

Agenda for a meeting of the Strategy & Finance Committee to be held by audio visual conference on **WEDNESDAY, 10 JUNE, 2020** commencing at **9.30am**.

The open meeting will be livestreamed on the [Council's YouTube webpage](#).

Information and recommendations are included in the reports to assist the Council in the decision making process and may not constitute Council's decision or policy until considered.

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFIRMATION OF STATUS OF AGENDA**
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GJ Ion
CHIEF EXECUTIVE

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	2 June 2020
Prepared by	Grace Brady Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on 18 March 2020.

2. RECOMMENDATION

THAT the minutes of the meeting of the Strategy & Finance Committee held on Wednesday 18 March 2020 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

S&F Committee Open Minutes – 18 March 2020

Minutes of a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 18 MARCH 2020** commencing at **9.30am**.

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor, Mr AM Sanson [*from 9.32am until 10.28am and from 10.49am*]
Cr AD Bech [*from 9.33am until 10.28am and from 10.50am*]
Cr JA Church
Cr CA Eyre
Cr SL Henderson [*until 10.28am and from 10.48am*]
Cr SD Lynch [*until 9.55am and from 9.58am*]
Cr RC McGuire [*until 10.28am and from 10.48am*]
Cr FM Mclnally
Cr EM Patterson [*until 10.28am and from 10.50am*]
Cr JD Sedgwick
Cr NMD Smith [*until 9.39am and from 10.50am until 11.23am*]
Cr LR Thomson
Cr CT Woolerton [*until 10.28am and from 10.50am*]

Attending:

Mr P Stubbs (Chairperson, Waikato Local Authority Shared Services)
Mr K French (Chief Executive, Waikato Local Authority Shared Services)
Mr J Dawson (Chief Executive, Hamilton & Waikato Tourism)
Mr R Odom (Chairperson, Pokeno Community Committee – by telephone)

Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr J Ebenhoh (Planning & Policy Manager)
Ms A Diaz (Chief Financial Officer)
Mr C Bailey (Finance Manager)
Mrs J Dolan (Economic and Community Development Manager)
Mr M King (Economic and Community Development Officer)
Ms D Dalbeth (Business Improvement Analyst)
Ms G Brady (Democracy Officer)
Mrs LM Wainwright (Committee Secretary)

APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Thomson/Church)

THAT the agenda for a meeting of the **Strategy & Finance Committee** held on **Wednesday, 18 March 2020** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded; subject to the inclusion of the updated information tabled at the meeting:

- **Waikato Local Authority Shared Services Half Yearly Report to Shareholders – Attachment to Item 7.2**

AND THAT all reports be received;

AND FURTHER THAT in accordance with **Standing Order 9.4** the order of business be changed with agenda items 7.1 [*Draft Statement of Intent for Waikato Local Authority Shared Services Limited 2020/21*] and 7.2 [*Waikato Local Authority Shared Services Limited Interim Accounts*] being considered after agenda item 5 and that other items be considered as appropriate during the course of the meeting;

AND FURTHER THAT Mr Odom, chair of the **Pokeno Community Committee** be given speaking rights for item 6.4 [*Request for Community Committee Grant – Pokeno Community Committee*] for the duration of the open section of this meeting.

CARRIED

S&F2003/01

DISCLOSURES OF INTEREST

Cr Church advised members of the Committee that she would declare a non financial conflict of interest in item 7.4 [*Waikato District Community Wellbeing Trust – Draft Statement of Intent for the year ending 30 June 2021*] and item 7.5 [*Waikato District Community Wellbeing Trust – Financial Statements for the six months ended 31 December 2019*].

His Worship the Mayor joined the meeting at 9.32am.

Cr Bech joined the meeting at 9.33am.

CONFIRMATION OF MINUTES**Resolved: (Crs Thomson/Patterson)****THAT the minutes of a meeting of the Strategy & Finance Committee held on Wednesday, 5 February 2020 be confirmed as a true and correct record of that meeting.****CARRIED****S&F2003/02****CONFIRMATION OF HEARING MINUTES****Resolved: (Crs McInally/Woolerton)****THAT the hearing minutes of the meeting of the Strategy & Finance Committee held on Tuesday, 11 February 2020; Wednesday, 12 February 2020 and Tuesday, 10 March 2020, be confirmed as a true and correct record of that meeting.****CARRIED****S&F2003/03****REPORTS****Draft Statement of Intent for Waikato Local Authority Shared Services Limited 2020/21
Agenda Item 7.1**

The report was received [*S&F2003/02 refers*]. In speaking to the report, the Chairperson and Chief Executive, Waikato LASS, highlighted the following matters:

- The 3 strategic topics for WLASS.
- Ensuring the wellbeing of the Waikato district.
- Resources within LASS.
- Risk awareness.
- Shared services within the region.

It was noted that Mr Ion's comments in discussion of this item was in his capacity as a director of WLASS

Resolved: (Crs Lynch/Henderson)**THAT pursuant to section 64 of the Local Government Act 2002 the Strategy & Finance Committee will provide feedback on the Waikato Local Authority Shared Services Limited Draft Statement of Intent for 2020/21 no later than 30 April 2020.****CARRIED****S&F2003/04**

Cr Smith withdrew from the meeting at 9.39am during discussion on the above item and re-entered the meeting at 9.50am and was present when voting took place.

Cr Lynch withdrew from the meeting at 9.55am during discussion on the above item and re-entered the meeting at 9.58am and was present when voting took place.

Waikato Local Authority Shared Services Limited Interim Accounts
Agenda Item 7.2

The report was received [*S&F2003/02 refers*] and taken as read.

Hamilton & Waikato Tourism Six Monthly Report
Agenda Item 6.1

The report was received [*S&F2003/02 refers*] and taken as read. In speaking to the report, the Chief Executive, Hamilton & Waikato Tourism highlighted the impacts and response of COVID-19 on the tourism industry.

The meeting adjourned at 10.28am and resumed at 10.47am.

Submission on the Urban Development Bill
Agenda Item 6.3

The report was received [*S&F2003/02 refers*] and taken as read.

Resolved: (Crs Smith/Thomson)

THAT the Strategy & Finance Committee notes that the approved submission on the Urban Development Bill (as attached to the staff report) was lodged with Parliament's Environment Select Committee on 14 February 2020.

CARRIED

S&F2003/05

Cr Henderson re-entered the meeting at 10.48am during discussion on the above item and was present when voting took place.

Cr McGuire re-entered the meeting at 10.48am during discussion on the above item and was present when voting took place.

His Worship the Mayor re-entered the meeting at 10.49am during discussion on the above item and was present when voting took place.

Te Waka Six Monthly Report July to December 2019
 Agenda Item 6.2

The report was received [S&F2003/02 refers]. The Economic and Community Development Manager introduced the report and advised that Mr Basset-Foss was unable to attend as he would be attending a meeting on COVID-19. Discussions were held on the following matters:

- Value-add from Te Waka to Waikato District Council.
- Issuing of capability vouchers to businesses in the last 12 months.

Cr Bech, Cr Patterson and Cr Woolerton re-entered the meeting at 10.50am during discussion on the above item.

Request for Community Committee Grant – Pokeno Community Committee
 Agenda Item 6.4

The report was received [S&F2003/02 refers]. Mr Odom attended the meeting via telephone conference call. Discussion was held on the following matters:

- Pokeno Community Committee would require funding to consult with the community on the Munro development.
- The Committee would apply for further funding under a Discretionary & Funding application.
- The current application met the criteria of the Administration Costs Budget.
- A review of Council funding was being undertaken. .

Resolved: (Crs Church/Henderson)

THAT an allocation of \$2,000.00 is made to the Pokeno Community Committee towards the costs associated with the running of the Committee.

CARRIED

S&F2003/06

2019-2020 Second Quarter Non-Financial Performance Report
Agenda Item 7.3

The report was received [S&F2003/02 refers]. The Business Improvement Analyst took the report as read. Discussions were held on the following matters:

- Trend graphs (2nd Quarter Survey Trend Graph) had not been included in the agenda. These would be provided if required.
- 100 residents had been surveyed for the quarter.
- Concern raised with the 10% dissatisfied response on Council's piped water supply. Committee members noted this was a core function of Council and must be addressed.

Cr Smith retired from the meeting at 11.23am during discussion on the above item.

Waikato District Community Wellbeing Trust – Draft Statement of Intent for the year ending 30 June 2021
Agenda Item 7.4

Councillor Church declared a conflict of interest and did not take part in any discussion, or voting, on this item.

The report was received [S&F2003/02 refers] and taken as read.

Resolved: (Crs Thomson/Eyre)

THAT pursuant to section 64 of the Local Government Act 2002 the Strategy & Finance Committee will provide feedback on the Waikato Local Authority Shared Services Limited Draft Statement of Intent for 2020/21 no later than 30 April 2020.

CARRIED

S&F2003/07

Waikato District Community Wellbeing Trust – Financial Statements for the six months ended 31 December 2019
Agenda Item 7.5

Councillor Church declared a conflict of interest and did not take part in any discussion, or voting, on this item.

The report was received [S&F2003/02 refers] and taken as read.

Local Government Funding Agency Half Year Report to 31 December 2019 and 2020/21
Draft Statement of Intent
Agenda Item 7.6

The report was received [S&F2003/02 refers]. The Finance Manager took the report as read and advised that LGFA had requested Council to cease borrowing funds that are not essential at this time.

Waikato Regional Airport Limited Interim Accounts
Agenda Item 7.7

The report was received [S&F2003/02 refers] and taken as read.

Approved Counterparty Review
Agenda Item 7.8

The report was received [S&F2003/02 refers] and taken as read.

Submission on the Infrastructure Funding and Financing Bill
Agenda Item 7.9

The report was received [S&F2003/02 refers] and taken as read.

Resolved: (Crs Patterson/Sedgwick)

THAT the Strategy & Finance Committee notes that the approved submission on the Infrastructure Funding and Financing Bill (as attached to the staff report) was lodged with Parliament's Transport and Infrastructure Committee on 5 March 2020.

CARRIED

S&F2003/08

EXCLUSION OF THE PUBLIC

Agenda Item 8

Resolved: (Crs Eyre/Church)**THAT** the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1 Board Director Appointments – Waikato Regional Airport Limited (WRAL) 1.2 Waikato Regional Airport Limited Draft Statement of Intent for 2020/21	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
1.1	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
1.2	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(i)	To enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

CARRIED**S&F2003/09**

Resolutions S&F2003/10 – S&F2003/12 are contained in the public excluded section of these minutes.

There being no further business the meeting was declared closed at 12.02pm.

Minutes approved and confirmed this day of 2020.

JM Gibb
CHAIRPERSON

Open Meeting

To	Strategy & Finance Committee
From	Clive Morgan General Manager Community Growth
Date	26 May 2020
Prepared by	Vishal Ramduny Strategic Projects Manager
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 2614844
Report Title	Progressing the River Communities Spatial Intent in light of Council adopting Waikato 2070

1. EXECUTIVE SUMMARY

The purpose of this report is to advise the Strategy & Finance Committee of the approach for the River Communities spatial intent (under the Hamilton to Auckland Corridor (H2A) Initiative) in light of Council adopting Waikato 2070 (the District Growth & Economic Development Strategy).

The report highlights the common elements and some differences between the two pieces of work and recommends that the River Communities work be incorporated into the H2A Corridor Statement of Shared Spatial Intent document (now that Waikato 2070 has been produced) as there is no need any longer for a separate spatial plan document.

This matter will also be considered by the Future Proof Chief Executive's Advisory Group (29 May 2020) and the Future Proof Implementation Committee (political governing body which includes the H2A government partners) on 9 June 2020. The Strategy & Finance Committee will be briefed on the outcome of these meetings when this report is considered by the Committee.

2. RECOMMENDATION

THAT the report from the **General Manager Community Growth** be received.

3. BACKGROUND

Development of the River Communities Spatial Intent and Waikato 2070:

Council commenced the development of Waikato 2070 in 2019. Work on the River Communities¹ spatial planning process was put on hold around the same time to allow Council to progress Waikato 2070 (engagement, consultation, hearings and decisions) as it did not make sense to have a parallel long-term planning processes underway. The River Communities spatial planning work was informed by a number of co-design workshops involving H2A partner organisations and members of local community boards and committees. The work to date reflects the spatial intent for the area (the River Communities spatial intent - note: the work to date does not represent a spatial plan).

On 19 May 2020 Council adopted Waikato 2070. This has provided an opportunity for staff to take stock of the implications of this for the River Communities spatial intent through a comparative analysis of the initial thinking on this (prior to it being put on hold) and the Waikato 2070 Strategy.

4. DISCUSSION

Common elements and differences between the River Communities Spatial Intent and Waikato 2070:

The assessment has revealed that both Waikato 2070 and the River Communities spatial intent are broadly similar with few differences (the comparison is included in Appendix B). The differences relate primarily to the longer term (100 year) planning horizon informing the River Communities spatial thinking and the 50-year horizon of Waikato 2070 as well as to scale (River Communities spatial intent is at a much higher level and Waikato 2070 is a finer level of detail).

The initial thinking on the River Communities spatial intent identifies some key transformational and visionary spatial structuring elements including identification of areas for residential growth, employment growth, better connectivity through new corridors within towns, development opportunities associated with major institutions (e.g. Huntly College and Huntly Power Station) whilst acknowledging wāhi toitū ('no go' areas) and wāhi toiora ('go-slow' areas).

Iwi aspirations (especially with regards to longer-term aspirations for Meremere and Huntly) are a key consideration in the River Communities spatial intent. Waikato 2070 has also been informed by iwi aspirations which fall within its 50-year planning horizon. It should also be noted that the Waikato District Blueprints (and the economic analysis undertaken to support this) was used to inform both the River Communities spatial intent and Waikato 2070.

Common elements

Both Waikato 2070 and the River Communities spatial intent are aligned on some key principles.

¹ See Appendix 1

- Intensification of towns - Both the River Communities spatial intent and Waikato 2070 are aligned on the need to intensify existing towns within the river communities. Waikato 2070, being at a more detailed planning level, has also proposed how growth within towns is to be sequenced.
- Public-transport oriented development - Both the River Communities spatial intent and Waikato 2070 acknowledge the importance land use and urban form designed with public transport in mind. Waikato 2070 notes the addition and timing of mass-transit as a key enabler to growth, density and employment. This is especially relevant for the northern Waikato where, in support of the spatial intent for Pokeno and Tuakau, Waka Kotahi (the New Zealand Transport Agency) is leading the development of a Point of Entry Statement².

With WDC adopting Waikato 2070, there is now an opportunity to corroborate the thinking in the River Communities spatial intent, Waikato 2070 and the Waka Kotahi-led business case process for transport investments in the northern Waikato/southern Auckland area.

