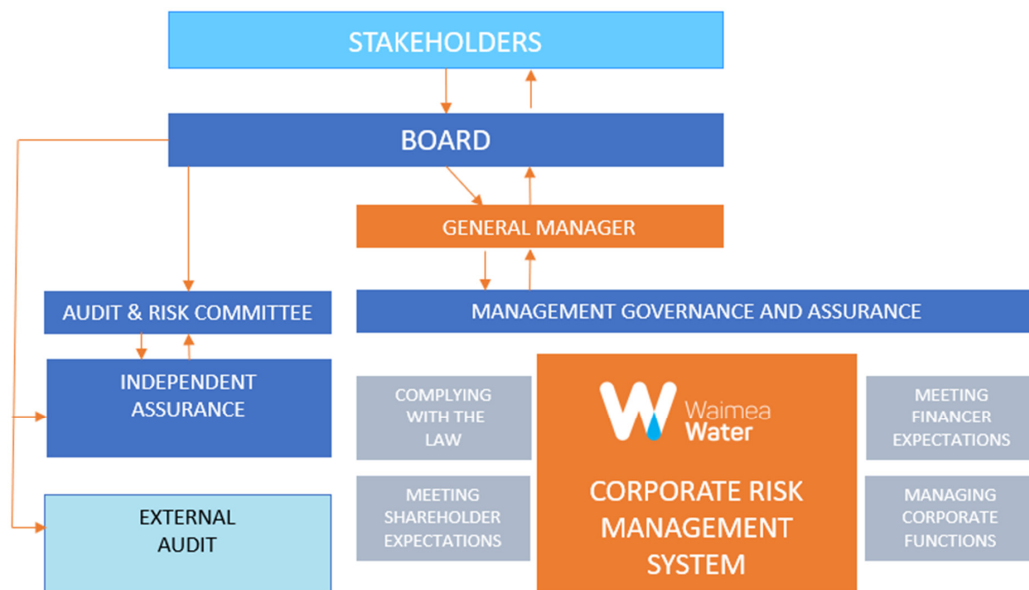
## 28.2. Approach to Governance

The WWL Board is committed to a high standard of corporate governance and regulatory compliance in guiding and monitoring WWL's activities.

The Board carries out its decision-making responsibilities in accordance with legislation, and directors comply with their obligations under the Companies Act 1993, the LGA and other relevant legislation.

WWL currently has budget for four highly experienced directors.

The WWL Board is supported by an audit and risk committee. The Board and the committee review their effectiveness every year. Management governance and assurance is prescribed in WWL's Corporate Risk Management System, which is reviewed and updated annually by the Board.



## 28.3. Nature and scope of activities

The scope of WWL's activities for 2025-26 are described in Part 1 – The performance story.

## 28.4. Non-financial performance targets

Non financial performance targets for 2025-26 are described in Part 1 – The performance story.

## 28.5. Accounting policies

*This section captures WWL's accounting policies, included in audited financial statements*

### **Reporting entity**

Waimea Water Limited (WWL) is a Council Controlled Organisation under Section 6 of the Local Government Act 2002 (LGA). WWL is registered under the Companies Act 1993. WWL has been established to manage the construction, operation and maintenance of the Waimea Community Dam.

### **Basis of preparation**

**(a) Statement of compliance**

Financial statements are prepared in accordance with the LGA, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993. WWL has a balance date of 30 June.

Financial statements are prepared in recognition of WWL being a public benefit entity, in accordance and to comply with PBE Standards RDR. Disclosure concessions have been applied. WWL is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and is not large.

**(b) Basis of measurement**

Financial statements are prepared on the basis of historical cost, and on the going concern basis.

**(c) Functional and presentation currency**

Financial statements are presented in the functional currency of WWL, which is New Zealand dollars (NZ\$), and all values are rounded to the nearest thousand dollars (000s).

**(d) Comparatives**

Statements report comparative figures.

**(e) Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year. Any impact of new and amended standards and interpretations applied in the year is limited to additional note disclosures.

***Summary of significant accounting policies***

The preparation of financial statements requires WWL to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing financial statements are set out below. These will be assessed by management as part of the annual reporting process and included within the final annual accounts.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly-liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

**(g) Trade and other receivables**

Trade and other receivables are recorded at the amount due, less any allowance for impairment measured using the simplified expected credit losses method.

**(h) Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**(i) Property, plant and equipment**



Property, Plant & Equipment (PPE) will be recognised in accordance with PBE IPSAS 17, at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 'Directly attributable' includes all costs directly associated with the dam build, including professional fees, all staff costs, where a majority of the person's time is directly associated with the dam build, and a reasonable allocation of other costs incurred for staff identified above. Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Uncompleted capital works are not depreciated until ready for service.

Subsequent expenditure is capitalised and the cost incurred added to the carrying amount of an item of Property, Plant and Equipment if it is probable that the future economic benefits embodied in the specific asset will flow to WWL and the cost of the item can be measured reliably. The costs of day-to-day servicing of Property, Plant and Equipment are recognised in the surplus or deficit as incurred.

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WWL and the cost of the item can be measured reliably. Individual or groups of assets are capitalised if their cost is greater than \$500. Where an asset is acquired at no or for a nominal cost it is recognised at fair value as at the date of acquisition.

#### ***Disposals***

Gains and losses are determined by comparing the proceeds with the carrying amount and are recognised in the surplus or deficit. Net gains and losses are only recognised when the significant risks and rewards or ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing involvement.

#### ***Depreciation***

The depreciable amount of an asset is determined based on its useful life. Rates and methods of depreciation reflect the pattern in which the asset's future economic benefits are expected to be consumed by WWL.

Depreciation of dam project components will be provided on a straight line basis to write off the cost (or valuation) to estimated residual values. Depreciation of other assets will be provided on a diminishing value basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Land	not depreciated
Leasehold improvements	10% (DV)
Furniture and equipment	16% - 50% (DV)
Vehicles	20% - 30% (DV)
Buildings (including fit out)	2-100 years (SL)
Bridges	100 years (SL)
Culverts, structures and fill (concrete, rock)	80-120 years (SL)
Earthworks and river stop banks	not depreciated (SL)
Rock and slope protection	80-120 years (SL)





Water pipes/valves/meters (manual)	15-80 years (SL)
Water pipes/valves/meters (automatic)	15-80 years (SL)
Capital WiP	not applicable

#### **(j) Impairment of non-current assets**

The carrying amounts of WWL's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated. If the estimated recoverable value amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount, and an impairment loss is recognised in the surplus or deficit.

The recoverable amount of an asset is the higher of the fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and discounting these to their present value using a pre-tax discount rate that reflects the current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised to the extent that an impairment loss for that asset was previously recognised in the surplus or deficit immediately.

#### **(k) Other financial assets**

Term investments over 90 days are classified as 'other financial assets.' They are initially measured at fair value, net of transaction costs. After initial recognition, financial assets in this category are measured at amortised cost using the effective investment method, less impairment. Gains and losses when the asset is impaired are recognised in the surplus or deficit.

#### **(l) Share capital**

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue.

#### **(m) Interest bearing borrowings**

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, which is determined to be an asset that takes a period of greater than one year to get ready for its intended use, are capitalised as part of the cost of the asset.

#### **(n) Employee entitlements**

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is calculated on an actual entitlements basis at current rates of pay. These include salaries and wages accrued up to balance date, alternate days earned but not yet taken, and annual leave earned but not yet taken up to balance date.

#### **(o) Revenue**



Revenue comprises the fair value of the consideration received or receivable in the ordinary course of WWL's activities, net of discounts, rebates and taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised on an accrual basis using the effective interest method.

Water charges income is recognised on an accrual basis in proportion that costs expensed to date bear to the estimated total costs of the transaction.

#### **(p) Expenses**

##### ***Financing costs***

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method.

##### ***Dividends***

WWL operates on a cost recovery basis therefore no dividends are payable.

##### ***Insurance***

Insurance costs paid in advance for services to be received in the future are initially recorded as assets and their value is expensed over time onto the Statement of Comprehensive Revenue and Expense.

#### **(q) Income tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to the income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax are charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity and other comprehensive revenue and expenses.

#### **(r) Goods and Services Tax (GST)**



All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified within operating cash flow in the Statement of Cash Flows.

## **28.6. Forecast financial information**

Refer section 11.

## **29. Compliance with Public Records Act 2005**

WWL ensures management, retention, and disposal of records in line with the requirements of this Act and its related mandatory Information and Records Management Standard - July 2016

## **30. Compliance with Health and Safety legislation**

*This section summarises WWL's HSWMS framework, structured using the following sections.*

### **30.1. Legal requirements**

Businesses operating within New Zealand are required to meet certain legislative requirements to support and improve work health and safety, primarily the Health and Safety at Work Act 2015, Health and Safety Regulations, and the Accident Compensation Act 2001.

### **30.2. Leadership, culture and reporting**

Fundamental to the success of WWL's HSWMS is leadership and ensuring a safety focussed culture within the organisation.

### **30.3. Hazard and risk management**

The purpose of hazard and risk management is to proactively identify and manage hazards / risks across the business to reduce risk and actual or potential harm to people, equipment and the environment.

### **30.4. Incident reporting, management and investigation**

The purpose of Incident reporting, management and investigation is to accurately report, record and investigate incidents to prevent future harm and identify continuous improvement opportunities.

### **30.5. Training and competency**

The purpose of training and ensuring competency is to ensure processes are established to provide the requisite training, competency and awareness to effectively manage HSW risks.

**30.6. Emergency preparedness**

The purpose of emergency preparedness is to ensure that the appropriate resources and incident response plans are prepared, practiced, and available.

**30.7. Injury management**

The purpose of injury management is to support and encourage a safe and early return to work.

**30.8. Health and wellbeing**

The purpose of monitoring and supporting health and wellbeing is to ensure employees and contractors are both fit for work and not adversely affected by hazards exposed during their employment.

**30.9. Contractor management**

The purpose of ensuring a contractor's HSW system meets WWL's requirements is to ensure HSW risks associated with procured materials, equipment, services, and labour are effectively managed and effective communication processes are in place.

**30.10. Audit and verification**

The application and effectiveness of the HSWMS shall be tested and verified.



## Part 5 – Other background information

*The section describes other information that might assist a first-time reader, or to refresh information for readers with familiarity of recent history.*

### 31. Waimea Water Ltd

WWL is a joint venture between Council and WIL. WWL is a Council-Controlled Organisation under Section 6 of the LGA. WWL is a limited liability company, incorporated under the Companies Act 1993.

WWL represents the shared interests of Council and WIL. When fully funded to \$211.2m Council will be the majority shareholder with 74.7% of the issued shares and WIL will hold the remaining 25.3%.

CIIL provides a \$25M loan to WWL, and further loans to Council.

Council contributions are supported by a Ministry for the Environment grant of \$7M.

WWL does not undertake any activities for which the Board seeks compensation from any local authority. This is prohibited by WWL's constitution.

