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

Date:	**Thursday 20 May 2021**
Time:	**9:30 am**
Meeting Room:	**Tasman Council Chamber**
Venue:	**189 Queen Street**
	Richmond

Full Council

AGENDA

MEMBERSHIP

Mayor	Mayor T King	
Deputy Mayor	Deputy Mayor S Bryant	
Councillors	Cr C Butler	Cr D McNamara
	Cr B Dowler	Cr D Ogilvie
	Cr M Greening	Cr T Tuffnell
	Cr C Hill	Cr A Turley
	Cr C Mackenzie	Cr T Walker
	Cr K Maling	Cr D Wensley

(Quorum 7 members)

Contact Telephone: 03 543 8400
Email: Robyn.Scherer@tasman.govt.nz
Website: www.tasman.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.

AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation
That apologies be accepted.

3 PUBLIC FORUM

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 8 April 2021 be confirmed as a true and correct record of the meeting.

7 PRESENTATIONS

8 REPORTS

9 CONFIDENTIAL SESSION

Nil

7 PRESENTATIONS

7.1 IMPACT OF SEDIMENTATION ON TASMAN BAY

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Robyn Scherer, Executive Assistant to the Mayor
Report Number:	RCN21-05-1

PRESENTATION

Dr James Griffith, Terrestrial Ecologist and Stew Robinson (Marine Biologist) at the Department of Conservation will make a presentation to the Full Council on factors that increase landslide occurrence in Tasman District and the impact of sedimentation on Tasman Bay.

Appendices

Nil

8 REPORTS

8.1 DELIBERATIONS ON WATER SAFETY CONSULTATION

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Helen Lane, Actvity Planning Advisor (Water & Wastewater)
Report Number:	RCN21-05-2

1 Summary

1.1 In August 2020, the Council consulted with the community on a proposal to apply residual disinfection using chlorine in the Council's remaining unchlorinated water supplies (the proposal). The water supplies are:

- Richmond;
- Riwaka/Kaiteriteri;
- Motueka;
- Hamama; and
- Upper Takaka.

1.2 The Special Consultative Procedure (SCP) was used to consult with the public.

1.3 The consultation commenced on 4 August 2020 and closed on 3 October 2020. The Council received 102 written submissions.

1.4 The majority of submitters did not support the proposal. There was wide-ranging feedback about the reasons for not supporting the proposal.

1.5 At the hearing held on 27 October 2020, eight submitters presented their submissions to the Hearing Panel. After listening to submitters, the Panel requested that staff investigate several matters summarised in **Attachment 5**.

1.6 In the report presented at the Deliberations Meeting held on 12 November 2020 (**Attachment 5**), staff recommended Full Council chlorinate the remaining unchlorinated supplies.

1.7 Instead the Deliberation Panel resolved to refer the decision to the Full Council.

1.8 In preparation for the Council's decision and to ensure Councillors were well informed to make that decision, a workshop was held on 15 April 2021 to provide:

- a summary of the consultation process to date;
- a summary of feedback raised in submissions;

- advice on water suppliers obligations within the new drinking water regulatory framework; and
- expert advice from health practitioners.

2 Draft Resolution

That the Full Council:

2.1 receives the Deliberations on Water Safety Consultation report RCN21-05-2; and

2.2 agrees to use chlorine to provide permanent residual disinfection of all Council water supplies including Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka; and

2.3 notes the timeframes for chlorination will come into effect at different times for each water supply as some treatment plants will need to be upgraded:

- **Richmond – immediately;**
- **Kaiteriteri/Riwaka- immediately;**
- **Motueka- when the Parkers Street Water Treatment Plant is operational;**
- **Upper Takaka- to be determined; and**
- **Hamama – to be determined.**

3 Purpose of the Report

3.1 The purpose of this report is to:

- provide all relevant information to assist the Council in deliberations on the Water Safety Consultation; and
- seek the Council's approval to provide permanent residual disinfection using chlorine in all Council water supplies to deliver safe drinking water.

4 Background and Discussion

Council Process

4.1 On 30 April 2020, the Council agreed to consult with the community on a proposal to apply residual disinfection using chlorine to the remaining unchlorinated water supplies. The Delivering Safe Water Report RCN20-04-9 (**Attachment 1**) identified permanent chlorination of water supplies as the preferred option to deliver safe water to all customers.

4.2 On 21 May 2020, the Council adopted a Drinking Water Quality Management Policy (**Attachment 2**). The policy sets out the Council's commitment to managing its water supply effectively in order to provide safe, high quality drinking water and meet our levels of service. The policy allows the Council to be consistent with:

- Health (Drinking Water) Amendment Act 2007;
- Drinking Water Standards for New Zealand;
- New Zealand Drinking Water Safety Plan Framework;
- Tasman District Council's Water Safety Plans;
- Government direction; and
- Taumata Arowai (new water services regulator).

4.3 On 30 July 2020, the Council agreed that using the Special Consultative Procedure (SCP) was the appropriate way to consult with the community and approved the consultation documents **(Attachment 3)** that are required as part of SCP.

4.4 The Water Safety Consultation was publically notified on 4 August 2020 and submissions closed on 3 October 2020. The Council received a total of 102 written submissions by the closing date.

4.5 A report summarising submissions is contained in **Attachment 4** of this report. The majority of submitters did not support the proposal. There was wide-ranging feedback about the reasons for not supporting the proposal, including concerns about:

- health issues;
- unpleasant odour and taste;
- the need to add chemicals to water;
- extras costs; and
- impact on the environment.

4.6 Some submitters provided reasons for why they support the proposal including:

- multiple treatment barriers is the most effective way to achieve a safe water supply;
- use of chlorine will provide a residual disinfection in the whole network;
- helps to manages risk of contamination events;
- most economical way to ensure that the Council achieves the water quality standards; and
- water needs to be as safe as possible.

4.7 Some feedback received was outside the scope of the consultation including concerns about contaminants in source groundwater and the addition of fluoride to water supplies.

4.8 At the Submissions Hearing on 27 October 2020, eight submitters presented their submissions to the Hearing Panel. After listening to submitters, the Panel requested that staff investigate several matters. These matters are summarised in the Deliberations Report **(Attachment 5)**.

4.9 In preparation for the Full Council decision and to ensure that Councillors were well informed to make that decision, a workshop was held on 15 April 2021 to provide:

- a summary of the consultation process to date;
- a summary of feedback raised in submissions;
- advice on water suppliers obligations within the new regulatory setting; and
- advice from health practitioners.

4.10 To provide a complete understanding of drinking water safety within a regulatory reform framework, staff invited the following external agencies to provide expert health and regulatory perspectives on the proposal:

- Taumata Arowai (new water services regulator);
- Ministry of Health;
- Nelson Marlborough District Health Board; and
- Institute of Environmental Science and Research (ESR).

Regulatory Reform

4.11 In 2016 an outbreak of campylobacter found in the Havelock North drinking water supply prompted a Government Inquiry and the **Three Waters Review**. Recommendations were far reaching and led to major regulatory reform.

4.12 New legislation (**Taumata Arowai–the Water Services Regulator Act 2020)** established a new regulatory body responsible for administering and enforcing a new drinking water regulatory system.

4.13 The Water Services Bill that is currently before the Health Select Committee for consideration is expected to pass by mid-2021. It proposes significant duties and obligations on water suppliers to:

- provide mandatory residual disinfection in all reticulated networks;
- have an approved Water Safety Plan that contains a multi barrier approach; and

- ensure the provision of safe drinking water and meet New Zealand drinking water standards.

Health Perspective

4.14 The Nelson Marlborough District Health Broad (NMDHB) expressly supports the proposal to apply residual disinfection using chlorine in all Council water supplies and supports monitoring the levels of chlorination by-products to better manage water quality. Furthermore, they raised concern that if there is no residual disinfection within water supply distribution networks and the integrity of network is breached, there will be no effective barrier against microbial contamination.

4.15 Contamination can occur when the integrity of a water supply network is compromised by one or more factors, including:

- leaks or cracks in water storage reservoirs (most common occurrence);
- pipe and fittings leaks;
- network pressure changes;
- backflow prevention failure;
- routine work on networks including:
  - new connections/disconnections;
  - pipe upgrades; and
  - maintenance activities;
- network residence time; and
- human error.

4.16 The NMDHB also noted the message from the World Health Organisation: 'the estimated risks to health from disinfectants and their by-products are extremely small in comparison to the real risks associated with inadequate disinfection, and it is important that disinfection should not be compromised in attempting to control such by-products. The destruction of microbial pathogens through the use of disinfectants is essential for the protection of public health' (**Attachment 6**).

5 Options

5.1 The Council has two options, summarised in Table 2. **Staff recommend Option 1**. A full assessment of the pros and cons of chlorinating water supplies was addressed in **(Attachment 1, RCN20-04-9**).

Table 2: Options assessment summary

Option 1: Provide residual disinfection using chlorine in all Council water supplies, including the remaining unchlorinated water supplies.	
Advantages	• Ensures compliance with DWSNZ. • Meets the requirements to get Water Safety Plans approved.

	• Aligns with recommendations from the Havelock North Inquiry. • Aligns with proposal in the Water Services Bill. • Aligns with the Council's Drinking Water Quality Management Policy. • Conforms to national and international best practice. • Provides a consistent level of service in Council managed water supplies.
Risks and Disadvantages	• Potentially some adverse reactions related to taste and smell. This will likely subside as pipes are flushed with chlorine and biofilms removed. • Some residents will potentially remain concerned about risks to health from the use of disinfectants and their by-products. • Some residents particularly concerned about the use of chlorine may choose to install an activated carbon filters to remove any residual chlorine.
Option 2: Do not provide residual disinfection using chlorine to the remaining unchlorinated water supplies.	
Advantages	• No adverse reactions related to taste and smell.

Risks and Disadvantages	• Will not get Water Safety Plans approved without residual disinfection.
	• Significant costs related to additional mitigation measures.
	• Does not align with Drinking Water Quality Management Policy.
	• Does not align with Government direction and legislative obligations.
	• Risk of illness or fatality if there is an *E.coli* contamination.
	• Where persistent or serious non-compliance occurs:
	  ○ risk of compliance orders from Taumata Arowai;
	  ○ risk of significant new offences; and
	  ○ non-compliance fines and additional sentencing options.

6 Strategy and Risks

6.1 As a water supplier, the Council needs to provide multiple barriers to prevent contamination and ensure water remains safe for the community to drink. Residual disinfection using chlorine is one of several barriers. The main advantage chlorine provides is protection across the network – from treatment plant to tap. No other barrier provides this protection.

6.2 Despite opposition in the consultation feedback, the proposal to chlorinate all of our water supplies is primarily focused on protecting public health and managing the risk associated with a contamination event. It is crucial the community has confidence in the Council as a water supply authority to deliver safe drinking water, as it is an essential service.

6.3 The Council must balance the concerns raised during the submission against the expert advice provided by Taumata Arowai, Ministry of Health and NMDHB and the Council staff recommendation to chlorinate all water supplies.

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	Climate Change considerations are not relevant to this report	Not part of the Action Plan.
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	This decision will increase resilience to Climate Change.	To the extent that climate change presents a risk to our source water or infrastructure (through increased storm intensity for example), chlorination will help provide protection against the impact of a contamination event. A very small amount of chemical (chlorine gas) is used to chlorinate the supply. By-products produced as part of the residual disinfection are negligible and not classed as greenhouse gases. Permanent residual disinfection would require less samples to be taken from the networks, resulting in fewer traffic movements.

8 Policy / Legal Requirements / Plan

8.1 The discussion on policy, legal requirements and plan were thoroughly addressed in a previous report (Delivering Safe Water RCN20-04-09), refer **Attachment 1**.

8.2 The SCP was used to consult on the proposal and is compliant with the Council's legal obligations in the Local Government Act 2002.

8.3 The proposal to provide residual disinfection using chlorine in our remaining unchlorinated water supplies is consistent with the Council's:

- Drinking Water Quality Management Policy;
- Community Outcomes – water is safe to drink; and
- Level of service related to compliance with the NZ Drinking Water Standards.

8.4 The proposal to provide residual disinfection using chlorine in our remaining unchlorinated water supplies is consistent with Government direction including:

- requirements of the Health (Drinking Water) Amendment Act 2007;
- Drinking Water Standards for New Zealand; and
- Guidelines for Drinking-Water Quality Management for New Zealand (June 2019).

8.5 Although the Water Services Bill is still being considered by the Health Select Committee, it is likely to be enacted in mid-2021. Taumata Arowai has made it clear that residual disinfection will be mandatory once the Bill becomes law. The proposal will satisfy legal obligations that are expected to be imposed by the Water Services Bill.

9 Consideration of Financial or Budgetary Implications

9.1 The financial implications of the options available to the Council were addressed in a previous report (Delivering Safe Water RCN20-04-09) and were also summarised in the Consultation Document. In summary, the ongoing costs of chlorination are modest. For example, the extra operational cost is approximately $4,000 a year for Kaiteriteri and $12,000 a year for Richmond.

10 Significance and Engagement

10.1 Staff consider the proposal to permanently chlorinate water supplies to be of medium-high significance due to the level of public interest and the strategic nature of public water supplies. A thorough assessment of the significance of permanently chlorinating our remaining water supplies was discussed in Section 10 of the previous report (Delivering Safe Water RCN20-04-9, **Attachment 1**).

11 Conclusion

11.1 Despite some opposition raised in during consultation staff still recommend providing residual disinfection using chlorine to all remaining unchlorinated supplies.

11.2 Using chlorine as a last barrier (part of a multi barrier approach) will ensure our Council operated water supplies are protected against:

- the growth of micro-organisms from bio film within the distribution network; and
- the ingress of pathogenic microbes due to loss of integrity of the network.

11.3 The multi barrier approach aligns with the principles of Water Safety in NZ and is consistent with the direction of drinking water regulation reform and Government direction.

11.4 Using chlorine to treat water has been used around the world for over a century and is proven by science as a safe and effective water disinfectant. Chlorine deactivates bacteria and some viruses that may be introduced to water as it flows through the reticulated network (from source to tap) and reduces the risk of a contamination event.

12 Next Steps / Timeline

12.1 The next steps in the process are outlined below. The last three steps are only needed if the Full Council resolve to proceed with chlorination.

Date	Process
20 May 2021	Full Council to make a decision on proposal.
June 2021	Public notice on the Council's website and advice to larger consumers in affected areas.
June 2021	Public notice in Newsline and through local media about decision
TBC	Permanent chlorination will come into effect at different times for each water supply network as some treatment plants will need to be upgraded. This is expected to be completed within the next Long Term Plan: • Richmond – immediately; • Kaiteriteri/Riwaka- immediately; • Motueka- when the Parkers Street Water Treatment Plant is operational; • Upper Takaka- to be determined; and • Hamama – to be determined.

12.2 Richmond's water supply has been chlorinated since early December 2020 while trunk water works are undertaken at the intersection of Champion and Salisbury Roads. A routine water test result detected the presence of *E.coli* in the Richmond supply in March 2021 and a decision was made to continue chlorinating until the Richmond High Level and Valhalla storage reservoir roofs have been upgraded. This is expected to be completed in 2021.

13 Attachments

6.1 DELIVERING SAFE DRINKING WATER

Decision Required

Report To:	Full Council
Meeting Date:	30 April 2020
Report Author:	Mike Schruer, Utilities Manager; Richard Kirby, Engineering Services Manager
Report Number:	RCN20-04-9

1 Summary

1.1 As a drinking water supplier, the Council has a responsibility to provide safe drinking water to all users.

1.2 All water supply networks are constantly at risk of microbiological re-contamination through planned works, backflow events, illegal connections, pipe breaks, faulty fittings, illegal water takes from hydrants or ingress though reservoir roofs.

1.3 When contamination occurs, it takes at least 24 hours, before monitoring results indicate *E.coli* is present. The consequence of this time lag is that users could already have been exposed to this risk through their drinking water.

1.4 Having multiple treatments, for example; water source protection, filtration, UV and providing residual disinfection is part of the 'multi-barrier approach', which is being widely adopted as the standard approach to drinking water treatment around the world.

1.5 Providing residual disinfection in the water supply network post treatment greatly reduces the risk of microbiological recontamination and would deactivate some viruses.

1.6 Four of the Tasman District Council's 15 water supplies do not have residual disinfection; Upper Takaka, Motueka, Riwaka/Kaiteriteri and Richmond.

1.7 The Hamama water supply scheme, which is not chlorinated is owned by the Council, but operated and maintained by the community.

1.8 Two of the unchlorinated water supplies, Riwaka/Kaiteriteri and Richmond, have provision for 'temporary' chlorination and can be converted to permanent chlorination, cost effectively, if required.

1.9 Design is underway for a new water treatment plant in Parker Street, Motueka. This treatment plant will be designed to include chlorination equipment.

1.10 Permanent residual disinfection, as part of a multi-barrier treatment approach, is considered to be the most effective way to achieve a safe water supply. Having residual disinfection was one of the recommendations from the Government's inquiry into the Havelock North Campylobacter outbreak caused by contaminated drinking water.

1.11 This report has identified permanent chlorination of water supplies as the preferred option as it provides continually safe water to all customers.

1.12 It is recommended that the affected communities be consulted on the proposal to permanently disinfect all Council water supplies utilising chlorine. The outcomes of the consultation are to be considered and assessed before a final decision is made by the Council.

2 Draft Resolution

That the Full Council:

1. **receives the Delivering Safe Drinking Water report RCN20-04-9; and**
2. **notes that, as a supplier of drinking water, the Council has a duty to supply safe drinking water to users (Health Act 1956, Section 69V Duty to comply with the Drinking Water Standards for New Zealand); and**
3. **approves the proposal to consult with the users of its drinking water on the option of utilising chlorine to provide permanent residual disinfection in the Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka water supplies; and**
4. **notes that staff intend a special consultative procedure consultation and a further report will be presented to the Full Council to adopt the consultation document.**

3 Purpose of the Report

3.1 The purpose of this report is to outline the Council's responsibilities as a drinking water supplier to deliver safe drinking water to reticulated users. It also details the Council's options and associated cost estimates plus the need to consult if permanent residual disinfection is the preferred option.

4 Background and Discussion

Current Water Treatment

4.1 The Council has 15 water treatment plants. Of these, 11 are permanently chlorinated and therefore with water safety plans would comply with the drinking water standards.

4.2 There are five water supplies that are funded by their own users. These are Hamama, Motueka, Dovedale, Redwood Valley and Eighty Eight Valley. The remaining water supplies are part of a "Water Club" and are all funded by the users together. These include Richmond, Waimea/Mapua, Brightwater, Wakefield, Tapawera, Murchison, Riwaka/Kaiteriteri, Upper Takaka, Collingwood and Pohara.

4.3 The Riwaka/Kaiteriteri and Richmond water treatment plants have recently been upgraded with equipment installed for 'temporary' chlorination. This equipment is capable of providing sufficient residual disinfection throughout these networks.

4.4 Prior to 2015 half of the Richmond network, Champion Road and the Wakatu industrial area was supplied from the Waimea Water Treatment Plant, which was permanently chlorinated. These areas were transitioned to the new Richmond Water Treatment Plant when it was commissioned. Consequently, because the new treatment plant did not have permanent chlorination these areas were supplied with non-chlorinated water.

4.5 The Motueka water supply is currently supplied from bores near the Recreation Centre, with the bore water being pumped into the network without any form of treatment. It is proposed that this source be replaced by a new treatment plant which is about to be constructed at a site in Parker Street. This treatment plant will be designed to enable permanent chlorination.

4.6 The Upper Takaka water supply scheme is very small with approximately 30 customers being supplied through 14 metered connections. Current usage is only about 5 m^3/day for the whole scheme. Upper Takaka has Ultra-violet (UV) treatment but does not have chlorination facilities.

4.7 The Hamama water supply scheme is a small, rural network serving only 25 connections. It has no treatment facilities. Although it is Council owned, it is funded and operated by its users. The Council has started the process to hand it over to the users. There is a good chance that it could qualify as a rural agricultural supply scheme and therefore be allowed to have treatment at the point of entry to the residences.

Havelock North Contamination Event

4.8 In August 2016, the Havelock North water supply became contaminated with campylobacter, resulting in approximately one-third of the town (>5,000 people) becoming sick, 45 people hospitalised and four deaths. In September 2016, a Government inquiry was set up to investigate the cause. The source of the campylobacter contamination was sheep faeces washing into a pond near a bore. This water contaminated the underlying aquifer where the town abstracted its water that was not treated before being reticulated.

4.9 As a result of the inquiry, the Health Act has changed, the Drinking Water Standards New Zealand was updated and a new drinking water regulator proposed. This regulator is planned to be set up in 2020 and a new Water Act encompassing all current regulations is expected to be passed in the same year.

4.10 The Council received a letter from the Director General of Health on 21 October 2019. The aim of this letter was to raise the Council's awareness of the new water safety planning requirements that will be mandatory in 2020.

4.11 The letter particularly refers to water supplies which do not have residual disinfection:

> *"As a supplier of drinking water that does not include a disinfection residual in the network, the assessment of your drinking water supply system must include a detailed examination of all hazard and risks that can affect the quality of water in the network. Your Water Safety Plan (WSP) must demonstrate how the existing preventative measures are effective at ensuring the quality of the drinking water can be maintained throughout the system without a disinfection residual".*

4.12 This letter may also be a signal that the Government is contemplating an introduction of compulsory residual disinfection into the Drinking Water Standards New Zealand (DWSNZ).

New Zealand Drinking-water Safety Plan Framework (2018)

4.13 The New Zealand Drinking-water Safety Plan Framework (2018) identifies the six fundamental principles of drinking-water safety in New Zealand.

Principle 1: A high standard of care must be embraced

Unsafe drinking-water can cause illness, injury or death on a large scale. All those involved in supplying drinking-water must therefore embrace a high standard of care. Vigilance, diligence and competence are minimum requirements, and complacency has no place.

Principle 2: Protection of source water is of paramount importance

Protection of the source of drinking-water provides the first, and most significant, barrier against drinking-water contamination and illness. It is of paramount importance that risks to sources of drinking-water are understood, managed and addressed appropriately.

