

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

Date: Thursday 9 April 2026
Time: 9.30am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street, Richmond
YouTube Link: [Tasman District Council Meetings - YouTube](#)

Tasman District Council

Kaunihera Katoa

AGENDA

MEMBERSHIP

Mayor	Mayor T King	
Deputy Mayor	Deputy Mayor B Maru	
Councillors	Councillor C Butler	Councillor M Kininmonth
	Councillor J Ellis	Councillor K Maling
	Councillor K Ferneyhough	Councillor D McNamara
	Councillor M Greening	Councillor P Morgan
	Councillor J Gully	Councillor T Neubauer
	Councillor M Hume	Councillor T Walker
		Councillor D Woods

(Quorum 8 members)

Contact Telephone: 03 543 8400
Email: tdc.governance@tasman.govt.nz
Website: www.tasman.govt.nz

AGENDA

1 OPENING, WELCOME, KARAKIA

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That 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 Thursday, 2 April 2026, be confirmed as a true and correct record of the meeting.

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8 CONFIDENTIAL SESSION

Nil

9 CLOSING KARAKIA

7 REPORTS

7.1 ADOPTION OF TERMS OF REFERENCE FOR THE JOINT BUILDING AUTHORITY ADVISORY GROUP AND THE JOINT CLIMATE CHANGE ADVISORY GROUP

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Robyn Byrne, Governance Manager
Report Authorisers:	Steve Manners, Chief Operating Officer
Report Number:	RCN26-04-1

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

- 1.1 To adopt the terms of reference for the Joint Building Authority Advisory Group (JBAAG) and the Joint Climate Change Advisory Group (JCCAG).

2. Summary / Te Tuhinga Whakarāpototo

- 2.1 At the Council meeting on 11 December 2025 the membership of joint committees established by Nelson City and Tasman District Councils were confirmed. Two Advisory Groups were signalled to be established and appointments were made.
- 2.2 The terms of reference for the Joint Building Authority Advisory Group (JBAAG) and the Joint Climate Change Advisory Group (JCCAG) have now been compiled and finalised by both councils for adoption.
- 2.3 Nelson City Council adopted these Terms of Reference at their meeting on 02 April 2026, subject to Tasman District Council's approval.

3. Recommendation/s / Ngā Tūhunga

That the Tasman District Council

1. **receives the Adoption of Terms of Reference for the Joint Building Authority Advisory Group and the Joint Climate Change Advisory Group RCN26-04-1; and**
2. **adopts, subject to the approval of Nelson City Council, the Terms of Reference for the Joint Building Authority Advisory Group (Attachment 1) for inclusion in the Delegations Register; and**
3. **adopts, subject to the approval of Nelson City Council, the Terms of Reference for the Joint Climate Change Advisory Group (Attachment 2) for inclusion in the Delegations Register.**

4. Background / Horopaki

- 4.1 Tasman District and Nelson City Councils have a long history of working together on shared interests and currently have seven operating joint committees.
- 4.2 With the new triennium the Mayors discussed options for establishing joint advisory groups to facilitate elected member input into the consideration of options for joint service delivery under the Building Act and the work on climate change adaptation, mitigation and resilience (climate change).
- 4.3 Membership of the Groups are:
- 4.3.1 Joint Building Authority Advisory Group (administered by Nelson City Council):
- Deputy Mayor Brent Maru
 - Councillor Jo Ellis
- 4.3.2 Joint Climate Change Advisory Group (administered by Tasman District Council):
- Councillor Kerryn Ferneyhough (Chairperson)
 - Councillor Timo Neubauer
 - Councillor John Gully

5. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 5.1 Existing operational budgets will support these Advisory Groups.

6. Options / Kōwhiringa

- 6.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Adopt the Terms' of Reference	A joint approach to shared and regional issues to investigate regional efficiencies	Unknown additional workload for staff to administer the Advisory Groups.
2.	Amend or adopt a single Terms of Reference	Nil	Any changes require reworking with Nelson City Council which will delay the establishment of a Group.
3.	Do not Adopt the Terms' of Reference	Nil	Impacts on the joint relationship with Nelson City Council, may reduce regional efficiencies.

- 6.2 Option one is recommended.

7. Legal / Ngā ture

- 7.1 These terms of reference meet the legislative requirements and the Advisory Groups recommendations are not binding on Council.

8. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

8.1 Iwi have not been consulted in the preparation of this report.

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

9.1 The establishment of these Advisory Groups is of low significance. No public consultation is required. It is a decision solely for the Council.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	
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)	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	No	

	Issue	Level of Significance	Explanation of Assessment
	of current legislation relating to water supply, wastewater and stormwater infrastructure and services?		

10. Communication / Whakawhitiwhiti Kōrero

10.1 Not applicable.

11. Risks / Ngā Tūraru

11.1 Not applicable.

12. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

12.1 Establishment of Joint Climate Change Advisory Group is to progress the regional management of climate change.





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

13.1 Not applicable.

14. Next Steps and Timeline / Ngā Mahi Whai Ake

14.1 Once the Terms of Reference are adopted Council staff will work with the administering Council and Chairpersons to progress the Groups.

15. Attachments / Tuhinga tāpiri

1.  	Draft Terms of Reference - Joint Building Authority Advisory Group	8
2.  	Draft Terms of Reference - Joint Climate Change Advisory Group	11

Joint Building Authority Advisory Group Terms of Reference

1. Purpose

To facilitate elected member input into the consideration of options for joint service delivery under the Building Act across Nelson City Council (NCC) and Tasman District Council (TDC), covering Building Consent Authority (BCA) and Territorial Authority (TA) functions.

2. Membership

Each council must appoint two elected members to the advisory group.

In the 2025 – 2028 Triennium, the Chairperson will be appointed by Nelson City Council.

The two elected members of each Council may be replaced by resolution of the appointing Council.

3. Iwi and Stakeholders

Representatives from iwi, the building industry or MBIE may be invited to attend Advisory Group meetings when required. However, these representatives will only have speaking rights with the agreement of the Chairperson.

4. Meetings

Ordinary Advisory Group meetings will be held at least three times per year, or as needed.

Meetings must always include three members, including a minimum of one member from each Council.

Administrative support will be provided by Council staff assigned to the role by agreement of the two Council CEOs.

The advisory group does not have any decision-making power. For the avoidance of doubt, the meeting provisions of the Local Government Official Information and Meetings Act 1987 do not apply to the Advisory Group meetings, as no decisions will be made at these meetings.

5. Areas of Responsibility

- Considering options for joint service delivery under the Building Act that improves customer experience
- Identifying benefits, costs, process steps, community engagement plan and performance measures for any change to the current model.

6. Role of the Advisory Group

- To provide strategic advice and oversight to the Councils relating to joint service delivery under the Building Act
- To request, receive and consider any information relevant to the areas of responsibility
- To guide the development of a staff report to Nelson City Council and Tasman District Council on joint service delivery options under the Building Act.

7. Role of the Chair

- To review the agenda with staff prior to Advisory Group meetings
- To chair meetings according to the agreed agenda and to assist the Advisory Group to reach consensus on issues and options.

8. Role of staff

Staff provide technical expertise and administrative support to the Advisory Group relating to matters within its areas of responsibility. This includes:

- Provide advice, information and draft reports to enable full consideration of the options before the Advisory Group
- Provide advice to the Advisory Group on legal and statutory issues and obligations relating to matters within the areas of responsibility
- Lead technical discussions on options under consideration
- Prepare and distribute agendas for Advisory Group meetings
- Maintain records of processes used, options considered, reasons for preferred options, so that the resulting recommendations can be clearly understood.

9. Interests

Interests should be declared at the start of Advisory Group meetings.

10. Dissolution of the Advisory Group

The Advisory Group may be dissolved prior to the end of the 2025-2028 Triennium by resolution of each individual Council, subject to adoption by the other Council.

Joint Climate Change Advisory Group

Terms of Reference

1. Purpose

To facilitate elected member input into Nelson City Council (NCC) and Tasman District Council (TDC) work on climate change adaptation, mitigation and resilience (climate change).

2. Membership

Each Council must appoint three elected members to the group.

In the 2025-2028 triennium, the Chairperson will be appointed by the Tasman District Council, and the Deputy will be appointed by Nelson City Council.

The three representatives of each Council may be replaced by resolution of the appointing Council.

3. Iwi and stakeholders

Representatives from iwi, the Nelson Tasman Climate Change Forum, technical experts, community organisations, sector and business networks may be invited to attend Advisory Group meetings when required. However, these representatives will only have speaking rights with agreement of the Chairperson.

4. Meetings

Ordinary Advisory Group meetings will be held bimonthly.

Meetings must always include three members, including a minimum of one member from each Council.

Administrative support will be provided by Council staff assigned to the role by agreement of the two Council CEOs.

The Advisory Group does not have any decision-making power. For the avoidance of doubt, the meeting provisions of the Local Government Official Information and Meetings Act 1987 do not apply to the Advisory Group meetings, as no decisions will be made at these meetings.

5. Role of the Advisory Group

- To provide strategic advice to staff and both Councils on climate change adaptation and mitigation policies.
- Where opportunities exist, support co-ordination of policies, strategies and responses of both Councils on climate change.
- To provide advice on Nelson and Tasman community views and aspirations on climate change.
- Support efforts to raise awareness of climate change and related challenges.

6. Role of the Chair

- To review the agenda with staff prior to Advisory Group meetings
- To chair meetings according to the agreed agenda and to assist the Advisory Group to reach consensus on issues and options.

7. Role of the Staff

- Staff will provide professional advice and technical expertise and ensure appropriate support to the Advisory Group. Their role includes:
 - Preparing and distributing agendas and supporting materials in a timely manner
 - Maintaining accurate records of meeting proceedings.
- Staff are responsible for ensuring that advice provided to the Advisory Group is consistent with statutory obligations, Council policies, and relevant national legislative frameworks.

8. Interests

Interest should be declared at the start of Advisory Group meetings.

9. Dissolution of the Advisory Group

The Advisory Group may be dissolved, prior to the end of the 2025-2028 Triennium, by resolution of each individual Council, subject to adoption by the other Council.

7.2 DRAFT POLICY ON THE APPOINTMENT AND REMUNERATION FOR INDEPENDENT MEMBERS AND IWI REPRESENTATIVES

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Robyn Byrne, Governance Manager
Report Authorisers:	Steve Manners, Chief Operating Officer
Report Number:	RCN26-04-2

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

- 1.1 To present the Draft Policy on the Appointment and Remuneration for Independent Members and Iwi Representatives for adoption, following a comprehensive review of the Council's 2018 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units.
- 1.2 The revised policy has been expanded to include iwi representatives and introduces updated appointment, assessment and remuneration processes.
- 1.3 To appoint an Iwi Representatives Appointments Panel to complete job-sizing and recommend appointments to the recently approved representation on the Council, Strategy Finance and Performance Committee and Environment Regulatory and Operations Committee.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 At its 12 February 2026 meeting, the Council confirmed that:
 - 2.1.1 a non-voting iwi representative role be created for the Council
 - 2.1.2 iwi representative roles with voting rights be created for the Strategy Finance and Performance and Environment Regulatory and Operations committees (CN26-02-4).
- 2.2 A review of the 2018 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units has now been completed. A revised draft policy (**Attachment 1**) has been prepared that:
 - 2.2.1 combines independent member and iwi representative appointments into one consistent policy framework
 - 2.2.2 introduces improved recruitment, assessment and appointment processes
 - 2.2.3 aligns remuneration with the current [Cabinet Fees Framework](#) (CFF) Group 4 daily rate model (an excerpt is attached as **Attachment 2**).
 - 2.2.4 strengthens expectations, documentation requirements and procedural consistency.
- 2.3 A copy of the 2018 Policy is provided for reference (**Attachment 3**).

- 2.4 Due to the scale of the substantial policy revision, a tracked-changes version would be difficult to follow and is not included. **Attachment 4** (Change Log) provides a clearer summary of the key changes between the 2018 and 2026 policies.
- 2.5 Council is also requested to convene an Appointments Panel to make a recommendation to Council on the appointment and remuneration of iwi representatives, which will be considered at the 7 May 2026 Council meeting. The Panel should include the Chairs of the relevant committees, in this instance, Council and Strategy Finance and Performance and Environment Regulatory and Operations Committees.
- 2.6 The Panel’s responsibilities include:
- 2.6.1 confirming eligibility and undertaking conflicts-of-interest checks
 - 2.6.2 assessing the skills, knowledge and experience required for the role
 - 2.6.3 completing job-sizing using the Cabinet Fees Framework
 - 2.6.4 recommending to Council the preferred candidates, term of appointment and daily remuneration rate.
- 2.7 The Panel is an advisory/selection panel, not a committee under the Local Government Act 2002, and Part 7 of the Local Government Official Information and Meetings Act 1987 (LGOIMA) does not apply to its meetings. Appointment decisions are made by the Council.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

- 1. receives the Draft Policy on the Appointment and Remuneration for Independent Members and Iwi Representatives report RCN26-04-2; and**
- 2. adopts the Tasman District Council Policy on the Appointment and Remuneration for Independent Members and Iwi Representatives as set out in Attachment 1 to the agenda report, with effect from 09 April 2026; and**
- 3. notes that nominations have been received by Council’s Kaihautū from the Te Taihu Iwi Chairs for iwi representation; and**
- 4. notes that the Appointment and Remuneration Policy for Independent Members and Iwi Representatives Policy requires an Appointments Panel, consisting of three elected members with staff support provided by the Chief Executive Officer and Council’s Kaihautū, to be convened once nominations have been received from the Te Taihu Iwi Chairs; and**
- 5. establishes an Iwi Representatives Appointment Panel to assess nominated candidates and make recommendations to the Council, consisting of the chairs of the relevant committees:**
 - 5.1 Mayor Tim King (Council)**
 - 5.2 Councillor Kit Maling (Strategy Finance and Performance)**
 - 5.3 Councillor Jo Ellis (Environment Regulatory and Operations).**

4. Background / Horopaki

- 4.1 The appointment of independent members to local authorities, particularly committees like Audit and Risk Committees and commercial committees has become standard practice.

Local authorities deliver many services and provide critical infrastructure. Appointed members bring expertise, skills and knowledge which assist the Council with the work involved.

- 4.2 Independent members have been appointed to a number of Tasman District Council committees over time, including Audit and Risk, the former Enterprise Committee, and joint committees with Nelson City Council such as the Nelson Regional Sewerage, Nelson Tasman Regional Landfill business units and the Saxton Field Committee, which are joint committees with Nelson City Council (and are covered under a separate joint policy).
- 4.3 The appointment of iwi representatives has been developed more recently to support:
- 4.3.1 improved decision-making through incorporation of te ao Māori perspectives,
 - 4.3.2 strengthened partnership with iwi and recognition of Te Tiriti o Waitangi principles, and
 - 4.3.3 statutory requirements under the Local Government Act 2002 (sections 4, 14(1)(d), and 81) to provide opportunities for Māori to contribute to decision-making.
- 4.4 The previous Council (2022–2025 term) appointed one iwi representative to the Operations Committee. In February 2026, the current Council confirmed new iwi representative positions for the 2025–2028 triennium.
- 4.5 A review of the 2018 Policy has now been completed. The revised 2026 draft policy:
- 4.5.1 adds iwi representative appointments to the policy scope
 - 4.5.2 standardises appointment panel processes
 - 4.5.3 requires job-sizing before remuneration is set
 - 4.5.4 moves to a daily remuneration rate under the Cabinet Fees Framework
 - 4.5.5 improves documentation requirements and transparency.
- 4.6 The Appointments Panel will meet and complete job-sizing in accordance with the CFF, and recommend appointments and remuneration for Council decision-making.
- 4.7 A report requesting approval of the iwi representative remuneration and the appointment of iwi representatives for the 2025 – 2028 term will be considered at the 7 May 2026 Council meeting in the confidential section of the agenda. Once the appointment process has been finalised the decisions will be made publicly available.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

Key improvements in the revised policy

- 5.1 The revised policy provides a modernised and consistent framework for all appointed roles. Key improvements include:
- 5.2 **Updated remuneration framework**
- 5.2.1 moves from Strategic Pay (2018 policy) to the Cabinet Fees Framework (CFF) Group 4.
 - 5.2.2 introduces a daily rate model for all appointed members—covering preparation, travel time, attendance and follow-up work.
 - 5.2.3 introduces mandatory job sizing to ensure remuneration is evidence-based and consistent.

5.3 Inclusion of iwi representatives

- 5.3.1 Establishes and mirrors a clear policy framework for iwi representative appointment and remuneration.
- 5.3.2 Confirms that Te Taihū Iwi Chairs are responsible for the iwi-side recruitment and nomination process, with Council conducting subsequent assessment.

5.4 Updated appointment processes

- 5.4.1 Appointment Panels of three members are now standard for both independent members and iwi representatives.
- 5.4.2 Recruitment consultants may be used where appropriate, under panel oversight.
- 5.4.3 The appointment report to Council must include eligibility, recruitment pathway, job-sizing results, and recommended remuneration.

5.5 Status of Appointment Panels and meeting treatment (LGOIMA)

- 5.5.1 The policy establishes Appointments Panels as advisory/selection panels to assess candidates, complete job-sizing and recommend appointments and remuneration to Council. The panels are not constituted as committees or subcommittees under the Local Government Act 2002 and therefore Part 7 LGOIMA meeting provisions do not apply to panel meetings. This approach is consistent with Council's Standing Orders, which note that standing orders/meeting provisions do not apply to advisory bodies unless adopted in their terms of reference.
- 5.5.2 All appointment decisions are made by Council resolution. Where personal privacy is involved, Council may consider appointment matters in public-excluded session under s48(1), relying on the s7(2)(a) LGOIMA ground to protect the privacy of natural persons. Council continues to publish decisions appropriately once appointments are finalised.

5.6 Improved transparency and consistency

- 5.6.1 signed appointment letters required before appointments take effect.
- 5.6.2 appointments made in confidential session, then publicly released.
- 5.6.3 appointment information standardised for all appointees.
- 5.6.4 remuneration must be paid directly to individuals.
- 5.6.5 clarifies the process for addressing non-attendance.

- 5.7 A detailed summary of all changes is provided in **Attachment 4 – Change Log**.

6. Options / Kōwhiringa

- 6.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Adopt the revised policy (recommended).	Aligns with best practice and the CFF model. Provides immediate authority to convene the Appointment Panel with clear parameters, enabling timely recommendations for the 7 May 2026 Council meeting	None identified.
2.	Decline to adopt the revised policy.	The 2018 Policy remains in place.	Does not support Council objectives for improved consistency and alignment with current governance practice.
3.	Amend the Draft policy.	Allows the Council to incorporate desired changes.	Amendments may delay adoption if they require further drafting or review, Potential for uncertainty if the amendments are not well-defined or if further changes are required before implementation. Potential to delay appointment of iwi representation or future independent members.

6.2 Option one is recommended.

7. Legal / Ngā ture

- 7.1 The Remuneration Authority sets remuneration only for elected members, not appointed members.
- 7.2 There is no statutory requirement to adopt this type of policy; however, doing so supports consistent and transparent processes.
- 7.3 Appointments and reappointments must comply with the Local Government Act 2002, Local Authorities (Members' Interests) Act 1968, and applicable delegations.
- 7.4 As new members are appointed an appointment letter will be provided which sets out the remuneration, term and Council's expectations in relation to conflicts of interest compliance with the Council's code of conduct and standing orders.

- 7.5 The Appointments Panel is established as an advisory/selection panel and is not a committee/subcommittee under the LGA. Accordingly, Panel meetings are not meetings of the local authority for Part 7 LGOIMA purposes.
- 7.6 Council will consider appointment matters under s48(1) relying on s7(2)(a) to protect personal privacy where appropriate, with decisions published once appointment processes are complete.

8. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 8.1 Staff have discussed the policy approach with Council's Kaihautū. Iwi engagement is occurring through the iwi representative appointment process and will be ongoing in line with LGA obligations to facilitate Māori participation in decision-making.

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

- 9.1 This matter is assessed as low significance under the Significance and Engagement Policy because the changes relate to improving an existing policy and do not materially affect levels of service, rates, debt, or strategic assets.

	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 policy is already in place; the review of the policy has identified improvements for transparency and consistency.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	N/A	
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)	N/A	
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	

	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 and Affordable Waters services?	No	

10. Communication / Whakawhitiwhiti Kōrero

10.1 Once adopted, the policy will be added to Council's Internal Policy Register, published on the Council's website, and communicated internally to staff involved in appointment processes.

11. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

11.1 Iwi representative remuneration and meeting-related expenses will be funded through the Iwi Capability budget, which has sufficient provision.

11.2 Independent member remuneration will be met from the appropriate appointed member budget.

11.3 If budgets require adjustment, this will be considered through the Annual Plan process.

12. Risks / Ngā Tūraru

12.1 Adopting the policy reduces the risk of inconsistency or challenge regarding appointment or remuneration decisions. No significant risks have been identified.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 There are no climate change considerations associated with adopting this policy.

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

14.1 This is a decision for the Council.

14.2 There is no requirement in the Local Government Act 2002 for councils to adopt a policy on the appointment and remuneration of independent members and iwi representatives.

14.3 The revised policy will provide improved consistency and transparency in the Council's appointment of independent members and iwi representatives.

15. Conclusion / Kupu Whakatepe









15.1 The revised policy strengthens Council's governance framework, improves consistency and transparency, and aligns remuneration with current best practice. Staff recommend adoption.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

16.1 Appointment documentation has been drafted and will be finalised once the policy has been adopted by the Council.

16.2 The Iwi Representative Appointments Panel will meet and complete job-sizing, in accordance with the current Cabinet Fees Framework and a confidential report will be provided to the 7 May 2026 Council meeting. The decision will be made publicly available once the appointments process is complete.

17. Attachments / Tuhinga tāpiri

1.  	Draft Policy on the Appointment and Remuneration for Independent Members and Iwi Representatives	20
2.  	Group 4 - extract from 2025 Cabinet Fees Framework	27
3.  	2018 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units	30
4.  	Change Log	36



DRAFT Appointment and Remuneration Policy for Independent Members and Iwi Representatives

POLICY REFERENCES	
• Sponsor:	Chief Operating Officer
• Effective date:	9 April 2026
• Internal review due:	November 2028
• Legal compliance:	Local Government Act 2002 Local Authority (Members Interests) Act 1968 Local Government Official Information and Meetings Act 1987
• Associated Documents	Tasman District Council Delegations Register (Terms of Reference for committees) TDC/NCC Joint Policy on the Appointment and Remuneration of Appointed Members (under review) Cabinet Fees Framework
• Policy Number	CS16
• Approved by Council	9 April 2026 – Resolution (CN2026-04-?)

Purpose

1. This policy provides criteria and guidance on the appointment and remuneration of independent members and iwi representatives to the Tasman District Council, committees, subcommittees, and subordinate decision-making bodies.
2. Independent member appointments are beneficial as they bring external business knowledge, acumen, viewpoints, and expertise.
3. Iwi representative appointments strengthen the partnership between the Council and iwi/Māori, widen understanding of te ao Māori and provide the opportunity for iwi to contribute to decision-making. They also recognise the Council's responsibility to take account of the principles of Te Tiriti o Waitangi.

Objective

4. This policy sets out the principles and processes for the appointment and remuneration of independent members and iwi representatives to the Council, its committees, subcommittees and subordinate decision-making bodies. It defines eligibility and appointment pathways, including the iwi-led nomination process, and outlines the role of Appointment Panels in assessing candidates and recommending appointments to the Council. The policy uses the Cabinet Fees Framework (CFF) and job-sizing to set fair and consistent remuneration and ensures that all appointments are made in a transparent, equitable and well-documented manner that supports good governance and honours the Council's partnership with iwi.

Definitions

Advisory group includes any group (regardless of the name of the body) that is not appointed by the Council as a standing committee, committee, subcommittee or subordinate decision-making body of the Council.



Appointed member includes both independent members and iwi representatives (i.e., members on committees that are appointed to the position rather than elected).

Appointment Panel – an advisory panel convened by the Council to assess candidate suitability, complete job-sizing, and recommend appointments and remuneration for Council decision-making.

Cabinet Fees Framework (CFF) is guidance published by the Cabinet Office for central government bodies whose fees are not set by the Remuneration Authority. It is reviewed three-yearly.

Candidate is any person who is being considered for an appointment, whether it is through a recruitment process or via a nomination.

Committee means a standing committee, or committee, or subcommittee or subordinate decision-making body appointed by the Council in accordance with schedule 7, clause 30 of the Local Government Act 2002 (LGA), or by the Mayor pursuant to section 41A (3) of the LGA. This does not include advisory groups, panels or other groups not formally appointed by the Council. Noting that **Standing committees** are committees of the whole.

Elected member includes elected members of the Tasman District Council and any community board in the Tasman District within the meaning of the LGA

Eligible means the candidate is not precluded from being an appointed member under the LGA or the Local Authority (Members Interests) Act 1968 (LAMIA).

Independent member is an individual appointed by the Council or committee or, subcommittee, or subordinate decision-making body with skills, attributes, or knowledge that will assist the work of the committee or subcommittee who is 'independent' of the Council, i.e., not an elected member.

Iwi representative is an individual appointed to the Council, a committee or subcommittee, or subordinate decision-making body, undertaken in partnership with the Te Taihū Iwi Chairs i.e., not an elected member.

Terms of reference define the purpose, role, functions, membership, systems and processes of a committee, subcommittee or advisory group.

Triennium is the specified three-year term following a local authority election.

Scope

5. This policy applies to the appointment of remunerated positions, specifically:
 - 5.1. **Independent members** appointed to a committee (with voting rights).
 - 5.2. **Iwi representatives** appointed to attend and speak at Tasman District Council (non-voting) or to a committee (with voting rights).
6. This policy does not apply to:
 - 6.1. **Appointments made jointly** with the Nelson City Council to joint committees or advisory groups of the Nelson City and Tasman District Councils.
 - 6.2. Commissioners appointed by the Council under local government legislation, including commissioners/chairs or members appointed to the **Tasman District Licensing Committee**¹.
 - 6.3. **Directors or board members** appointed to commercial organisations of the Tasman District Council, such as any Council Controlled Organisations or Council Controlled Trading Organisations.

¹ Fees and appointment of District Licensing Board members prescribed by section 195 Sale and Supply of Alcohol Act 2012.



- 6.4. **Appointments independent of Council** to small working parties or advisory groups, which, due to the nature of the role, incur minimal costs and/or are **volunteer roles**.

Background

7. The LGA (Schedule 7, Section 31(3)) provides that the Council may appoint to a committee a person who is not an elected member if that person has the skills, attributes and knowledge that will assist the work of the committee or subcommittee.
8. Under s4, s14(1)(d) and s81 of the LGA, a local authority must establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes.
9. The decision on whether to have appointed member positions on committees is made by the Council each triennium and set out in Council appointments and the terms of reference for each committee, noting that appointments may also be made during the triennium.

Policy criteria

Independent member and iwi representative candidates

10. For a candidate to be appointed as an independent member or iwi representative they must:
 - 10.1. be eligible to be an independent member or iwi representative (including having approval of the Office of the Auditor-General in relation to interests in contracts with Tasman District Council which exceed the \$25k contracting rule under the Local Authorities (Members' Interests) Act 1968)
 - 10.2. have the core competencies and skills needed for the position, as detailed in the position description and terms of reference for the committee appointed to
 - 10.3. be appointed in accordance with the terms of reference for the committee to which the appointment is being made and with this policy.

Making appointments

11. When a position becomes vacant, a report will be presented to the Council seeking a decision to appoint or reappoint members.

Independent members – Appointment Panel

12. For independent member positions, Council will convene an appointment panel (three members, to include the Chair of the relevant committee) to manage the recruitment process and make a recommendation to Council on the preferred candidate, term, and remuneration. The panel will be supported by the Chief Executive or the relevant Group Manager.
13. The Appointment Panel may, where appropriate, engage a recruitment consultant to support the search, advertising, longlisting, or shortlisting of candidates. This may be used for roles requiring specialist expertise, to broaden the candidate pool, or where independent candidate sourcing is desirable. The consultant's work will be overseen by the Appointment Panel.

Iwi representatives – Nomination and Appointment Panel

14. The Te Taihu Iwi Chairs are responsible for undertaking and managing the recruitment process for iwi representatives, including identifying, assessing and selecting candidates for nomination to the Council. The recruitment process may be carried out by the Chairs collectively or through an iwi-convened process agreed by them. Council's role begins once a nomination is formally provided to the Council through the Kaihautū.



15. Following receipt of a nomination from the Te Taihu Iwi Chairs (via the Kaihautū), Council will convene an appointment panel (three members, to include the Chair of the relevant committee), supported by the Kaihautū and the Chief Executive or the relevant Group Manager, to complete the assessment and make recommendations to Council.

Status of Appointment Panels

16. Appointment Panels are established as advisory/selection panels and are not committees, subcommittees or subordinate decision-making bodies under the LGA 2002.
17. Panel meetings are not meetings of the local authority for the purposes of Part 7 of the Local Government Official Information and Meetings Act 1987 (LGOIMA). The Panel's role is to assess candidates, complete job-sizing, and recommend appointments and remuneration to the Council. The Council makes all appointment decisions by resolution. Where personal privacy is involved, Council may consider the matter in public-excluded session under s48(1) with s7(2)(a) LGOIMA, with decisions being made publicly available once appointment processes have been completed.

Appointment panel responsibilities (all appointed roles)

18. The appointment panel is responsible for:
- confirming eligibility and undertaking conflicts-of-interest checks
 - assessing the role requirements (skills, knowledge, experience)
 - completing the job-sizing assessment in accordance with the current CFF
 - recommending the appropriate daily remuneration rate based on job sizing; and
 - recommending the preferred candidate and term of appointment to Council.

Appointment process and decision

19. Information on eligibility, skills and experience, the recruitment/nomination process undertaken, the job-sizing outcome and recommended remuneration must be provided to the Council to support its decision-making. The position description and relevant supporting documents will be attached to the agenda report.
20. Council will formally appoint independent members and iwi representatives by resolution.

Completing an appointment

21. Once Council has formally appointed members by resolution, the appointment process is not complete until an appointment letter referencing the Council resolution has been provided to the appointee and signed and returned.
22. Appointment information provided to the appointee will specify the role, term (including start and end date), remuneration and expenses, declaration of interests requirements, and the requirement to observe the Council's Code of Conduct, Standing Orders and other relevant governance documents.
23. Appointments are made in confidential session. Once the above appointment process is complete, appointment decisions will be made publicly available.



Term of appointments

24. In general, appointments will be made for the current triennium, requiring new appointments/reappointments at the beginning of each triennium, unless otherwise allowed for in the committee's terms of reference.

Job Sizing

25. Job sizing must be completed before any recommendation on appointment or remuneration is presented to Council. Job sizing will be undertaken by the relevant appointment panel as follows:

Independent members

26. Job sizing will be completed by the Council-convened appointment panel, supported by the Chief Executive or relevant Group Manager.

Iwi representatives

27. Following receipt of a nomination from the Iwi Chairs, job sizing will be completed by the Council-convened appointment panel, supported by the Chief Executive or relevant Group Manager and the Council's Kaihautū.

28. Job sizing will use the CFF assessment criteria and consider:

- The complexity and purpose of the committee.
- The nature of decisions and level of risk.
- The specialist skills, knowledge, and experience required.
- The expected workload, including meetings, workshops, and preparatory work.

29. Job sizing determines the appropriate CFF daily rate and ensures consistent remuneration across all appointed members.

Remuneration for Independent Members and Iwi Representatives

30. All independent member and iwi representative appointments to the Council, standing committees, committees and subcommittees will be remunerated in accordance with this policy and the outcome of job sizing.

Basis of Remuneration

Daily Rate (all Appointed Members)

31. All independent members and iwi representatives will be paid a daily rate for work undertaken on Council business. The daily rate:

- is applied once per day, regardless of the number or combination of meetings, workshops, or hearings attended that day.
- covers all associated work, including preparation, meeting/workshop/hearing attendance, travel time, reading and follow up
- is set according to the CFF Group 4 rate applicable to the job-sized position.



Committee-specific application

- 31.1. **Audit and Risk Committee** – Appointed members of the Audit and Risk Committee will be remunerated at daily rates aligned with the CFF Group 4 guidance for Audit and Risk roles, including any agreed additional work.
- 31.2. **Committees and subcommittees** – Independent members and iwi representatives will receive the applicable daily rate determined through job-sizing under the CFF.

Invoicing and Payment

32. Fees are paid directly to the individual, not to a business entity.
- **Independent members**
May submit invoices monthly or quarterly (as prescribed by the Council) for days worked.
 - **Iwi representatives**
Will submit invoices quarterly, reflecting the daily rates for meetings, workshops, and associated work.
33. Invoices must record:
- dates worked
 - activities undertaken (meeting/workshop type)
 - number of daily fees being claimed
 - any reimbursable expenses (with receipts)

34. Reimbursement of Expenses

35. Appointed members are entitled to reimbursement of actual and reasonable travel, accommodation, and meal expenses incurred when attending meetings, in accordance with the principles of:
- justified business purpose
 - moderate and conservative expenditure.
36. Reimbursement will be provided at the same rates set in [Schedule 1 of the Elected Members' Allowances and Recovery of Expenses Policy](#).
37. Receipts are required for all claims.
38. No additional allowances (e.g., communication, childcare, home security system allowances) are payable.
39. Information regarding the reimbursement of expenses in accordance with this policy will be supplied to appointed members in their appointment information.

Review of Levels of Remuneration

40. In general, all appointments are triennium based.
41. Remuneration settings for appointed roles will reflect the current CFF, which is updated three-yearly.



Grandparenting of Remuneration

- 42. Current appointed members whose terms pre-date this policy may agree to move to the terms set out in this policy. If a new appointment letter is not signed, they will remain on their existing terms until the end of their current appointment.
- 43. All appointments/reappointments made after this policy is adopted, will be made in accordance with this policy.

Reappointment

- 44. Terms for reappointment are contained in individual committee/subcommittee terms of reference. If the terms of reference do not contain terms for reappointment or the eligibility for reappointment is not specified, this policy applies.
- 45. In the case of reappointments under this policy, no grandparenting of remuneration applies.
- 46. An appointed member may not be appointed for more than three consecutive terms unless agreed to by the relevant committee and resolved by Council under special circumstances (e.g., continuity for long-term projects or a need for specific expertise).
- 47. The assessment of a member's continued suitability or eligibility for reappointment must be provided to Council with an updated appointment letter and position description attached to the agenda report.

General Absence

- 48. Where a member fails to attend a number of meetings consecutively, or otherwise perform their duties as a member, the committee Chair will discuss attendance expectations with the member.

Authorised by

Date of approval:

Group 4: All Other Committees and Other Bodies

122 This category covers a vast array of bodies from advisory committees to technical review committees to professional regulatory bodies. These bodies may have their functions described in statute or alternatively have been established by a Minister under a general statutory power to establish advisory committees or by the Cabinet. In other cases, the bodies will have been established by chief executives or governance boards of agencies to provide advice on the agency's functions and responsibilities on a general basis or on specific areas or issues.

123 The level within this category is determined by:

- skills, knowledge and experience required for members;
- function, level and scope of authority;
- complexity of issues;
- public interest and profile.

Factors – choose one score from each of the following categories

124 Skills, knowledge and experience

Skills, knowledge and experience will vary between members on a particular body. The score below should reflect the level of skill required by the majority of members and should not be based on any particular individual. This factor has a higher weighting than others, to reflect that it is the application of the skills, knowledge and experience in carrying out their responsibilities that is a major contributor to the successful operation of the committee or body.

Skills, knowledge and experience	Definition	Score
Pre-eminent	Outstanding and authoritative knowledge, recognised nationally and internationally for expertise in a particular field.	12
Distinguished	Deep and broad knowledge in a specific area or as a leader. Widely respected as a subject matter expert or authority in their field.	10
Substantive	Substantial range of knowledge and experience in a field or professional discipline sometimes associated with senior level functional or technical leadership, executive management or governance roles. May include widely respected people with broad community support.	8
Technical	A number of years' experience in a technical, professional field or in a leadership role is a pre-requisite.	6
Specialised experience	No specific experience is required but members would have broad general knowledge and may represent a body of opinion.	4

125 Function, level and scope of authority

Function, level and scope of authority	Score
Sets policy or work programme for a major area of economic activity or policy area of importance to the Government's strategic priorities.	6
Sets policy or work programme and/or exercises regulatory/disciplinary powers at an industry level.	5
Provides expert counsel and advice direct to Ministers, agency governance boards or CEOs and/or multi-agency task forces on technical or major policy issues, where issues are of strategic importance. At this level the body would be expected to be proactive in identifying emerging issues and contributing to policy direction and to inform the Government's agenda	4
Exercises regulatory/disciplinary powers at the individual/professional level. This will include the power to impose fines and suspend or prohibit professional practice by the individual. (NB: This would include an individual corporate member.)	3
Provides a broad range of advice on technical and/or policy issues (multi outputs) to an agency governance board/CEO or Minister where issues affect Government policy.	2
Provides ad hoc advice to an agency governance board/CEO or Minister on minor matters. Generally a limited focus at a single output level.	1

126 Complexity of issues

Complexity of issues	Definition	Score
Innovative	The development of new concepts is required to find innovative and pathfinding solutions. There will be little or no external guidance (NZ or internationally) to aid resolution of these issues.	5
Constructive	The development of new policy or advice is required where the issues are complex, multi-dimensional and involve substantial research, consideration of possible alternatives and their consequences. The body may commission research or utilise the findings to inform their policy development or advice.	4
Evaluative	Issues will include circumstances, facts and concepts different to those that have been experienced in the past. Analytical thinking and evaluative judgement will be required to identify realistic alternatives and apply/recommend a solution.	3
Judgement	Solutions will be found from application of professional or personal judgement and generally guided by previous decisions. Circumstances may be different from those previously experienced but there will be a sufficient frame of reference to make a considered decision/recommendation.	2
Operational	Issues to be resolved are generally within existing policy and prior decisions. Decisions can generally be made quickly and with reasonable certainty.	1

127 Public interest and profile

Public interest and profile	Score
Widespread public interest in outcomes would be expected. Member/s will attract strong media interest. Potential risk to personal and/or the body's reputation is high.	5
Strong public and stakeholder interest and importance would be associated with these issues. Media interest would also be expected, but potential risk to personal or the body's reputation is unlikely.	4
Moderate but widespread public interest is likely. Reputational risk is minimal.	3
Public interest is likely to be limited, but the issues would be of interest to other members of the particular profession or sector.	2
There is likely to be little or no wider public interest in the decisions.	1

Add the scores for each factor together to give a total score. Then refer to the guidance in section C and the table below for the ranges of fees payable for Group 4 bodies.