### 32. The Waimea Community Dam

The dam is a significant infrastructure project for the Tasman region, to secure water supply for the next 100 or more years. Approval to proceed with the dam was reached in December 2018.

The project began in March 2019, site works commenced in August 2019, the embankment culvert was closed in May 2023, and the reservoir filled for the first time in January 2024.

The dam is a concrete-face rockfill dam, 53 metres high, 220 metres long, and six metres wide at the crest. The spillway is 165 metres long, 40 metres wide at the top, 20 metres wide at the bottom, and descends 50 vertical metres.

The dam was designed to contemporary international design standards under New Zealand and international Dam Safety Guidelines. The dam was built by a joint venture between Fulton Hogan Ltd and Taylors Contracting Ltd (the Contractor). Compliance with design standards was regularly peer reviewed by technical dam experts as the build progressed. Damwatch Engineering Ltd independently reviewed the construction and provided design guidance. GHD Engineering peer reviewed design changes.

### 33. Benefits to the region

The reservoir created by the dam will contain approximately 12 billion litres of water. The benefits of the dam for the region are:

- Providing the shareholders, being the community and Waimea irrigators, with water security and supporting a growing population, particularly in the face of climate change. The dam is designed and expected to provide coverage for a drought greater than a 1-in-50 year event.
- Healthy Lee and Waimea rivers for swimming, fishing and other recreational activities.
- Healthier rivers for aquatic life to thrive by maintaining minimum river flows.
- A robust and more resilient economy strengthened by the success of horticulture and farming industries and the subsequent growth of associated secondary and tertiary industries.



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- Enabling residential (housing), commercial and industrial investment and development, which brings jobs, more housing and associated economic activity.
- Greater potential to develop, maintain and grow businesses for future generations.

### **34. Professional support information**

Legal Support:	Duncan Cotterill
Auditor:	Audit New Zealand on behalf of the Auditor-General
Banker:	ANZ Corporation
Dam advisory Engineer:	Damwatch Engineering Ltd



### 35. Glossary

*This section summarises abbreviations used in this document.*

Abbreviation	Definition
BCP	Business Continuity Plan
BMP	Biodiversity Management Plan
CIIL	Crown Irrigation Investments Ltd
CMMS	Computerised Maintenance Management System
CMP	Crisis Management Plan
CRMS	Corporate Risk Management System
Council	Tasman District Council
DSMS	Dam Safety Management System
EAP	Emergency Action Plan
HSWMS	Health, Safety and Wellbeing Management System
KPI	Key Performance Indicator
LGA	Local Government Act 2002
NZSOLD	New Society of Large Dams
OMM	Operations and Maintenance Manual
RRWMP	Reservoir Release Water Management Plan
SOI	Statement of Intent
WCD	Waimea Community Dam
WIL	Waimea Irrigators Limited
WWL	Waimea Water Ltd

## 7.7 LOCAL GOVERNMENT FUNDING AGENCY LIMITED - FINAL STATEMENT OF INTENT 2025-2028

Information Only - No Decision Required

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Mike Drummond, Chief Financial Officer
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-7

### 1. Summary / Te Tuhinga Whakarāpoto

- 1.1 The purpose of this report is to present the Local Government Funding Agency (LGFA) final Statement of Intent (SOI) 2025-2028.

### 2. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

1. receives the Local Government Funding Agency Limited - Final Statement of Intent 2025-2028 report, RCN25-07-7; and
2. receives the letter to Shareholders from the Local Government Funding Agency (Attachment 1 to the agenda report); and
3. notes the delivery of the Local Government Funding Agency final Statement of Intent 2025-2028 as required under the Local Government Act 2002; and
4. agrees to the Local Government Funding Agency final Statement of Intent 2025-2028; and
5. notes the final Local Government Funding Agency Statement of Intent (Attachment 2 to the agenda report) will be made publicly available on the Council's website.

### 3. Background \ Horopaki

- 3.1 On 29 November 2024, the Local Government Funding Agency Shareholders Council sent its Statement of Expectations to the LGFA. The Statement of Expectation covered areas of focus the Shareholders Council wished the Company to consider in developing its draft SOI.
- 3.2 The draft SOI was received in February 2025 and presented to Tasman District Council on 27 March 2025. The draft SOI covered the period from 1 July 2025 to 30 June 2028.
- 3.3 A letter to shareholders from Mark Butcher, Chief Executive LGFA, was received by the Council on 27 June 2025 (**Attachment 1**) accompanying their final SOI for 2025-2028 (**Attachment 2**).
- 3.4 The letter to shareholders noted the following key points:



*“As with previous years, there remains uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their Long Term Plans (“LTPs”), any cost increases as well as the amount of Central Government assistance in funded capex delivery.*

*The Local Water Done Well reform programme (“LWDW”) is progressing with the next key milestone being the publication of the Water Services Delivery Plans for each council. There remains uncertainty for the sector (and LGFA) as to the amount, timing and transition of assets, debt and revenue to the new water organisations. We have assumed that any impact from LWDW will start to occur in the last few months of the 2025-26 FY. For our council borrowing and bond issuance forecasting purposes we have used the 2024-34 LTPs from councils (that incorporate water related activities). The only adjustment made is that we have assumed that LGFA won’t be lending to financially independent water CCOs such as Watercare.*

*We have made no assumptions regarding the impact to the SOI forecasts from the Ratepayer Assistance Scheme (“RAS”). LGFA has committed (subject to shareholder approval) to contributing towards the establishment and ongoing management of the RAS. It is too early to build any impact into the forecasts.”*

- 3.5 The changes made to the final SOI compared to the draft SOI received in February 2025 for comment were:

*“We have added a performance target relating to the LGFA Future Director Programme.*

*Our forecasts for council borrowing are relatively unchanged with a \$200 million increase in forecast council borrowing in 2025-26 FY that is offset by a \$350 million reduction in 2026-27 FY. We have made no substantial change to our forecast LGFA bond issuance of \$5.15 billion (2025-26 FY) \$5.05 billion (2026-27 FY) and \$5 billion (2027-28 FY).*

*The Net Interest Income forecast has reduced by \$200k, \$4.6 million and \$6.2 million in the 2025-26, 2026-27 and 2027-28 fiscal years due to a change in the assumed interest rate path and issuance spreads.*

*Expenses are forecast to decrease by \$1.2 million in 2025-26 FY, \$1.1 million in 2026-27 FY and \$1.8 million in 2027-28 FY on a reduced usage of the NZDM liquidity facility.*

*Forecast Net Operating Profit is forecast to increase in 2025-26 FY by \$1 million but reduce by \$3.4 million and \$4.3 million in the 2026-27 and 2027-28 fiscal years.”*





#### **4. Conclusions**

- 4.1 The LGFA has met the expectations of the Shareholders’ Council with the delivery of the draft and subsequent final Statement of Intent 2025-2028.
- 4.2 The staff and LGFA Shareholders Council recommendation is for Tasman District Council to agree to the LGFA final SOI 2025-2028.

#### **5. Next Steps / Timeline**

- 5.1 A link to the LGFA final SOI 2025-2028 will be placed on the Tasman District Council’s website.

## 6. Attachments / Tuhinga tāpiri

- |    |   |  |    |
|----|---|--|----|
| 1. |   | Local Government Funding Agency Letter to Shareholders about final Statement of Intent 2025-2028 | 91 |
| 2. |   | Local Government Funding Agency Final Statement of Intent 2025-2028                              | 93 |



27 June 2025

Dear LGFA stakeholder

### Statement of Intent 2025-2028

Please find attached the Statement of Intent (SOI) for the 2025-28 period.

LGFA remains focused on delivering strong results for our council borrowers and shareholders.

For our borrowing councils and CCOs we seek to optimise funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets.

For our shareholders we are focused on

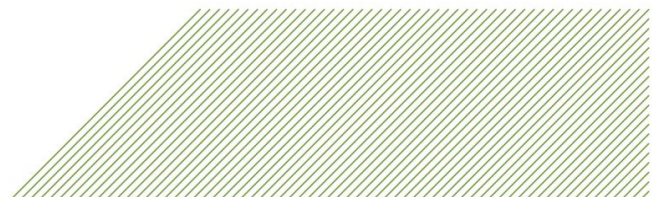
- Delivering a strong financial performance
- Monitoring asset quality and
- Enhancing our approach to treasury and risk management.

The following points regarding the 2025-28 SOI are worth noting:

- As with previous years, there remains uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their Long Term Plans ("LTPs"), any cost increases as well as the amount of Central Government assistance in funded capex delivery.
- The Local Water Done Well reform programme ("LWDW") is progressing with the next key milestone being the publication of the Water Services Delivery Plans for each council. There remains uncertainty for the sector (and LGFA) as to the amount, timing and transition of assets, debt and revenue to the new water organisations. We have assumed that any impact from LWDW will start to occur in the last few months of the 2025-26 FY. For our council borrowing and bond issuance forecasting purposes we have used the 2024-34 LTPs from councils (that incorporate water related activities). The only adjustment made is that we have assumed that LGFA won't be lending to financially independent water CCOs such as Watercare.
- We have made no assumptions regarding the impact to the SOI forecasts from the Ratepayer Assistance Scheme ("RAS"). LGFA has committed (subject to shareholder approval) to contributing towards the establishment and ongoing management of the RAS. It is too early to build any impact into the forecasts.

New Zealand Local Government Funding Agency Limited

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Wellington Level 11, City Chambers, 142 Featherston Street  
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[lgfa.co.nz](http://lgfa.co.nz)



The changes made in the Final SOI compared to the Draft SOI that you received in February 2025 for comment have been:

- We have added a performance target relating to the LGFA Future Director Programme.
- Our forecasts for council borrowing are relatively unchanged with a \$200 million increase in forecast council borrowing in 2025-26 FY that is offset by a \$350 million reduction in 2026-27 FY. We have made no substantial change to our forecast LGFA bond issuance of \$5.15 billion (2025-26 FY) \$5.05 billion (2026-27 FY) and \$5 billion (2027-28 FY).
- The Net Interest Income forecast has reduced by \$200k, \$4.6 million and \$6.2 million in the 2025-26, 2026-27 and 2027-28 fiscal years due to a change in the assumed interest rate path and issuance spreads.
- Expenses are forecast to decrease by \$1.2 million in 2025-26 FY, \$1.1 million in 2026-27 FY and \$1.8 million in 2027-28 FY on a reduced usage of the NZDM liquidity facility.
- Forecast Net Operating Profit is forecast to increase in 2025-26 FY by \$1 million but reduce by \$3.4 million and \$4.3 million in the 2026-27 and 2027-28 fiscal years.

We remain committed to delivering the lowest possible borrowing cost to the sector, providing certainty of access to funding and long dated tenors to councils while at the same time protecting the interests of our guarantors and shareholders through maintaining a strong financial and capital position.

We thank you for your support of LGFA and please feel free to contact me if you have any questions or require further clarification on anything relating to the SOI or LGFA in general.