Principle 3: Maintain multiple barriers against contamination

Any drinking-water system must have, and continue to maintain, robust multiple barriers against contamination appropriate to the level of potential contamination. No single barrier is effective against all sources of contamination, and any barrier can fail at any time.

Principle 4: Change precedes contamination

Contamination is almost always preceded by some kind of change, and change must never be ignored. Change of any kind should be monitored for and responded to with due diligence.

Principle 5: Suppliers must own the safety of drinking-water

Drinking-water suppliers must maintain a personal sense of responsibility and dedication to providing consumers with safe drinking-water. Knowledgeable, experienced, committed and responsive personnel provide the best assurance of safe drinking-water.

Principle 6: Apply a preventive risk management approach

A preventive risk management approach provides the best protection against waterborne illness. Once contamination is detected, illness may already have occurred. This requires systematic assessment of risks throughout a drinking water supply from source to tap; identification of the ways these risks can be managed; and control measures implemented to ensure that management is occurring properly. Adequate monitoring of performance of each barrier is essential.

Current Management and Operational Measures

4.14 The Council has indicated its intention in the Long Term Plan to upgrade its water treatment plants to ensure water is treated and delivered in compliance with the drinking water standards.

4.15 A programme of leak detection and backflow prevention testing is implemented annually to minimise the risk of contamination.

4.16 The Riwaka/Kaiteriteri and Richmond water treatment plants have equipment installed for 'temporary' chlorination. These are activated as and when a positive test indicating contamination is received.

4.17 The Council's water supplies are regularly tested and the schedule of testing is determined by the risk and size of community served. All routine bacteria sampling consists of an *E.coli* test and a total coliform test. The *E.coli* test is an indicator of faecal contamination, which could make people sick. The total coliform count is an indication of how many coliforms are in the water, both faecal and non-faecal in origin.

4.18 The current testing regimes at treatment plants ensure that water leaving the plants have no coliforms present. Should testing from the network determine the presence of either total coliform counts or *E.coli* then this indicates that contamination is occurring within the network. Total coliform counts and/or *E.coli* are seldom, if ever, picked up in the permanently chlorinated water supply schemes.

4.19 In the non-chlorinated supplies, especially those with reservoirs, contamination is often picked up in the network as a total coliform count. It takes at least 24 hours to get a sampling result; from the time the sample is taken to the time a positive contamination report is received. By this time some, if not all, of the users on that supply could potentially have been exposed to contaminated water for at least 24 hours. The timing of the sampling means that exposure could be longer than 24 hours. If a contamination event occurs directly after sampling and the next sample is not taken until the following day, it could take up to 48 hours to receive a positive report of *E.coli*.

4.20 Table 1 below lists the current sampling sites for the non-chlorinated water supplies. It costs $107,185 per year to undertake this routine sampling. The Drinking Water Assessor has requested a number of additional zone sampling sites for each scheme to achieve a better coverage of the schemes. Sampling is not a contamination barrier but an indication that contamination is present in the network.

Table 1: Current water quality sampling sites

Scheme	Sample Location – Current	Weekly/ Monthly Sampling
Richmond	Plant	Daily
Richmond	Industrial – Champion Road Reservoir	Weekly
	High East – REHL Reservoir	Weekly
	Lower Res - Queen Street Reservoir	Weekly
	Upper Reservoir – Valhalla Reservoir	Weekly
Motueka	Plant	Twice Weekly
	North Street	Weekly
	Toy Library	Weekly
Riwaka/Kaiteriteri	Plant	Weekly
	Fire Station	Every 2 weeks
	End of Line	Every 2 weeks
Upper Takaka	Plant	Monthly
	Zone	Monthly

4.21 It is not currently feasible to test for viruses in water to determine the risk for each water supply scheme. Research shows that viruses are able to remain viable for years in the environment, compared to bacteria which may only last a few days. An absence of *E.coli* or other coliforms does not necessarily mean an absence of viruses. There are potential sources of viruses upstream of all of our water sources. It is likely that future legislation will require water treatment for viruses, as other countries are already doing, such as Canada. At the right dose and retention time, chlorination can be an effective virus barrier.

4.22 Reservoir rooftops are suspected as one of the main sources of contamination. Inspections of the roofs often find that there are bird faeces evident and, in the case of the Champion Road reservoir, ducks have regularly been seen. The Richmond reservoirs, which have had the most positive bacteria results, are concrete and have numerous cracks in the roof. Some of these are hairline cracks (1mm or less) but others are up to 5mm wide. Previous repairs have not stood up to the region's sunshine and now a permanent repair is being investigated. A sturdy bandage is planned to be installed along the main crack on the Champion Road reservoir in 2020 and it is estimated this will cost around $12,000. However, this will not resolve the contamination issues due to hairline cracks in the concrete roof. The cost to install a complete membrane on the Champion Road reservoir roof is in excess of $200,000 due to the size (32 metres diameter) and complexity of the roof structure. A similar membrane has recently been installed on the Tapawera reservoir roof, which is much smaller having a diameter of about 9 metres. An estimate received for the two other Richmond concrete reservoirs in Valhalla Drive indicates that it would cost around $75,000 for both. With residual disinfection, a membrane cover for all three reservoirs would not necessarily be required. Major cracks would still require a bandage but this would be a smaller cost.

4.23 In Riwaka/Kaiteriteri, between 2004 and 2006 three bacteria events were logged for the supply. Rats were found in both reservoirs, which were then hand-chlorinated to disinfect the water supply network. These reservoirs are timber tanks with timber roofs and a plastic lining. The roofs do not last well in the local climate and need constant checking for leaks and repair. These reservoirs are due to be replaced in 2022/23.

4.24 The Council does issue boil water notices following notification of *E.coli* to ensure the community makes their drinking water safe until the chlorine dosing takes effect. Issuing a boil water notice for the community, while chlorination takes effect, is inconvenient for most people but especially so for businesses, schools, care homes, etc. Many people will not boil their water and may not even see the notice advising them to do so, leaving themselves and their families at risk.

4.25 Council staff have regularly (several times a year) detected total coliform counts in the Richmond water supply network and occasionally *E.coli* counts. This is a similar situation for the Riwaka/Kaiteriteri water supply scheme. Total coliforms and *E.coli* have not been detected in samples taken directly after water has been treated with UV in the treatment plants, therefore, the contamination is occurring in the network.

4.26 These issues suggest that the current monitoring and operational measures are not effective in preventing contamination and mitigating the risks. Therefore, it is likely that the Water Safety Plans may not be approved unless the Council commits to either residual disinfection or other more costly preventative measures to ensure a safe drinking water supply.

Additional Mitigation Measures

4.27 There are a number of options available to reduce the risk of contamination to the network by improving the condition of the network or mitigating likely sources of contamination. However, these come at a cost and without guarantee that the water supply is as safe as having residual disinfection and they are unlikely to meet the requirement of a multi-barrier approach to ensuring a safe drinking water supply.

4.28 The following list details possible contamination mitigation measures with estimated costs, where possible:

- **Current and Daily Sampling** - Table 2 below provides an indication of current sampling costs for the non-chlorinated supplies, which is generally a weekly sample at the nominated sites except for the smaller schemes, which are sampled less often (refer Table 1 above). The Drinking Water Assessor has requested additional zone sampling sites and we have suggested the sites below as a starter but we may be required to take additional samples at the extremity of each zone, which will increase the number of sampling sites. The cost column at the end is the annual cost of daily sampling to check for contamination. Our contractors have advised that we currently have 0.6 FTE assigned to sampling at the current level but would require four more FTEs if sampling was to be done daily on all the sites indicated below, provided we can find people with the required qualifications.

Table 2: Current water quality sampling sites and costs versus costs of a daily sampling regime with the additional recommended sampling sites.

Scheme	Sample Location - Current	Weekly/ Monthly Sampling Cost		Sample Location – with additional sites	Daily Sampling Cost
Richmond	Plant	$35,212		Plant	$33,628
Richmond	Industrial – Champion Road Reservoir	$7,332		Industrial – Champion Road Reservoir	$33,628
	High East – REHL Reservoir	$7,332		High East – REHL Reservoir	$33,628
	Lower Reservoir - Queen Street Reservoir	$5,016		Lower Reservoir - Queen Street Reservoir	$33,628
	Upper Reservoir – Valhalla Reservoir	$5,016		Upper Reservoir – Valhalla Reservoir	$33,628
				Nayland Road	$33,628
				Cropp Place	$33,628
				Hill Street/ Hart Road	$33,628
				Arizona Reservoir	$33,628
				Cemetery/Wensley Road	$33,628
				3 Brothers Corner	$33,628
Sub-total		$59,908			$369,911
Motueka	Plant	$13,749		Plant	$45,880
	North Str	$6,875		North Street	$45,880
	Toy Library	$6,875		Toy Library	$45,880
				Recreation Centre	$45,880
				King Edward Street	$45,880
				Harbour Road	$45,880
Sub-total		$27,499			$275,280
Riwaka /Kaiteriteri	Plant	$8,733		Plant	$58,132
	Fire Station	$3,359		Fire Station	$58,132
	End of Line	$3,359		End of Line	$58,132
				Riwaka Hall/ Bowling Club	$58,132

Scheme	Sample Location - Current	Weekly/ Monthly Sampling Cost		Sample Location – with additional sites	Daily Sampling Cost
Sub-total		$15,451			$232,526
Upper Takaka	Plant	$2,164		Plant	$63,993
	Zone	$2,164		Zone	$63,993
Sub-total		**$4,328**			**$127,986**
Annual Total $		**$107,185**			**$1,005,703**

- **Expand Sampling Zones** - Increase the sampling regime to cover daily sampling at the extremity of each zone across the non-chlorinated water supply schemes. This is similar to Table 2 above but it would likely double the number of zones requiring to be monitored and the cost could be around **$1.8 million per annum**.
- **Increased Pipe Renewal Programme** – Increase the pipe renewal programme to limit the number of failures in aging pipes, which could be an increase of around **$500,000 per annum** across the schemes. The Council typically waits until there are several breaks on a section of pipeline before replacing it, known as “sweating the assets” to maximise the life of the infrastructure. However, with the high risk of contamination of the water supply from a pipe break in the absence of residual disinfection, this is probably not acceptable.
- **Enforcement** - Increase the level of control on who can work in the vicinity of water pipes, in particular main supply lines and monitor all works. This would require additional enforcement resources and could impact on efficiencies.
- **Pressure Sensors** - Installation of pressure sensors on pipes to monitor and avoid water hammer to reduce risk of pipe failure from excessive pressure. Pressure sensors are also good for the detection of low pressure areas where water could be sucked back into the supply through breaks, cracks and leaks.
- **Upgrade Backflow Prevention** - Replace domestic double check valve backflow prevention (BFP) with testable check valves. It would be a significant cost to replace the existing double check valves and there would be an added cost of testing around 11,000 water connections (cost not estimated). Install BFP (non-testable) on all urban extension restrictors (estimated **$10,000**).
- **Increased Maintenance** - Regular inspection and cleaning of reservoirs and roofs or installation of a membrane on all concrete reservoirs. Could conceivably cost around **$500,000** to seal all remaining reservoir roofs.
- **Increased Patrols** - Patrols to investigate and enforce illegal takes from fire hydrants and other illegal connections (**$100,000** per annum including prosecutions).
- **Automated Water Sales** - Installation of pre-paid, swipe card water take system, which would include a flow meter and backflow preventer, instead of the current

permitted hydrant arrangements (**$50,000** per installation). It is costly but could save on administration and costs of damage to leased hydrant upstands.

- **Restrictor Monitoring** - Annual restrictor checks of urban extension water supplies, possibly around $10,000 per year and then cost of remediation and prosecution could double this to **$20,000**.
- **Increased Leak Detection** - Higher level of leak detection and consequent repair and replacement of leaking pipes (additional **$50,000** per year for investigations and consequential cost of repairs could be around **$200,000 per annum** for the next five to 10 years)
- **Increased Flushing** - Increased flushing of mains to reduce the build-up of organic material in the network, which create chloramines leading to taste and odour complaints (**$50,000** per annum). Over time, chlorination removes the biofilm from the pipes reducing the likelihood of chloramines and consequent taste and odour complaints.
- **Improved Zone Monitoring** - Improved zone flow monitoring to identify possible leaks. Not only would more equipment be required but also additional staff to run the system then to monitor, report and take action on the results.
- **Pressure Zoning** - Install pressure reducing valves to reduce high pressure zones to reduce risk of pipe failures and level of leaks. This could be extremely costly, in the **hundreds of thousands of dollars,** as it would also require a reconfiguration of pipes and zones.
- **Information Integrity** - Improve accuracy of asset information (e.g. pipe depth, location, size, etc.) to assist with service locates and prevent third party damage to buried pipes (**$50,000** per annum).
- **Education/Awareness** – undertaking education/awareness with contractors which work near water infrastructure and with property owners where public water infrastructure is located within their private properties.

Benefits of Residual Disinfection

4.29 Having long-lasting residual disinfection in the network significantly reduces the risk of microbiological re-contamination through planned works, backflow events, illegal connections, pipe breaks, faulty fittings, illegal water takes from hydrants or ingress though reservoir roofs.

4.30 Residual disinfection also provides a degree of added level of protection to residents from re-contamination in private storage tanks on restricted urban extension and rural water supplies. Note that chlorine levels do dissipate with time.

4.31 Having residual disinfection in the network greatly reduces the risk of finding bacteria in routine sampling and reduces the level of routine monitoring required. The direct cost of extra sampling required after a positive bacteria result can be in excess of $5,000 per event. There are also indirect costs, such as Council staff time. Between 2015 and 2019, six bacteria contamination events have occurred in Richmond.

4.32 Chlorine, typically used to provide residual disinfection, also reduces the risk of virus contamination from the source water. The UV treatment in use does not deactivate viruses and current research is placing a greater emphasis on the risk of virus contamination.

4.33 Chlorine protects the whole community, in particular those who are most at risk; i.e. babies, the elderly and the immune-compromised. These people may not easily recover from a gastrointestinal bug.

4.34 Having multiple treatments, for example; source protection, filtration, UV and residual disinfection, is part of the 'multi-barrier approach' and is a widely adopted approach to provide safe drinking water around the world.

Dis-benefits of Residual Disinfection

4.35 The most common feedback from customers when using chlorine for residual disinfection is the taste and odour. It is possible for customers to mitigate the taste and odour of chlorine by treating the water with activated carbon filters at the point of entry to the house or by installing an under-sink activated carbon filter to treat drinking water only. The level of chlorine can also be reduced by storing a bottle of chlorinated water in a fridge for 24 hours.

4.36 Some people are sensitive to chlorine on their skin and may have an allergic reaction. In these cases a point of entry activated carbon filter would be the recommended option.

4.37 If the water and the reticulation is free of organics then taste and odour is largely not noticeable. However, any organic material in the raw water or in the reticulation reacts with the chlorine to form chloramines. Generally, this is how the taste and odour is created. Minimising the levels of organic material in the reticulation can be done initially by filtering the raw water and then by flushing the reticulation.

4.38 Chlorine odours are very noticeable in public swimming pools or spas. The presence of organics in the pool water reacts with the chlorine to form the chloramines. The organics come from body fluids, whether it be sweat or other fluids. Consequently greater levels of chlorine dosing has to be done to counteract this reaction and keep residual chlorine in the water to maintain disinfection.

4.39 In the water supplies, once the presence of organics is reduced than it is possible to reduce the chlorine dosing whilst still maintaining permanent disinfection. Consequently taste and odour occurrences are reduced. Should permanent chlorination be implemented it may take 6 to 12 months for the chlorine to deactivate the organic material in the reticulation. This should reduce the incidences of taste and odour. The good quality groundwater and the absence of organics in the Richmond, Riwaka/Kaiteriteri and Motueka schemes means that it is possible to dose chlorine at very low levels. This is different for water supplies with surface water takes or river takes. Organic material is much more prevalent with these takes.

5 Options

5.1 The options considered are detailed in the table below:

Option	Pros	Cons
Option 1: No change to existing operations and only chlorinate when there is a bacterial contamination event, major works are	No public opposition to chlorine taste and odour, other than following a contamination event. Less public opposition to the addition of chlorine to	Contamination risk remains and of more risk to specific members of the community, in particular babies, elderly or immune-compromised.

Option	Pros	Cons
undertaken or failures occur on the network.	the water supply as an added 'chemical'.	Chlorine dosing after a positive bacteria result could be too late to prevent people being adversely affected. Reputational risk from having regular boil water notices. Very unlikely that Water Safety Plans would be approved without residual disinfection, such as has recently happened in Christchurch. Lack of residual disinfection would not comply with DWSNZ. Time-consuming job every time chlorine is turned on to email affected customers, put information on social media and keep it updated.Risk of disease outbreaks at holiday destinations, particularly caravan parks, could be much harder to control. Increased operational costs during each positive bacteria event due to laboratory and contractor costs and staff time. Severe inconvenience for businesses and at risk customers who find it hard to boil water, in particular care homes. Fewer staff and contractors are available over holiday periods and laboratories are only open for restricted hours. Concrete reservoir roofs, which have cracks, have been identified as high risk and need to be sealed with a membrane, which is a costly exercise.
Option 2: Implement greater management measures, excluding chlorination, to mitigate the risk of contamination.	Has a higher level of protection of the water supply network than the current measures. No public opposition to chlorine taste and odour in the water supply.	Does not guarantee a continually safe drinking supply water to all customers, all of the time, as even with daily sampling it could be 48 hours or more, depending on sampling times, before contamination is identified. Chlorine dosing after a positive bacteria result could be too late to prevent consumers from being adversely affected. Contamination risk remains and of more risk to specific members of the community, in particular babies, elderly or immune-compromised.

Option	Pros	Cons
		Unlikely to comply with the requirements of Water Safety Plans which means it will also not comply with the DWSNZ. Significantly increases the cost of managing the water supply network (refer Section 4.28 of this report). Commercial customers who require residual disinfection will require their own point-of-use treatment. Concrete reservoir roofs, which have cracks, have been identified as a high risk and must be sealed with a membrane, which is a very costly exercise. Reputational risk from having boil water notices. Time-consuming job every time chlorine is turned on to email affected customers, put information on social media and keep the sites up to date. Risk of disease outbreaks at holiday destinations, particularly caravan parks, could be much harder to control. Increased operational costs during each positive bacteria event due to laboratory and contractor costs and staff time. Severe inconvenience for businesses and at risk customers who find it hard to boil water, particularly for rest homes.
Option 3: Permanent chlorination of all Council water supplies. Prior to final consideration of this option by Council, the affected communities will be consulted.	Provides continually safe drinking water to all customers, all of the time. Reduces resources and costs incurred during bacterial contamination events or following major construction works, pipe breaks or network failures. Significantly lower overall cost of monitoring the	Extra operational cost for residual disinfection. This would be much less than the cost of the mitigation measures required to protect the network in the absence of residual disinfection, which would still not guarantee a continually safe water supply. Some residential customers may object to the taste and smell of the chlorine, if this is the most effective means of achieving residual disinfection, and may require a handheld or under-sink activated carbon filter to make it palatable.

Option	Pros	Cons
	networks for likely contamination. Commercial customers who require residual disinfection will no longer require their own treatment. Expensive reservoir roof repairs can be scaled down. By undertaking consultation with the affected communities, concerns or feedback will be taken into account before a decision is made by the Council. The community will be well informed of the public health need to have residual disinfection in water networks.	Customers with existing skin conditions aggravated by chlorine may wish to install an activated carbon filter at the point of entry of the water supply into their house. Some commercial customers may need to install chlorine removal equipment.

5.2 **Option 1** is not the preferred option as it does not deliver permanently disinfected water supplies and therefore will not comply with the DWSNZ. It also does not mitigate the risks surrounding the delay in identifying contamination in the waters supplies.

5.3 **Option 2** provides for a higher level of protection of the public water supply network than currently provided. However, it is unlikely that Water Safety Plans would be approved without residual disinfection and these schemes would therefore not comply with DWSNZ. It is also an expensive option whilst still not providing a permanently disinfected water supplies.

5.4 Staff recommend **Option 3** - **Permanent chlorination of all Council water supplies**. However, this option is subject to a special consultative procedure. It is proposed that this occur in June 2020, with hearings and deliberations in July 2020 with a decision being considered by the Strategy and Policy Committee on 20 August 2020.

5.5 The Council has a level of service, and a statutory obligation, to provide a safe drinking water and, as explained above, the only effective means to do this is to have residual disinfection in the water supply networks. It is very difficult for Council to prove that contamination of the water supply network is being avoided without residual disinfection.

5.6 Residual disinfection utilising chlorine is likely to have a high level of interest. Therefore, it is necessary that community consultation is undertaken with accurate information so that there is a greater understanding surrounding this decision. Council needs to understand

community sentiment and concerns prior to making a final decision on the permanent chlorination of its water supplies.

5.7 If chlorine is dosed at appropriate levels, then the occurrence of taste and odour should be minimised. Initially, permanent chlorination of a previously non-chlorinated water supply is likely to result in odour and taste issues given that there are likely to be pockets of organic residue ("biofilm") on the inside of the pipes. This should dissipate over time. Should this occur then lower dosing rates could be applied that would still maintain compliance with the DWSNZ.

5.8 For those with less tolerance to chlorine, there is the option of installing an activated carbon filter to remove the taste of chlorine. Or they could put potable water in a receptacle to allow it stand to allow the chlorine to evaporate. For other customers that are very sensitive to chlorine on their skin, an activated carbon filter installed at the point of entry to their house would suffice.

5.9 Some industries, such as breweries or food processing plants, may prefer unchlorinated water, which can be achieved with an activated carbon filter. The DWSNZ has the objective of constantly providing permanently disinfected water, utilising chlorination may not meet specific industrial purposes.