128 Group 4 – daily fees

Total Score	Level	Fees range – chair	Fees range - members
24-28	1	\$770 - \$1,645	\$580 - \$1,240
20-23	2	\$560 - \$1,265	\$415 - \$800
15-19	3	\$400- \$825	\$295 - \$680
10-14	4	\$360 - \$525	\$270 - \$385
9 or less	5	\$295 - \$380	\$215 - \$295

Audit and Risk Committees - Government Departments

- 129 Most agencies have established audit and risk committees (or their equivalent). All or almost all of the chairs and members of these committees are external to the agency and they are generally not public sector employees. Due to the skill and expertise required of external chairs and members of these committees and the complexity of the matters on which they advise, higher fees for agency audit and risk committees have been approved.² (The Office of the Auditor- General provides [advice on audit committees](#)).
- 130 Fees for chairs of audit and risk committees can be up to - \$1,860 per day and fees for members can be up to \$1,550 per day (up to a maximum of 30 days per annum in both cases).

² Crown Entity Audit and Risk Committee is treated as a Board sub-committee.



2018 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units

ORGANISATIONAL POLICY

POLICY REFERENCES	
• Sponsor:	Mike Drummond – Corporate Services Manager
• Effective date:	25 May 2018
• Internal review due:	May 2021
• Legal compliance:	<ul style="list-style-type: none"> • TDC/NCC Policy on the Joint Appointment of Directors and Trustees • Council's 'Procedure for Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations' • Council's policy on the 'Procedure for Appointment of Directors and Trustees' • Joint NCC/TDC Procedure on 'Jointly Setting Remuneration for Directors of Council Controlled Trading Organisations' • Strategic Pay New Zealand Directors fees reports • Delegations Register • Terms of Reference for each Committee or Business Unit
• Associated Documents/References	
• Policy Number	CS16
• Approved by Chief Executive	Yes
• Approved by Council (If Applicable)	Approved Full Council 9 August 2018 Report RCN18-08-07 Resolution CN18-08-10

1. Purpose

- 1.1 The purpose of this policy is to set down an objective and transparent process for the selection, appointment and review of independent members appointed to Council Business Units and Committees. It also outlines the recommended methodology to be used to determine the appropriate remuneration for the independent member/s.



2. Definitions

- 2.1 **Independent Member** – This describes an individual appointed to a Council Committee or Business Unit who is 'independent' of Council. Their appointment provides balance around the table, by bringing external business knowledge, acumen, viewpoints and expertise to the Committee or Business Unit.

3. Application

- 3.1 This policy applies specifically to:

Independent members appointed to the following:

- Audit and Risk Committee (1 x Independent Member)
- Enterprise (formerly Commercial) Committee (3 x Independent Members)

Tasman District Council independent members (if any) appointed to the following Business Units:

- Nelson Regional Sewerage Business Unit
- Nelson Tasman Regional Landfill Business Unit

- 3.2 This policy does not apply to:

- Council Controlled Organisations or Council Controlled Trading Organisations. These are covered under a joint Nelson City and Tasman District Council Policy.
- Joint appointments to the Nelson Regional Sewerage Business Unit and the Nelson Tasman Regional Landfill Business Unit.
- Other joint Nelson City Council and Tasman District Council Committees, such as the Saxton Field Committee. A separate joint council policy will be developed for these.

4. Policy Contents:

5. Policy on Appointment

6. Policy on Remuneration

5. Policy on Appointment

- 5.1 Appointment of independent members to Council Committees and Business Units will be consistent with the Council's Policy on the Appointment of Directors and Trustees to Council Organisations. This is confirmed in the Delegations Register.

5.2 **Criteria for Selection of Independent Members**

- 5.2.1 All appointees must have in the opinion of Council, the skills, knowledge or experience to:



- guide the Committee or Business Unit, given the nature and scope of its activities, and
- contribute to the achievement of the objectives of the Committee or Business Unit.

5.2.2 For all appointments, the following qualities of candidates for appointment as Independent Members must be considered:

- Demonstrated ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;
- Articulate, and able to communicate in a concise and clear manner;
- Demonstrated leadership skills, and prepared to be counted on important matters;
- Commitment to, and understanding of, the responsibilities of Directorships;
- Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;
- Objectivity in decision making;
- Respect for colleagues and staff;
- High ethical standards;
- Proven commercial experience;
- Positive attitude to public ownership and the principles of good corporate citizenship;
- Financial acumen;
- Commitment to regional needs and priorities;
- Any other special considerations/requirements in respect of the specific Committee or Business Unit.

5.3 Process for Appointment of Independent Members

5.3.1 The Chief Executive, and/or delegate of the Chief Executive and the Mayor will:

- notify elected members of the vacancy in a timely manner; and
- meet with the Chairperson of the Committee or Business Unit to discuss specific requirements (including whether the appointment is necessary) and to consider whether there is any need for any variation of procedure, under Section 5.6 of this policy; and
- retain a recruitment consultant to advertise the vacancy and develop a list of candidates; and
- decide on the composition of the interview panel, to include the relevant Committee or Business Unit Chairperson or representative.

5.3.2 The Chief Executive or the Mayor will include any persons recommended by Council on the list of candidates.

5.3.3 The Recruitment Consultant shall, in consultation with the interview panel, prepare a short list of candidates, assist with any interview process and carry



out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 5.3 above.

5.3.4 The interview panel will conduct interviews on the short list of candidates and recommend a preferred candidate (or in the case of multiple vacancies, candidates) to the Council through the Chief Executive.

5.3.5 Council will make the final decision to appoint Independent Members, on the recommendation of the interview panel.

5.4 Reappointment of Independent Members

5.4.1 No Independent Member may be reappointed for a fourth successive term unless there are special circumstances, including:

- Succession planning
- Provision of continuity for redevelopment projects
- Provision of specific areas of expertise

5.4.2 Subject to the Terms of Reference of the Committee or Business Unit concerned, where an Independent Member's term of appointment has expired and they are offering themselves for reappointment, the Chief Executive and the Mayor:

- May make confidential enquiries from the Chairperson and other members of the Committee or Business Unit as necessary, including:
 - whether the skills of the incumbent add value to the work of the Committee or Business Unit;
 - whether there are other skills which the Committee or Business Unit needs;
 - whether a change to the existing Independent Members would compromise the Committee or Business Unit's ability to pursue a desired vision and long term strategy, or whether there is a need for new skills and ideas on the Committee or Business Unit; and
 - whether an appointment is necessary.
- Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and
- Must recommend to Council whether reappointment is appropriate.

5.4.3 If reappointment is not appropriate, the appointment process outlined in Section 5.2 will be followed.



5.5 Term of Appointment

- 5.5.1 The term of the appointment will be as per the Terms of Reference for the Committee or Business Unit, and/or the Delegations Register.

5.6 Variation of Procedure

- 5.6.1 Council may decide, by resolution, to vary the procedures outlined in this policy as necessary, provided that such variation meets the requirements of the Local Government Act 2002 and provides an objective and transparent process for the appointment of the Independent Member.

6. Policy on Remuneration

6.1 Methodology

- 6.1.1 The methodology to be used to calculate remuneration of Independent Members was approved at the Full Council meeting 24 May 2018 (Report RCN18-05-12). This applies to any new appointments post this date, and does not apply to anyone incumbent in the role.

6.2 Business Units and Enterprise (formerly Commercial) Committee

- 6.2.1 The process for CCTOs, based on the Strategic Pay New Zealand Directors' fees data, is applied to calculating remuneration for Independent Members of Business Units and the Enterprise (formerly Commercial) Committee, *with adjustments made for the varying workloads, risk and responsibilities associated with the role.*
- 6.2.2 The formula is as outlined in the joint Nelson City and Tasman District Council procedure 'Jointly Setting Remuneration for Directors of Council Controlled Trading Organisations', which is focused on recruiting professional directors, and as follows:
- 6.2.2.1 Remuneration is based on the previous two years' data from the Strategic Pay New Zealand Directors' fees report for the appropriate organisation type.
- 6.2.2.2 Other relevant factors from the surveys, such as annual turnover, assets, number of respondents and number of employees are also taken into consideration.
- 6.2.2.3 An average for the two years' results is taken, with recommended remuneration per annum set between the lower and median quartile results.
- 6.2.2.4 Remuneration is normally set for a three year period aligning with the Long Term Plan cycle.
- 6.2.2.5 In the intervening two years the remuneration pool may be adjusted by the annual consumer price index (CPI) movement at the previous December.

- 6.2.3 Based on this, the remuneration range for Independent Members of Business Units and the Enterprise (formerly Commercial) Committee would be between



\$6,692 and \$10,420 per annum, as a starting range, as at the time of this policy being written. A review of this indicative range will be made when the Policy is next reviewed.

- 6.2.4 Consideration of additional factors, such as the skills required to carry out the role and the ability to attract necessary expertise, allow for some flexibility around the actual fees paid.

6.3 Audit and Risk Committee

- 6.3.1 Remuneration of the Independent Member of the Audit and Risk Committee will be negotiated as part of the recruitment process and based on an hourly rate under a professional services agreement. This reflects the technical nature of the appointment, and market rates.

6.4 Other Joint Committees

- 6.4.1 Independent members appointed to joint committees such as the Saxton Field Committee will continue to be remunerated as currently, pending the development of a Joint Policy by Nelson City Council and Tasman District Council.

Authorised by the Chief Executive following approval at Full Council 9 August 2018

Date of approval:

Draft Appointment & Remuneration Policy for Independent Members and Iwi Representatives – change log from previous Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units

Scope & Application	Expanded to all independent members and iwi representatives; updated exclusions list.
Iwi Representatives	New iwi appointment framework and iwi-led recruitment via Te Tauihu Iwi Chairs.
Appointment Process	Appointment Panel replaces CE/Mayor-led model; recruitment consultant optional.
Term & Reappointment	Default triennium term; max three consecutive terms.
Remuneration Framework	Strategic Pay replaced with Cabinet Fees Framework Group 4 daily-rate model.
Job Sizing	Mandatory job-sizing for all roles before appointment.
Financial Processes	Clear invoicing rules; expenses aligned with EM Allowances Policy; no additional allowances.
Governance	Confidential appointment process with public release; adds absence and removal provisions.
Variation Clause	Removed—no procedural variation by Council resolution.
Transition Arrangements	Grandparenting allows incumbents to remain on existing terms.

7.3 TASMAN DISTRICT COUNCIL LOCAL GOVERNANCE STATEMENT 2025 - 2028**Decision Required**

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Robyn Byrne, Governance Manager
Report Authorisers:	Leith Townshend, General Counsel; Steve Manners, Chief Operating Officer
Report Number:	RCN26-04-3

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

- 1.1 To approve the prepared Draft Tasman District Council Local Governance Statement 2025 – 2028 (**Attachment 1**) for public release. This will enable the Council to comply with its obligation under the Local Government Act 2002 (LGA) to make its local governance statement publicly available within six months of the local triennial election, in this case, before 11 April 2026.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 Every council is required to prepare and make publicly available a local governance statement within six months of the triennial elections, in this case by 11 April 2026.
- 2.2 A local governance statement describes how a council engages with its residents, how it makes decisions and how residents can influence these processes. It must contain the information listed in s 40(1) of the LGA which includes the following broad categories of information:
- 2.2.1 functions, responsibilities and activities of the local authority
 - 2.2.2 electoral arrangements
 - 2.2.3 governance structures and processes
 - 2.2.4 the way elected members make decisions and relate to each other and to the management of the local authority
 - 2.2.5 key policies of the local authority.
- 2.3 Staff consider that the Draft Tasman District Council Local Governance Statement 2025 – 2028, attached as **Attachment 1** to this report, meets the requirements of the LGA.
- 2.4 Once the Council has considered the draft and any changes have been approved and incorporated, the approved Tasman District Council Local Governance Statement 2025 – 2028 will then be made publicly available on the Council's website.

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

1. receives the Tasman District Council Local Governance Statement 2025 - 2028 report RCN26-04-3; and
2. approves the Draft Tasman District Council Local Governance Statement 2025 – 2028, contained in Attachment 1 to the agenda report, to be made publicly available before 11 April 2026, in accordance with s40(2) of the Local Government Act 2002; and
3. delegates authority to the Governance Manager to update the Tasman District Council Local Governance Statement 2025 – 2028 as required to reflect changes to information included in the Statement to align with s40(1) of the Local Government Act 2001.

4. Background / Horopaki

- 4.1 Under the LGA, councils must prepare and make publicly available a local governance statement within six months of the triennial elections. The local governance statement can be subsequently updated during that period as appropriate and before it is formally reviewed again after the next triennial elections in October 2028.
- 4.2 The LGA set outs governance principles for the Council and prescriptive requirements for the content of the statement.

[The LGA \(s40 \(1\)\)](#) lists the following information which must be included in the statement:

- (a) the functions, responsibilities, and activities of the local authority; and
- (b) any local legislation that confers powers on the local authority; and
- (ba) the bylaws of the local authority, including for each bylaw, its title, a general description of it, when it was made, and, if applicable, the date of its last review under section 158 or 159; and
- (c) the electoral system and the opportunity to change it; and
- (d) representation arrangements, including the option of establishing Māori wards or constituencies, and the opportunity to change them; and
- (e) members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct); and
- (f) governance structures and processes, membership, and delegations; and
- (g) meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders); and
- (h) consultation policies; and
- (i) policies for liaising with, and memoranda or agreements with, Māori; and
- (j) the management structure and the relationship between management and elected members; and
- (ja) the remuneration and employment policy, if adopted; and
- (k) equal employment opportunities policy; and
- (l) key approved planning and policy documents and the process for their development and review; and
- (m) systems for public access to it and its elected members; and

- (n) processes for requests for official information.
- 4.3 This Local Governance Statement is a new document that sets out the Council's current governance arrangements. To improve clarity and reduce the need for frequent amendments, information that changes regularly (for example, committee appointments and other variable governance settings) is now referenced via links to authoritative Council sources. A link to the previous [Local Governance Statement 2022–2025](#) is included for historical context.
- 4.4 Because this is a newly drafted statement rather than a revision of the 2022–2025 document, preparing a tracked-changes version would not be meaningful. For clarity, a clean draft is provided.

5. Analysis and Advice / Tātāritanga me ngā tohutohu

- 5.1 Section 40 of the Local Government Act 2002 requires every local authority to prepare and make publicly available a local governance statement within six months of each triennial general election. The Statement is intended to provide the community with clear and accessible information about the Council's governance arrangements, decision-making processes, key policies, and mechanisms for public participation.
- 5.2 Although section 40 does not require formal approval, the Council traditionally chooses to consider and approve the local governance statement to ensure transparency and provide a clear governance record.
- 5.3 The local governance statement reflects the current triennium's governance structure, including the roles and responsibilities of elected members, committee arrangements, statutory policies, and systems for public access to information. It consolidates material drawn from a range of existing documents and policies, presenting it in a single reference source for the public.
- 5.4 Approving the statement at this time ensures the Council meets its statutory obligations and maintains transparency regarding how it operates. The document also supports good governance by providing clarity for elected members, staff, and the community about expectations, processes, and legislative requirements.
- 5.5 Officers recommend that the council approve the local governance statement as presented. Making it publicly available will ensure compliance with section 40 of the Local Government Act 2002 and reinforce the council's commitment to open, transparent, and accountable governance.
- 5.6 Once approved, the statement will be published on the Council's website and made available to the community, fulfilling the LGA's requirement to make the document publicly available. No formal public notification is required under the LGA.
- 5.7 In accordance with s40(3) of the LGA, which states that a local authority must update its local governance statement as it considers appropriate, under delegated authority, the Governance Manager will be responsible for updating the Statement as required throughout the triennium.

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

- .1 There are no financial or budgetary implications arising from this report. Any minor layout or web-publishing costs will be met from existing budgets.

7. Options / Kōwhiringa

7.1 The options are outlined in the following table: Option		Advantage	Disadvantage
1.	Approve the proposed new Tasman District Council Local Governance Statement 2025 – 2028, as presented, or with minor changes, for publication and delegates authority to the Governance Manager to make any changes, as required.	<p>Ensures statutory compliance: This enables the Council to meet its obligation under section 40 of the Local Government Act 2002 to prepare and make publicly available a local governance statement.</p> <p>Enhances transparency and accountability: Demonstrates the council’s commitment to open, accessible governance and provides clarity to the public about decision-making processes.</p> <p>Supports good governance: Provides elected members, staff, and the community with a consolidated, authoritative reference on governance structures, delegations, and key policies.</p> <p>Reduces reputational risk: Timely publication avoids gaps in publicly available governance information and reinforces confidence in council processes.</p> <p>Enables proactive updates: Once published, the document can be updated as required to reflect governance or structural changes throughout the triennium.</p>	None identified.

7.1 The options are outlined in the following table: Option		Advantage	Disadvantage
2.	Request further major amendments to the Tasman District Council Local Governance Statement 2025 – 2028 prior to publication.	Elected members can request changes to improve clarity, accuracy, or alignment with governance expectations.	Risk of non-compliance: Major amendments may mean delays, which would increase the likelihood the Council may not meet the six-month statutory timeframe required by section 40 of the LGA.
3.	Do not approve the Tasman District Council Local Governance Statement 2025 – 2028 for publication.	None identified.	Clear statutory non-compliance: Failure to make publicly available a local governance statement breaches section 40 of the LGA. Significant reputational risk: Non-compliance may undermine public confidence in the council's governance and commitment to transparency. Operational risk: Without a published statement, both the public and elected members lack a centralised source of governance information.

7.2 Option 1 is recommended.

8. Legal / Ngā ture

- 8.1 A local governance statement must be prepared and made public by the Council to comply with Section 40 of the Local Government Act 2002. It must contain the information as set out in section 4.2 of this report. The local governance statement prepared for approval meets the requirements of the legislation. The local governance statement prepared for adoption meets the requirements of the legislation.
- 8.2 A local governance statement must be made publicly available by 11 April 2026, to comply with the Local Government Act 2002. If the Council defers publication beyond this date, it would be in breach of the legislative requirements.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 9.1 No engagement has taken place in relation to the Draft Tasman District Council Local Governance Statement 2025 – 2028. This is because it does not create or change processes or a framework through which the council works in partnership with iwi, hapū, and Māori organisations to give effect to their role as tangata whenua and to support meaningful participation in local decision-making. The Statement collates and presents information about the council's policies for liaising with Māori and any memoranda or agreements that support that relationship.

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

- 10.1 The publishing of a Local Governance Statement is a statutory requirement and of low significance. The Draft Tasman District Council Local Governance Statement 2025 – 2028 collates and presents existing information about the matters required to be included. Public consultation is not required or recommended.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	The content of the Local Governance Statement is compiled from readily available public information.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	The Local Governance Statement provides information and does not affect current policy or activities.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	Whilst the Local Government Statement is a requirement of the LGA, and may improve public knowledge, there will not be significant impacts arising from this decision.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	The decision does not relate to a strategic asset.
5.	Does the decision create a substantial change in the level of service provided by Council?	Low	The Local Governance Statement provides information and does not affect levels of service decisions.
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	The Local Governance Statement provides information and does not affect debt, rates, or Council finances.

	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?	Low	The decision does not involve the sale of any assets or shareholdings.
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?	Low	The Local Governance Statement provides information and does not affect the delivery of services.
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	Low	The Local Governance Statement provides information and does not affect current policy or activities.
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?	Low	The proposal is administrative in nature and has no direct physical, environmental, or service-level effects, and therefore falls outside the scope of matters requiring specific TMOTW consideration.

11. Communication / Whakawhitiwhiti Kōrero

11.1 Once the Tasman District Council Local Governance Statement 2025 – 2028 is approved for publication, it will be made available on the Council's website.

12. Risks / Ngā Tūraru

12.1 The Local Governance Statement simply draws on and presents existing information.

12.2 The Local Governance Statement does not generate activity. Approving the Statement for publication does not pose any risk to the Council or its community, as it complies with the requirements of the LGA, and is not associated with delivery of any Council strategic priority.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 There are no climate-related implications arising from this decision.

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

14.1 This matter is a statutory requirement under section 40 of the Local Government Act 2002. There are no relevant Council policies or strategic plans requiring alignment for this decision.



15. Conclusion / Kupu Whakatepe

- 15.1 To comply with the LGA, the Council needs to prepare and publish a Local Governance Statement for 2025-2028, by 11 April 2026.
- 15.2 The attached Tasman District Council Local Governance Statement 2025-2028 has been prepared and reviewed against legislative requirements and is considered fit for purpose and ready for the Council’s approval to be made publicly available.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

- 16.1 Once the Tasman District Council Local Governance Statement 2025-2028 is approved, it will be made available on the Council’s website.

17. Attachments / Tuhinga tāpiri

1.   Draft Tasman District Council Local Governance Statement 2025 - 2028 45



Tasman District Council Local Governance Statement 2025 – 2028



Tasman District Council Local Governance Statement

Our Council – tō tātou kaunihera

How do I contact Council and access services?

There are several ways for you to contact Council. Our main office is in Richmond, but we also have service centres and libraries in Motueka, Golden Bay and Murchison.

You can either visit us at one of our service centres during office hours, or contact us by phone 24/7, online via our Facebook Page or via Antenno (an App for receiving information and contacting us).

Requests for service should be made by phone or at any of our service centres if urgent; or for non-urgent matters via email to info@tasman.govt.nz. This will help to ensure that your request is captured into our systems and actioned. There are many things that you can do online and access via our website at [Do It Online](#), including payments, applications (e.g., for Land Information Memorandums (LIMs), consents, licences, grants), requests for water meter readings and feedback.

You can also raise a matter with your ward councillor or community board chair or member, who will advise if they can help, or will refer you to our staff for assistance.

Contact details for Tasman District Council:

Phone: 03 543 8400

Email: info@tasman.govt.nz

Website: www.tasman.govt.nz

Richmond Office (8.00am – 4.30pm (Wednesday 9.00am – 4.30pm))	
189 Queen Street	Phone: 03 543 8400
Private Bag 4	Fax: 03 543 9524
Richmond 7050	
Motueka Office (8.00am - 4.30pm)	
7 Hickmott Place	Phone: 03 528 2022
PO Box 123	Fax: 03 528 9751
Motueka 7143	
Golden Bay Office (8.00am - 4.30pm)	
78 Commercial Street	Phone: 03 525 0020
PO Box 74	Fax: 03 543 9524
Takaka 7142	
Murchison Office (Tuesday - Friday 10.30am – 4.00pm)	
92 Fairfax Street	Phone: 03 523 1013
Murchison 7007	Fax: 03 523 1012

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1 About this Local Governance Statement

- 1.1 The purpose of this document is to provide residents and others with information about the Tasman District Council including its purpose and structure, what it does, how it makes decisions, its key policies, and documents and how you can get help, get information, or participate in Council meetings and decisions.
- 1.2 Each Council is required to adopt a Local Governance Statement within six months of the triennial local government elections, which were last held on 11 October 2025. It is required to include certain information which is set out below.
- 1.3 We must include the following in our Local Governance Statement (but not in any specific order):
- Our **functions, responsibilities, and activities** and any local legislation that confers powers on the Council; and
 - The **bylaws** we have made, including for each bylaw, its title, a general description of it, when it was made, and, if applicable, the date of its last review under section 158 or 159; and
 - The **electoral system** we use, and the opportunity to change it; and
 - The **representation arrangements** for Tasman District, including the option of establishing Māori wards or constituencies, and the opportunity to change them; and
 - Our **elected members' roles and conduct** (with specific reference to the applicable statutory requirements and codes of conduct); and
 - Our **governance structure** and processes as a council, including membership, and delegations; and
 - Our **meeting processes** (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders); and
 - Our **consultation policies**; and
 - Our **policies for liaising with, and memoranda or agreements, with Māori**; and
 - Our **organisational management structure** and the relationship between management and elected members; and
 - The **remuneration and employment policy** for our staff, if adopted; and
 - Our **equal employment opportunities policy** for staff; and
 - Our **key approved planning and policy documents** and the process for their development and review; and
 - Our **systems for public access** to Council and its elected members; and
 - Our processes for **requests for official information**.
- 1.4 In the 2025–2028 term, councils will be working on their next Long-Term (ten-year) plans for 2027-2037 and it should be noted that information in this Local Governance Statement will be subject to change because of that process.

2 About Tasman District – te tai o Aorere

You know that Tasman is a great place to live, play, work and explore, that's why you call it home!

OUR REGION

Our great climate and environment are two of the main reasons Tasman is a desirable place to live. The District covers a huge and unique geographic area with stunning natural alpine and coastal landscapes.



OUR PEOPLE

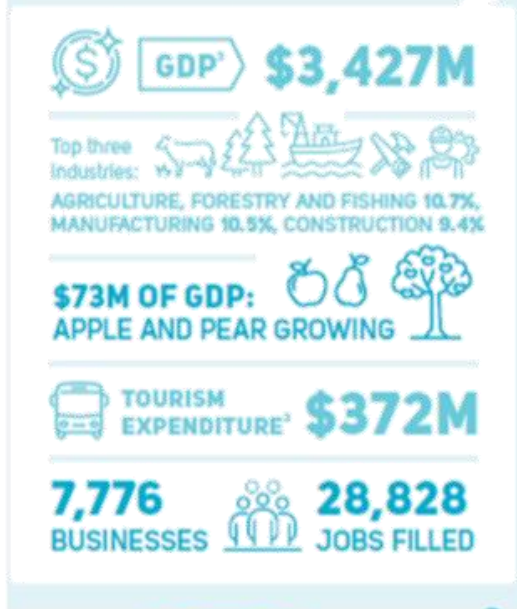
Tasman District has a diverse population of around 59,800 across a mix of rural and township settlements.

By 2034 it is estimated to reach 67,900 (medium growth projection).



OUR ECONOMY

Tasman's economy remains relatively resilient in the face of ongoing national and global pressures. Our productive primary industries, vibrant artisan sector, and strong community networks continue to drive regional strength. Like the rest of New Zealand, escalating costs, severe weather events, global and trade uncertainty are all creating challenges across our sectors.



WE LOVE TASMANTOO!

Our vision is for thriving and resilient Tasman communities - we are working together for a Tasman District that has a healthy environment, strong economy and a vibrant community

3 About Tasman District Council – Te Kaunihera o te tai o Aorere

WHAT IS THE COUNCIL ALL ABOUT?

Councils are made up of two parts:



GOVERNANCE
Mayor and Councillors



ORGANISATION
Chief Executive and staff

At the heart of Tasman District Council is our Mayor and 14 Councillors, elected to represent the five Tasman General Wards and Te Tai o Aorere Māori Ward across the District.

They play a critical role in shaping the future of Tasman; Councillors' decisions have a direct and lasting impact on the environment, regional development, and the wellbeing of the Tasman community.

The Mayor and 14 Councillors hold one vote, resulting in a total of 15 votes at the Council table. As a team, they work collaboratively to set strategic priorities, develop policies and oversee the implementation of Council plans and initiatives.

Local voice and input is sought and heard by a range of methods, but one formal structure is Community Boards. We have two Community Boards, with four members each – one covering the Golden Bay Ward and the other covering the Motueka Ward.

The Mayor and Councillors employ the Chief Executive who has overall responsibility for day-to-day operations of the organisation. The Chief Executive Officer employs 430 staff in a wide variety of roles.

Our Kaumātua, Harvey Ruru and Jane de Feu, provide the Mayor and Elected Members with support around tikanga māori at civic events.

The Council also has a range of committees and subcommittees. These are made up of some or all Councillors and are reviewed after each election.



You can read more about our committees at tasman.govt.nz/committees-and-subcommittees

THE COUNCIL IS RESPONSIBLE FOR:

-  Setting the budget
-  Adopting policies and strategies
-  Approving bylaws and RMA plans
-  Monitoring the Council's performance
-  Engaging with their local communities
-  Advocating on behalf of others
-  Raising issues to be addressed



Ward Name	Councillors	Community Board Members	Population
Golden Bay Ward	2	4	15,790
Motueka Ward	3	4	22,390
Māori Ward	1	-	-
Lakes-Murchison Ward	1	-	4,390
Richmond Ward	4	-	20,630

Tasman District Council is one of only five unitary councils in Aotearoa, meaning we do the work of both a regional council and a territorial authority. We are responsible for promoting the wellbeing of our communities in the present and for the future.

We have approximately 455 employees across our offices in Richmond, Motueka, Takaka and Murchison. We provide a wide and varied range of services to our communities. These services and activities all contribute to the environmental, economic, social and cultural wellbeing of Tasman District.

We work closely with neighbouring councils – in particular Nelson City Council, as we jointly deliver a number of services including Saxton Field, the Joint Regional Sewerage Committee, and the Joint Regional Landfill Committee.

HOW WE DELIVER SERVICES

Every three years, we adopt a ten-year plan that sets out the priorities, budgets and levels of service for the next decade. Tasman's Ten-Year Plan 2024/34 is the current plan but we are already working on the next ten-year plan for 2027/37.

Any short-term changes to the plans and budget are laid out in subsequent Annual Plans

You can read Tasman's 10-Year Plan at tasman.govt.nz/ltp and read the Annual Plan at tasman.govt.nz/annual-plan



REGIONAL FUNCTIONS

-  River and coastal management
-  Biosecurity (plant and animal pest control)
-  Civil defence and emergency management
-  Regional land transport
-  Resource management and environmental information

TERRITORIAL FUNCTIONS

-  Community wellbeing and development
-  Public health and safety
-  Reserves, recreation, libraries and culture
-  Resource management
-  Infrastructure (water supply, stormwater, wastewater, solid waste, roads)

4 What do we do?

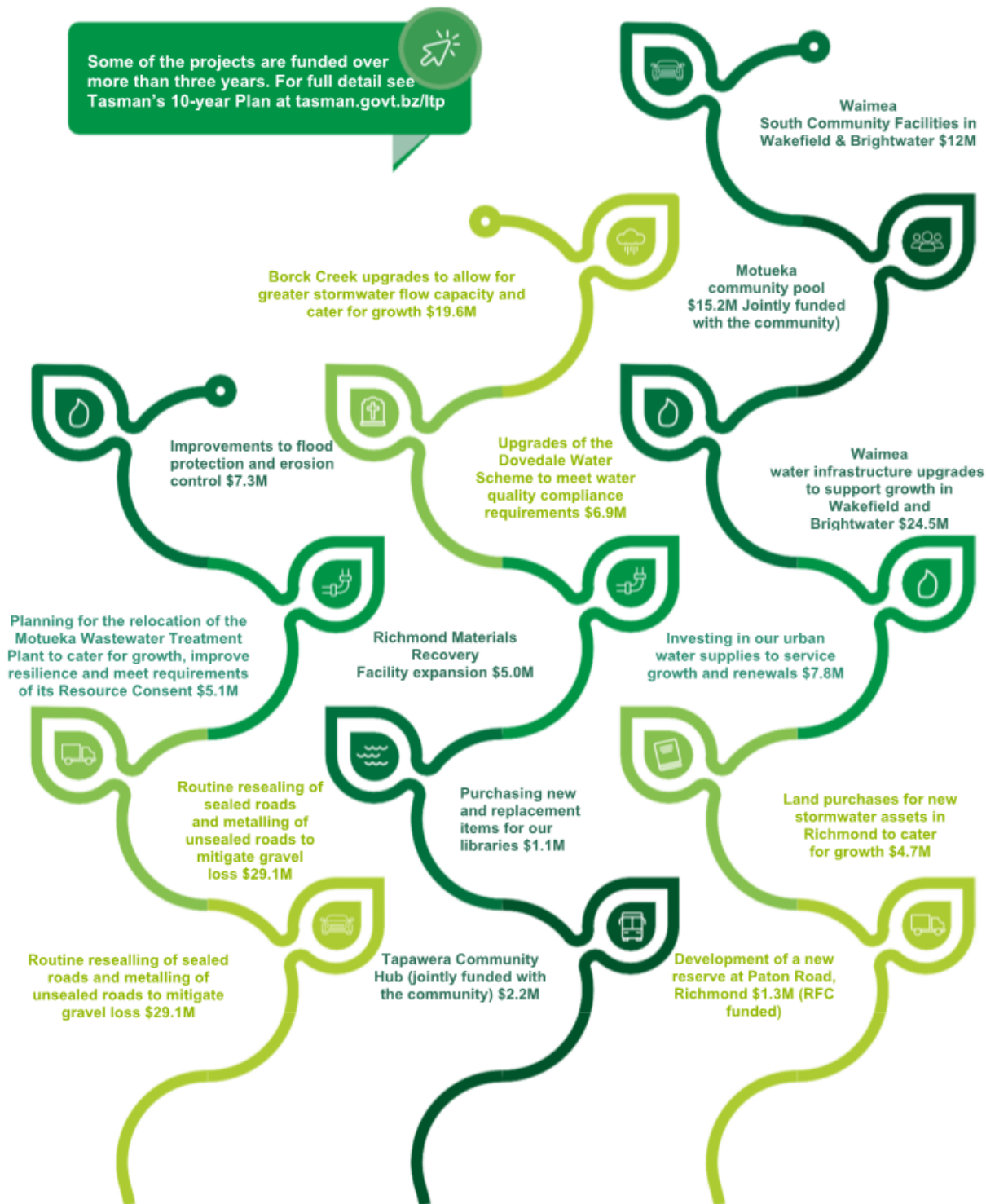
4.1 We provide services and infrastructure.

- We manage \$2.7 billion worth of infrastructure and Council assets on behalf of our communities. We have a 30-year Infrastructure Strategy which covers the provision of the Council’s water supply, stormwater, wastewater, rivers and flood control, and transportation services. The purpose of the Strategy is to identify the significant infrastructure issues we are likely to face and identifies the principal options for managing those issues. The key infrastructure priorities included in the Strategy are: Providing safe and secure infrastructure and services that meet the needs of our changing population
- Planning, developing and maintaining resilient communities. Prudent management of our existing assets and environment.



4.2 We deliver major projects

A major project has a significant capital investment or community impact. Here is a snapshot of the major projects we are working on over the next three years to deliver meaningful benefits that align with our strategic direction and community wellbeing outcomes.



4.3 We contribute to the way we live, work and play in Tasman District

Council’s focus for the next three years will be to respond to our growing populations, renew assets as they wear out, adapt to climate change and improve our infrastructure. Our priorities and outcomes are set out below from our current 10-year plan which will be reviewed when we develop our new ten-year plan for 2027/37 which we will engage and consult with communities on.

OUR STRATEGIC PRIORITIES

 A healthy and sustainable natural environment

 Strong, resilient and inclusive communities

 Enabling positive and sustainable development

 Contributing to a diverse society and celebrating our culture and heritage

 A high standard of service

OUR COMMUNITY WELL-BEING AND COMMUNITY OUTCOMES

Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective and encourages community engagement

Our communities are healthy, safe, inclusive and resilient

Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed

Our communities have access to a range of social, cultural, educational and recreational facilities and activities

Our region is supported by an innovative and sustainable economy

Our infrastructure is efficient, resilient, cost effective and meets current and future needs

Our unique natural environment is healthy, protected and sustainably managed

Our communities have opportunities to celebrate and explore their heritage, identity and culture.



4.4 We respond to challenges

The size of our district, our rate of growth, our exposure to natural hazards and the geographical spread of our communities provide a range of challenges for us to manage.

OUR REGION

Tasman, like many regions, is facing a growing set of complex, long-term challenges — from climate adaptation and ageing infrastructure to housing pressures, regional growth and affordability.

Responding to these challenges, both now and for the future, will continue to be the focus of our planning and decision making.

Climate change poses serious and growing risks to Tasman. It affects the wellbeing of our communities, the health of our environment, and the strength of our regional economy. Responding to climate change is a key priority for us.

The effects of climate change are very evident. Fires, floods and storm surges have caused some Tasman District residents to be evacuated from their homes. Key transportation networks continue to be impacted by weather events. Freshwater is becoming a scarce resource, as we experienced during the 2019 drought.

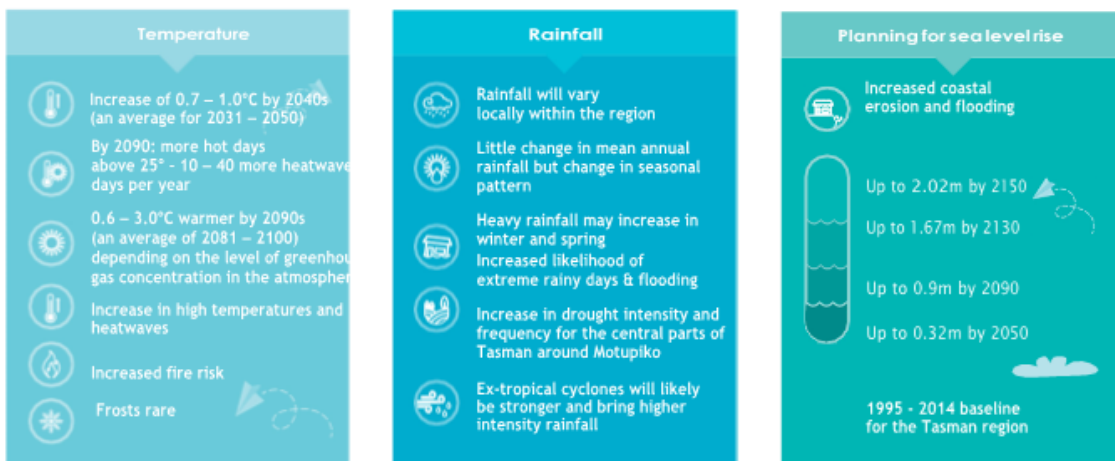
Adaptation planning will help the district become less vulnerable and more resilient to natural hazard events and a changing climate. We will have to make difficult decisions on how to best allocate resources towards resilience and adaptation projects and policies or practices to reduce the long-term risks, and balance this against community expectations.