- Development funding its own marginal cost – this is especially relevant in Pokeno where Waikato 2070 identifies growth (commercial/industrial) to the north-east of the town (across State Highway 1 and north of State Highway 2). This area was also identified in the spatial intent thinking for Pokeno but with a residential component to the north. Both processes acknowledge the importance of associated connecting infrastructure for this area being serviced through development contributions.
- Residential and industrial growth at Taupiri - Whilst there is acknowledgement in both planning processes for intensification in towns there is also alignment between the River Communities Spatial Intent and Waikato 2070 with regards to residential and industrial growth at Taupiri. Taupiri is also recognised as a potential growth area for future consideration in the Hamilton-Waikato Metropolitan Spatial Plan.

Points of Differences

- Scale and geographic context – With regards to scale the River Communities spatial intent is at a macro scale whilst Waikato 2070 is at a meso scale. However the meso largely relates to the macro context. In terms of geographic context, Waikato 2070 covers the whole of the Waikato district whilst the River Communities spatial intent relates to the river communities segment of the H2A corridor (as per map in Appendix A).
- Population considerations - Population considerations in the River Communities spatial intent are based on a high growth scenario over 100 years whilst in Waikato 2070 it based on a land capacity analysis (essentially the next layer of detail).

² The Point of Entry will consider potential public transport investments and any other transport investment implications to support towns in the northern Waikato/southern Auckland area aligned to the River Communities spatial intent and Auckland Council's Supporting Growth programme. The Point of Entry was considered and approved by the Waka Kotahi Delegations Committee on 14 May 2020.

- Growth on elite soils in Tuakau - Whilst the Hamilton to Auckland Corridor Initiative partners have advocated for consideration to be given to the Proposed National Policy Statement on Highly Productive Land (NPS-HPL), WDC has been in a difficult position due to the planning it has done (based on engagements with the Tuakau community) that dates back a number of years. The rezoning of land on high quality soils is now being considered through the Proposed Waikato District Plan hearings, to occur in the first few months of 2021. However it should also be noted that Waipa District Council has also made commitments (investments) for growing Cambridge on highly productive land and this (growth) has been incorporated into the draft Hamilton-Waikato Metropolitan Spatial Plan. WDC is of the view that the issue of growth on high-quality soils in Tuakau needs to be looked at more pragmatically (similar to the approach being taken for Cambridge in the Hamilton-Waikato Metropolitan Spatial Plan) especially since this is the result of a long-standing planning process (Tuakau Structure Plan 2014 and associated Plan Change) between the Council and the community.
- Ohinewai - There is also no consensus as yet amongst H2A partners in their input to both the River Communities spatial intent and submissions made on Waikato 2070 regarding Ohinewai. The Chief Executives Advisory Group will be aware of The Comfort Group's proposal to build a Sleepyhead manufacturing hub and 1100 homes for 3000 new residents at Ohinewai. WDC, through decisions made on Waikato 2070, supports this development due to the economic and social benefits for Huntly and for the region as a whole. WDC also supports a larger residential and employment node at Ohinewai in Waikato 2070. Ohinewai's location (adjacent to the Waikato Expressway and on a bus route, a railway line and a railway station at Huntly) makes it appealing. Linking the proposed developments at Ohinewai to Huntly central (including the train station) through public transport will be important. Like the rezoning of land for residential purposes in Tuakau, the proposed developments at Ohinewai is also the subject of the Waikato District Plan Review; it will be heard earlier than the other rezoning requests, in September 2020.

Meremere B and Rotowaro - The River Communities spatial intent (due to its longer planning horizon) has recognised iwi development aspirations in Meremere (Meremere B) as well as Huntly (Rotowaro) subject to the required feasibility studies being undertaken. These aspirational developments are not included in Waikato 2070. Waikato-Tainui has acknowledged these two considerations as longer term aspirations as they are subject to feasibility studies being undertaken. There is also an opportunity to consider Meremere together with the development aspirations of the Hampton Downs Motorsport Park and the opportunities that this may present for job creation in the area in the future.

In addition, we are yet to close out on any development aspirations of the Waikato Tainui, Waikato River marae communities. It is important that these are identified in any future aspirational mix.

Recommended treatment of areas of development on which no consensus has been reached in the River Communities spatial intent

Acknowledging both the common elements and the differences between the River Communities spatial intent and the Waikato 2070 Strategy, it is important to find a way to

progress the former as part of the Crown-Iwi-Council partnership approach guiding the H2A Corridor Initiative.

With no consensus yet amongst the partners on the treatment of certain elements of growth in Tuakau and Ohinewai in the River Communities spatial intent, it has been recommended by the H2A Steering Group that a sensible approach is for the River Communities spatial intent to identify these areas (Tuakau and Ohinewai) as ‘Areas under Investigation’. This will allow parties who have made submissions on these initiatives to address these matters through the provision of evidence and associated deliberations at the Proposed Waikato District Plan Review hearing. This provides the opportunity for the River Communities spatial intent to acknowledge that there is a statutory process under way that will determine the land-use for these areas without holding up the development of the spatial intent any further.

A similar approach can be taken to any marae community aspirations.

Waikato 2070 can then be updated subject to the following:

- Completion of the Future Development Strategy (which would give effect to the H2A Corridor spatial planning work);
- Decisions on the Proposed Waikato District Plan;
- The Future Proof Future Development Strategy;
- National Policy Statements currently in train (e.g. NPS-UD, NPS-HPL, fresh water, Indigenous biodiversity); and
- Review of the Regional Policy Statement.

With Waka Kotahi leading the development of a business case that will consider potential public transport investments to support towns in the northern Waikato/southern Auckland area aligned to the River Communities spatial intent and Auckland Council’s Supporting Growth programme, there is also now an opportunity to corroborate the provisions of Waikato 2070 with the business case process. The business case will also inform the review of Waikato 2070 when completed. The business case will also address the potential transport investment needed to deliver a future settlement pattern.

Documenting the River Communities Spatial Intent – Proposed Approach

With Council adopting Waikato 2070, it is no longer advisable that a separate River Communities spatial intent document to be produced or a spatial plan developed.

The H2A Corridor Steering Group is of the view that including the spatial thinking (spatial intent) for the River Communities into the updated H2A Corridor Statement of Shared Spatial Intent is a more sensible approach. This approach will retain the key structuring elements of the spatial intent (including identification of areas for residential growth, employment growth, better connectivity through new corridors within towns, some of the many major institutions and development opportunities (e.g. Huntly College and Huntly Power Station), any marae-based development aspirations and wāhi toitū and wāhi toiora;

whilst providing the opportunity for the statutory processes (Proposed Waikato District Plan Review hearings) to make its determination on areas like Tuakau and Ohinewai.

It is also acknowledged that Waikato 2070 will need to be reviewed again once the Future Development Strategy (which would give effect to the H2A Corridor spatial planning work) is completed and after decisions on the Proposed Waikato District Plan are made. This would also enable consideration to be given to relevant National Policy Statements. There is therefore an opportunity for further alignment within the next few years between the spatial planning work being undertaken as part of the H2A Corridor Initiative and the Waikato 2070 Strategy. The Waka Kotahi business case for northern Waikato/southern Auckland will also help shape this alignment.

The Future Proof Chief Executives Advisory Group (CEAG) considered this matter on 29 May 2020 and the Future Proof Implementation Committee (FPIC) on 9 June 2020.

5. CONSIDERATION

5.1 FINANCIAL

The cost of developing the Statement of Shared Spatial Intent for the Corridor is being undertaken through existing Future Proof partnership contributions. This includes staff time for both Waikato District Council and the Ministry for Housing & Urban Development. No additional funding from Council is being requested for this work.

5.2 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council has been actively involved in the Hamilton to Auckland Initiative at both a governance and staff level. The initiative aims to better support growth and increase connectivity within the Hamilton to Auckland corridor while improving housing affordability and choices, improving access to employment, services and amenities, and creating new employment opportunities.

The Corridor Initiative builds on the thinking and planning being undertaken by Future Proof, Waikato District Blueprints, Waikato 2070, Waikato District Plan Review, Hamilton Urban Growth Strategy, Auckland Development Strategy, Government Urban Growth Agenda and other Crown-local authority partnerships and programmes.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

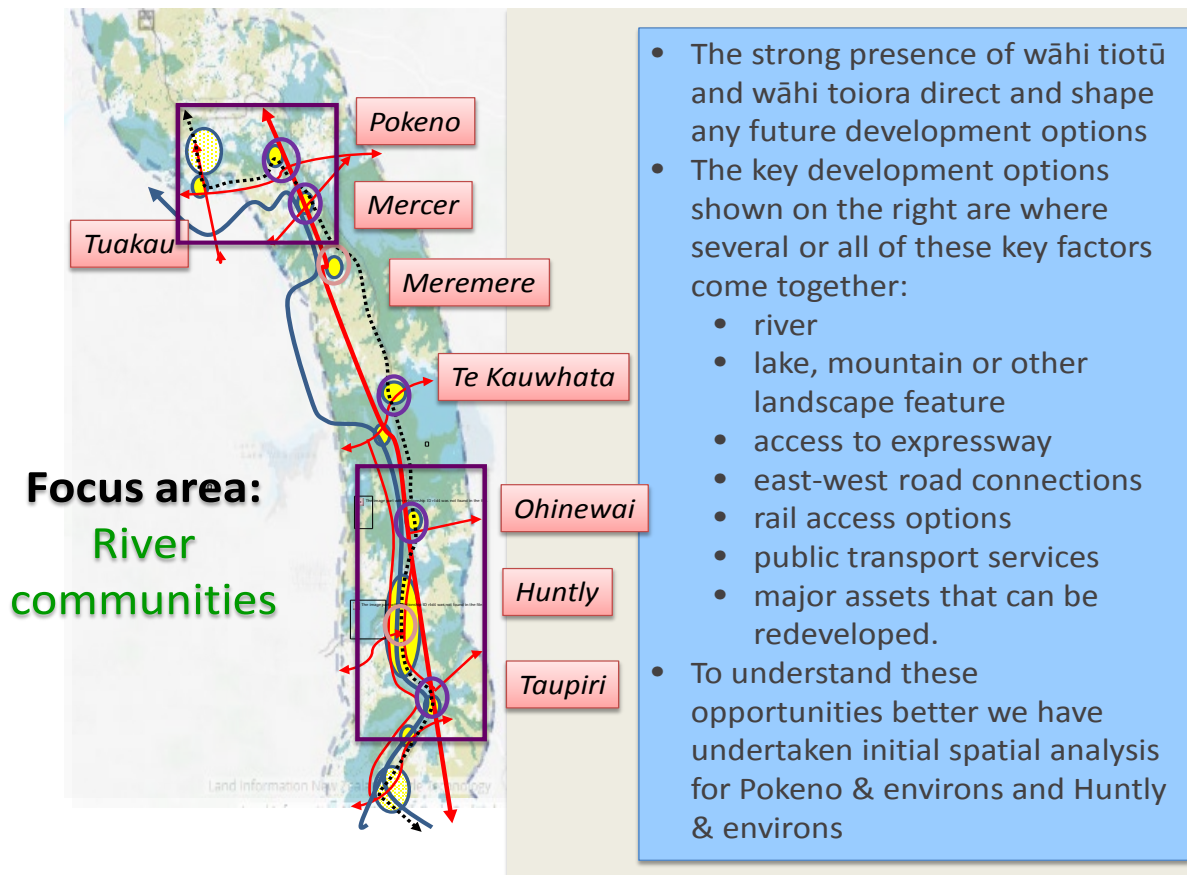
Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
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Extensive Council involvement has occurred through delegated elected representatives on the Future Proof Implementation Committee as well as through Council workshops over the past year. Iwi is a key partner in the development of the Plan.					

6. APPENDICES

- 6.1. Appendix A
 - River Communities Spatial Intent Focus Areas

- 6.2. Appendix B
 - Common elements and differences between the River Communities Spatial Intent and the Waikato 2070 Strategy

APPENDIX A (6.1) – River Communities Spatial Intent Focus Areas



APPENDIX B (6.2) – Common elements and differences between the River Communities Spatial Intent and the Waikato 2070 Strategy

River Communities Spatial Intent	Waikato 2070
<p>Pokeno, Tuakau and Mercer</p> <p>The spatial intent has noted the strong demand for living and working activities in Pokeno in particular, and that there are options for growing Pokeno despite the numerous constraints. However, we concluded that future growth should be subject to:</p> <ul style="list-style-type: none"> • having a long term spatial plan for the settlements • provision of basic/daily services and amenities • rapid and public transport provision • enabling infrastructure provision e.g. arterial roading network • development funding its own marginal costs e.g. providing the required over or under passes of SH1 or SH2. <p>River Communities spatial intent conceptual thinking for Pokeno acknowledged Havelock Village (south of Pokeno) as a ‘wildcard’ option for residential development. Additional residential options were identified for Pokeno north (north of SH2), Pokeno east (medium density) and Pokeno west.</p> <p>As a priority, any subsequent growth should be concentrated in and around the town centre (the 800m station catchment) to support the business case for commuter rail and/or rapid bus services, and to make the most of existing and planned investment in social and network infrastructure and retail services. Development options such as Pokeno East (east of SH1), Pokeno North (north of SH1 and SH2) and Pokeno South (at the river) will have to fund the cost of the required local roading, SH underpass/overpass/interchanges, active mode and related other</p>	<p>Pokeno</p> <p>Waikato 2070 and the spatial intent are very closely aligned.</p> <p>Waikato 2070 acknowledges a strong demand for residential and employment in Pokeno. It identifies the long term spatial intent whilst providing indicative timeframes for each growth cell. The growth cells are at a finer grained level of detail than the growth cells identified in the spatial intent.</p> <p>Residential growth cells in Pokeno South/West (Havelock Village).</p> <p>Pokeno East (across State Highway 1) identifies two residential growth cells similar to the residential growth cell in the spatial intent. Further refinement identifies one as lifestyle density for a variety of reasons; 50% is already developed at low density and re-development would be very challenging, there are considerable stormwater issues in that area precluding to having a higher density. The area is also adjacent to the International Ramsar wetland which precludes higher density. The other growth cell is identified for low density, however a structure plan might conclude that medium density is achievable.</p> <p>Pokeno North/East (across State Highway 1 & north of State Highway 2) Waikato 2070 decision shows Pokeno north/east</p>

network infrastructure

This may result in one or more of these being deemed to be non-feasible development options in the medium or even long term.

Planned and possible public transport interchanges were identified for Pokeno central (around proposed train station), Mercer and Tuakau (around proposed train station).

Identifies new industrial development opportunity at Tuakau on land already zoned for such purpose. The spatial intent avoids all and any further development on elite soils in Tuakau north and Tuakau west line with Government's policy intent (and ignoring the PPC provisions and related legal advice for now).

as Commercial/Industrial with no Residential unlike the spatial intent which did show residential to the north/east.

The Waikato 2070 seeks further intensification of the town centre and provides some direction on appropriate residential, commercial and business/mixed use development within the district. The role of a future transport hub around a potential train station is acknowledged.