5.10 There will be a number of customers that will not want to accept the addition of 'chemicals' into their water supply and there may be a demand for a location to supply 'unchlorinated drinking water' for customers. The provision of a 'de-chlorinated' fill point for customers to refill drinking water bottles may be of benefit to the community, for example, a site in Sundial Square and other town centres could be considered. . A number of councils in New Zealand, such as Hamilton City, provide chlorine free taps,

5.11 It may also be possible to provide an unchlorinated water supply at a hydrant at some of the treatment plants. This could be operated along the lines of the existing user pays permitted hydrant upstand system. Alternatively, a swipe card system of payment with a permanent backflow prevention device and hose connection could be arranged. To set up and operate such a service would incur additional costs and require further administration,

6 Strategy and Risks

6.1 The Havelock North contamination event and subsequent enquiry re-focused the water industry's attention on the risks associated with supplying drinking water that is appropriately treated. The DWSNZ was reviewed and revised in 2018. Subsequently the Health Act was updated with the Health Drinking Water amendment Bill in July 2019. Drinking water suppliers no longer have the option to take all practicable steps; they must now comply with the standards. If the Havelock North water supply had been chlorinated then the Campylobacter outbreak would not have occurred.

6.2 The risk of waterborne disease outbreaks in water supplies are significantly reduced by chlorination. This retains a disinfection residual throughout the reticulation network. The positive total coliform results recorded in the Riwaka/Kaiteriteri and Richmond zone samples suggest that contamination is occurring somewhere in the networks. The risk of contamination has been confirmed and so doing nothing to permanently mitigate this risk in the networks is not an option if compliance is required.

7 Climate Change Impact Assessment

7.1 This report outlines the statutory requirement for permanent disinfection in water supply networks to ensure safe public drinking water supplies. Residual disinfection of the water supply networks is unlikely to have a climate change impact.

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	No	There are no known climate change impacts from the use of chlorine for water treatment and the chlorine treatment of water supplies is unlikely to be affected by climate change.
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	This decision will have no impact on the ability of the Council or District to proactively respond to the impacts of climate change.	This decision only impacts on the treatment of water supply schemes with chlorine, which eventually dissipates and is unlikely to have a discernable impact on climate change. A very small amount of chemical (chlorine gas) is used to chlorinate the supply. By-products produced as part of the residual disinfection are negligible and not classed as greenhouse gases. Permanent residual disinfection would require less samples to be taken from the networks, resulting in fewer traffic movements.

8 Policy / Legal Requirements / Plan

8.1 Territorial authorities have numerous responsibilities relating to the supply of water. A key responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District.

8.2 The Tasman District Council Public Water Supply Bylaw does not mention the provision of chlorinated water.

8.3 In the 2018 Water Supply Activity Management Plan, Section 1.2, states that "Clean and Safe drinking water is fundamental to public health".

8.4 The Council's levels of service for water supplies are focused on providing water that has an absence of microbiological contamination and water that complies with parts 4 and 5 of the DWSNZ. Council is constantly struggling to comply with these levels of service, as reported through the Council's most recent Annual Report.

8.5 The Council states it will provide ready access to high quality water in the urban areas to enhance the health of Tasman's Communities, with a level of service in the Long Term Plan 2018-2028, Volume 2, being "Our water is safe to drink".

8.6 The permanent residual disinfection of water is fully supported by the local Drinking Water Assessor, Medical Officer of Health, the Ministry of Health and the recommendations from the Havelock North inquiry. Permanent chlorination is the preferred method to permanent disinfect water supplies. It is already a widely used across the Tasman District and Nelson City Council. Chlorination is widely used across the country and internationally.

8.7 It is very likely that some form of residual disinfection will be mandated for water supply networks in New Zealand.

8.8 The following advice has been received from the local Drinking Water Assessor:

> *I am of the opinion that Health Act 1956 No 65 (as at 01 August 2019)* ***69V – duty to comply with the drinking water standards*** *- would apply where a supplier failed to take action to prevent E. coli/microbiological contamination within a network.*
>
> *69ZZR states*
>
> > *(1) Every person commits an offence who contravenes, or permits a contravention of, any of the following:*
> >
> > *(b) section 69V (duty to take all practicable steps to comply with the drinking water standards) [Note: the inclusion of all practicable steps in this offence appears to be an error, given that this wording has been removed from 69V itself]*
>
> *69ZZS states:*
>
> > *(2) It is a defence to prosecution for an offence under section 69ZZR if the defendant proves (a) that the defendant did not intend to commit the offence; and (b) that the defendant took all practicable steps to prevent the commission of the offence.*
>
> *So, there is indeed a risk of being prosecuted if the standards are not met, e.g. by continuing E. coli detections greater than the allowable number. There is a risk of being convicted for that offence if a court decides that all practicable steps were not taken to prevent breaching of the standards – for example, by not introducing permanent residual disinfection when the supplier knew that E. coli in the network was an ongoing possibility.*
>
> *Also in the mix is the tightening WSP* (Water Safety Plan) *framework where suppliers are being specifically requested to consider how they are managing risk in their networks in the absence of a residual disinfectant. The DG* (Director General) *of Health wrote on this matter to Council CE's recently. This introduces the possibility that WSP's won't be approved where no residual disinfectant is present. It is also an offence to not have an approved and implemented WSP (currently for supplies >500 population).*

8.9 This means that unless Council implements measures to prove it has a permanently disinfected water supply then they are unlikely to comply with the Water Safety Plan requirements and therefore will not comply with the DWSNZ.

8.10 It is also a requirement for Water Safety Plans to demonstrate commitment at the highest levels of the Council to provide safe drinking water and a Drinking Water Management Policy adopted by Council is an effective way of achieving this. Council has yet to adopt a Drinking Water Management Policy. Staff intend presenting such a policy to the Policy and Strategy Committee for adoption later this year.

8.11 The provision of water that is safe to drink is an essential public health service. Knowingly providing water that is susceptible to contamination and therefore compromise safety for customers could result in Council being prosecuted for offences against the drinking water provisions of the Health Act.

9 Consideration of Financial or Budgetary Implications

9.1 Using chlorine gas is a very cost effective and long lasting treatment method to provide permanent residual disinfection in a water supply network.

9.2 A 70kg bottle of chlorine gas costs about $1,000. In Richmond, initial tests show that at a low dose one chlorine bottle will last over a month and in Kaiteriteri a bottle would last about 3 months. Therefore there is no urgency to upgrade these treatment plants to implement permanent chlorination as the current chlorination equipment could be utilised in the short-term. Additional bottles could be stored on site as required. Larger chlorine vessels would be more cost-effective. The more permanent upgrades could be included in the next Long Term Plan 2012/31, as necessary.

9.3 The extra operational cost of supplying chlorine gas is approximately $4,000 a year for Kaiteriteri and $12,000 a year for Richmond.

9.4 The design plans for the upgrade of the Motueka water treatment plant already includes an allowance for permanent chlorine dosing equipment.

9.5 The cost of an upgraded chlorine storage area at the Richmond water treatment plant to accommodate future growth has not yet been estimated but will be included in the next Long Term Plan 2021/31, as required.

10 Significance and Engagement

10.1 Staff have considered this decision in terms of the Council's Significance and Engagement Policy and consider it to be of high significance due to the high level of public interest and the strategic nature of public water supplies. The table below summarises the factors considered in this assessment.

10.2 Under the LGA, there is no specific ability for the Council to avoid the obligation to consider views and preferences of affected persons and clearly one way of ascertaining such views and preferences is through consultation. This applies even where the Council may have little choice about what options are realistically available (for example, in this situation the Council may have little option but to chlorinate if that is the only reasonably practicable option to comply with the recent changes to the Health Act 1956 and the Drinking Water Standards – as per the advice from the Drinking Water Assessor in section 7.8 of this report).

10.3 The Council has some idea of the views and preferences of affected persons because of feedback and/or complaints that have been received about chlorination in the past. It is unlikely that the views and preferences of the affected communities could be properly

considered based only on feedback received through complaints. It is important to show that the views and preferences of affected persons have been considered before a final decision is made.

10.4 Consultation would remove the potential argument about whether section 78 of the LGA has been complied with. Consultation would also mean the Council has a better idea of the views and preferences of the community and can properly consider those in making its ultimate decision.

10.5 It is therefore appropriate that the affected communities are consulted on the proposal to provide permanent chlorination in all Tasman District Council water supply networks, before a final decision is made.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	High	This has raised considerable comments from some on the community and it has been the subject of comment around the country. In particular in Christchurch and Napier, and many people do not like the idea of adding chemicals to water supplies. It should be noted that provision of safe drinking water is the primary concern for all water suppliers. Currently 11 of the 15 Council water supply schemes are already permanently chlorinated.
Is there a significant impact arising from the duration of the effects from the decision?	Medium	It is likely that some residential, commercial and industrial properties will chose to install activated carbon filters to remove chlorine.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Yes	Water supplies are considered to be strategic assets.
Does the decision create a substantial change in the level of service provided by Council?	Yes	The Council's current level of service is to provide a safe drinking water supply. By introducing permanent chlorination to the remaining 4 of its 15 water supplies could be considered a substantial change as those 4 schemes involve a much greater customer base. However, temporary chlorination has been implemented in these schemes from time to time so it could be said that it is not that substantial.

Issue	Level of Significance	Explanation of Assessment
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one-year or more of the LTP?	No	Providing residual disinfection, by means of chlorine dosing, will incur some increased operational cost per year but it could also reduce compliance monitoring costs. Not having permanent disinfection, will require a significant increase in costs. There will need to be increased management of contamination sources, increased monitoring and other mitigation measures. Even with this increased cost it is unlikely that that we would comply the DWSNZ.

11 Conclusion

11.1 Providing safe drinking water is the primary focus of our water supply activity and it is a legal obligation.

11.2 The positive total coliform results recorded in zone samples over recent years confirm that contamination is occurring in parts of the water supply networks. The risk of contamination has been confirmed and so doing nothing to eliminate this risk in the networks is not an option.

11.3 Permanent residual disinfection, as part of a multi-barrier treatment approach, is considered to be the most cost-effective way to achieve a safe water supply.

11.4 Option 3 - Permanent chlorination of all Council water supplies, is the preferred option as it provides continually safe water to all customers.

11.5 It is recommended that the communities of Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka who are currently water supply customers; be consulted on the proposal to provide permanent chlorination.

11.6 It is recommended that staff report back to the Full Council with the proposal for the special consultative procedure.

12 Next Steps / Timeline

12.1 Following the Full Council's approval to undertake a special consultative procedure, staff will consult with customers connected to Council's water supplies in the communities of Richmond, Motueka, Riwaka/Kaiteriteri, Upper Takaka and Hamama. Provide these customers with an opportunity to give feedback on the proposed chlorination of their water supplies.

12.2 Contact larger consumers, in the affected areas, directly to discuss the chlorination of the water supplies.

12.3 Advertise in Newsline and through the local media about the need for permanent residual disinfection in Council's water supplies.

13 Attachments

Nil

8.6 DRINKING WATER QUALITY MANAGEMENT POLICY

Decision Required

Report To:	Full Council
Meeting Date:	21 May 2020
Report Author:	Helen Lane, Actvity Planning Advisor (Water, Wastewater & Solid Waste)
Report Number:	RCN20-05-3

1 Summary

1.1 A draft Drinking Water Quality Management Policy (the Policy) has been prepared which sets out the Council's commitment to managing its water supply effectively in order to provide safe, high quality drinking water and meet our levels of service.

1.2 The Policy sets the overarching framework for Council's Water Safety Plans, and is an important component of the New Zealand Drinking Water Safety Plan Framework published by the Ministry of Health in 2018, following the Havelock North Inquiry.

1.3 Adopting the Policy will:

- allow Council to be consistent with the requirements of the Health (Drinking Water) Amendment Act 2007 and the Drinking Water Standards for New Zealand.
- make it easier to seek approval from the Regulator for its Water Safety Plans; and
- summarises in one document many requirements in a Water Safety Plan.

2 Draft Resolution

That the Full Council

1. **receives the Drinking Water Quality Management Policy report RCN20-05-3; and**
2. **approves the Drinking Water Quality Management Policy included in Attachment 1 of this report.**

3 Purpose of the Report

3.1 This purpose of this report is to seek approval from the Council to and adopt the proposed Drinking Water Quality Management Policy (the Policy, see Attachment 1).

4 Background and Discussion

Background

4.1 In August 2016 there was a gastroenteritis outbreak in Havelock North as result of the town's drinking water supply becoming contaminated. 5,500 people became ill and 45 people were hospitalised. It is possible that the outbreak contributed to four deaths, and some people continue to suffer ongoing health complications.

4.2 The outbreak prompted a Government Inquiry and subsequent recommendations to reduce the likelihood of such an outbreak occurring again. In relation to improved drinking water safety planning, the Ministry of Health (MOH) published The New Zealand Drinking-Water Safety Plan Framework (the Framework).

4.3 The Framework provides a comprehensive and structured approach to assessing and mitigating public health risks associated with drinking water supply. It is intended to be used in conjunction with:

- Health Act 1956;
- Drinking Water Standards for New Zealand 2005 (Revised 2018); and
- Guidelines for Drinking-Water Quality Management for New Zealand (updated June 2019).

Discussion

4.4 Council is legislatively responsible as a water supplier for providing safe drinking water and has duties under the Health Act 1956. These are outlined in sections 69S to 69Z.

4.5 The Framework identifies that organisational support and long-term commitment by senior leadership is the foundation to implementing an effective system for providing safe and secure drinking water. Organisational policies and strategies, reflected in plans and budgets are needed to support the effective management of the drinking water supply.

4.6 Under the Framework, Council is responsible for developing Water Safety Plans (WSP) for each of the water supply schemes that it owns and operates. A WSP assesses public health risks based on the respective water supply scheme components, including

- source;
- treatment;
- storage; and
- reticulation infrastructure.

4.7 The WSP documents management processes that aim to ensure a safe and secure supply of drinking water. Each WSP must be approved by the Regulator (currently Drinking water assessors employed by Nelson Marlborough District Health Board).

4.8 In 2019, the MOH issued *Revised Guidelines for Drinking Water Quality Management for New Zealand* and a *Handbook for Preparing a Water Safety Plan*.

4.9 The Handbook provides guidance to water suppliers on how they can meet the requirements of the Framework. It specifically identifies the need for organisational policy to be developed that demonstrates organisational commitment to the six fundamental principles of drinking water safety identified in the government Inquiry findings. The principles are:

- Principle 1: A high standard of care must be embraced;
- Principle 2: Protection of source water is of paramount importance;
- Principle 3: Maintain multiple barriers against contamination;
- Principle 4: Change (including changes to processes and hazardous events) precedes contamination;
- Principle 5: Suppliers must own the safety of drinking water;
- Principle 6: Apply a preventive risk management approach.

4.10 The Regulator has indicated that the Council needs to demonstrate this commitment before it approves any further WSP prepared by the Council. As a result, the draft Drinking Water Quality Management Policy has been developed.

4.11 The Policy sets out Council's overarching framework for its Water Safety Plans and includes:

- The six principles identified in the Government Inquiry into Havelock North Drinking Water (see above);
- Managing risk – confirmation that a preventive approach will be taken;
- A 'source to tap approach' that recognises that the Council has responsibilities at multiple points on the 'water journey';
- Investment priorities that set out the Council's framework for making drinking water infrastructure investment decisions;
- Communications – mechanisms for keeping stakeholders and customers informed;
- Roles and responsibilities – identifying that drinking water quality is a cross-Council responsibility involving many different parts of the Council.

4.12 The Policy was developed based on the guidance in the Handbook. Key staff and contractors were consulted to ensure a holistic approach was developed that addresses management and operations approach.

4.13 Implementation of the Policy may result in changes to future WSP. It may also require changes to the Water Supply Activity Management Plan (WS-AMP). The Council will have an opportunity to consider and implement potential changes through the development of the Long Term Plan (LTP) and Activity Management Plan (AMP) processes.

4.14 Implementation could also result in changes to the Tasman Resource Management Plan and the Tasman Regional Policy Statement. Changes could include the introduction of Source Protection Zones to restrict land use activities that could impact on water quality. Any proposed changes would need to be consistent with the Resource Management Act 1991 and the National Environmental Standard for Sources of Human Drinking Water (NES-DW). The NES-DW is currently under review.

4.15 Council staff have arrange for improved communications between staff, Councillors, Regulators and key stakeholders around drinking water quality issues. The Policy endorses those measures.

5 Options

5.1 Option 1: **Recommended option**. Approve the draft Drinking Water Quality Management Policy attached in this report. The Regulator requires the Council to clearly articulate its commitment to drinking water quality and the Policy is the most effective way of demonstrating this commitment. This approach is endorsed by the Ministry of Health.

5.2 Option 2: Amend Drinking Water Quality Management Policy. If the Council are not satisfied with the Policy, it could be amended. Minor amendments are possible but major amendments maybe inconsistent with framework.

5.3 Option 3: Do not adopt the draft Drinking Water Quality Management Policy attached in this report. This is not a viable option because it would creates difficulties and barriers to get future WSP approved and comply with the DWSNZ.

6 Strategy and Risks

6.1 An organisational policy is the most effective way of demonstrating the Council's commitment to the six fundamental principles of drinking water safety. It sends a signal to the Regulator, staff, contractors, and to the wider community that the Council takes drinking water quality seriously and that it takes a proactive approach to prevent contamination that could impact on public health and undermine confidence in the Council (as a water supply authority).

6.2 If the Council does not adopt a policy position on drinking water quality, it may be viewed that it has not demonstrated the commitment required under the New Zealand Water Safety Plan Framework and to the Drinking Water Assessors who approve our WSP on behalf of the Ministry of Health.

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	Climate Change considerations are not relevant to this report	There are no climate change impacts from the adoption of this policy
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	This decision will have no impact on the ability of the Council or District to proactively respond to the impacts of climate change	This decision is policy related.

8 Policy / Legal Requirements / Plan

8.1 The Health Act 1956 sets out the Councils legislative responsibilities and duties as a water supply authority.

8.2 Under the Framework, the Council is required to demonstrate its commitment to drinking water quality. The Handbook indicates that an organisational policy is the best way to demonstrate this commitment.

8.3 Currently the Council does not have a drinking water quality policy in place.

8.4 The Council can amend an organisational policy at any time, by resolution.

9 Consideration of Financial or Budgetary Implications

9.1 There are no direct financial or budgetary implications from adopting the Drinking Water Quality Management Policy.

9.2 Implementation of the Policy may result in changes to the prioritisation and staging of water treatment plant improvements. Any changes will be subject to consultation through the LTP process and when developing the next Water Supply AMP.

9.3 The policy will not change the overall need for improvements to water treatment plants and other water supply infrastructure as these are driven by the DWSNZ.

10 Significance and Engagement

10.1 Overall the significance of this decision is considered low as it considers an organisational policy that provides overarching guidance. Any investment in infrastructure projects resulting from implementation of the Policy will be subject to consultation through the LTP. Therefore no specific community engagement or consultation is required.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low-Medium	Drinking water quality is of high significance to our community. However, the direction set out in the proposed policy is not controversial and is consistent with mandatory standards.
Is there a significant impact arising from duration of the effects from the decision?	Low	The proposed Policy is intended to have a long-term positive effect on drinking water quality throughout the District.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	Water as a resource is a strategic asset. The proposed Policy does relate to water infrastructure but does not directly affect such assets.
Does the decision create a substantial change in the level of service provided by Council?	Low	The proposal confirms the Council's commitments to meeting statutory standards.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	The proposed Policy does not directly affect the Council's finances; however each WSP sets out the need for risk mitigation measures and the Water Supply AMP sets out the funding requirements for them.

11 Conclusion

11.1 The adoption of the draft Policy demonstrates the Council's commitment to drinking water quality. The Policy will meet the requirements of the New Zealand Drinking Water Safety Plan Framework and satisfy the requirements of the Regulators.

12 Next Steps / Timeline

12.1 Once the Policy is approved by the Council, staff will implement the policy and advise all stakeholders including:

- Council staff;
- Maintenance contractor staff;
- Drinking water assessor(s); and
- Relevant consultants.

12.2 Staff will continue to develop and review WSP for all of the Council's water supply schemes and work with the regulator to get them approved.

12.3 Staff will also continue to develop the Water Supply AMP to inform the Long Term Plan 2021-2031 that includes a capital works programme of projects that will improve water quality.

13 Attachments

1. Draft Drinking-Water Quality Management Policy

8.1 CONSULTATION ON CHLORINATION OF WATER SUPPLIES

Decision Required

Report To:	Full Council
Meeting Date:	30 July 2020
Report Author:	Helen Lane, Actvity Planning Advisor (Water, Wastewater & Solid Waste)
Report Number:	RCN20-07-2

1 Summary

1.1 The Council recently agreed to propose permanent residual disinfection using chlorine in our remaining unchlorinated water supplies – Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka (refer to Attachment 1). The proposal to permanently chlorinate water supplies is a significant decision and warrants public consultation using the special consultative procedure (SCP).

1.2 This report seeks approval for the statement of proposal, public notice and process required under the SCP. A consultation document (Attachment 2) has been developed to meet the requirements for a Statement of Proposal under the SCP. It:

- explains the Council's proposal;
- provides background to the proposal;
- discusses why we are proposing permanent chlorination; and
- explains other options considered.

1.2 The public notice is in Attachment 3, and the recommended consultation process is outlined in section 10 - Significance and Engagement.

2 Draft Resolution

That the Full Council:

1. **receives the Consultation on Chlorination of Water Supplies report RCN20-07-2; and**
2. **approves the Statement of Proposal Consultation Document (Attachment 1), and the public notice (Attachment 3) advising of the public consultation using the special consultative procedure outlined in the Local Government Act 2002; and**
3. **notes that the proposal does not give rise to any implications under the New Zealand Bill of Rights 1990; and**
4. **agrees the most appropriate method for distribution for public consultation is by:**
   - **(i) public notice in Newsline, through local media, and on social media platforms; and**

(ii) making copies of the Statement of Proposal Consultation Document available for viewing on the Council website and in its offices and libraries from 4 August 2020; and

5. delegates authority to the Mayor and Engineering Services Manager to make any amendments to the Statement of Proposal Consultation Document that may be agreed at the meeting and any other minor changes; and

6. appoints a subcommittee consisting of five Councillors to hear and consider submissions on the proposal and make recommendations to Full Council.

3 Purpose of the Report

3.1 This report seeks approval from the Full Council for the consultation documents and process to support consultation on the proposal to use chlorine in our remaining unchlorinated water supplies.

4 Background and Discussion

4.1 The background and discussion on the proposals in this report can be found in the 30 April 2020 report **Delivering Safe Water** (Attachment 1) to Full Council. That report sought approval to propose using chlorine to provide a permanent residual disinfection in the following water supply schemes Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka. This report was received and recommendations approved.