TASMAN CLIMATE ACTION PLAN REVIEW

The Council adopted the first climate action plan in 2019. We have recently reviewed this plan and developed the comprehensive Tasman Climate Response and Resilience Strategy and Action Plan 2024-2035, to guide our efforts to mitigate and adapt to the impacts of climate change.

The Strategy and Action Plan is our response to the urgent need to build resilience, reduce greenhouse gas emissions and prepare for unavoidable change. The budgets included within the document show where the Council will invest in climate action over the next ten years.

FORECAST CLIMATE CHANGE IMPACTS FOR THE TASMAN DISTRICT



5 How does local government work?

5.1 Local government is separate from central government with its own democratic process to elect representatives and has the ability to make local law (bylaws), set local policy and deliver local services.

Central government provides services at a national level, such as schools, hospitals, courts and police. Central government also passes legislation, such as the Local Government Act 2002, which sets out the powers, responsibilities and functions of local government. Section 16 provides information on local law passed by the Tasman District Council in the form of Council bylaws and Section 17 the key legislation which confer powers on Council.

Local Government is made up of regional councils, unitary Councils and city or district (territorial authority) councils. Regional councils provide services at a regional level and city and district (territorial authority) councils provide services at a local level.

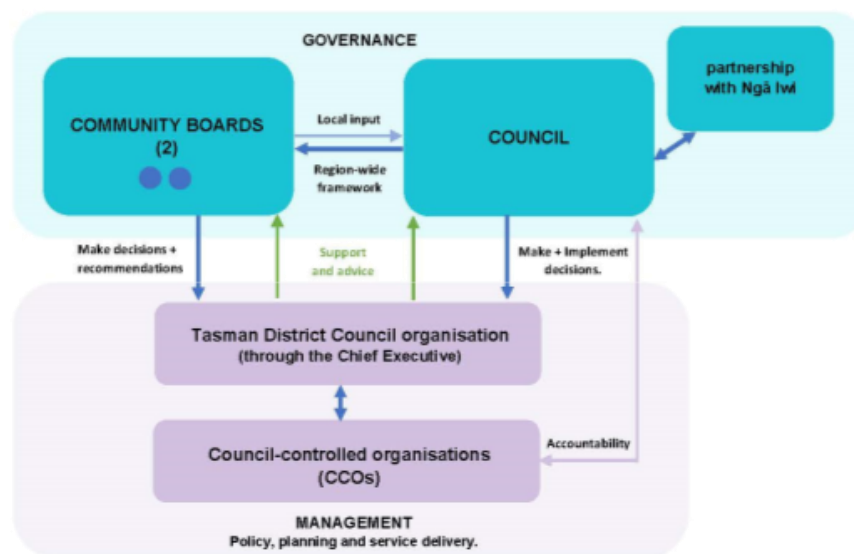
The main effect of being a unitary authority is that we undertake a wider range of functions and activities as both a local and regional council. That means that we manage the responsibilities of a regional council such as safeguarding our environment, which includes rivers, native forests and ecosystems. We also manage the responsibilities of a territorial authority delivering recreational, transport and community facilities and regulatory functions.

5.2 How does local government work in the Tasman District?

The figure below sets out how local government works in the Tasman District. The community can participate in Council decisions and policy development through

community engagement and consultation processes and, through local community boards (where they have been established).

Some services are also delivered through Council Controlled Organisations (CCOs). Councils also work together with iwi, neighbouring councils and community groups. This all contributes to keeping governance local and inclusive. More information is provided in Section 10, which looks at how decisions are made and Council's governance structure (committees).



5.3 The role of Tasman District Council

Our role is to give effect to the purpose of local government within the Tasman region and to perform the duties and exercise the functions conferred on it by or under the Local Government Act 2002 and other Acts and regulations.

What this means is that in order to meet the responsibilities and obligations placed on local government, we must:

- provide directly or on behalf of central government, adequate, equitable and appropriate services and facilities for the community
- ensure that the services provided are managed efficiently and effectively exercise community leadership
- exercise our functions in a manner that is consistent with and actively promotes the principle of cultural diversity
- manage, protect, develop, restore, enhance and conserve the environment
- account for and manage assets for which we are responsible

- facilitate involvement of elected members, members of the public, users of facilities and services and Council staff in the development, improvement and co-ordination of local government
- raise funds for local purposes by way of rates, charges and fees and investments, loans and grants
- consult, engage with and keep the local community informed about our activities
- ensure that we act without bias in the exercise of our regulatory functions
- act as a responsible employer.

5.4 The role of Community Boards

The Boards are required under the Local Government Act 2002 to:

- represent and act as an advocate for the interests of their community
- consider and report on any matter referred to it by the Council and any issues of interest or concern to the community board
- make an annual submission to Council on expenditure in the community
- maintain an overview of services provided by the Council within the community
- communicate with community organisations and special interest groups in the community
- undertake any other responsibilities delegated by the Council.

Not all councils have community boards, councils can decide on their own individual arrangements for representation and more information is provided on these in sections 6 and 7 and on our [website](#).

5.5 The role of Council-Controlled Organisations

For some services and operations, councils set up council-controlled organisations. Councils are shareholders in the entities which have reporting and other obligations to Council.

The benefits of these entities are that they can operate more as independent commercial entities without the same restrictions of a council, for example having greater borrowing capacity. They often deliver a specific service, although they are also sometimes created to offer benefits of scale to the sector. Council-controlled organisations and council organisations are defined in the Local Government Act (2002) part 1, section 6.

Tasman District Council has a 50% share in the following organisations, with Nelson City Council holding the other 50% share:

- Nelson Airport Ltd
- Port Nelson Ltd
- Infrastructure Holdings Limited
- Tasman Bays Heritage Trust

Council is a majority shareholder in Waimea Water Limited

Council is a shareholder in the New Zealand Local Government Funding Agency

Council is a shareholder in New Zealand Local Government Insurance Company Ltd (Civic Assurance)

Policy on the Appointment and Remuneration of Directors of Council-Controlled Organisations

The Local Government Act 2002 (Schedule 7, clause 7) requires the Council to have a policy for appointing and remunerating directors of its Council-Controlled Organisations (CCOs).

The policy sets out Council's approach to:

- the skills, knowledge, and experience required of CCO directors
- the process for identifying and appointing directors
- expectations regarding diversity, capability, and governance leadership
- how director remuneration is determined.

Tasman District Council's **Policy on the Appointment and Remuneration of Directors of Council-Controlled Organisations**, and more information on CCOs is available on our [website](#)

5.6 The role of iwi - Ngā Iwi/Council Partnership

As well as our statutory obligations, the Council aspires to be a trusted partner, making good community decisions in collaboration with iwi / Māori across Te Taihū o Te Waka-a-Maui.

Eight iwi are tangata whenua in Te Taihū. Tasman District also covers the northern-western part of the Ngāi Tahu takiwā (tribal area / territory). There are two marae located within our rohe: Te Āwhina and Onetahua.

In addition to the Post Treaty Settlement Governance Entities, our rohe is home to two long standing Māori entities; Wakatū Incorporation and Whakarewa (Ngāti Rārua Ātiawa Iwi Trust). These entities represent the customary Māori landowners of many blocks across our rohe and beyond.

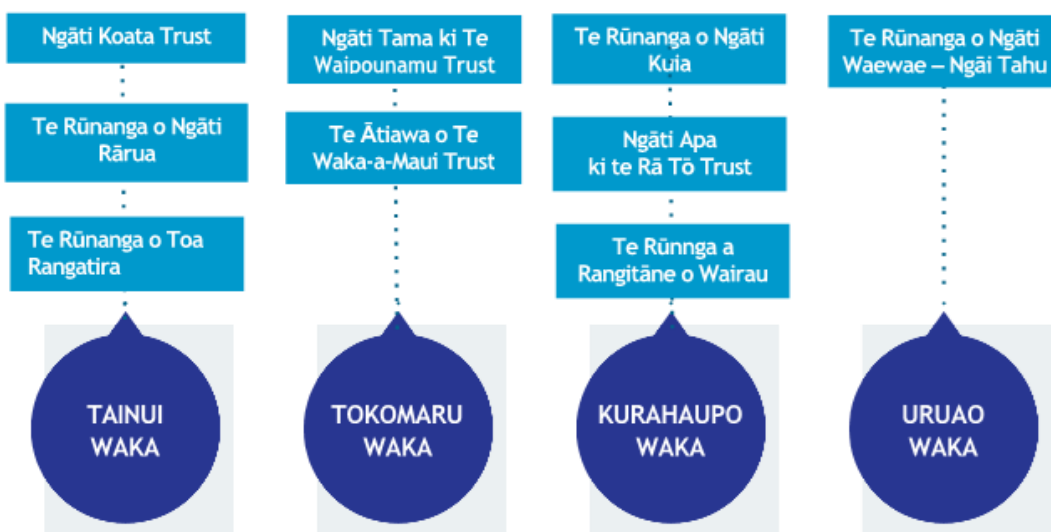
The Council is committed to growing and strengthening our relationships and level of engagement with iwi / Māori. These relationships are strategically important and are based on a range of statutory and non-statutory instruments, supporting opportunities for mutual benefit and advancement. Building relationships requires understanding, partnership and trust.

Our sector reforms are also pointing us towards a shift in governance partnerships and enabling iwi / Māori to be included in decision making. The new triennium is an opportunity to further explore and implement collaborative governance models for the Council and iwi/ Māori and the Council has resolved to appoint iwi representatives to participate in its governance processes.

Tasman's 10-Year Plan has more information about how the Council and iwi/Māori will work together



NINE IWI TRUSTS REPRESENT TANGATA WHENUA IN TASMAN DISTRICT:



6. How does representation work?

- 6.1 Councils have representation arrangements to ensure that you are represented on your Council. These are specific to each council and cover the number of elected members on a council, as well as whether there is ward representation within the district and whether there are any community boards. The benefit of wards is to ensure broad representation from different parts of the district.
- 6.2 The map in section 3 shows the Tasman District divided into five wards: Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Members are elected from each of these areas to represent you, with the Mayor and the Te tai o Aorere (Māori ward) councillor elected for the whole district (at large). Members elected to Council are known as councillors, with those elected to the two community boards as community board members.
- 6.3 Councillor representation

The table below outlines the wards, resident population and number of Councillors per ward.

Ward	*Population	# Councillors
Golden Bay	5,590	2
Lakes/Murchison	3,700	1
Motueka	12,500	3
Moutere/Waimea	15,650	3
Richmond	19,350	4
Te tai o Aorere Māori ward (at large)	2,540	1
Total	59,330	14

*Stats NZ 2023 ERP (2018 census base)

- 6.4 Community Boards
- Each of the two Boards has a four members who are elected triennially. Ward councillors are also appointed to the Boards by the Council. The Board elects its own chairperson and deputy chairperson following the triennial election.
- 6.5 Māori Wards and Constituencies
- The Local Electoral Act 2001 (LEA) allows councils to establish separate wards for Māori electors. Tasman District Council previously established a Māori ward, which is in place for the 2025 – 2028 term; however, following the binding poll held alongside the 2025 local elections, voters chose to remove Māori wards for the 2028 and 2031 triennial elections.
- Because of that decision, a full review of Tasman District Council's representation arrangements is required for 2027/2028. In the meantime, Council has strengthened Māori participation by increasing Māori representation on Council committees.

7. Review of Representation Arrangements

- 7.1 The Council is required to review its representation arrangements at least once every six years.

A review should include the following:

- the total number of Councillors to be elected
- whether the elected members (other than the Mayor) shall be elected by the entire district, or whether the district will be divided into wards for electoral purposes, or whether there will be a mix of “at large” and “ward” representation
- if election by wards is preferred, then the boundaries and names of those wards and the number of members that will represent each ward
- whether to have community boards, and if so, how many, their boundaries and membership, and whether to subdivide a community for electoral purposes.

- 7.2 The Council must follow the procedure set out in the LEA when conducting this review and should also follow guidelines published by the Local Government Commission (LGC).

The LEA gives a person the right to make a written submission to the Council, and the right to be heard if the person wishes.

A person also has the right to appeal any decision on the above to the LGC, which will make a binding decision on the appeal. Further details on matters that the Council must consider in reviewing its membership and the basis of election can be found in the LEA.

The most recent review of Tasman District Council’s representation arrangements was completed in 2025 for the 2025 triennial elections. The LGC determined that the district would be represented by a Mayor elected at large and 14 councillors, made up of:

14 general ward councillors across the following wards:

- Golden Bay Ward – 2 councillors
- Motueka Ward – 3 councillors
- Moutere-Waimea Ward – 3 councillors
- Lakes-Murchison Ward – 1 councillor
- Richmond Ward – 4 councillors
- 1 councillor for the Te Tai o Aorere Māori Ward (established in 2023).

Retaining the current Motueka and Golden Bay Community Boards, their current boundaries, names and membership:

- Golden Bay Community Board – four elected community board members (plus

- two Golden Bay ward councillors)
- Motueka Community Board - four elected community board members (plus three Motueka ward councillors)

A binding poll held during the 2025 local elections resulted in electors choosing to remove Māori wards for the 2028 and 2031 triennial elections, meaning the Te Tai o Aorere Māori Ward will no longer apply for those elections, this means that the next representation review is required ahead of the 2028 local elections.

As part of this review, the public will have opportunities to provide feedback and make submissions on Council's proposed representation arrangements.

8. Local Government Elections

- 8.1 Local Government elections are required to be held on the second Saturday in October in every third year. Triennial elections for all local authorities throughout New Zealand (except Tauranga City Council which held a full council election in July 2024, following the end of Crown Commissioner administration) were conducted on 11 October 2025. The next triennial local government elections will be on 14 October 2028.

8.2 Electoral (Voting) System

An electoral system describes the system or method used for voting at local authority elections.

The LEA provides for two types of voting systems:

- First Past the Post (FPP) - Electors vote by indicating their preferred candidate(s) and the candidate(s) with the most votes are elected.
- Single Transferable Voting (STV) - This system is used in some council elections. Electors rank candidates in order of preference. The number of votes required for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes. (see more information on Single Transferrable Voting (STV) electoral system at www.stv.govt.nz)

We currently use the First Past the Post electoral system (FPP) for our elections.

Under the LEA, the Council can resolve to change the electoral system or conduct a binding poll on the question, or electors can demand a binding poll. A poll can be initiated by at least 5 per cent of the electors signing a petition demanding that a poll be held. Once a poll has been conducted, the electoral system must be used for at least the next two triennial general elections.

A decision is required to be made by Council before 12 September 2026 on the system to be used for the 2028 local body elections.

8.3 How to stand for Council

To stand for election to a local authority (become a candidate), each candidate must be nominated by two electors who are enrolled in the ward (or subdivision, if applicable) that the candidate is seeking to represent. Nominators must be on the parliamentary electoral roll at an address within the relevant ward, and only electors residing in that ward may sign a nomination form for a candidate.

Information on how to become a candidate and nomination forms for the 2028 local body elections will be available from Council offices or the Council website prior to the election. This information will include what is involved in being the mayor, a councillor or community board member, the rules around campaigning, the election timeline and the required steps to become a candidate.

9. Your Elected Representatives



9.2 What do our representatives do?

9.2.1 Role of Elected Members

The Mayor and councillors of Tasman District Council are responsible for:

- Setting the policy direction of Council
- Monitoring the performance of Council
- Representing the interests of the district. On election, all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the whole of the Tasman District
- Employing the Chief Executive. Under the Local Government Act 2002, the

local authority employs the Chief Executive, who in turn employs all other staff on its behalf.

9.2.2 **Role of the Mayor**

The Mayor is elected by the district as a whole (at large) and like councillors, is elected for a three-year term. As one of the elected members, they share the same responsibilities as other members of Council but also have some specific ones as the ceremonial head of the Council.

The Mayor's role under the Local Government Act 2002 is to:

- Provide leadership to the other elected members and people in the district
- Lead the development of plans, policies and budgets for consideration by other elected members
- Preside at Council meetings. The Mayor is responsible for ensuring the orderly conduct of business during meetings (as determined in Standing Orders)
- Act as a Justice of the Peace.

The Mayor may also choose to exercise the following role and powers:

- To appoint the deputy mayor
- To establish committees of the territorial authority
- To appoint the chairperson of each committee
- To serve as a member of each council committee

The Mayor is usually the spokesperson for Council but must follow the same rules as other elected members about making public statements and committing the Council to a particular course of action unless acting under a delegation of authority from the Council and in accordance with the rules for media contact on behalf of the Council.

9.2.3 **Role of the Deputy Mayor**

The Deputy Mayor may be appointed by the Mayor or elected by the members of Council at the first meeting of the Council. The current Deputy Mayor, Councillor Brent Maru, was elected by Council. The Deputy Mayor exercises the same roles as other elected members. In addition, if the Mayor is absent or incapacitated, or if the office of Mayor is vacant, then the Deputy Mayor must perform all of the responsibilities and duties and may exercise the powers of the Mayor (as summarised above). The Deputy Mayor may be removed from office by resolution of Council.

9.2.4 **Role of a Committee Chairperson**

The Mayor or Council may create one or more committees of Council. A

committee chairperson is responsible for presiding over meetings of the committee, ensuring that the committee operates within the powers delegated by Council, and as set out in the Council's [Delegations Register](#). A committee chairperson may be removed from office by resolution of Council.

9.2.5 Role of a Councillor

A councillor represents the interests of their community, participates in policy and decision-making, and provides governance oversight to ensure the council delivers services and outcomes that support the wellbeing of its residents

9.2.6 Role of a Community Board Chair

The community board chair's role is to provide leadership, facilitate effective decision-making, and ensure the board works collaboratively to represent and advocate for the needs of its community.

9.2.7 Role of a Community Board Member

A community board member contributes to local decision-making by representing community views, participating in governance discussions, and helping shape initiatives that support the wellbeing of the community.

9.3 How should Elected Members perform their role?

Specific obligations for the conduct of elected members can be found in the following legislation:

- **The Local Government Act 2002 (LGA)** This Act sets out the purpose and general powers of local government, along with operating principles, including those relating to governance, planning and decision making. Together with the Local Authorities (Members' Interests) Act 1968 (LAMIA) the LGA also regulates the conduct of elected members in situations where there is, or could be, a conflict of interest between their duties as an elected member and their financial interests (either direct or indirect). A [summary of elected and appointed members' interests](#) is available on our website.
- Schedule 7 of the **Local Government Act 2002**, which includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current code of conduct and standing orders.
- **The Secret Commissions Act 1910** prohibits elected members from accepting gifts or rewards which could be seen to sway them to perform their duties in a particular way.
- **The Crimes Act 1962** regarding the acceptance of gifts for acting in a certain way and the use of official information for private profit.
- **The Financial Markets Conduct Act 2013** which is a key Act in the regulation of financial products and services in New Zealand. Many councils are members of the Local Government Funding Agency (LGFA) which provides a collective borrowing vehicle for the local government sector in New Zealand and which issues securities

in relation to that borrowing.

Details of these Acts can be found on the New Zealand Legislation website:
www.legislation.govt.nz

9.4 Code of Conduct for Elected Members

The Local Government Act 2002 requires all councils to adopt a Code of Conduct.

The code sets out the Council's understanding and expectations of how elected members will relate to one another, to staff, to the media and to the general public in the course of their duties. It also covers disclosure of information that is received by or is in the possession of elected members and contains details of the sanctions that may be imposed if an individual breaches the code.

The current Council Code of Conduct was adopted in April 2023 following the release of a new model Code of Conduct from Local Government New Zealand. The full Tasman District Council Code of Conduct and the Tasman District Council Policy for Investigation and ruling on alleged breaches of the Code of Conduct, along with both Community Boards' adopted Codes of Conduct are available on the [Council's website](#).

In February 2025, the Minister of Local Government asked the LGC to develop a standardised code of conduct for all councils, with the intention that a national code be referenced in legislation. The LGC delivered a recommended Standard Code of Conduct to the Minister on 19 December 2025 following sector engagement. Any next steps (including whether councils will be required to adopt the national code and the timing for implementation) depend on Government decisions and legislation. Until then, Council will continue to operate under its current Code of Conduct, this will be reviewed once the Government confirms the national framework.

10. How we plan for the future, our key documents and central government reforms

10.1 Long term planning

We are required to undertake long-term planning to ensure that we can provide the infrastructure and services which the community needs as well as manage any growth in the District. The planning documents we have at a regional level are the Nelson Tasman Future Development Strategy 2022-2052, a 30-year Regional Land Transport Strategy and a Tasman Regional Policy Statement. At a district level, we have our 30-year Infrastructure Strategy, our Tasman Resource Management Plan and our [long term/Ten-Year Plan](#) (LTP).

Council is required to have various strategies and policies to inform the development of the LTP, which will be adopted as part of the process and form part of the LTP. These are often consulted on at the same time as the proposed LTP.

The Local Government Act 2002 also requires councils to adopt an annual plan for the

years between the adoption of the LTP. As mentioned above, the [Annual Plan](#) describes the work programmes for that year of the LTP. Councils are also required to provide an Annual Report each year which details how Council has delivered and performed in relation to its plans.

Details of Council plans, policies, strategies and reports can be found on the Council's [website](#).

10.2 Planning for local government reforms

Local government in Aotearoa New Zealand is entering another period of significant reform. The current Government has initiated a wide-ranging system improvement programme, with several reforms already underway and others progressing through policy development and legislative processes. These reforms aim to refocus councils on core functions, strengthen governance, and ensure that local authorities are financially sustainable and able to deliver essential services efficiently.

Tasman District is a unique and diverse area, and, like all local authorities, we will need to remain responsive as the reform landscape continues to evolve. Our environment is changing rapidly — demographically, economically, environmentally, and legislatively — and Council must continue adapting to ensure our communities remain thriving, resilient, and well-served.

Government reforms have made planning for the future more challenging. The reforms are progressing on different timelines and add to an increasingly complex and uncertain operating environment for local government.

However, change can bring opportunity. It can help us rethink how we deliver services, how we partner with central government and iwi, and how we support community wellbeing. This section outlines several key reforms currently shaping the future of local government.

Key Government Reform Areas Affecting Local Authorities

A National Standard Code of Conduct

The Minister of Local Government has directed the LGC to develop a standardised, legislated national Code of Conduct for all councils. A draft code has been developed, and the Commission delivered the recommended Standard Code of Conduct for Local Authorities to the Minister in December 2025. Final adoption will depend on Government decisions and legislation. This work aims to provide a consistent, transparent framework for managing conduct issues across councils.

System Improvements to Strengthen Governance and Performance

The Minister of Local Government has signalled a broader system improvements programme, which aims to refocus councils on essential services, strengthen governance frameworks, and improve financial management. This includes work to address cost pressures on councils and ratepayers. As part of this, the Government has signalled an interest in measures to improve longterm affordability, including exploring ratecapping mechanisms as one option to support ratepayer protection and ensure councils remain financially sustainable. Legislation and final decisions are still pending.

These reforms sit alongside wider efforts to improve accountability, conflict management processes, and elected member capability.

Reforms to Water Services (Local Water Done Well)

Local Water Done Well (LWDW) replaces the former Three Waters model.

It was legislated in stages: repeal legislation (2024), preliminary arrangements (2024), and the main Local Government (Water Services) Act 2025.

Councils are responsible for planning, delivery, and future service models and may voluntarily form council-controlled organisations (CCOs).

Council's Service Delivery Approach for Water Services

As part of implementing the Local Water Done Well framework, Council has decided to establish an Internal Business Unit (IBU) as its preferred model for delivering drinking water, wastewater, and stormwater services. This approach retains service delivery within Council while ensuring operational accountability, financial transparency, and alignment with the regulatory requirements introduced through recent reforms.

In addition, amendments to the Commerce Act now introduce an economic regulation regime for water services, which will apply to Council's Three Waters activities. The regulatory framework is designed to promote efficient investment, transparent pricing, and long-term financial sustainability across water services providers.

Resource Management and Planning Reforms

On 15 January 2026, the Government released ten National Policy Statements (NPS) and National Environmental Standards (NES) under the Resource Management Act (RMA).

See our website for more information on [national direction updates](#).

11 Who makes decisions and how?

Other decisions can be made by Council committees/subcommittees or joint committees under delegated authority, this assists with efficiency and allows for expertise in certain areas such as resource management or regulatory decisions, audit and risk or commercial matters.

There are certain significant decisions which only the full Council can make such as setting rates, making bylaws or adopting the annual or long-term plan. Some of Council's decisions involve engagement and consultation with the community (see section 13 for more information on consultation processes).

Other decisions can be made by Council committees/subcommittees or joint committees under delegated authority, this assists with efficiency and allows for expertise in certain areas such as resource management or regulatory decisions, audit and risk or commercial matters.

Our committees and subcommittees form part of the Council's Governance Structure and information on this is set out contained in the Council's [Delegations Register](#), which

is available on our website.

The Delegations Register is a ‘living document’ and as such is reviewed and updated regularly to ensure it remains reflective of current policy and legislation.

11.1 Delegated authority for decision making

Delegated authority to make decisions may be granted by Council to committees, the Chief Executive Officer (CEO) and to staff or may come from legislation which gives powers (for example the powers of Dog Control Officers in the Dog Control Act 1996).

Council’s CEO is responsible for operational decisions and setting organisational policy and is employed directly by the Council. The CEO employs all other council staff and therefore has employer responsibilities. We have many obligations and responsibilities under multiple statutes and regulations, and in order for the Council to operate efficiently and practically the CEO delegates authority to staff members to make certain decisions.

The Delegations Register records all delegations from the Tasman District Council to committees, commissioners and hearings panels. The delegations have been approved by a Council resolution and, unless otherwise stated, are deemed to have been made under Clause 32, Schedule 7 of the Local Government Act 2002.

The purpose of the Delegations Register is to set out the Council’s policies, procedures and delegations relating to decision-making when giving effect to its statutory duties, responsibilities and powers.

Principles relevant to the Delegations Register are that:

- delegations are made to positions, not to specific people
- delegations must be recorded in the Delegations Register
- decisions made under delegated authority cannot be subsequently overturned by the Council, however, the Council retains its overarching authority and may choose to exercise its decision-making powers directly on any delegated matter, particularly where broader input is required, or the issue becomes contentious and to amend the delegation, or to make new decisions or policies that affect future matters.

11.2 How are decisions made?

We have wide and general decision-making powers under the Local Government Act 2002 and other legislation and are required to follow the requirements and processes set out in the relevant legislation. In some cases, this involves public notification and consultation with the community, for example when introducing or amending certain fees or charges or when a bylaw is made.

The decision-making process involves making information available to the public through meeting agendas, reports and minutes which are accessible on our [website](#) prior to Council or committee meetings. Council’s website is a good starting place to see the matters which Council is currently considering and what decisions are coming up.

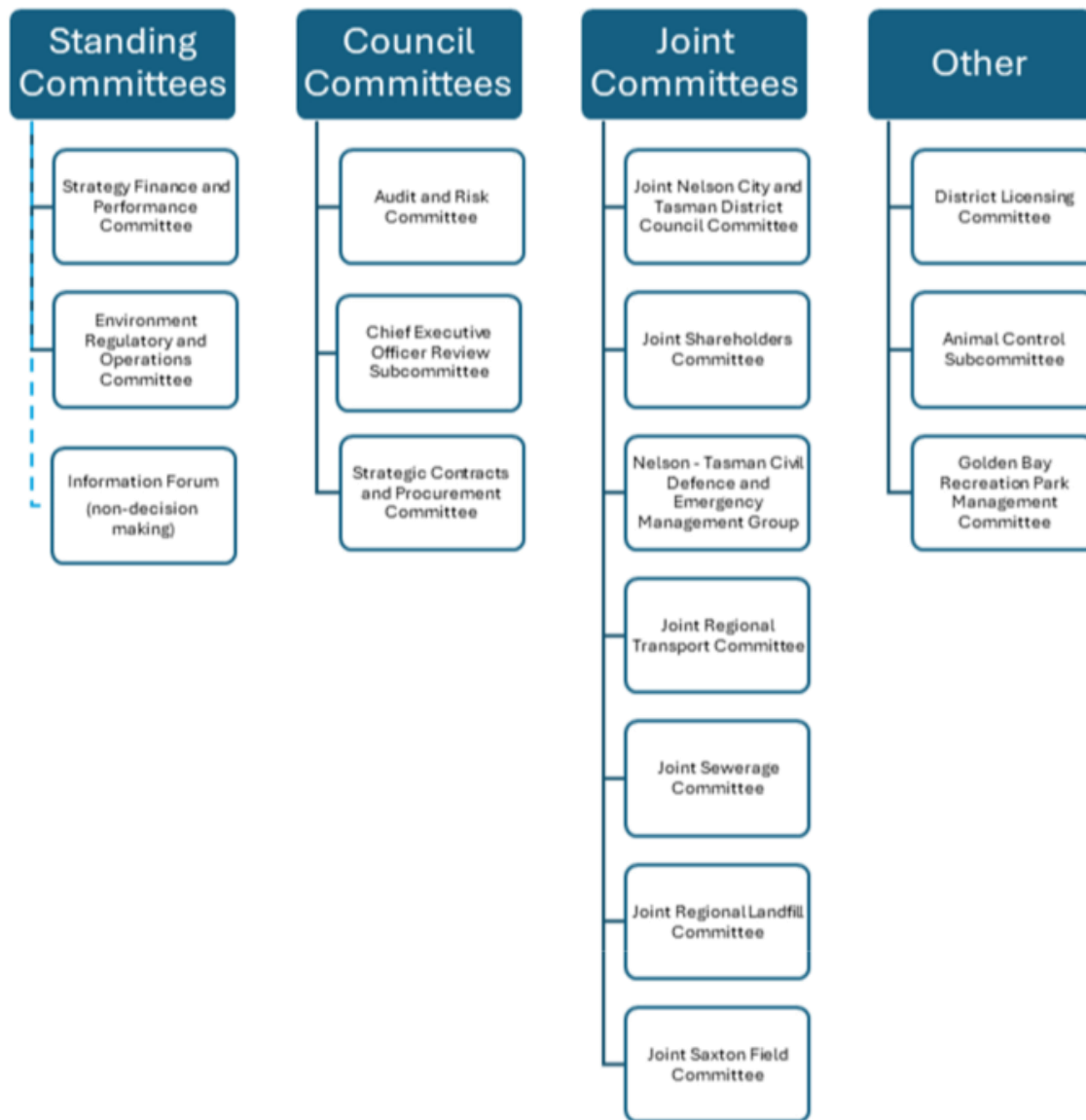
Council's website is also a good source of information about public consultations, key projects (see [Shape Tasman](#)), key plans and strategies and how and when meetings are to be held. This includes information on how the public can attend and participate in meetings.

11.3 What committees and subcommittees does Tasman District Council have?

We have two standing committees of Council (committees of the whole), with an Information Forum (non-decision-making) as well as other committees and subcommittees. Tasman District Council's governance structure is set out below.

The Council reviews its committee structure after each triennial election. In November 2025, the Council established the governance structure set out on the following page:

TASMAN DISTRICT COUNCIL



Full details of Council Committee Appointments are contained in Council's [Delegations Register](#) and on the Council's [website](#).

12 Council Meetings

12.1 When are meetings held?

Tasman District Council and Strategy Finance and Performance Committee meetings ordinarily take place every four weeks, with the Environment Regulatory and Operations Committee and the Information Forum every six weeks. Other committee and subcommittee meetings and hearings may be held less frequently or as required. For an ordinary meeting of Council, at least 14 days' notice of the time and place of the meeting must be given. Extraordinary meetings generally can be called on three working days' notice.

Council has adopted a schedule of meeting dates, which is available on our [website](#) and meetings are advertised fortnightly in Tasman District Council's 'Newslines' publication, and on alternate fortnights in the Tasman District Council 'Newslines Update' appearing in local community papers.

The legal requirements for Council meetings are set down in the [Local Government Act 2002](#) (LGA) and the [Local Government Official Information and Meetings Act 1987](#) (LGOIMA).

12.2 How do I find out what is being discussed at a meeting?

We are required to provide agendas for meetings which contain a list of items to be considered and reports or presentations from the CEO, staff, or external parties. All meeting agendas are public documents, although parts may be withheld and considered in the confidential section of the meeting if the criteria under LGOIMA apply.

Minutes of meetings must be kept as evidence of the proceedings of the meeting. Minutes are not a verbatim record of a meeting, but rather record the nature of the topic, motions put, amendments, and resolutions adopted. Minutes must also be made publicly available, subject to the provisions of the LGOIMA.

Copies of Tasman District Council agendas and minutes can be found on our [website](#).

12.3 How are meetings run?

We have a set of rules (known as standing orders) as required by the Local Government Act 2002 for the conduct of Council and committee meetings, including community boards. Standing Orders usually apply at meetings but can be suspended by a vote of 75 per cent of the members present and voting.

The Mayor or committee chairperson is responsible for maintaining order at meetings and has the discretion to order the removal of any member of the public for disorderly conduct, or remove any member of Council who does not comply with

Standing Orders.

The current [Standing Orders for Tasman District Council](#) and the [Golden Bay](#) and [Motueka](#) Community Boards can be found on our website via these links.

12.4 Can I attend meetings?

Council and committee meetings

All Council and committee meetings must be open to the public unless there is a reason to consider some items “in confidential session” (public excluded).

LGOIMA sections 6 and 7 contain a list of the circumstances where Council may consider items with the public excluded, for example the review of the performance of the Chief Executive Officer. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information, and the maintenance of public health, safety and order.

Although meetings are open to the public, members of the public do not have speaking rights unless prior public forum arrangements are made with Council. For information on how you can attend meetings, including speaking and presenting, see how to get involved in our public meetings on our [website](#).

Workshops

Although not required by legislation, as no decisions are made at them, Council workshops are open to the public unless the material being discussed, or the nature of the discussion, is considered confidential. In line with the Chief Ombudsman’s recommendations, workshops are open by default to promote transparency, and closed (public excluded) only where there is a reasonable and identifiable need for confidentiality. There is no opportunity for the public to speak at workshops.

13 **Consultation and engagement - how can I participate in Council decisions?**

- 13.1 The Council make many decisions for the community. This is a significant responsibility for us and there are many occasions when we seek input from the community and you will be able to have your say. It is also possible to attend many of our meetings and hear what is being discussed. Most meetings start with a public forum.

Council engages with the community during its everyday business using a range of informal methods. However, some Council decisions require a more structured form of engagement, due to the significance that a matter has within the wider community,

or for groups within the community. Our Significance and Engagement Policy provides guidance on when we should engage with the community and how.

We are required to have a Significance and Engagement Policy to help explain to our community how we will determine the significance of matters, and as a result the level of community engagement we are likely to undertake on the matters.

13.2 [Significance and Engagement Policy](#)

The Significance and Engagement Policy is one of the policies we are required to have under the Local Government Act 2002. It is available on the Council website.

The purpose of the policy is:

- to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
- to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
- to inform the local authority from the beginning of a decision-making process about:
 - the extent of any public engagement that is expected before a particular decision is made; and
 - the form or type of engagement required.

The extent of significance and engagement is determined on a case-by-case basis. The policy is intended to guide decision-making on these matters. The policy sets out the principles of engagement we will use, how we will engage with iwi, the role of elected representatives, and sets some parameters around minimum information requirements, timeframes, and management of feedback (Note: this policy does not apply to decision making under the Resource Management Act 1991).

Once we have decided what level of significance an issue has, we will consider how we should engage with our communities. Where a formal consultation process is required under any legislation (e.g., for making a bylaw or adopting a Long-Term Plan), then the matter is likely to be towards the higher end of the engagement and significance continuum.

Enabling effective participation of individuals and communities in our decision-making is the primary purpose of consulting with the community.

We recognise there are different needs in different communities. There are 20 urban and village settlements in Tasman District, and many more dispersed rural communities. Electronic communication challenges exist in some remote rural

locations. There are long distances from rural areas to larger urban centres, wide ranging age groups and time availability, diverse ethnic groups and different social and environmental interests to account for. The geographic spread of these communities creates challenges for both us and for community members in engaging in public meetings, workshops, open days and the like. The unique needs of each affected community will be factored into engagement undertaken by us, wherever possible.

13.3 Community Engagement methods

We are committed to engaging with the public through a range of methods including:

- Newline, a free fortnightly publication sent to households and non-resident ratepayers on request that details Council news and information (contact our Communications and Change Manager, Chris Choat, 03 543 7220 or chris.choat@tasman.govt.nz)
- the Council website www.tasman.govt.nz
- newspaper advertisements with legal announcements such as resource consent or election notices
- press releases, radio interviews, public presentations and forums
- social media
- consultation and engagement activities
- use of Government Electronic Tenders Service (GETS) for tendering processes.

Our engagement processes are designed to assist our residents and stakeholders within the District to play an informed role in our decision-making processes.

13.4 Consultation Policies and Processes

For certain decisions, we need to undertake more formal engagement and consultation processes. The Local Government Act 2002 sets out certain consultation principles and a procedure that we must follow when making important decisions, such as the adoption of the Annual Plan or adopting or amending bylaws. This procedure is regarded as a minimum process.

Consultation is defined as the seeking and obtaining of information and feedback from the community to assist us to make informed decisions. The principles for consultation are set out in section 82 of the Local Government Act 2002. The main points are that:

- persons affected by or have an interest in a decision or matter should be given information about it
- we should encourage people to provide feedback on issues that affect them or that they are interested in

- we should be clear on the purpose of the consultation and the scope of decisions that could be made following the consultation
- persons providing their view to us should be provided a reasonable opportunity to present those views
- we should consider people's views with an open mind and give them due consideration

The Council should provide information about the decision, and the reasons for it, to the people who presented their views to the Council.

As mentioned, there are times when we need to undertake more formal consultation processes under the Local Government Act 2002 or other applicable legislation. These may be under Section 82 of the Act or require use of a Special Consultative Procedure (SCP). Where any decision requires a SCP to be followed (e.g., preparation of a bylaw or the Long-Term Plan process), Council will follow the prescribed procedure.

An SCP may also be used for any other decision Council wishes to consult on.