Tuakau

The Waikato 2070 retains the growth areas sought within the Proposed District Plan, and retains their currently anticipated land use(s) (e.g. residential, commercial and industrial land uses). This includes identifying Tuakau north and Tuakau west for residential development.

The Waikato 2070 seeks further intensification of the town centre and provides some direction on appropriate residential, commercial and business/mixed use development within the district. The role of a future transport hub around a potential train station is acknowledged.

Mercer

Waikato 2070 and the spatial intent are very closely aligned.

A Commercial and Industrial growth cell is identified north of the Mercer service centre.

<p>Ohinewai</p> <p>Initially identified both residential and industrial growth cell and then an industrial growth cell only (the latter based on staff direction on Waikato 2070). The thinking on Ohinewai was still being deliberated upon when the River Communities spatial intent process was placed on hold due to Council initiating Waikato 2070.</p>	<p>Ohinewai</p> <p>Identifies two industrial growth cells and a residential growth cell on the eastern side of SH1. These are similar to what was originally identified in the spatial intent.</p>
<p>Huntly</p> <p>Identifies re development of the Huntly Power station site,</p> <p>Identifies a site owned by Waikato-Tainui in Rotowaro for possible industrial development in the future and a Rotowaro Road corridor.</p> <p>Redevelopment of Huntly College.</p> <p>Identifies and East-West connection (Hetherington-Kimihia Road Corridor) – including a new bridge across the River - to integrate the town.</p> <p>Identifies the need for a central Huntly interchange/connectivity to Waikato Expressway at the end of Kimihia Road.</p> <p>Identifies the development within Huntly central as a priority.</p> <p>Identifies a residential option to the north-east of the Huntly Power Station.</p> <p>Identifies a residential and industrial option to the north of the existing Huntly footprint (Shand land area)</p>	<p>Huntly</p> <p>Waikato 2070 and the spatial intent are very closely aligned with the growth cells that have been identified in Waikato 2070.</p> <p>Identifies additional Commercial and Industrial growth cell on East Mine Road on the northern boundary of Huntly.</p> <p>Growth cells throughout the existing urban areas within Huntly are identified for residential intensification, on both the western and eastern sides of the town.</p> <p>The Waikato 2070 seeks further intensification of the town centre and provides some direction on appropriate residential, commercial and business/mixed use development within the district. The role of the transport hub around the train station is acknowledged.</p> <p>Residential growth cell identified and will replace the Brickworks site.</p> <p>Identified potential “Special Activity” growth cell in and around Kimihia Lake.</p>

	<p>Waikato 2070 does not identify the;</p> <ul style="list-style-type: none"> • East-West connection (Hetherington-Kimihia Road Corridor) – including a new bridge across the River - to integrate the town, • A residential option to the north-east of the Huntly Power Station, • Industrial development at Rotowaro <p>These are longer term views in the 100 year spatial intent. Waikato 2070 would not preclude investigating to include these in subsequent updates.</p>
<p>Taupiri</p> <p>Initially identified both residential and industrial development in Taupiri including a possible transport interchange.</p> <p>Taupiri also falls into the Hamilton-Waikato Metropolitan Spatial Plan, as a potential growth area for future consideration, together with Hopuhopu and Ngaruawahia. It has been proposed in the Metropolitan Spatial Plan to group these settlements together to enable integrated land use and transport planning due to its strategic location and significance to iwi.</p>	<p>Taupiri</p> <p>Waikato 2070 and the spatial intent are very closely aligned.</p> <p>Identifies additional residential growth cells to the south that extends the existing village.</p> <p>Two separate Commercial and Industrial growth cells are located on either side of the expressway located on the outskirts of Taupiri.</p> <p>More detailed planning (structure plan) would need to be undertaken together with Ngaruawahia and Hopuhopu to ensure integrated land use development.</p>

Open Meeting

To	Strategy and Finance Committee
From	Clive Morgan General Manager Community Growth
Date	25 May 2020
Prepared by	James Fuller Senior Environmental Planner
Chief Executive Approved	Y
Reference #	GOV1318 / 2414766
Report Title	Submission National Policy Statement – Indigenous Biodiversity

I. EXECUTIVE SUMMARY

The purpose of this report is to inform the Committee of the lodgement of the Waikato District Council (WDC) submission on the Draft National Policy Statement Indigenous Biodiversity (NPSIB).

The Ministry for the Environment (MfE) is proposing a NPSIB to protect and manage indigenous biodiversity of both flora and fauna.

Submissions closed on 14 March 2020 and Council was granted a short extension of time. Due to workload issues, the submission was not able to be drafted in time for the closest Strategy and Finance Committee meeting. The submission was approved by the Council's Submission Forum¹ and submitted to MfE on 19 March 2020.

This item was not brought to the Strategy and Finance Committee meeting on 18 March, as the submission was not finalised in time for the committee agenda close. The additional time allowed for a review of the Local Government New Zealand submission and alignment with it.

¹ The following excerpt from the Council's "Terms of Reference and Delegations for Council, and Committees of Council," provides details on the Submission Forum and associated processes:

Submissions and legislation

7. Approve submissions to external bodies/organisations on legislation and proposals that impact governance policy or matters.

NOTE: The following process can be used in the event that a submission cannot be presented to the relevant committee prior to the due date for submission:

- The Mayor, Deputy Mayor and Chairpersons of the Infrastructure, Policy & Regulatory and Strategy & Finance Committees ('the Submission Forum') may jointly approve a submission.
- Officers will circulate the submission to the Submission Forum for approval, providing at least 24 hours for the review of the submission.
- Each member of the Submission Forum will confirm by response whether they approve the submission or have any feedback on the submission.
- Where possible, a consensus of the Submission Forum members should be sought. If required, a majority view will prevail.
- Any submission approved via this process must be presented to the next relevant committee meeting for noting.

2. BACKGROUND

Draft National Policy Statement Indigenous Biodiversity

The purpose of the Draft National Policy Statement Indigenous Biodiversity is to protect and restore indigenous biodiversity. Attached is a copy of the final submission which canvassed key teams within the Council and which is in general accordance with both Local Government New Zealand's and Waikato Regional Council submissions.

National Policy Statements (NPSs) are instruments used under section 52(2) of the Resource Management Act 1991. NPSs state objectives and policies for matters of national significance, which assist Councils in the development of planning tools such as the District Plan and decision-making such as plan changes and resource consents.

Central government's focus on the NPSIB is to allow better management, protection and restoration of indigenous biodiversity in New Zealand. WDC acknowledge that biodiversity is in trouble and is not coping with habitat destruction from development, land clearance, drainage of wetlands and peat bogs.

Key questions and ideas that were canvassed by the NPSIB discussion paper include the following:

- Provides more clarity to the role of local authorities in biodiversity management under the RMA;
- Requires Regional Council's to produce a biodiversity strategy and District Council's to identify all of their Significant Natural Areas (SNAs) within five years to a set of criteria including assessment by a qualified ecologist;
- Supports the existing good work of local authorities to date and secures the gains made in terms of regional and local planning responses;
- Requires local authorities that operate below best practice to enhance their efforts by introducing a 'bottom-line' category of a site (SNA) whose values are to be recognised and protected through the RMA;
- Gets decision-makers to appropriately balance the protection of biodiversity, the interests and values of Tangata whenua, the rights and responsibilities of landowners and the broader national interests that may be at stake in future resource management decision-making; and
- Enables better cross-over between the NPSIB and other National Policy Statements, including coastal and freshwater management NPSs.

Council Submission

The following is a summary of the Council's submission on the NPSIB:

The submission responds to each of the questions asked and supports a number of the key focus areas including managing and maintaining indigenous biodiversity; incorporating Hutia te Rito values into the NPS and therefore emphasising the importance of stewards and

kaitiaki of indigenous biodiversity. WDC believes the scope of the review is appropriate if it helps to maintain indigenous biodiversity, but that restoration needs to be part of additional government scoping.

WDC questions the costs of having a suitably qualified ecologist(s) to assess vast numbers of ecological areas. WDC considers these areas are not necessarily able to be pigeon-holed into a five-year timeframe and asks whether this detail is needed and whether this should be balanced against the costs. WDC agrees that mobile fauna can cross regional boundaries and DoC has traditionally administered this mobile fauna movement. WDC considers that this process should continue with more resourcing, rather than devolved to District and Regional Council's who do not have DoC's expertise in this area. There are separate legislation requirements under the Wildlife Act 1956 that DoC administers which could be used.

WDC considers that the regulatory measures proposed in the NPSIB also need non-regulatory steps, including additional protection and active interventions against predators, plant and animal pest management. As part of the NPSIB, a package of non-regulatory measures that incentivise landowners to restore indigenous biodiversity should also be explored, as District Council's may only be able to require private landowners to protect natural areas through a consenting process.

3. RECOMMENDATION

THAT the report from the General Manager Community Growth be received;

AND THAT the Strategy and Finance Committee notes that the approved submission on the Draft National Policy Statement – Indigenous Biodiversity (as attached to the staff report) was lodged with the Ministry for the Environment on 19 March 2020.

4. ATTACHMENT

WDC submission on the National Policy Statement Indigenous Biodiversity

16 March 2020

Ministry for the Environment
PO Box 10362
Wellington 6143

Postal Address

Private Bag 544
Ngaruawahia, 3742
New Zealand

0800 492 452

www.waikatodistrict.govt.nz

Sent by email: indigenousbiodiversity@mfe.govt.nz

Dear Sir/Madam

SUBMISSION ON DRAFT NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY

Thank you for the opportunity to submit on the Draft National Policy Statement for Indigenous Biodiversity.

Please find attached the Waikato District Council's submission, which has been formally approved by the Council on 14th March 2020.

Should you have any queries regarding the content of this submission, please do not hesitate to contact James Fuller – Senior Environmental Planner by email James.Fuller@waidc.govt.nz or phone 0800 492 452.

Yours faithfully


Gavin Ion
CHIEF EXECUTIVE

Introduction

The Waikato District Council (WDC) appreciates the opportunity to make a submission on the National Policy Statement Indigenous Biodiversity 2019.

The Waikato District spans more than 400,000 hectares between Hamilton City and Auckland City. It comprises of six towns (the largest being Huntly with approximately 7800 people) with multiple villages of various sizes. The District has strong employment, social and economic relationships with both Hamilton City and Auckland City. WDC, as a regulator, manages large rural and significant ecological environments and recognises the importance of the Resource Management Act 1991 and how it helps manage the Waikato District.

WDC's submission is based mainly on the discussion document entitled 'He Kura Koiora i hokia: A discussion document on a proposed National Policy Statement on Indigenous Biodiversity (NPSIB)', prepared by the Ministry for the Environment (MfE) and the Department of Conservation (DoC).

The Waikato District is experiencing high growth in some parts of the district, that is putting pressure on the environment and flora and fauna of the district if not carefully managed. WDC notified a Proposed District Plan (PDP) in 2018 and are currently in the hearings process. The PDP identified a range of new Significant Natural Areas (SNAs) under Section 3.2. A copy of the Natural Environment (which includes SNA's) objectives and policies to manage and enhance the ecological areas of the district is attached to this submission (Appendix A).

Overview

WDC supports the government's focus to protect and restore indigenous biodiversity as per the draft NPSIB. WDC acknowledge that biodiversity is on the decline and is not coping with habitat destruction from development and land clearance, including drainage of wetlands. WDC agree with the draft Local Government New Zealand (LGNZ) (Appendix B) submission that any intervention around biodiversity needs to be through a coordinated strategic approach. Responsibility needs to be shared across the whole system and not just councils.

The LGNZ submission stresses that roles need to be more transparent within the biodiversity space and that the government needs to play a more active role in helping to guide, manage and implement the provisions of the draft NPSIB. Regulatory measures need to be combined with additional protections and active interventions such as habitat protection and enhancement, plant and animal pest management. Non-regulatory measures that incentivise those undertaking good environmental practice, particularly in the rural sector, should be encouraged.

WDC supports the purpose of the draft NPSIB as it aligns with the United Nations Sustainable Development Goals (SDGs) which are a blueprint for achieving a more sustainable future for all and are increasingly being picked up by governments and business. The SDGs address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. SDG 15 aligns with protecting biodiversity, and the draft NPSIB is consistent with its objectives.

Introduction: Addressing the decline in New Zealand's indigenous flora and fauna

Overview of the draft NPSIB

Question 1-3

Do you agree a National Policy Statement for Indigenous Biodiversity (NPSIB) is needed to strengthen requirements for protecting our native plants, animals and ecosystems under the Resource Management Act 1991 (RMA)? Yes/no? Why/why not?

The scope of the draft NPSIB focuses on the terrestrial environment and the restoration and enhancement of wetlands. Do you think there is a role for the NPSIB within coastal marine and freshwater environments? Yes/no? Why/why not?

Do you agree with the objectives of the draft NPSIB? Yes/no? Why/why not? (see Part 2.1 of the draft NPSIB)

Agree in Principle: WDC requests that further guidance and implementation strategies around protecting our native plants, animals under the RMA. MfE needs to appropriately cost this out for local government as part of a comprehensive package of reforms. The draft NPSIB, in addition to the National Policy Statement Freshwater Management (NPSFM) and New Zealand Coastal Policy Statement (NZCPS), could create a complicated system. The natural systems are all interrelated, and impacts on the land impact the freshwater and coastal marine areas and vice versa.

Maintaining and managing indigenous biodiversity could have positive impacts on reducing flooding, loss of topsoil and coastal erosion. However, in its current format, the draft NPSIB has challenges for the district and regional councils to administer and control if regulations are the only mechanisms progressed. Central government needs to take an active approach with guidance around the implementation of the objectives and policies. The objectives and policies could be condensed and simplified as per the LGNZ submission. Additional resources should also be put into non-statutory best practice examples as set out in some of the case-studies supplied by LGNZ.

Section A: Recognising te ao Maori and the principles of the Treaty of Waitangi

A.1 – Providing for the concept of Hutia te Rito

Question 4-5

Hutia te Rito recognises that the health and wellbeing of nature are vital to our own health and wellbeing. This will be the underlying concept of the draft NPSIB. Do you agree? Yes/no? Why/why not?

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

Agree in Principle: WDC considers the loss of biodiversity is a critical issue and will aim to halt the decline of indigenous biodiversity. These objectives also take into account the Treaty of Waitangi Principles and recognise tangata whenua as stewards and kaitiaki of indigenous biodiversity.

A.2 – Providing for the principles of the Treaty of Waitangi and engaging with tangata whenua

Question 6-9.

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

What opportunities and challenges do you see for the way in which councils would be required to work with tangata whenua when managing indigenous biodiversity? What information and resources would support the enhanced role of tangata whenua in indigenous biodiversity management? Please explain. Local authorities will need to consider opportunities for tangata whenua to exercise kaitiakitanga over indigenous biodiversity, including by allowing for sustainable customary use of indigenous flora. Do you think the draft NPSIB appropriately provides for customary use? Yes/No, please explain.