4.2 On 21 May 2020, staff also presented a report **Drinking Water Quality Management Policy** (RCN20-05-3) to Full Council seeking approval to adopt a new policy demonstrating the Council's commitment to managing its water supplies effectively in order to provide safe drinking water to the community. The Policy also sets out the overarching framework for the Council's Water Safety Plans and is an important component of the New Zealand Water Safety Plan Framework published by the Ministry of Health in 2018, following the Havelock North Inquiry. This report was received and recommendations approved.

4.3 Council operate 15 water treatment plants across Tasman District. Ten supplies already have permanent chlorination including: Brightwater/Hope, Collingwood, Dovedale, Eighty-Eight Valley, Mapua/Ruby Bay, Murchison, Pohara, Redwood Valley, Tapawera and Wakefield. Five water supplies do not currently have permanent chlorination, these supplies include Hamama, Motueka, Richmond, Riwaka/Kaiteriteri and Upper Takaka.

5 Options

5.1 The Council has two options for giving effect to its decision to consult on the proposal to permanently chlorinate our remaining unchlorinated water supplies. A brief description and assessment of the options is summarised in the table below. Staff recommend option 1.

Option	Pros	Cons
1. Approve the consultation documentation (with no changes), the public notice, and the process for consultation.	Provides good basis for the community to provide input into the Council's decision. Documents are ready to publish – they provide key information associated with the proposal. Complies with the requirements of the SCP under the LGA.	May require amendment to properly reflect the views of the Council.
2. Make amendments to the consultation documentation, the public notice, or the process for consultation.	Provides basis for the community to provide input into the Council's decision. Opportunity to consider further feedback from the Council. Minor amendments are possible without delays to process.	Fundamental changes would require time to review and prepare depending on the nature of changes. Delays to consultation timeframe may occur if changes are not minor.

6 Strategy and Risks

6.1 The proposal to chlorinate all of our water supplies is primarily focused on protecting public health and managing the risk to prevent a contamination event. It is crucial the community has confidence in the Council as a water supply authority to deliver safe drinking water as it is an essential service.

6.2 The Council is proposing to permanently chlorinate our remaining unchlorinated water supplies to ensure this. However, it is a potentially controversial change and warrants consultation with our community before making a final decision. Consultation on the proposal also ensures we comply with the decision making requirements of the Local Government Act 2002.

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	No	There are no known climate change impacts from the use of chlorine for water treatment and the chlorine treatment of water supplies is unlikely to be affected by climate change.
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	This decision will have no impact on the ability of the Council or District to proactively respond to the impacts of climate change.	This decision only impacts on the treatment of water supply schemes; chlorine eventually dissipates and is unlikely to have a discernable impact on climate change. A very small amount of chemical (chlorine gas) is used to chlorinate the supply. By-products produced as part of the residual disinfection are

Climate Change Consideration	Assessment	Explanation of Assessment
		negligible and not classed as greenhouse gases. Permanent residual disinfection would require less samples to be taken from the networks, resulting in fewer traffic movements.

8 Policy / Legal Requirements / Plan

8.1 The proposal to provide permanent residual disinfection using chlorine in our remaining unchlorinated water supplies is consistent with the Council's:

- level of service related to compliance with the NZ Drinking Water Standards; and
- Drinking Water Quality Management Policy.

8.2 The consultation requirements for the proposal are discussed in the **Significance and Engagement** section of this report.

9 Consideration of Financial or Budgetary Implications

9.1 The financial implications of the options available to the Council were addressed in the previous report (Delivering Safe Water RCN20-04-09) and are summarised in the Consultation Document.

9.2 The consultation process excluding staff time is expected to cost around $15,000 to $20,000 (excluding GST).

10 Significance and Engagement

10.1 Staff consider the proposal to permanently chlorinate water supplies to be of high significance due to the level of public interest and the strategic nature of public water supplies. A thorough assessment of the significance of permanently chlorinating our remaining water supplies was discussed in section 10 of the previous report (Attachment 1).

10.2 Staff consider consultation with affected customers on the remaining water supplies (who do not currently receive chlorinated water) should be undertaken to seek their views and preferences before a final decision is made.

10.3 Staff also expect the consultation could potentially be controversial and also that people who are not directly affected by the proposal may wish to provide feedback on the proposal.

10.4 Staff have prepared the Consultation Document (Attachment 2) to help the community understand the issues, the Council's proposal, and how to make a submission.

10.5 Staff have arranged for a question and answer session with a panel of independent experts about drinking-water safety and the use of chlorine as a residual disinfectant. The community was canvassed for questions to pose to the panel in advance. The questions and answers will be posted on the Council's website to support the consultation process. The panel experts include:

Agency	Person	Role
Nelson Marlborough Health	Stephen Bridgeman	Director of Public Health
Nelson Marlborough Health	Evan McKenzie/David Speedy	Drinking Water Assessor
Water New Zealand	Noel Roberts	Technical Manager
	Jim Graham	Principal Advisor Water Quality

10.6 Arrangements have also been made to hold a series of public drop in sessions during the consultation period. Staff will be available to discuss the proposal and to answers any questions. The table below summarises the drop in sessions.

Location	Date	Time
Richmond Public Library	Thursday 13 August	4pm-7pm
Motueka Memorial Hall	20 August	4pm-7pm
Upper Takaka Community Hall	TBC	6pm

10.7 Staff will also meet with large industrial and commercial water users to discuss the proposal.

10.8 The consultation will be notified through the Council's website, Newsline, local media and on social media platforms.

10.9 The documents and process proposed comply with the requirements of the SCP, as summarised below.

Requirements for SCP	Comment
Statement of proposal	
83(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must— **(a)** prepare and adopt— **(i)** a statement of proposal; and **(ii)** if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA);	The Consultation Document is the Statement of Proposal. It contains all of the information required by s.87(3). The Consultation Document is only 8 pages long within the first few 3 pages readers will be able to understand what is being proposed and how to submit. Consequently, staff do not consider that a separate Summary of Information is required.
87(3) a statement of proposal under subsection (2)(b) must include— **(a)** a statement of the reasons for the proposal; and **(b)** an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and **(c)** any other information that the local authority identifies as relevant.	
Public notification and availability of information	

83(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must— **(b)** ensure that the following is publicly available: **(i)** the statement of proposal; and.. **(c)** Make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation	The Consultation Document will be made available on the Council's website and hard copies will be held at the Council's Richmond, Motueka, Murchison and Golden Bay offices.
5(3) If a local authority or a council-controlled organisation is required under this Act to make a document or other information publicly available, it must take reasonable steps to— **(a)** ensure that the document (i.e. SOP) or other information or a copy of the document or other information is accessible to the general public in a manner appropriate to the purpose of the document or other information, including, where practicable, on an Internet site maintained by or on behalf of the local authority; and	
83(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must— **(b)** ensure that the following is publicly available: **(ii)** a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and **(iii)** a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and	The consultation will be publicly notified in Newsline, through local media, and on social media platforms. This will include information about where people can access the Consultation Document, how people can present their views, and the deadline for making submissions. The consultation period will be for one month (4 August – 4 September 2020).
5(3) If a local authority or a council-controlled organisation is required under this Act to make a document or other information publicly available, it must take reasonable steps to— **(b)** publicise, in a manner appropriate to the purpose and significance of the document or other information, both the fact that the document or other information is available and the manner in which the document or other information may be accessed.	
Opportunity to make submitters views known and considered.	

83(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must— **(d)** provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7;	The proposed process provides the public an opportunity to make written submissions and to be heard before the Council makes its final decision.
(e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)— **(i)** is given a reasonable opportunity to do so; and **(ii)** is informed about how and when he or she may take up that opportunity.	The Consultation Document and Public Notice will provide information on how people may present their views to the Council.

11 Conclusion

11.1 Providing safe and secure drinking water is the primary focus of our water supply activity. The Council is legislatively responsible as a water supplier for providing safe drinking water and has duties under the Health Act 1956.

11.2 The Council recently agreed to propose permanent residual disinfection using chlorine in our remaining unchlorinated water supplies - Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka (refer to Attachment 1). This is a significant decision and warrants using the special consultative procedure before the Council makes a final decision.

11.3 The approvals sought in this report give effect to this and enables the Council to undertake this consultation in line with the requirements of the LGA.

12 Next Steps / Timeline

12.1 The proposed timeline for consultation is summarised in the table below:

Date	Process
30 July 2020	Full Council approves the proposal to consult and the supporting consultation information.
17 July 2020	Issue Public Notice (**Attachment 3**) in Newsline and on Council's website; advising the public about the proposal and inviting submissions.
4 August – 4 September 2020	Public consultation commences for a one-month period. Copies of the consultation document made available at Council service centres and libraries. Electronic copies available on the Council's website. Podcast interview also available on website and social media sites.
4 September 2020	Submissions close at 4.00pm.
6 October 2020	Hearing date for submissions. A subcommittee of at least five Councillors will consider public feedback.
20 October 2020	Deliberations meeting to consider feedback and make recommendations.

Item 8.1

3 December 2020	Recommendations adopted by the Full Council.
18 December 2020	Public notice in Newsline and on the Council's website decision.
TBC	Permanent chlorination comes into effect.

13 Attachments

Attachment 3

1. Delivering Safe Water RCN20-04-9
2. Water Safety Consultation Document
3. Public Notice

3.1 SUMMARY OF SUBMISSIONS ON THE WATER SAFETY CONSULTATION

Information Only - No Decision Required

Report To:	Submissions Hearing
Meeting Date:	27 October 2020
Report Author:	Helen Lane, Actvity Planning Advisor (Water & Wastewater)
Report Number:	RSH20-10-1

1 Summary

1.1 The Council recently consulted on a proposal to apply residual disinfection using chlorine in the Council's remaining unchlorinated water supplies:

- Richmond;
- Riwaka/Kaiteriteri;
- Motueka;
- Hamama: and
- Upper Takaka.

1.2 This report provides the Hearing Committee with a summary of the submissions received and requests the Hearing Committee hears the submissions from those that have indicated they wish to speak.

1.3 The submission period began on 4 August and ended on 3 October 2020. In total, 102 submissions were received and are included in **Attachment 1** *Water Safety Consultation Submissions*. Ten submitters have indicated they would like to speak to the Hearing Committee.

1.4 The majority of the submitters (91) did not support the proposal to use chlorine as a means of providing residual disinfection within the water supply network. The main reasons for not supporting the proposal include:

- Do not like idea of chemicals or additives in water supply;
- Concern about potential health issues related to the use of chlorine;
- Unpleasant taste and smell;
- There has not been historical issues with water supply in the past;
- Existing water quality does not warrant the addition of chlorine;
- Extra costs associated with installation of household filters;
- Extra costs associated with the addition of chlorine (or additives);
- Negative impact to the environment, ecosystem, pets, vegetable gardens etc.;

- Chlorination is not required for 10-15 houses (Upper Takaka); and
- Most of the water in Hamama is used for stock purposes.

1.5 This report summarises the main feedback themes and provides staff commentary about the issues raised.

2 Draft Resolution

1. That the Submissions Hearing receives the Summary of Submissions on the Water Safety Consultation report, RSH20-10-01.

3 Purpose of the Report

3.1 The purpose of this report is to provide the Hearing Committee with a copy of the submissions received during the Water Safety Consultation and requests that the Hearing Committee hears the submissions from those that have indicated they wish to speak.

4 Background and Discussion

Background

4.1 On 30 April 2020, Full Council approved the **Delivering Safe Water** (RCN20-04-9) Report. The report sought approval to propose using chlorine to provide a permanent residual disinfection in Council's remaining unchlorinated water supply schemes:

- Richmond;
- Riwaka/Kaiteriteri;
- Motueka;
- Hamama; and
- Upper Takaka.

4.2 On 21 May 2020, Full Council approved the **Drinking Water Quality Management Policy** (RCN20-05-3) Report. The policy demonstrates the Council's commitment to managing its water supplies effectively in order to provide safe drinking water to the community. The Policy also sets out the overarching framework for the Council's Water Safety Plans and is an important component of the New Zealand Water Safety Plan Framework published by the Ministry of Health in 2018, following the Havelock North Inquiry.

4.3 On 30 July 2020, Full Council approved the report **Consultation of Chlorination of Water Supplies** (RCN20-07-2) Report. The report proposed to use the special consultative procedure (SCP) to consult the community on the proposal to permanently chlorinate all remaining unchlorinated water supply schemes.

4.4 Staff produced an information document to support the consultation that met the requirements for a Statement of Proposal under the SCP. The document explains the Council's proposal, provides background to the proposal, discusses why we are proposing permanent chlorination; and explains other options considered.

4.5 The consultation and supporting information was publicly notified on 3 August 2020 and consultation commenced on 4 August 2020. The consultation was originally scheduled to run over a one month period. However, due to COVID-19 Alert Level Restrictions and concerns, the consultation period was extended for another four weeks. The consultation closed on 3 October 2020.

4.6 During Alert Level Three (on the 13 August 2020) staff held a virtual drop in session via Zoom where one person attended. A second virtual drop in session (during Alert Level 2) was held on 16 September 2020 and three people attended but only two engaged in dialogue and asked questions.

4.7 Also during Level Two, staff held two public drop in sessions. The first was held in the Council Chambers on 23 September 2020 where one person attended. And the second was

held at the Motueka Memorial Hall 24 September 2020 where one person attended. Despite wide advertisement of the sessions public attendance was very low.

4.8 Staff arranged several video podcast interviews with a range of independent experts on the subject matter and provided the material on the Council webpage. Experts included:

Agency	Person	Role
Nelson Marlborough Health	Stephen Bridgeman	Director of Public Health
Water New Zealand	Noel Roberts	Technical Manager
Independent	Jim Graham	Principal Advisor Water Quality

4.9 The three videos were watched 64 times in total on You Tube and the videos reached 1277 people on Facebook.

Discussion

4.10 The proposal to permanently chlorinate the five remaining unchlorinated water supply schemes could potentially affect up to approximately 20,000 people and hundreds of businesses.

4.11 101 submissions were received in total. 90 submitters did not support the proposal. Ten submitters supported the proposal and one did not specify whether they were in support or not.

4.12 A copy of all submissions is contained in **Attachment 1** *Water Safety Consultation Submissions* of this report**.**

4.13 Ten submitters indicated they would like to present their submission to the Hearing Panel on 27 October 2020. Staff have made arrangements with the submitters to allocate a timeslot to speak to the Hearing Panel. Table 1 lists the order of submitters to be heard. Each submitter has been allotted ten minutes to speak to their submission. This time includes any points of clarification and or questions.

Table 1: List of timeslots and submitters to be heard at Hearing Panel

Time	Submitter	Submission #
2.00 pm	Richard Hayward	24659
2.10 pm	Mr Hellyer	24867
2.20 pm	Mr Geoffrey Waring	24873
2.30 pm	Catherine Hughson	24944
2.40 pm	Dr Stephen Bridgman	24922
2.50 pm	Mik Symmons	24930
3.00 pm	Lewis Solomon	24883
3.10 pm	Liz Attree	24946
3.20 pm	John Phair	24949
3.30 pm (TBC)	Margriet Bettine Maarsingh	24864
3.40 pm (TBC)	Miss Lily McIver	24875

4.14 Table 2 below summarises the number of submitters connected to the supply schemes that are potentially affected by the proposal. The table also lists the number of submitters where we could not reconcile the provided address with a connection to a Council managed scheme.

Table 2: Summary of submitters connected to the Council water supply schemes

Water Supply Scheme	Number of submitters	Number of submitters where staff could not match a physical address
Richmond	25	1*
Hamama	23	4
Upper Takaka	21	9
Motueka	17	1
Kaiteriteri/Riwaka	5	2
Not connected but interested in process or did not specify	11	

*submitter was actually on the Redwood Water Supply scheme

4.15 Some submitters provided their reasons for not supporting the proposal. These are summarised below, along with staff comments.

Table 3: Summary of suggestions to improve water quality

Submitter Feedback	Staff comments
Do not want chemicals or additives in the water	Chlorine provides one of the most effective ways of treating water because it disinfects the water all the way from the treatment plant, through the reticulated network of pipes and reservoir to connected homes and businesses.
Concern about potential health issues related to the use of chlorine	The residual disinfection of water is fully supported by the local Drinking Water Assessor, Medical Officer of Health, the Ministry of Health and the recommendations from the Havelock North inquiry. Permanent chlorination is the preferred method to provide residual disinfection in our water supplies. It is already a widely used across the Tasman District and Nelson City Council. Chlorination is widely used across the country and internationally.
Use of chlorine makes water taste and smell unpleasant	Many people understandably do not like the smell and taste of chlorine. Staff propose to use very low doses of chlorine (between 0.3 to 0.5 ppm) to provide residual disinfection. A higher dose of chlorine may be used initially until biofilm is cleared from the network. There is information about some easy ways to reduce the effects of chlorine on the Council website.

Submitter Feedback	Staff comments
There has not been historical issues with water supply in the past	Several times a year, coliforms are detected in the unchlorinated water supplies and sometimes *E.coli* is detected. Total coliforms and *E.coli* have not been detected in samples taken directly after water has been treated with UV in the treatment plants, therefore, the contamination is occurring in the network. The Richmond supply has had the most instances of bacterial contamination. Since 2011, there have been 20 positive *E.coli* samples in the Richmond Distribution Zone. Between 2004 and 2006 three bacteria events occurred in the in the Riwaka/Kaiteriteri supply. The most recent *E.coli* event this year occurred in Upper Takaka. These issues suggest that the current monitoring and operational measures are not effective in preventing contamination in the network and mitigating the risks. Therefore, it is likely that the Water Safety Plans may not be approved unless the Council commits to either residual disinfection or other more costly preventative measures to ensure a safe drinking water supply.
Existing water quality does not warrant the addition of chlorine	As a drinking water supplier, Council has a responsibility to provide safe drinking water to all users. All water supply networks are constantly at risk of microbiological re-contamination through planned works, backflow events, illegal connections, pipe breaks, faulty fittings, illegal water takes from hydrants or ingress through reservoir roofs. Providing residual disinfection in the water supply network post treatment greatly reduces the risk of microbiological recontamination and would deactivate some viruses. Residual disinfection, as part of a multi-barrier treatment approach, is considered to be the most effective way to achieve a safe water supply. Having residual disinfection was one of the recommendations from the Government's inquiry into the Havelock North Campylobacter outbreak caused by contaminated drinking water.
Extra costs associated with installation of household filters	It is likely that some residential, commercial and industrial properties will chose to install activated carbon filters to remove chlorine from their water supply. These costs will be the responsibility of the property owner. The Council may decide to investigate bulk purchase of carbon filters to reduce the costs to the community.

Submitter Feedback	Staff comments
	The Council may also consider providing a community drinking water fountain that has chlorine removed.
Extra costs associated with the addition of chlorine (or additives)	Using chlorine gas is a very cost effective and long lasting treatment method to provide residual disinfection in a water supply network.
Concerns about the negative impact to the environment, ecosystem, pets, vegetable gardens etc.	Staff acknowledge that high concentrations of chlorine is harmful when directly discharged into natural waterways but this situation is highly unlikely. The Council has measures in place that mitigate the risk of chemical spills. The proposed dosage of chlorine we intend to use will ensure a residual in the network and will dissipates within a short time frame. Furthermore residual chlorine breaks down quickly when in contact with the ground (soil and geology) and poses minimal risk to the environment.
Chlorination should not be required for only 10-15 houses in Upper Takaka	Staff will investigate whether 'Rural Agricultural Drinking Water Supply' status is applicable to Upper Takaka and/or Hamama and whether 'point of supply' treatment is an acceptable solution in the new DWSNZ.
Most of water in Hamama is for stock purposes	

4.16 Some submitters provided reasons for why they support the proposal. These include:

- Multiple treatment barriers is the most effective way to achieve a safe water supply;
- Use of chlorine will provide a residual disinfection in the whole network;
- Manages risk of contamination events;
- Most economical way to ensure that the Council achieves the water quality standards; and
- Water needs to be as safe as possible.

4.17 The submission form asked the public if they were aware of alternative methods to achieve residual disinfection and whether they knew of other actions the Council could take to reduce the impact of chlorine. The main suggestions themes are summarised in the Table 4 below with staff comments.

Table 4: Summary of suggestions

Suggestions to improve water quality	Staff comments
Use ozone treatment	Ozone treatment is a method that could be used as part of a 'multiple barrier' approach but it does not provide residual disinfection throughout the reticulated network.
Use reverse osmosis treatment	Reverse osmosis is a method that could be used as part of a 'multiple barrier' approach but it does not provide residual

Suggestions to improve water quality	Staff comments
	disinfection throughout the reticulated network. Reverse osmosis plants are typically costly to build and operate.
Use filtration treatment	Filtration is used as a barrier early on in the water treatment process to remove particulate and organic matter in order to bring the water up to standard before disinfection is applied. It doesn't produce a residual disinfection effect.
Use bromine treatment	Bromine can be very effective against bacteria, effective to lesser extent against viruses, and least effective against some protozoan parasites. Chemical forms of bromine are primarily used as an alternative disinfectant for swimming pools, spas and cooling tower water. It is not commonly used for municipal drinking-water treatment. There are health concerns about the formation of brominated disinfection byproducts. There are also practical handling and storage concerns. Bromine treatment has high operational costs.
Additional maintenance or infrastructure upgrades	This is possible and would be very costly and even then would not guarantee a residual disinfection throughout the entire network.
Research and trial other methods	Research and development of new water treatment methods is ongoing around the world. Staff are actively involved in several industry bodies and professional associations to keep up to date with developing technology and innovation. The current methods used in Tasman District are cost effective, tried and tested and in line with other water supplies in New Zealand and around the world.
Monitor rubbish dumps	Recent water quality monitoring done on the source water bores in the Tasman area has not ideintified the presence of any contaminants that could be associated with rubbish dumps or landfills.
Removing organic material so that chlorine does not produce smell and taste	We sometimes use filtration at the treatment plant as an initial treatment barrier to remove material; however organic matter (and contaminants) still can enter the network after the treatment plant. When initially added to the network, chlorine can initially produce undesirable odour and taste when it reacts with organics and biofilm; however this will dissipate with time and a structured flushing regime.