The use of the SCP is predominantly a reflection of the significance of an issue, which in turn identifies the need for appropriate community engagement.

13.5 Participation through submissions

Our website has information on public consultations and how [to have your say](#). There is guidance on how to make a submission, information on current consultations and on past consultations. We have an online portal for making submissions. For resource consent applications, we also have information on our website on how to make a submission, lodge an objection or appeal a decision. Appendix 1 details our key plans, policies and strategies many of which are developed through consultation processes, where you have the chance to have your say.

13.6 Policies for Liaising with, and Memoranda or Agreements with Māori

We acknowledge the need to develop and support positive working relationships with Māori. The Māori groups referred to are mana whenua and iwi with traditional customary association and statutory acknowledgements recognised through Treaty Settlements. We also acknowledge Wakatū Incorporation and Ngāti Rārua Ati Awa Trust as entities with an interest in the district.

We have made a commitment to honour our relationship with Māori of the Tasman District, te tai o Aorere, through our 'Statement on Fostering Māori Participation in Council Decision Making'. This statement outlines the steps we intend to take to foster Māori capacity to contribute to our decision-making processes, as required by

Schedule 10(8) of the Local Government Act 2002. The Statement is available on Council's [website](#).

The Council has resolved to appoint iwi representatives to participate in its governance processes, recognising the importance of iwi partnership and ensuring iwi perspectives are incorporated into Council decisionmaking.

In October 2017 we formed an Iwi Working Group (IWG) consisting of a representative of each of the nine iwi of the Tasman District to support the process of plan changes and review. Through the IWG, we will work with iwi authorities to identify resource management issues of concern and possible solutions to them.

Two Kaumātua, Archdeacon Reverend Harvey Ruru and Kuia Jane du Feu, provide the Council with support around tikanga Māori and Te Reo Māori. Their role also enhances our understanding of iwi and Māori customs and provides support to the Chief Executive and staff on matter of cultural competency and awareness.

We have a Kaihautū to work with staff and management to ensure a Māori perspective informs our decision making. Also fostering our internal culture by including and welcoming Te Ao Māori as we develop and express the partnership embodied by the Treaty of Waitangi.

In October 2025, we held our swearing-in ceremony of newly elected members at Te Āwhina Marae.

14 Requests for information from Council

- 14.1 One of Council's key roles is to keep appropriate records, and with so many functions and databases, councils hold a huge amount of data that can be used for all sorts of purposes (e.g., research, statistics, legal action). The public has a basic right to access this information where possible and this is reflected in the [Local Government Official Information and Meetings Act 1987](#) (LGOIMA) which sets out the requirements relating to requests for information.

You may need to access information for any number of reasons and any person may request information from us. This can be in any format, in person, on the phone, by email but we recommend making a request in writing (email is fine) if the query is likely to involve some time or data retrieval for the response.

- 14.2 Tasman District Council Requests under the Local Government Official Information and Meetings Act (LGOIMA) Policy.

To provide guidance to elected members, staff and the public, we have adopted a policy on information requests. This sets out our principles on information requests, and how we will manage requests. Tasman District Council's [Policy on Requests under LGOIMA](#) is available on the Council's website.

There is also information on our [website](#), on how to make a request, how long it will take, how much it may or may not cost, what information is available and in what circumstances would information be withheld. The Council policy is available on the website and there is also a link to the Office of the Ombudsman's 'Guidance on Making Official Information Requests'.

Once such a request is made, the Council must respond to the request within 20 working days and must supply the information unless a good reason exists for withholding it. In the first instance, you should address requests for official information to:

By Post	By email
LGOIMA Tasman District Council Private Bag 4 Richmond 7050	mailto:lgoima@tasman.govt.nz

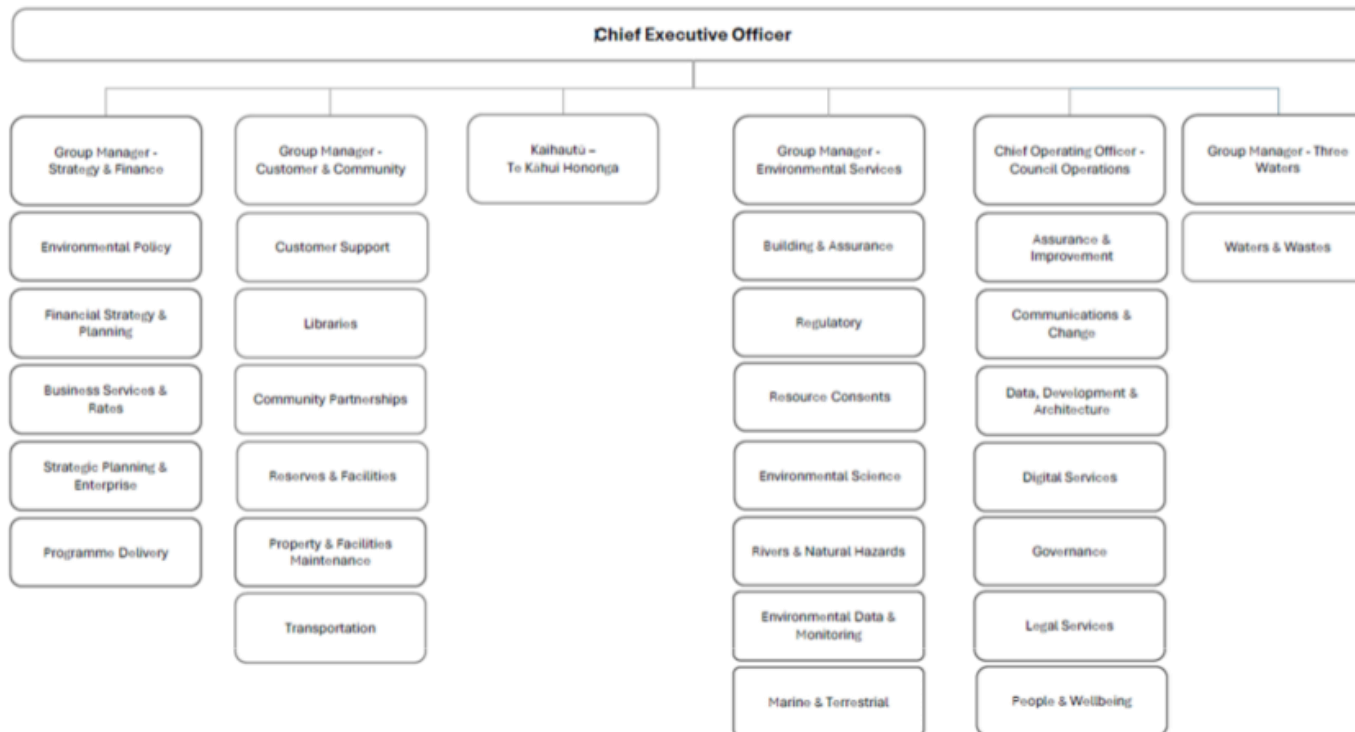
14.3 Can I Complain about a LGOIMA Decision?

You can complain to the Ombudsman if:

- you are refused access to any information, and you disagree with the grounds on which it was refused
- the person handling your request does not reply to you within the time limit
- you are not happy with the length of an extended time limit
- you believe that you have been charged an unreasonable amount for the information
- you are not happy with the way the information has been made available or with any conditions placed on the use of the information.
- complaints about refusals to release official information should be directed to one of the Offices of the Ombudsman. The main office is:
 PO Box 10152
 The Terrace WELLINGTON 6143
www.ombudsman.parliament.nz Freephone: (0800) 802 602
 Email: info@ombudsman.parliament.nz Fax: 04 471 2254

15 Management Structures and Relationships

15.1 Management Chart



15.2 Chief Executive

The Local Government Act 2002 requires the Council to employ a Chief Executive whose responsibility is to employ other staff on behalf of the Council, implement Council decisions and provide advice to the Council. Under the Local Government Act, the Chief Executive is responsible for the efficient and effective management of the activities of Council and for the leadership of the staff. Any [complaint](#) about individual staff members should therefore be directed to the Chief Executive, rather than the Mayor or Councillors.

The Council's Chief Executive is Leonie Rae. The Chief Executive is appointed by the Council in accordance with section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive implements and manages the Council's policies and objectives within the budgetary constraints established by the Council. The responsibilities of the Chief Executive are:

- Implementing the decisions of the Council;
- Providing advice to the Council and community boards;
- Ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised;
- Managing the activities of the Council effectively and efficiently;
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Council;
- Providing leadership for the staff of the Council;
- Employing staff (including negotiation of the terms of employment for the staff).

15.3 Management Structure

Council management is organised into six groups. These are:

Council Operations

The Council Operations Group supports the Chief Executive in their role by providing leadership, management and service delivery in several key organisational areas: operational governance, enterprise risk and procurement advice, legal services, communications and change management, programme and project management, people management, health, safety and wellbeing. The Department also has a lead role with Civil Defence Emergency Management.

The Group acts as a 'centre of excellence' for cross-council functions and priorities. As second in command to the CEO, the Chief Operating Officer supports the CEO's priorities and obligations to ensure the timely implementation of Council's plans and to reflect Council's policies; providing efficient and effective strategic support and leadership to Council's business operations; and to fulfil the CEO's due diligence responsibilities as an 'officer'.

The Chief Operating Officer is Steve Manners.

Te Kāhui Hononga

Te Kāhui Hononga supports the organisation by providing strategic leadership and advice on Māori partnerships and engagement. The Section also provides operational advice and support to staff to ensure that Tasman District Council embraces the Māori perspective appropriately within its policies, plans, processes and practices.

The Section acts as a 'centre of excellence' guiding and supporting an internal culture which is welcoming, inclusive and acknowledges Te Ao Māori. We play a leadership role in the development of strategic and operational relationships between the Tasman District Council and the iwi, hapū, whānau and marae of the Tasman District. We help enhance engagement between Māori, the Council, and the wider community to help realise the partnership embodied by Te Tiriti o Waitangi.

Our Kaihautū is Renee Thomas.

Customer and Community

The Customer and Community Group's primary purpose is to lead the strategic direction, performance, and customer experience, delivering accessible, inclusive, and high-quality services that reflect the needs and aspirations of the community. This Group is responsible for ensuring the seamless delivery of services across customer services, libraries, parks and reserves; community facilities such as halls, community centres, cemeteries and community housing, transportation, property services and facilities maintenance, community partnerships, events, grants and environmental education.

The Group ensures all customer and community facing functions have an end to end customer first mindset, with a focus on accountability and streamlining decision making around customer and community outcomes.

The Group Manager – Customer and Community is John Ridd.

Strategy and Finance

The Strategy & Finance Group's primary purpose is to provide strategic and corporate planning, capital programme delivery, management of commercial activities, and fiscal stability and management of the Council's financial performance and reporting, rating and treasury functions.

The Group's work includes co-ordinating Council's Long Term Plans, Annual Plans, Annual Reports and Policies required by the Local Government Act 2002; preparing Council's plans and policy statements required under the Resource Management Act 1991; overseeing the development of the Future Development Strategy, Growth Strategy and Activity Management Plans; and undertaking reserves and recreation planning.

The Group Manager – Strategy and Finance is Sue McLean.

Environmental Services

The Environmental Services Group is the Tasman region's front-line provider of environmental information, science expertise, and natural infrastructure management. We provide respected specialist expertise across a range of land, water and ecological

disciplines, and serve as the region's natural hazards advisor during times of emergency. Our dedicated teams also carry out extensive environmental control and protection work across the region, including biosecurity, catchment enhancement, coastal erosion, and river management works.

The Group also looks after most of the Council's regulatory functions which facilitate the development and use of land, water, and coastal resources, and which regulate activities in order to protect and improve public health and safety and the environment, and to minimise nuisance and harm to people and places. The functions undertaken include building control, resource consenting and compliance, environmental health (including food safety), alcohol licensing, animal control, parking control, biosecurity and maritime safety.

The Group Manager – Environmental Services is Rob Smith.

Three Waters

The Three Waters In-house Business Unit's primary purpose is to deliver the Council's 'three waters' services namely to stormwater, water and wastewater services and supplies, including drinking water quality.

The Group Manager – Three Waters is Richard Kirby

15.3 Remuneration and Employment Policy

The Local Government Act 2002 requires details of a remuneration and employment policy, if adopted, to be included in its governance statement. We have not adopted a policy. However, Tasman District Council does have a comprehensive internal remuneration and performance management strategy which provides operating procedure for the Chief Executive and managers. This was introduced in February 2013, it sits within the Chief Executive's operational responsibility and is not part of the Council's adopted governance policies.

15.4 Equal Employment Opportunities (EEO) Policy

The Tasman District Council has a policy of Equal Employment Opportunity for all workers in regard to the identification and elimination of any discrimination and the provision of equal opportunities as essential principles in the management of its staff resources.

The Equal Employment Opportunities Policy applies equally to all employees of the Tasman District Council. No employee, or potential employee, shall be discriminated against by reason of their race, colour, national or ethnic origin, union membership, age, sex, marital status, religious or political beliefs, physical disability or other personal circumstances, where these are not related to the person's ability to carry out the job. The Council affirms this commitment through a policy of positive action by adopting constructive policies and practices for equal opportunities in all aspects of employment, including recruitment and selection, training and development, education, career path planning and promotions. The objective of this policy is to ensure that for any given position the best available person gets the job. It is the responsibility of the Chief Executive, through each Manager and Team

Leader, to promote this policy. All employees are invited to contribute suggestions for ongoing action under this policy. The various elements in this policy, while compiled to meet the requirements of the Local Government Act 2002, are to be consistent with:

- Good personnel policy and practices;
- The Human Rights Commission Act;
- The Local Government Act 2002;
- The Race Relations Act 1971.

16 Council Bylaws and Legislative Responsibilities

Council Bylaws (local law) and local government legislation

Section 145 of the Local Government Act 2002 provides for councils to make bylaws for the following purposes:

- (a) protecting the public from nuisance;
- (b) protecting, promoting, and maintaining public health and safety;
- (c) minimising the potential for offensive behaviour in public places.

Council is empowered to make bylaws under other Acts as well, for example the Dog Control Act 1996, Maritime Transport Act 1994, Food Act 1981, and Land Transport Act 1998. The Tasman District Council Bylaws currently enacted are:

Copies of these Bylaws can be found on the Council [website](#).

Description	Made	Reviewed/ Next Review Date
Cat Management		
Includes requirements for companion cats to be microchipped, registered on the New Zealand Companion Animal Register, and be de-sexed by 6 months of age unless the cat is a registered breeder or a vet has certified that any of these procedures would not be in the best interests of the cat.	2024	2029
Control of Alcohol in Public Places		
This Bylaw is to enhance the safety of the public and allow their responsible enjoyment of public places in the District. It provides for liquor control in specified public places, at specified dates and times, with the aim of reducing alcohol-related harm and offences.	2025	2030

Dog Control		
Includes requirements for the control of dogs in public places, maps indicating prohibited areas, leash control areas and dog exercise areas. The Bylaw points out the requirement to remove dog faeces, and places limitations on the number of dogs that can be kept.	2024, with a minor amendment in 2025	2029
Freedom Camping		
This Bylaw recognises that some visitors to our District are choosing informal overnight camping, avoiding registered camping grounds or commercial facilities as their preferred accommodation. It also recognises that the economic and social benefit campers bring to our District needs to be balanced against the potential impact or nuisance caused to the community by people camping in public places.	2025	2030
Navigation Safety		
Covers all navigable waterways in the Tasman District and is aimed at ensuring the safety of users on these waterways including rivers and lakes. It sets out safe practices for people using these waterways for water skiing, swimming, boating, kayaking or other water activities safely, by seeking to reduce the conflicts between different activities.	2024, with a minor amendment in 2025	2029
Public Places		
Controls trading in streets, reserves, recreation grounds and public places to ensure appropriate standards of convenience, safety and civic values are maintained. It also controls activities within public places which may have an adverse effect on other users of these facilities, or adjoining areas.	2024, came into effect 1 February 2025	2029
Stock Control and Droving		
Provides for the control and orderly droving of stock on all roads within the District.	2022	2027
Public Water Supply		

The purpose of this Bylaw is to enable the Council to manage and provide public water supply services, protect the public water supply network from damage and misuse and to protect the health and safety of the persons using the public water supply.	2016	2019 2024, with a minor amendment 2025 2034
Traffic Control		
Facilitates traffic management and parking control measures with respect to roads, public places and parking areas under the control of Tasman District Council.	2016	No statutory review period
Wastewater		
The Wastewater Bylaw applies to all users of the wastewater system but has a focus on trade waste and protection of the wastewater system infrastructure. The Bylaw sets out the requirements around connection and discharges to the wastewater system, the extent of public/private responsibilities, the prevention of inflow and infiltration, and working around wastewater reticulation.	2022	2027

17 Acts of Parliament and Regulations

Tasman District Council has legislative responsibilities and obligations under numerous key Acts of Parliament and regulations, including but not limited to:

A	Accident Compensation Act 2001 Airport Authorities Act 1966 Amusement Devices Regulations 1978 Animal Welfare Act 1999 Animals Law Reform Act 1989 Animal Products Act 1999 Anti-Money Laundering and Countering Financing of Terrorism Act 2009 Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 Arts Council of New Zealand Toi Aotearoa Act 2014
B	Biosecurity Act 1993 Building Act 2004 Building Research Levy Act 1969 Burial and Cremation Act 1964 Bylaws Act 1910

C	<p>Camping Ground Regulations 1987 Charitable Trusts Act 1957 Charities Act 2005 Citizenship Act 1977 Civil Aviation Act 1990 Civil Defence Emergency Management Act 2002 Climate Change Response Act 2002 Commerce Act 1986 Companies Act 1993 Conservation Act 1987 Contract and Commercial Law Act 2017 Construction Contracts Act 2002 Consumer Guarantees Act 1993 Copyright Act 1994 Credit Contracts and Consumer Finance Act 2003 Crimes Act 1961 Criminal Disclosure Act 2008 Criminal Procedure Act 2011</p>
D	<p>Disabled Persons Community Welfare Act 1975 Disputes Tribunal Act 1988 District Court Act 2016 Dog Control Act 1996</p>
E	<p>Earthquake Commission Act 1993 Electoral Act 1993 Electricity Act 1992 Electronic Transactions Act 2002 Electronic Courts and Tribunals Act 2016 Employment Relations Act 2000 Energy Companies Act 1992 Environment Act 1986 Epidemic Preparedness Act 2006 Equal Pay Act 1972 Evidence Act 2006</p>
F	<p>Fair Trading Act 1986 Fencing Act 1978 Financial Markets Conduct Act 2013 Financial Reporting Act 2013 Fire and Emergency New Zealand Act 2017 Food Act 2014 Food Hygiene Regulations 1974 Freedom Camping Act 2011</p>
G	<p>Gambling Act 2003 Gas Act 1992 Goods and Services Tax Act 1985 Government Roding Powers Act 1989</p>
H	<p>Harmful Digital Communications Act 2015 Hazardous Substances and New Organisms Act 1996 Health Act 1956 and Regulations</p>

	<p>Health and Safety at Work Act 2015 Heavy Vehicle Regulations 1974 Holidays Act 2003 Housing Act 1955 Housing Improvement Regulations 1947 Human Rights Act 1993</p>
I	<p>Immigration Act 2009 Impounding Act 1955 Income Tax Act 2007 Incorporated Societies Act 2022 Insolvency Act 2006 Interpretation Act 1999</p>
J	<p>Judicial Review Procedure Act 2016</p>
K	<p>Kāinga Ora–Homes and Communities Act 2019 KiwiSaver Act 2006</p>
L	<p>Land Act 1948 Land Drainage Act 1908 Land Transfer Act 2017 Land Transport Act 1998 Land Transport Management Act 2003 Lawyers and Conveyancers Act 2006 Legislation Act 2019 Limitation Act 2010 Litter Act 1979 Local Authorities (Members' Interests) Act 1968 Local Electoral Act 2001 Local Government (Rating) Act 2002 Local Government Act 1974 Local Government Act 2002 Local Government Official Information and Meetings Act 1987</p>
M	<p>Major Events Management Act 2007 Marine Mammals Protection Act 1978 Marine Reserves Act 1971 Maritime Transport Act 1994 Minimum Wage Act 1983</p>
N	<p>National Parks Act 1980 Natural and Built Environment Act 2023 New Zealand Bill of Rights Act 1990 New Zealand Infrastructure Commission/Te Waihangā Act 2019 New Zealand Library Association Act 1939 New Zealand Public Health and Disability Act 2000</p>
O	<p>Oaths and Declarations Act 1957 Ombudsmen Act 1975</p>
P	<p>Parental Leave and Employment Protection Act 1987 Plumbers, Gasfitters and Drainlayers Act 2006 Port Companies Act 1988 Privacy Act 2020</p>

	<p>Property Law Act 2007 Prostitution Reform Act 2003 Protected Disclosures (Protection of Whistleblowers) Act 2022 Psychoactive Substances Act 2013 Public Audit Act 2001 Public Bodies Contracts Act 1959 Public Bodies Leases Act 1969 Public Finance Act 1989 Public Records Act 2005 Public Reserves Sale Act 1879 Public Trust Act 2001 Public Works Act 1981</p>
Q	Queen Elizabeth the Second National Trust Act 1977
R	<p>Racing Act 2003 Railways Act 2005 Rates Rebate Act 1973 Rating Valuations Act 1998 Rating Valuation Regulations 1998 Remuneration Authority Act 1977 Reserves Act 1977 Reserves and Other Lands Disposal & Public Bodies Empowering Act 1915 Residential Tenancies Act 1986 Resource Management Act 1991</p>
S	<p>Sale and Supply of Alcohol Act 2012 Secret Commissions Act 1910 Search and Surveillance Act 2012 Smoke-free Environments Act 1990 Soil Conservation and Rivers Control Act 1941 Spatial Planning Act 2023 Statistics Act 1975 Summary Offences Act 1981 Survey Act 1986</p>
T	<p>Tax Administration Act 1994 Te Pire mō Te Reo Māori / Māori Language Act 2016 Te Ture Whenua Māori Act 1993 Telecommunications Act 2001 The Heritage New Zealand Pouhere Taonga Act 2014 Transport Services Licensing Act 1989 Transport (Vehicular Traffic Road Closure) Regulations 1965 Treaty of Waitangi Act 1975 Trespass Act 1980 Trustee Act 1956 Trusts Act 2019</p>
U	<p>Unit Titles Act 2010 Unsolicited Electronic Messages Act 2007</p>
W	Wages Protection Act 1983

	Walking Access Act 2008 Waste Minimisation Act 2008 Water Services Act 2021 Weathertight Homes Resolution Services Act 2006 Wild Animal Control Act 1977 Wildlife Act 1953
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As at December 2025, there are four local Acts of Parliament (local legislation) that confer powers on the Council:

- Tasman District Council Tarakohe Harbour Reclamation Validation and Vesting Act 1995
- Waimea County Council Empowering Act 1979
- Tasman District Council (Validation and Recovery of Certain Rates) Act 2014
- Tasman District Council (Waimea Water Augmentation Scheme) Act 2018

Details of these Acts can be found on the New Zealand Legislation website

www.legislation.govt.nz

18 **Schedule of Amendments since date of adoption:**

Date of amendment		Section affected

APPENDIX ONE – Our Key Plans, Policies, Strategies and Reports

[The Nelson Tasman Future Development Strategy 2022-2052 \(NTFDS\)](#)

The NTFDS remains the region's 30-year high-level spatial strategy for where and how housing and business growth should occur. A 2025 Implementation Plan sets out joint actions, staging and monitoring to give effect to the strategy. National planning reforms propose Regional Spatial Plans (RSPs) that will replace both the NTFDS and Regional Policy Statements; accordingly, the 2025 Implementation Plan is likely the final version before transition.

[Nelson Tasman Regional Land Transport Plan \(NTRLP\)](#)

The NTRLP is the statutory transport plan reviewed every three years, aligning with the National Land Transport Programme. It sets transport priorities and integrates with the NTFDS and each council's LTP.

[Tasman Regional Policy Statement](#)

The TRPS remains operative, and continues to provide strategic resource management direction. It was last updated in September 2024, and remains in force pending wider RMA reforms.

[Tasman Resource Management Plan \(TRMP\)](#)

The Tasman Resource Management Plan (TRMP) was prepared in accordance with the Resource Management Act 1991 (the Act). The purpose of the TRMP is to assist Council in carrying out its functions in order to achieve the purpose of the Act. The purpose of the Act is to promote the sustainable management of natural and physical resources. The TRMP remains the primary operative document until new national legislation is implemented.

[Tasman Environmental Plan \(TEP\)](#)

Council is progressing a staged development of the TEP. Active workstreams include Urban Growth Plan Changes, Freshwater Protections, Natural Hazards, and Landscapes/Coastal Environment. January 2026 national direction updates (new NPS & NES) must now be incorporated.

[Tasman District Infrastructure Strategy](#)

The Infrastructure Strategy covers the long-term provision and delivery of our water supply, wastewater, stormwater, river control and flood protection, and transportation infrastructure over the next 30 years. The aim is to provide the community and businesses with infrastructure at agreed levels of service, cost effectively, and within an acceptable level of service delivery risk.

[Long Term Plan \(Ten-Year Plan\)](#)

Under the Local Government Act 2002, the Council is required to develop a Long Term Plan (LTP) in consultation with the community. The LTP outlines the community outcomes developed by the community vision for the future of the District, the roles the Council sees itself undertaking to achieve the vision and the activities we plan to undertake to carry out these roles. It also outlines our associated financial policies and proposed spending for the coming ten years and gives the underlying financial rationale for how rates are levied, who pays for what and why.

The LTP is reviewed every three years. It can, if necessary, be amended during the three-year

document life cycle, but any significant amendment must involve public consultation and is subject to external audit. Each LTP contains an Annual Plan for the next year. In 2026, we will adopt an Annual Plan, which describes the work programme to deliver that year's part of the LTP. The next LTP will be the 2027 – 2037 ten-year plan.

Financial Strategy

The Financial Strategy sets the overall direction for Council's finances over the next ten years. In determining our approach we have tried to strike a balance between providing services to help achieve our vision, whilst balancing affordability. We have done this by managing rates and debt levels within an overall fiscal envelope.

Revenue and Financing Policy

This Policy explains "who pays and why". It explains how Council activities are funded. Revenue sources include rates, fees, charges, subsidies and investments. The Policy is required under the Local Government Act 2002 and is reviewed every three years through the Long Term Plan process.

Treasury Risk Management Policy (including the Liability Management and Investment Policies)

The objective of this Policy is to implement financial management that will provide the best value to the people of the Tasman District. The Policy is required under the Local Government Act 2002 and is reviewed every three years through the Long-Term Plan process.

Development and Financial Contributions Policy

This Policy is a way for Council to set development contributions in a transparent and consistent manner and at a level that requires a fair share of the capital expenditure for infrastructure to be met by those who are creating the new demand for infrastructure in the district. The Policy was developed under the Local Government Act and is reviewed at least every three years through the Long-Term Plan process.

Significance and Engagement Policy

The Council is required to define what level of 'significance' a decision it makes has. The Significance and Engagement Policy provides us with criteria to determine the level of significance of a decision. The purpose of determining the level of significance is to help decide the nature and extent of the consultation, if any, we should undertake with our community prior to making a decision. The Policy is required under the Local Government Act 2002 and is reviewed every three years through the Long-Term Plan process.

Activity Management Plans

Activity Management Plans for key services and activities that we provide provide the base information for the preparation of Council's LTP and Annual Plan. Each plan is developed and reviewed prior to Council starting its work on the LTP.

Annual Plan

Under the Local Government Act 2002 an Annual Plan is to be produced in the years when there is no Long-Term Plan review. The Annual Plan outlines the Council's proposed activities, spending and rate requirements for the coming year.

Annual Report

The Tasman District Council produces an Annual Report each year to account for its expenditure, using the money provided to it by its ratepayers, financial institutions and government agencies.

The Annual Report shows how the Council is performing in accordance with the activities, objectives, performance targets and financial details contained in Council's Annual Plan and LTP. The Annual Report is developed after the end of each financial year and is normally adopted by Council in September or October.

Joint Waste Management and Minimisation Plan

This plan was updated in June 2025 after a 2024 review. The Plan recognises the cross-boundary issues each Council faces in waste management and minimisation. The plan provides common goals, objectives and policies across the region, to reduce waste and increase recycling. The proposed plan was developed after the Joint Waste Assessment was completed, and is reviewed every six years.

Water Services Delivery Plan 2025

This is the approved plan for the delivery of Three Water services for the next ten years. It will be replaced in June 2027 with the Water Services Strategy.

Other key plans and strategies

Walking and Cycling Strategy

After four years in the planning stage, our new Walking and Cycling Strategy was adopted in May 2022. The strategy focuses on providing residents with safer choices about how they travel, by improving walking and cycling across the urban areas of Tasman and sets a framework for the creation of a high standard of connected cycle networks in those areas.

General Reserves Policies and Reserves Management Plans

The Tasman District Council Reserves General Policies document and Parks and Reserves Management Plans set out the objectives and policies for all reserves administered by the Tasman District Council. The policies and plans were prepared using the process outlined in the Reserves Act 1977 and are reviewed every ten years.

More details of Council plans, policies, strategies and reports can be found on the Council's [website](#).

7.4 WATER SERVICES DELEGATIONS

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Lakan Beech, Legal Advisor
Report Authorisers:	Leith Townshend, General Counsel
Report Number:	RCN26-04-10

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

- 1.1 To seek delegations under the Local Government (Water Services) Act 2025 to enable Council staff and contractors to carry out routine works on water services infrastructure.
- 1.2 All of Council's statutory delegations, including these ones will be presented to Council, following a workshop and/or Information Forum meeting.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 This report seeks delegations under the Local Government Water Services Act 2025 to enable staff and contractors to enter land to carry out work on water services infrastructure.
- 2.2 The Local Government (Water Services) Act 2025 created new rules for water service providers entering land to carry out works for the provision of water services. Council can no longer rely on powers under the Local Government Act 2002 to enter land to carry out works relating to water services.
- 2.3 A workshop on delegations was scheduled for April 2026 to present a new staff delegations register to Council. Due to delays in the annual plan process, this workshop has been rescheduled to July 2026. However, staff will look to bring this forward if another workshop becomes available or the topic can be brought to Information Forum.
- 2.4 Three Waters staff and contractors require a temporary delegation to enable them to carry out routine water services work until the Council reviews the new staff delegations register.

3. Recommendation/s / Ngā Tūhunga

That the Tasman District Council

1. receives the Water Services Delegations RCN26-04-10; and
2. approves the proposed delegations as set out in Attachment 1 to the agenda report; and
3. notes that the delegations will be subject to review by Council when staff present all statutory delegations to Council for adoption.

4. Background / Horopaki

- 4.1 Council staff will hold a workshop or information forum, ideally before July 2026 on the current staff delegations. This workshop was originally scheduled for April 2026. Due to delays in the annual plan process, this workshop has been delayed.
- 4.2 Three Waters staff and contractors require powers under the Local Government (Water Services) Act 2025 to carry out day to day routine works on water service infrastructure.
- 4.3 Council will have the opportunity to review and decide whether to continue these delegations when a full staff delegations register is presented to Council.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 Council uses an in-house business unit to deliver water services. Council holds the powers of a water service provider under the Local Government (Water Services) Act 2025 and may delegate those powers to Council staff and contractors to carry out Council's responsibilities.
- 5.2 Previously, Council staff and contractors could enter land for routine and emergency work on water services infrastructure under a general power of entry under sections 171 and 173 of the Local Government Act 2002.
- 5.3 The Local Government Water Services Act 2025 removed Council powers to enter land for water service purposes under sections 171 and 173 of the Local Government Act 2002 and introduced special provisions for entering private land for carrying out works related to the provision of water services. Council staff must now:
 - a. obtain landowner consent to enter land where proposing to install new water works or infrastructure and comply with any landowner conditions; and
 - b. comply with notice requirements and landowner conditions of entry whenever carrying out works on existing works or infrastructure.
- 5.4 Council staff seek new delegations of the following powers to enable staff and contractors to carry out routine water services works:
 - a) **Section 161 - Power to enter land to carry out work for the provision of water services** – this will enable staff and contractors to enter land to undertake works relating to the provision of water services subject to following the procedural requirements described at paragraph 5.3 of this report.
 - b) **Section 162 – Power to give notice to landowner of proposed entry and work** – this enables staff to give notice to a landowner before entering land to commence works.
 - c) **Section 164 – Power to arrange and appoint internal reviewer to review landowner's consent, conditions, or failure to respond to a request under s 161(1)(a)** – where a landowner withholds consent or sets unreasonable conditions, Council may arrange for a review of those conditions by a staff member who was not involved in the decision. This delegation would enable the Chief Executive or Group Manager – Three Waters to decide whether to review the landowner's refusal of consent or conditions and appoint another staff member to undertake the review.
 - d) **Section 172 - Power to enter road and carry out work** – this enables staff and contractors to enter a road to carry out work.

- e) **Section 173 – Power to give notice of proposed entry and work on road** – this enables staff and contractors to give notice of proposed entry and works to the local authority, utility operator or other person with jurisdiction over the road.
- f) **Section 163 and 175 - Power to commence work where person or body fails to notify conditions or gives an invalid notice under s 162** - this enables staff to commence works where a landowner does not respond to a notice or gives an invalid notice. Examples of invalid notices would be where a landowner has given notice outside the statutory timeframes, or the entry conditions are contrary to a legally binding access agreement between Council and the landowner.
- g) **Section 177 – Power to determine whether an emergency or specified serious risk exists, and to enter land and undertake urgent works** – this will enable staff to enter land without notice to undertake works in an emergency or where a serious risk to life or property exists. Council is still required to notify the landowner as soon as possible and explain the reasons that it considered the circumstances amounted to an emergency or serious risk.
- h) **Sections 278 and 280 – powers to appoint, suspend and terminate compliance officers** – this will enable the Chief Executive to appoint, suspend or terminate compliance officers.
- i) **Section 279 – power to issue identity cards** – this will enable the Chief executive to issue identity cards to staff, compliance officers and contractors as evidence of authority when entering land.
- j) **Section 291 – power to provide warrants to compliance officers** – this will enable the Chief Executive to issue warrants to compliance officers, which provide evidence of staff member’s authority when entering land.

5.5 Sections 161 – 177 listed above are required to enable staff to enter land to carry out water services installations, maintenance and upgrades.

5.6 Sections 278 to 291 will enable the Chief Executive to appoint and warrant compliance officers. This power should be delegated so that Council staff and contractors may be issued with warrants to show evidence of authority when they enter land. This is consistent with other statutory delegations whereby the Chief Executive holds the delegation to appoint and warrant officers under other legislation such as the Local Government Act 2002 and Resource Management Act 1991.

5.7 Compliance officers have powers under the legislation to ensure that compliance requirements are being met and to investigate and respond to any serious risks relating to water services and offences.

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.	Approve the proposed delegations	Enables efficiency in delivering water services and legislative compliance.	No disadvantages to the proposed changes which are required by legislation.
2.	Do not approve proposed delegations	No advantages.	Impacts on efficiency in delivering water services. Reduces legislative compliance and creates risk for the Council.

7.2 Option 1 is recommended.

8. Legal / Ngā ture

8.1 The Local Government (Water Services) Act 2025 gives the powers of a water service provider to Council. Council must delegate its powers to staff to enable staff to act on Council's behalf.

8.2 Council may delegate the power to appoint and issue warrants to compliance officers. However, the Act gives the powers of compliance officers directly to persons appointed as compliance officers. Compliance officers do not require a delegation from Council to carry out their powers and responsibilities.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

9.1 Due to delegations being operational, no engagement has been undertaken with iwi.

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

10.1 The decision is considered to be of low significance.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	Delegations are an operational matter for Council.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	Tasman residents rely on Council staff and contractors being able to respond to water service matters.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	Generally, delegations are a matter for the Council to ensure that the Council can operate as efficiently as possible.

	Issue	Level of Significance	Explanation of Assessment
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	Delegations to staff will enable staff to carry out work on any strategic water services assets.
5.	Does the decision create a substantial change in the level of service provided by Council?	No	Not delegating these powers may slow down response times and affect Council's ability to meet public water levels of service.
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	Some powers are delegated to contractors to carry out water works.
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	Ensuring staff have the necessary authority to undertake works on water infrastructure helps Council to meet obligations of Te Mana o Te Wai.

11. Communication / Whakawhitiwhiti Kōrero

11.1 Managers have been involved in proposing changes to the Delegations Register and to delegations to their staff and will be advised if these are approved.

12. Risks / Ngā Tūraru

12.1 If the Council does not delegate to staff, every decision would require a decision of the Council, which would be inefficient.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 There are no climate change considerations.

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

14.1 These delegations support Council's in-house Three Waters business unit to carry out its day-to-day functions.

15. Conclusion / Kupu Whakatepe



15.1 Ensuring correct delegations are in place for decision making and other powers and functions is essential. It is recommended that Council approve these delegations subject to a review in July.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

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

16.2 Staff will hold a workshop and information forum on a full updated staff delegations register in July 2026 before seeking Council's approval to adopt the staff delegations register.