Yours sincerely



Mark Butcher  
Chief Executive





2025 – 2028

## Statement of Intent

## 1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives, and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2025 to 30 June 2028.

LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

## 2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

The LGFA Board has agreed subject to receiving Shareholder approval to support the development of the Ratepayer Assistance Scheme (RAS).

## 3. Our purpose Ta tatou kaupapa

**Benefiting local communities through delivering efficient financing for local government.**

**Ka whiwhi painga ngā hāpori mā te whakarato pūtea tōtika ki ngā kaunihera.**





## 4. Our values Ō mātau uara

<p><b>We act with integrity</b></p> <p>E pono ana mātau</p> <p>We are honest, transparent and are committed to doing what is best for our customers and our company.</p>	<p><b>We are customer focused</b></p> <p>E arotahi ana mātau ki te kiritaki</p> <p>Our customers are our borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.</p>	<p><b>We strive for excellence</b></p> <p>E whakapau kaha mātau kia hiranga te mahi</p> <p>We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.</p>	<p><b>We provide leadership</b></p> <p>He kaiārahi mātau</p> <p>We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.</p>	<p><b>We are innovative</b></p> <p>He auaha mātau</p> <p>To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.</p>
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## 5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

## 6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives, and associated performance targets.

### Governance, capability, and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

### Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

### Environmental and social responsibility

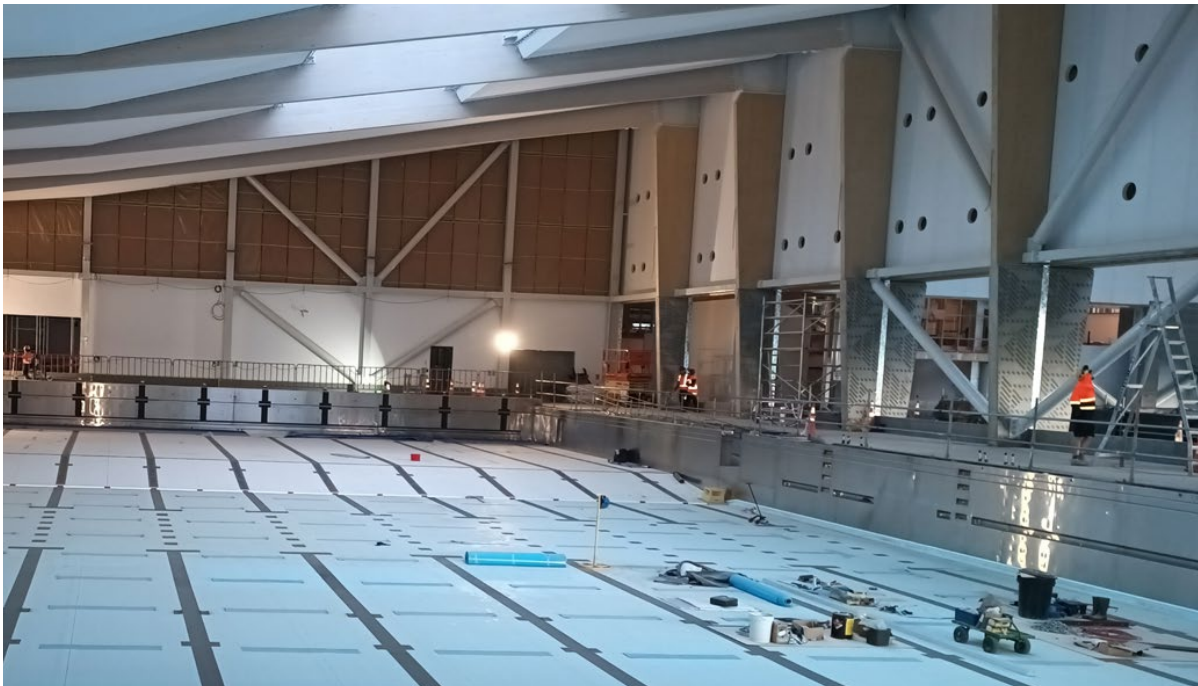
LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

### Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each member's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

### Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.





## 7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2025-2028.

The financial performance targets are focused on the 2025-2026 year and, as applicable, are based on the financial forecasts outlined in section 8.

### Governance, capability, and business practice

Objectives	How we measure our performance
Demonstrate best-practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual Report, Half Year Report and Climate-Related Disclosures.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2025-2026 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>\$44.7 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<\$12.1 million.

## Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. Have the ability to issue debt securities in NZD and foreign currency.

Performance targets	2025-2026 target
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%.

## Environmental and social responsibility

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance targets	2025-2026 target
Health and Safety	No notifiable incidents.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO <sub>2</sub> e annual per person GHG emissions.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector	New sustainable financing option is available to water entities.
Enhance our insight into climate-related risks through council lending	Climate change is incorporated into LGFA's credit risk assessments.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.

## Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.  Analyse finances at the Council group level where appropriate and report to shareholders.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.  Member councils are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of members visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to Water CCOs (if requested by a council)

Performance targets	2025-2026 target
Review each Participating Borrower's financial position.	100%.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%.

## Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions. Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA. Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2025-2026 target
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Four quarterly updates to councils and CCOs.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective	Nine meetings across stakeholders.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.



## 8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2028:

Summary comprehensive income \$m	Jun 26	Jun 27	Jun 28
Net interest income	42.8	39.2	43.4
Other operating income	1.9	1.9	1.9
Total income	44.7	41.1	45.3
Operating expenses <sup>1</sup>	20.2	24.8	26.2
Net profit	24.5	16.3	19.1
Financial position \$m	Jun 26	Jun 27	Jun 28
Liquid assets portfolio	4,501	5,787	6,192
Loans	24,751	26,498	26,861
Water loans	-	250	1,250
Other assets	-	-	-
Total assets	29,252	32,535	34,303
NZD bonds on issue (ex Treasury stock)	16,466	16,045	16,852
Foreign Currency bonds on issue	9,552	12,702	13,240
Bills & ECP on issue	2,042	2,042	2,042
Borrower notes	1,073	1,506	1,822
Other liabilities	-	-	-
Total liabilities	29,133	32,296	33,955
Capital	25	25	25
Retained earnings	132	146	164
Dividend	(2)	(2)	(2)
Shareholder equity	155	169	187
Ratios	Jun 26	Jun 27	Jun 28
Liquid assets/funding liabilities	16.6%	19.1%	19.4%
Liquid assets / total assets	15.4%	17.8%	18.0%
Net interest margin	0.17%	0.15%	0.16%
Cost to income ratio	45.1%	60.3%	57.8%
Return on average assets	0.08%	0.05%	0.06%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	4.2%	5.2%	5.9%
Asset growth	12.1%	11.2%	5.4%
Loan growth	10.0%	7.1%	1.4%
Return on equity	18.6%	10.5%	11.3%
Capital ratio	21.0%	25.8%	29.3%

1. Operating Expenses include Approved Issuer Levy (AIL)

The above forecasts assume a gross bond issuance programme of \$5.15 billion (FY26), \$5.05 billion (FY27) and \$5.0 billion (FY28) based upon term gross lending to councils and CCOs of \$5.08 billion (FY26), \$5.74 billion (FY27) and \$6.06 billion (FY28).

Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOs and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. We have assumed we will not be lending to financially independent water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. As at the date of release, there have been no Water Services Delivery Plans approved and no final decisions made regarding the transfer mechanism for assets, liabilities and revenue from each council to the proposed water organisations.

## Ratepayer Assistance Scheme

LGFA is supporting the development of the Ratepayer Assistance Scheme ("RAS") that will assist ratepayers with the ability to defer rates, enter property improvement loans and spread the payment of development contributions (or levies) over a long time horizon. LGFA has committed to financially contribute to the RAS business case in the 2024-25 FY. If the business case is supportive and the RAS proceeds then (subject to shareholder approval), LGFA will consider taking a shareholding, providing a debt facility, providing support services, investing in preference shares (akin to the LGFA Borrower Notes) and managing the RAS debt issuance programme. The LGFA participation in RAS has not been factored into the above financial forecasts.

## 9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## 10. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises seven directors with six being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement, and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## 11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

### Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

### Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

### Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Unaudited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

### Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:



- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

### Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

### Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

## 12. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase, or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

## 13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

## 14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.



As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares – \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

## 15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice.

### Statement of Accounting Policies

#### 1. REPORTING ENTITY

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

#### 2. STATEMENT OF COMPLIANCE

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

#### 3. BASIS OF PREPARATION

##### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

##### Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

##### Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

##### Changes in accounting policies

There have no changes to accounting policies.

**Early adoption standards and interpretations**

LGFA has not early adopted any standards.

**Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

**Financial instruments****Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

**Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

**Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

**Other assets****Property, plant and equipment**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

**Intangible assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

**Other liabilities****Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

**Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

**Expenses**

Expenses are recognised in the period to which they relate.

**Interest expense**

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

**Income tax**

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

**Goods and services tax**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**Segment reporting**

LGFA operates in one segment being funding of participating borrowers in New Zealand.

**Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

**7.8 CHIEF EXECUTIVE'S UPDATE****Information Only - No Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Leonie Rae, Chief Executive Officer
<b>Report Authorisers:</b>	Leonie Rae, Chief Executive Officer
<b>Report Number:</b>	RCN25-07-8

**1. Summary / Te Tuhinga Whakarāpoto**

- 1.1 The purpose of this report is to provide an update on some key activity since the Chief Executive's last report on 19 June 2025.

**2. Recommendation/s / Ngā Tūtohunga****That the Tasman District Council**

1. receives the Chief Executive's Update report, RCN25-07-10.

**3. Chief Executive Meetings and Activities included but were not limited to:**

- 3.1 Following my last report, in addition to addressing various operational tasks, the number of engagements I have attended has been reduced due to the impacts created by the severe weather events between 27 June and 11 July 2025.
- 3.2 On 26 June 2025, I met with Paul Barker from Department of Internal Affairs (DIA) as part of our relationship strengthening and to talk regarding our progress on Local Waters Done Well.
- 3.3 On 26 June 2025, we held the Tasman District Council Candidate Information evening. This event was attended by those interested in standing for the Council or Community Board.
- 3.4 The first week of July we released the Pre-Election Report which can be found on our website [Elections 2025](#).
- 3.5 On 27 June 2025, I attended the Aspire Conference in Nelson, hosted by the Chamber of Commerce. Some of the key points and keynote speakers included Mark Bruce-Miller from Whenua Iti Outdoors and Juliet Ansell from Bragato Research Institute [Bragato Research](#).

**4. Severe Weather Events June and July and State of Emergency**

- 4.1 On 27 June 2025, the first extreme weather event hit our region/district, and a State of Emergency was declared. Throughout the next seven days, our focus was on the emergency response. We were fortunate to have surge capacity from other councils, notably, Bay of Plenty, Canterbury and Otago and our Nelson neighbours. The EOC was staffed 24 hours per day for the first few days then to day shifts throughout the following week due to another threat of more extreme weather.