Suggestions to improve water quality	Staff comments
Find source of contamination	In accordance with the Health Act 1956 and the DWSNZ the source of contamination is investigated by the Tasman District Council. *E.coli* is an indicator of feacal contamination to a water supply and there is a 24 hour incubation time to grow the *E.coli* bacteria from a water sample in the lab. This presents a 24 hour delay in knowing that a water supply has been contaminated to find the source of the contamination. By this time thousands of people could have become infected through drinking the water. Therefore, the continual residual disinfection is essential to provide an effective last barrier in the treatment process to protect against contamination within the reticulation system.
Frequent and automated testing of water supplies	Water quality samples are regularly tested throughout all our water supply networks. The DWSNZ provides a guideline on how many and how frequently water samples are taken. The sampling program for each supply is based on statistical modelling which takes into account the number and the frequency of sample taken for a population and the likelihood that a contamination event will be detected within the range of samples. Additionally, real time continuous monitoring of the treatment parameters is done in accordance with the DWSNZ. These results are reported to the Drinking Water Assessor who determines the risk to public health and whether a supply complies with the drinking water standards. The Water Safety Plan details how the risks associated with a public water supply will be monitored and managed to prevent and protect public health.
Only chlorinate when bacterial outbreak or major works are undertaken	*E.coli* is an indicator of feacal contamination to a water supply and there is a 24 hour incubation time to grow the *E.coli* bacteria from a water sample in the lab. This presents a 24 hour delay in knowing that a water supply has been contaminated. By this time thousands of people could be infected through drinking the water. We cannot always predict when or where contamination will occur in the drinking water system. Therefore, the continual maintenance of a residual disinfection such as chlorination is essential to provide a robust last barrier to a multi-barrier treatment process. Chlorine is effective at killing pathogenic bacteria and preventing their establishment in the reticulation system.

Suggestions to improve water quality	Staff comments
Monitor farmers to ensure their activities do not negatively impacting the environment.	The regulatory arm of Council has ongoing monitoring regimes in place.

4.18 Some submitters suggested that the Council should provide chlorine free water for a variety of reasons such as drinking and food preparation. Some submitters also suggested that Council should subsidies carbon filters to be installed in households.

4.19 There were other matters raised during the consultation that are not directly related to the use of chlorine, themes include:

- Concentration of nitrates level in water supply;
- Current drinking water standards do not address pesticides in water supply;
- Concerns of 1080 in water supply; and
- Consider the use of fluoridation in our water supply.

4.20 Of note, two doctors (submitters 24607 and 24724) and one health policy advisor from the Nelson Marlborough Health (submitter 24922) were in support of the proposal. However, one retired medical laboratory scientist (24915) was not in support or the proposal.

4.21 The submission from the Nelson Marlborough Health notes that the Water Services Bill that has recently been presented to Parliament contained within Clause 57 the following statement – “Subject to subsection (5), the drinking water safety plan must provide for the use of residual disinfection in the supply”. Clause 57 is a clear signal that residual disinfectant such as chlorine may become mandatory for water supplies.

5 Strategy and Risks

5.1 The proposal to chlorinate all of our water supplies is primarily focused on protecting public health and managing the risk associated with a contamination event. It is crucial the community has confidence in the Council as a water supply authority to deliver safe drinking water, as it is an essential service.

5.2 A proposal to chlorinate water supplies may cause division within the community. However, using chlorine as a residual disinfectant throughout all Council managed supplies will reduce the risk associated with a contamination event.

6 Policy / Legal Requirements / Plan

6.1 The SCP used to consult on the proposal is compliant with Council’s legal obligations in the Local Government Act 2002.

6.2 The proposal to provide residual disinfection using chlorine in our remaining unchlorinated water supplies is consistent with the Council’s:

- Level of service related to compliance with the NZ Drinking Water Standards; and
- Drinking Water Quality Management Policy.

7 Consideration of Financial or Budgetary Implications

7.1 The financial implications of the options available to the Council were addressed in a previous report (Delivering Safe Water RCN20-04-09) and are summarised in the Consultation Document.

7.2 Costs for the consultation process were minimised and existing communication channels such as Council's website, Newsline, and social media platforms were used as much as possible. Local media also covered the topic. Major costs (excluding staff time) comprised of the follow (excluding GST):

- Production of video material $1100;
- Printing consultation document $600;
- Development and editing of consultation document $1300; and
- Stuff advertising $800.

8 Significance and Engagement

8.1 Staff consider the proposal to permanently chlorinate water supplies to be of medium-high significance due to the level of public interest and the strategic nature of public water supplies. A thorough assessment of the significance of permanently chlorinating our remaining water supplies was discussed in Section 10 of the previous report (***Delivering Safe Water RCN20-04-9*** Report Attachment 2).

9 Conclusion

9.1 This report summarises submissions on proposal to apply residual disinfection using chlorine in our remaining unchlorinated water supplies – Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka. This report highlights the common themes and concerns received during the consultation process.

9.2 Hearing, deliberating and making recommendations to the Full Council on all submissions received, is a critical part of the decision making process required to determine whether the Council will permanently chlorinate all water supplies in Tasman District.

10 Next Steps / Timeline

10.1 The next step in the process are outlined below. The last three steps are only needed if the Hearing Panel and then Council resolve to proceed with chlorination following the consultation and hearings.

Date	Process
27 October 2020	Hearing date for submissions. Subcommittee will consider public feedback.
12 November 2020	Deliberations meeting to consider feedback and make recommendations.
3 December 2020	Recommendations adopted by the Full Council.

4 December 2020	Public notice on Council website
18 December 2020	Public notice in Newsline
TBC	Permanent chlorination comes into effect.

11 Attachments

1. Attachment 1 Water Safety Consultation Submissioins
2. Attachment 2 RCN20-04-9 Delivering Safe Water

3.1 DELIBERATIONS REPORT ON WATER SAFETY CONSULTATION

Decision Required

Report To:	Submissions Hearing
Meeting Date:	12 November 2020
Report Author:	Helen Lane, Activity Planning Advisor (Water & Wastewater)
Report Number:	RSH20-11-1

1 Summary

1.1 The Council recently consulted on a proposal to apply residual disinfection using chlorine in the Council's five remaining unchlorinated water supplies (the Proposal). The Special Consultative Procedure (SCP) was used to consult the public.

1.2 The consultation commenced on 4 August 2020 and closed on 3 October 2020. Council received 102 written submissions. On 27 October 2020 eight submitters presented their submissions to the Water Safety Hearing Panel (the Panel).

1.3 The majority of submitters did not support the proposal. There was wide ranging feedback about the reasons for not supporting the proposal, including concerns about:

- health issues;
- unpleasant odour and taste;
- the need to add chemicals to water;
- extras costs; and
- the impact on the environment.

1.4 Some feedback received was outside the scope of the consultation including concerns about contaminants in source groundwater and the addition of fluoride to supplies. These topics are not specifically addressed in the report.

1.5 Staff comments on the matters raised in submissions were provided in report RSH20-10-1 (Attachment 1). The Panel directed staff to provide further information on a range of matters raised during submissions to assist them in deliberations so they can make a considered recommendation to the Full Council. This report provides the additional information in Table 1, except for expert advice on any possible link between use of chlorine in a water supply and an increased risk of cancer. This will be provided by Nelson Marlborough Health prior to the deliberation meeting.

1.6 Staff have concluded that while unpopular with the majority of submitters, the use of chlorine to provide a residual disinfection is still the preferred way to continually provide safe water to customers connected to the Council Water Supplies. The proposal also aligns with Council's Drinking Water Quality Management Policy.

1.7 Staff recommend that the Panel recommend to Full Council that Council provide residual disinfection using chlorine for all Council Water Supplies, including Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka.

2 Draft Resolution

That the Water Safety Consultation Hearing Panel

2.1 receives the Water Safety Consultation Deliberations Report;

2.2 recommends to Full Council that chlorine is used to provide permanent residual disinfection for all Council water supplies including Richmond, Riwaka/Kaiteriteri, Motueka, Hamama and Upper Takaka.

3 Purpose of the Report

3.1 The purpose of this report is to:

- Provide additional information to assist the Panel in deliberating on submissions received during the Water Safety Consultation; and
- Seek a recommendation from the Panel to Full Council on whether to provide residual disinfection using chlorine in all the Council water supplies.

4 Background and Discussion

4.1 The Council recently consulted on a proposal to apply residual disinfection using chlorine in the Council's remaining unchlorinated water supplies:

- Richmond;
- Riwaka/Kaiteriteri;
- Motueka;
- Hamama; and
- Upper Takaka.

4.2 The Water Safety Consultation was publically notified on 4 August 2020 and submissions closed on 3 October 2020. Council received a total of 102 written submissions by the closing date.

4.3 At the hearing held on 27 October 2020, eight submitters presented their submissions to the Hearing Panel.

4.4 After listening to submitters, the Panel requested that staff investigate several matters. These matters are summarised in the table below:

Table 1: Summary of matters to be considered in the deliberations process

Matter to be investigated	Staff comments	Staff recommendation
Gather expert evidence on whether there is a possible link (causation or correlation) between use of chlorine in a water supply and an increased risk of cancer. Provide a brief summary of studies and medical evidence that supports the NMH or Ministry of Health's position on this matter. Clarify whether there is any medical evidence	Council staff are not in a position to offer expert advice on this matter and contacted Nelson Marlborough Health (NMH) for direction and guidance. NMH indicated that this request will take some time to collate and summarise. NMH confirmed they will provide more information before the Deliberations Meeting. Staff will circulate their response as soon as possible. A representative from Nelson Marlborough Health has also agreed to be present during deliberations to assist with any further questions.	N/A

Matter to be investigated	Staff comments	Staff recommendation
to suggest that chlorine has a cumulative effect on the body and whether prolonged exposure to chlorinated water results in any health issues.		
Clarify what more can be done to remove *E.coli* from the Richmond supply including steps, costs and including comment on more frequent testing of the water supply network.	Council employ a range of mitigation measures to ensure all water supplies remain as safe as possible by improving the condition of the network and mitigating likely sources of contamination. This is done through operations, maintenance, renewals and upgrade activities. Activities include: water source protection, backflow protection, leak detection programme, pipe renewals programme, reservoir upgrades, and regular water quality testing and monitoring. The frequency and schedule of testing is determined by the risk and size of community served. The Delivering Safe Drinking Water RCN20-04-9 Report (Attachment 2) details the steps and costs of these mitigation measures.	All mitigation measures to reduce the risk of contamination to the network come at a cost without the guarantee that the water supply is as safe as having residual disinfection (using chlorine). Relying on other mitigation measures (excluding the use of residual disinfectant) are unlikely to meet the requirements of a multi-barrier approach to ensuring a safe drinking water supply.
Investigate whether a chlorine free drinking water supply can be made available where residents can fill up drinking water bottles (similar to what Hastings and Havelock North provide).	Hastings District Council has installed chlorine-free water stations at five sites across their district. 3,000-4,000 litres per day are supplied at their most popular sites. Installation of a four tap station as shown in the photo below cost about $55,000. Ongoing maintenance costs are in the order of $10,000- $15,000 per year for water quality monitoring, cleaning and filter replacement. These enable people to fill small containers.	Do not provide chlorine free drinking water supply stations.

Matter to be investigated	Staff comments	Staff recommendation
	 Similar facilities could be provided in one or more settlements in Tasman. While the cost of installing and operating these facilities would be lower than the cost of managing an unchlorinated supply, the cost would still be substantial. If council were to provide this service in our main centres, the costs to install would be approximately $300,000 – 400,000, and cost up to $100,000 per annum to maintain. These costs are on the basis that the site is owned by the Council and in close proximity to existing power, water and drainage infrastructure. This is a considerable cost to incur at a time when Council has many other challenges to manage and pressure on its financial caps. Council could choose to only provide this service in larger centres such as Motueka and Richmond to save costs. This may be viewed as unfair by other people in other centres with chlorinated water supplies, such as Mapua, Brightwater, and Wakefield which have been supplied chlorinated water for many years without such a facility. Home based alternatives for removing chlorine from drinking water taps are available already (see next item). These can be taken up by households wishing to remove chlorine from their drinking water supplies, and provide a more convenient service than a single facility managed by Council. Those using these facilities to fill larger containers could also achieve a similar benefit by filling containers at home and letting any remaining chlorine gas-off.	

Matter to be investigated	Staff comments	Staff recommendation
Provide more information about the supply, cost and effectiveness of activated carbon filters. Investigate whether Council can bulk order filters to provide a subsidy.	Activated carbon filters are excellent at removing chlorine and related taste and odour characteristics. High quality activated carbon filters can remove 95% or more of the free chlorine. These are readily available from suppliers and plumbers. Staff sought information from local suppliers on different activated carbon filter options for domestic purposes: • Under bench systems • Whole of house systems The capital cost of the *'under the bench'* equipment ranges from $200-$400 for a filter at the faucet or a separate drinking water tap. Installation costs range from $100-$150 The capital cost for the '*whole of house'* system ranges from $600 (for a filter installed on the lateral water pipe) to $1500 (for an automated backwash cylinder). Installation costs range from $200-$450. Both options would require a filter change about every 12 months depending on volume. Filters cost about $100-150. These costs depend on the equipment and configuration of pipe work at each house. There is also a cheaper option to self-install a carbon filter that sits on top of the bench for about $180. A simpler and cheaper option is to put water in a jug in the fridge overnight to help the chlorine dissipate. If Council purchased filters for on-sale, it would be entering into an already well established private market with plenty of competition in an area that is not our core business. It is unlikely to save householders much but is likely to involve considerable administration from staff and risk if our supplies do not meet customers' needs.	Do not bulk purchase activated carbon filters for on-sale.
Clarification on a practical solution on the Hamama supply.	Staff are pursuing classification of Hamama water supply as a Rural Agricultural Drinking-Water Supply (RADWS) with the local Drinking Water Assessor. To achieve RADWS status, it must be proved that >75% of water supplied is used for agricultural purposes. An assessment is being undertaken to collect metering data to demonstrate the majority of water is used for agricultural purposes. If Hamama is confirmed as a RADWS and the regulator accepts end point water treatment for each home, there will not be a requirement for chlorine to be used on the Hamama scheme.	Staff recommend waiting for confirmation of RADWS classification and acceptance of end point treatment by the regulator. Staff will keep the Council up to date with any relevant information.

4.5 Using chlorine to treat water has been used around the world for over a century and is proven by science as a safe and effective water disinfectant. Chlorine deactivates bacteria

and some viruses that may be introduced to water as it flows through the reticulated network (from source to tap) and reduces the risk of a contamination event.

4.6 Staff recommend providing residual disinfection using chlorine as part of a multi-barrier treatment approach because it is the most cost effective way to achieve a safe water supply and it is the preferred method to continually provide safe water to all customers.

4.7 Having residual disinfection was one of the recommendations from the Government's inquiry into the Havelock North Campylobacter outbreak caused by contaminated drinking water.

5 Options

5.1 Council has two main options, summarised in Table 2. Staff recommend option 1. A full assessment of the pros and cons of chlorinating water supplies was addressed in RCN20-04-9.

5.2 The Panel may also wish to recommend that Council pursue some of the initiatives discussed in Table 1, although staff do not recommend this.

Table 2: Options assessment summary

Option 1: Provide residual disinfection using chlorine in all council water supplies, including the remaining unchlorinated water supplies.	
Advantages	• Ensures compliance with DWSNZ • Will be a requirement to get approved • Aligns with Council's Drinking Water Quality Management Policy • Conforms with national and international best practice • Provides a consistent level of service in Council managed water supplies
Risks and Disadvantages	• Potentially some adverse reactions related to taste and smell. This will likely subside as pipes are flushed with chlorine and biofilms removed
Option 2: Do not provide residual disinfection using chlorine to the remaining unchlorinated water supplies.	
Advantages	• No adverse reactions related to taste and smell
Risks and Disadvantages	• WIll not get Water Safety Plans approved with residual disinfection • Significant costs related to additional mitigations measures • Does not aligns with Drinking Water Quality Management Policy • Risk of customers becoming ill if there is an *E.coli* contamination

6 Strategy and Risks

6.1 As a water supplier, the Council needs to provide multiple barriers to prevent contamination and ensure water remains safe for the community. Residual disinfection using chlorine is one of several barriers.

6.2 Despite some opposition, the proposal to chlorinate all of our water supplies is primarily focused on protecting public health and managing the risk associated with a contamination

event. It is crucial the community has confidence in the Council as a water supply authority to deliver safe drinking water, as it is an essential service.

6.3 The Council must balance the concerns raised during the consultation against the costs of not chlorinating water supplied, and the risks of a contamination event.

6.4 Recommendations in this report support the Tasman District Council Community Outcomes – water is safe to drink

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	Climate Change considerations are not relevant to this report	Not part of the Action Plan.
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	This decision will increase resilience to Climate Change.	To the extent that climate change presents a risk to our source water or infrastructure (through increased storm intensity for example), chlorination will help provide protection against the impact of a contamination event. A very small amount of chemical (chlorine gas) is used to chlorinate the supply. By-products produced as part of the residual disinfection are negligible and not classed as greenhouse gases. Permanent residual disinfection would require less samples to be taken from the networks, resulting in fewer traffic movements.

8 Policy / Legal Requirements / Plan

8.1 The discussion on policy, legal requirements and plan were thoroughly addressed in a previous report (Delivering Safe Water RCN20-04-09). See attachment 1.

8.2 The SCP was used to consult on the proposal and is compliant with Council's legal obligations in the Local Government Act 2002.

8.3 The proposal to provide residual disinfection using chlorine in our remaining unchlorinated water supplies is consistent with the Council's:

- Level of service related to compliance with the NZ Drinking Water Standards; and
- Drinking Water Quality Management Policy.

9 Consideration of Financial or Budgetary Implications

9.1 The financial implications of the options available to the Council were addressed in a previous report (Delivering Safe Water RCN20-04-09) and were also summarised in the Consultation Document. In summary, the ongoing costs of chlorination are modest. For example, the extra operational cost is approximately $4,000 a year for Kaiteriteri and $12,000 a year for Richmond.

10 Significance and Engagement

10.1 Staff consider the proposal to permanently chlorinate water supplies to be of medium-high significance due to the level of public interest and the strategic nature of public water supplies. A thorough assessment of the significance of permanently chlorinating our remaining water supplies was discussed in Section 10 of the previous report (***Delivering Safe Water RCN20-04-9*** Report Attachment 2).

11 Conclusion

11.1 Providing safe and secure drinking water is the primary focus of the Council's water supply activity. The Council is legislatively responsible as a water supplier for providing safe drinking water and has obligations under the Health Act 1956.

11.2 Providing residual disinfection using chlorine is part of a multi-barrier treatment approach and is considered to be the most cost-effective way to achieve a safe water supply.

11.3 Written submissions on the Water Safety Consultation have been received and verbal submissions have been heard. Staff have provided advice and recommendations to the Panel on a range of issues raised in submissions to assist in the development of recommendations to the Full Council.

11.4 While unpopular with most of the submitters, staff still recommend that the Panel recommend to Full Council that it provide residual disinfection using chlorine in the Council's five remaining unchlorinated supplies. This is the best way to ensure we continually provide safe water to customers connected to Council water supplies.

12 Next Steps / Timeline

12.1 The next steps in the process is outlined below. The last three steps are only needed if the Panel and then Full Council resolve to proceed with chlorination.

Date	Process
12 November 2020	Deliberations meeting to consider feedback and make recommendations.
3 December 2020	Recommendations considered by the Full Council.
4 December 2020	Public notice on Council website and advise larger consumers in affected areas.
18 December 2020	Public notice in Newsline and through local media about decision
TBC	Permanent chlorination comes into effect at different times for different schemes as some treatment plants will need to be upgraded. This is expected to be completed within the next Long Term Plan and in time to meet the NZDWS deadline. Kaiteriteri will start summer time chlorination on 1 December as per recent practice and will remain chlorinated from that point on if Council resolves to make this permanent at their meeting on December 3. Richmond's water supply will be chlorinated from early December while trunk water works are undertaken at the intersection of Champion and Salisbury Roads, and will remain chlorinated from that point on if Council resolves to make this permanent at their meeting on December 3.

13 Attachments

1. Attachement 1 RSH20-20-10-1 Summary of Submissions on the Water Safety Consultation
2. Attachement 2 RCN20-04-9 Delivering Safe Water

Disinfectants and Disinfection By-Products

Session Objectives

- To describe the importance of disinfection in providing safe drinking water.
- To describe the key disinfectants evaluated in the *Guidelines* and describe their principal characteristics and effectiveness.
- To describe the key by-products formed by the principal disinfectants and describe the likely health risk from their presence in water.
- To describe the balance between microbiological and chemical health risks and emphasise the need to prioritise microbiological quality.

Disinfectants and Disinfection By-Products

Introduction

Disinfection of drinking-water is essential if we are to protect the public from outbreaks of waterborne infectious and parasitic diseases. The main disinfectants evaluated in the *Guidelines* are free chlorine, chloramines, chlorine dioxide and ozone.

As much as the perfect indicator organism does not exist, each of the commonly used disinfectants has its advantages and disadvantages in terms of cost, efficacy, stability, ease of application and formation of by-products.

Table 1 summarizes the Ct values for the four main disinfectant,

where C = disinfectant concentration in mg/litre, and
t = the contact time in minutes required to inactivate a specified percentage of microorganisms.

Table 1. Summary of C.t values (mg/L. min)for 99% inactivation at 5□C (Clark et al, 1993)

Organism	Disinfectant			
	Free chlorine, pH 6 to 7	Pre-formed chloramine, pH 8 to 9	Chlorine dioxide, pH 6 to 7	Ozone pH 6 to 7
E. *coli*	0.034-0.05	95-180	0.4-0.75	0.02
Polio virus 1	1.1-2.5	768-3740	0.2-6.7	0.1-0.2
Rotavirus	0.01-0.05	3806-6476	0.2-2.1	0.006-0.06
Bacteriophage f_2	0.08-0.18	-	-	-
G. *lamblia* cysts	47->150	-	-	0.5-0.6
G. *muris* cysts	30-630	-	7.2-18.5	1.8-2.0[a]
C. *parvum*	7200[b]	7200[c]	78[b]	5-10[c]

a Values for 99.9% inactivation at pH 6-9.
b 99% inactivation at pH 7 and 25°C.
c 90% inactivation at pH 7 and 25°C.