17. Attachments / Tuhinga tāpiri

1.   Proposed Local Government (Water Services) Act 2025 Delegations

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ATTACHMENT ONE**PROPOSED LOCAL GOVERNMENT (WATER SERVICES) ACT 2025 DELEGATIONS**

Local Government (Water Services) Act 2025	
<p>s. 161</p> <p>Power to enter land and carry out work for the provision of water services</p>	<p>Chief Executive Group Manager – Three Waters Waters and Wastes Manager Team Leader – Water Quality & Safety Team Leader – Wastewater Team Leader – Water Supply Team Leader – Stormwater & Wastes Water Engineer Stormwater Engineer Wastewater Engineer Waste Management Engineer Water Engineer - Treatment Stormwater Quality Specialist Wastewater Quality Specialist Water Quality & Safety Specialist Waste Minimisation Officer Water Quality & Safety Specialist Senior Water Billing Officer Water Billing Officer Council contractors acting under contract and the Council's authority</p>
<p>s. 162</p> <p>Power to give notice to landowner of proposed entry and work</p>	<p>Chief Executive Group Manager – Three Waters Waters and Wastes Manager Team Leader – Water Quality & Safety Team Leader – Wastewater Team Leader – Water Supply Team Leader – Stormwater & Wastes Water Engineer Stormwater Engineer Wastewater Engineer Waste Management Engineer Water Engineer - Treatment Stormwater Quality Specialist Wastewater Quality Specialist Water Quality & Safety Specialist Waste Minimisation Officer Water Quality & Safety Specialist Senior Water Billing Officer Water Billing Officer Council contractors acting under contract and the Council's authority</p>

<p>s. 164</p> <p>Power to arrange and appoint internal reviewer to review landowner's consent, conditions, or failure to respond to a request under s 161(1)(a)</p>	<p>Chief Executive Group Manager – Three Waters</p>
<p>s. 172</p> <p>Power to enter road and carry out work</p>	<p>Chief Executive Group Manager – Three Waters Waters and Wastes Manager Team Leader – Water Quality & Safety Team Leader – Wastewater Team Leader – Water Supply Team Leader – Stormwater & Wastes Water Engineer Stormwater Engineer Wastewater Engineer Waste Management Engineer Water Engineer - Treatment Stormwater Quality Specialist Wastewater Quality Specialist Water Quality & Safety Specialist Waste Minimisation Officer Water Quality & Safety Specialist Senior Water Billing Officer Water Billing Officer Council contractors acting under contract and the Council's authority</p>
<p>s. 173</p> <p>Power to give notice of proposed entry and work on road</p>	<p>Chief Executive Group Manager – Three Waters Waters and Wastes Manager Team Leader – Water Quality & Safety Team Leader – Wastewater Team Leader – Water Supply Team Leader – Stormwater & Wastes Water Engineer Stormwater Engineer Wastewater Engineer Waste Management Engineer Water Engineer - Treatment Stormwater Quality Specialist Wastewater Quality Specialist Water Quality & Safety Specialist Waste Minimisation Officer Water Quality & Safety Specialist Senior Water Billing Officer Water Billing Officer Council contractors acting under contract and the Council's authority</p>

s. 163 and 175 Power to commence work where person or body fails to notify conditions or the landowner gives invalid notice under s 162.	Chief Executive Group Manager – Three Waters Waters and Wastes Manager Team Leader – Water Quality & Safety Team Leader – Wastewater Team Leader – Water Supply Team Leader – Stormwater & Wastes
s. 177 Power to determine that an emergency or specified serious risk exists and carry out urgent works	Chief Executive Group Manager – Three Waters Waters and Wastes Manager
s. 278 Power to appoint compliance officers	Chief Executive
s. 279 Power to issue identity cards	Chief Executive
s. 280 Power to suspend or end the appointment of a compliance officer	Chief Executive
s. 291 Power to provide warrants to compliance officers	Chief Executive

7.3 RETROSPECTIVE APPROVAL - EXPOSURE DRAFT OF LOCAL GOVERNMENT (INFRASTRUCTURE FUNDING) AMENDMENT BILL DEVELOPMENT LEVIES SYSTEM CONSULTATION SUBMISSION

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Anna Gerraty, Senior Community Policy Advisor
Report Authorisers:	Dwayne Fletcher, Strategic Planning & Enterprise Manager
Report Number:	RCN26-04-8

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

This item was deferred from 12 March Tasman District Council meeting

- 1.1 This report seeks retrospective approval for Council's submission on the Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill – Development Levies System Consultation (see **Attachment 1**).
- 1.2 The submission was lodged to ensure Tasman's interests were represented within the consultation timeframe.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 Council's submission supports the introduction of a development levies system and agrees that reform is necessary to improve cost recovery from growth, strengthen pricing signals, and enable timely infrastructure provision. However, the submission raises concerns that several provisions in the exposure draft—particularly those relating to reserves and community infrastructure—may unintentionally narrow the scope of infrastructure eligible for levy funding when compared with the current statutory framework.
- 2.2 If enacted without amendment, the Bill could shift growth-related costs to ratepayers, constrain Council's statutory responsibilities, reduce flexibility to deliver infrastructure needed to service growth, and create potential legal uncertainty. The submission seeks amendments to clarify the scope of reserves and community infrastructure, ensure consistency with existing legislation, and provide practical implementation certainty.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

1. **receives the Retrospective Approval - Exposure Draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation Submission RCN26-04-8; and**

2. **approves retrospectively the Tasman District Council submission on the Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill – Development Levies System Consultation, as set out in Attachment 1 to this report.**

4. Background / Horopaki

- 4.1 The Government is consulting on a development levies system to replace existing funding tools for growth-related infrastructure. Council staff prepared and lodged a submission within the consultation period (see **Attachment 1**). The submission aligns with sector feedback (Taituarā and the Development Contributions Working Party) and reflects Council's operational experience in delivering infrastructure to service growth.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

Key Issues Raised in the Submission

- 5.1 **Narrowing of Reserves and Community Infrastructure Definitions:** The draft provisions (clauses 211Q–211S) may significantly reduce the scope of infrastructure eligible for levy funding compared with current statutory reserve classifications. The submission highlights that the Reserves Act provides a wide range of reserve purposes (historic, scenic, recreation, nature, scientific, local purpose, cemetery, etc.). Using new, non-statutory terms such as “conservation purposes” risks excluding many growth-related assets.
- 5.2 **Operational Implications:** Common Council functions could be excluded from levy funding, including:
- stormwater and flood management land
 - esplanade reserves and hazard corridors
 - cemetery land
 - regional/destination open space
- This could shift costs from developers to ratepayers.
- 5.3 **Relationship With Existing Statutory Obligations:** A non-derogation clause is needed to ensure that levy provisions do not constrain Council's obligations under other legislation (e.g., Reserves Act, land vesting requirements).
- 5.4 **Transitional Arrangements:** The submission supports extending transitional authority for existing financial contributions under the Resource Management Act until full implementation of the new system, consistent with sector advice.
- 5.5 **Summary of Amendments Sought:** The submission requests changes that would:
- confirm that levies may fund the full range of reserve and community infrastructure recognised in existing law
 - replace ambiguous terminology with statutory reference points
 - clarify cross-boundary infrastructure funding criteria
 - improve transparency for bespoke levy areas
 - include transitional provisions for financial contributions.

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

- 6.1 There are no direct financial impacts from approving the submission. However, the submission's recommended amendments seek to avoid future cost-shifting from developers to ratepayers by ensuring broad eligibility for levy funding. This is intended to reduce potential long-term financial risks to Council.

7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	Approve the submission retrospectively (recommended)	Ensures Council's views are formally recorded; protects Council's future funding ability; aligns with sector positions.	None identified.
2.	Do not approve the submission	None	Council's views would not be formally endorsed; loss of opportunity to influence legislation.

- 7.2 Option 1 is recommended.

8. Legal / Ngā ture

- 8.1 The submission relates directly to legislative reform of development levies. Retrospective approval ensures Council's endorsement is properly recorded. The submission specifically seeks clarification of legal definitions, non-derogation provisions, and transitional arrangements to maintain compliance with existing statutes.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 9.1 This retrospective approval does not trigger specific iwi engagement requirements. Any future implementation of levy systems or associated planning processes may require engagement consistent with LGA 2002 obligations.

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

- 10.1 This decision has low significance because it relates to retrospective approval of a submission already lodged and does not change Council services, budgets, or strategic assets. Broader implications of the Bill itself will be subject to future reporting once legislative changes are confirmed.

11. Communication / Whakawhitiwhiti Kōrero

- 11.1 No further communication is required beyond notifying relevant staff and updating Council records.

12. Risks / Ngā Tūraru

- 12.1 If approved: Low risk.
- 12.2 If not approved: Moderate risk that Council's views may not be clearly represented in legislative reform, affecting future infrastructure funding.
- 12.3 The submission itself aims to mitigate future financial, legal, and operational risks.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

- 13.1 The submission indirectly supports climate resilience by seeking clarity that development levy funding can apply to stormwater, hazard mitigation, and coastal buffer land—assets increasingly required to manage climate-related risks.

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

- 14.1 The submission supports Council's strategic objective that growth should fund growth and aligns with long-term planning for infrastructure provision.


15. Conclusion / Kupu Whakatepe

- 15.1 The submission was prepared and lodged to ensure Tasman District Council's perspectives were considered in the development levies reform process. Retrospective approval is sought to formally endorse the submission.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

- 16.1 Staff will monitor progress of the Bill and provide further advice as amendments are proposed or finalised.
- 16.2 Updates will be included in future strategy and planning work programmes.

17. Attachments / Tuhinga tāpiri

1.  Submission - Exposure Draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation

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Tasman District Council submission on the Exposure draft of Local Government (Infrastructure Funding) Amendment Bill Development Levies System Consultation

Submitted to: Department of Internal Affairs

Supporting and complementing sector submissions from Taituarā and the Development Contributions Working Party

1. Introduction

Tasman District Council supports the introduction of a development levies system as a more effective and flexible mechanism for funding growth-related infrastructure in an increasingly permissive planning environment.

We agree that reform is necessary to:

- improve cost recovery from growth
- strengthen pricing signals
- enable timely infrastructure provision
- support housing and urban development objectives

However, we are concerned that several provisions of the exposure draft — particularly those relating to reserves and community infrastructure — may unintentionally narrow the scope of infrastructure that can be funded through development levies when compared with the current statutory framework.

If enacted without amendment, the Bill may:

- shift growth-related costs from developers to ratepayers
- constrain councils' ability to meet statutory obligations
- create inconsistency across established legislative regimes
- reduce flexibility to deliver infrastructure required to service growth
- create uncertainty and litigation risk regarding lawful expenditure

These outcomes would undermine the core policy objective that growth should fund growth. This submission focuses on clarifying the scope of reserves and community infrastructure, ensuring consistency with existing statutory duties, and providing practical implementation certainty.

2. Strategic concern: unintended narrowing of community infrastructure

The draft provisions relating to reserves and community infrastructure (particularly clauses 211Q–211S and associated definitions) risk redefining the scope of eligible infrastructure in a way that is materially narrower than the existing statutory framework under which territorial authorities operate.



In practice, councils acquire and manage a wide range of land and associated works to support growth, including:

- scenic reserves
- historic reserves
- recreation reserves
- local purpose reserves (esplanades, walkways, accessways, community facilities, war memorials, stormwater, utilities, access, parking, hazard mitigation)
- cemetery land
- coastal and river margin protection land
- strategic open space networks
- regional destination reserves outside district boundaries

These assets are essential infrastructure that enables development and protects communities. They are not limited to recreation or generalised “conservation”, as inferred by s211R. The Reserves Act 1977 does not use the loose, single label “conservation purposes” – no such definition is included in that Act. Instead, it creates **a range of reserve classifications and statutory purposes** (e.g. recreation reserves, scenic reserves, nature reserves, scientific reserves, historic reserves, local purpose reserves, esplanade reserves, government purpose reserves, etc.). Using “conservation purposes” collapses and mis-labels these categories and risks narrowing the permitted uses of levy revenue and creating legal ambiguity.

If development levies cannot fund these assets, councils will either be unable to provide them in a timely way or must fund them from general rates — directly contradicting the purpose of the levy regime.

3. Operational consequences of the current drafting

The drafting creates practical risks in several common growth scenarios:

Stormwater and flood management

Land required for attenuation, overland flow paths, or coastal buffers is often held as local purpose reserve land. Narrow definitions may prevent levy funding despite these being essential to enable development.

Urban expansion and cemetery provision

Population growth requires additional cemetery land. This is a standard growth cost but may fall outside recreation-focused wording.

Esplanade and hazard corridors

Land required for access, ecological connectivity, or hazard management is often acquired as reserve land. These are infrastructure costs attributable to growth.

Regional or destination open space

Some reserves serving growing populations are not located within the district that benefits from them.



Without clarification, these routine infrastructure investments may become legally uncertain or excluded.

4. Relationship to existing statutory obligations

Territorial authorities must continue to comply with multiple statutory regimes requiring land acquisition, vesting, protection, and management for public purposes.

The development levy framework is a funding mechanism, not a redefinition of substantive duties.

Without explicit confirmation, there is a real risk that the levy regime could be interpreted as limiting the scope of infrastructure that councils may lawfully fund in connection with growth. This could create tension between funding rules and statutory obligations.

A non-derogation provision is therefore essential.

5. Requested legislative outcomes (summary)

We request amendments that would:

1. Confirm that development levies may fund the full range of reserve and community infrastructure functions recognised in existing law.
2. Replace narrow or ambiguous terminology with statutory reference points.
3. Clarify that levy provisions do not limit obligations under other enactments.
4. Provide clear tests for cross-boundary expenditure.
5. Improve transparency of bespoke levy areas and first-mover arrangements.
6. Provide transitional provisions for financial contributions under existing planning frameworks.

6. Proposed consolidated replacement provision (reserves funding)

We recommend replacing clauses 211R–211S with a consolidated provision structured as follows.

Proposed clause — Use of development levies for reserves and community infrastructure

(1) Permitted use

Development levies for reserves may be used for land or works that are necessary to service growth and that provide public community infrastructure functions.

(2) Definition of reserves

For the purposes of this subpart, “reserves” means land or interests in land that may be held, acquired, vested, protected, or administered for any purpose authorised under the statutory reserve framework, including but not limited to scenic, historic, recreation, nature, scientific, or cemetery purposes, or local purpose of various types (e.g. esplanade, access, utility, hazard management, ecological, and cultural).

(3) Eligible activities

Levy revenue may be applied to acquisition, development, enhancement, restoration, or long-term protection of such land or associated works.



(4) Cross-boundary infrastructure

Levy revenue may be applied outside the territorial authority's district where:

- the infrastructure is necessary or more efficient to provide in that location;
- the benefits to levy-paying areas are demonstrable and proportionate; and
- a formal inter-authority funding agreement is in place and publicly disclosed.

(5) Payments to administering bodies

Levy revenue may be paid to administering bodies or other public entities responsible for delivering the infrastructure.

7. Specific submission points

7.1 Replace non-statutory terminology

Remove references to "conservation purposes" and instead refer to the full range of statutory reserve purposes, i.e. "including but not limited to scenic, historic, recreation, nature, scientific, or cemetery purposes, or local purpose of various types (e.g. esplanade, access, utility, hazard management, ecological, and cultural)".

7.2 Clarify that reserves include local purpose infrastructure

Explicitly include stormwater, utilities, access, hazard mitigation, cemetery, and similar infrastructure.

7.3 Replace "public recreation purposes"

This phrase is too narrow. Replace with reference to lawful public infrastructure purposes that service growth.

7.4 Insert non-derogation clause

Confirm that levy provisions do not limit powers or duties arising under other enactments relating to land acquisition, vesting, or protection.

7.5 Require transparency for bespoke levy areas

Where levy areas do not align with standard boundaries, require:

- published infrastructure nexus statement
- proportional benefit assessment
- cost allocation methodology
- public register of agreements
- review provisions

7.6 Transitional arrangements for financial contributions

Provide explicit transitional authority to continue collecting financial contributions under existing planning instruments until the new system is fully operational. This avoids revenue gaps and stranded infrastructure funding.

We strongly support the recommendation from Taituarā on this point: **"That the Government extend the transitional arrangements on development contributions to include financial contributions under the Resource Management Act 1991. This will also require the insertion**



of a transitional provision empowering the collection of financial contributions to 1 July 2030 into either the Planning Bill or the Natural Environment Bill.”

8. Additional clarification sought

We also request clarification regarding:

- definition of “community infrastructure”
- treatment of ecological restoration and climate adaptation works
- interaction with land vesting requirements arising from subdivision
- treatment of jointly administered reserves
- treatment of infrastructure serving regional populations

9. Implementation and system integrity

Development levies are intended to deliver efficient infrastructure investment through clear and predictable pricing signals. This requires that the scope of infrastructure eligible for levy funding reflects real infrastructure demand.

Artificially narrowing that scope would:

- weaken cost recovery
- distort investment decisions
- transfer costs to ratepayers
- reduce infrastructure provision certainty

This would undermine the reform’s objectives.

10. Conclusion

Tasman District Council supports the development levies framework and its policy direction. However, to ensure the system functions as intended, the legislation must clearly recognise the full range of infrastructure required to service growth and must preserve alignment with existing statutory frameworks.

We therefore request that the Bill be amended to clarify the scope of reserves and community infrastructure, confirm consistency with other enactments, and provide implementation certainty.

We would welcome the opportunity to discuss these matters further.

Dwayne Fletcher
Strategic Planning and Enterprise Manager, Strategy & Finance
Tasman District Council

7.6 LOCAL GOVERNMENT FUNDING AGENCY - HALF YEAR REPORT 31 DECEMBER 2025

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Leonie Rae, Chief Executive Officer
Report Authorisers:	Leonie Rae, Chief Executive Officer
Report Number:	RCN26-04-7

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

- 1.1 To provide an update from the Local Government Funding Agency (the Company) in relation to the Half Year Report to 31 December 2025, for Council to consider the Company's performance.

2. Summary / Te Tuhinga Whakarāpotō

- 2.1 The New Zealand Local Government Funding Agency (LGFA) half year report to Shareholders was delivered on 27 February 2026. The half year report is attached as (Attachment 1).
- 2.2 The report was accompanied by a covering letter from Mark Butcher, Chief Executive LGFA (Attachment 2).
- 2.3 The report has been provided to allow the Council to consider the Company's performance.
- 2.4 Oversight of the Company and advice to Shareholders is carried out by the LGFA Shareholders Council. Tasman District Council currently has a seat on the Shareholders Council and is represented by the Chief Executive Officer.
- 2.5 The LGFA continues to operate successfully, and staff have no further matters in relation to the report that have not been included in the Chief Executive's covering letter to bring to the Council's attention.

3. Recommendation/s / Ngā Tūhunga

That the Tasman District Council

- 1. receives the Local Government Funding Agency – Half Year Report 31 December 2025 (Attachment 1 to the agenda report) RCN26-04-7; and**
- 2. receives the New Zealand Local Government Funding Agency covering letter dated 27 February 2026 referencing the Half Year Report (Attachment 2 to the agenda report); and**
- 3. notes a link to the New Zealand Local Government Funding Agency Half Year Report will be published on the Council's website within seven days of this meeting.**

4. Background / Horopaki

4.1 The Company is required under the terms of its Statement of Intent to provide a half year report to shareholders. These reports are also made available to the public via both the LGFA website and the Council website.

4.2 Mr Mark Butcher, Chief Executive LGFA provided commentary to shareholders which included:

A strong financial position.

4.3 Net Operating Profit for the six-month period \$16.4 million was ahead of our SOI forecast of \$15.4 million and an increase of 90% on the comparable prior period. LGFA is in a strong financial position with assets of \$28.6 billion and shareholder equity of \$138.1 million as at 31 December 2025.

Diversifying our funding base away from New Zealand and Australia.

4.4 In early 2025, Council successfully established a European Medium-Term Note (EMTN) Programme and, under this programme, issued a 5-year USD 500 million bond and a 9-year CHF 180 million bond over the past six months. Both issuances were hedged back into NZD at a cost of borrowing below that of our comparable NZD bond issuances.

Bond Repurchase Programme.

4.5 In 2025, we launched our NZD Bond Repurchase Programme, conducting weekly repurchase tenders of the April 2026 LGFA Bond. This initiative enhances our liquidity management, reduces refinancing risk, and provides additional support to the secondary market for our bonds. During the six months ended 31 December 2025, we repurchased \$227 million of the April 2026 LGFA bond.

Working with our stakeholders.

4.6 We continue to support the local government sector regarding the implementation of Local Water Done Well and work closely with councils and CCO members to promote sustainability initiatives. We are also improving operational efficiency for members by reducing Section 118 Certificate requirements, with legislation currently before Parliament. We have also implemented a change to allow borrowers to issue a single Global Security Stock Certificate rather than updating it for each borrowing.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

5.1 LGFA financial performance appears to be on track to achieve SOI forecasts. Tasman District Council received slightly over \$125,000 of dividends annually from LGFA. This half yearly result suggests that this level of dividends will continue.

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

6.1 Per above analysis and advice – staff are not aware of any financial budgetary implications of the Half Year Report.

7. Legal / Ngā ture

7.1 This is a half year report and there are no legal implications to receiving it.

8. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

8.1 Iwi have not been engaged with in relation to this decision.

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

9.1 This decision to receive the report has low significance.





10. Conclusion / Kupu Whakatepe

10.1 The Company continues to operate successfully, and they have met or are on track to meet nineteen out of the twenty-one performance targets as set out in the Statement of Intent. The Company has provided a comprehensive report as required under its Statement of Intent.

11. Next Steps and Timeline / Ngā Mahi Whai Ake

- 11.1 The Council will provide a link to the report on our website within seven days of this meeting.
- 11.2 The Chief Executive Officer will provide any specific feedback to the company through the next LGFA Shareholders Council meeting.

12. Attachments / Tuhinga tāpiri

- | | | |
|----|---|-----|
| 1. |   Local Government Funding Agency Half Year Report 31 December 2025 | 117 |
| 2. |   Local Government New Zealand Cover Letter re Half Year Report | 147 |



HALF YEAR REPORT 31 December 2025

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

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

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Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the six-month period ended 31 December 2025

The six-month period delivered another set of strong financial and non-financial outcomes for the Agency despite the significant headwinds facing the sector.

As well as delivering a record financial outcome for the six-month period, we continued to meet the needs of our stakeholders over the past six months:

- We continued to source the cheapest cost of borrowing on behalf of the sector by issuing short and long-dated debt instruments under our NZD domestic and offshore programmes.
- We signed a refreshed Crown Liquidity Facility that was both upsized and extended in tenor. This underlines Central Government support for LGFA and the wider local government sector.
- We have been working closely with Central Government, councils, and the establishment teams at the water Council-Controlled Organisations (CCOs) to ensure the successful transition to Local Water Done Well from mid 2026.
- We are on track to meet 19 out of the 21 Statement of Intent (SOI) performance targets.

Initiatives

We successfully diversified our funding base away from Australasia by introducing a European Medium Term Note (EMTN) Programme in early 2025. During the past six months we issued a 5-year USD500 million bond and a 9-year CHF 180 million bond under the programme. The debt issuance was hedged back into NZD cheaper than our NZD bond issuance levels.

Our LGFA NZD Bond Repurchase Programme was established in May 2025, and we began conducting weekly repurchase tenders. This initiative supports our liquidity management, reduces refinancing risk, and provides added support to the market for our bonds. Over the six-month period to 31 December 2025, we repurchased \$227 million of the April 2026 LGFA bond.

We continue to work with Central Government on delivery of the Local Water Done Well Programme. We assisted with the review of the Water Services Delivery Plan submitted to the Department of Internal Affairs by each council. We have been negotiating borrowing arrangements and documentation with the water CCOs currently being established.

We have made progress to deliver operational efficiency for our council borrowers. Legislation is currently passing through Parliament that will reduce administration requirements relating to the Section 118 Certificates. Council borrowers can now issue a Global Security Stock Certificate instead of having to issue an updated certificate each time they borrow.

Financial and Operational Performance

Directors are pleased to announce a strong financial performance for the six-month period with:

Total interest income for the six-month period was NZ\$528.2 million, a 23% reduction over the prior comparable period. Interest income was lower than the comparable period because interest rates were lower e.g. the 3 month BKBM rate averaged 2.80% for the six-month period to 31 December 2025 compared to 4.88% for the six-month period to 31 December 2024.

Total interest expense for the six-month period was \$503.8 million, a 25% reduction over the comparable 2024-25 period result. Interest expense was lower due to lower interest rates compared to the prior comparable period.

Total operating income of NZ\$25.8 million was \$1 million above the SOI forecast of NZ\$24.8 million primarily due to our offshore cost of borrowing being more cost effective (after hedging costs) than borrowing in the domestic debt capital markets. It was a 57% increase over the prior comparable period.

Operating expenses, excluding Approved Issuer Levy (AIL), at NZ\$5.87 million were \$0.03 million above the SOI budget. AIL expense for the six-month period totalled \$3.54 million, in line with our SOI forecast and is the highest single cost incurred by LGFA.

Net operating profit rose to NZ\$16.36 million, up 90% from the prior comparable period.

LGFA shareholders equity has risen to NZ\$138.114 million, up from NZ\$121.785 million on 30 June 2025. With the addition of the Borrower Notes the total capital base of LGFA is now NZ\$877 million supporting total assets of NZ\$28.6 billion.

It is important to strengthen the capital position of LGFA given the recent deterioration in the credit quality of the local government sector and the financial headwinds facing the sector in the coming years. A strong financial position will ensure LGFA maintains credit rating parity to that of the New Zealand Government and continues to have the support of investors. The LGFA credit rating was affirmed at AA+ by Fitch Ratings on 23 October 2025.

Lending activity

Long-dated lending totalled NZ\$1.635 billion during the six-month period with LGFA making 130 long term loans to 53 councils and CCOs with an average term of 4.3 years. Sustainable lending comprising our Green and Social (GS) and Climate Action Loans (CAL) products of \$583.1 million was 35.5% of total lending during the six-month period. Our rolling twelve month estimated market share of 79.4% of council long-dated borrowing was just below our 80% target but if Auckland Council borrowing activity is excluded, our market share is 98.7%. Short-dated lending at year end was \$1.454 billion, a 77% increase since 30 June 2025.

Our membership of 77 councils and 8 CCOs is unchanged.

Statement of Intent targets

We are on track to achieve 19 of our 21 performance targets outlined in our SOI. The two targets that we are unlikely to meet are operating expenses (excluding AIL) and market share. Our operating expenses are projected to be higher as we expect additional legal, IT and consulting costs to increase over the next six months as we undertake further offshore borrowing, onboard water CCOs, introduce new products and initiatives and implement our data and artificial intelligence (AI) strategies. Our current market share of 79.4% is just below our 80% target.

Stakeholder engagement

Over the past six months, LGFA held 52 meetings with our council and CCO members.

We expect our level of engagement and interaction with members to increase as the sector faces headwinds from climate related events, increasing debt levels while revenue could be potentially constrained under rates capping. The credit ratings of 18 councils and 3 CCOs have been downgraded over the past year that reflects these issues.

We have recently added greater resource to our engagement and monitoring activities. This is because the water CCOs will be more highly leveraged than their council predecessors and will need to have financial strategies in place to be financially sustainable in the medium to long term i.e. to achieve investment grade credit ratings.

Unfortunately, there was the first ever breach of a LGFA Foundation Covenant by a council. MacKenzie District Council breached the liquidity covenant as at 30 June 2025, but the breach was identified, and easily and quickly resolved. Any breach however is not taken lightly by the LGFA Board and can lead to an Event of Review and a request for repayment of loans.

We continue to invest in sustainability initiatives and support the sector through increasing our engagement on sustainability. We approved six new eligible projects for GS loans during the six-month period. We are developing an innovative sustainable lending product for the water sector that should be ready for launch in the coming months. We have also announced a financial subsidy for councils to adopt an independent audited Greenhouse Gas Emissions plan with suitable targets to qualify for our Climate Action Loans.

As at 31 December 2025, 19.8% of our outstanding long terms loans were either GS or CALs that receive a discounted loan margin.

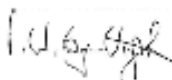
Acknowledgements

The Agency's work and success cannot be achieved without the support of our staff, fellow directors, Shareholders Council, Central Government and the Minister of Local Government and Minister of Finance, all whose efforts and support are acknowledged.

We acknowledge the contribution to the success of LGFA by Linda Robertson, who has recently retired from the Board after ten years of service as a director and Chair of the Audit and Risk Committee. We also thank Kathryn Sharplin, who has recently stood down as Chair of the LGFA Shareholders Council.

We are pleased to welcome Paul Anderson as a new director and Chair the Audit and Risk Committee. We also welcome Sarah Houston-Eastergaard, who will serve as Chair of the Shareholders Council.

We believe the Agency's future remains positive and look forward to working with all stakeholders in the next six months.



Philip Cory-Wright
Chair, LGFA Board



Mark Butcher
Chief Executive

Performance against objectives Te whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2025-28 (SOI).

2025-26 Objectives and performance targets

LGFA objectives and performance targets for 2025-26 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the two quarters' ended December 2025 are available on the LGFA website.

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.

Objectives	Our performance to 31 December 2025
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2025 Annual Report is the most recent report with commentary on our compliance with the NZX 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.	Our performance against shareholder-agreed objectives and performance targets, as specified in the Statement of Intent, is reported quarterly to shareholders and annually in this section of our Annual Report.
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. Our performance against our financial performance targets for the six months ended 31 December 2025 is summarised under each of the targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	We have met this objective and comply. The 2025 Annual Report is our most recent report outlining 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	Our performance to 31 December 2025
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	Achieved.
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.	Achieved.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>\$44.7 million.	In line with forecast – NZ\$25.77 million as at 31 December 2025 compared to NZ\$24.78 million interim target.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<\$12.1 million.	Unlikely to achieve – NZ\$5.87 million as at 31 December 2025 compared to NZ\$5.84 million interim target.



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.

Objectives	How we measure our performance																																																																																																																																																																																																																								
Provide interest cost savings relative to alternative sources of financing.	<p>LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.</p> <p>Comparison to other high-grade NZD issuers – secondary market spread to swap (bps)</p> <table border="1"> <thead> <tr> <th>31 Dec 25</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> <th>2035</th> <th>2037</th> </tr> </thead> <tbody> <tr> <td>LGFA (AAA)</td> <td>7</td> <td>12</td> <td>25</td> <td>28</td> <td>31</td> <td>44</td> <td>51</td> <td>57</td> <td></td> <td>67</td> <td>71</td> </tr> <tr> <td>NZ Government (AAA)</td> <td>7</td> <td>4</td> <td>11</td> <td>18</td> <td>21</td> <td>29</td> <td>31</td> <td>31</td> <td>33</td> <td>35</td> <td>45</td> </tr> <tr> <td>Kainga Ora (AAA)</td> <td>6</td> <td>19</td> <td>27</td> <td></td> <td>34</td> <td></td> <td></td> <td></td> <td></td> <td>72</td> <td></td> </tr> <tr> <td>Asian Development Bank (AAA)</td> <td>7</td> <td>11</td> <td>21</td> <td></td> <td></td> <td>36</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>IADB (AAA)</td> <td>8</td> <td>14</td> <td>27</td> <td></td> <td>34</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>International Finance Corp (AAA)</td> <td>7</td> <td>16</td> <td>24</td> <td>29</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>KBN (AAA)</td> <td>6</td> <td>16</td> <td></td> <td></td> <td>42</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Nordic Investment Bank (AAA)</td> <td></td> <td></td> <td></td> <td>25</td> <td>30</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rentenbank (AAA)</td> <td></td> <td>13</td> <td></td> <td>28</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>World Bank (AAA)</td> <td>6</td> <td>14</td> <td>21</td> <td></td> <td>32</td> <td></td> <td>39</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASB (AA-)</td> <td>12</td> <td>29</td> <td></td> <td></td> <td>59</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>ANZ (AA-)</td> <td></td> <td></td> <td>44</td> <td></td> <td>58</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>KiwiBank (AA-)</td> <td>22</td> <td>45</td> <td>55</td> <td>61</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>BNZ (AA-)</td> <td>14</td> <td>28</td> <td>47</td> <td>58</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Westpac Bank (AA-)</td> <td>20</td> <td>25</td> <td></td> <td>54</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>SSA Average</td> <td>7</td> <td>14</td> <td>23</td> <td>27</td> <td>35</td> <td>36</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank Average</td> <td>17</td> <td>32</td> <td>49</td> <td>58</td> <td>59</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	31 Dec 25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2037	LGFA (AAA)	7	12	25	28	31	44	51	57		67	71	NZ Government (AAA)	7	4	11	18	21	29	31	31	33	35	45	Kainga Ora (AAA)	6	19	27		34					72		Asian Development Bank (AAA)	7	11	21			36						IADB (AAA)	8	14	27		34							International Finance Corp (AAA)	7	16	24	29								KBN (AAA)	6	16			42							Nordic Investment Bank (AAA)				25	30							Rentenbank (AAA)		13		28								World Bank (AAA)	6	14	21		32		39					ASB (AA-)	12	29			59							ANZ (AA-)			44		58							KiwiBank (AA-)	22	45	55	61								BNZ (AA-)	14	28	47	58								Westpac Bank (AA-)	20	25		54								SSA Average	7	14	23	27	35	36						Bank Average	17	32	49	58	59						
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Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	<p>LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green and Social Loans, Climate Access Loans and standby facilities.</p> <ul style="list-style-type: none"> Over the six months ended 31 December 2025, our members borrowed \$1.635 billion in 130 long term loans with an average term of 4.3 years. As at 31 December 2025 there was \$1.454 billion short-term loans outstanding to 54 members. As at 31 December 2025, standby facilities totalled \$732 million across 18 members. 																																																																																																																																																																																																																								
Deliver operational best practice and efficiency for lending services.	<p>Over the six months ended 31 December 2025, LGFA operations staff successfully:</p> <ul style="list-style-type: none"> settled 1,205 new trades with a gross value of \$24 billion, processed 9,136 cash flows with a gross value of \$44 billion, and rate set 7,278 existing trades. 																																																																																																																																																																																																																								
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	<p>There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months ended 31 December 2025, we issued NZD 700 million of NZD retail bonds across eight maturities, USD 500 million and CHF 180 million of Medium-Term Notes and secondary market turnover in our NZD retail bonds totalled \$7.31 billion.</p>																																																																																																																																																																																																																								

Performance targets	2025-2026 target	Our performance to 31 December 2025
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%	Not Achieved. 79.4%
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.	Achieved. 94% satisfaction score in 2025 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Achieved.

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.

Objectives	Our performance to 31 December 2025
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>On 30 September 2025, LGFA published our third 'Annual Impact Report – Green and Social Loans and Climate Action Loans (CAL) financed with Sustainable Financing Bonds'. This report provides information about the allocation of proceeds from LGFA's Sustainable Financing Bond issuance as at June 2025.</p> <p>Over the six months to December 2025, advances under existing Green and Social (GS) loans increased to \$600 million out of an approved total value of \$1,318 million. LGFA's first green loans under the Clean Transportation and Renewable Energy categories, with three additional Climate Change Adaptation, and a further Affordable Housing loans, were added during the six months to December 2025.</p> <p>A further \$437 million was advanced under the CAL lending programme. As at December 2025, there were approved CAL loans to seven councils, with CAL-qualifying loans totalling \$4.106 billion.</p>
Improve sustainability outcomes within LGFA.	<p>In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are on track to meet our reduction target for the 2025-26 year.</p> <p>LGFA now receives emissions data from 41 members resulting in an improved PCAF score of 1.7 as at 30 June 2025.</p>

Performance targets	2025-2026 target	Our performance to 31 December 2025
Health and Safety.	No notifiable incidents.	Achieved.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	Achieved.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO ₂ e annual per person GHG emissions.	On Track.
Increase our GS Lending Book and Climate Action Loans.	Two new GS loans and two new borrowers enter into CALs.	On Track. 7 new GS projects approved and 6 new GS loans. No new CAL borrowers.
Develop a sustainable financing option for the water sector.	New sustainable financing option is available to water entities.	On Track.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.	On Track.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.	On Track.

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.

Objectives	Our performance to 31 December 2025
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA received compliance certificates in respect of the LGFA financial covenants from all council and CCO members with debt outstanding at June 2025.
Analyse finances at the Council group level where appropriate and report to shareholders.	All councils and CCOs were compliant, except for one council which breached the liquidity covenant. After consideration, the Board decided not to notify the breach as it had been rectified. One council had yet to adopt its 2023/24 and 2024/25 annual reports.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	LGFA conducted 56 meetings with council and CCO members in the six months ended December 2025.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA provided guidance to councils on the range of options available to transition water debt to a water CCO.

Performance targets	2025-2026 target	Our performance to 31 December 2025
Review each Participating Borrower's financial position.	100%	Achieved.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	Achieved. 56 council visits.

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.

Objectives	Our performance to 31 December 2025
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.	LGFA was a member of the Water Services Delivery Plans Review Panel which assessed all reviews. LGFA was also a member of the Taituara Long Term Plan/Audit Focus Group.
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.	LGFA published guidance for Councils in April 2025. Additional updates were published in December 2025 and January 2026 as LGFA formalised its requirements for lending to water CCOs. LGFA has commenced legal negotiations with several of the five water CCOs who plan to be operating by 1 July 2026.

Performance targets	2025-2026 target	Our performance to 31 December 2025
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.	On Track.
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.	On Track.
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.	Achieved.
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.	Achieved. Bruce Allan (Hastings District Council) appointed.

Papa Rererangi i Puketapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**



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Performance against objectives LGFA Half Year Report 2025 10

Financial statements

Nga tauki pūtea

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Income statement

For the six months ended 31 December 2025 in \$000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Interest income		528,229	683,225
Interest expense		503,841	668,958
Net interest income	4	24,388	14,267
Other operating income	5	789	753
Gains/(losses) on financial instruments		588	1,380
Total operating income		25,765	16,400
Operating expenses	6	9,405	7,782
Net operating profit		16,360	8,617

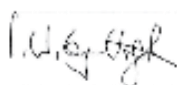
Statement of comprehensive income

For the six months ended 31 December 2025 in \$000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Net operating profit		16,360	8,617
Items that may be re-classified subsequently to the Income Statement			
Net change in cash flow hedge reserve	8	8,248	(7,327)
Cost of hedging	8	(6,603)	8,091
Total comprehensive income		18,005	9,381

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 26 February 2026.