- 4.2 That storm event did not eventuate, but unfortunately early July brought more extreme weather.
- 4.3 In response to the June events, several community engagement meetings took place to offer one place for affected community members to access multiple agencies in one place. The meetings were held at Wakefield, Tapawera, Riwaka, Ngātimoti and Brightwater.

Thank you to all the agencies that attended those meetings which include but not limited to:

- Iwi
- Ministry of Primary Industries
- Ministry of Social Development
- Police
- FENZ
- Rural Support Trust
- Red Cross
- National Emergency Management Agency
- Inland Revenue

It was truly a community effort, that included staff from across Council, Ward Councillors, Community Board members, the Mayor and our Nelson MP, Rachael Boyack.

- 4.4 On 10 and 11 July 2025, the second severe weather event hit our district, impacting on several of the same areas and properties that had been affected by the first weather event.
- 4.5 On Thursday, 10 July 2025 we moved out of 'Recovery Phase' and back into the 'State of Emergency' in anticipation of this impending event. Going early enabled us to quickly mobilise staff, contractors, the army, and rescue teams. The early evening of 11 July 2025 was tense, with hundreds responding as the weather hit, both in the Emergency Operations Centre and on the ground monitoring rivers, roads and evacuating people as needed.
- 4.6 I would like to formally recognise the exceptional contributions made by all involved throughout both events. My sincere appreciation extends to our staff, the Mayor and Councillors, CDEM and Nelson City Council personnel, Iwi, government agencies, contractors, volunteers, private businesses, and community members. I am personally grateful to everyone who has provided, or continues to provide, support to those affected by the flood events.
- 4.7 Between 27 June and 17 July 2025, Tasman District Council staff recorded a total of **7,000 hours** which was worked in areas such as the EOC, field support, road clearance, river and stop bank assessments, and coordination with contractors. Customer service teams addressed hundreds of inquiries during this period. Many of these hours included work on weekends and nights.
- 4.8 The table below shows the hours, over three weeks which equates to around 26 person years of effort. *Note: that this does not include volunteers, front line services staff, and other Tasman District Council staff hours*

Tasman District Council Staff	7,000
Surge Staff from other councils	7,000

Contractors – Roads	35,000
Contractors – Waters	5,000
Rivers	35,000
<b>Total</b>	<b>89,000</b>

- 4.9 The Recovery Phase began on 17 July 2025. Staff, teams, and contracting partners are working in the field to restore operations. The Recovery Team is coordinating efforts to provide community support. We are contacting agencies to determine available funding and assistance for affected community members.
- 4.10 At the time of writing this report, we have been advised that we are expecting another significant weather event between 29 July 2025 and 1 August 2025.







## 5. Legal Services Update

### LGOIMA Update

- 5.1 The monthly numbers and Council's proactive releases are published on the Council's website - [LGOIMAs and information of public interest | Tasman District Council](#).
- 5.2 LGOIMAs of public interest continue to be published on our website.
- 5.3 It is noted that in July 2025, while much of the team were responding to the severe weather event, more than 60 LGOIMAs were received in relation to LGNZ and 'rate capping'. It is understood that this bulk request has been inspired by the Taxpayers Union.

### High Court decision

- 5.4 As previously advised, the High Court has released its decision on an appeal of an Environment Court decision to grant enforcement orders relating to a tiny home. The Council has now been awarded costs in both the High Court and Environment Court.

## 6. People Management

### Multi-Employer Collective Agreement (MECA)

- 6.1 Formal bargaining with the PSA union for a new Multi-Employer Collective Agreement (MECA) has been concluded, and at the time of writing, we are waiting on the outcome of the PSA membership ratification process.
- 6.2 The parties to the MECA are the PSA Union, Tasman District Council, Nelson City Council and Marlborough District Council.
- 6.3 Our annual performance conversation (appraisal) process has also concluded, and any salary adjustments will be incorporated into the market movements (still subject to formal ratification) that formed part of this year's MECA Agreement negotiations.

### Human Resources Statistics

- 6.4 The annual human resources statistics for the year ending June 2025 are shown in attachment 8.1.
- 6.5 The headcount is 450 (Full Time Equivalent 421) and this has increased from last year's count of 437 (Full Time Equivalent 407). A list of the new positions is included in the attachment.

- 6.6 Our annual turnover was 7.3% and the national average turnover (sourced from Lawson Williams NZ Turnover Survey released April 2024) for 2023 was 21.4%. A more recent comparison is currently not available.
- 6.7 Recruitment continues to remain steady, and we are currently at various stages of recruiting for approximately 13 vacancies which are a mix of existing and new positions.

## 7. Te Kahui Hononga Update



### Port Tarakohe new offices

- 7.1 The dawn blessing of the Port Tarakohe new building was expected to be held on Friday 4 July 2025, however due to heavy rain this was postponed till Friday 18 July 2025. The event had to be postponed a second time due to the devastation of the weather events.
- 7.2 The blessing and opening were officially held on Tuesday 22 July 2025.

### Weather Events and Rahūi

- 7.3 Members of the Te Kahui Hononga team worked closely with iwi during the weather events and supported iwi whilst in the Emergency Operations Centre (EOC) over the past few weeks.
- 7.4 Because of the first weather event, a Rahūi was put in place in the affected areas, and this was expected to be lifted as soon as the Council give the 'all clear' for affected rivers and coastline.

## 8. Attachments / Tuhinga tāpiri

1.   Human Resources Statistics Attachment

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# 1 Staff Numbers Statistics for June 2025

	Full Time	Part time	Casual	Fixed Term
Community Infrastructure	71	4		2
Council Operations	29	2		6
Environmental Assurance	91	3		1
Finance	24	1		3
Information, Science & Technology	74	5		3
Service & Strategy	69	37		4
Office of the CEO	6	1		1
<b>Headcount = 437</b> <b>FTE = 407</b>	<b>364</b>	<b>53</b>		<b>20</b>

A new organisation structure came into effect in 2021 and 2024, and this is reflected in the June 2025 data below.

	June 2025	June 2024	June 2023	June 2022	June 2021
Community Infrastructure	78	77	74	66	56
Council Operations	78	37	32	28	
Environmental Assurance	105	95	98	96	137
Environmental Science	47				
Finance	28	28	33	31	44
Information, Science & Technology	-	82	80	70	25
Service & Strategy	106	110	103	100	99
Office of CEO	8	8	6	5	14
<b>Headcount =</b>	<b>450</b>	<b>437</b>	<b>426</b>	<b>396</b>	<b>375</b>
Increase on headcount	3.0%	2.6%	7.5%	5.6%	7.7%
<b>FTE =</b>	<b>421</b>	<b>407*</b>	<b>405 *</b>	<b>374 *</b>	<b>348</b>
% increase on FTE	3.4%	0.7%	8.0%	7.5%	10.1%

\* Note:

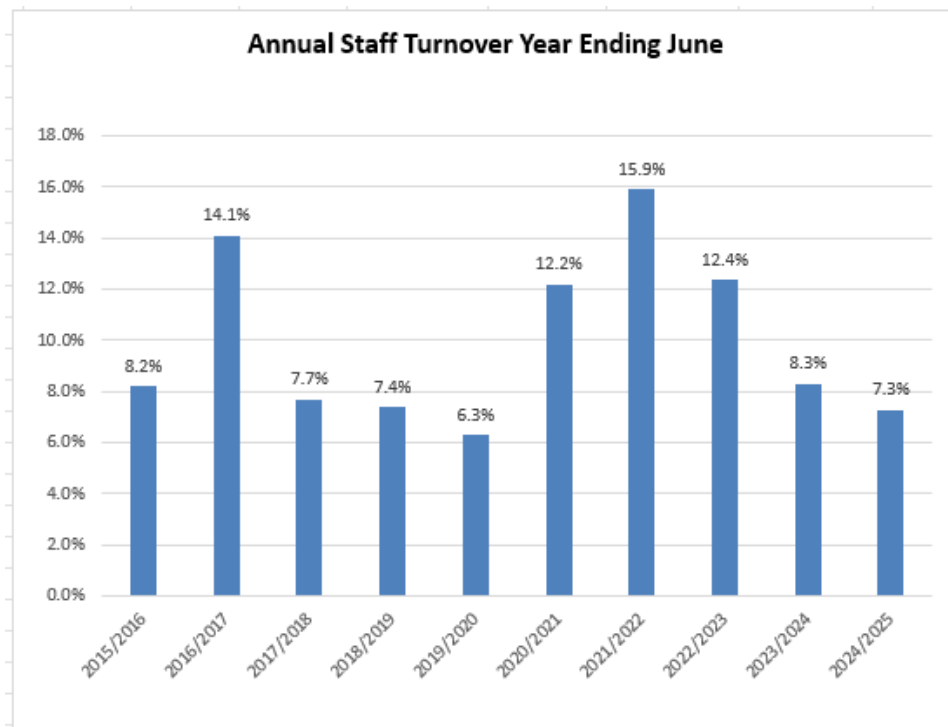
1. existing flexible working arrangements amount to a 11.7 FTE 'reduction' to the actual FTE.
2. this includes existing vacant positions (as at 30 June) which amount to a further 11 FTE 'reduction' to the actual FTE.

Activity Area	Position Title
Community Infrastructure	<ul style="list-style-type: none"> <li>• Team Leader – Wastewater (fixed term)</li> </ul>
Council Operations	<ul style="list-style-type: none"> <li>• Applications Support Administrator (365)</li> <li>• Business Integration Architect</li> <li>• Governance Specialist (fixed term)</li> <li>• Legal Services Officer</li> </ul>

	<ul style="list-style-type: none"> <li>• Organisational Development Advisor</li> </ul>
Environmental Assurance	<ul style="list-style-type: none"> <li>• Administration Officer – Community Compliance</li> <li>• Community Compliance Officer x3</li> <li>• Development Engineering Officer</li> <li>• LIM &amp; Property Information Officer</li> <li>• Maritime Officer</li> <li>• Parking Officer</li> </ul>
Environmental Science	<ul style="list-style-type: none"> <li>• Environmental Manager – Data &amp; Monitoring (fixed term)</li> <li>• Junior Rivers Engineer</li> <li>• Resource Scientist – River Health</li> <li>• Water Resource Analyst</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Finance Officer (fixed term)</li> <li>• Management &amp; Systems Accountant</li> </ul>