From the Ct values, ozone is the most efficient and chloramine the least efficient, particularly for viral agents. Free chlorine is more effective than chlorine dioxide with regard to E. *coli* and rotavirus. Chlorine dioxide is more effective than free chlorine with regard to the protozoa Giardia *lamblia* and *muris*. Ozone is the most efficient disinfectant for cryptosporidium *parvum*. As the temperature increases, the Ct values decrease for all disinfectants. The effect of pH varies with the nature of the disinfectant and is most pronounced for chlorine.

Chlorine and its by-products

Chlorine is the most widely used drinking-water disinfectant. When added to water the following reaction occurs within a second or less:

$$Cl_2 + H_2O = HOCl + H^+ + Cl^-$$

The magnitude of the equilibrium hydrolysis constant is such that hydrolysis to hypochlorous acid, HOCl, is virtually complete in fresh water at pH > 4 and at chlorine doses up to 100 mg/litre (Morris, 1982).

Hypochlorous acid is a weak acid that dissociates partially in water as follows:

$$HOCl = H^+ + OCl^-$$

The value of the acid ionization constant is about 3×10^{-8}. As shown in Figure 1, at 20°C and pH 7.5, there is an equal distribution of HOCl and OCl^-. At pH 8, about 30% of the free chlorine is present as HOCl, and at pH 6.5, 90% is present as HOCl (Morris, 1982). The term free chlorine refers to the sum of hypochlorous acid and hypochlorite ion. Since HOCl is a considerably more efficient disinfectant than OCl^-, and free chlorine, even as hypochlorite, is more effective than combined chlorine (e.g. chloramines), the *Guidelines* recommend that disinfection be carried out at pH less than 8 and at a free chlorine concentration ≥ 0.5 mg/litre.

Of all the disinfectants, the chemistry and toxicity of the reaction by-products of chlorine have been the most extensively studied.

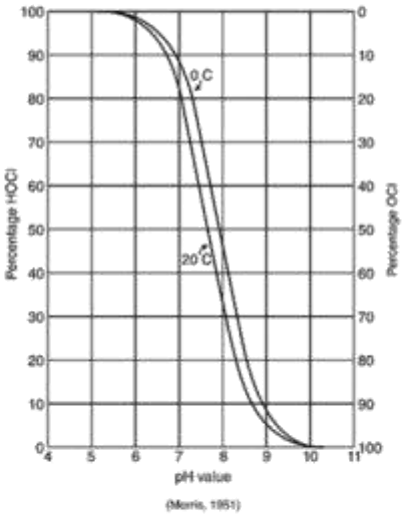


Figure 1: Distribution of hypochlorous acid and hypochlorite ion in water at different pH values and temperatures (Morris,1951)

Since Rook's discovery of the formation of haloforms during chlorination of Rotterdam water supply (Rook, 1974), numerous halogenated compounds have been identified in chlorinated drinking-water and their toxicity assessed. Precursors of these halogenated compounds include natural humic and fulvic compounds and algal material. The most commonly found chlorine disinfection by-products are the trihalomethanes (THM), halogenated acetic acids, halogenated acetonitriles, chloral hydrate and the chlorinated phenols. Others include chlorinated furanone MX, halopicrins, cyanogen halides, haloketones and haloaldehydes. The halogenated disinfection by-products identified account for only about half of the total formed.

Based on animal toxicological studies, Guideline Values (GVs) have been recommended for a number of these compounds. Undoubtedly, the third edition of the *Guidelines*, planned for the year 2002, will include additional chlorination by-products.

The following chemicals resulting from chlorination of water supplies have been evaluated in the *Guidelines*:

- free chlorine ($HOCl + OCl^-$)
- trihalomethanes
- chlorinated acetic acids
- halogenated acetonitriles
- chloral hydrate (trichloroacetaldehyde)
- chlorophenols
- MX (3-chloro-4-dichloromethyl-5-hydroxy-2(5H)-furanone)

For countries wishing to control DBP, it may not be necessary to set standards for all of the DBP for which guideline values have been proposed. The trihalomethanes, of which chloroform is the major component, are likely to be the main DBP, together with the chlorinated acetic acids in some instances. In many cases, control of chloroform levels and, where appropriate, trichloroacetic acid will also provide an adequate measure of control over other chlorination by-products.

(a) Chlorine

Free chlorine in drinking-water is not particularly toxic to humans. The major source of exposure to chlorine is drinking-water. Therefore, 100% of the TDI was allocated to drinking-water giving a health-based GV of 5 mg/litre for the sum of hypochlorous acid and hypochlorite ion. Based on the taste and odour threshold of free chlorine, it is doubtful however that consumers would tolerate such a high level of chlorine. Most individuals are able to taste chlorine at concentrations below 5mg/litre, and some at levels as low as 0.3 mg/litre. The health-based GV for chlorine should not be interpreted as a desirable level of chlorination.

(b) Trihalomethanes

The predominant chlorine disinfection by-products are the THMs. Nevertheless, they account for only about 10% of the total organic halogen compounds formed by water chlorination.

THMs are formed by the aqueous chlorination of humic substances, of soluble compounds secreted from algae and of naturally occurring nitrogenous compounds (Morris, 1982). THMs consist primarily of chloroform, bromodichloromethane, dibromochloromethane and bromoform.

When bromide is present in drinking-water, it is oxidized to hypobromous acid by chlorine:

$$HOCl + Br^- = HOBr + Cl^-$$

HOBr reacts with natural organic compounds to form brominated halomethanes. Similarly, the presence of iodide may lead to the formation of mixed chlorobromoiodo-methanes.

Some generalized statements can be made with regard to THMs in chlorinated drinking-water (IARC, 1991; Morris, 1982; Canada, 1993):

- Concentration of THMs in drinking-water varies widely and ranges from not detectable to 1 mg/litre or more;
- THM levels are higher in chlorinated surface water than in chlorinated groundwater;
- Concentrations of THMs tend to increase with increasing temperature, pH and chlorine dosage;
- Concentrations of THMs increase upon storage even after exhaustion of residual chlorine or after dechlorination. This indicates the formation of intermediates products leading to the slow production of THMs;
- Chloroform is usually the most abundant THM often accounting for greater than 90% of the total THM concentration;
- If there is a significant amount of bromide in the raw water, the brominated THMs, including bromoform, may be dominant;
- Formation of THMs can be minimized by avoiding pre-chlorination and by effective coagulation, sedimentation and filtration to remove organic precursors prior to final disinfection;
- Removal of THMs after their formation is difficult and involves resource-intensive processes such as activated carbon adsorption or air stripping.

Because trihalomethanes usually occur together, it has been the practice to consider total trihalomethanes as a group, and a number of countries have set guidelines or standards on this basis, ranging from 0.025 to 0.25 mg/litre.

In the 1993 WHO *Guidelines,* individual GV have been recommended for the four trihalomethanes. With an underlying assumption that the THMs may exert potential toxic effects through similar biological mechanisms, authorities may want to establish standards for total THMs that would account for possible additive effects and not simply add up the guideline values for the individual compounds in order to arrive at a standard. Instead, the following approach is recommended:

$$\frac{C_{bromoform}}{GV_{bromoform}} + \frac{C_{DBCM}}{GV_{DBCM}} + \frac{C_{BDCM}}{GV_{BDCM}} + \frac{C_{chloroform}}{GV_{chloroform}} \leq 1$$

where C = concentration, and
GV = guideline value

Epidemiological studies of carcinogenicity of chlorine and DBP

In 1991, WHO International Agency for Research on Cancer (IARC) published an evaluation of the carcinogenic risks to humans of chlorinated drinking-water based on a number of animal toxicological and epidemiological studies. IARC concluded that because of one or more methodological weaknesses, the epidemiological studies reviewed cannot constitute the basis of valid risk assessment.

The epidemiological investigation of the relation between exposure to chlorinated drinking-water and cancer occurrence was considered problematic because any increase in relative risk over that in people drinking unchlorinated water is likely to be small and therefore difficult to detect in epidemiological studies. In all of the studies evaluated, estimates of exposure were imprecise and surrogates (e.g surface versus groundwater) do not reflect exposure during the relevant time periods for the etiology of the cancers in question. Many variables, such as smoking habits, dietary practices, use of alcohol, socio-economic status, and ethnicity are known to affect cancer incidence and were not taken into account in most of the studies (IARC, 1991).

In its overall evaluation, IARC concluded that there is inadequate evidence for the carcinogenicity of chlorinated drinking-water in humans as well as in experimental animals (IARC, 1991).

Chloramine and its by-products

Chloramine generally produces by-products similar to those observed with chlorine but at much lower concentrations. An exception to this is the formation of cyanogen chloride, CNCl (Bull and Kopfler, 1991). The use of chloramine as a disinfectant has increased in recent years because of limited formation of THMs, however, little is known about the nature of other by-products.

Monochloramine is about 2000 and 100 000 times less effective than free chlorine for the inactivation of E. *coli* and rotaviruses, respectively. Monochloramine cannot therefore be relied upon as primary disinfectant. It is useful for maintaining a residual disinfectant in distribution systems. The shift to monochloramine to control THM formation may thus compromise disinfection and the *Guidelines* caution against such procedure. Organic chloramines are even less effective disinfectants than monochloramine.

Chlorine dioxide and its by-products

Because of its explosive hazard, chlorine dioxide is manufactured at the point of use. CLO_2 is generated through the reaction of sodium chlorite and chlorine. Chlorine dioxide reactions with humic substances do not form significant levels of THMs. In addition, it does not react with ammonia to form chloramines. The main disinfection by-products of chlorine dioxide are chloride, chlorate and chlorite.

Chlorine dioxide is more effective towards inactivation of Giardia cysts than free chlorine, but less effective towards rotavirus and E. *coli*. Unlike chlorine, the disinfection efficiency of chlorine dioxide is independent of pH and the presence of ammonia.

A provisional GV was recommended for chlorite while no adequate data were available to recommend a GV for chlorate. No GV has been recommended for chlorine dioxide *per se* because of its rapid breakdown in aqueous solutions and the chlorite GV is adequately protective for potential toxicity from chlorine dioxide. Furthermore, the taste and odour threshold for chlorine dioxide in water is 0.4 mg/litre which constitutes a limiting factor and a signal for its presence at higher concentrations in drinking-water.

Other reaction by-products of chlorine dioxide with organics in drinking-water have not been well characterized but include aldehydes, carboxylic acids, haloacids, chlorophenols, quinones and benzoquinone (Bull and Kopfler, 1991). In a recent article, more than 40 organic disinfection by-products were identified in a pilot plant in Indiana which uses chlorine dioxide as a primary disinfectant. The toxicity of these by-products is largely unknown (Richardson et al. 1994).

Ozone and its by-products

Ozone decomposes rapidly following application, and for this reason no GV has been proposed for ozone.

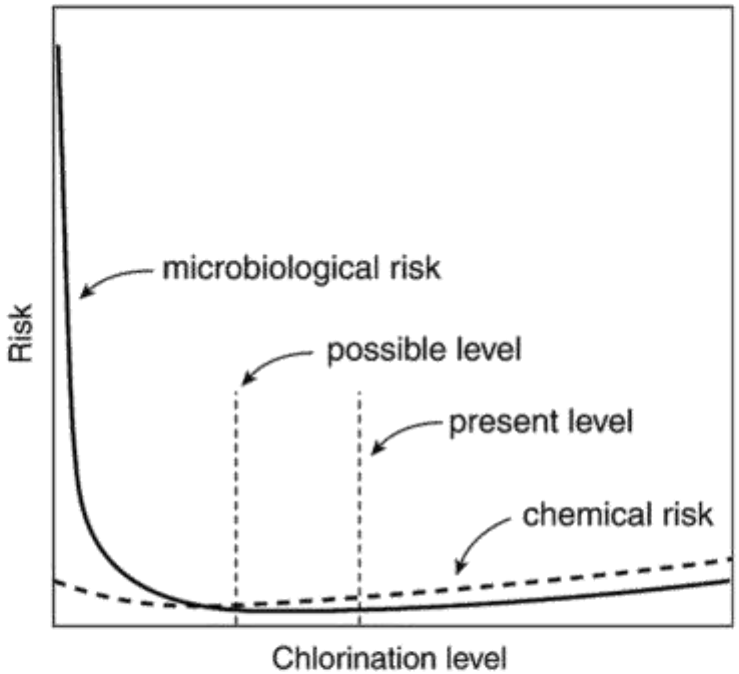
By products of ozonation that have been identified include formaldehyde and other aldehydes, carboxylic acids, hydrogen peroxide, bromate, bromomethanes, brominated acetic acids, brominated acetonitriles and ketones. Guideline values have been recommended for bromate and formaldehyde.

Ozone is the most efficient disinfectant for all types of microorganisms. Disadvantages include lack of disinfectant residual, biological regrowth problems in distribution systems, high cost, and limited information on the nature and toxicity of its by-products.

Balancing Chemical and Microbial Risks

Quantitative assessments of risks associated with the microbial contamination of drinking-water are scarce. Although there are gaps in our knowledge, we cannot afford to postpone action until rigorous quantitative assessment of chemical versus microbial risks are available and every answer is known.

A semi-quantitative presentation of risks associated with disinfection was first attempted by Morris (1978) and is given in Figure 2. The following is more or less a quote of his work: The risk of waterborne infectious disease is very high when no chlorination is used, and drops sharply to a low value when even minimal levels of chlorination are maintained. We know this on the basis of a century's experience, Morris stated. As the level of chlorination is increased the risk continues to drop slightly, but never quite reaches zero, for no system is perfect. At very high levels of chlorine the microbial risk increases as taste and odour may cause the use of unsafe supplies.



(Morris, 1978)

Figure 2: Risks and benefits of water chlorination (Morris, 1978)

The chemical risk does not start at zero for there is some hazard connected with the organic matter before chlorination. The chemical risk decreases initially because destruction of chemicals by oxidation more than compensate for the formation of new chemicals at low levels of chlorination. Because of the formation of by-products, the chemical risk increases with increasing level of chlorination. Intuitively, he depicted the chemical risk from chlorination as being considerably lower than the microbial risk from a non-disinfected supply.

In developed countries, since filtration and chlorination became common for community water supplies, morbidity and mortality due to waterborne intestinal diseases, particularly typhoid fever and cholera, have declined to negligible levels. Almost all of the waterborne outbreaks that still occur are associated with the use of untreated water or water from systems in which chlorination was inadequate.

Other health impact studies concern the beneficial effects on health of safe and sufficient water supplies and adequate sanitation, three factors that are so intertwined that it is often not feasible to draw definite lines of demarcations between them. Together, they constitute the pillars of public health protection. Projected reduction in morbidity achievable through the provision of safe and sufficient water supplies and adequate sanitation are estimated to be (WHO, 1992):

	Projected reduction in morbidity (%)
Cholera, typhoid	80
Diarrhoeal diseases	40
Dracunculiasis	100
Schistosomiasis	60

When applying these percentage reductions to the global morbidity and mortality rates for these diseases, the benefits of saving millions of lives through these interventions are immediately apparent.

As shown in Figure 3 overleaf, provision of safe drinking-water can result in a 20% reduction in infant mortality (Regli et al., 1993).

In their pioneering work on comparison of estimated risk from known pathogens in untreated surface water and chlorination by products in drinking-water, Regli et al. (1993) concluded that:

- the risk of death from pathogens is at least 100 to 1000 times greater than the risk of cancer from disinfection by-products (DBPs);
- the risk of illness from pathogens is at least 10 000 to 1 million times greater than the risk of cancer from DBPs;
- morbidity and mortality rates from pathogens compared with those from DBPs, may be considerably higher in developing countries where the sanitary and health status is not as good;

- in societies where infant mortality and life expectancy is low, many people would not be expected to live long enough to incur cancer, which also causes much higher differences in risk resulting from exposure to pathogens versus DBPs cited above.

While this last statement seems cynical, it does reflect the true situation in many developing countries.

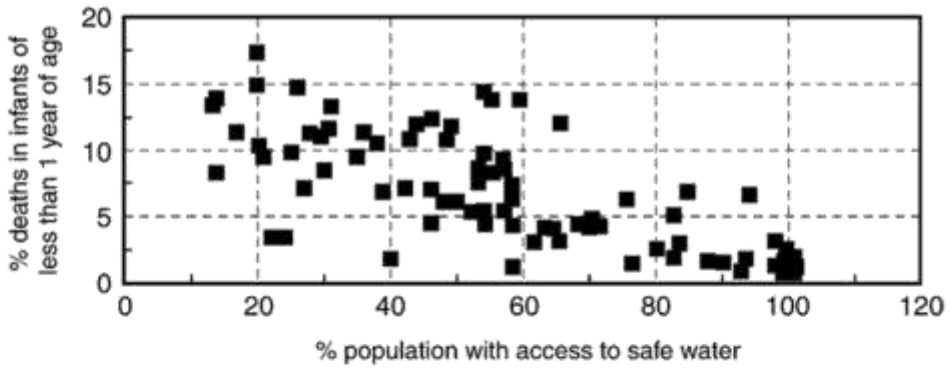


Figure 3. Infant mortality versus access to safe water (Regli et. al., 1993)

Conclusion

Adequate disinfection of drinking-water is the most important priority to assure a safe water supply. Recent cholera outbreaks in Latin America and Rwanda provide dramatic evidence of the importance of adequate water disinfection. There is some limited evidence of possible health effects from disinfectant by-products, particularly possible cancer risks from chloroform and the other trihalomethanes and by-products. This evidence is based on high-dose animal studies.

Epidemiological studies conducted to date do not provide any evidence that disinfectants and their by-products affect human health at the concentrations found in drinking-water. The International Agency for Research on Cancer has concluded that there is inadequate evidence for the carcinogenicity of chlorinated drinking-water in humans and experimental animals.

Although stated in qualitative way, the message of the *Guidelines* is clear:

The estimated risks to health from disinfectants and their by-products are extremely small in comparison to the real risks associated with inadequate disinfection, and it is important that disinfection should not be compromised in attempting to control such by-products. The destruction of microbial pathogens through the use of disinfectants is essential for the protection of public health.

All disinfectants by necessity are reactive substances and produce by-products. Little is known about the nature and toxicity of the by-products of ozone, chlorine dioxide or chloramines. The

by-products of chlorination are the ones that have been most extensively identified and their toxicity assessed. Disinfection with chlorine should not be penalized for this reason. In addition, in many countries, if disinfection can be practised at all, it will be through the use of chlorine.

There are now more and more indication that the estimated risks to health from disinfectants and their by-products are several order of magnitude lower than the real risks associated with inadequate disinfection. So while there is great scientific certainty that inadequately disinfected water results in devastating microbial disease epidemics, there is relatively great uncertainty regarding the possible health risks from DDBPs. In establishing standards for disinfectants by products, it is emphasized that **"Where local circumstances require that a choice must be made between meeting either microbiological guidelines or guidelines for disinfectants or disinfectant by-products, the microbiological quality must always take precedence, and where necessary, a chemical guideline value can be adopted at a higher level of risk. Efficient disinfection must never be compromised."** (1993 *Guidelines*)

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Annex 1
BACTERIOLOGICAL QUALITY OF DRINKING-WATER

Organisms	Guideline value
All water intended for drinking	
E. coli or thermotolerant coliform bacteria	Must not be detectable in any 100-ml sample
Treated water entering the distribution system	
E. coli or thermotolerant coliform bacteria	Must not be detectable in any 100-ml sample
Total coliform bacteria	Must not be detectable in any 100-ml sample
Treated water in the distribution system	
E. Coli or thermotolerant coliform bacteria	Must not be detectable in any 100-ml sample
Total coliform bacteria	Must not be detectable in any 100-ml sample. In the case of large supplies, where sufficient sample are examined, must not be present in 95% of samples taken throughout any 12-month period.

Disinfectants and Disinfectant By-Products

Table 1: Summary of C.t values (mg/L. min) for 99% inactivation at 5° C (Clark et al, 1993)

Organism	Disinfectant			
	Free chlorine, pH 6 to 7	Pre-formed chloramine, pH 8 to 9	Chlorine dioxide, pH 6 to 7	Ozone pH 6 to 7
E. *coli*	0.034-0.05	95-180	0.4-0.75	0.02
Polio virus 1	1.1-2.5	768-3740	0.2-6.7	0.1-0.2
Rotavirus	0.01-0.05	3806-6476	0.2-2.1	0.006-0.06
Bacteriophage f_2	0.08-0.18	-	-	-
G. *lamblia* cysts	47->150	-	-	0.5-0.6
G. *muris* cysts	30-630	-	7.2-18.5	1.8-2.0[a]
C. *parvum*	7200[b]	7200[c]	78[b]	5-10[c]

a Values for 99.9% inactivation at pH 6-9.
b 99% inactivation at pH 7 and 25 C.
c 90% inactivation at pH 7 and 25 C.