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

Agree in principle: WDC generally supports strengthening the relationship between Maori indigenous biodiversity in the draft NPSIB but reiterates that the Treaty of Waitangi (ToW) principles are present in the RMA. WDC seeks clarity around what MfE are trying to specify in the NPSIB Maori relationships with indigenous biodiversity through legislation direction. An alternative might be greater guidance and resourcing of Maori engagement in these areas to achieve the principles of the ToW. Alternatively, rather than what is draft in the NPSIB, this part could be simplified and focused within national and/or regional Biodiversity Strategy(s).

The challenges for councils is that these provisions may complicate existing relationships and roles that have already been developed by councils. WDC would prefer to build on existing relationships rather than require additional processes to be added in as per the draft NPSIB. An alternative is adding in the following text "*where there are existing Tangata Whenua relationships, protection, management and enhancement of indigenous biodiversity should be incorporated into those existing relationships*".

WDC request the provision of examples demonstrating Tangata whenua exercising kaitiakitanga over indigenous biodiversity. Given the current draft NPSIB is dealing with land and terrestrial areas, Maori have customary rights to use, grow or protect flora and fauna on iwi land. However, WDC question if the draft NPSIB will result in council restricting the harvesting of flora and fauna on Maori land and/or restrict access to flora and fauna on council reserve land. If these restrictions are likely to occur, then maybe a simplified process needs to be developed by MfE that allows councils and Tangata Whenua representatives to approve harvesting of flora and fauna on iwi and council reserve land. If it is DoC land (likely the most significant area), then a similar process should be permitted.

WDC suggests that a nationally agreed framework that all councils use and administer if it is devolved to councils (district or regional) is required. Alternatively, this could sit with the DoC, who are more likely to have the internal skill set to approve requests, due to their understanding of how the harvesting of flora will affect a natural space. Harvesting should only be considered if it can be carried out in a sustainable manner to ensure no loss of biodiversity.

Section B: Identifying important biodiversity and Taonga
B.1 – Identifying and mapping Significant Natural Areas

Question 10-15

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

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

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

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

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

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

- a. Regional policy statement*
- b. Regional plan*
- c. District plan*
- d. Combination*

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

Agree in principle: WDC has already carried out an exercise in mapping and identifying SNAs based on the Waikato Regional Council (WRC) databases. WDC has undertaken this work in partnership with iwi, the community and key stakeholders as part of its District Plan review. WDC note that the costs of this mapping and scheduling SNAs have been extensive. MfE needs to consider the financial pressures that this legislation could put on all councils and whether there will be a corresponding improvement in indigenous biodiversity nationally. Under the current proposal, councils are required to employ a registered ecologist to assess all of the SNAs; therefore, resourcing could be an issue. Consideration needs to be given to prioritising the high-value areas and using technology to capture the SNA information more efficiently. WDC proposes that key high-value areas should be identified first, with smaller SNA areas to be identified later and that not all areas require an ecologist's full assessment.

Government organisations MfE, DoC and Non-Government Organisation (Manaaki Whenua – Landcare Research (MWLR), QEII Trust and Forest and Bird) should also be involved. All levels of government should share their resources and try to minimise the double up of information. MfE needs to clarify the level of detail each council must achieve when identifying SNAs. Councils may be in different phases of SNA investigation and might not follow the same processes or have the resources to undertake an in-depth on-site investigation of SNAs. However, it should be recognised that there will be considerable costs associated with this process. WDC suggest a

strategic approach to identifying critical SNA areas over a scheduled timeframe and the utilisation of essential information from regional databases, NZ Land Cover Databases, LIDAR and drone photogrammetry. Councils could undertake more general and desk-top investigations of SNAs. Mapping and scheduling of indigenous biodiversity should be consistent across the country. Additionally, a baseline should be developed for specific areas within districts and regions, in conjunction with ground-truthing.

The draft NPSIB approach sets out the criteria for identifying significant indigenous vegetation or significant habitats of indigenous fauna. The criteria should include:

- a) representativeness;
- b) diversity and pattern;
- c) rarity and distinctiveness;
- d) ecological context and each assessment requiring a map, description of the attributes and what is identified; and
- e) connectivity between habitat types.

The key threats to indigenous biodiversity include management of environments and maintaining representativeness of flora and fauna. If councils and DoC already understand the threats to indigenous biodiversity does this need to be assessed by a suitably qualified ecologist. WDC question if there is a need for imposing other criteria, particularly if a suitably qualified ecologist is required to undertake assessments of significant indigenous vegetation and habitats. Most councils will have a range of information on ecological areas. If the process is not undertaken to the requirements of the draft NPSIB, will councils be required to backfill this data, and what are the cost implications? It is important to recognise that timeframes and the ultimate purpose for which the information will be used are crucially important.

An alternative system might be prioritising key areas into subcategories, through desktop analysis and use of regional information and aerial footage first. Through this process, large-high-quality areas could be identified first, and smaller areas of indigenous biodiversity could be tagged for later analysis. The reasoning behind this suggestion is the cost of surveying these areas to the level the draft NPSIB requires will be high for most councils, particularly in cases where some councils are still debating the merits of SNAs. Councils may already have some of this information available in databases from subdivision covenants and ecological assessments.

Regional plans could show the high-level areas as identified, and district plans could show more of the granular detail, particularly public reserve areas. Care needs to be taken around the requirements for large council-owned/managed regional parks. From a national perspective, it may be appropriate to extend and provide council information, regarding SNAs, to central government agencies and NGO's (Forest and Bird, QEII Trust, Waikato River Authority) into a national database. Regionalising or centralising this information in a national database would give a more accurate picture of the location and extent of SNAs throughout the country and inform where each organisation should target its resourcing.

The five-year time frame is extremely ambitious, as it will come down to funding and resourcing related to the size of council districts/regions. This is set out in the LGNZ submission and their attached case studies. The cost of having a suitably qualified ecologist to assess vast numbers of ecological areas cannot necessarily be met within a five-year timeframe. Potential SNAs should be prioritised for assessment depending on their size and quality at the outset, and this would help to rationalise the costs and timing. An alternative might be a minimum of 50% of the district or

overall region within five years, focusing on the quality of information rather than quantity, and be subject to budgetary constraints for each council.

B.2 – Recognising and protecting Taonga species and ecosystems

Question 16

Do you agree with the proposed approach to the identification and management of taonga species and ecosystems? (see Part 3.14 of the draft NPSIB) Yes/no? Why/why not?

Comment: This should be up to Tangata whenua to lead and self-identify what are crucial areas for them. Central government could assist with having this independently verified for particular areas where there is a dispute over an area from an external source. If councils have to put these areas in a statutory document and they cannot corroborate the information, this may mean difficulties for private landowners.

B.3 – Surveying for and managing ‘highly mobile fauna.’

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

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

Agree in principle: Mobile fauna can cross regional boundaries, but this should also include DoC because there may be a requirement under the Wildlife Act 1956. WDC also note that some of the mobile fauna information, particularly around nocturnal species, is very patchy at this stage and there needs to be a procedure for it. Development of a public database that centralises mobile fauna information, including council reserves, resource consent assessments for private properties and designation information. DoC should be the holder and administrator of this information given their more considerable expertise in mobile fauna.

Section C: Managing adverse effects on biodiversity from activities

C.1 – Managing adverse effects on biodiversity within Significant Natural Areas

Question 19

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

Question 20

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

Question 21

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

Do not agree: WDC does not consider that the draft NPSIB provides the appropriate level of protection because it is only focused on a regulatory approach devolved from central to local government. Non-regulatory measures need to be considered to incentivise and help landowners maintain and develop SNAs with an emphasis on indigenous biodiversity.

An effects management hierarchy is consistent with the RMA process. Specific areas with very high levels of indigenous biodiversity or rare areas may need to be exempted from this hierarchy and prohibited. WDC agree that biodiversity off-setting is appropriate for activities that need to occur in specific locations and subject to assessment and ecological valuation. Historically like for like has been undervalued and the replacement of mature flora and high-quality ecosystems are not always costed and timed appropriately.

Changes to flora from the location of activity next to an SNA, e.g. large scale projects, may adversely affect SNAs and should be considered.

C.2 – Providing for specific new activities within SNAs

Question 22

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

Question 23

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

Question 24

Do you agree with the proposed definition for nationally significant infrastructure? Yes/no? Why/why not?

Partially agree: WDC note that there will be a wide diversity of SNA's across the country, regions and districts. An SNA located in one part of the country will not be comparable to another because of the flora and fauna it protects and their representativeness. Consideration needs to be given to expanding the categories to include representativeness. The draft NPSIB and MfE should have very clear parameters around each category and test these against real-world examples. The draft NPSIB should provide guidance on implementing these proposals and valuing different categories of biodiversity and what the biodiversity offsetting entails.

Previous points of this submission, WDC suggests making use of existing information/data and prioritising areas, rather than undertaking full ecological assessments and therefore minimising costs and time constraints for local government.

Please include additions to *c. indigenous vegetation... from myrtle rust. Add-in "any unidentified or new biological contaminants"*.

The definition needs to be extended to include regional infrastructure and be linked to spatial planning elements. WDC agrees that nationally significant infrastructure should be considered differently to other projects and may trump some SNA areas. However, regional spatial plans that identify constraints and opportunities may be better ways to manage the interplay between infrastructure and SNA. For example, the definition identifies renewable electricity generation as contributing to the government's zero-carbon targets. Identifying areas where this may or may not be feasible may stop the current piecemeal opportunistic approach. The current approach

generally forces regional and district councils to defend or support projects that communities may have an issue with.

C.3 – Managing significant biodiversity in plantation forests

Question 25

Do you agree with the proposed approach to managing significant indigenous biodiversity within plantation forests, including that the specific management responses are dealt with in the NESPF? (see Part 3.10 of the draft NPSIB) Yes/no? Why/why not?

Do not agree: The scenario identified is not appropriate for the following reasons. If plantation forest has resident bats, the owner will need to get an ecologist to assess the bat movements and determine the trees of interest. The owner has to pay for the ecologist to check and approve the removal(s). Is the likely outcome of the whole process going to be high costs worth more than the harvesting of a small plantation?

C.4 – Providing for existing activities, including pastoral farming

Question 26

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

Agree in principle: WDC considers there is potential to extend this concept rather than leaving it up to regional councils to amend their policy statements on when, how and where plans must provide for existing activities. Alternatives could be to incentivise industry, farming, forestry and infrastructure to protect and enhance indigenous biodiversity areas. Biodiversity quota approaches that retire strategic parts of the land or aquatic habitats should be encouraged and offset through tax breaks or given credit through carbon credits, e.g. protecting peat bogs.

C.5 – Managing adverse effects on biodiversity outside SNAs

Question 27

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

Question 28

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

Do not agree: WDC does not agree that councils must include in their plans where, how and when an assessment (using Appendix I of the draft NPSIB) of ecological significance in an area outside of an SNA is required. This seems to overcomplicate an existing assessment of effects process by requiring an ecological component that may or may not be required. The alternative is to have a national framework and better guidance around what is considered indigenous biodiversity. By highlighting a range of biodiversity levels, it might be possible to control the information requirements and make it more manageable for councils to administer.

WDC believes the ability to consider both biodiversity offsets and compensation separately would be advantageous. By noting the different quality of indigenous biodiversity, it would be easier to decide which one should be used. However, the full cost of lost indigenous biodiversity should

determine the compensation. The loss of fully established bush and habitats need a proper assessment on their growth and maintenance if they are to be replicated elsewhere.

C.6 – The use and development of Māori land

Question 29

Do you think the draft NPSIB adequately provides for the development of Maori land? Yes/no? Why/why not?

Do not agree: WDC considers that these provisions may complicate development on Maori land rather than provide for it. The medium-value SNA may be appropriate for partial development of land, but more detail needs to be provided around the wording of "no practicable alternative location".

If Maori land has a high-quality bush area that requires permanent protection, then possibly some form of compensation for lack of development on this land needs to be considered. This could be used as a case study and expanded out to non-Maori land over time. Alternatively provision of replacement land in the same area, albeit smaller, be required. The Maori, Land could be co-managed by whichever government department provided compensation or default to DoC. WDC seeks the benefits for all Maori landowners who actively maintain and enhance natural bush areas.

C.7 – Consideration of climate change in biodiversity management

Question 30

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

Do not agree: WDC sees that the current council toolkit is very limited in this area and adding in response to climate change will add further difficulty in administration and implementation. A national approach is preferred around climate change, where some clear guidance and implementation strategies are developed. It would also be useful for councils (district and regional) to allow innovative strategies for managing climate change impacts on biodiversity. The ability to utilise natural water storage areas to maintain other SNA areas under times of environmental stress, e.g. droughts, or incentivising the planting of waterways and wetlands to regulate better stormwater and floods and the creation of new or restoration of ecological waterways/wetlands/lakes to improve catchments is recommended.

C.8 – Applying a precautionary principle to managing indigenous biodiversity

Question 31

Do you think the inclusion of the precautionary approach in the draft NPSIB is appropriate? (see Part 3.6 of the draft NPSIB) Yes/no? Why/why not?

Agree in principle: WDC considers that it is appropriate to use a precautionary approach to indigenous biodiversity if it is not known what the full effects of an activity will be on the environment. Additional guidance around how this might be implemented across the country would be useful for councils to administer consistently. It might be useful to consider an adaptive management approach for medium-value SNA's and adjacent non-SNA areas rather than requirements for full ecological assessments. However, this may only be applicable in staged developments.

C.9 – Managing effects on geothermal ecosystems

Question 32

What is your preferred option for managing geothermal ecosystems? Please explain.

- a. Option 1
- b. Option 2
- c. Option 3
- d. Or your alternative option – please provide details.

Question 33

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

Comment: Geothermal ecosystems are not an issue for WDC, and therefore, we can provide no comment. The issue should be referred to the Waikato and Bay of Plenty Regional Councils and District councils with geothermal ecosystems (Taupo/Hauraki/Thames Coromandel/Rotorua) amongst others.

C.10 – Biodiversity offsetting and biodiversity compensation

Question 34

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

Question 35

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

Question 36

What level of residual adverse effect do you think biodiversity offsets and biodiversity compensation should apply to?

- a. More than minor residual adverse effects
- b. All residual adverse effects
- c. Other. Please explain.

Question 37

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

Comment: Commentary is similar to the biodiversity offsets, is there an opportunity to combine biodiversity offsetting and biodiversity compensation? WDC note exceptions within the specific compensation principles. WDC note that biodiversity loss and compensation should also consider and be linked to the connectedness of ecosystems. For example, if there is a net loss of an area, how does that indigenous biodiversity connect with others in the catchment (ecological

corridor) and, can the offsetting and compensation achieve the same or an improved outcome? See comments for Q45.