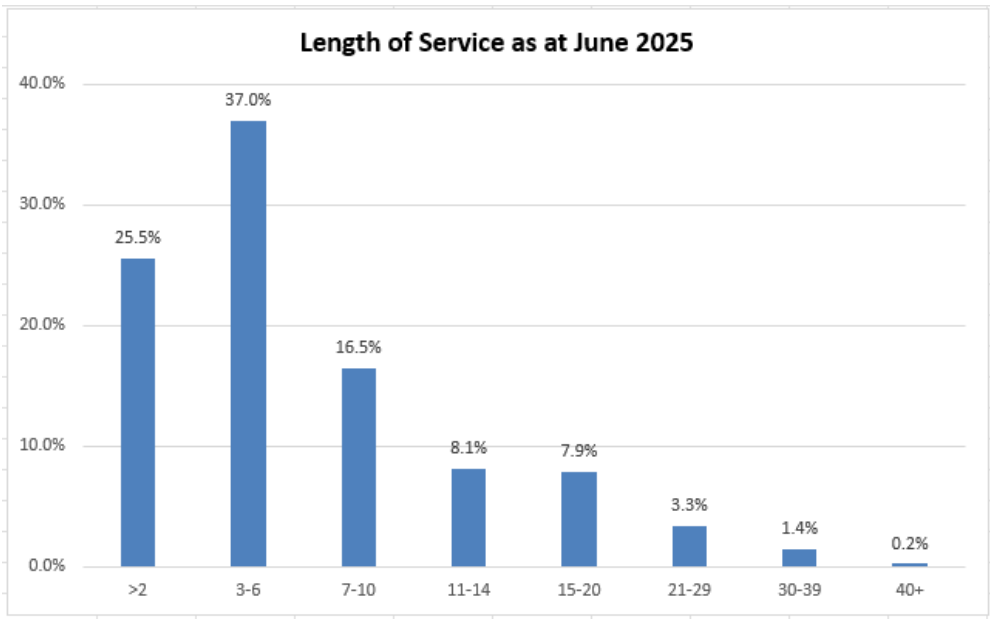
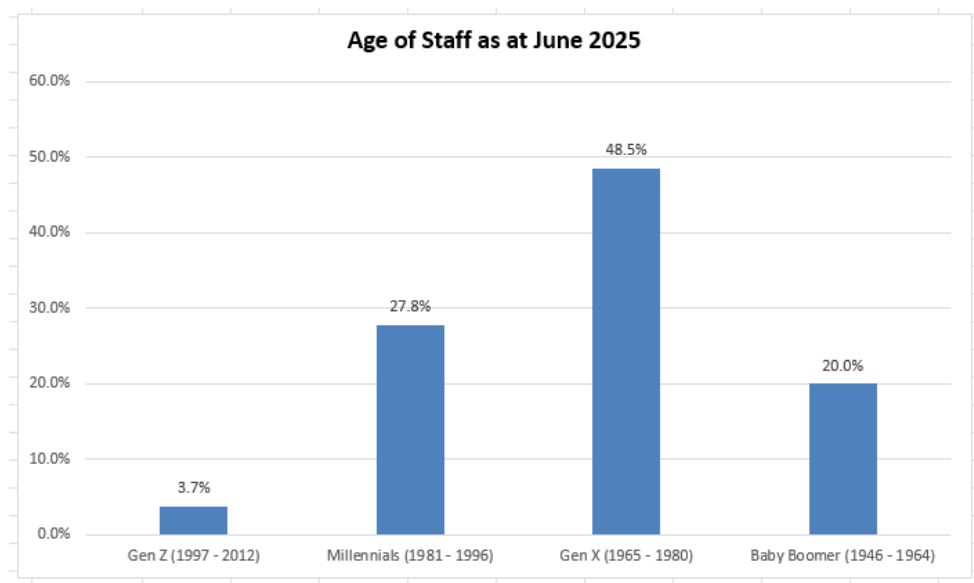
Note – new positions are often off-set by a number of disestablished positions and changes to the number of fixed term positions throughout the year.

## 2 Staff Turnover Statistics



3

Staff Age and Length of Service Statistics



**7.9 MAYORAL UPDATE REPORT****Information Only - No Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	31 July 2025
<b>Report Author:</b>	Tim King, Mayor
<b>Report Number:</b>	RCN25-07-9

**1. Summary / Te Tuhinga Whakarāpoto**

- 1.1 It is going to take many years to recover from the severe rainfall events that slammed our District on 26/27 June 2025 and again on 11 July 2025. The damage around the District is just unbelievable and so many of our residents are hurting badly.
- 1.2 The response has consumed a huge amount of time for everyone. Huge thanks to our Tasman District Council staff and elected memberse along with our partners at the Nelson Tasman Civil Defence headquarters, the National Emergency Management Agency and Nelson City Council. Thanks also to the teams from outside the region who came here to help with the response.
- 1.3 There are so many people who have given up their time and resources to help; whether it be neighbours helping neighbours, local businesses providing support and getting into action or people from out of our region who have come here to help us. Thank you everyone.
- 1.4 The response to the Mayoral Relief Fund has been very humbling and I want to thank everyone who has donated – the next step is to allocate the funding received.
- 1.5 We have received several visits from Government representatives, Prime Minister Luxon, Acting Prime Minister, David Seymour, Ministers Mark Mitchell, Todd McClay, Mark Patterson and James Meager and our local West Coast-Tasman MP, Maureen Pugh. All had the opportunity to see at first hand the damage that had been caused and to speak with people who were affected.
- 1.6 Finally, my thanks to Deputy Mayor Bryant who stepped in to help on several occasions, including hosting the Minister of Rural Communities, Hon Mark Patterson who was here for the day on 18 July 2025 to visit several people whose properties were affected by the rain events.
- 1.7 Now the hard graft begins.

**2. Recommendation/s / Ngā Tūtohunga****That the Tasman District Council**

1. **receives the Mayoral Update Report, RCN25-07-11.**

**3. Local Government New Zealand**

- 3.1 The Local Government New Zealand four-monthly report is attached (**Attachment 1**).

**4. IHL Board**

- 4.1 In the absence of a Joint Shareholders Committee meeting within the required timeframe and under my delegated authority to vote the Council's shares in IHL, I co-signed a shareholder's resolution and a letter of appointment to extend the term for Gerrard Wilson to remain on the IHL Board until the next IHL Annual General Meeting.
- 4.2 The final structure of the Board will be determined by the Joint Councils Committee, post the local body elections.

**5. Mayoral Activity**

- 5.1 My time since the two rain events on 26/27 June and 11 July 2025 has been focused on the civil defence emergency and the subsequent recovery efforts including twice-daily briefings with the various agencies.
- 5.2 There were numerous media interviews with TVOne, TV3, Radio New Zealand, the New Zealand Herald and the Nelson Mail.
- 5.3 Several Community Engagement Events in the aftermath of the weather events were held at Wakefield, Tapawera, Riwaka and Ngatimoti.
- 5.4 Commitments prior to the rain events included:
  - 5.4.1 A meeting between the Mayors and Chairs of Te Waka a Maui iwi on 18 June 2025.
  - 5.4.2 The quarterly catch-up with the Chair and Chief Executive of NRDA.
  - 5.4.3 Rachel Boyack and I met for our regular catch up on 23 June 2025.
  - 5.4.4 The farewell for Mike Scott, Chief Executive of Waimea Water Limited was held on 24 June 2025.
  - 5.4.5 Renee Thomas and I met with Jayme Rae Anae, our Rangatahi Scholar, on 25 June 2025.
  - 5.4.6 I enjoyed another visit with the tamariki at Waimea Kindergarten on 26 June 2025.
  - 5.4.7 Chief Executive, Leonie Rae and I met with Mayor Nick Smith and Nelson City Council Chief Executive, Nigel Philpott on 8 July 2025 to discuss the Infrastructure Holdings Limited Board and the Nelson Museum Archives Research Facility.
  - 5.4.8 The Kaiteriteri Recreation Reserve Board met on 8 July 2025.
  - 5.4.9 The Civil Contractors New Zealand Awards were held at the Rutherford Hotel on 18 July 2025 where the Council's Environmental Award was presented to Downer.

**6. Attachments / Tuhinga tāpiri**

1. Local Government New Zealand - Four-monthly report

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# LGNZ four-monthly report for member councils

// March - June 2025





## Ko Tātou LGNZ.

This report summarises LGNZ’s work on behalf of member councils and is produced three times a year. It’s structured around LGNZ’s purpose: to serve local government by **championing**, **connecting** and **supporting** members.

Please consider putting this report on the agenda for your next council meeting so that all councillors can review it and provide feedback. Sam, Susan or other National Council members are very happy to join council meetings online to discuss the report or any aspect of it – just let us know.

This report complements our regular communication channels, including *Keeping it Local* (our fortnightly e-newsletter), providing a more in-depth look at what we do.

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## Introduction

March to June has been intensely busy for LGNZ, as we advocated around reform and other issues like council metrics/profiles, engaged with the Government, and launched new products and services for members.

In early April, LGNZ launched our new *Local Government Quarterly Economic Insights*. This report is exclusive to member councils. It's designed to ensure elected members are the best-informed people on local government economic data. Developed in partnership with Infometrics, *Insights* will be released quarterly, with the second issue published in early July.

Our Ratepayers Assistance Scheme is advancing in leaps and bounds. The RAS would allow ratepayers to borrow cheaply for ratepayer charges like development contributions/levies and rates postponement, and could be used for specific property improvements (like solar panels). It leverages the high credit quality of local government rates to access capital market financing. Minister Watts has written to LGNZ expressing his support and confirming DIA will begin policy work on RAS in August. As well as successfully securing capital commitments from councils and third parties, we are seeing growing media interest in RAS.

Membership was top of mind during this period. Before Easter we sent out invoices alongside our [value of LGNZ membership report](#). This report provided a comprehensive summary of our advocacy wins over the last year, a specific list of how we save councils money, and a summary of all the other work we do for members. While Western Bay of Plenty voted to leave before invoicing started, all other members have since renewed, with the exception of Waikato Regional Council, which is voting again on membership in July.

Other highlights of these four months included:

- We launched pre-elected learning for anyone considering standing for council. This interactive course steps potential candidates through what it means to be an elected member. It's freely available without an Ākona log-in and has proved very popular.
- Our well-attended 1 May All-of-local-government meeting, focused on delivering infrastructure for growth, featuring an engaging q+a with Minister Watts. Other speakers included Minister for Building and Construction Chris Penk and Simplicity's Sam Stubbs, as well as the Infrastructure Commission, S&P Global Ratings and the Treasury.
- In June we secured funding from councils to sustain Policy.nz, which otherwise would have ceased to exist. This platform allows candidates to upload their profiles and policies so that voters have easy access to this information.
- We have had strong media engagement on issues of the day – from electoral reform to rates capping and benchmarking and the safety of elected members, as well as facilitating the Candidates Corner pre-election series with the Sunday Star-Times.

We always welcome your comments and feedback.

Ngā mihi  
Sam and Susan

LGNZ four-monthly report for member councils: March – June 2025 // 4



## Champion

### Government relations

Because our relationships with individual Ministers are now stronger and more mature, we're increasingly able to have robust and constructive discussions with them. For example, on resource management reform and potential implications for local government's functions/structure, rates capping, and ensuring that funding and financing tools announced as part of Pillar 2 of the Going for Housing Growth programme actually deliver the desired outcomes for councils and communities.

We've been staying closely in touch with Minister Watts on benchmarking (including DIA's metrics release) and rates capping through informal discussion and formal meetings, including in late June.