Disinfectants and Disinfectant By-Products

Presentation Plan

Section	Key points	OHP
Introduction	• disinfection of all waters supplied for drinking is recommended by WHO to protect public health • main disinfectants evaluated in the *Guidelines* are: free chlorine, chloramines, chlorine dioxide and ozone • overall ozone is the most effective disinfectant, although chlorine is also effective and efficient • all disinfectants have advantages and disadvantages and all produce by-products • a number of disinfection by-products were evaluated in the GDWQ	**1,2** **Table 1**
Chlorine and its by-products	• chlorine is most common disinfectant • when chlorine is added to water it forms hypochlorous acid, hydrogen ion and a chlorine ion • because of greater efficiency, the *Guidelines* recommend disinfection with chlorine is done at pH less than 8 and a free chlorine concentration of greater than 0.5 mg/l • the use of chlorine leads to the formation of halogenated by-products, including the THMs • precursors to THMs are natural humic and fulvic acids and algal material • numerous other by-products may be formed (see paper or *Guidelines* for examples • impurities in gaseous and liquid chlorine of relevance to the nature of by-products are carbon tetrachloride and bromide • GVs set for a number of chlorination by-products • very difficult to estimate exposure to halogenated organic compounds in drinking-water • may not need to set standards for all by-products included in *Guidelines*, it is better to concentrate on the major groups (e.g. THMs) • microbiological quality of water should never be compromised by concerns about disinfection by-products	**3,4,5**

Section	Key points	OHP
Chlorine	• free chlorine in drinking-water is not particularly toxic and health-based GV is 5 mg/l • very unlikely consumers would accept such levels of chlorine as taste is noted as low as 0.3 mg/l • do not use GV as desirable level of chlorination	
Tri-halomethanes	• these are principal by-products of chlorination, but only form 10 per cent of total organic compounds in drinking-water • THMs more likely to occur in chlorinated surface water than groundwater • THM concentrations vary widely; increasing with increasing temperature, pH, chlorine dosage and on storage after exhaustion of free chlorine or dechlorination • chloroform is most common THM (usually >90% of total THMs) • when bromine present, brominated THMs likely to be dominant • THM formation can be minimised by avoiding prechlorination and by optimising treatment • THM removal is expensive and difficult	**6**
Chloramine and by-products	• chloramines formed by reaction of chlorine and ammonia or organic amines • can get mono-, di- and trichloramines depending on pH and temperature • chloramine by-products similar to free chlorine, with exception of cyanogen chloride • monochloramine about 2000 to 100, 000 times less effective than free chlorine for inactivation of *E.coli* and rotaviruses	**7**
Chlorine dioxide and by-products	• chlorine dioxide made at point of use because of its explosive hazard • chlorine dioxide does not form THMs or chloramines • main by-products are chlorite, chlorate and chloride • chlorine dioxide more effective than free chlorine in inactivation of *Giardia* cysts but less effective against *E.coli* and rotaviruses • no GV for chlorine dioxide in water as it rapidly disassociates • GVs set for chlorite but not for chlorate	**8**
Ozone and by-products	• ozone decomposes rapidly following application and thus no GV has been proposed • by-products include formaldehyde, other aldehydes, hydrogen peroxide and bromomethanes (see paper/*Guidelines* for further examples)	**9**

Section	Key points	OHP
Ozone and by-products *(continued)*	• ozone is the most efficient disinfectant with regard to microorganisms • disadvantages include: lack of residual, biological regrowth problems in distribution systems, high cost and limited information on nature and toxicity of by-products • when ozonation followed by chlorination, concentrations of brominated THMs may increase	
Balancing chemical and microbial risks	• currently a scarcity of quantitative assessment done of relative risks of microbial and chemical contamination of drinking-water • semi-quantitative presentation has been done by Morris: this showed that risk of infectious water-borne disease is high where chlorination not practised and this decreases sharply with even minimal levels of chlorination, though can never reach zero risk • at very high chlorine concentrations, microbial risk increases as taste and odour cause the use of unsafe supplies • chemical risks do not start at zero as always some hazard from organic matter prior to chlorination • chemical risks are low initially but increase with increasing chlorine dosages • risk of death from pathogens is at least 100 to 1000 times greater than risk of cancer from disinfected by-products and risk of illness from pathogens at least 10,000 to 1 million times greater • morbidity and mortality rates from pathogens compared to cancer risk from by-products may be much higher in developing countries where sanitary and health status poor	**10**
Conclusions	• disinfection is important to assure a safe drinking-water supply • limited information is available concerning health risk from disinfection by-products • disinfection by-product formation may be reduced if treatment process are optimised and prechlorination is avoided • inadequate evidence exists concerning the carcinogenicity of chlorinated drinking-water • more information is available concerning chlorine because it has been studied in more detail and this should not penalise the use of chlorine • as microbiological quality is of paramount importance, disinfection should not be compromised	

Disinfectants Evaluated

- Chlorine
- Chloramine
- Chlorine dioxide
- Ozone
- Iodine

1

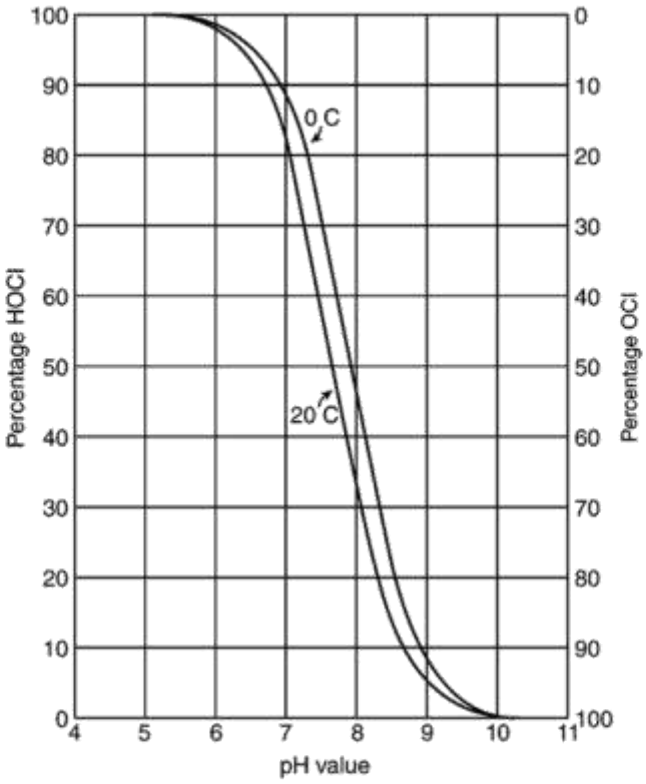
Disinfectants and Disinfectant by-products

- Overall ozone is the most effective disinfectant, although chlorine is effective and efficient
- All disinfectants have advantages and disadvantages and all produce by-products
- A number of disinfectant by-products were evaluated in the Guidelines

Microbiological quality of water should never be compromised by concerns about disinfection by-products

2

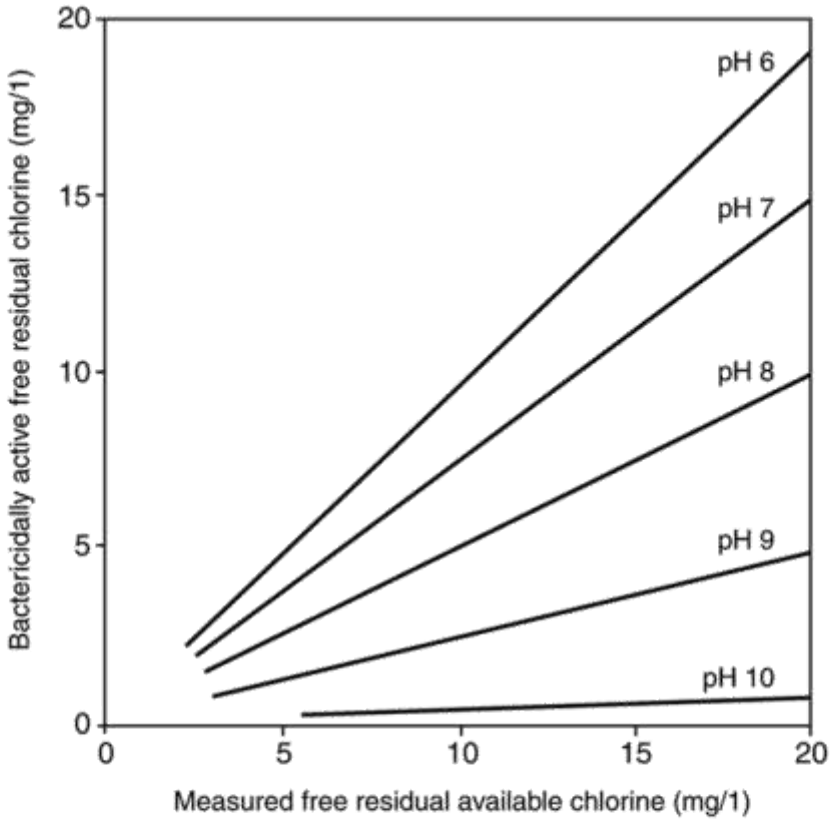
Distribution of Hypochlorous Acid and Hypochlorite Ion in Water at Different pH Values and Temperatures



(Morris, 1951)

3

Relationship between Measured Free Residual Available Chlorine ($HOCl^+$, OCl^-) and Bactericidally Active (HOCl)



4

Chlorine

- Chlorine is the most common disinfectant
- Chlorine by-products
  - » Free chlorine
  - » Trihalomethanes (THMs)
  - » Chlorinated acetics acids
  - » Halogenated acetonitriles
  - » Chloral hydrate (trichloroacetaldehyde)
  - » Chlorophenols
  - » MX
    (3-chloro-dichlormethyl-5-hydroxy-2(5H)-furanone)

May not need to set standards for all by-products included in the Guidelines, it is better to concentrate on the major groups (e.g. THMs)

5

Trihalomethanes

- The principal by-product of chlorination
- Formed by the aqueous chlorination of humic substances
- More likely to occur in chlorinated surface water than groundwater
- Concentrations of THMs tend to increase with increaseing temperature, pH and chlroine dosage
- THMs consist primarily of:
  - » Chlroform
  - » Bromodichloromethane
  - » Dibromochloromethane
  - » Bromoform
- Formation of THMs can be minimised by avoiding prechlorination and optimising treatment

6

Chloramine and its By-products

- Chloramines formed by reaction of chlorine and ammonia or organic amines
- Mono-, di- and trichloramines may be formed depending upon pH and temperature
- Chloramine by-products similar to free chlorine with the exception of cyanogen chloride
- Mono-chloramine is a less effective disinfectant than free chlorine and cannot be relied upon as a primary disinfectant; though useful for maintaining a residual.

7

Chlorine dioxide and its By-products

- Chlorine dioxide made at point of use because of its explosive hazard
- Reactions with humic substances do not form significant levels of THMs or chloramines
- Main by-products are:
  - » chlorite
  - » chlorate
  - » chloride
- More effective than free chlorine in inactivation of Giardia cysts but less effective against *E.coli* and rotaviruses
- No GV for chlorine dioxide in water as it dissociates rapidly. GVs set for chlorite but not chlorate

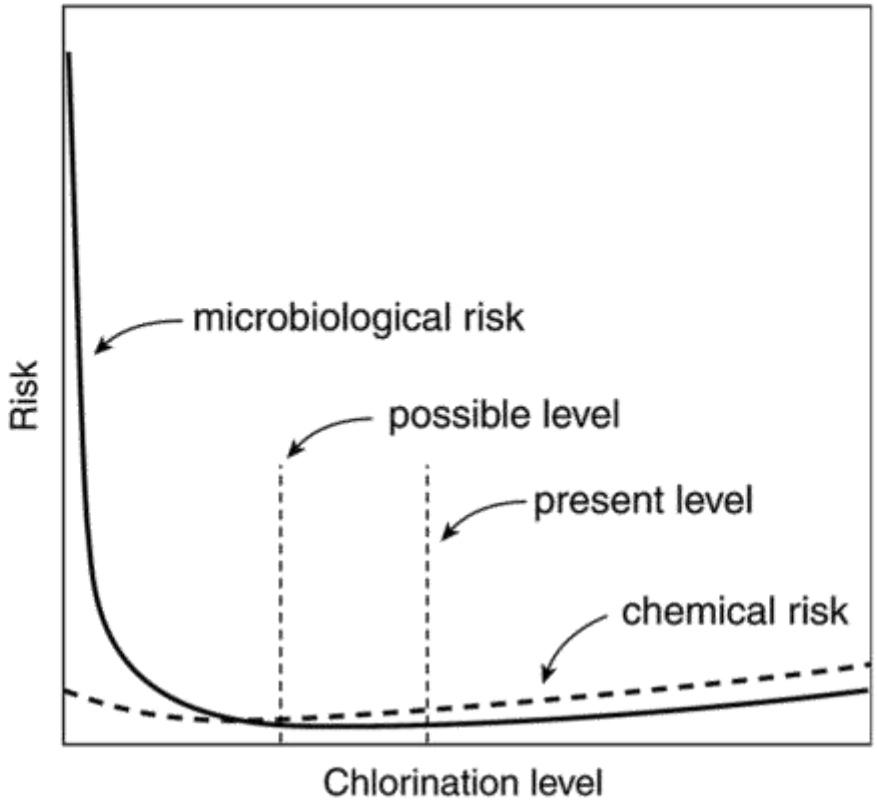
8

Ozone and its By-products

- Most efficient disinfectant for all types of micro-organisims
- Decomposes rapidly following application thus no GV has been proposed for ozone
- By-products include:
  - » formaldehyde
  - » aldehydes
  - » hydrogen peroxide
  - » bromomethanes
- Disdavantges include:
  - » lack of residual
  - » biological regrowth in distribution systems
  - » high cost
  - » limited information on toxicity of its by-products

9

Balancing chemical and microbiological risks



(Morris, 1978)

10

8.2 HAMAMA WATER SUPPLY

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Becky Marsay, Water Engineer; Mike Schruer, Utilities Manager
Report Number:	RCN21-05-3

1 Summary

1.1 Tasman District Council owns the Hamama Water Supply Scheme and provides financial services by rating properties connected to the water supply to provide funding for the operations and maintenance of the scheme.

1.2 At the Full Council meeting on 8 April 2021, it was resolved to proceed with undertaking the binding referendum process to transfer ownership and management of the Hamama Water Supply to the Hamama Water Supply Society Incorporated.

1.3 The Chairperson of the Hamama Water Supply Committee raised concerns relating to the costs associated with the referendum and special consultative procedure. The Council resolution requested staff to have a further discussion with the Hamama Water Supply Committee.

1.4 Staff attended a meeting with the Hamama Water Supply Committee on 3 May 2021 to discuss the process and the concerns raised.

1.5 With the uncertainty surrounding the outcomes of the 3-waters reforms, staff and the HWSC are recommending the Council place the referendum process on hold until there is more certainty.

1.6 A further meeting will be held with the Hamama Water Supply Committee around September 2021 to review the water reform situation and agree a response.

2 Draft Resolution

That the Full Council

1. receives the Hamama Water Supply Report RCN21-05-3; and

2. approves the deferment of the binding referendum process until there is greater certainty regarding the direction of the 3-waters reforms; and

3. notes that staff and the Hamama Water Supply Committee will meet again in September 2021 to assess the situation; and

4. **approves that, should the Hamama Water Supply Committee not pursue the transfer of the scheme, the referendum will not be required and the process will be stopped.**

3 Purpose of the Report

3.1 The purpose of this report is to seek approval from the Council to place the referendum on the divestment of the Hamama Water Supply process on hold until there is more certainty regarding the direction of the 3-waters reforms and to place on record the corrections to the previous report as identified by the Chair of the Hamama Water Supply Committee.

4 Background and Discussion

4.1 The background and discussion relating to the Hamama Water Supply is detailed in Report RCN21-04-2 presented to the Council on 8 April 2021 (**Attachment 1**). This report has been amended as attached to record corrections to errors identified by the Chairperson of the Hamama Water Supply Committee.

4.2 The Hamama Water Supply Committee would like it noted on the record that they were not the initiators of the process seeking transfer of the scheme from Council. The Committee was approached by the Council when it became evident the status quo for management of the scheme was no longer appropriate. The two options would be the Council taking on management of the scheme or the Committee taking over the scheme. The Committee expressed the preference to take over ownership of the scheme.

4.3 Staff met with the Hamama Water Supply Committee on 3 May 2021 to discuss the report, the concerns raised and the uncertainty around the direction that will be taken by Taumata Arowai with regards to the management of small water supplies.

4.4 It was agreed that the recommendation be made to the Council that the ownership, operation and maintenance of the Hamama Water Supply maintain the status quo until such time as there is more certainty around the outcomes of the 3-waters reforms.

4.5 The binding referendum which was approved to progress is recommended to be placed on hold during this time.

4.6 Staff and the Hamama Water Supply Committee will meet again in September 2021 reassess the situation.

5 Options

5.1 All options from the previous report are still relevant and have therefore not been included in this report.

6 Strategy and Risks

6.1 All strategy and risks from the previous report are still relevant and have therefore not been included in this report.

7 Policy / Legal Requirements / Plan

7.1 All policy, legal requirements and plans from the previous report are still relevant and have therefore not been included in this report.

8 Consideration of Financial or Budgetary Implications

8.1 Consideration of financial or budgetary implications from the previous report are still relevant and have therefore not been included in this report.

9 Significance and Engagement

9.1 The significance of Council decisions sought in this report are considered low. Community engagement and consultation was undertaken with a survey in July 2018 and through discussions with the Hamama Water Supply Committee on 3 May 2021.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	There is local interest in the community of Hamama, but there is not a wide interest across the District
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	Low	
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	Water supply is a strategic asset but this is a small scheme and the decision effects a very small part of the community
6.	Does the decision create a substantial change in the level of service provided by Council?		The Council will no longer provide a service, but it is not substantial.
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?		Impact on the water rates taken for the Hamama Water Supply Scheme is a minor part of the water supply activity and is a closed account.
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	
9.	Does the proposal or decision involve entry into a private sector partnership	Low	No

	Issue	Level of Significance	Explanation of Assessment
	or contract to carry out the deliver on any Council group of activities?		
10	Does the proposal or decision involve Council exiting from or entering into a group of activities?	High	Exiting from the ownership of the Hamama Water Supply
11	Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	NA	

10 Conclusion

10.1 Until there is more certainty surrounding the direction of the 3-waters reforms, it is sensible to place the binding referendum process on hold.

10.2 Once there is certainty about the impact of the reforms on the Hamama Water Supply, the Hamama Water Supply Committee will make a decision on whether to proceed with the referendum.

10.3 If the Committee decides they do not want to pursue with ownership of the Hamama Water Supply, the request will come back to the Council that no further action is to be taken with regards to the referendum process.

10.4 There are no immediate significant implications with not proceeding with the transfer of the Hamama Water Supply Scheme, however, once the 3-waters reforms take effect it is likely that significant upgrades will be required to treat the water to the required standards.

11 Next Steps / Timeline

11.1 The Hamama Water Supply Committee will meet with Council staff in September 2021 to review the current status with the 3-waters reforms. The outcome will be reported to the Operations Committee.

12 Attachments

1.⇩ Hamama Water Supply Referendum FC Report_8 April 2021 111

8.1 HAMAMA WATER SUPPLY REFERENDUM

Decision Required

Report To:	Full Council
Meeting Date:	8 April 2021
Report Author:	Mike Schruer, Utilities Manager; Becky Marsay, Water Engineer
Report Number:	RCN21-04-2

1 Summary

1.1 The Tasman District Council owns the Hamama Water Supply Scheme and provides financial services by rating properties connected to the water supply to provide funding for the operations and maintenance of the scheme.

1.2 Under an outdated maintenance agreement and bylaw, the Hamama Water Supply Committee is mandated to be responsible for the day-to-day management, operations and maintenance of the scheme.

1.3 The scheme users and the committee were approached by Council with the option to either have the scheme fully taken over by Council or have the scheme transferred to the Committee as the status quo was no longer appropriate.. There have been past efforts to start the process to divest the scheme to the users but the process has been delayed.

1.4 The Hamama Water Supply Users have established a legal entity called the Hamama Water Supply Society Incorporated.

1.5 This report seeks the Council's approval to undertake a binding referendum with the Hamama Water Supply users with the intention of handing ownership of the Hamama Water Supply to the Hamama Water Supply Society Incorporated.

2 Draft Resolution

That the Full Council

1. **receives the Hamama Water Supply Referendum report RCN21-04-2**; **and**
2. **approves proceeding with undertaking a binding referendum to transfer ownership and management of the Hamama Water Supply to the Hamama Water Supply Society Incorporated; and**
3. **subject to a successful outcome of the referendum, undertakes a special consultative procedure to cease rating users on the Hamama Water Supply Scheme; and**
4. **notes that rating could only cease from 1 July 2022 because of the timing required to undertake the binding referendum and the special consultative procedure.**

3 Purpose of the Report

3.1 The purpose of this report is to seek approval from the Full Council to undertake a binding referendum of Hamama Water Supply users and if successful continue the process of transferring the scheme from the Council to the Hamama Water Supply Society Incorporated.

4 Background and Discussion

Background

4.1 Hamama is small rural settlement in Golden Bay and located between Upper Takaka and Takaka. It is a basic water supply scheme providing water to local farm properties. It is mainly for stock purposes but there are numerous connections to houses where it is likely that the water is being used for drinking water and domestic purposes (refer Figure 1).

4.2 The water supply scheme consists of a surface intake from Gold Creek that is surrounded by native bush. The stream catchment is an 80-hectare area of land owned by the Council and is designated as a water supply reserve area. The water is not treated but there are two settling tanks used to settle out large particles before water enters the reticulation that delivers water to farm properties.

4.3 The scheme was originally designed for 10 farms but demand has grown considerably with rural subdivision and now it is reported that the system operates at its maximum capacity in the dry periods during the milking season. The scheme is closed to new connections outside of the existing supply area. New connections within the existing supply area must first be approved by the Committee.

4.4 There are currently 28 connections registered in the Council's billing database. When Hamama Road was resealed in 2007, all of these connections were upgraded with new toby boxes and double check valves. The population of Hamama served by the water scheme is approximately 60 people.