The term “Minor” is consistent with the RMA. Consider some guidance around examples. LGNZ describes a number of case studies, and MfE could undertake more to determine best practice examples with a framework of what will be lost (add its potential enhancement); and where can that be replicated. If the landscape context cannot be achieved, as would be the case in urban environments, then a multiplier could be applied to within and outside the catchments.

Section D: Restoration and enhancement of biodiversity

D.1 – Restoration and enhancement of degraded Significant Natural Areas, connections, buffers and wetlands

Question 38

The draft NPSIB promotes the restoration and enhancement of three priority areas: degraded SNAs; areas that provide important connectivity or buffering functions; and wetlands. (see Part 3.16 of the draft NPSIB) Do you agree with these priorities? Yes/no? Why/why not?

Question 39

Do you see any challenges in wetland protection and management being driven through the Government’s Action for healthy waterways package while wetland restoration occurs through the NPSIB? Please explain.

Comment: WDC considers that to halt and reverse the loss of indigenous biodiversity, there is a need to improve the degraded SNAs. There needs to be consideration given to an SNA in the context of how they connect to other areas. There is the ability for SNAs to buffer urban, rural and native areas and maintain flora and fauna. The loss of wetlands is of particular concern to WDC as they provide multiple ecological benefits from improvements in stormwater quality through to reducing flooding hazards. WDC would also like to see further investigation around peat bogs and their ability to sequester CO₂ recognised and as a potential off-set for farmers.

WDC sees the potential for cross-jurisdiction issues between the regional and district councils given each will administer separate NPS provisions. The NPSFM and NPSIB are linked and partially aligned, but one seeks the enhancement of water quality, and the other is primarily enhancing indigenous biodiversity. This might be improved by strategic and spatial plans that prioritise wetlands within a region, and their quality. The purpose is to manage and maintain the wetlands with the potential for restoration over the long term.

D.2 – Restoring indigenous vegetation cover in depleted areas

Question 40

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

Do not agree: WDC does not agree as the regional councils do not administer the vegetation cover in urban areas or non-urban areas. These targets would be devolved to district and city

councils. Urban green spaces serve a number of purposes and applying some arbitrary requirements might force councils to replace active recreation space with planted up space and impact on social activities. It could also require a replacement of exotic vegetation to native vegetation for little ecological improvement but extensive costs to councils to administer and monitor. Rural spaces vary throughout the country; some areas will have more than 10% and could compensate those that do not. Not all indigenous vegetation targets will be the same given NZ's vast and varied landscape. Rather than raising the levels of indigenous vegetation in one region, an alternative approach may be to focus on different indigenous biodiversity categories across all of the regions.

WDC have concerns around regional plans having more objectives, policies and methods that promote restoration, enhancement and reconstructed indigenous vegetation which further complicates RMA assessments and processes. An alternative to this regulatory approach might be incentivising landowners to protect and enhance these areas with a minimum 10% native vegetation cover. The regional councils and central government agencies could identify these areas and then provide technical help in their restoration. Regional/national funds or tax relief could be used to fund these restorations and ongoing management.

D.3 – Regional Biodiversity Strategies

Question 41

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

Question 42

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

Question 43

Do you think the proposed regional biodiversity strategy has a role in promoting other outcomes (e.g., predator control or preventing the spread of pests and pathogens)? Please explain.

Question 44

Do you agree with the timeframes for initiating and completing the development of a regional biodiversity strategy? (see Part 3.18 of the draft NPSIB) Yes/no? Why/why not?

Question 45 What specific information, support or resources would help you implement the provisions in this section (section D)?

Comment: WDC considers that the NZ Biodiversity Strategy would be a better vehicle to achieve the aim of restoration, enhancement and reconstruction. The aim should be to have the process as simple as possible. This would reduce the statutory component which could stay focused on management and maintenance. Efforts could then be channelled into improving indigenous biodiversity. WDC consider that the process needs to be as frictionless as possible avoid pain points to landowners and reward best possible efforts to restore, enhance or reconstruct indigenous biodiversity and ecosystems.

WDC agree with the purpose of having a regional biodiversity strategy only if a national strategy cannot be developed. Any such regional strategy should preferably promote landscape-scale restoration and enhancement of native habitats. Spatially identifying all SNAs and recording their attributes in an ecologist assessment is not considered the best use of resources. Appendix 5 should be amended to replace "all" with "majority", and this allows some flexibility with the regional/district biodiversity. Councils then can concentrate on high-quality areas with actions around restoration and enhancement rather than recording all of their SNAs. This also gives some leeway to councils that cannot identify all of their SNAs in the timeframe or gives them the opportunity to add new SNAs possibly with incomplete information.

This could be linked with other Government departments, iwi and NGO's to coordinate or prioritise predator control and minimise the spread of pests (plant and animal) and pathogens harmful to biodiversity, e.g. Kauri dieback.

The draft NPSIB provisions should consider the size of the region, resourcing, extent of SNAs and other responsibilities the regional council is progressing. WDC note that regional councils are dealing with a range of central government policy changes which will impact them all differently, e.g. the NPS - Freshwater Management in the Waikato is a significant resource requirement.

WDC consider that standardising government information and providing guidance around implementation would be useful for all parties involved in these processes.

Section E: Monitoring and implementation

E.1 – Monitoring and assessment of indigenous biodiversity

Question 46

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

Question 47

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

Do not agree: It is not clear as to why each region would need to develop a monitoring plan and then devolve it to districts? Would it not be more appropriate to have a national monitoring system developed with input from councils setting out a template monitoring system? This would be an integrated higher-level system which rationalises the use of appropriate standardised data.

WDC consider that biodiversity should be an indicator in the overall monitoring to assess the effectiveness of the RMA purpose. Biodiversity should not be a completely new range of information that requires separate data collection and further resourcing by councils. MfE should make efforts to standardise their data collection and promote consistency of processes amongst regional and district councils. Alternatively, the MfE national data collection system should be able to interpret standardised data from all councils. The dataset indicators need to be developed with councils and tested before they are fully deployed. A consistent core set is preferred with some regional differences depending on the varying ecosystems, e.g. sub-tropical to alpine.

E.2 Assessing environmental effects on indigenous biodiversity

Question 48

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

Do not agree: The draft NPSIB additional information requirements for activities as they relate to AEE's has the potential to add considerable costs and processing times to an assessment as per Appendix I. WDC see that if an application requires an ecological assessment, there will then need to be a peer-review. If an area is already identified there should be an opportunity for a council's ecologist to make the recommendations as an agreed process. New areas or significant disruptions to SNA's and bush areas could still require an ecological assessment. However, guidance around what it needs to include would be useful for applicants (standardise the documentation) to reduce timeframes and costs.

E.3 – Timeframes and implementation approaches

Question 49

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

- a. Implementation as soon as reasonably practicable – SNAs identified and mapped in five years, scheduled and notified in plans in six years.
- b. Progressive implementation programme – SNAs identified and mapped within seven years, scheduled and notified in plans in eight years.

Question 50

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

Preference – Flexibility Required: WDC has already undertaken a mapping exercise around SNAs in the Waikato District. This was based on a standardised approach to environmental assessment. The discussion document states that the draft NPSIB would accept those councils who have made the best efforts to assess SNAs even if these are not exactly as per Appendix I. Flexibility needs to be built into the legislation that these can be updated over time. Guidance and testing the legislation in areas that have not undertaken assessments (less-resourced councils) might define what best practice is.

WDC has undertaken an SNA mapping exercise and would like to see this time frame subject to flexibility around the criteria in Appendix I. Given new SNAs may be added over time through a regulatory process, consideration should be given in the NPS to allowing plans to add or alter SNAs without the need for a full statutory process. The areas could be agreed in spatial plans approved by communities and provide a net gain in indigenous biodiversity.

WDC does not agree with the implementation timeframe proposed in the draft NPSIB and considers that five years may pressure councils, particularly if areas are appealed in a statutory

process. Schedules should be able to be updated in systems on a regular basis (with 80% captured) and updated via a non-statutory process as per cl 16.

E.4 – SNAs on public land

Question 51

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

- a. Territorial authorities identify and map all SNAs, including public conservation land
- b. Public conservation land deemed as SNAs
- c. No SNAs identified on public conservation land

Question 52

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

Prefer Option B: WDC prefer Option B and that DoC administer this land and if it does need to be included as SNAs in district plans the information is provided to district councils from DoC with an assessment of the SNAs.

WDC note that these areas will have their methods of management dependent on the individual councils through planning processes, and in this case, a directed approach by MfE will limit a council's ability to influence these areas. So planning requirements around SNAs and how they interact with Outline Plans of Works may need some updates to included in the matters for consideration. Guidance and some case study examples of best practice would be useful to make application of these processes consistent and economical for all involved.

E.5 – Integrated management of indigenous biodiversity

Question 53

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

Agree in principle: WDC agrees with an integrated approach to managing indigenous biodiversity and the effects of it on subdivision, use and development. However, some context needs to put around the priority of managing indigenous biodiversity versus other competing uses. This could be in the form of guidance and how indigenous biodiversity is managed nationally.

E.6 – Managing indigenous biodiversity within the coastal environment

Question 54

If the draft NPSIB is implemented, then two pieces of national direction – the NZCPS and NPSIB – would apply in the landward-coastal environment. Part 1.6 of the draft NPSIB states if there is a conflict between these instruments the NZCPS prevails. Do you think the proposals in the NPSIB are clear enough for

regional councils and territorial authorities to adequately identify and protect SNAs in the landward-coastal environment? Yes/no? Why/why not?

Agree in principle: WDC consider that if the regional council is tasked with identifying these areas and providing that identification is consistent, there should not be many issues.

E.7 – Guidance and support for implementing the draft NPSIB

Question 55

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

Question 56

Do you think the draft NPSIB should include a provision on use of transferable development rights? Yes/no? Why/why not?

Question 57

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

Question 58

What support, in general, would you require to implement the draft NPSIB? Please detail.

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

Comment: WDC does not consider that the indicative costs and benefits have been adequately assessed given there are only a few councils that have undertaken this SNA work to date. The LGNZ submission indicates there is also a variety of interpretations on the usefulness of SNAs and local political elements grappling with their benefits.

Section F: Statutory frameworks

F.1 – The draft NPSIB and other government priorities

Planning Standards

Question 59

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

Alignment with other national direction under the RMA

Question 60

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

The Biosecurity Act 1993 and interactions with the draft NPSIB

Question 61

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

Agree in principle: WDC answers yes to Q59-Q61, but requests more information on the planning standards. There will be tension between other national policy statements and National Environmental Standards. WDC request that more non-regulatory methods are considered around the spread of pests and diseases. Please note, this should be viewed under a regional council response rather than a district council matter.

Section G: Consultation process

Question 62

Do you have any other comments you wish to make?

See general comments.

Appendix A:

Proposed Waikato District Plan: Section B Objectives and Policies, Chapter 3: Natural Environment, 3.2 Significant Natural Areas

3.2 Significant Natural Areas

3.2.1 Objective – Significant Natural Areas

Indigenous biodiversity in Significant Natural Areas is protected and enhanced.

3.2.2 Policy - Identify and Recognise

Identify significant indigenous vegetation and habitats of indigenous fauna in accordance with the Waikato Regional Policy Statement and identify as Significant Natural Areas. Recognise and protect Significant Natural Areas by ensuring the characteristics that contribute to their significance are not adversely affected.

3.2.3 Policy - Management hierarchy

(a) Recognise and protect indigenous biodiversity within Significant Natural Areas by:

- (i) avoiding the significant adverse effects of vegetation clearance and the disturbance of habitats unless specific activities need to be enabled;
- (ii) remedying any effects that cannot be avoided; then
- (iii) mitigating any effects that cannot be remedied; and
- (iv) after remediation or mitigation has been undertaken, offset any significant residual adverse effects in accordance with Policy 3.2.4.

3.2.4 Policy – Biodiversity Offsetting

(a) Allow for a biodiversity offset to be offered by a resource consent applicant where an activity will result in significant residual adverse effects on a Significant Natural Area, or on indigenous biodiversity outside such Significant Natural Areas.

(b) Within a Significant Natural Area, a biodiversity offset will only be considered appropriate where adverse effects have been avoided, remedied or mitigated in accordance with the hierarchy established in Policy 3.2.3; and

- (i) the biodiversity offset is consistent with the framework detailed in Appendix 6 Biodiversity Offsetting; and
- (ii) the biodiversity offset can achieve no net loss of indigenous biodiversity:

- A. preferably in the affected area of Significant Natural Area; or
- B. where that is not practicable, in the ecological district in which the affected area of Significant Natural Area is located.

3.2.5 Policy - Biodiversity in the coastal environment

(a) Avoid the adverse effects of subdivision use and development within Significant Natural Areas of the coastal environment on:

- (i) indigenous species that are listed as threatened or at risk in the New Zealand Threat Classification System lists
- (ii) habitats of indigenous species where the species are listed as threatened or at risk, are at the limit of their natural range, or are naturally rare
- (iii) areas containing nationally-significant examples of indigenous community types

- (iv) indigenous ecosystems and vegetation types that are threatened in the coastal environment, or are naturally rare, and
- (v) areas set aside for full or partial protection of indigenous biological diversity under legislation.

3.2.6 Policy - Providing for vegetation clearance

(a) Provide for the clearance of indigenous vegetation in Significant Natural Areas when:

- (i) maintaining tracks, fences and farm drains
- (ii) avoiding loss of life injury or damage to property
- (iii) collecting material to maintain traditional Maaori cultural practices
- (iv) collecting firewood for domestic use.

(b) Provide for the clearance of indigenous vegetation in Significant Natural Areas for the construction of building platforms, services, access, vehicle parking and on-site manoeuvring and the development of Maaori Freehold Land by:

- (i) using any existing cleared areas on a site that are suitable to accommodate new development in the first instance
- (ii) using any practicable alternative locations that would reduce the need for vegetation removal
- (iii) retaining indigenous vegetation which contributes to the ecological significance of a site, taking into account any loss that may be unavoidable to create a building platform, services, access, vehicle parking and manoeuvring on a site
- (iv) firewood.

3.2.7 Policy - Managing Significant Natural Areas

(a) Promote the management of Significant Natural Areas in a way that protects their long-term ecological functioning and indigenous biodiversity values, through such means as:

- (i) permanently excluding stock through voluntary covenants and conservation subdivisions
- (ii) undertaking plant and animal pest control
- (iii) retaining and enhancing indigenous vegetation cover
- (iv) maintaining and restoring natural wetland hydrology
- (v) avoiding physical and legal fragmentation
- (vi) legal protection of Significant Natural Areas through conservation covenants or similar mechanisms
- (vii) providing for the role of Mana Whenua as kaitiaki and for the practical exercise of kaitiakitanga in restoring, protecting and enhancing areas.

3.2.8 Policy – Incentivise subdivision

(a) Incentivise subdivision in the Rural Zone when there is the legal and physical protection of Significant Natural Areas, provided the areas are of a suitable size and quality to achieve a functioning ecosystem.