LGNZ met with the Prime Minister in early April and discussed our approach to the rates capping conversation. We all agree that no one wants high rates increases. We all agree that rates rises need to come down. However, we also set out rates capping's potential unintended consequences for councils and ratepayers (see more on rates capping below). We also note that recent rates increases have been driven by the need to fund essential infrastructure and services – and because of the increasing volume of unfunded mandates from central government.

We met again with the Prime Minister for another of regular meetings in early June. We raised cross-portfolio issues such as pressures on growth councils and low voter turnout in local elections.

Voter authorisation of major projects has been floated by several politicians. This refers to running public referenda to make key decisions, like large infrastructure purposes. We will explore with Ministers whether there is any real commitment to this approach from the Government. We'll also have conversations about this idea with members.

We've also begun quarterly meetings with other political parties, which currently in the policy development phase. We met with Labour's local government spokesperson Tangi Utikere and sought cross-party support for our electoral reform work. We also briefed him on LGNZ's funding and financing tools project, and received an update on Labour's "no unfunded mandates" policy work. We had a meeting with the Green Party in June and we are working to lock in dates with NZ First and ACT. We have a date secured with ACT's local government spokesperson for after SuperLocal.

We have requested to meet with the Justice Select Committee to brief them on our electoral reform work after it is launched at SuperLocal

### Media

We have had significant engagement with the media on a range of topics – and are proactive or reactive in our approach depending on the issue at hand.

Late February saw Housing Minister Chris Bishop announce some of the new funding and financing tools we've been calling for, at our Metro and Rural & Provincial sector meetings. This resulted



in stories appearing on [1News](#), [ThreeNews](#), [RNZ](#), [Stuff](#), [NZ Herald](#), [Gisborne Herald](#), [The Press](#), [The Post](#) and the [Waikato Times](#).

The All-of-local-government meeting also saw media cover topics LGNZ has been championing, from talking about alternatives to rates capping and four-year terms to a new stalking bill and housing growth. Local Government Minister Simon Watt's speech and [rates capping](#) took centre stage, with stories on [Newsroom](#), [NBR](#), [BusinessDesk](#), [RNZ](#), [The Press](#) and [The Post](#).

[Four-year terms](#) for local government has been a popular discussion point. Sam appeared on [Mike Hosking breakfast](#) on [Newstalk ZB](#) to discuss the issue, with his comments included in [The Post](#) and [Waikato Times](#). Mayors Alex Walker and Hon Dr Nick Smith also publicly addressed the issue via the [NZ Herald](#), [1News](#) and [95bFM](#).

Then in March the release of LGNZ's Electoral Reform Working Group's (ERWG) [draft position paper](#) swiftly become one of local government's biggest stories this year. Media were intrigued by the proposed move to booth voting, with stories appearing in the [Post](#), the [Press](#), [Waikato Times](#), [ODT](#) and [NZ Herald](#), and Mayor Nick speaking with [RNZ](#), [Newstalk ZB](#) (also [here](#)) and on [95bFM](#). The announcement continued to spark debate across [Newstalk ZB](#), the [Post](#) and the [Press](#).

[Rates capping](#) continued to be a topic of discussion, with LGNZ President Sam Broughton speaking to [RNZ](#) and [Newstalk ZB](#) on the recent S&P downgrading decision for 18 councils. Rates capping articles also appeared in the [Press](#), the [Post](#) and [Waikato Times](#), with Mayor Neil Holdom appearing on the [Platform](#).

The stalking and harassment of elected members remains in the spotlight. In February LGNZ Chief Executive Susan Freeman-Greene and Invercargill councillor Alex Crackett spoke with [Stuff/ThreeNews](#) and [Newstalk ZB](#) about the Government's proposed [stalking legislation](#), with [RNZ](#) also running a story on this issue. In recent weeks LGNZ's position has carried in stories on [1News](#) and [Stuff](#). LGNZ CE Susan Freeman-Greene spoke alongside multiple councillors and Mayors on [TVNZ Breakfast](#) about the impact this has on members. There have been a large number of follow-up stories in April, driven by [a University of Otago study](#), setting out disturbing behaviour experienced by elected members.

LGNZ also weighed in on the [RMA reforms](#), expressing cautious support while signalling to the Government it needs to ensure that communities have a voice and regional councils play a key role in the changes going forward.

In other funding and financing coverage, LGNZ President Sam Broughton spoke with [the Press](#) about LGNZ's position on a bed tax, while also covering how [GST sharing on new builds](#) could help bring rates down.

[Stuff news](#) and [RNZ](#) covered the Te Maruata hui in April.



We sent out a media toolkit to Mayors, Chairs and CEs when we released our new Infometrics' quarterly economic insights, with ideas on how councils can use this data to encourage local discussion.

Electoral reform has been a hot topic, with Wellington City Council calling for a [lowering of the voting age](#), Invercargill City Council supporting the report's call for improved [civics education](#), and Ashburton District Council [supporting a shift to four-year terms](#) for local and central government. LGNZ partnered with Infrastructure New Zealand to [urge the Government](#) to include a move to four-year terms for local and central government in the referendum.

Susan's announcement about [moving on from LGNZ](#) in August was covered by [the Post](#), [the Press](#) and [NBR](#).

Ex-Grey Power Vice-President Peter Matcham wrote an [opinion piece](#) in April on why a rates cap should be opposed at all costs. Elected member abuse and harassment also continued to dominate the headlines, with stories appearing on [TVNZ](#), [RNZ](#), the [Press](#) and [ODT](#).

LGNZ waded into the truancy debate, with LGNZ President Sam Broughton saying that the Government asking mayors to help lift school attendance doesn't align with its "back to basics" direction for councils. This was a lead story in the [Post](#), [Press](#) and the [Waikato Times](#). Sam also spoke to [ThreeNews](#) about the Government's new scheme to allow self-assessment for some trade work.

[Elected member safety was in the spotlight](#) following our All-of-local-government meeting in May, where we shared [a new guide for members on how to stay safe](#). This media advocacy led to the Remuneration Authority asking us for the guide, to aid their work towards considering an allowance to support elected members' home safety.

LGNZ's oral submission on congestion charging, led by Transport Forum Chair Mayor Neil Holdom, also resulted in a number of stories across various outlets [calling for more local input](#).

Following the Budget, LGNZ spoke out in support of the Government's [Rates Rebate Scheme](#) expansion to cover all SuperGold card holders, and how increased support for [local journalism](#) will positively impact elections later this year.

We've been working closely with the Sunday Star Times on a "Candidates Corner" series detailing key issues ahead of elections. Recent articles covered [rates capping](#) along with the case for and against [council mergers](#), with Mayor Neil Holdom and Mayor Nick Smith sharing their thoughts.

Rates – and the lack of other revenue-raising options for local government – were the focus of [an article by LGNZ Vice President Campbell Barry](#).

LGNZ's [How to stay safe' guide](#) continued to receive positive press in the [Otago Daily Times](#), [Stuff](#), [The Press](#) and [1News](#), while our submission on congestion charging appeared in the [Herald](#) and [RNZ](#). Mayor's Taskforce for Jobs was also in the spotlight, thanks to an article in the [Otago Daily Times](#).



## Local government funding and financing

### Ratepayer Assistance Scheme (RAS)

On 21 March, Minister Watts wrote to LGNZ expressing his support for the RAS and confirming DIA will begin policy work on the initiative in August. The Minister has asked LGNZ to update the RAS business case to help the work progress quickly. We are working on this with project partners as well as seeking the necessary council capital commitments. With RM reform meaning a move away from development contributions (more on this below), the RAS could support financing of development levies as an alternative to other structures for this purpose (such as the IFFA). The RAS would be cheaper, more efficient and more flexible than the IFFA.

Since then significant progress has been made towards making a decision to establish the RAS. The RAS Steering group has been meeting with local authorities to affirm support for the RAS and secure establishment funding for the scheme. At the request of the Minister for Local Government, the group has also been meeting with developers to test the scheme's design with them. We have secured preliminary equity pledges from councils, and developers are supportive of the scheme.

We have secured a \$400k repayable grant from the Energy Efficiency & Conservation Authority. We have raised the \$2.5 million to progress to a stop/go decision – and with several councils taking decisions in the next few weeks, we may be a little oversubscribed. This demonstrates the high level of support for the RAS.

DIA continues to engage on the scheme: their substantive policy work is set to begin in August.

### Infrastructure funding and financing

The Infrastructure Minister announced changes to New Zealand's infrastructure funding and financing settings at our late February All-of-local-government meeting. The Government will replace development contributions with a development levy system, allowing councils to charge developers a share of long-term infrastructure costs. There will be regulatory oversight of these development levies to ensure charges are fair and appropriate. Councils will also have more flexibility to set targeted rates based on the date of subdivision, allowing them to apply to new developments. Finally, the Infrastructure Funding and Financing (IFF) Act will be improved for developer-led projects and expanded to support major transport projects like those led by NZTA.

LGNZ welcomed these changes, which were in our funding and financing toolkit. We will work with officials to ensure these reforms make sense on the ground for councils.

This legislation likely to be introduced in September. DIA is unlikely to issue a substantive consultation on the changes, although they have engaged with technical experts from high-growth councils, and an early draft may be circulated to some individuals for feedback. While DIA is open to input from councils, given the Government's direction there may be limited scope for changes.

We will continue to engage on the development levy regulation when introduced, and with the regulatory regime. We understand this is likely to be in two stages: initial information disclosure requirements, followed by the creation of a regulator (or empowering an existing regulator with oversight of development levies).

We have raised with Under-secretary Simon Court the importance of balancing local democracy and the needs of communities with changes to the Infrastructure Funding and Financing Act. Potential



changes include limiting councils' ability to withhold endorsements of developer-led special purpose vehicles. We also discussed the need to disentangle the proposed new functions of the IFFA with the RAS, thresholds and legal frameworks for regulatory takings under the forthcoming RMA, and our support for ACT's proposed GST-sharing policy.

### **Budget 2025**

LGNZ was in the Budget lock up so we could [analyse the impact of the Budget on local government](#). There were no significant new local government funding initiatives launched or changes to funding and financing tools. Points of note included the Government:

- Raising the threshold for the rates rebate scheme and increasing the maximum rebate.
- Introducing regionally specific transport funding boosts.
- Announcing new funding for the 2023 North Island weather events recovery.
- Cutting public transport and transport resilience funds.

The Government's accelerated depreciation policy and increases to employer contribution for KiwiSaver will also have impacts for councils.

### **Local Government Quarterly Economic Insights**

On 7 April, LGNZ launched our new Local Government Quarterly Economic Insights report. This report, developed in partnership with Infometrics, will be produced quarterly and provides insights into the economy with specific relevance to local government. The report is exclusive to LGNZ members and is intended to make sure they are the best-informed people on local government economic data. It will also support LGNZ's policy and advocacy work.

The first edition was well received. There were high levels of engagement in the associated zoom, and we received positive and constructive feedback from members. We then worked with Infometrics on the briefing schedule and the next issue, which was released in early July. We are keen to respond to member feedback, and have identified rates capping, contextualising rates against utilities and other charges, and regional sector specific topics as areas to explore in future editions.