Philip Cory-Wright, Director
Board Chair



Paul Anderson, Director
Chair, Audit and Risk Committee

Statement of changes in equity

For the six months ended 31 December 2025 in \$'000s

	Note	Share capital	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Total equity
Equity at 30 June 2024		25,000	5,536	(6,531)	89,185	113,190
Net operating profit					18,994	18,994
Other comprehensive income/(expense)			(6,477)	(2,079)		(8,556)
Total Comprehensive Income of the Year		-	(6,477)	(2,079)	18,994	10,438
Transactions with owners						
Dividend paid on 2 September 2024					(1,843)	(1,843)
Equity as at 30 June 2025		25,000	(941)	(8,610)	106,336	121,785
Net operating profit					16,360	16,360
Other comprehensive income/(expense)			8,248	(6,603)		1,645
Total Comprehensive Income of the Year		-	8,248	(6,603)	16,360	18,005
Transactions with owners						
Dividend paid on 1 September 2025					(1,676)	(1,676)
Equity as at 31 December 2025	20	25,000	7,307	(15,213)	121,020	138,114

Statement of financial position

As at 31 December 2025 in \$000s

	Note	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Assets			
Financial assets			
Receivables	10	240	2,973
Cash and cash equivalents		207,731	325,728
Cash pledged as collateral		-	187,836
Marketable securities		3,138,409	2,458,427
Deposits		883,763	578,878
Derivatives in gain	9	539,475	255,271
Loans to members	11	23,839,948	22,657,300
Non-financial assets			
Other assets	12	1,309	1,339
Total assets		28,610,875	26,467,752
Equity			
Share capital	20	25,000	25,000
Reserves		(7,906)	(9,551)
Current Earnings		16,360	-
Retained earnings		104,660	106,336
Total equity		138,114	121,785
Liabilities			
Financial liabilities			
Cash received as collateral		35,307	-
Payables and provisions	13	943	6,414
Bond repurchases	16	384,150	341,756
Derivatives in loss	9	932,325	1,067,121
Debt securities issued:			
At amortised cost	14	25,305,445	23,645,696
At fair value through income statement	15	1,071,791	613,077
Borrower notes	17	739,289	669,030
Non financial liabilities			
Other liabilities	18	3,511	2,873
Total liabilities		28,472,761	26,345,967
Total equity and liabilities		28,610,875	26,467,752

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the six months ended 31 December 2025 in \$000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Cash flows from operating activities			
Cash applied to loans	11	(1,196,984)	(1,712,402)
Interest paid on bonds issued		(365,860)	(362,576)
Interest paid on bills issued		(27,108)	(60,011)
Interest paid on borrower notes		(2,572)	(1,359)
Interest paid on bond repurchases		(4,758)	(5,067)
Interest received from loans		463,840	595,193
Interest received from cash & cash equivalents		6,225	15,551
Interest received from marketable securities		43,956	31,048
Interest received from deposits		8,423	24,482
Net interest on derivatives		(81,998)	(235,073)
Cash proceeds from provision of standby facilities		789	753
Payments to suppliers and employees		(9,067)	(8,640)
Net cash flows from operating activities	21	(1,165,114)	(1,718,101)
Cash flows from investing activities			
Purchase of marketable securities		(670,536)	(1,004,550)
(Purchase)/maturity of deposits		(79,021)	(82,122)
Net cash flows from investing activities		(749,557)	(1,086,672)
Cash flows from financing activities			
Cash proceeds from bonds issued	14	1,683,298	2,359,930
Cash proceeds (outflows) from bills issued	14,15	(56,690)	(88,884)
Cash proceeds (outflows) from bond repurchases	14	42,331	215,420
Cash proceeds from borrower notes		61,247	95,352
Dividends paid		(1,675)	(1,843)
Cash applied to derivatives		68,163	112,589
Net cash flows from financing activities		1,796,674	2,692,564
Net increase/(decrease) in cash		(117,997)	(112,209)
Foreign exchange gains/(losses) on cash balances		2	3
Net cash flows from all activities		(117,995)	(112,206)
Cash, cash equivalents at beginning of year		325,728	473,609
Cash, cash equivalents at end of year		207,731	361,403

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

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 trading 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 11, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 26 February 2026.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2025 and are to be read in conjunction with the annual report for the year ended 30 June 2025.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

MEASUREMENT BASE

The financial statements have been prepared on an 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 (NZD) 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 NZD using exchange rates applied on the trade date of the transaction.

CHANGES IN ACCOUNTING POLICIES

There have been 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. This includes NZ IFRS 18 Presentation and Disclosure in 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 either:

- Amortised cost and subsequently measured at amortised cost using the effective interest rate method; or
- Fair value through income statement (FVTIS).

Financial liabilities are classified as FVTIS if they are derivative financial liabilities or if LGFA chooses to classify financial liabilities as FVTIS if the use of the classification removes or significantly reduces an accounting mismatch. This classification includes debt issues that are designated at FVTIS where LGFA has economically hedged the foreign exchange and interest rate risk using derivatives, but hedge accounting is not applied. Any such classification is made on the date of initial recognition and is irrevocable.

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

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.

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.

Approved issuer levy

Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

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.

Revenue and expenditure

4. Net interest income

For the six months ended 31 December 2025 in \$000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Interest income		
Cash and cash equivalents	6,311	15,624
Cash received as collateral	-	3,033
Marketable securities	53,581	47,092
Deposits	12,270	28,338
Derivatives	8,902	-
Loans	447,165	589,138
Total interest income	528,229	683,225
Interest expense		
Cash pledged as collateral	1,127	-
Bills	28,337	80,660
Treasury Stock Lending	4,822	5,303
Lease liability	-	73
Derivatives	-	147,176
Bonds	457,721	422,351
Borrower notes	11,834	13,396
Total interest expense	503,841	668,958
Net interest income	24,388	14,267

5. Other operating income

As at 31 December 2025, LGFA had provided standby facilities totalling \$732 million (2024: \$742 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

For the year ended 30 June 2025 in \$000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Standby facilities fee income	789	753
Total other operating income	789	753

6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

For the year ended 30 June 2025 in \$000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Issuance & onlending expenses		
Approved issuer levy ¹	3,536	2,540
Rating agency fees	449	372
NZDM facility fee	344	542
Legal fees - issuance	520	306
NZX	342	442
Trustee fees	60	59
Regulatory, registry, other fees	239	213
	5,490	4,475
Other operating expenses		
Information technology	506	485
Consultants	223	150
Directors fees	293	263
Insurance	53	53
Legal fees	78	104
Other expenses	524	354
Personnel	2,238	1,899
	3,915	3,308
Total operating expenses	9,405	7,782

1. The amount of Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

7. Derivative financial instruments

LGFA use three different types of derivatives financial instruments: interest rate swaps, cross currency interest rate swaps and foreign exchange transactions (spot and forward).

Derivative financial instruments are recognised in the statement of financial position at fair value. Derivatives are categorised as following:

- Derivatives designated into hedge accounting relationships to minimise profit or loss volatility by matching movements in underlying positions relating to hedges of the LGFA's exposures to interest rate risk and currency risk.
- Derivatives designated to manage risks that are not in a designated hedge accounting relationship.

8. Hedge accounting

LGFA uses derivatives to establish economic hedges to manage its interest rate and foreign exchange risk. LGFA's risk management strategy with respect to hedge accounting is to minimise income statement volatility.

Hedge accounting is implemented to manage the following risks:

- Interest rate risk due to a mismatch between fixed and floating interest rates on assets and liabilities; and
- Combined risk on assets or liabilities with interest rate risk that are denominated in currencies other than New Zealand dollars.

LGFA enters into cross-currency interest rate swaps to hedge the foreign currency and foreign interest rate risks on issued foreign currency bonds. Using the cross-currency interest rate swaps, LGFA will pay New Zealand Dollar floating interest rates and receive foreign currency fixed interest with coupon payments matching the underlying notes.

LGFA designated the foreign currency bonds and cross-currency interest rate swaps into three-part hedging relationships

for each issue:

- a fair value hedge of foreign currency benchmark interest rates,
- a cash flow hedge of margin, and
- a cash flow hedge of the principal exchange.

FAIR VALUE HEDGE

Under a fair value hedge, the hedged item is revalued at fair value in respect of foreign currency interest rates. This revaluation is recognised in the Consolidated income statement to offset the mark-to-market revaluation of the hedging derivative, except for any adjustment on the hedging derivative relating to credit risk.

CASH FLOW HEDGE

Under a cash flow hedge, the effective portion of gains or losses from remeasuring the fair value of the cross-currency interest rate swap is recognised in Other comprehensive income and accumulated in the cash flow hedge reserve. This is subsequently transferred to the Consolidated income statement when the hedged item affects the Income statement.

COST OF HEDGING

The cost of hedging reserve captures changes in the fair value of the cost to convert foreign currency to NZD of LGFA's cross currency interest rate swaps on the foreign currency bonds.

EFFECT OF HEDGING ON FINANCIAL STATEMENTS

Below is a summary of the effect of foreign currency hedges on the financial statements:

\$'000	Asset/(liability) adjustment		Reserves		
	Derivative fair value adjustment	Fair value hedge adjustment	Cash flow hedge reserve	Cost of hedging reserve	
Audited Balances as at 30 June 2025	118,220	(128,631)	(941)	(8,610)	
		(10,411)		(9,551)	
				Other comprehensive income/(expense)	Gains & (losses)
YTD Movement	(136,593)	139,320	8,248	(6,603)	
		2,727		1,645	1,082
				Reserves	
Unaudited Balances as at 31 December 2025	(18,373)	10,689	7,307	(15,213)	
		(7,684)		(7,906)	222

Below are nominal amounts of hedging instruments, for both foreign currency hedges and NZD hedges:

NOMINAL AMOUNT OF HEDGING INSTRUMENT

\$'000	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Cross currency swaps	7,243,571	6,002,398
Interest Rate Swaps	16,666,258	17,472,048

9. Offsetting

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

LGFA does not offset any amounts.

The following table shows the amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position.

As at 31 December 2025 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	539,475	932,325
Amounts offset	-	-
Carrying amounts	539,475	(539,475)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(539,475)	(539,475)
Collateral	35,307	-
Net amount	35,307	392,850

As at 30 June 2025 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	255,271	1,067,121
Amounts offset	-	-
Carrying amounts	255,271	(255,271)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(255,271)	(255,271)
Collateral	-	(187,836)
Net amount	-	624,014

10. Receivables

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Trade debtors	240	2,973
Total receivables	240	2,973

11. Loans

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025		Audited as at 30 June 2025	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	22,038	129,329	20,044	124,440
Auckland Council	49,518	3,106,790	48,672	3,111,545
Bay of Plenty Regional Council	95,284	226,702	117,701	224,766
Buller District Council	7,976	25,302	9,909	10,018
Canterbury Regional Council	-	81,394	-	96,421
Carterton District Council	-	27,257	-	27,279
Central Hawkes Bay District Council	-	47,379	-	49,434
Central Otago District Council	5,029	65,683	5,038	45,618
Christchurch City Council	-	2,784,822	-	2,749,479
Clutha District Council	15,517	143,768	15,522	130,327

in \$000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Dunedin City Treasury	-	543,701	-	443,747
Far North District Council	42,827	133,826	35,204	120,785
Far North Holdings Ltd	40,836	26,525	49,036	26,521
Gisborne District Council	34,847	195,810	9,920	185,413
Gore District Council	8,526	53,825	8,534	49,873
Greater Wellington Regional Council	-	1,043,951	-	1,021,955
Grey District Council	3,978	34,758	3,971	31,768
Hamilton City Council	103,201	981,057	101,343	922,069
Hastings District Council	-	496,164	18,974	456,568
Hauraki District Council	26,076	143,841	-	141,000
Hawkes Bay Regional Council	-	115,492	-	115,630
Horizons Regional Council	9,964	74,448	9,952	69,472
Horowhenua District Council	14,044	227,293	14,054	227,539
Hurunui District Council	10,054	83,115	14,079	73,632
Hutt City Council	60,880	536,874	-	577,424
Infrastructure Holdings Ltd	14,897	109,240	9,994	109,297
Invercargill City Council	25,671	156,525	28,187	126,432
Kaikoura District Council	-	9,360	-	7,354
Kaipara District Council	-	44,247	-	44,314
Kapiti Coast District Council	12,974	377,305	-	367,751
Kawerau District Council	-	8,071	-	6,058
Mackenzie District Council	5,016	20,239	4,016	19,255
Manawatu District Council	11,528	95,412	11,594	93,445
Marlborough District Council	14,632	314,049	14,606	230,935
Masterton District Council	5,029	68,814	-	66,918
Matamata-Piako District Council	18,554	85,594	-	85,673
Napier City Council	10,055	100,828	-	65,572
Nelson City Council	-	300,414	-	266,619
New Plymouth District Council	61,176	371,288	-	357,122
Northland Regional Council	7,003	59,835	6,883	59,605
Opotiki District Council	-	14,606	4,102	10,588
Otago Regional Council	142,879	33,655	42,767	132,638
Otorohanga District Council	13,095	2,019	10,123	2,019
Palmerston North City Council	4,041	333,623	-	305,995
Porirua City Council	24,646	352,168	-	362,827
Queenstown Lakes District Council	90,425	621,807	88,141	619,296
Rangitikei District Council	10,039	44,392	10,037	44,385

in \$000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Rotorua District Council	-	482,511	-	472,652
Ruapehu District Council	10,032	54,194	10,039	54,191
Selwyn District Council	45,407	256,436	40,375	256,744
South Taranaki District Council	-	136,801	-	137,017
South Waikato District Council	13,684	60,339	-	50,369
Southland District Council	-	92,387	-	92,384
Southland Regional Council	-	7,057	-	7,003
South Wairarapa District Council	17,102	11,566	17,125	11,565
Stratford District Council	-	38,735	-	38,927
Taranaki Regional Council	4,884	70,951	-	57,934
Tararua District Council	-	80,516	-	80,621
Tasman District Council	27,395	355,876	31,537	317,397
Taupo District Council	4,993	200,100	-	200,203
Tauranga City Council	24,563	1,376,592	4,840	1,272,492
Thames-Coromandel District Council	-	98,640	-	91,729
Timaru District Council	19,913	227,438	39,727	212,425
Timaru District Holdings Ltd	11,517	2,008	9,316	-
Upper Hutt City Council	-	218,309	-	216,098
Waikato District Council	63,970	251,483	14,621	221,629
Waikato Regional Council	-	39,291	10,042	39,323
Waimakariri District Council	-	211,142	-	221,613
Waimate District Council	-	5,034	-	5,035
Waipa District Council	83,063	329,565	63,492	341,285
Wairoa District Council	2,002	9,622	-	9,624
Waitaki District Council	14,926	76,486	1,997	71,474
Waitomo District Council	6,019	27,133	6,024	27,165
Wellington City Council	-	1,891,579	-	1,843,472
West Coast Regional Council	2,994	30,252	2,991	21,234
Western Bay Of Plenty District Council	20,456	186,216	15,109	161,226
Westland District Council	1,530	37,446	3,928	35,051
Whakatane District Council	-	203,702	-	178,821
Whanganui District Council	7,542	202,327	7,551	196,538
Whangarei District Council	49,619	246,568	48,915	246,882
Fair value hedge adjustment	-	15,182	-	10,322
	1,453,870	22,386,078	1,040,033	21,617,267

Short-terms loans are loans that have a term to maturity of less than 12 months at origination. Loans have a term to maturity of 12 months or greater at origination. As at 31 December 2025, all short term loans and \$2,572.6 million of loans will mature within 12 months.

12. Other assets

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Prepayments	823	980
Furniture and Fixtures	92	105
Right-of-use lease asset	394	254
Total other assets	1,309	1,339

13. Payables and provisions

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Trade creditors	434	5,909
Credit provision	443	301
Other provisions	66	204
Total payables	943	6,414

14. Debt securities issued at amortised cost

Unaudited as at 31 December 2025	Unaudited as at 31 December 2025				Total
	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	
NZD Fixed interest bonds					
15 April 2026	2,375,097	(12,150)	7,634		2,370,581
15 April 2027	2,321,000	21,261	22,381		2,364,642
15 May 2028	1,793,000	(49,974)	5,238		1,748,264
20 April 2029	2,092,000	(86,131)	6,293		2,012,162
15 May 2030	2,210,000	(32,236)	12,912		2,190,676
15 May 2031	2,245,000	(195,459)	6,558		2,056,099
14 May 2032	1,000,000	(3,274)	5,967		1,002,693
14 April 2033	1,885,000	(28,947)	14,319		1,870,372
15 May 2035	740,000	(50,121)	2,882		692,761
15 April 2037	1,280,000	(164,143)	5,486		1,121,343
Fair value hedge adjustment				(344,670)	(344,670)
	17,941,097	(601,174)	89,670	(344,670)	17,084,923

Unaudited as at 31 December 2025					
	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
FCY Fixed interest bonds & EMTN					
8 September 2027	1,158,263	(1,584)	16,190		1,172,870
20 March 2028	864,827	(983)	10,150		873,995
1 August 2028	1,158,263	(1,686)	22,633		1,179,211
1 April 2030	1,015,524	(1,415)	21,997		1,036,106
30 September 2030	864,827	(5,877)	8,332		867,283
28 November 2030	752,871	(1,984)	3,606		754,494
2 April 2032	480,317	(1,301)	2,812		481,828
8 March 2034	926,611	(6,276)	14,718		935,053
6 October 2034	392,986	(1,281)	700		392,406
Fair value hedge adjustment				(10,689)	(10,689)
	7,614,490	(22,385)	101,140	(10,689)	7,682,556
Total Fixed interest bonds	25,555,587	(623,559)	190,810	(355,359)	24,767,479
NZD Bills					
14 January 2026	180,000	-	(208)		179,792
29 January 2026	50,000	-	(96)		49,904
4 February 2026	40,000	-	(108)		39,892
27 February 2026	20,000	-	(77)		19,923
4 March 2026	30,000	-	(131)		29,869
10 March 2026	50,000	-	(236)		49,764
16 March 2026	20,000	-	(119)		19,881
18 March 2026	25,000	-	(130)		24,870
20 March 2026	50,000	-	(270)		49,730
8 April 2026	25,000	-	(178)		24,822
6 May 2026	25,000	-	(216)		24,784
3 June 2026	25,000	-	(265)		24,735
Total NZD Bills	540,000	-	(2,034)	-	537,966
Total debt securities issued at amortised cost	26,095,587	(623,559)	188,776	(355,359)	25,305,445

Audited as at 30 June 2025					
	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2026	2,602,097	(33,254)	8,212		2,577,055
15 April 2027	2,321,000	29,456	21,973		2,372,429
15 May 2028	1,693,000	(57,147)	4,865		1,640,718
20 April 2029	1,992,000	(90,984)	5,878		1,906,894
15 May 2030	2,110,000	(38,228)	12,127		2,083,899
15 May 2031	2,195,000	(206,372)	6,308		1,994,936
14 May 2032	850,000	(5,841)	4,989		849,148
14 April 2033	1,835,000	(26,924)	13,687		1,821,763
15 May 2035	640,000	(38,955)	2,452		603,497
15 April 2037	1,230,000	(155,661)	5,175		1,079,514
Fair value hedge adjustment				(418,101)	(418,101)
	17,468,097	(623,910)	85,666	(418,101)	16,511,752
FCY Fixed interest bonds & EMTN					
8 September 2027	1,077,202	(1,914)	14,812		1,090,100
20 March 2028	823,927	(1,150)	9,513		832,290
1 August 2028	1,077,202	(1,874)	20,979		1,096,307
1 April 2030	965,354	(1,504)	6,919		970,769
28 November 2030	700,181	(2,034)	3,299		701,446
2 April 2032	453,667	(1,328)	873		453,212
8 March 2034	861,762	(6,197)	13,465		869,030
Fair value hedge adjustment				128,631	128,631
	5,959,295	(16,001)	69,860	128,631	6,141,785
Total Fixed interest bonds	23,427,392	(639,911)	155,526	(289,470)	22,653,537
NZD Bills					
16 July 2025	331,000	-	(459)		330,541
30 July 2025	250,000	-	(744)		249,256
6 August 2025	25,000	-	(84)		24,916
13 August 2025	30,000	-	(119)		29,881
20 August 2025	20,000	-	(91)		19,909
27 August 2025	105,000	-	(520)		104,480
3 September 2025	77,000	-	(459)		76,541
8 September 2025	25,000	-	(157)		24,843
18 September 2025	48,000	-	(349)		47,651
25 September 2025	40,000	-	(311)		39,689
5 November 2025	25,000	-	(282)		24,718
27 November 2025	15,000	-	(197)		14,803
3 December 2025	5,000	-	(69)		4,931
Total NZD Bills	996,000	-	(3,841)	-	992,159
Total debt securities issued at amortised cost	24,423,392	(639,911)	151,685	(289,470)	23,645,696

15. Debt securities issued at fair value through income statement

Unaudited as at 31 December 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
	Euro Commercial Paper	1,076,097	-	(4,724)	418

As at 30 June 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
	Euro Commercial Paper	614,538	-	(1,693)	232

16. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2025, \$1,400 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
15 April 2027	20,597	-
15 May 2028	43,942	5,769
15 May 2030	123,586	112,942
15 May 2031	17,309	-
14 May 2032	87,060	132,314
14 April 2033	33,041	25,928
15 May 2035	51,133	-
15 April 2037	7,482	64,803
	384,150	341,756

17. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 5% for loans issued from 1 July 2024. Prior to this date, the fixed percentage was 2.5% for loans issued from 1 July 2020, and 1.6% for loans issued prior to this date.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

18. Other liabilities

As at 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Lease liability	394	255
Accruals	3,117	2,618
Total other liabilities	3,511	2,873

Capital and dividends

19. Share capital

As at 31 December 2025, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

20. Shareholder information

Registered holders of equity securities	Unaudited as at 31 December 2025		Audited as at 30 June 2025	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames – Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

21. Reconciliation of net profit to net cash flow from operating activities

For the six months ended 31 December 2025 in \$000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Net profit/(loss) for the period	16,360	18,994
Cash applied to loans	(1,196,984)	(2,119,168)
Non-cash adjustments		
Financial instrument amortisation	15,769	6,189
Working capital movements	(259)	(115)
Net Cash From Operating Activities	(1,165,114)	(2,094,100)

22. Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 11, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 17. The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is a derivatives counterparty.

Directory

Rārangi tauwaea

Postal address

P.O. Box 5704, Lambton Quay
Wellington 6145

Phone

+64 4 974 6530

Office hours

Monday – Friday, 9am to 5pm
Except Public Holidays

General enquiries

lgfa@lgfa.co.nz

Staff e-mail addresses

firstname.lastname@
lgfa.co.nz

Wellington

Registered office
Level 11
City Chambers
142 Featherston Street
Wellington 6011
(entrance on Johnston Street)



Auckland

Level 7
The Shortland Centre
55 Shortland Street
Auckland 1010







26 February 2026

Dear LGFA Stakeholder

LGFA 2025 Half Year Report

Please find attached the following link to our Half Year Report for the six-month period to December 2025.

[LGFA Half Year Report – 31 December 2025](#)

We are pleased to highlight a positive six-month period for LGFA including the following:

1. **A strong financial position.**
Net Operating Profit for the six-month period \$16.4 million was ahead of our SOI forecast of \$15.4 million and an increase of 90% on the comparable prior period. LGFA is in a strong financial position with assets of \$28.6 billion and shareholder equity of \$138.1 million as at 31 December 2025.
2. **Diversifying our funding base away from New Zealand and Australia.**
In early 2025, we successfully established a European Medium-Term Note (EMTN) Programme and, under this programme, issued a 5-year USD 500 million bond and a 9-year CHF 180 million bond over the past six months. Both issuances were hedged back into NZD at a cost of borrowing below that of our comparable NZD bond issuances.
3. **Bond Repurchase Programme.**
In 2025, we launched our NZD Bond Repurchase Programme, conducting weekly repurchase tenders of the April 2026 LGFA Bond. This initiative enhances our liquidity management, reduces refinancing risk, and provides additional support to the secondary market for our bonds. During the six months ended 31 December 2025, we repurchased \$227 million of the April 2026 LGFA bond.
4. **Working with our stakeholders.**
We continue to support the local government sector regarding the implementation of Local Water Done Well and work closely with councils and CCO members to promote sustainability initiatives. We are also improving operational efficiency for members by reducing Section 118 Certificate requirements, with legislation currently before Parliament. We have also implemented a change to allow borrowers to issue a single Global Security Stock Certificate rather than updating it for each borrowing.

New Zealand Local Government Funding Agency Limited
Auckland Level 7, The Shortland Centre, 55 Shortland Street
Wellington Level 11, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530
lgfa.co.nz

We have met or on track to meet nineteen out of the twenty-one performance targets as set out in the Statement of Intent.

To achieve the above, we require the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

A handwritten signature in black ink, appearing to read 'Mark Butcher', with a stylized flourish extending to the right.

Mark Butcher
Chief Executive

7.7 LOCAL GOVERNMENT FUNDING AGENCY LIMITED - DRAFT STATEMENT OF INTENT 2026-2029

Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Leonie Rae, Chief Executive Officer
Report Number:	RCN26-04-4

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

- 1.1 To provide an update and receive any Council feedback on the Local Government Funding Agency draft Statement of Intent 2026-2029.

2. Summary / Te Tuhinga Whakarāpotō

- 2.1 On 29 November 2024, the Local Government Funding Agency Shareholder Council sent its Letter of Expectations for 2025-2028 to the Local Government Funding Agency (LGFA) (**Attachment 1**).
- 2.2 The draft Statement of Intent (SOI) for 2026-2029 has now been received (**Attachment 2**) with a letter from Mark Butcher, Chief Executive, LGFA dated 27 February 2026, addressing Shareholder Expectations and the draft SOI (**Attachment 3**).
- 2.3 The draft SOI continues the LGFA transition to providing a more flexible and sustainable lending programme to councils.
- 2.4 Key points from the draft SOI are set out in Section 4 of this report.
- 2.5 The Shareholders' Council will meet prior to the final Statement of Intent being adopted to provide feedback to the LGFA. As a member of the Shareholders' Council, our participation in this process is encouraged. Any Council feedback can be provided to the Chief Executive Officer who is the Council's representative on the LGFA Shareholders' Council.
- 2.6 Comments and feedback on the draft SOI are due by 1 May 2026. The final SOI will be provided to Shareholders by 30 June 2026.
- 2.7 Staff recommend that the Council agrees to the draft Statement of Intent and acknowledges that the Local Government Funding Agency Shareholders' Council will provide feedback (if any) on the draft Statement of Intent on behalf of all the Shareholding Councils.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

- receives the Local Government Funding Agency Limited - Draft Statement of Intent 2026-2029 report RCN26-04-4; and
- receives the Local Government Funding Agency's draft Statement of Intent 2026-2029 (**Attachment 2** to the agenda report); and
- agrees to the Local Government Funding Agency's draft Statement of Intent 2026-2029, (**Attachment 2** to the agenda report); and

4. notes the Local Government Funding Agency Shareholders' Council will provide feedback (if any) on the draft Statement of Intent on behalf of Shareholding Councils' and
5. receives the letter from the Chief Executive, Local Government Funding Agency, dated 27 February 2026, (Attachment 3 to the agenda report).

4. Background / Horopaki

- 4.1 This is a routine annual report on the LGFA draft Statement of Intent. Formerly the Chief Financial Officer and now the Chief Executive Officer engages regularly with the LGFA and participates on their Shareholders Council.
- 4.2 The LGFA Shareholders Council, on behalf of shareholders, presented a Statement of Expectations for 2025-2028 to the Company on 29 November 2024 (**Attachment 1**). The Statement of Expectations covers areas of focus the Shareholders Council wishes the Company to consider in developing its draft Statement of Intent.
- 4.3 We have received the LGFA draft Statement of Intent (SOI) for the 2026-2029 years (**Attachment 2**) and accompanying letter from the Chief Executive (**Attachment 3**).
- 4.4 The Shareholders' Council (SC) will meet again prior to the final SOI being received and will provide further feedback if necessary. We are encouraged, as a Council member of the Shareholder Council, to participate in this process.
- 4.5 Tasman District Council is a Foundation Shareholder in the LGFA. Dividends from the LGFA are used to reduce our overall borrowing costs. We are also a party to the Cross Guarantee. Being a party to the Guarantee is a requirement for councils borrowing more than \$20 million from the LGFA. The Cross Guarantee covers the LGFA as a whole not individual council borrowers.
- 4.6 The LGFA continues to focus on delivering strong results for shareholders and other council borrowers.
- 4.7 Staff concur with the following points regarding the draft 2026-2029 SOI, that have been provided by the LGFA in their cover letter dated 27 February 2026:

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

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

LGFA is focused on:

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management, and
- Ensuring we have the correct governance framework and capital structure in place.

For guarantors LGFA is focused on:

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate, and funding risk.

The following points regarding the draft SOI 2026-29 are worth noting:

- This draft SOI, including financial forecasts covers the financial years 2026-27 (FY27), 2027-28 (FY28) and 2028-29 (FY29).
- The SOI forecasts assume that LGFA will commence lending to water CCOs in FY 27 as the Local Water Done Well Programme is implemented. There is however a high level of uncertainty regarding the amount and timing of lending to the water CCOs.
- Profitability is expected to be strong with projections for Net Profit of \$27.2 million, \$24.5 million, and \$24.6 million over the three years. However, we remain cautious in placing too much emphasis on the second year (FY28) and third year (FY29) forecasts given we have \$9.3 billion of LGFA bonds and \$12.2 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of loan refinancing and interest rates have a material impact on financial projections.
- We are assuming gross bond issuance of \$4.66 billion (FY27), \$5.02 billion (FY28) and \$5.01 billion (FY29) based on council gross borrowing of \$5.16 billion (FY27), \$5.73 billion (FY28) and \$5.84 billion (FY29).
- Issuance and operating expenses including Approved Issuer Levy (AIL) are forecast to be approximately \$3.2 million higher in FY27 and \$2.9 million higher in FY28 compared to the previous SOI. This is due to increased AIL paid to the New Zealand Government on our increased foreign currency issuance, as well as increased operating costs to accommodate expected growth in the business.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting the financial targets, and monitoring the credit quality of the sector.

4.8 Questions or comments to the LGFA or the Shareholder Council are required by 1 May 2026 and the LGFA Board will consider any feedback received and provide a final version of the SOI to Shareholders by 30 June 2026.

5. Analysis and Advice / Tātāritanga me ngā tohutohu

- 5.1 This is a relatively routine decision The LGFA Shareholders Council represents shareholders interest and coordinates the responses to the board and management of the LGFA. The Councils Chief Executive will communicate any feedback from the Council to the LGFA shareholders council at their next meeting.
- 5.2 The Council can rely on the shareholders councils work to prepare the SOI and to respond to the draft SOI.
- 5.3 There are no matters of concern that the CEO needs to bring to your attention outside of the increase in the lending risk profile of the LGFA as it starts to lend to Local Waer Done Well (LWDW) In-House Business Units (IHBU). That lending requires significant oversight and has to be ringfenced and kept separate to other Council funding sources and is also guaranteed by the LWDW IHBU parent councils. The Council will need to continue to factor into its Financial Strategy any guarantee or uncalled capital in relation to a LWDW entity if one is formed covering the district.

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

- 6.1 There are no budgetary or financial implications in providing feedback on the draft Statement of Intent. The cost of preparing this report and managing the SOI process are provided for in the existing Finance department budgets, and Office of the Chief Executive Officer budgets.

- 6.2 The Council's travel and accommodation costs in relation to our participation on the LGFA Shareholders Council are covered by the LGFA.

7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option	Advantage	Disadvantage
<p>1. Option 1 (recommended) – to accept the draft SOI and advise the LGFA (and the LGFA Shareholders Council) that the Council has no specific changes it wishes them to make.</p>	<p>The Council, through its representation by the Chief Executive Officer on the LGFA Shareholders Council, already has input into the draft SOI process.</p>	<p>There may be matters of concern or emphasis that the Council wishes to pursue with the LGFA Board and management.</p>
<p>2. Option 2 – to refer matters of concern regarding the draft SOI to the LGFA Shareholders Council with commentary on areas of the SOI that the Council believes need attention, prior to reconsideration of the final SOI by the Council.</p>	<p>The Council, through its representation by the Chief Executive Officer on the LGFA Shareholders Council, already has input into the draft SOI process.</p> <p>By itself, the Council cannot effect any change to the draft SOI.</p> <p>Providing feedback would allow that to be considered alongside other Shareholding Council's views.</p>	<p>A decision not to support the draft SOI, as negotiated between the Shareholders Council and the LGFA, would result in some difficulties given the role of the Shareholders Council.</p> <p>Changes would be managed through the Shareholders Council, and they would require the agreement of both the LGFA and the majority of shareholders.</p>
<p>3. Option 3 – To formally refer the SOI back to the LGFA Board with comments on the areas of the SOI that need attention prior to reconsideration of the final SOI by the Council.</p>	<p>This is a legal option, and the Council may choose to engage directly with the Board.</p>	<p>By itself, the Council cannot effect any change to the draft SOI.</p> <p>Any changes would still need to be managed through the Shareholders Council as they would require the agreement of both the LGFA and the majority of shareholders.</p>

- 7.2 Option 1, to accept the draft SOI and advise the LGFA (and the LGFA Shareholders Council) that the Council has no specific changes it wishes them to consider in drafting the final SOI, is recommended.

8. Legal / Ngā ture

- 8.1 The LGFA must have an SOI that complies with Clauses 7 to 10 of Schedule 8 of the Local Government Act 2002 (LGA). The draft SOI complies with these legal requirements.
- 8.2 The Statement of Intent must not be inconsistent with the Company's (LGFA) constitution.

- 8.3 Draft SOIs must be delivered to Shareholding Councils on or before 1 March each year. Shareholders may extend this deadline for a period or periods up to one calendar month.
- 8.4 The LGA Schedule 8 (2) requires the Board to consider any comments on the draft SOI that are made to it by the first of May and deliver a completed SOI to Shareholders on or before 30 June each year. This is managed through the LGFA Shareholders' Council.
- 8.5 Section 65 (2) of the LGA requires the Council (as a Shareholder) as soon as practicable after receiving an SOI 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.
- 8.6 Clause 6 of Schedule 8 to the LGA allows shareholder to impose certain SOI provisions on the company. Such a course of action would require shareholders to agree on the changes to be imposed.
- 8.7 Section 64 (9) of the LGA requires each Shareholding Local Authority to publish the **adopted** Statement of Intent on an internet site maintained by or on behalf of the local authority within one month of adopting it and it must maintain the statement on that site for no less than seven years.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

- 9.1 No engagement with wider iwi has taken place on this routine matter.

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

- 10.1 This is a routine matter, and the significance of this report is assessed as low and no special engagement with the community is required.
- 10.2 The draft LGFA Statement of Intent is also available to the public on the LGFA website (<https://www.lgfa.co.nz>) for those members of the community with a particular interest.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	No - low	
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	No - low	
3.	Is there a significant impact arising from duration of the effects from the decision?	No - low	
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Yes – low	The Council's investment in the LGFA is considered a strategic asset. This decision does not impact that investment.
5.	Does the decision create a substantial change in the level of service provided by Council?	No - low	
6.	Does the proposal, activity or decision substantially affect debt, rates or Council	No - low	

	Issue	Level of Significance	Explanation of Assessment
	finances in any one year or more of the LTP?		
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No - low	
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 - low	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No - low	
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 - low	

11. Communication / Whakawhitiwhiti Kōrero

11.1 The draft SOI or a link to it will be made available on the Council's website. This decision is considered routine and of low public interest.

12. Risks / Ngā Tūraru

12.1 There is no identified change in risks or benefits associated with the LGFA operations and this draft SOI. The company has provided the half yearly report to the Council. This covered financial, and non-financial performance measures. There are no matters that require the attention of the Council. The Half Year Report is covered in a separate staff report to this meeting.

12.2 There is a risk that the relationship between the Shareholder Councils and the LGFA could be significantly damaged if there is a failure of this Council and the LGFA Shareholders Council to agree on the 2026-2029 LGFA SOI.

12.3 As the LGFA has the Crown and other councils as shareholders, the shareholder interactions are managed through the LGFA Shareholders Council. The Council will need to consider the views and preferences of the LGFA Shareholders Council and its members in any decision to provide direct feedback to the LGFA.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 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 Decisions on Statements of Intent are a Council matter.

15. Conclusion / Kupu Whakatepe

15.1 The draft SOI provides for the status quo in terms of direction and approach by the LGFA. In the draft SOI, the LGFA has met the expectations of the Shareholders' Council. The staff recommendation is for Tasman District Council to agree to the draft SOI.







16. Next Steps and Timeline / Ngā Mahi Whai Ake

16.1 The members' responses to the SOI will be reviewed by the LGFA Shareholders' Council at its next scheduled meeting.

16.2 The final SOI will be received by Shareholders by 30 June 2026.

16.3 A link to the draft SOI will be placed on the Tasman District Council's website.

17. Attachments / Tuhinga tāpiri

1.  	Local Government Funding Agency Shareholder Council letter of expectations	156
2.  	Local Government Funding Agency draft Statement of Intent 2026-2029	158
3.  	Local Government Funding Agency Letter to accompany draft Statement of Intent	171



29 November 2024

Craig Stobo
 Chair
 New Zealand Local Government Funding Agency Ltd
 P O Box 5704
 Wellington 6145

Dear Craig,

Shareholder Expectations for 2025-28

This letter sets out the Shareholders' Council's (the Council's) expectations of the Local Government Funding Agency (LGFA) Board for the 2025/26 financial year. As you undertake your business planning ahead of developing the Statement of Intent (SOI) for 2025-28, please reflect the expectations in this letter as you consider appropriate.

The Council values its positive and open working relationship with LGFA, and the on-going success of your key role of providing flexible and reliable funding to the sector, supported by a credit rating equal to the Crown. We also appreciate your on-going communication efforts, including the annual Borrower's Day and stakeholder survey, and the quarterly Update webinars.

The Government has stated its intention to reset the local government system, including impending changes to the Local Government Act 2002 which aim to "refocus local government on providing good-quality core services and infrastructure in a manner that is most cost-effective for ratepayers". At the same time, Standard & Poor's has published its concerns about the sector's institutional settings and planned borrowing levels. LGFA can prepare for these environmental factors by reviewing existing work programmes, and ensuring it remains focussed on its core activities.

Governance and succession

The Council acknowledges the work LGFA is undertaking to develop robust succession plans for its staff and directors. We look forward to being updated on your Board succession plan once it is completed, including:

- the intended limit on director tenure; and
- the approach to retaining institutional knowledge on the Board while at the same time refreshing its membership's perspectives and skills.

Where shareholders are asked to vote on director appointments at the AGM each year, we would like you to highlight how candidates meet the characteristics of your Board skills & experience matrix, and to clarify their other work commitments and time available to dedicate to the governance tasks required of LGFA board members.