**Appendix B: Draft National Policy Statement for Indigenous Biodiversity (LGNZ
DRAFT Submission on the draft) NPS February**

Yours sincerely

Gavin Ion
CHIEF EXECUTIVE

**Appendix B: Draft National Policy Statement for Indigenous Biodiversity (LGNZ
DRAFT Submission on the draft) NPS February**

Open Meeting

To	Waikato District Council
From	Alison Diaz Chief Financial Officer
Date	26 May 2020
Prepared by	Colin Bailey Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318/2617873
Report Title	Financial performance summary for the period ending 30 April 2020

I. EXECUTIVE SUMMARY

This report presents the year-to-date financial performance against the 2019/20 Annual Plan and those budgets carried forward from the 2018/19 financial year.

The report provides a summary of revenue and expenses, capital expenditure and key reserves balances and covers the ten months to 30 April 2020. The year to date position reflected in the reports includes the first full month of impacts of the impacts of the Covid-19 pandemic.

Appended to the report is the Statement of Comprehensive Revenue and Expense (Profit & Loss), Statement of Financial Position (Balance Sheet) with Notes and the Financial Performance Summary all as at 30 April 2020. The financial statements, rather than comparing actuals to budget, show actuals against the prior year's actuals. Also attached is the Treasury Compliance Report as at 30 April 2020 based on the cashflow forecast as at the same date. Key items to note are:

- **Statement of Comprehensive Revenue and Expense:**
 - Finance income is lower than prior year due to higher deposits in place during the prior year period.
 - Finance costs are running above last year due to higher borrowings, some of which are in respect of contingency planning for expected impacts of Covid-19 on revenue and cashflow.
 - Personnel costs are higher than prior year due to recruitment in the current year for Gearing for Growth and Greatness initiatives. As at 30 April 2020 there were 23 staff vacancies and year to date costs are \$3.1 million less than budget.
- **Statement of Financial Position:**
 - Cash and Cash Equivalents are higher than prior year due to funds on short term deposit to meet expected payments to contractors and as contingency against low 3rd Rates Instalment receipts.

- Debtors are higher than prior year due to higher Rates receivable, related to growth in the district and agreed LTP increases. Impacts of Covid-19 are coming through inconsistently: April 2020 receipts for Rates and Water accounts were \$2.6 million less than April 2019 while May 2020 receipts are expected to be consistent with May 2019.
- To date 125 customers owing \$142,000 for Rates and Water cancelled, deferred or reduced their regular direct debit payments.
- Creditors and Other Payables are more than prior year due to differences in timing of capital expenditure.
- Other Liabilities are greater than prior year due to the June 2019 revaluation of derivative financial instruments (an Accounting Standards requirement).
- **Financial Performance Summary**
 - Financial performance and the major reserve balances are as expected with little impact to date from Covid-19. The full year capital expenditure forecast has been reduced by \$1.4 million to \$55.3 due to the impacts on activity levels during the Lockdown period in April 2020.
- **Treasury Compliance Report**
 - This report includes cash balances and borrowings as at 30 April 2020 and is based on the latest cashflow forecast allowing for expected Covid-19 impacts. The situation is rapidly evolving and the cashflow forecast is being updated daily.
 - There is one non-compliance, which has been reported previously:
 - Borrowing costs remain higher than budget.
 - A non-compliance as at 31 March 2020 has been resolved:
 - The current debt level of \$100 million is now within the fixed/floating interest rate risk control limits of 50% to 100%.
 - Debt levels are forecast to be \$95 million at 30 June 2020 after repaying a \$5 million short term loan due in June.

Covid-19 costs

The cost incurred to 22 April 2020 and the claims for reimbursement are as follows:

<i>Activity</i>	<i>EOC</i>	<i>Recovery</i>	<i>WDC Costs</i>	<i>WDHB Costs</i>	<i>NEMA Costs</i>
Equipment hire	4,252	0	4,252	347,898	34,883
Security	0	0	0	263,717	45,350
Cleaning	3,007	0	3,007	45,479	10,591
Food and catering	2,232	0	2,232	6,985	0
Repairs and maintenance	4,000	0	4,000	1,920	7,282
Phones	2,136	3,750	5,886	7,623	0
Printing and stationery	0	0	0	0	940
Training/accommodation	150	0	150	0	7,817
Traffic Management	0	0	0	43,986	0
Welfare	0	0	0	0	212,761
Other	0	16,482	16,482	0	0
Total	15,777	20,232	36,009	717,608	319,724
Claimed to date				352,011	319,724
To be claimed				363,597	0

The first claim on the Waikato District Health Board (WDHB) as shown above has been paid. The Emergency Operating Centre (EOC) costs include costs not able to be claimed.

Revenue post Covid-19 lockdown

Regulatory Revenue for April 2020 revenue was \$503,671, below budget and prior year by \$294,700 and \$189,310 respectively. These unfavourable variances are worse than the year to date trend and attributable to Covid-19. Other revenue areas continued on trend for the month. Major adverse variances for the month are the NZTA subsidy (\$1.1 million) and Vested Assets (\$4.4 million). One-off revenue amounts received in the month were insurance claim proceeds (\$150,382), Kopua Camp wage subsidy (\$143,155) and the WDBH claim (\$352,011).

	Month Apr-20				
	Actual	Budget	Variance	Prior year	Change
Rates	7,617,648	7,539,563	78,085	7,514,894	102,753
Development & financial contributions	1,829,615	523,544	1,306,071	1,608,031	221,583
Subsidies and grants	1,524,093	2,498,232	(974,139)	1,625,038	(100,945)
Finance revenue	7,499	10,833	(3,334)	9,416	(1,917)
Other revenue	2,640,926	6,246,310	(3,605,384)	1,828,783	812,143
Total revenue	13,619,781	16,818,482	(3,198,701)	12,586,163	1,033,619

Revenue for May and June 2020 is expected to be in line with April 2020 without the one-off items detailed above. While Covid-19 has contributed to the adverse variances the overall impact on the 2019/20 financial position is not expected to be significant. The 2020/21 Annual Plan will estimate longer term Covid-19 revenue impacts which are expected to be more significant.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

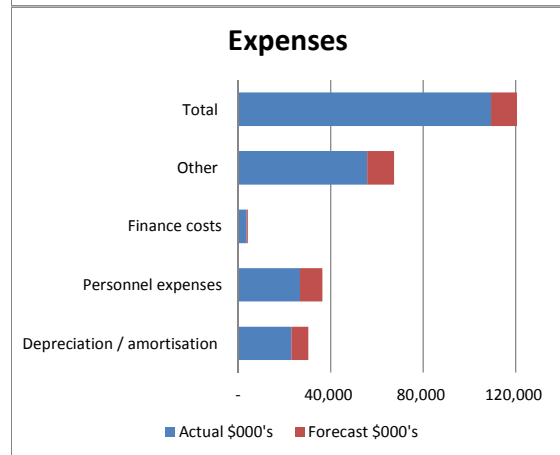
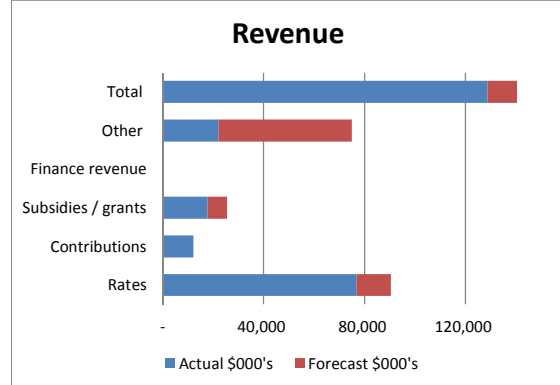
Financial Performance Summary as at 30 April 2020
Statement of Comprehensive Revenue and Expense as at 30 April 2020
Notes to the Statement of Comprehensive Revenue and expense as at 30 April 2020
Statement of Financial Position as at 30 April 2020
Notes 1 and 2 to the Statement of Financial Position as at 30 April 2020
Treasury Compliance Report as at 30 April 2020

AT A GLANCE

Performance to date is as expected, with the full Covid-19 revenue impacts still to come through. Income is tracking below budget due to the timing of vesting of roading assets, \$38 million of which relates to State Highway revocation, and lower than expected NZTA subsidies. Covid-19 emergency management costs that are not recoverable amount to \$36K to date with a further \$1.1 million of costs to be recovered from the Waikato District Health Board and the National Emergency Management Agency. Capital expenditure in April was low at \$1.9 million as a result of decreased activity during the lockdown.

	Apr-20	Open Bal
Reserve Balances Summary	\$000's	\$000's
Restricted reserves	200	194
Council reserves	23,606	30,521
Development contributions	(37,917)	(44,602)
Replacement funds	23,825	19,115
Targeted rate reserves	(7,624)	(6,833)
Total	2,090	(1,605)

	Apr-20	Open Bal
Key reserves (included in balances above)	\$000's	\$000's
Disaster recovery	544	535
Hamilton East Property proceeds	2,308	2,308
Structure plan non-growth reserve	951	921
Northgate development area	(4,301)	(4,276)
Pokeno Structure plan	(12,176)	(13,692)
Tamahere Structure plan	(1,948)	(2,020)
DW water targeted rate	(7,729)	(6,513)
DW wastewater targeted rate	(3,518)	(3,395)
Total	(25,869)	(26,132)



FINANCIAL PERFORMANCE SUMMARY

For the period ending 30 April 2020

	Actual \$000's	FY Forecast \$000's	% usage	YTD Variance \$000's	Ref.
Revenue					
Rates	76,827	90,475	85%	(1,431)	1
Development and financial contributions	12,195	6,283	194%	(6,959)	2
Subsidies and grants	17,723	25,523	69%	3,546	3
Finance revenue	72	130	55%	36	
Other revenue	22,030	74,956	29%	40,433	4
Total revenue	128,846	197,366	65%	35,626	
Expense					
Depreciation and amortisation expense	22,990	30,301	76%	2,261	5
Personnel expenses	26,759	36,401	74%	3,575	6
Finance costs	3,728	4,195	89%	(231)	
Other expenses	55,839	67,406	83%	333	7
Total operating expenses	109,315	138,305	79%	5,938	
Surplus (deficit) before tax	19,530	59,061	33%	29,688	

Year-to-date net operating surplus of \$17.2 million is \$29.7 million behind year to date expectations in overall terms.

Items to note are as follows:

Income

- Favourable - Rating income is above long term plan budget expectations for the year.
- Favourable - Contribution income is above year to date expectations. Approximately \$158,000 relates to older consents with financial contributions, with the remainder continuing to come from development contributions (DCs).
- Unfavourable - Subsidies are linked to progress of physical work programmes.
- Unfavourable - The budget allows for \$54 million of roading assets to be vested with Council. \$38 million of this relates to State Highway revocation. The exact timing of transfer is not yet known.

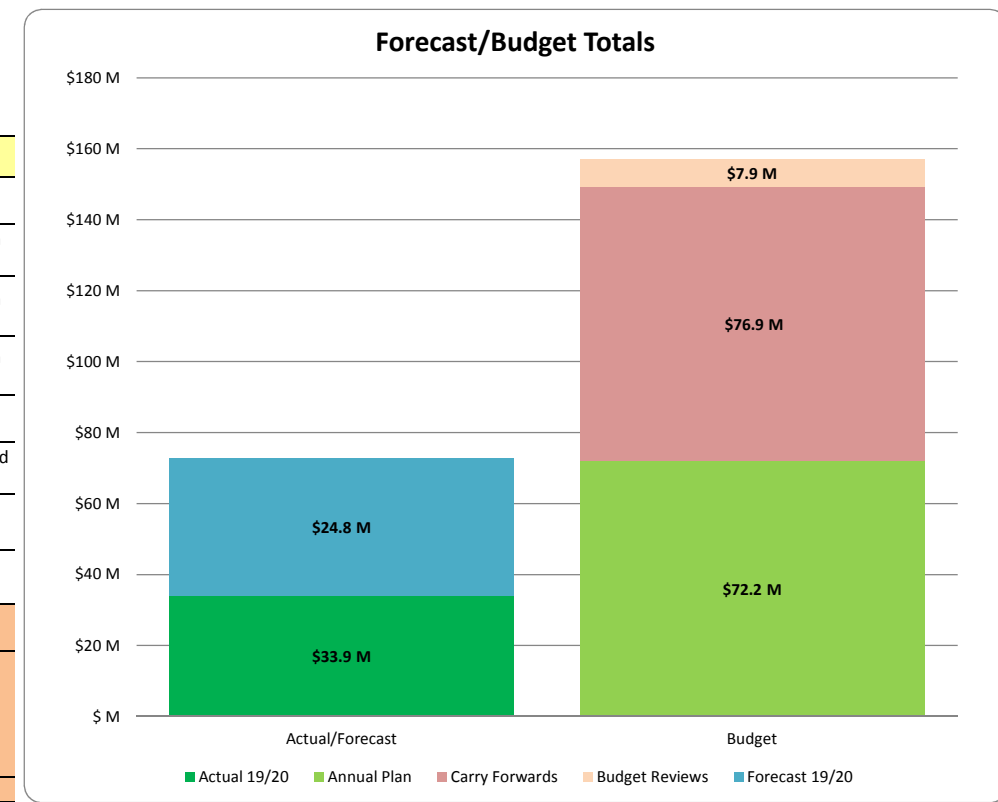
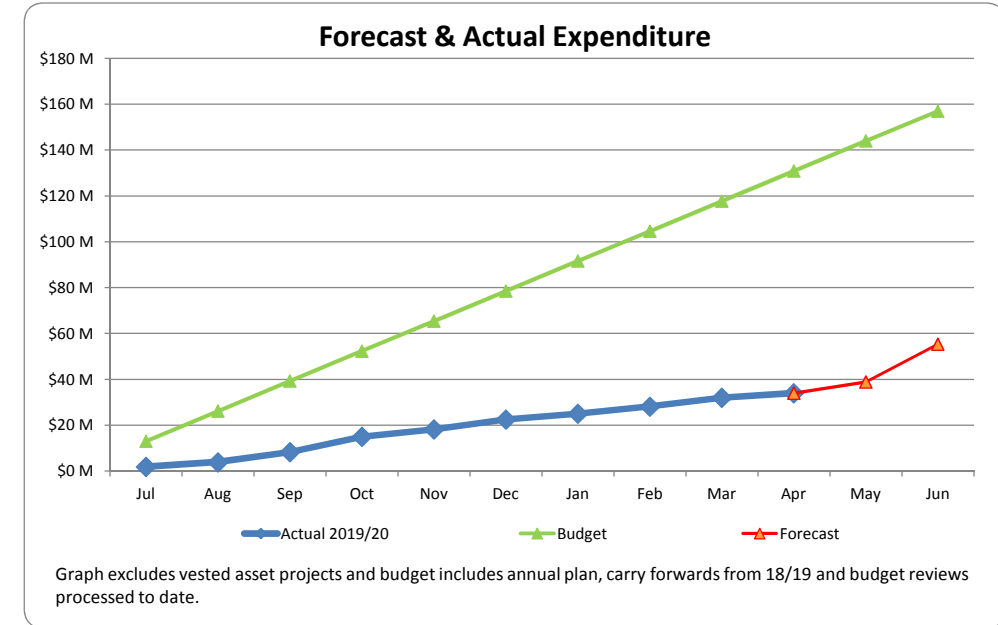
Expense

- Favourable - linked to progress of physical work programmes and capitalisation of fixed assets
- Favourable - impact from vacancies.
- Favourable - Relative to timing of work programmes.