### **DIA metrics release ("council profiles")**

These profiles, based on a range of metrics taken from LTPs and annual reports, were originally scheduled to be released on 30 June, although this was later delayed. National Council discussed the profiles and associated issues at a special meeting on 30 May.

In May, LGNZ proactively sought changes from DIA based on a range of concerns. As a result of this advocacy:

- DIA shared group medians and the data of other councils within that council's group.
- Each council profile will now link to that council's website (for example, a page with LTP or other plan data) and councils will be able to specify what page.
- The government metrics website and guide will provide specific context about why some councils might be different from the median; for example, being high growth, high tourism, or recovering from a natural disaster.



While we are pleased that DIA agreed to these changes as a result of our advocacy, we recognise members will remain concerned that there's not enough information about their specific context, including the specific pressures on your council and how you are dealing with them, or what your community gets for this investment.

On 11 June, we released a guide to support councils' communication planning for the launch, which is now expected to be in mid July. We've received positive feedback on the guide from members.

### **Regional deals**

Cabinet announced that the first Regional Deal Memorandum of Understanding will be decided before July (and announcements of the regions selected were subsequently made in early July). These regions will negotiate a final deal, which may require enabling actions to take place. The end of 2025 is the target for signing the deal.

### **Rates capping**

In March, we submitted on a petition before Parliament seeking to limit local authority rates increases to a maximum of the annual inflation rate. We do not expect this petition to progress through Parliament due to its overlap with the Government's local government work programme. However, submitting on the petition was a good opportunity to set out the clear evidence against rates capping and highlight the pressures facing councils to Parliament.

We understand that rates capping was discussed at the Cabinet Economic Policy Committee in the week of 31 March. To support these discussions, LGNZ sent letters to Ministers on this committee highlighting the likely impacts of rates capping on their portfolios and objectives. LGNZ also reiterated concerns about rates capping to the Prime Minister and Minister of Local Government during our regular meetings as discussed above.

In line with direction from the May National Council meeting, we developed a paper on our approach to rates capping, including that a stronger public campaign may be needed, and shared that with members for discussion at this year's AGM. We also held a zoom to help members prepare for the AGM discussion. If the AGM agrees the direction of travel, then we will develop a plan for this campaign and hold an AGM in 2026 to gain a member mandate before launching that campaign.

We have also supported member advocacy against rates capping by developing and distributing a set of messages and a letter template that can be used by elected members.

As part of our advocacy, there needs to be an acknowledgement of the public mood around rates. We also need to clearly set out other approaches to achieving the Government's aims. To take the next step in our advocacy, we want to engage with members on exactly what this response could look like.

### **Water services reform**

During this period, councils were consulting on aspects of their Water Service Delivery Plans with communities. This has included decision making about the future water services delivery model. For many, this has put these reforms (and their implications for councils) in the spotlight. Plans need to be finalised and submitted to the Secretary for Local Government by 3 September 2025. The



Minister has called for councils to consider including other councils in their delivery model – and has made it clear that extensions of time are unlikely to be granted.

LGNZ made its oral submission to the Finance and Expenditure Committee in March on the Local Government (Water Services) Bill. This submission sought a range of improvements to the legislation to provide greater clarity and certainty for councils. The committee reported back to Parliament on 3 July 2025 and adopted several of our suggested changes. These include: adding supporting growth as an objective for water service providers; clarifying the development contribution provisions to ensure a smoother transition of these for councils who set up water organisations; and clarifying the accountability framework to give water organisations greater separation from shareholding councils (as is the case for other CCOs).

### **Resource management reform**

#### **RMA replacement**

The Government announced further details of its plan to replace the Resource Management Act, following the reporting back of the Expert Advisory Group tasked with designing a “blueprint” for replacement legislation. This has significant implications for local government in a variety of areas. The current RMA will be replaced with a Planning Act and a Natural Environment Act. Both will be enabling of development.

While there is plenty to support in the reforms, there is a significant move towards standardisation and narrowing of the scope of the resource management, which could mean limiting local input into planning and environmental management decisions.

We developed and shared [an explainer](#) identifying key issues for councils, and held an Ako Hour webinar with Buddle Finlay on 16 May. We’ve recently shared an analysis of [what we think councils need from the new system](#) and are seeking member feedback.

Another particular area of note is the implications for regional councils if the proposal to remove compliance, monitoring, and enforcement functions and shift them to a centralised body goes ahead. The Government has noted that this raises questions about the structure and functions of the local government system as a whole, and it will consider this and what should be done to address it later this year.

We have raised the issues flagged above in our regular meetings with Under Secretary Simon Court and Minister Chris Bishop, and are approaching the Ministry for the Environment on how we can work more closely with them as further policy decisions are made.

We’re also working closely with Taituarā, Te Uru Kahika, and the New Zealand Planning Institute on our response to the reforms, particularly on how we can collaborate together to input constructively into the new spatial planning system.

#### **National direction changes**

The Ministry for the Environment has opened consultation on [16 new or changed pieces](#) of National Direction under the RMA. These are in three packages:

- [Package one](#) – infrastructure and development changes (covering electricity generation and network changes, housing changes, and natural hazards)





- [Package two](#) – primary sector changes (covering marine aquaculture, highly productive land, commercial forestry, stock exclusion, and mining and quarrying)
- [Package three](#) – proposals to amend the National Policy Statement for Freshwater Management 2020 and the Resource Management (National Environmental Standards for Freshwater) Regulations 2020. Further consultation will be undertaken later this year through an exposure draft process, which will have more detail.

Consultation for the first three packages is open until 11.59pm, Sunday 27 July. We expect a fourth package looking at how the first pillar of the Going for Housing Growth programme could fit into the new resource management system to be consulted on in early June. We're currently reviewing what all this means for councils and will submit on aspects of these proposals.

### Transport

We submitted on the Government's legislation to enable time of use (congestion) charging. While we are highly supportive of time of use charging, we have concerns about the highly centralised model that the Government is proposing, which would see councils having little control of the design or operation of the schemes, and how any revenue from them is spent.

Our Transport Forum met virtually on 12 May. They covered a range of topics: potentially proposing alternatives now that NZTA has halted its proposed emergency works changes; transport perspectives on resource management reform; and an update from the Road Efficiency Group.

Looking ahead, the Government has indicated it will be taking Cabinet decisions on transitioning to Road User Charges for all vehicles this quarter, and we'll be looking closely at the details given the implications it will have for asset management and funding and financing in the transport space.

In April, NZTA announced it would no longer be going ahead with changes to its emergency works funding. These changes would have seen a significant reduction in the additional funding made available to councils to repair transport networks following a natural disaster.

The proposed cuts would have significantly affected local transport networks, particularly in rural areas and other isolated communities, and came at a time where many councils were grappling with the cost of repairing damage caused by the severe weather events of early 2023.

LGNZ advocated strongly on this issue, including through speaking directly with the Minister of Transport and NZTA, submitting on the consultation document, and raising our concerns in the media. NZTA has signalled they will now work on alternative reform options, and we will engage constructively to ensure they land on an option that works for councils.

### Climate change

We engaged with the Climate Change Commission on the second National Climate Change Risk Assessment (NCCRA). The assessment will look at all the climate risks the country faces and identify priorities to focus on. This risk assessment is due to be delivered to the Minister of Climate Change by August 2026 and will inform the Government's National Adaptation Plan.

With the Government's climate adaptation framework set to be released later this year, we are planning member engagement to inform our submission. This legislation is expected to have



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significant impacts for local government and the topic is politically sensitive. Collating and mediating divergent member views will require care.

### **Other policy issues**

#### **Seismic strengthening**

With the work of the Government's review into the seismic strengthening regime progressing at pace, our reference group chaired by Manawātū District deputy mayor Michael Ford met to get an update from the local government representatives on the MBIE steering group, and to start considering LGNZ's submission on the eventual legislation.

#### **Electoral Reform Working Group**

We consulted on the Electoral Reform Working Group's draft position paper, with this closing on Monday 28 April. Engagement included all zone meetings, the Local Government Business Forum, and with members of Auckland Council's local boards.

The Electoral Reform Working Group presented its final recommendations for endorsement by National Council at its May meeting. After National Council agreed to the working group's recommendations, we finalised the position paper. This will be launched at SuperLocal by working group chair Mayor Nick Smith. As well as this plenary session, the working group will host a breakout that explores the final recommendations in depth.

We are now planning post-launch actions, in terms of government relations and concepts like a local government week.

In June we secured funding from councils to sustain Policy.nz, which otherwise would have ceased to exist. The Electoral Reform Working Group's recommendations reinforce the importance of voters being able to access information about candidates and their policies.



## Connect

### Member visits and zone engagement

We continued our member visits, visiting, Waipa District, Waikato Regional, Waitomo District, Tauranga City, Whanganui District, and Manawatu District during this period as well as connecting with a range of Mayors and CEs.

Sam or Campbell and at least one LT member attended in-person all zone meetings between March and June.

### Women in Local Government

In late February we emailed all women elected members with an update on our work, including a link to a Whatsapp group where they can chat with each other, our advocacy on the anti-stalking legislation and a link to Australian research. More recently we have facilitated media around the threats some women are experiencing, with Susan also providing comment as discussed in the media section above. Minister for Women Nicola Grigg launched a toolkit targeted at women leaders at our 1 May All-of-local-government meeting, which has been positively received.

We are planning a breakfast event ahead of SuperLocal, which has strong registrations. The keynote speaker will be former Minister Tracey Martin.

### All-of-local-government meetings

The 1 May All-of-local-government meeting was the last before the elections. Before the main programme, we held a session on abuse and harassment that elected members are facing. Minister Nicola Grigg will launch her toolkit, and a guest speaker from Reliance Risk covered practical tools and strategies any elected member can use when you're faced with this behaviour in the community. We also launched a toolkit that pulled together all the work we have done on elected member safety and security in the past 18 months, so that it's easy for members to access and use.

The main programme for that meeting focused on delivering infrastructure for growth. Highlights included Minister Watts participating in an engaging q+a with attendees, speakers including Minister for Building and Construction Chris Penk, industry thought leaders such as Infrastructure Commission and Simplicity's Sam Stubbs, as well as speakers from S&P Global Ratings, the Treasury, and the Opposition – alongside a number of high-quality case studies.

We are having early conversations with current sector chairs to plan for the November sector meetings. These sector meetings will be an opportunity to connect as a sector for the first time in the new triennium and vote on sector chairs. There will be time set aside for priority setting, which will feed into subsequent National Council strategy sessions.

The theme for the first All-of-local-government meeting of the new triennium in February will be "Making an impact in our communities – the role of data, collaboration and innovation". We are currently working to secure Sir Brian Roche as our keynote speaker.