New Zealand Local Government Funding Agency Limited
 Auckland Level 7, The Shortland Centre, 55 Shortland Street
 Wellington Level 11, City Chambers, 142 Featherston Street
 PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530
lgfa.co.nz



Board remuneration

The Council acknowledges the importance of LGFA directors being fairly remunerated for the work that they undertake and risks they bear. However, we request that you do not lose sight of the element of public service that should legitimately be imputed into the remuneration calculations.

We would like the two-yearly Board fees review to be underpinned by robust analysis that takes into account reasonable benchmarks. You could consider whether the time is right to change your advisor to bring some fresh perspectives.

Rising costs of lending

The Council understands that a material driver of LGFA's increased lending margin and Borrower Note requirements in 2024/25 is the maturity mis-match between your bond issuance and your loans to councils. We would like you to consider what actions you might be able to take to reduce this cost pressure, for example by investigating options to incentivise councils to lengthen the average term of their borrowings.

Local Water Done Well reforms

The Council appreciates LGFA's efforts to engage with local and central government agencies to assist with the analysis of potential costs, risks, benefits, and opportunities as progress on water reforms is achieved. We expect that your involvement will reflect shareholders' relatively low risk appetite – including:

- undertaking appropriate additional due diligence when considering higher loan limits to "high growth" councils (for example, around average rates charges and development contributions revenues);
- developing and implementing appropriate bespoke lending criteria and covenants for "high growth" councils and water CCOs; and
- ensuring that your total lending to "high growth" councils and water CCOs does not exceed a prudent proportion of your total lending portfolio, and reporting this to shareholders.

Climate change

The Council would like LGFA to include in its SOI a clear statement of its emissions reduction target, and pathways towards meeting it.

The Council looks forward to discussing the content of this letter and LGFA's priorities for 2025/26.

Yours sincerely,

Kathryn Sharplin

Chair

LGFA Shareholders' Council

cc. Mark Butcher, Chief Executive LGFA





2026 – 2029

Statement of Intent (Draft)



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 2026 to 30 June 2029.

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 hapori mā te whakarato pūtea tōtika ki ngā kaunihera.



Cover: The Amberley Beach Proactive Relocation Project. **Murunui District Council**

Above: Papa Rererangi i Pukatapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**

4. Our values Ō mātau uara

<p>We act with integrity</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>We are customer focused</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>We strive for excellence</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>We provide leadership</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>We are innovative</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.



Upgrading of the seawall at The Strand. Tauranga City Council

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2026-2029.

The financial performance targets are focused on the 2026-2027 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	2026-2027 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 2027.	>\$48.8 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2027.	<13.3 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	2026-2027 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	2026-2027 target
Health and Safety.	No notifiable incidents.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.
Develop a LGFA carbon management policy.	LGFA carbon management policy completed.
Increase our GS lending book and Climate Action Loans.	Two new GS loans undertaken and two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector.	The new sustainable financing product is utilised by water entities.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.

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	2026-2027 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.	<p>Report on actions undertaken and progress made on sector issues.</p> <p>Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.</p> <p>Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.</p> <p>Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.</p>
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	2026-2027 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.



The Amberley Beach Proactive Relocation Project. Hurunui District Council

8. Financial forecasts

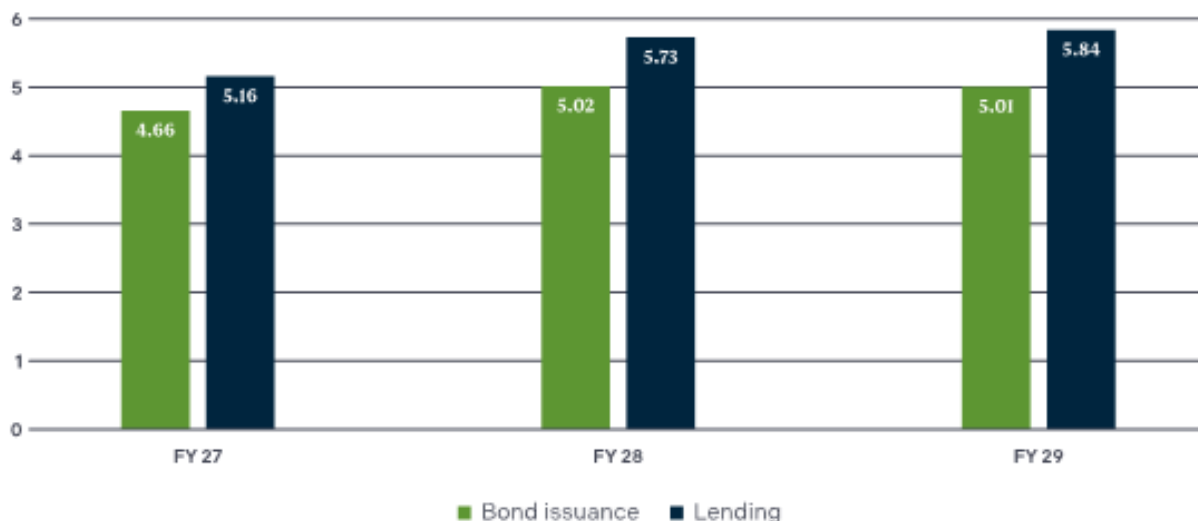
LGFA's financial forecasts for the three years to 30 June 2029:

Summary comprehensive income \$m	Jun 27	Jun 28	Jun 29
Net interest income	46.9	45.9	47.9
Other operating income	1.9	1.9	1.9
Total income	48.8	47.8	49.8
Operating expenses ¹	21.6	23.3	25.2
Net profit	27.2	24.5	24.6
Financial position \$m	Jun 27	Jun 28	Jun 29
Liquid assets portfolio	5,042	5,279	6,791
Loans	25,134	26,463	26,748
Other assets	-	-	-
Total assets	30,176	31,742	33,539
NZD bonds on issue (ex Treasury stock)	17,000	17,726	18,434
FCY bonds on issue	10,242	10,779	11,952
Bills & ECP on issue	1,844	1,844	1,844
Borrower notes	879	1,030	1,139
Other liabilities	-	-	-
Total liabilities	29,965	31,378	33,368
Capital	25	25	25
Retained earnings	166	189	212
Dividend	(2)	(2)	(2)
Shareholder equity	189	212	235
Ratios	Jun 27	Jun 28	Jun 29
Liquid assets/funding liabilities	17.9%	17.9%	21.5%
Liquid assets / total assets	16.7%	16.6%	20.2%
Net interest margin	0.19%	0.17%	0.18%
Cost to income ratio	44.3%	48.7%	50.6%
Return on average assets	0.09%	0.08%	0.07%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	3.5%	3.9%	4.1%
Asset growth	9.4%	5.2%	5.7%
Loan growth	5.9%	5.3%	1.1%
Return on equity	16.6%	13.0%	11.6%
Capital ratio	17.7%	19.6%	20.5%

1. Operating Expenses include Approved Issuer Levy (AIL)

The following graph shows the volumes for the assumed bond issuance programme and lending to councils over the forecast period.

Forecast gross issuance and lending volumes over 3-year period (\$billion)



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. A Statement of accounting policies is attached to this SOI.

[Not included in draft. To be included in final release version]



27 February 2026

Dear Shareholder

Draft Statement of Intent 2026-2029

Please find attached a copy of our draft Statement of Intent (SOI) for 2026-2029.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

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

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

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management, and
- Ensuring we have the correct governance framework and capital structure in place.

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate, and funding risk.

The following points regarding the draft SOI 2026-29 are worth noting:

- This draft SOI, including financial forecasts covers the financial years 2026-29 (FY27), 2027-28 (FY27) and 2028-29 (FY29).
- The SOI forecasts assume that LGFA will commence lending to water CCOs in FY 27 as the Local Water Done Well Programme is implemented. There is however a high level of uncertainty regarding the amount and timing of lending to the water CCOs.
- Profitability is expected to be strong with projections for Net Profit of \$27.2 million, \$24.5 million, and \$24.6 million over the three years. However, we remain cautious in placing too much emphasis on the second year (FY28) and third year (FY29) forecasts given we have \$9.3 billion of LGFA bonds and \$12.2 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of loan refinancing and interest rates have a material impact on financial projections.

New Zealand Local Government Funding Agency Limited
Auckland Level 7, The Shortland Centre, 55 Shortland Street
Wellington Level 11, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530
lgfa.co.nz

- We are assuming gross bond issuance of \$4.66 billion (FY27), \$5.02 billion (FY28) and \$5.01 billion (FY29) based on council gross borrowing of \$5.16 billion (FY27), \$5.73 billion (FY28) and \$5.84 billion (FY29).
- Issuance and operating expenses including Approved Issuer Levy (AIL) are forecast to be approximately \$3.2 million higher in FY27 and \$2.9 million higher in FY28 compared to the previous SOI. This is due to increased AIL paid to the New Zealand Government on our increased foreign currency issuance, as well as increased operating costs to accommodate expected growth in the business.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting the financial targets, and monitoring the credit quality of the sector.

If you have any questions or wish to provide comments by 1 May 2026 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2026.

Yours sincerely



Mark Butcher
Chief Executive

7.8 WAIMEA WATER LIMITED- MID YEAR REPORT 31 DECEMBER 2025**Information Only - No Decision Required**

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Matthew McGlinchey, Financial Strategy & Planning Manager
Report Authorisers:	Sue McLean, Kaiwhakahaere ā Rōpū – Te Pae Rautaki Ahumoni Group Manager - Strategy & Finance
Report Number:	RCN26-04-6

1. Summary / Te Tuhinga Whakarāpotō

- 1.1 The Waimea Water Ltd (WWL) Mid-Year Report to Shareholders for the six months ended 31 December 2025 was delivered on 27 February 2026. The Mid-Year Report is attached as **Attachment 1**.
- 1.2 The Mid-Year Report was published on the WWL website on Friday 27 February 2026 and is available to the public.
- 1.3 The report includes information and commentary on results for the six month period ending 31 December 2025. With comparisons to the same period last year and the final 2025 results.
- 1.4 During the first half of the year the Company completed the Dam's construction and the transition to operations were also largely completed.
- 1.5 The report provides an update on the second set of core objectives for the July 2025 to June 2026 period of the current Statement of Intent (SOI) relating to post construction activities, as well as the second set of core objectives, relating to the ongoing development and implementation of the operations functions.
- 1.6 WWL representatives will be attending this Council meeting to present an update. It is recommended that the Mayor and Councillors take advantage of that opportunity to ask the Company any questions they may have in relation to this Mid-Year Report or the draft 2026-2027 draft Statement of Intent.
- 1.7 The Shareholders' Agreement requires preparation of the Plan and Budget each year for approval of the budget as a Shareholder reserves matter.
- 1.8 There are no new matters reported that staff need to bring to the Councils' attention.

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

- 1. receives the Waimea Water Limited- Mid Year Report 31 December 2025 report RCN26-04-6; and**
- 2. notes the receipt of the Mid-Year Report for the period ended 31 December 2025 from Waimea Water Limited; and**

- 3. notes the Waimea Water Limited Mid-Year Report (or a link to the report) will be published on the Council’s website within seven (7) days of this meeting.**

3. Purpose of Report

- 3.1 To formally receive the Waimea Water Ltd Mid-Year Report for the period ended 31 December 2025.

4. Background and Discussion

- 4.1 WWL is required under the terms of its Statement of Intent (and Section 66 of the Local Government Act 2002) to provide mid-year reports to shareholders. These reports are also made available to the public via both the Council and the WWL websites.
- 4.2 The report provides the WWL’s performance against its objectives for post construction activity along with the development and implementation of the WWL’s operations functions.

The report provides information regarding:

- 4.3 An update on the SOI objectives to close out the deferred project works as detailed in Section 3 (pages 4-5).
- 4.4 A commentary on the SOI objectives of development and implementation operation functions is provided in Section 5 (pages 6-7)
- 4.5 Reporting against the performance targets are provided, in detail, in a table on Page 8. All objectives and outcomes are closed out, completed, or are on track.
- 4.6 The Financial Statements (unaudited accounts) for the period ending 31 December 2025 are contained at the back of the Report. There are no financial matters to bring to the Council’s attention.

5. December Company Update to Council

- 5.1 WWL will be present at this meeting, to provide the required mid-year update.

6. Next Step | Timeline

- 6.1 Staff will provide a link to the WWL Mid-Year Report on the Council’s website within seven days of this meeting.

7. Attachments / Tuhinga tāpiri

1.   WWL Mid Year Report December 2025

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Mid Year Report

1 July 2025 – 31 December 2025





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Figure 1 Looking up at the spillway stairs



1. Introduction

This Mid Year Report is presented by the Directors of Waimea Water Limited (WWL), in accordance with Section 66 of the Local Government Act 2002. Established in December 2018, WWL is a Council Controlled Organisation under Section 6 of the Local Government Act 2002.

The purpose of this document is to provide shareholders with a brief unaudited report containing information and commentary on results for the six-month period ending 31 December 2025. It includes updates on;

1. The first set of core objectives for the Jul 2025 – Jun 2026 period of the current Statement of Intent (Sol) relating to finalising deferred construction activities.
2. The second set of core objectives, relating to the ongoing development and implementation of operations functions for the first important years of operations.

2. Glossary

This section summarises abbreviations / terms used in this document.

Abbreviation	Definition
CRMS	Corporate Risk Management System
DSMS	Dam Safety Management System
EAP	Emergency Action Plan
KPI	Key Performance Indicator
NZSOLD	New Society of Large Dams
OMM	Operations and Maintenance Manual
SOI	Statement of Intent
WWL	Waimea Water Ltd



3. Deferred project works

This section provides updates on Sol objectives to complete project works deferred or delayed due to constraints beyond control of the project team.

3.1. 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.

Update

All remaining works are complete or on track for completion.

- The site office renewable power system (solar) is fully commissioned and generating power.
- The control system renewable power system (microhydro) has been slower to commission than expected and completion is now expected in 2026 calendar Q1.
- The final access bridge has been fully commissioned, and the culvert monorail installed. (Remaining earthworks have been deferred.)

3.2. 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.

Update

Work to resolve known defects is ongoing.

Ongoing monitoring and targeted inspection of SP2 works continues, to identify any additional defects arising during the remainder of the notification period.



Figure 2 Elvers ready for release upstream

3.3. Consider long-term fish trap-and-transfer infrastructure

Some 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.

Update

The upward migration fish trap and transfer prototype has been hugely successful with record numbers of elvers transferred upstream in November and December. Building on this success, alternative designs that target other species (Koaro and Redfin Bully) will be trialled in 2026-27.

Monitoring and trapping for downward migration is on track for completion in Q3 (Feb-Apr).



4. Developing new operations

This section provides updates on Sol objectives to develop and implement new operations systems and processes.

4.1. 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.

Update

WWL's Dam Safety Management System (DSMS) is in place and being complied with. Routine surveillance is being completed on schedule. The Annual Dam Compliance Certificate was received in and accepted by the regulator in December.

No issues requiring significant or urgent action have been identified.

4.2. 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

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

Update

WWL continues to review and comply with its Health, Safety and Wellbeing Management System (HSWMS).

A Computerised Maintenance Management System is now live, and Operations and Maintenance Manual (OMM) matters continue to be complied with. The OMM will be incrementally improved and supplemented by the Asset Management Plan currently in development.

Environmental monitoring and biodiversity offset programmes continue to address resource consents and activities associated with these systems are being completed on schedule.

4.3. 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.

Update

Water resources are being actively managed. All discharges have been in accordance with agreed plans.



Water quality monitoring has been completed on schedule. Minor water quality issues (exceedance of Water Clarity and DO targets) are being closely monitored and reported in accordance with the resource consent. No significant issues are expected to arise.

4.4. 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.

Update

Costs and funding continue to be managed in accordance with the Company Constitution and best practice. Corporate reporting obligations have been delivered on time and schedule. The Audit of 2024-25 was completed with an unqualified opinion.



Figure 3 The Waterfall Creek section of the reservoir, Te Kurawai o Pūhanga



5. Performance targets

This section summarises progress against Sol targets.

Objective / outcomes	KPI to 30 June 2026	Update to 31 Dec 2025
Complete deferred commissioning works		
Commissioning of onsite power systems	Completed	Solar complete, Hydropower in progress
Commission final access arrangement (including Anslow's Bridge)	Completed	Bridge commissioned Earthworks deferred
Complete the defects period		
Defects identified and addressed (register)	Completed	On track to complete
Trap and transfer infrastructure		
Test infrastructure	Completed	Initial tests very successful
Dam safety compliance		
DSMS	no material non conformances	no material non conformances
Annual Dam Compliance Certificate	Submitted	Submitted
Annual test and review of EAP	Completed	Scheduled Q4
Dam operations plans		
HSWMS review and verification	Complete	In progress
Implement asset management system	Complete	In progress
OMM	no material non conformances	no material non conformances
Biodiversity Management Plan	no material non conformances	no material non conformances
Water management plans		
Reservoir release plans	no material non conformances	no material non conformances
Reservoir and River WQPs	no material non conformances	no material non conformances
Corporate activities		
Funding agreements	no material non conformances	no material non conformances
Shareholder reporting	no material non conformances	no material non conformances
Audit	Unqualified opinion	On track to complete
CRMS	no material non conformances	no material non conformances



6.Capital requirements

This section provides updates on adequacy of working capital levels and provisions for upcoming capital requirements, as required by the Shareholders' Agreement.

Update

At the end of December 2025 working capital was \$748k, adequate for all operations cash flows in advance of shareholders paying March 2026 quarter water charges. There are no significant upcoming capital requirements. The cash provision for longer-range future capital requirements at Dec 2025 is \$120k.



7.Unaudited accounts

Waimea Water Limited

Financial Statements
For the period ended 31 December 2025



draft unaudited 20 Feb 2026

Waimea Water Limited

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draft unaudited 20 Feb 2026

Statement of Comprehensive Revenue and Expense

For the period ended 31 December 2025

	Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Water charges income	1	3,611	3,753	6,760
<i>Operating expenses</i>				
Project costs	2	-	-	-
Dam operations	3	390	205	727
Employee costs		481	438	945
Depreciation and impairment	4	1,664	1,600	3,277
Other administrative expenses	5	689	696	1,637
Operating expenses		3,224	2,939	6,586
Finance income	6	8	32	44
Finance costs	6	(1,905)	(1,730)	(4,237)
Surplus / (Deficit) before taxation		(1,510)	(884)	(4,019)
Income tax expense	13	-	-	-
Surplus / (Deficit) after tax		(1,510)	(884)	(4,019)

Statement of Changes in Net Assets

For the period ended 31 December 2025

	Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Opening retained earnings		(7,924)	(3,905)	(3,905)
Total surplus (deficit) for the period		(1,510)	(884)	(4,019)
Retained earnings as at period end		(9,434)	(4,789)	(7,924)
Equity contributed for low interest rate loans		5,579	5,579	5,579
Opening share capital		102,763	97,209	97,209
Movement for the period		-	5,554	5,554
Share capital as at period end	7	102,763	102,763	102,763
Closing equity at period end		98,908	103,553	100,418

Statement of Financial Position

As at 31 December 2025

	Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Assets				
<i>Current</i>				
Cash And Cash Equivalents	8	2,052	3,286	800
Receivables From Exchange Transactions	9	212	202	615
Receivables From Non-Exchange Transactions	10	1	544	89
Total Current Assets		2,265	4,032	1,504
<i>Non-Current</i>				
Receivables From Exchange Transactions	11	840	-	130
Property, Plant And Equipment	12	198,179	200,157	199,641
Deferred Tax Asset	13	-	-	-
Total Non-Current Assets		199,019	200,157	199,771
Total Assets		201,284	204,189	201,275
Liabilities				
<i>Current</i>				
Payables Under Exchange Transactions	14	1,485	5,154	909
Employee Entitlements	15	33	118	29
Total Current Liabilities		1,518	5,272	938
<i>Non-Current</i>				
Loans And Borrowings	18	100,858	95,364	99,919
Total Non-Current Liabilities		100,858	95,364	99,919
Total Liabilities		102,376	100,636	100,857
Net Assets		98,908	103,553	100,418
Equity				
Equity Contributions	7	102,763	102,763	102,763
Equity contributed for low interest rate loans		5,579	5,579	5,579
Accumulated Funds		(9,434)	(4,789)	(7,924)
Total Equity		98,908	103,553	100,418

Statement of Cash Flows

For the period ended 31 December 2025

Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
<i>Cash flow from operating activities</i>			
Water charges income	3,595	4,046	7,493
Payments to suppliers	(1,378)	(1,518)	(3,902)
Payments to employees	(429)	(609)	(1,160)
Other	-	-	-
Net cash from/(used in) operating activities	1,788	1,919	2,431
<i>Cash flow from investing activities</i>			
Purchase of property, plant and equipment	(245)	(12,638)	(17,237)
Purchase of financial assets	-	-	-
Net cash from/(used in) investing activities	(245)	(12,638)	(17,237)
<i>Cash flow from financing activities</i>			
Proceeds from equity	-	5,555	5,555
Proceeds from sale of financial assets	-	-	-
Net proceeds from borrowings	541	5,546	9,676
Interest received	8	32	44
Interest paid on borrowings	(840)	(1,620)	(4,161)
Net cash from/(used in) financing activities	(291)	9,513	11,114
Net increase/(decrease) in cash and cash equivalents	1,252	(1,206)	(3,692)
Cash and cash equivalents, beginning of the year	800	4,492	4,492
Cash and cash equivalents at end of the year	2,052	3,286	800

Notes to the financial statements

A Reporting entity

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

These draft unaudited financial statements were authorised for issue by the Board of Directors on 20 February 2026.

B Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which include 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 30th June.

The financial statements have been 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

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

(c) Functional and presentation currency

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

(d) Comparatives

Comparative financial periods are the same period in the prior financial year or the last financial year end.

Comparatives may have been reclassified from that reported in earlier financial statements where appropriate to ensure consistency with the expanded presentation of the current year's position and performance.

(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.

C 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. Areas of judgement in preparing financial statements are set out below. These are assessed by Management as part of the reporting process and included within the accounts. The principal areas of judgement in financial statements for the period are described in sections (i) and (m) below.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes 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.

Notes to the financial statements

(i) Property, plant and equipment

Property, Plant & Equipment (PPE) is 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. The 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 added to the carrying amount of an item of Property, Plant and Equipment when the cost is incurred 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 assets' future economic benefits are expected to be consumed by WWL.

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

Depreciation of other assets is provided on a diminishing value basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Dam project components

Land	not depreciated
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
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)
Access control solutions	2% - 7% (SL)
Capital WiP	not applicable

Other assets

Leasehold improvements	10% (DV)
Furniture and equipment	16% - 67% (DV)
Vehicles	20% - 30% (DV)

Notes to the financial statements

(j) Impairment of non-current assets

The carrying amounts of WWL's assets are reviewed at each annual 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 and interest bearing loans receivable 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 profit or loss.

(l) Share Capital

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue. At balance date some shares may have been issued but not called up.

(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. Fair value is measured using a market equivalent rate taking into account the terms of the relevant drawdowns. Borrowing costs directly attributable to the acquisition or construction of an asset that takes greater than one year to get ready for its intended use, but not recoverable as revenue, 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 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 WWL and the revenue can be reliably measured.

Income includes the recovery of both financing and operating costs. 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.

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

(p) Expenses

Financing Costs

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

They exclude qualifying costs that are capitalised.

Notes to the financial statements

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 is 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.

1 Water charges income

	6 months Dec 2025	6 months Dec 2024	FY2025
Note	\$000	\$000	\$000

Water charges recover finance costs of loans (refer Note 18) and operating costs. Finance costs to CIIL are recovered from WIL only. Other finance costs and all operating costs are shared between TDC and WIL.

Water charges income - TDC		1,572	1,509	2,687
Water charges income - WIL		2,039	2,244	4,073
Total	20	3,611	3,753	6,760

2 Project construction costs

	6 months Dec 2025	6 months Dec 2024	FY2025
Note	\$000	\$000	\$000

The following amounts attributable to the build were passed through operational accounts:

Dam construction costs		166	771	4,362
Project services		-	1,109	1,436
WWL operations		79	2,021	2,176
Transfer costs to Capital WIP / Dam assets	12	(245)	(3,901)	(7,974)
Total		-	-	-

3 Dam operations

	6 months Dec 2025	6 months Dec 2024	FY2025
	\$000	\$000	\$000

Dam operations costs are being incurred as the project transitions from construction to operations.

Environmental monitoring		163	74	309
Dam safety		124	39	200
Dam operations		103	92	218
Total		390	205	727

4 Depreciation, amortisation and impairment expenses

		6 months Dec 2025	6 months Dec 2024	FY2025
	Note	\$000	\$000	\$000
Depreciation of property, plant and equipment	12	1,664	1,600	3,277
Total		1,664	1,600	3,277

5 Other overhead and administrative expenses

		6 months Dec 2025	6 months Dec 2024	FY2025
		\$000	\$000	\$000
Insurance		405	379	772
Rates		172	163	327
Office costs		48	23	114
Professional fees		31	24	184
Facilities costs		16	6	43
Accounting fees		16	11	26
Legal fees		1	47	67
Auditor remuneration *		-	43	104
Total		689	696	1,637

* FY25 Remuneration includes FY25 fee and additional FY24 fees.

6 Finance income and costs

		6 months Dec 2025	6 months Dec 2024	FY2025
		\$000	\$000	\$000
<i>Finance income</i>				
Interest income on cash and bank deposits		8	32	44
Total Finance income		8	32	44
<i>Finance costs</i>				
Interest expense *		(1,507)	(1,730)	(3,461)
Non-cash effective interest method expense **		(398)	-	(776)
Bank fees		-	-	-
Total Finance costs		(1,905)	(1,730)	(4,237)

* Interest expense on loans, recoverable within water charges.

** Adjustments required to recognise effective interest on below market rate loans.

7 Share Capital

9,999 shares were authorised and issued on 21 Dec 2018.

3,698 shares have been issued since.

Ordinary shares - TDC

Ordinary shares - WIL

Non-voting shares - TDC

Non-voting shares - WIL

Shares at the end of the period

	6 months Dec 2025	6 months Dec 2024	FY2025
Ordinary shares - TDC	8,636	8,636	8,636
Ordinary shares - WIL	2,978	2,978	2,978
Non-voting shares - TDC	172	172	172
Non-voting shares - WIL	1,911	1,911	1,911
Shares at the end of the period	13,697	13,697	13,697
<i>Ordinary shares have rights to vote, receive dividends, and participate in distribution on liquidation. Non-voting shares have no equivalent rights.</i>			
<i>TDC ordinary shares have a par value of \$8,718.20.</i>			
<i>TDC ordinary shares contribution*</i>	\$75,296k	\$75,296k	\$75,296k
<i>TDC contribution per ordinary share.</i>	\$8,718.90	\$8,718.90	\$8,718.90
TDC ordinary shares issued and fully paid	8,636	8,636	8,636
TDC ordinary shares issued and not fully paid	-	-	-
<i>TDC non-voting shares have a par value of \$8719.91.</i>	\$1,500k	\$1,500k	\$1,500k
<i>WIL ordinary shares have a par value of \$8,719.51.</i>			
<i>WIL ordinary shares contribution*</i>	\$25,967k	\$25,967k	\$25,967k
<i>WIL contribution per ordinary share.</i>	\$8,719.51	\$8,719.51	\$8,719.51
WIL ordinary shares issued and fully paid	2,978	2,978	2,978
WIL ordinary shares issued and not fully paid	-	-	-
<i>WIL non-voting shares have a par value of \$0.01.</i>	-	-	-
Total shares contribution	\$102,763k	\$102,763k	\$102,763k

* Contributions represent the total dollar value of shares paid up. Contribution movements are shown in note 20. TDC contributions were primarily made to provide working capital to WWL. WIL contributions were made on agreed instalments.

TDC committed to fund additional project costs. Shareholders agreed part of the additional funding would be by way of subscription for further shares with a par value of \$8,719.91. At Balance Date WWL had authorised the issue of no further shares. WWL will not authorise or issue further ordinary shares if it results in WIL holding less than 25% of total ordinary shares. No project costs require additional funding. Loans are reported in note 18.

8 Cash and cash equivalents

	6 months Dec 2025	6 months Dec 2024	FY2025
	\$000	\$000	\$000
Cash at bank and in hand	2,052	3,286	800
Total	2,052	3,286	800

9 Receivables from exchange transactions - current

		6 months Dec 2025	6 months Dec 2024	FY2025
	Note	\$000	\$000	\$000
Related party receivables	20	-	-	-
Other prepayments / receivables *		212	202	615
Total		212	202	615

* Primarily related to prepaid insurance premium.

10 Receivables from non-exchange transactions - current

		6 months Dec 2025	6 months Dec 2024	FY2025
		\$000	\$000	\$000
Trade debtors		-	-	-
Related party receivables	20	-	-	-
GST receivable		1	544	89
Total		1	544	89

11 Receivables from exchange transactions - non current

		6 months Dec 2025	6 months Dec 2024	FY2025
	Note	\$000	\$000	\$000
Related party receivables	20	840	-	130
Total		840	-	130

12 Property, plant and equipment

Note	Capital WIP \$000	Dam assets \$000	Leasehold improvements \$000	Furniture and office equip \$000	Vehicles and site equip \$000	Total \$000
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Movements for each class of property, plant and equipment are as follows:

6 months Dec 2025	<i>Gross carrying amount</i>					
	802	202,053	11	144	395	203,405
	141	104	-	-	16	261
	(663)	622			41	-
			-	-	(75)	(75)
	280	202,779	11	144	377	203,591
	<i>Accumulated depreciation and impairment</i>					
	-	(3,481)	-	(93)	(190)	(3,764)
					(5)	(5)
	4	(1,666)	(1)	(11)	14	(1,664)
					21	21
		(5,147)	(1)	(104)	(160)	(5,412)
	280	197,632	10	40	217	198,179
FY2025	<i>Gross carrying amount</i>					
	260	194,621	28	117	414	195,440
	663	7,311	11	28	105	8,118
	(121)	121				-
			(28)	(1)	(124)	(153)
	802	202,053	11	144	395	203,405
	<i>Accumulated depreciation and impairment</i>					
		(252)	(12)	(80)	(234)	(578)
	4	(3,229)	(16)	(14)	(18)	(3,277)
			28	1	62	91
		(3,481)	-	(93)	(190)	(3,764)
	802	198,572	11	51	205	199,641

13 Taxation

	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Income tax expense	-	-	-
Recognised deferred tax assets:	-	-	-
<i>Deferred tax assets are only recognised when management consider it probable that future tax profits will be available against which these assets will be utilised.</i>			
Unrecognised deferred tax assets are based on:			
Statement of Comprehensive Revenue and Expense	(1,510)	(884)	(4,019)
Temporary differences	430		580
Taxable income (deficit)	(1,080)	(884)	(3,439)
<i>Unrecognised deferred tax assets consist of:</i>			
Opening balance	(2,361)	(1,398)	(1,398)
Tax on Taxable income (deficit) above, at 28%	(302)	(248)	(963)
Total unrecognised deferred tax asset	(2,663)	(1,646)	(2,361)
Taxable loss carried forward	(9,512)	(5,877)	(8,432)

14 Payables under exchange transactions

	Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Trade creditors		186	4,073	226
Related party payables *	20	1,287	1,012	673
GST payable		-	-	-
Non trade payables and accrued expenses		12	69	10
Total		1,485	5,154	909

* Primarily finance costs on shareholder advances, insurance recovered in advance, and Director fees.

15 Employee entitlements

	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Payroll entitlements	33	118	29
Total	33	118	29

16 Commitments

The entity has no commitments contracted for at the end of the reporting period but not yet incurred.

17 Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities.

draft unaudited 20 Feb 2026

18 Loans and borrowings

	CIIL ^a	TDC ^b	TDC CIIL ^{b,c}	WIL ^d	WIL DSR ^d	Subtotal
	\$000	\$000	\$000	\$000	\$000	\$000
6 months						
Dec 2025						
Opening Nominal value	24,685	20,961	18,000	43,081	-	106,727
New loans / advances		2,299		2,891		5,190
Repayments	(149)		(4,500)			(4,649)
Closing Nominal value	24,536	23,260	13,500	45,972	-	107,268
Opening effective interest rate adjustments	(2,771)	-	(4,037)	-	-	(6,808)
New effective interest adjustments	164		234			398
Closing effective interest rate adjustments	(2,607)	-	(3,803)	-	-	(6,410)
Closing Carrying value	21,929	23,260	9,697	45,972	-	100,858
FY2025						
Opening Nominal value	24,976	18,840	18,000	35,236	350	97,402
New loans / advances		2,121		7,845		9,966
Repayments	(291)				(350)	(641)
Closing Nominal value	24,685	20,961	18,000	43,081	-	106,727
Opening effective interest rate adjustments	(3,094)		(4,489)			(7,583)
New effective interest adjustments	323		452			775
Closing effective interest rate adjustments	(2,771)	-	(4,037)	-	-	(6,808)
Closing Carrying value	21,914	20,961	13,963	43,081	-	99,919

^a WWL has financing arrangements with Crown Irrigation Investments Limited (CIIL) up to \$26,000,000 plus interest. Facilities were drawn to fund project costs, secured by a general security over present and future assets. Facilities have credit support from Tasman District Council plus guarantees from Waimea Irrigators Limited, and are repayable by 2034. Repayments have commenced. Some facilities have been provided at interest rates lower than what a market participant would pay, consistent with CIIL's investment mandate. WWL recognises the loans at fair value on initial recognition with the difference reflected as revenue and subsequent movements as amortised cost.

^b WWL has financing arrangements with TDC up to \$86,541,669, secured by a second ranking general security over present and future assets. Finance costs are recovered in line with capacity. At Balance Date \$82,731,669 has been drawn against those facilities. Remaining funds can be drawn to fund water charges payments. Facilities are repayable by 2030 or 2058 or may be converted to equity.

^c Some loan facilities have been provided by shareholders at interest rates lower than what a market participant would pay, consistent with CIIL's investment mandate. WWL recognises the loans at fair value on initial recognition with the difference reflected as a shareholder equity contribution and subsequent movements as amortised cost.

^d WIL committed to CIIL to fund \$350,000 for WWL's Debt Service Reserve commitment to CIIL. In FY24 this was funded by WIL directly. In FY25 funding was transferred to a WIL loan.

The fair value at initial recognition is sensitive to changes in the discount rate used, a 0.25% increase would result in a decrease in fair value of \$4million.

19 Financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Financial assets at amortised cost \$000	Financial liabilities at amortised cost \$000	Total \$000
6 months Dec 2025			
Financial assets			
Cash and cash equivalents	2,052		2,052
Trade debtors and other receivables	-		-
Other financial assets			-
Total Financial assets	2,052	-	2,052
Financial liabilities			
Trade creditors and other payables		61	61
Loans and borrowings *		100,858	100,858
Total Financial liabilities	-	100,919	100,919
<hr/>			
FY2025			
Financial assets			
Cash and cash equivalents	800		800
Trade debtors and other receivables			-
Other financial assets			-
Total Financial assets	800	-	800
Financial liabilities			
Trade creditors and other payables		171	171
Loans and borrowings *		99,919	99,919
Total Financial liabilities	-	100,090	100,090
<hr/>			
	6 months Dec		
<i>* Loans and borrowings</i>	2025		FY2025
<i>Crown Irrigation Investments Limited</i>	21,929		21,914
<i>Tasman District Council</i>	78,930		78,005
<i>Waimea Irrigators Limited</i>	-		-
Total Loans and borrowings	100,859		99,919

20 Related party transactions

WWL is jointly owned by Tasman District Council ("TDC" - Ordinary shares - TDC of issued shares) and Waimea Irrigators Limited ("WIL" - Ordinary shares - WIL). TDC and WIL are Joint Operators. WWL also has a related party relationship with key management personnel; Directors and members of Management.

Note	6 months Dec 2025 \$000	6 months Dec 2024 \$000	FY2025 \$000
Purchase / reimbursement of services			
Shareholder services *	172	176	338
Interest on loans **	1,324	1,611	3,135
Total purchases	1,496	1,787	3,473
Sale / reimbursement of services			
Water charges 1	3,611	3,753	6,760
Total sales	3,611	3,753	6,760
Share Capital contributions from Joint Operators			
Tasman District Council Share Capital	-	5,554	5,554
Waimea Irrigators Limited Share Capital	-	-	-
Total contributions	-	5,554	5,554
Loans and borrowings			
Non-current - Secured loans - TDC - Council capacity	32,557	32,143	34,524
Borrowing costs capitalised - TDC	400	400	400
Total TDC 18	32,957	32,543	34,924
Non-current - Secured loans - TDC - Irrigator capacity 18	45,972	40,735	43,081
DSR advance - WIL 18	-	350	-
Total loans	78,929	73,628	78,005
Period end payable to related parties:			
Directors / other key management personnel	8	11	5
Shareholders *, **	1,279	1,001	668
Total payables 14	1,287	1,012	673
Period end receivable from related parties:			
Shareholders, current 9, 10	-	-	-
Shareholders, non current *** 11	840	-	130
Total receivables	840	-	130
* TDC provides services in the normal course of operating activities (e.g. resource consent fees, rates).			
** Including interest costs passed through from TDC on loans from the LGFA.			
*** Deferred water charges.			
Key management compensation			
Key management personnel compensation includes the following expenses:			
Salaries and other short-term employee benefits	97	170	326
Directors fees	75	117	211
Total	172	287	537
Persons recognised as key management personnel	5	7	7

Company Directory

[Directors](#)

David Wright (Chair)

Bruno Simpson

Doug Hattersley

Julian Raine

Mark Loveard *

* *Appointed Oct 2025.*

[Registered Office](#)

20 Oxford Street

Richmond 7020

New Zealand

Telephone: 027 544 0030

Email: info@waimeawater.nz

[Management](#)

General Manager

Chief Financial Officer:

Operations Manager:

Kelly Norris

Dave Ashcroft

Alasdair Mawdsley

[Auditor](#)

Audit New Zealand on behalf of the Auditor-General

[Accountant](#)

Findex Ltd

[Banker](#)

ANZ Corporation

[Lawyers](#)

Anderson Lloyd

Duncan Cotterill

Pitt & Moore

draft unaudited 20 Feb 2026

7.9 WAIMEA WATER LIMITED - DRAFT STATEMENT OF INTENT 2026/2027**Decision Required**

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Matthew McGlinchey, Financial Strategy & Planning Manager
Report Authorisers:	Sue McLean, Kaiwhakahaere ā Rōpū – Te Pae Rautaki Ahumoni Group Manager - Strategy & Finance
Report Number:	RCN26-04-5

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

- 1.1 To present to the Council the Waimea Water Ltd (WWL) draft Statement of Intent (SOI) 2026-2027 and to provide shareholder comment (if any) on the draft SOI to WWL.