Net Operating Surplus (Deficit) Breakdown	Actual \$000's	FY Forecast \$000's	YTD Variance \$000's	Favourable / Unfavourable
Roadings	9,564	65,106	44,691	U - Timing of vested asset revenue
Water	3,532	(690)	(4,107)	F - Major portion of Watercare transition budget yet to be expended
Wastewater	3,262	328	(2,988)	F - Major portion of Watercare transition budget yet to be expended
Stormwater	532	(1,253)	(1,576)	F - Major portion of Watercare transition budget yet to be expended
Sustainable Communities	2,494	2,056	(781)	F - Timing of grant payments
Sustainable Environment	36	598	462	U - Lower income levels not fully matched by lower expenditure
Governance	145	(352)	(438)	F - Timing of grant payments
Organisational Support	(2,103)	(6,732)	(3,507)	F - Low levels of activity expenditure
Total Group of Activities	17,462	59,061	31,755	
General rate usage	2,068	-	(2,068)	F - The general rate income recognised currently exceeds the amount of general rate used. This number adjusts throughout the year relative to activity expenditure
Surplus (deficit)	19,530	59,061	29,687	

Capital expenditure	Actual \$000's	FY Budget \$000's	% usage
Organisational Support	1.8	9.6	19%
Roadings	18.9	49.5	38%
Stormwater	0.8	8.1	9%
Sustainable Communities	6.8	26.0	26%
Sustainable Environment	0.1	0.2	26%
Wastewater	2.3	40.1	6%
Water Supply	3.3	23.5	14%
Total Group of Activities	33.9	157.0	22%

The "FY Forecast" relates to the second year of the LTP, including projects undertaken by developers on behalf of council plus any carry forward works from 2018/19. The work programme includes first estimates of the impacts of the Covid-19 lockdown. The high expenditure in the June forecast includes the finalisation of large Rooding projects.



Waikato District Council
Statement of comprehensive revenue and expense
As at 30 April 2020

Note	30 Apr 2020	30 Apr 2019
Revenue		
I Rates, including targeted water supply rates	76,826,703	70,327,533
Development and financial contributions	12,194,571	8,360,501
Subsidies and grants	17,722,922	14,843,317
Finance income	71,938	352,923
Other income	22,029,619	16,249,492
Total income	128,845,754	110,133,766
Expense		
Depreciation and amortisation expense	22,989,828	22,693,878
2 Personnel costs	26,720,961	23,805,581
3 Finance expenses	3,727,600	3,508,379
4 Other expenses	55,876,933	42,769,187
Total expenditure	109,315,323	92,777,025
Operating surplus (deficit) before tax	19,530,431	17,356,741

Waikato District Council
Notes - Statement of comprehensive revenue and expense
As at 30 April 2020

Note	30 Apr 2020	30 Apr 2019
1		
<u>Rates, including targeted water supply rates</u>		
General rate	43,734,065	40,756,845
Uniform annual general charge	8,115,893	7,537,042
<i>Total general rates income</i>	<u>51,849,958</u>	<u>48,293,887</u>
Community centres & facilities	659,796	597,215
Wastewater	9,281,039	9,020,021
Refuse & waste management	3,876,025	2,878,271
Metered water supply rates	5,610,372	4,718,409
Other water rates	2,886,095	2,608,161
Stormwater	1,525,207	1,444,020
Community boards	203,182	182,648
<i>Total targeted rates income</i>	<u>24,041,716</u>	<u>21,448,746</u>
plus: Penalties revenue	1,462,816	1,212,787
Total rates revenue	<u>77,354,490</u>	<u>70,955,420</u>
less: Rate remissions	(527,787)	(627,887)
Net rates revenue	<u>76,826,703</u>	<u>70,327,533</u>
2		
<u>Personnel costs</u>		
Salaries & wages	25,806,324	22,976,604
Kiwisaver contributions	629,081	562,116
ACC levies	116,644	125,024
Fringe benefit tax	82,166	62,576
Mileage reimbursements	60,480	51,811
Other personnel costs	26,266	27,450
Total personnel costs	<u>26,720,961</u>	<u>23,805,581</u>
3		
<u>Finance expenditure</u>		
External interest expense	3,727,036	3,507,801
Interest on reserves	564	578
Total finance expenditure	<u>3,727,600</u>	<u>3,508,379</u>
4		
<u>Other expenses</u>		
Audit fees	182,915	-
Activity expenditure	55,481,180	42,144,904
Debt write-off	10,033	1,009
Penalties written-off	319,381	354,282
Treasury administration	39,964	38,244
Asset adjustments	(156,540)	230,747
Total other expenses	<u>55,876,933</u>	<u>42,769,187</u>

Waikato District Council
Statement of financial position
As at 30 April 2020

Note	30 Apr 2020	30 Apr 2019
ASSETS		
Current assets		
	28,100,184	9,158,814
1	35,778,681	28,506,050
	606,691	500,798
2	93,731	101,088
	Total current assets	38,266,751
Non-current assets		
3	18,595,982	16,647,002
	560,000	545,000
	4,611,172	4,958,840
4	1,841,317,765	1,813,831,793
	Total non-current assets	1,835,982,635
	TOTAL ASSETS	1,929,664,206
LIABILITIES		
5	28,146,133	23,427,963
6	20,401,264	12,263,468
7	100,000,000	80,000,000
	TOTAL LIABILITIES	115,691,431
	NET ASSETS	1,781,116,808
EQUITY		
	1,062,038,181	1,062,597,894
	19,530,431	17,356,741
8	(3,542,614)	5,216,410
	23,605,758	22,750,493
	200,335	193,335
	23,825,328	18,518,451
	(7,623,857)	(5,166,255)
	(37,916,707)	(40,837,663)
	688,412,498	667,253,671
	12,587,455	10,674,878
	TOTAL EQUITY	1,758,557,954

*The financial statement set out above should be read in conjunction with the notes
set out on the following pages*

Waikato District Council
Notes to the financial statements
As at 30 April 2020

	30 April 2020			30 April 2019		
I Debtors & other receivables						
Accruals			8,710,788			4,897,528
Rates receivable			27,340,315			24,696,677
Sundry debtors			5,863,220			3,500,778
GST refund due (payable)			(4,977,991)			(3,491,303)
			36,936,333			29,603,681
Provision for doubtful debts			(1,157,651)			(1,097,631)
Net debtors & other receivables			35,778,681			28,506,050
2 Other current assets						
Cattle			93,731			101,088
Non-current assets held for sale			-			-
Total other current assets			93,731			101,088
3 Investments in other entities						
Community loans			105,559			168,937
Strada Corporation Ltd			700,000			700,000
NZ Local Government Insurance			65,515			62,239
Waikato Regional Airport Ltd			15,176,460			13,267,159
BNZ - Term deposit			809,274			789,493
Local Authority Shared Services Ltd						
LASS shares			-			-
Waikato Regional Transport Mod			112,500			112,500
Shared Valuation Database Serv			106,674			106,674
LGFA borrower notes			1,520,000			1,440,000
Total investments			18,595,982			16,647,002
4 Property, plant & equipment (PP&E)						
	30 April 2020			30 April 2019		
	Cost / Val'n	Accum dep'n	Book value	Cost / Val'n	Accum dep'n	Book value
Bridges	144,229,019	(2,442,301)	141,786,718	137,170,851	(2,294,243)	134,876,608
Buildings	55,367,790	(5,617,656)	49,750,134	54,672,344	(3,613,791)	51,058,554
Computers	5,570,131	(5,264,149)	305,982	5,380,177	(5,060,243)	319,934
Drainage	2,317,087	(23,614)	2,293,474	2,231,238	(22,496)	2,208,742
Furniture	1,557,829	(1,110,342)	447,487	1,479,862	(1,006,115)	473,747
Land	119,921,856	-	119,921,856	115,853,264	-	115,853,264
Land under roads	108,287,653	-	108,287,653	107,963,843	-	107,963,843
Library books	6,016,871	(4,873,759)	1,143,112	5,594,989	(4,572,373)	1,022,616
Office equipment	1,404,420	(1,216,329)	188,091	1,391,190	(1,175,016)	216,174
Parks and reserves	45,875,941	(1,934,570)	43,941,371	44,533,749	(1,800,095)	42,733,654
Plant	5,135,521	(3,086,004)	2,049,517	6,357,440	(3,559,814)	2,797,626
Roading	1,025,529,359	(9,827,044)	1,015,702,316	1,015,597,763	(9,867,939)	1,005,729,824
Stormwater	62,715,147	(680,583)	62,034,563	60,504,391	(638,999)	59,865,391
Transfer stations	1,728,138	(59,786)	1,668,352	1,843,762	(68,382)	1,775,380
Wastewater	117,216,869	(2,529,094)	114,687,775	114,581,498	(2,562,927)	112,018,572
Water	123,455,646	(2,380,369)	121,075,277	119,455,247	(2,182,453)	117,272,794
Work in progress	56,034,087	-	56,034,087	57,645,070	-	57,645,070
Total PP&E	1,882,363,365	(41,045,599)	1,841,317,765	1,852,256,678	(38,424,885)	1,813,831,793

Waikato District Council
Notes to the financial statements
As at 30 April 2020

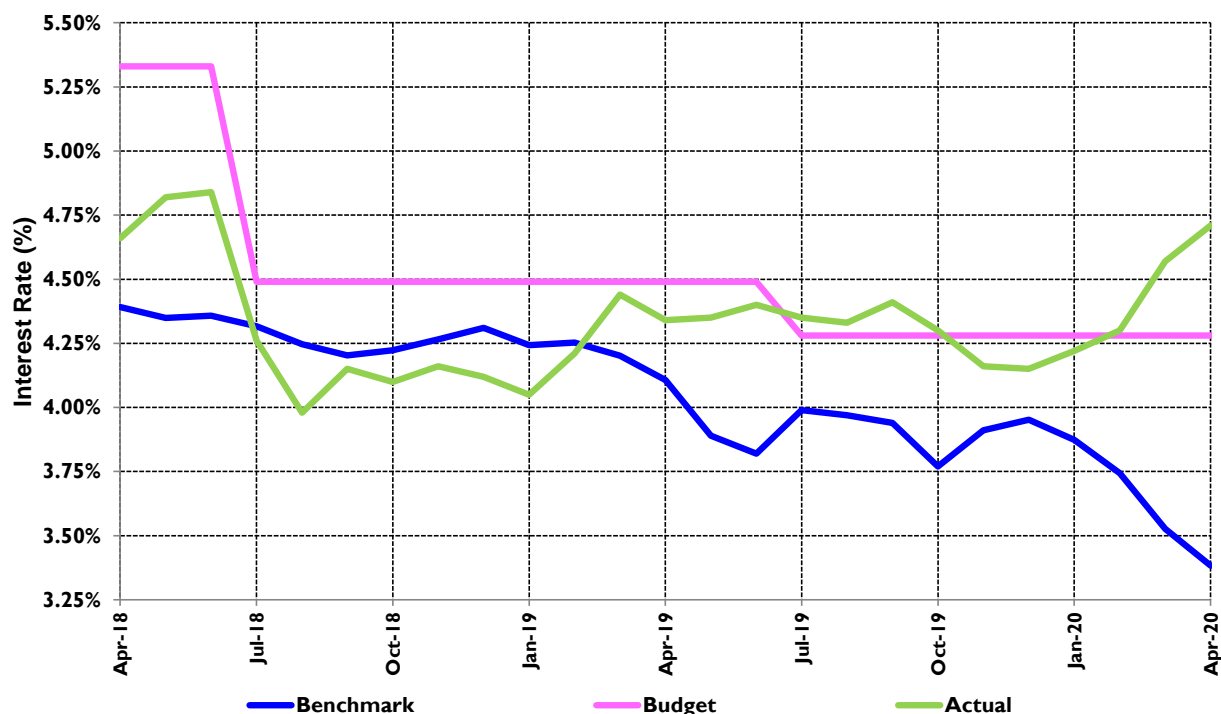
Note	30 April 2020			30 April 2019
5 Creditors & other payables				
Trade payables	15,828,695			14,246,774
Deposits & bonds	290,571			434,066
Accrued expenses	12,010,164			8,740,140
Rates in advance	16,704			6,983
Total creditors & other payables	28,146,133			23,427,963
6 Other liabilities				
Employee entitlements	3,287,156			2,885,896
Provisions	1,447,593			2,119,852
Derivative financial instruments	15,666,515			7,257,719
Total other liabilities	20,401,264			12,263,468
7 Borrowings				
Non current portion of borrowing	100,000,000			75,000,000
Current portion of borrowing	-			5,000,000
Total borrowings	100,000,000			80,000,000
8 Reserve movements				
	Balance as at	Movements		Opening
	30 April 2020			balance
Council reserves	23,605,758	6,915,727		30,521,485
Restricted reserves	200,335	(6,314)		194,021
Replacement funds	23,825,328	(4,709,967)		19,115,361
Targeted rate reserves	(7,623,857)	791,348		(6,832,510)
Development contributions	(37,916,707)	(6,684,905)		(44,601,612)
per Reserve balance report	2,090,858	(3,694,112)		(1,603,254)
Revaluation reserves	688,412,498	151,498		688,563,996
Fair value through other comprehensive revenue and expense	12,587,455	-		12,587,455
Total other reserves	703,090,810	(3,542,614)		699,548,196