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## **SuperLocal25**

We launched promotion and registration for SuperLocal 2025 on 10 April. We have a stellar line up of speakers One NZ's Chief Executive Jason Paris, who will provide his reflections on the value of a strong local government sector to the business community; Google Cloud New Zealand's Natalie de Boursac who heads the local government team and will focus on technology's role in driving efficiencies and high performance; and our final key note speaker Mark Di Somma – a strategist behind LGNZ's first localism campaign. Key political speakers include Deputy Prime Minister David Seymour, Minister Chris Bishop, Minister Simon Watts and Minister James Meager (with Minister Louise Upston speaking to MTFJ), along with the Leader of the Opposition. The Prime Minister will be providing a video.

The programme was finalised in June, with speaker briefings and panel meetings underway. We have a comprehensive breakout programme this year to complement a tightened plenary, with a wide range of topics covering current issues and reforms, driving change, tools for success and benchmarking.

Our three key pieces of LGNZ work launching at Superlocal are an economic data piece which quantifies the contribution of local government's investment to the country's economy; the final recommendations from the Electoral Reform Working Group Chaired by Mayor Nick Smith; and a guide spearheaded by CBEC on improving relationships between councils and community boards.

Sponsorship has been strong despite a difficult economic environment. Similarly, exhibitors have been strong, with booths sold out. We have successfully used all our channels to promote attendance and we are also keeping a close eye on conference costs.

Finalists for the SuperLocal Awards have been announced. We saw an excellent quantity and calibre of entries this year, with the largest category receiving over 20 entries. Winners will be announced at the Awards Night, again sponsored this year by Fulton Hogan. Our judges have been very generous with their time – it has not been a small task to review, score and comment on every entry.

## **2026 events calendar and forward planning**

We have developed a draft events calendar for 2026 that has received National Council feedback and will be circulated to members in July.

## **Vote25**

We updated the Candidates Guide and other material on the Taituarā-hosted VoteLocal website – this has launched with the Ākona pre-elected learning for candidates (discussed further below).

We are rolling out a social media campaign designed to support people to register, stand and vote. This includes a focus on what councils do and why this matters to communities.

We have been engaging with policy.nz, which has struggled to secure funding for its web platform for candidates. We are pleased to report that in June LGNZ coordinated between councils to raise the funding needed to keep the platform in place for the 2025 elections. Policy.nz is the only comprehensive, nationwide source of candidate information that's hosted by a neutral third party. Being able to easily find out information about candidates is an important part of the local



democratic process and policy.nz was identified as a useful tool for voters by our Electoral Reform Working Group.

### **Regional Sector**

The President briefed Chairs, Mayors, and CEs of the Regional Sector in April on his conversation with the PM around potential impacts on local government of RM reform. There was a discussion on the best approach to this issue at the regular LGNZ meeting with Minister Bishop.

The May Regional Sector Meeting focused on the future resource management system, with Secretary for the Environment James Palmer speaking. The meeting also included engagement with the Minister of Conservation, Māori Crown Relations and Māori Development Tama Potaka.

LGNZ has supported planning for Te Uru Kahika's plenary session, which brings together CEs, Chairs and Mayors, and the leaders of the Te Uru Kahika's special interest groups. This will be held on 11 September 2025.

We have been working with the new Chair and co-deputy Chair to help establish them in their new roles. The next Regional Sector meeting will be online on the morning of 8 August. This is likely to focus on the wide range of reforms currently affecting the Regional Sector, including resource management and water.

LGNZ Acting Policy Director Simon Randall will accompany the Regional Sector on their annual pre-conference tour, which will visit the West Coast.

### **Te Maruata**

Te Maruata whānui held an in-person hui in Taupō from 3-4 April with the theme Ngā Maunga Koutuutu. This acknowledges the three tipuna maunga in the rohe and the role they hold in terms of kaitiakitanga. It also references bringing people together to wānanga and share kōrero and insights to support each other. Over 60 Te Maruata members from across the motu attended the event. Speakers included Tina Porou (Poipoia), Sharon Te Rangi (Tainui Live) and Lauren Fletcher (Tūrangitukua Chair) covering kaupapa such as Taiao, Partnership and Elections. Members visited key locations in Taupō including He Whare Hono o Tūwharetoa – a building owned by Tūwharetoa that brings together the Iwi, council and other key agencies under one roof; and Pūkawa Marae, a significant landmark in the connection between Tūwharetoa and the Kiingitanga. The final evening was a celebration of all the great mahi the network has seen over the last triennium, with Trevor Maxwell and Peter Moeahu being inducted into the Te Maruata Hall of Fame.

Te Maruata Rōpū Whakahaere met in April and are working on several key kaupapa, including supporting the development of a plan that spans Vote25, elections and induction, to support Te Maruata members and councils holding referendum. Also top of mind is Te Maruata involvement in the development and delivery of SuperLocal.

Te Maruata Rōpū Whakahaere met again at the end of May for an in-person hui. Several key kaupapa were discussed, including preparations for SuperLocal 25. The Te Maruata pre-conference hui will be held on 15 July at the Christchurch Town Hall, with the theme being Te ngana o Tū te pou o Rongo – which speaks to the balance of all things and how this intersects the roles and responsibilities of Māori elected members.

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Te Maruata rōpū whakahaere will be supporting several aspects of the SuperLocal programme including the whakatau, poroporoaki, awards and breakout sessions.

Also discussed at the hui were opportunities to guide RM reform submissions, the ongoing workplan and the mahi around support heading into elections (specifically around Māori wards referenda), and induction.

### **Young Elected Members Network**

We are producing an induction document for YEM that includes its history, the purpose of the committee, the programme of events and key achievements so far. We are working with the YEM Committee on a plan to release it.

The Young Elected Member Network committee met in early June to sign off the programme for their pre-Conference hui. Former National Minister Paula Bennett and Former Labour Minister Kelvin Davis will be guest speakers.

The committee agreed a fee would apply for all in-person events in the next triennium, apart from the pre-conference hui for member councils. The committee noted that, to stay true to the network's roots, YEM events need to strike the right balance between a structured agenda with time to network and leveraging the safe space YEM has created over the years.

### **Community Boards**

CBEC met in May to discuss a range of issues including their forthcoming guide launch at SuperLocal. CBEC will have a booth in the exhibition space so that this work has maximum visibility and we are working with them on what that will look like.



## Support

### Ākōna and Induction 2025

The pre-election learning was launched on 14 April. This interactive course steps potential candidates through what it means to be an elected member. It offers three videos, two e-modules and a range of downloadable resources designed to educate potential candidates and offer insight to the general public on the reality of being an elected member. The three animated videos look at: 'Structure of Local Government', 'Roles within a council' and 'How councils are funded'. The two e-modules cover: 'Stepping into Local Leadership: The role of an elected member' and 'Stepping into Local Leadership: The life of an elected member'.

As of mid-June, since the launch of the pre-election learning, the site had received 1,028 views, with 453 people actively accessing the learning. These are very good numbers, especially given registration to run for office did not open until 1 July and interest in elections is only just ramping up. Feedback from councils has been all positive, with those spoken to confirming that they are sharing the links and promoting the learning on their websites.

We have decided to allow non-members to attend Mayors' and Chairs' Schools and elected members induction at a premium rate. We believe this is appropriate from the principle of supporting councils setting themselves up for success at the start of the triennium. Attending helps non-members understand the full breadth of LGNZ's work and makes rejoining more likely. The price differential will be sufficient to avoid disincentivising membership.

Logistics for the Mayor Induction, Chair Induction and EM Induction hui are almost in place with agenda construction nearly finalised.

In other work, development of the Team Builder Toolkit is going well and it's on track for release in August. Development of the 2026 workshop schedule and Ako Hour Academy schedule is also going well, with both due for release in July. Construction of the updated Ākōna site and conversion of the Emodules is nearing completion. The Ākōna team continues to work with councils to ascertain what local content they want added to the Ākōna site.

### Te Korowai – CouncilMARK

In April, we launched the new Te Korowai webpage and digital prospectus, making it easier than ever for councils to explore what the new programme offers and how it can support their improvement journey.

We have already completed three assessments under the new programme,:

- Waikato Regional Council
- Otago Regional Council
- Ōtorohanga District Council

In May, we were on the ground with Central Hawke's Bay District Council for their on-site assessment. Next up, we're excited to launch the Integrity Survey with Marlborough District Council

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ahead of their July assessment. This will be our first unitary authority to participate under the refreshed Te Korowai banner. Central Otago District Council is also preparing for its assessment in August.

Undertaking an assessment during an election year provides multiple benefits: it supports operational continuity, offers valuable insights for incoming elected members, and gives councils a clear, independent view of how they're tracking—like a 'warrant of fitness' for local government.

For councils not ready to commit to a full assessment, Te Korowai also offers staged entry options. A great starting point is the Integrity Survey. This tool goes beyond traditional engagement surveys by assessing how well strategy and values are aligned across the organisation, including with elected members. It's also an effective early intervention tool for identifying issues before they escalate.

Other staged options allow councils to focus on specific areas—for example, a targeted assessment of financial health.

Te Korowai is presenting at SuperLocal as part of two breakout sessions.

### **Roading Efficiency Group**

The Road Efficiency Group (REG) programme is now in its 10th year of LGNZ involvement, and is coming to the end of this financial year's work plan. We are proud to be a Roothing Efficiency Group (REG) partner and will continue to support the 2024-2027 programme.

We have worked hard to further develop the REG relationship and ensure alignment with our Transport Forum and add value where we can.

Our involvement provides increased support for the sector, and over the past five months we have seen significant increased activity in the REG programme. We are planning to develop an online platform for REG, which involves developing an online learning solution for REG and migrating all the historical content over the course of the next two years to Ākona.

REG is presenting at Conference as part of two breakout sessions.

### **Governance support**

We are currently supporting several councils to navigate sensitive issues, albeit on the sidelines given we have not formally been asked by the council to intervene. Alongside this work are the numerous calls we receive for general advice and support.

Work continues on updating LGNZ's suite of governance guides. The first products of the shelf were the Standing Orders' templates and the Standing Orders' Guide. The templates and Guide were updated to reflect legislative changes made over the last three years and to incorporate additional guidance where this has been requested, for example, information on workshops following advice from the Ombudsman and clarity on the new quorum rules.

Other guides to be updated include:

- Guidance for new mayors and chairs;





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- The community boards' governance guide (this will also include the council/community board relationship guide when complete);
  - The tax guide for elected members; and
  - The CE Recruiting Guide.

LGNZ has received a number of queries from councils about whether our Code of Conduct template will be updated. We have plans to streamline the Code of Conduct template, based on feedback from users. However, the Local Government Commission has been charged with developing a model Code of Conduct, and there may be further changes as a result of the LGA amendment bill due to be introduced in the middle of the year. So our template update is on hold until the picture is clearer.

Work is also underway on a Guide to help councils determine governance and decision-making structures. This Guide is intended to assist councils to look at the pros and cons of different governing arrangements, such as the pros and cons of establishing committees, whether committees should have delegated responsibilities, or simply be advisory, and whether they should be committees of the whole, or not.

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## 8 CONFIDENTIAL SESSION

### 8.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

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

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:**

### 8.2 Penalty Remission Referral

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.