2. Summary / Te Tuhinga Whakarāpototo

- 2.1 The Waimea Water Ltd initial draft Statement of Intent was provided to shareholders on Friday 27 February 2026 (**Attachment 1**).
- 2.2 The Statement of Intent (SOI) is a shareholder matter that requires agreement between both Tasman District Council and Waimea Irrigators Ltd as shareholders. The draft SOI remains sensitive while the Council undertakes any negotiations with Waimea Irrigators Ltd (WIL) and ultimately with Waimea Water Ltd (WWL) in the case any material changes are requested either by the Council or by WIL.
- 2.3 The SOI has been reviewed by staff for compliance with the Local Government Act (LGA).
- 2.4 The Council takes the lead on responding to the draft SOI. Feedback to WWL on the draft SOI is required from both shareholders as this is a shareholder matter. Staff have approached the Chair of the Board of WIL to confirm consideration of the draft SOI their feedback is “from WIL’s point of view we are comfortable with the document.”
- 2.5 If the Council wishes to make material changes to the draft SOI, that will require negotiations with both WIL and WWL. For any discussion of these material changes and the Council’s negotiating position, the meeting should move into a public excluded session.
- 2.6 Staff have requested WWL to include disclosure of key budget assumptions in the final SOI. That would include projected borrowing interest rates, inflation levels, staff numbers and board restructuring impacts.
- 2.7 There are no other specific matters outside of the forecast change in water charges that staff need to bring to the Council’s attention.
- 2.8 The SOI assumes that there will be no change to the company ownership structure arising from the Local Water Done Well reforms. This is the correct approach given the uncertainty surrounding the reforms and if the Council’s interest, rights and responsibilities will transfer and, if so, in what form to a Water Services CCO.

- 2.9 WWL staff will attend the meeting to present their regular update. This is the opportunity for the Mayor and Councillors to engage WWL over any matters or ask any questions on the draft SOI.
- 2.10 It is recommended that the Council consider the draft SOI as a whole and provide commentary (if any) to WWL for consideration in its drafting the final 2026-2027 SOI.

3. Recommendation/s / Ngā Tūtohunga

That the Tasman District Council

1. receives the Waimea Water Limited - Draft Statement of Intent 2026/2027 RCN26-04-5; and
2. provides the following comments and feedback to the Waimea Water Ltd Board –
 - 2.1 that the Statement of Intent in Attachment 1 to the agenda report, meets Tasman District Council’s shareholder expectations
 - OR
 - 2.2 requests the Waimea Water Ltd Board considers the following matters before providing shareholders with the final Statement of Intent:

... (to be determined at the meeting)

4. Background / Horopaki

- 4.1 Waimea Water Ltd (WWL), along with other Council Controlled Organisations (CCOs), is required to complete an SOI by 30 June each year. The draft SOIs are required to be delivered to shareholders by 1 March each year. The WWL draft SOI was received by the Council within the statutory timeframe. This draft SOI covers the five-year period from 1 July 2025 to 30 June 2031.
- 4.2 Shareholders issued a Statement of Expectation (SoE) to the Company in December 2025. (**Attachment 2**). The SoE sets out the shareholders expectation on the matters to be included in the draft SOI. The general matters in the SoE are consistent across all the Councils CCO’s. The draft SOI addresses the matters raised in the SoE.
- 4.3 The purpose of an SOI is set out in the Local Government Act 2002 Schedule 8. This purpose is repeated here as a background for the Council’s discussion on the draft SOI presented by WWL.

5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 WWL operates on a cost recovery basis. WWL recovers its financing costs and operating costs through the water charges to the Council and WIL. WIL will be using the \$5 million shareholder advance Facility C to smooth their water charges.
- 5.2 These updated estimates of WWL water charges (financing and operating costs) detailed in the draft SOI will be incorporated into the draft 2025/26 Annual Plan. The Council’s 2025/26 water charges from WWL have reduced from a forecast of c\$3,742,000 to c\$2,977,000. The water charges include both operating and financing costs.

- 5.3 The forecast WIL water charges in the draft SOI are after WIL has taken advantage of the WWL water charge smoothing facility.
- 5.4 Waimea Irrigators Ltd, as the other shareholder, have been approached for any feedback or comments on the draft SOI. WIL has advised that the draft SOI has been briefly reviewed and “*WIL are comfortable with the draft SOI.*”

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

- 6.1 There are no financial or budgetary implications arising from this decision.
- 6.2 The updated estimates of WWL water charges (financing and operating costs) detailed in the draft SOI will be incorporated into the draft 2026/2027 Annual Plan. The Councils 2025/26 water charges from WWL have reduced from a forecast of c\$3,742,000 to c\$3,098,000. The water charges include both operating and financing costs.

7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option	Advantage	Disadvantage
1. Option 1 - To formally refer the SOI back to the WWL Board with comments on the areas of the SOI that need attention prior to reconsideration of the final SOI by the shareholders.	Allows shareholder concerns in relation to the SOI to be considered by the WWL Board.	None
2. Option 2 – to accept the draft SOI and advise the company that the Council has no specific changes it wishes them to consider in drafting the final SOI.	If there are no material changes required, this is the appropriate response.	If there are material shareholder concerns, then this does not allow for those concerns in relation to the SOI to be considered by the WWL Board.

- 7.2 **Option 1 is recommended.**

8. Legal / Ngā ture

- 8.1 A Council Controlled Organisation (CCO) must have an 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 the first of 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 statement of intent 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 No engagement with wider iwi has taken place on this routine matter. However, Ngāti Koata are involved in the SOI process by virtue of their seat on the Waimea Water Ltd Board.

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

- 10.1 The adoption of the SOI for Waimea Water Ltd is considered 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. The Council has been updated on the progress of the project at this Council meeting. The public has also been provided with an update on the project through the presentation to the Council and the issue of the company's mid-year report. Further engagement, other than with WIL, on the draft SOI is not 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	The project is of a moderate to high public interest, but the completion of the SOI is largely an administrative matter.
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, the investment in the Waimea Community Dam.	

	Issue	Level of Significance	Explanation of Assessment
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 Following feedback to WWL and WIL, the draft SOI will be made available on the Council's website. This decision is considered routine and of low public interest.

12. Risks / Ngā Tūraru

12.1 There is no identified change in risks associated with the WWL operations and this draft SOI.

12.2 WWL will provide a six-monthly update presentation at today's Council meeting. This will cover financial, administration and project activity

12.3 There is a risk that the relationship between the shareholders and WWL could be significantly damaged if there is a failure of WWL and both shareholders to agree on the 2026-2027 SOI.

12.4 As WWL is a joint venture partnership with WIL, the Council will need to consider the views and preferences of WIL in providing feedback to the WWL.

13. Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi

13.1 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 Decisions on CCO Statements of Intent are a Council matter.





15. Conclusion / Kupu Whakatepe

15.1 The draft WWL SOI was received in accordance with the statutory timeframe. The draft SOI meets statutory requirements. The Council should turn its mind to the matters included in the SOI and determine what, if any, comment needs to be provided to the WWL and the WIL Boards.

16. Next Steps and Timeline / Ngā Mahi Whai Ake

- 16.1 Staff will communicate the Council’s decision and comments to WIL and to the WWL Board.
- 16.2 A link to the draft SOI will be placed on the Council’s website within seven days.
- 16.3 On receipt of a revised (final) SOI, it will be presented to the shareholders for formal review and adoption

17. Attachments / Tuhinga tāpiri

1.  	Waimea Water Ltd 2026-27 Draft Statement of Intent	210
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Statement of Intent July 2026 - June 2027

STATEMENT OF INTENT

1 July 2026 – 30 June 2027



Figure 1 The downstream end of the reservoir, Te Kurawai o Pūhanga, looking to the Waimea Community Dam.



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DRAFT



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 (TDC) 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).

Compliance matters are captured in Part 4 – Compliance requirements.

The core objectives for this Sol relate to delivering and optimising baseline operations, focussed on achieving service levels to shareholders.

Water charges to shareholders are expected to be ~\$7.48m during the period of this Sol, comprising ~\$3.81m OpEx and ~\$3.67m finance costs.

1. 64% of total costs remain predominantly outside WWL's discretion / control, for finance costs, insurance and rates.
2. Ongoing costs for environmental compliance and dam safety compliance are higher than earlier anticipated. The first set of core strategic objectives described above includes a focus on aligning these costs with achievement of service levels.
3. Ongoing costs for routine operations and maintenance are consistent with prior estimates.



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

The key strategic context for this Sol is WWL fully operational.

5.1. Delivering baseline operations

With construction complete and operations underway, attention continues to turn towards long-term asset management planning, efficient and compliant operations, and pursuing opportunities for collaboration – all to achieve service levels to shareholders. Key outcomes include:

- A robust long-term Asset Management Plan.
- An effective and fully transparent Health, Safety and Wellbeing Management System (HSWMS).
- Efficient, compliant, and fit for purpose baseline operations.
- Appropriate resourcing of resource consent compliance matters.

6. 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').



7. Baseline operations

WWL's current strategic context identifies that with construction complete and operations underway, attention continues to turn towards long-term asset management planning, efficient and compliant operations, and pursuing opportunities for collaboration – all to achieve service levels to shareholders. This section describes objectives, and the outcomes, targets and measures for each.

7.1. Develop a robust long-term Asset Management Plan

Robust asset management planning requires a clear understanding of assets and their life cycles and results in well-defined maintenance and renewal schedules.

Objective

Implement a formal Asset Management Plan.

Outcomes - WWL will;

- 7.1.1. Embed management processes that ensure continuous improvement and review of asset management requirements.
- 7.1.2. Improve current forward planning for asset maintenance and renewals.

Targets and measures

- 7.1.3. Formally adopt an Asset Management Plan by end of FY2027.
- 7.1.4. Ensure budgets for FY28 and beyond directly reflect the newly adopted AMP.

7.2. HSWMS

Health, safety and wellbeing in the workplace is fundamental to WWL operations and remains a critical risk to our business.

Objective

To maintain a HSWMS that protects our staff, contractors and visitors to the site from harm during operations, and instils a culture of transparency that will achieve continuous improvement.

Outcomes - WWL will;

- 7.2.1. Continually review and validate the HSWMS.
- 7.2.2. Encourage a 'just culture' that encourages open reporting of workplace hazards, near misses, incidents and injuries.
- 7.2.3. Promote a culture of transparency to ensure all health, safety and wellbeing matters are reported and communicated to the Board.

Targets and measures;

- 7.2.4. Encourage a 'just culture' that encourages open reporting of workplace hazards, near misses, incidents and injuries.
- 7.2.5. Promote a culture of transparency to ensure all health, safety and wellbeing matters are reported and communicated to the Board.

7.3. Efficiency and compliance

Many operations requirements were contemplated during the construction phase of the project and others continue to evolve. All operations need to be efficient, compliant with relevant legislation or regulation, and fit for purpose.



Objective

Ensure WWL operates efficiently with established systems and management plans, complies with legislation and regulation, and operations are fit for purpose.

Outcomes - WWL will;

- 7.3.1. Actively review methods of delivering operations, including investigating opportunities to improve efficiency.
- 7.3.2. Continue to protect against impacts downstream by operating a best practice Dam Safety Management System (DSMS), certified for the Building Act and Dam Safety Regulations.
- 7.3.3. Maintain compliance with resource consents held by WWL, including an environmental focus on reservoir water quality, fish passage, downstream river water quality, and biodiversity management.

Targets and measures

- 7.3.4. Recurring review of budget and operations methods.
- 7.3.5. Intermediate Dam Safety Review (IDSR) finalised.
- 7.3.6. Annual Dam Compliance Certificate (ADCC) accepted by Regulator.
- 7.3.7. Compliance with RWQMP.
- 7.3.8. Fish transfer and monitoring programme completed.
- 7.3.9. Annual Monitoring Report finalised.
- 7.3.10. Annual BTAG review completed.

7.4. Collaborate on environmental consent compliance

A number of environmental resource consent compliance matters require subject matter expertise, or could benefit from economies of scale / avoidance of duplication, that might be available or achieved from shareholders, in particular TDC.

Objective

Ensure environmental consent compliance work is delivered in the most efficient manner, considering resources available to the WWL and shareholders.

Outcomes - WWL will;

- 7.4.1. Review consent compliance work methods (scope, delivery and incumbent contracts) to identify opportunities for efficiency and fitness for purpose.
- 7.4.2. Liaise with shareholders on opportunities for collaboration or pooling resources to improve outcomes.

Targets and measures

- 7.4.3. Document scope and delivery of environmental consent compliance work.
- 7.4.4. Agree opportunities for resource collaboration with Shareholders.



8. Performance targets

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

Objective / outcomes	KPI to June 2027	Expectation to June 2028
Long-term Asset Management Plan		
Formally adopt AMP by end of FY2027	Completed	AMP improved
Ensure budgets for FY28 reflect AMP	In draft FY28 reports	Used in FY28 reporting
HSWMS		
HSWMS reviewed and verified	Completed	Completed
Full disclosure to Board	Completed	Completed
Efficiency and compliance		
Review budget and operations methods	Completed	Further reviews completed
IDSR finalised	Completed	Completed
ADCC accepted	Completed	Completed
Compliance with RWQMP	No material non conformances	No material non conformances
Fish transfer / monitoring programme	Completed	Completed
Annual Monitoring Report	Completed	Completed
Annual BTAG review	Completed	Completed
Collaborate on environmental consent compliance		
Environmental consent work documented	Completed	n/a
Agree opportunities for collaboration	Completed	Collaboration underway

8.1. Additional targets

Additional shareholder expectations are captured in sections 19 and 20 below.

Specific expectations	KPI to June 2027	Expectation to June 2028
Provide budget / business plan to shareholders	Document provided	Document provided
Request records from WIL	Records requested	Records requested



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Part 2 – General expectations

This section lists general expectations set by TDC for all Council Controlled Organisations.

9. Include financial statements and measures

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

9.1. Profit and Loss Overview

Profit and loss (\$000s)	Jun 2027	Jun 2028	Jun 2029	Jun 2030	Jun 2031
Income					
Int + OpEx	7,163	7,476	7,744	7,840	8,047
CIIL loan repayments	313	307	322	364	370
SAA repayments	-	-	-	156	625
Total income	7,476	7,783	8,066	8,360	9,042
Expenses					
Interest expense	3,360	3,539	3,748	3,746	3,852
Loan capital expense	-	-	-	156	625
Insurance	828	849	870	892	914
Staff	799	822	851	873	901
Environmental	505	517	530	544	557
Dam Operations	373	383	392	402	412
Dam Safety	250	256	262	269	276
Ops subtotal	1,128	1,156	1,184	1,215	1,245
Rates	348	357	366	375	384
Maintenance / CDSR reserve	246	252	258	265	272
Directors	206	206	207	207	207
Professional fees	100	143	105	108	110
Facilities / Admin etc	99	101	104	106	109
Vehicles	40	41	42	43	44
Land costs	24	25	25	26	26
Interest income	(15)	(15)	(16)	(16)	(17)
Depreciation	3,399	3,384	3,374	3,367	3,362
Total expenses	10,562	10,860	11,118	11,363	12,034
Profit (Loss)	(3,086)	(3,077)	(3,052)	(3,003)	(2,992)
Analysis of water charges					
WIL share	4,378	4,618	4,874	5,118	5,692
TDC share	3,098	3,165	3,192	3,242	3,350
Total	7,476	7,783	8,066	8,360	9,042

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9.2. Cash Flow Overview

Cash flows (\$000s)	Jun 2027	Jun 2028	Jun 2029	Jun 2030	Jun 2031
Opening cash balance	1,603	1,770	2,036	2,085	2,314
Received for water charges	7,477	7,783	8,065	8,204	8,417
Deferred to WIL	(1,670)	(1,460)	-	156	625
Interest payments	(3,316)	(3,488)	(3,722)	(3,746)	(3,808)
Paid to suppliers/employees	(3,679)	(3,722)	(3,973)	(3,865)	(3,959)
Operating in (out) flows	(1,189)	(887)	370	749	1,275
SAA Facility C movements	1,670	1,460	-	(156)	(625)
CIIL payments	(313)	(307)	(322)	(364)	(370)
Cash balance	1,770	2,036	2,085	2,314	2,594

Modelling assumes growth in cash balances to meet future capital or cyclical renewal requirements.

9.3. Balance Sheet Overview

Balance Sheet (\$000s)	Jun 2027	Jun 2028	Jun 2029	Jun 2030	Jun 2031
Cash balance	1,770	2,036	2,085	2,314	2,594
DSR	450	450	450	450	450
Reserve provisions	(271)	(499)	(533)	(775)	(1,024)
Income in advance	(412)	(412)	(412)	(412)	(412)
Prepayments / Receivables	26	41	58	74	92
Non-current assets	3,540	5,000	5,000	4,844	4,219
Current liabilities	(987)	(1,041)	(1,072)	(1,076)	(1,124)
Fixed assets	193,131	189,747	186,373	183,007	179,644
FV accounting CIIL	2,771	2,771	2,771	2,771	2,771
Non-current liabilities DSR	(350)	(350)	(350)	(350)	(350)
Non-current liabilities	(24,074)	(23,766)	(23,445)	(23,081)	(22,711)
Total net assets	175,594	173,977	170,925	167,766	164,149
Shareholder equity	102,763	102,763	102,763	102,763	102,763
Shareholder advances	81,542	81,542	81,542	81,542	81,542
FV accounting shareholders	1,542	1,542	1,542	1,542	1,542
SAA Facility C	3,540	5,000	5,000	4,844	4,219
Retained (a/c'ing) losses	(13,793)	(16,870)	(19,922)	(22,925)	(25,917)
Net equity	175,594	173,977	170,925	167,766	164,149

9.4. Forecast assumptions

9.4.1. Projected borrowing rates range between 2.6% and 5.0% across various maturity dates.

9.4.2. The projected inflation rate is 2.5%.

9.4.3. 3.9 FTE staff are included for the duration of this Sol.

9.4.4. Five Directors are budgeted for the duration of forecasts.



10. Consistency with Shareholder Agreement

Clause 10 of the Shareholders' Agreement refers to preparation of a business plan and 5-year budget, quarterly budget reviews, use of cash reserves, preparation of a Statement of Intent, and maintenance of accounting records.

WWL will ensure all those matters are complied with.

11. Dividend policy

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

12. 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 19.

13. 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 and 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 financial statements

No later than two months after the end of the March and September quarters WWL will deliver to shareholders unaudited financial statements 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.

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 SOI 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.

14. Risk management and Climate Change

This section summarises how the Board is managing risks, including natural hazards and climate change.

WWL will manage risk under three frameworks; the HSWMS concerned with personal health safety, and wellbeing, the DSMS concerned with dam safety, and a Corporate Risk Management System (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 / climate change issues with a risk consequence to employees, contractors, and visitors in day-to-day operations are managed under the HSWMS. Natural hazards / climate change issues 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 15.

Personal health and safety

The comprehensive HSWMS process is described in section 23.

Dam safety

The DSMS has four core components aimed at avoiding an uncontrolled release of reservoir contents; the Dam Safety Management Plan, the Surveillance and Monitoring Plan, the Emergency Action Plan, and the Operations and Maintenance Manual. All documents describes risks and controls.

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.



15. 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. Subject to shareholder direction, solutions will be investigated by 2035.

Without additional hydro generation, diesel generators could be replaced with mains power or fuelled with biodiesel when available. Subject to shareholder direction, 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. Subject to shareholder direction, solutions will be confirmed by 2030.

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 studies¹ 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 ~12m³ 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 m³/s. A 20% increase though climate change would increase this to 741 m³/s. Spillway capacity based on computational fluid dynamic modelling is 1200 m³/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.

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

¹ Including University of Melbourne reports to the Australian National Committee on Large Dams (ANCOLD) conference 28 October 2022.



manage / maintain river flows year-round through wet and dry periods directly supports the core principle to regenerate nature.

16. 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 to TDC on the re-appointment or recruitment of TDC appointed Board Directors, to ensure skills, knowledge and experience required of directors is identified, including knowledge of tikanga Māori.

Evaluations are also available to WIL and Ngāti Koata, who also have rights to appoint Directors, using their own processes.

17. 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.

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.

18. Future estimated water charges

Refer section 9.1.

19. Five year budget and business plan

WWL is expected to provide shareholders with the required five year budget and business plan by the due date with key assumptions including refinancing for any borrowings detailed.

WWL will provide shareholders with the required five year budget and business plan by the due date with key assumptions including refinancing for any borrowings detailed.

20. Reporting and records from WIL

WWL is expected to write to WIL annually (July) requesting reporting and records set out in Clause 11 of the WWL/WIL WWA Agreement (Reporting and records). This should support WWL's appropriate oversight that all these matters are in order prior to the start of the irrigation season, important to TDC.

WWL will write to WIL annually (July) requesting reporting and records set out in Clause 11 of the WWL/WIL WWA Agreement.



Part 4 – Compliance requirements

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

21. Compliance with Schedule 8 of the LGA

21.1. Objectives

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

Personnel safety

21.1.1. 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

21.1.2. WWL will operate the dam to the appropriate high standards described in New Zealand Society on Large Dams (NZSOLD) guidelines² and Dam Safety Regulations (2022).

Reliability

21.1.3. 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

21.1.4. WWL will ascribe to a sustainability-based management regime that considers and balances:

- 21.1.4.1. Economic sustainability by providing shareholders with a safe, reliable and efficient asset.
- 21.1.4.2. Environmental sustainability by understanding consumption and waste, emissions and implementing its environmental and biodiversity management plans.
- 21.1.4.3. Transition to net zero carbon emissions by 2050.
- 21.1.4.4. 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

21.1.5. 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.

² https://nzsold.org.nz/wp-content/uploads/2017/08/nzsold_dam_safety_guidelines-may-2015.pdf



21.2. 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 five 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.



21.3. 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. WWL is registered under the Companies Act 1993. WWL was 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 requirements of the Local Government Act 2002 which include 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 30th June.

The financial statements have been 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

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

**(c) Functional and presentation currency**

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

(d) Comparatives

Comparative financial periods are the same period in the prior financial year or the last financial year end. Comparatives may have been reclassified from that reported in earlier financial statements where appropriate to ensure consistency with the expanded presentation of the current year's position and performance.

(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. Areas of judgement in preparing financial statements are set out below. These are assessed by Management as part of the reporting process and included within the accounts. The principal areas of judgement in financial statements for the period are described in sections (i) and (m) below.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes 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) is 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. The 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 added to the carrying amount of an item of Property, Plant and Equipment when the cost is incurred 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 assets' future economic benefits are expected to be consumed by WWL.

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

Depreciation of other assets is provided on a diminishing value basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Dam project components

Land	not depreciated
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
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)
Access control solutions	2% - 7% (SL)
Capital WIP	not applicable

Other assets

Leasehold improvements	10% (DV)
Furniture and equipment	16% - 67% (DV)
Vehicles	20% - 30% (DV)

(j) Impairment of non-current assets

The carrying amounts of WWL's assets are reviewed at each annual 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 and interest bearing loans receivable 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 profit or loss.

(l) Share Capital

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue. At balance date some shares may have been issued but not called up.

(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. Fair value is measured using a market equivalent rate taking into account the terms of the relevant drawdowns. Borrowing costs directly attributable to the acquisition or construction of an asset that takes greater than one year to get ready for its intended use, but not recoverable as revenue, 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 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 WWL and the revenue can be reliably measured.

Income includes the recovery of both financing and operating costs. 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. Interest income is recognised on an accrual basis using the effective interest method.

(p) Expenses

Financing Costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. They exclude qualifying costs that are capitalised.

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 is 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.

22. 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

23. Compliance with Health and Safety legislation

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

23.1. 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.

23.2. Leadership, culture and reporting

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

23.3. 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.

23.4. 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.

23.5. 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.

23.6. Emergency preparedness

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



23.7. Injury management

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

23.8. 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.

23.9. 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.

23.10. Audit and verification

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

DRAFT



Statement of Intent July 2026 - June 2027

DRAFT



24. Glossary

This section summarises abbreviations used in this document.

Abbreviation	Definition
ADCC	Annual Dam Compliance Certificate
CRMS	Corporate Risk Management System
DSMS	Dam Safety Management System
HSWMS	Health, Safety and Wellbeing Management System
KPI	Key Performance Indicator
LGA	Local Government Act 2002
NZSOLD	New Society of Large Dams
SOI	Statement of Intent
TDC	Tasman District Council
WCD	Waimea Community Dam
WIL	Waimea Irrigators Limited
WWL	Waimea Water Ltd



matthew.mcglinchey@tasman.govt.nz
Phone (03) 543 8506

12 December 2025

David Wright
Chair
Waimea Water Limited
14 Oxford Street
RICHMOND 7020

Dear David

Statement of Expectation

This Statement of Expectation is intended to inform Waimea Water Limited's Board of the Shareholders' high level strategic direction and performance expectations in advance of your preparation of the Statement of Intent (SOI) 2026/27. In clarifying our expectations early, we expect that the passage through to acceptance by both Shareholders will be more efficient and effective. Under the Local Government Act this Statement of Expectation will be made available to the public, on the Councils' website. The Council has determined that will occur 30 days after delivery to the Company.

Statement of Intent 2026/27

Shareholders expect that CCOs will treat the SOI as more than a strict compliance document and will aim for best practice. This will entail a SOI covering more than the statutory minimum requirements. To be effective, your SOI should tell the performance story of the Company, providing a clear and succinct understanding of the Company's purpose, the goods and services it delivers and what success looks like.

The SOI must meet the requirements set out in the Local Government Act 2002. Your staff are likely to now be familiar with the CCO provisions of this Act.

Both Shareholders wish to support the company in delivering a good SOI. The Council has assigned a senior manager to each CCO to assist. In your case the person assigned is Matthew McGlinchey. Matt is available to your team throughout the process.

Tasman District Council
Email info@tasman.govt.nz
Website www.tasman.govt.nz
24 hour assistance

Richmond
189 Queen Street
Private Bag 4
Richmond 7050
New Zealand
Phone 03 543 8400
Fax 03 543 9524

Murchison
92 Fairfax Street
Murchison 7007
New Zealand
Phone 03 523 1013
Fax 03 523 1012

Motueka
7 Hickmott Place
PO Box 125
Motueka 7143
New Zealand
Phone 03 528 2022
Fax 03 528 9751

Takaka
78 Commercial Street
PO Box 74
Takaka 7142
New Zealand
Phone 03 525 0020
Fax 03 525 9972

The general expectations set by Tasman District Council for all CCOs are as follows:

1. SOIs must include a complete set of summary prospective financial statements for at least three years (preferably five years) ie Statement of Comprehensive Income, Statement of Financial Position and Cash Flow Statement. In the case for WWL this has to be 5 years as set out in the Shareholders agreement.
2. SOIs should disclose key financial measures like earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA) and balance sheet ratios where applicable.
3. SOIs must fully comply with Schedule 8 of the Local Government Act.
4. The SOI must be consistent with the provisions of clause 10, Budgets and Statement of Intent in the WWL Shareholder agreement.
5. In the Public Records Act 2005, a local authority includes a Council Controlled Organisation and a Council-Controlled Trading Organisation. As such, the requirements of this Act and its related mandatory Information and Records Management Standard - July 2016 applies for the management, retention, and disposal of records.
6. Compliance with legislation and reporting on Health and Safety matters must be given due emphasis.
7. Dividends are to be disclosed along with the dividend payout policies, where applicable. (For WWL, this will be that no dividend is payable as the Company is operated on a cost recovery basis only.)
8. Remaining Capital Expenditure and Asset Management intentions should be included.
9. CCOs should use the same information for both managing the business and reporting through to the Shareholders ie, the information used for setting targets and reporting against them for the SOI should overlap and be a subset of the information used for internal reporting.
10. SOIs and other CCO reports should be in a plain style, concise, relevant and accessible. They should be focused on meeting the needs of the Shareholding Councils and the public they represent. The use of graphs, tables and charts is expected to convey both financial and non-financial information along with trends (past, current and future numbers).
11. To be effective, the SOI must disclose the performance story for the CCO providing a clear and succinct understanding of the CCO purpose, the goods and services it delivers and what success looks like.

Providing a clear message to the Boards on these requirements and other expectations will assist in ongoing improvements in the SOI and reporting.

12. The main aspects of the SOI performance story are:

- strategic context; and
- specifying and presentation of the outcome's framework; and
- main measures and targets, outcomes and objectives; and
- linking the strategy outputs performance together.

13. **Risk management and Climate Change** - Shareholders would like to see documented in the SOI how the Board is managing risks, including natural hazards and climate change.

14. **Sustainability** - Shareholders would like to understand what measures and targets are in place to address environmental and climate change concerns, including measures to:

- support the transition of the company to net zero carbon emissions by 2050;
- prepare for the impacts of climate change, including assessing key organisational climate change risks;
- minimise waste and support the shift to a circular economy.

15. **Health and Safety** - Given the requirements of the Health and Safety at Work Act 2015, it is appropriate for the Council to set out its expectations in relation to Health and Safety in the CCOs/CCTOs:

- Under Section 44 (3) of the Act, elected members do not have a duty to exercise due diligence to ensure that any Council-controlled organisation complies with its duties or obligations under the Act unless that member is also an Officer of that Council-controlled organisation.
- However, as Shareholders being a key funder, it is still appropriate to set out expectations of Health and Safety management in CCOs/CCTOs.
- The Councils/shareholders expect the Boards of CCTOs/CCOs to set 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.

16. **Governance Performance** – In order to aid the Council and WIL when making decisions on Director/Trustee remuneration and appointments, the Board should undertake regular evaluations of its own performance. The Council expects these reviews to be carried out at least once every eighteen months.

The Chair of the Board should reference this evaluation when making recommendations on the re-appointment or recruitment of Board Directors.

In addition, future director recruitment must consider the requirements in the LGA 2002, to ensure that when identifying the skills, knowledge and experience required of directors, consideration is given to whether knowledge of tikanga Māori may be relevant to the governance of that Council-controlled organisation.

In the case of WWL, the decisions on appointments relate only to the Council appointed directors. Ngāti Koata and WIL have their own appointment process. The Board evaluation of its performance and the transition plan is, however, a matter for all shareholders to consider.

Other Matters

17. Ensure effective performance reporting by the inclusion of quantifiable measures and SMART targets, including enhanced measures on Health and Safety.
18. Shareholders require that the Council Controlled Organisations, before making a decision that may significantly affect land or a body of water, must consider the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.
19. **No Surprises** – The Boards should ensure that there is 'no surprises' communication with the Shareholders on matters which are in the shareholders' or public interest and are not highly commercially sensitive.

Specific expectations to be included in the WWL SOI

20. The SOI should also disclose future estimated water charges (operational and funding components) for the Council and WIL.
21. WWL to provide shareholders with the required five year budget and business plan by the due date with key assumptions including refinancing for any borrowings detailed.
22. WWL writes to WIL annually (July) requesting reporting and records set out in Clause 11 **Reporting and records** of the WWL/WIL WWAA agreement. Having confirmation from WIL that all these matters are in order prior to the start of the irrigation is important to the Council. Noting that WWL has the appropriate oversight.

If you have any queries, please contact Matthew McGlinchey, Financial Strategy & Planning Manager, Tasman District Council on telephone (03) 543 8506 or email matthew.mcglinchey@tasman.govt.nz or contact John Wright, General Manager, Waimea Irrigators Limited on telephone 0274362358 or email john@melius.nz

Yours sincerely



Tim King
Mayor of Tasman District



Murray King on behalf of
Waimea Irrigators Limited

cc Waimea Irrigators Ltd

7.10 MAYORAL UPDATE

Information Only - No Decision Required

Report To:	Tasman District Council
Meeting Date:	9 April 2026
Report Author:	Tim King, Mayor
Report Number:	RCN26-04-13

1. Update

- 1.1 The current conflict in the Middle East and the resulting pressure on oil supplies is at top of mind for the Council. Regular meetings are being held with the Chief Executive, senior staff, the Civil Defence Emergency Management Group and our Communications team to ensure we are ready for any business disruption.
- 1.2 The resultant higher oil prices will also affect our ongoing service activity within the District, especially for roading, reserves and our three waters services. It is likely that we will need to rearrange or prioritise some work programmes and this will be considered by the management team.
- 1.3 Chief Executive, Leonie Rae and I met with other councils and central government on Thursday, 26 March 2026 to discuss the current fuel situation.
- 1.4 We will keep you posted as the situation develops.
- 1.5 I was delighted to receive a gift from the Mayor of Westerkwartier acknowledging the Westerkwartier delegation's visit to our District in late February 2026.



2. Recommendation/s / Ngā Tūhunga

That the Tasman District Council

1. receives the Mayoral Update report RCN26-04-13; and
2. notes that the Mayoral Update report deferred at the Council meeting on 12 March 2026 was for information only, and no decision is required.

3. Fujimi Machi

- 1.6 A delegation from our friendly town, Fujimi Machi, including twelve students and four adults, was welcomed to our District on 20 March 2026. After being met by staff at Nelson Airport, the delegation attended a pōwhiri at Te Āwhina Marae followed by a shared meal.
- 1.7 The students were accommodated by “host” families of Waimea College students and attended regular classes at the school.
- 1.8 They also visited Abel Tasman National Park, the Nelson Provincial Museum, the Nelson Environment Centre, the Brook Waimarama Sanctuary and the Whanake Youth Centre.
- 1.9 The delegation was led by Mr Seichi Mizuno who is Director of the Resident Welfare Division of Fujimi Machi. During the week we arranged for Mr Mizuno to meet with the local Director of the Ministry of Social Welfare along with a visit to Olive Estate. He also met with the local Friendship Group.



4. Mayoral Activity

- 4.1 The new Wakefield Kindergarten was opened on 5 March 2026. The kindergarten is located in the former scout den building at Faulkner’s Bush.
- 4.2 Tim Time was recorded on 5 March 2026.

4.3 The Project Kōkiri team met on 9 March 2026.

4.4 The Kaiteriteri Recreation Reserve Board monthly meeting was held on 10 March 2026.

4.5 The two-monthly korero with our Kaumatua Harvey Ruru and Whaea Jane du Feu was held on 12 March 2026.

4.6



It was a privilege to be involved in the Mayoral Challenge to collect funds for the Child Cancer Foundation on 13 March 2026. A big thank you to the staff and customers at Coffee on Queen and Council staff who together donated nearly \$1000.

4.7

The LG Reference Group met on 13 March 2026.

4.8

The Relay for Life event was held at the A&P Showgrounds on 14/15 March 2026. It was great to see so many locals participating in this worthy event.

4.9

The Motueka and Golden Bay Community Board Chairs met with me on 16 March 2026 as part of our regular catch-up cycle.

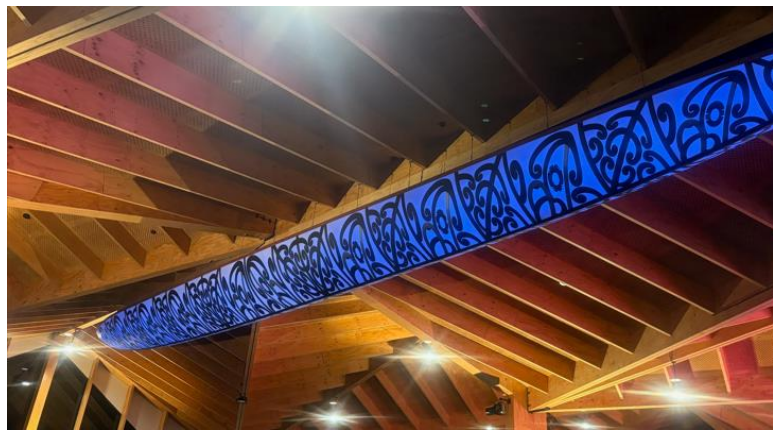
4.10 The Vero International Festival of Historic Motoring was held during the week of 15-21 March 2026. Over

550 vehicles journeyed their way through our District culminating with a public display at the A&P Showgrounds.

4.11 I met with Craig Churchill from the Ministry of Social Development on 18 March 2026.

4.12 The Council's submission on the Natural Environment and Planning Bills was presented to the Select Committee on 18 March 2026.

4.13 It was a very early start on 19 March 2026 when the amazing new waka installation at the Nelson Airport was unveiled.



4.14 The quarterly catch-up meeting with the Nelson Regional Development Agency was held on 19 March 2026.

4.15 Tapawera Area School hosted the Top of the South Island Area Schools Tournament during the week of 22-27 March 2026. The Top of the South Island schools include Karamea, Rai Valley, Reefton, Collingwood, Murchison, South Westland and Tapawera. During the week, the tamariki took part in a range of sporting activities as well as cooking and art challenges.

- 4.16 Along with staff, I met with Waimea Water Limited staff to discuss biodiversity offsets which are a requirement the dam resource consent.
- 4.17 I met with the Chair and Acting Chief Executive of the Nelson Marlborough Institute of Technology on 25 March 2026 to discuss ongoing challenges facing the Institute.
- 4.18 Governor-General, Dame Cindy Kiro and her husband were in the region during the week of 23 March 2026. Activities included a dinner with both the Mayors of Nelson and Tasman along with a representative of our respective Youth Councils, and an event to thank emergency responders who have contributed during the recent emergency events in our region.
- 4.19 Dame Cindy also launched Blue House on 26 March 2026. Blue House has been established through the Moananui blue economy cluster, with the support of the Nelson Regional Development Agency, Kernohan Engineering and Westpac NZ. The launch marked the next phase in strengthening a resilient, future-focused blue economy for the Nelson Tasman region and for New Zealand.

5. Attachments / Tuhinga tāpiri
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Nil