Waikato District Council

Treasury risk management policy - Compliance report

As at 30 April 2020

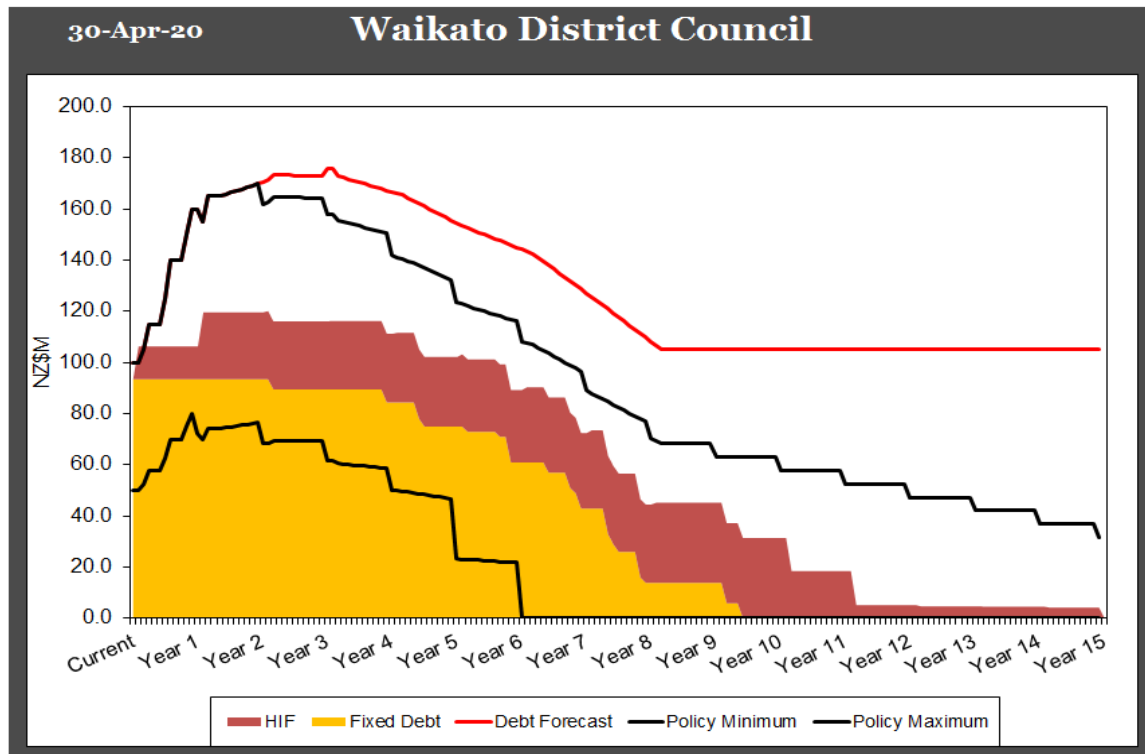
	Policy criteria	Policy limit	Actual	Within policy?
1	The percentage of net external debt to annual revenue Net external debt = Total annual revenue =	<150%	55.5%	✓
		total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents		
		earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets)		
2	Net interest expense on net external debt as a percentage of total annual revenue Net interest expense =	<20%	3.3%	✓
		total interest and financing costs less interest income		
3	Net interest expense on net external debt as a percentage of planned annual rates	<25%	4.8%	✓
4	Liquidity ratio Liquidity =	>110%	137%	✓
5	<u>Interest rate benchmark chart</u> Comparison of actual monthly and year-to-date accrued returns vs investing the entire treasury portfolio at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years.			
6	Actual borrowing costs are <= budgeted borrowing costs Current month Year to date	<u>Budget</u> \$349,583 \$3,495,833.33	<u>Actual</u> \$349,056 \$3,726,979	✓ ✗



7	Current interest rate swaps (including forward starts)	<u>Amount</u>	<u>Effective date</u>	<u>Termination date</u>	<u>Fixed rate</u> <i>(if effective)</i>
		\$			
		3,000,000	20-Jul-12	20-Oct-20	5.59%
		3,000,000	22-Jun-13	22-Mar-23	4.00%
		4,000,000	22-Jun-13	22-Jun-22	3.83%
		2,000,000	21-Mar-16	21-Mar-24	4.94%
		3,000,000	23-Mar-15	23-Mar-24	4.64%
		4,000,000	23-Mar-20	25-Mar-24	4.75%
		3,000,000	23-Mar-15	23-Sep-24	4.53%
		4,500,000	23-Dec-15	23-Sep-24	4.59%
		4,000,000	22-Jun-16	23-Sep-24	4.62%
		3,000,000	20-Oct-20	21-Oct-24	
		3,000,000	22-Sep-17	23-Sep-24	4.78%
		4,000,000	23-Mar-20	25-Mar-24	4.85%
		3,000,000	20-Oct-20	21-Oct-24	
		5,000,000	15-Mar-18	30-Jun-20	4.06%
		3,000,000	15-Mar-18	20-Oct-20	4.22%
		6,000,000	31-Oct-17	31-Jan-27	3.67%
		2,000,000	1-Mar-19	1-Dec-25	3.85%
		2,000,000	25-Sep-17	25-Feb-27	3.67%
		2,000,000	22-Jun-17	23-Jun-25	3.52%
		3,000,000	22-Mar-23	22-Jun-29	
		4,000,000	25-Mar-24	25-Sep-26	
		4,000,000	25-Mar-24	25-Mar-27	
		4,000,000	23-Sep-24	23-Sep-27	
		3,000,000	21-Oct-24	21-Oct-27	
		10,000,000	30-Sep-19	28-Sep-29	3.55%
		5,000,000	30-Jun-20	29-Jun-29	
		10,000,000	28-Feb-19	27-Feb-26	3.33%
		10,000,000	28-Aug-18	30-Aug-27	3.37%
		10,000,000	28-Feb-18	28-Feb-28	3.33%
		2,000,000	19-Jun-19	19-Mar-28	3.10%
		2,000,000	19-Jun-19	19-Mar-27	3.28%
		130,500,000	Total swaps		
		101,500,000	Total "live" swaps		
			Average interest rate of live swaps		3.93%
8	Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount			5 swaps with start periods > 24 months forward all are matched with existing swaps	
9	<u>Counterparty credit risk - swaps</u> NZ registered banks (each) - ANZ / National - ASB - BNZ - HSBC - Westpac	\$30m		\$0m \$0m \$22.51m \$0m \$0m	✓ ✓ ✓ ✓ ✓

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

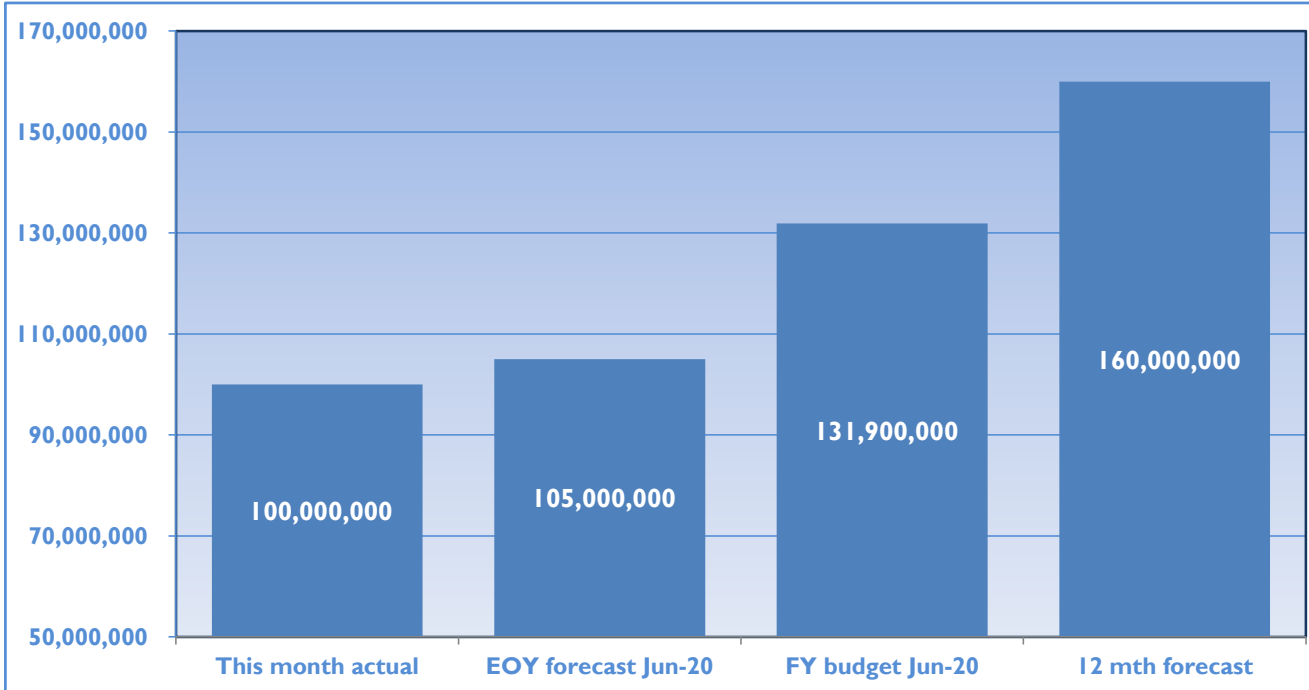
Debt period ending	\$m	Policy criteria	Actual	Within policy
Current	100	50% - 100%	93%	✓
Year 1	160	45% - 100%	66.4%	✓
Year 2	170	40% - 95%	70.1%	✓
Year 3	176	35% - 90%	66.1%	✓
Year 4	167	30% - 85%	66.7%	✓
Year 5	155	15% - 80%	66.0%	✓
Year 6	144	0% - 75%	61.9%	✓
Year 7	127	0% - 70%	56.9%	✓
Year 8	108	0% - 65%	41.1%	✓
Year 9	105	0% - 60%	43.0%	✓
Year 10	105	0% - 55%	25.9%	✓



	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	<= \$196.5m	\$100m	✓
12	Balanced budget benchmark (revenue / expenses)	>=100%	107%	✓
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>=100%	140%	✓
14	Debt servicing benchmark (borrowing costs / revenue) borrowing costs =	<15%	3.2%	✓
		finance expenses per statement of comprehensive revenue and expense		

15 Borrowing at April 2020

This graph depicts actual borrowing - LGFA plus bank (BNZ).



16	Actual monthly (gross) borrowing is within end-of-year budget	\$131,900,000	\$100,000,000	✓
17	The maturity profile of the total committed funding in respect of all loans and committed facilities			
	0 to 3 years	15% - 60%	59%	✓
	3 to 5 years	15% - 60%	27%	✓
	5 years plus	10% - 40%	14%	✓

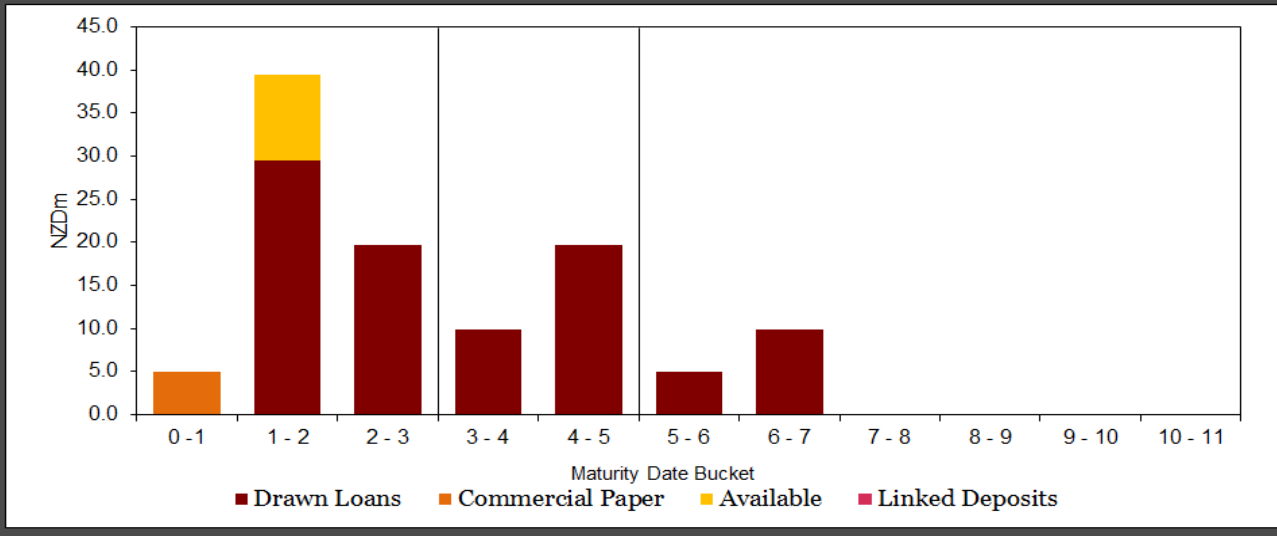
30-Apr-20

Waikato District Council

Committed Loan/Stock/Facilities/Investments \$135.4m
 Current External Debt \$98.5m
 Current Net Debt (ex pre-funding) \$71.6m

Policy Liquidity Ratio >= 110%
 Current Liquidity Ratio 137%
 12 month Peak Net \$160m

0 - 3 years	3 - 5 years	5 years plus
15% - 60%	15% - 60%	10% - 40%
59%	27%	14%



18	Financial assets			\$'000
	<i>Share investments held for strategic purposes</i>			
	Local Authority Shared Services Limited			179
	Waikato Regional Airport Limited			66
	Strada Corporation Limited			0
	Civic Financial Services Limited			700
	<i>Investments held to reduce the current ratepayer burden</i>			
	Community loans as below			109
	<i>Short-term investments held for liquidity & working capital requirements</i>			
	Bank & cash balances			339
	Short-term bank deposits			26,900
	Total investments			\$1,393
	For treasury purposes, LGFA borrower notes are netted off against related borrowing			
19	Community loans			
	<u>Borrower</u>	<u>Current balance \$\$</u>	<u>Maturity date</u>	<u>Interest rate</u>
	Tamahere Hall Committee	90,367	Jun-22	} all at 5.28%
	Te Kowhai Hall Committee	12,243	Jun-22	
	Woodlands #2	-	Oct-19	
	Tauhei Hall Committee	3,361	Jun-20	
	Opuatia Community Centre (ex Franklin loan)	2,800	Dec-20	
		<u>\$108,770</u>		
	Policy criteria	Policy limit	Actual	Within policy?
20	Counterparty credit risk - investments			
	NZ Government	unlimited	\$0m	✓
	NZD resistered supranationals	\$20m	\$0m	✓
	LGFA	\$20m	\$1.52m	✓
	NZ registered banks (each)	\$20m		
	- ANZ / National		\$6.725m	✓
	- ASB		\$6.725m	✓
	- BNZ		\$6.725m	✓
	- HSBC		\$0m	✓
	- Westpac		\$6.725m	✓
21	Counterparty credit risk - total			
	NZ registered banks (each)	\$50m		
	- ANZ / National		\$6.725m	✓
	- ASB		\$6.725m	✓
	- BNZ		\$29.235m	✓
	- HSBC		\$0m	✓
	- Westpac		\$6.725m	✓

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	2 June 2020
Prepared by	Grace Brady Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item 1 Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 2.1 S&F Actions Register		
Item 3.1 Director Appointments – Civic Financial Services Limited		
Item 3.2 Draft Hamilton-Waikato Metropolitan Spatial Plan		
Item 3.3 Development Agreement - 25 Rangimarie Road, Ngaruawahia		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item 1		Refer to the previous Public Excluded reason(s) in the Agenda for this meeting.
Item 2.1		Refer to the previous Public Excluded reason(s) in the Agenda for this meeting.
Item 3.1	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
Item 3.2	7(2)(c)(i)	To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied.
Item 3.3	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.