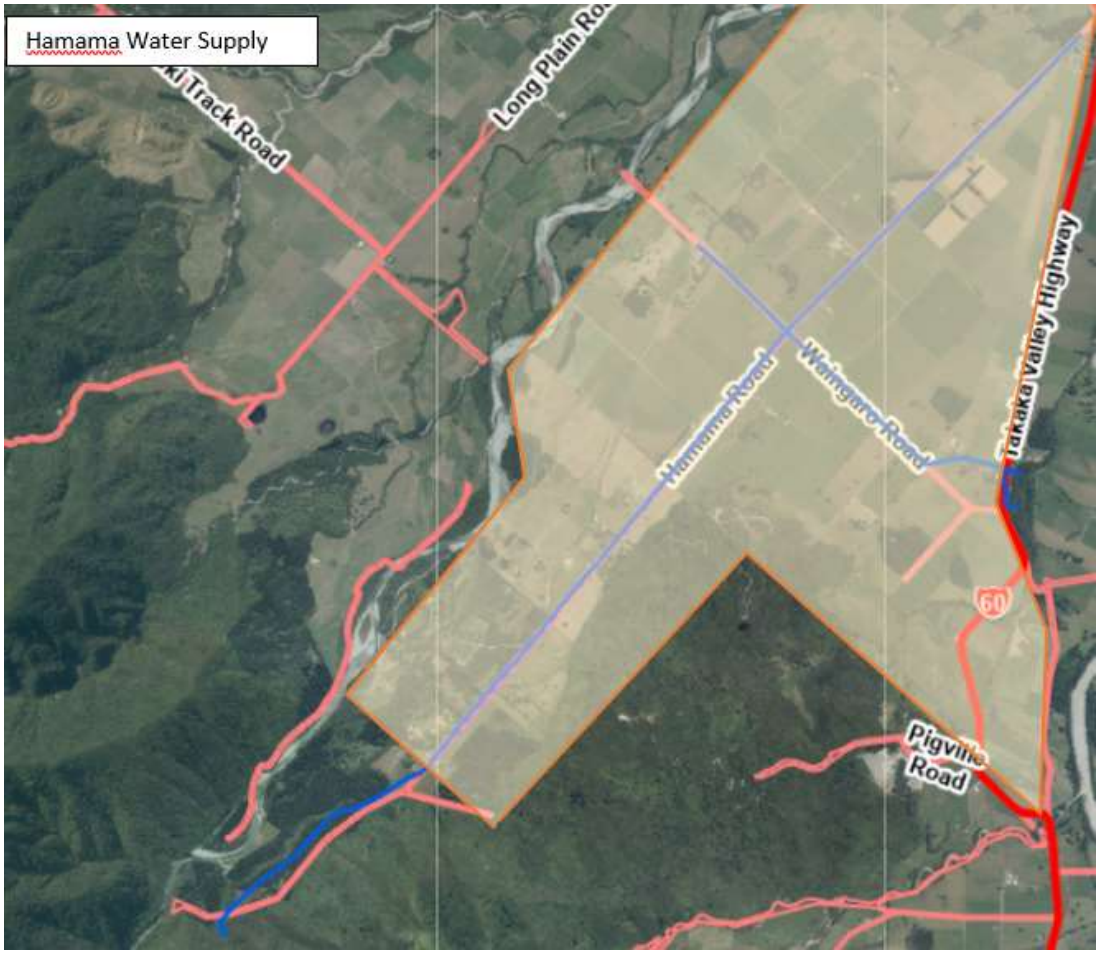


Figure 1 - Hamama Water Supply Extent – general area

Scheme History

4.5 The Hamama Water Supply Scheme was proposed in 1957 when a group of farmers applied to the then Department of Agriculture for an assessment to make an application through the marginal lands grant scheme to set up a water supply scheme. The Golden Bay County Council made an application to the Ministry of Works for a 1:2 subsidy, which was approved by Treasury. The water supply reserve was gazetted in 1959, the construction contract tendered in 1960 and the Hamama Water Supply Scheme commenced operation in 1960 with a formal opening on 23 November 1960.

4.6 The Hamama Water Supply Bylaw came into operation in 1979. It outlines how the Hamama Water Supply will be managed.

4.7 The Hamama Water Supply Committee (the 'Committee') was formed in 1979 and the Committee operates the supply under this Golden Bay County Council bylaw.

4.8 The following year the Golden Bay County Council and the Committee entered into a maintenance agreement for the Hamama Water Supply Scheme, which came into effect on 18 June 1980. The maintenance agreement sets out that the Council has delegated some of it powers in that any maintenance work required of the water supply scheme shall be carried out by, or for, the Committee.

4.9 The Local Government Act 2002 (Sections 158 and 160) requires a bylaw to be reviewed every five years. If this review does not occur, the bylaw expires two years after the final

review period. There is no record of any review being undertaken, so it can be assumed that the Hamama Water Supply Bylaw has expired.

4.10 The Committee negotiated two loans through the Council to pay for major upgrades to the Hamama Water Supply Scheme;

4.10.1 The first, in 1984, paid for the replacement of the pipeline from the crossroads to Spring Brook.

4.10.2 The second, in 2004, paid for the replacement of the original concrete pipeline with a 100 mm diameter uPVC water main from the crossroads to 50m from the end of the new seal.

4.11 The Hamama water supply users funded these two projects. It was either by payment of a lump sum or by a targeted rate spread over 20 years. Of the 25 users connected to the scheme at the time, 16 opted to pay their portion of the loan through a targeted rate over 20 years with an interest rate of 8%. The final payments for this will be made in 2024/25.

4.12 The Committee has undertaken further significant upgrades; replacing most of the galvanised pipe on the lower section of Hamama Road with alkythene pipe and upgrading all the draw-off points.

Existing Maintenance Agreement

4.13 Under the maintenance agreement, the Committee manages the day-to-day operations and maintenance of the scheme. Traditionally, this has been done using a retired plumber or if more major work is required, a registered plumber and drain layer, with appropriate traffic management certification and qualifications.

4.14 The Council only provides financial services to the Hamama Water Supply Scheme, which is operated as a closed account. The Council rates users and provides the funds to the Committee to undertake the maintenance and operations.

4.15 The scheme is funded by three separate rates, as follows:

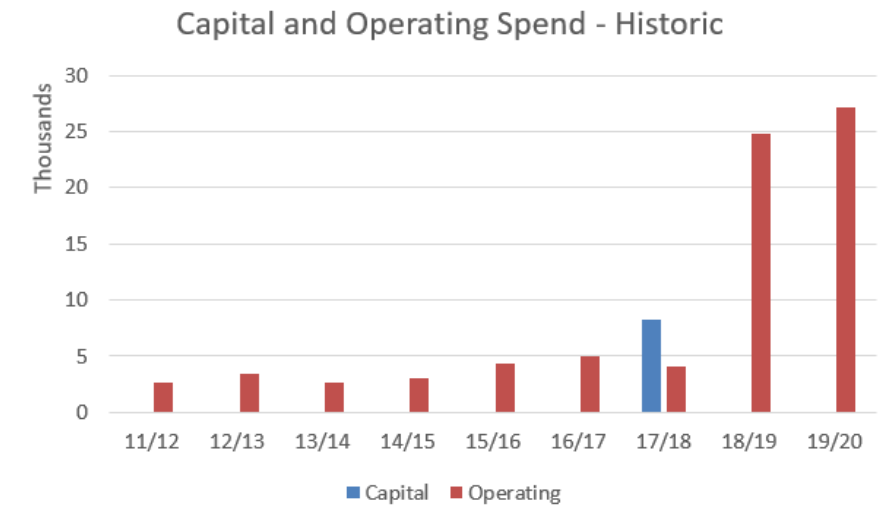
4.15.1 A targeted rate to pay off the existing loans; [0.165c/$LV] (total income of $7,780 for 2020/21). Final payment of this targeted rate is 2024/25; and

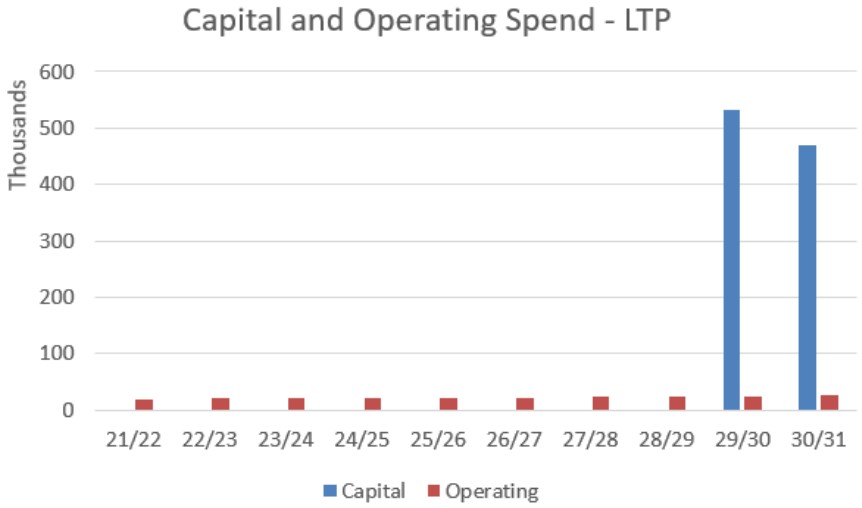
4.15.2 A fixed charge on each connected property; [$244.18/property] (total income of $6,158 in 2020/21); and

4.15.3 A variable charge based on each property valuation [0.045c/$LV] (total income of $7,934 in 2020/21).

4.16 Water charges are not based on water usage and the connections are not metered, however, three meters have been installed recently to record demand.

4.17 The operational account currently has a surplus of $25,445.





Process of Divestment

4.18 The current agreement between the Council and the Committee is outdated. It poses an ongoing risk to the Council in that it does not comply with current legislation. This specifically relates to compliance with the Health and Safety Act and with the Drinking Water Standards New Zealand.

4.19 In 2016, the Council began to consider the possible divestment of the scheme to its users.

4.20 In June 2016, a Ministry of Health Drinking Water Assessor evaluated the scheme to determine whether it met the Rural Agricultural Drinking Water Supply (RADWS) Guidelines 2015 criteria. The guidelines stated that to qualify as a RADWS, at least 75% of the water had to be for stock purposes. At the time of that assessment there was insufficient data to determine the split between rural/agricultural water and domestic purposes.

4.21 In December 2016, staff investigated what process needed to be followed to transfer the Hamama Water Supply (HWS) Scheme to a community entity using the process to transfer a small water scheme, which is set out in Part 7 of the Local Government Act.

4.22 In 2017, the Committee installed a flow meter to determine flow volumes and scheme usage, a requirement of the resource consent.

4.23 In February 2018, a report was presented to the Engineering Services Committee (ESC18-02-04). The following resolution was passed:

4.23.1 Instructed staff to undertake consultation with the Medical Officer of Health; (**Attachments 1 and 2**).

4.23.2 Instructed staff to consult with the HWS users to determine if they supported the transfer of the HWS Scheme to them; (**Attachment 3**).

4.23.3 Requested that the outcome of the consultation with the Medical Officer of Health and the HWS users be reported back to the Engineering Services Committee.

4.24 In July 2018, Tasman District Council conducted a survey of all properties connected to the HWS and all property owners indicated support of the transfer of ownership from the Council to an entity owned and operated by the HWS users (**Attachment 3**)

4.25 In November 2018, a meeting between Ministry of Health (MoH), HWS Committee and Tasman District Council discussed the transfer process. Several outcomes were agreed:

4.25.1 Collect data to establish volume and percentage of water used for domestic purpose.

4.25.2 Develop a Water Safety Plan to assess and mitigate risk.

4.25.3 Develop legal supply agreements.

(Meeting notes from Tasman District Council and MoH are included in **Attachments 1 and 2**)

4.26 In 2019, the Committee renewed focus to obtain RADWS status and transfer the scheme.

4.27 In July 2020 staff supplied the Committee with three water meters to capture and monitor water usage in the attempt to illustrate typical domestic water usage in a bid to obtain RADWS status.

Discussion

4.28 The 2018 report to the Engineering Services Committee (**Attachment 4**) summarises and discusses the eight key points of the existing maintenance agreement. These are detailed below:

a) The Committee on and after the last day of January, 1980 shall undertake on behalf of the Council all works of maintenance to at least the same safe and adequate standard appertaining at the date of transfer of responsibility to the Committee, and such emergency work as may arise from time to time.

The Hamama Water Supply Committee undertakes operations and maintenance for the Hamama Water Supply Scheme. A number of issues, standards and laws have changed over the years since this agreement was put in place. However, limited records are passed back to the Council as to what work has been carried out on a daily basis and to what standard. The Council holds limited as-built information of the scheme and has no knowledge of the Hamama Water Supply Committee's Health and Safety plans, processes and procedures.

b) That the costs of maintaining the Hamama Water Supply shall be borne by the consumers and shall be recovered by the Council by way of a special rate on the capital value of the properties supplied.

The Council rates for water on behalf of the Hamama Water Supply Committee and pays for the work performed by or on behalf of the committee.

c) All the accounts and charges incurred in the maintenance of the water supply shall be paid by the Council after written authorisation from the Committee Chairman and Secretary.

In accordance with the maintenance agreement, all invoices are signed off by the Hamama Water Supply Committee Chairman or Secretary before being sent to Tasman District Council for payment. The current operational account is in credit to the sum of $46,000. The outstanding balance of the current loans is $42,000.

No asset register exists and depreciation is not set aside for future renewals or upgrades. While not formally depreciated the committee has agreed to maintain the rates at current levels, which is now building up a surplus to cover limited future renewals.

d) The Committee shall consult with the Council regarding any major maintenance works necessary for each ensuing year prior to 1 May of that year.

e) That a suitable public liability insurance policy to cover the Committee or any of them or theot servants or agents or workmen shall be taken out by the Council during the term of agreement.

The Council's public liability insurance will cover the plant and assets but does not cover servants, agents or workers outside of Council's employment.

f) In the event of serious damage to the water supply which would require abnormal manpower and equipment, the Council shall come to the committee's aid in restoring the supply to working condition.

The Council is able to instruct its Operations and Maintenance contractor to undertake any works required to get the scheme operational. The costs of these works would be recovered from the Hamama Water Supply Scheme account.

g) Any technical expertise required, of an advisory nature, pertaining to the maintenance and capital works exercised by permanent Council staff shall be borne by the Council out of general rates.

Such work is not covered by general rates and therefore all advice and support is funded by the Urban Water Club, which is not fair to those ratepayers who are, in effect, subsidising these costs for the Hamama Water Supply Scheme.

h) It is hereby further agreed that should it be found necessary from time to time due to unforeseen or special circumstances to alter, vary or add to one or more of the terms, conditions and stipulations herein contained, such variations, alterations and additions may be mutually arranged and agreed to by correspondence between the parties without the necessity of the execution of a new agreement. Provided however and it is hereby agreed that this agreement may be terminated at any time by three months' notice in writing by either of the parties to the other.

The Council is undertaking this review to determine the best ownership model for the users of the Hamama Water Supply Scheme. The status quo is no longer appropriate, the Council is responsible for the compliance of the scheme with resource consents and other legislation but has no control over the operation and maintenance of the network.

4.29 The water supply scheme has now been approved as a RADWS and was registered as such in February 2021. Analysis of the data collected from the scheme flow meter and the domestic use meters indicates that greater than 90% of the water taken from the intake is used for rural/agricultural purposes.

4.30 A draft Water Management Plan is currently in development by the Committee and is based on the HWS having RADWS status.

4.31 The HWS Committee are working towards a more formal and established management system and in March 2021 the Hamama Water Supply Society Incorporated was registered with the New Zealand Companies Office.

5 Options

5.1 The Council has three options which are summarised in the table below:

Option	Pros	Cons
Option 1 Recommended: Approve a binding referendum on the intention to transfer ownership and	• The users operate and maintain their own water supply scheme.	• No Council Operations and Maintenance involvement.

Option	Pros	Cons
operations and maintenance of the Hamama Water Supply Scheme to the Hamama Water Supply Society Incorporated. The Incorporated Society is aware of and will be responsible for ensuring the Hamama water supply meets the outcome requirements of the 3 Water Reforms.	• Legal entity has been created to own the scheme. • Legal entity employs, operates, maintains and charges for water and pays own invoices. • Existing operations knowledge is retained. • Funding and budgeting retained by community. • The Hamama Water Committee already has easements for the infrastructure on and through private land.	• The Council will not collect water rates and there is no statutory authority for the new entity to require invoices be paid. • The Hamama Water Supply Society Incorporated will need to obtain its own Public Liability insurance. • Depending on the outcome of the current 3-waters reforms, there is a question over the ability to comply with the Water Services Bill compliance reporting requirements, with the potential that the Council would need to take over full control of the water supply in the future should the community struggle to meet compliance requirements. However, this would be the same for all of the other community owned and managed water supplies throughout the District. • The Incorporated Society would need to obtain a 'licence to occupy' for the water assets within the roading corridor. • The targeted rate for the 2004 upgrade will not end until 2024/25. • Costs for the referendum (approximately $10,000) will need to

Option	Pros	Cons
		be met by the Hamama community. • A Special Consultative Procedure (SCP) will be required before the rate can be stopped.
Option 2: Status quo. The Council owns the Hamama Water Supply, but management, operation and maintenance are carried out by the Hamama Community The Council will be responsible for ensuring the Hamama water supply meets the outcome requirements of the 3-Waters reforms.	• Retains the Council's statutory authority to ensure rates are paid and to access public reticulation on private property.	• The Council remains responsible for the compliance of water quality without having any control over the scheme. This is not acceptable to the Council and is unlikely to comply with the Water Services Bill. • The H&S risk associated with work managed by the Committee exposes the Council as owner of the scheme.
Option 3: The Council takes on full responsibility of ownership, management, operation and maintenance of the Hamama Water Supply and operates the water scheme through the Utilities Operations and Maintenance contract. The Council will be responsible for ensuring the Hamama water supply meets the outcome requirements of the 3-Waters reforms.	• Compliance with Health & Safety • Retains the Council's statutory authority to ensure rates are paid and to access public reticulation on private property. • Compliance with all legislation. • Staff skills relating to compliance with the Health Act. • Operated as part of the Councils 'Water Club'. • Operated in accordance with the Council's current Water Supply Bylaw. • Repairs undertaken by suitably qualified and experienced operators. • O&M history recorded. • Funds full depreciation costs.	• Water costs could increase. • Loss of direct community input into operations and maintenance. • Potential loss of knowledge from existing operators.

Option	Pros	Cons
	• The Council has mandatory reporting in place to meet requirements for the operation of water supplies.	

5.2 Council staff recommend **Option 1.** At the time of the 2018 report, there was a strong push from the users to take over the scheme rather than it be fully taken over by Council. Staff can accept this on the basis that the scheme will meet all the requirements of the Water Safety Bill and the operators of the scheme are able to meet the compliance and monitoring requirements.

5.3 If the community is unable to comply with these requirements, then it is possible the Council may have to take back the scheme.

6 Strategy and Risks

6.1 Council staff have discussed the transfer of ownership, operation and maintenance of the water supply scheme with the Medical Officer of Health and the Hamama Water Supply Committee.

6.2 Major water reforms are ongoing and present the risk that despite going through the process to hand the scheme over to the community, the regulator might require that the operation of smaller water schemes, which are unable to comply with DWSNZ, be undertaken by a water supply company capable of meeting the requirements.

6.3 It is likely that all large schemes (serving greater than 500 people) will need to comply with the Water Services Bill within one year. This does not apply to the Hamama Water Supply Scheme. However, provided the scheme is operated properly and is safe, it is likely that it could have up to five years to become fully compliant with the Water Services Bill.

6.4 It is likely that the regulator (Taumati Arowai) will need to be assured that whoever is responsible for running the HWS Scheme has the appropriate qualifications, skills and experience to operate and maintain the scheme to provide drinking water to the appropriate standard. This is the same as for many other private water supply schemes within the District and throughout New Zealand.

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council's Climate Action Plan?	No	Climate Change considerations are not relevant to this report.
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	No	This decision will not affect the ability of the Council to proactively respond to the impacts of climate change.

8 Policy / Legal Requirements / Plan

8.1 The process to transfer the HWS Scheme to a community entity is set out in Section 131(2)(d) of the Local Government Act 2002.

Closure or transfer of small water services

131 Power to close down or transfer small water services

(1) Despite section 130(2), a local government organisation may, in relation to a water service that it is no longer appropriate to maintain,—

(a) close down the water service; or

(b) transfer the water service to an entity representative of the community for which the service is operated.

(2) A local government organisation must not close down or transfer a water service unless—

(a) there are 200 or fewer persons to whom the water service is delivered and who are ordinarily resident in the district, region, or other subdivision; and

(b) it has consulted on the proposal with the Medical Officer of Health for the district; and

(c) it has made publicly available in a balanced and timely manner—

(i) the views of the Medical Officer of Health; and

(ii) the information it has received in the course of—

(A) undertaking a review, assessment, and comparison under section 134(a) and (b); or

(B) preparing a management plan and making assessments under section 135(a), (b), and (c); and

(d) the proposal is supported, in a binding referendum conducted under section 9 of the Local Electoral Act 2001 using the First Past the Post electoral system,—

(i) in the case of a proposal to close down a water service, by 75% or more of the votes cast in accordance with subsection (3); and

(ii) in the case of a proposal to transfer a water service, by more than 50% of the votes cast in accordance with section 132.

(3) For the purpose of subsection (2)(a), a certificate signed by the chief executive of the local government organisation as to the number of persons to whom the water service is delivered in the district, region, or other subdivision at any date is conclusive evidence of that number.

8.2 Changes in the drinking water legislation may have a significant impact in the long term on the ownership of the scheme.

8.3 The Hamama Water Supply Users have established and registered an incorporated society (Hamama Water Supply Society Incorporated) to take on the ownership of the HWS Scheme.

8.4 The rates are set as part of the Long Term Plan process and are based on the ten year financial projections. Transferring ownership of the scheme to the Incorporated Society may require an amendment to the Revenue and Finance Policy (RFP). It will also require an amendment to the Financial Impact Statement (FIS). This is because it involves removing three rates currently being levied for the HWS. Any amendments to the RFP and FIS documents will require public consultation through a Special Consultative Process (SCP).

9 Consideration of Financial or Budgetary Implications

9.1 There are cost implications associated with this decision. Costs to undertake the referendum are in the region of $7,000-$10,000, which would need to be met by the HWS Scheme. These costs would not be recovered if ownership of the scheme were to change as a consequence of the 3-waters reform. The referendum documentation will need to highlight this risk.

9.2 In addition to the referendum costs, there are costs associated with potential amendments to the Revenue and Financial Policy (RFP) and definite amendments to the Funding Impact Statement (FIS). These are in the region of $7,000-$10,000 and would also be funded from the closed HWS Scheme account or met directly by the HWS.

9.3 If the transfer of the HWS to the HWS Society Incorporated is approved, then the Council would no longer levy rates on the HWS. Given the timeframes for the referendum and SCP, this would not be implemented until 1 July 2022. The HWS Society Incorporated would have to take on the responsibility of recovering the balance for the targeted rate for the outstanding loans from the 16 users.

10 Significance and Engagement

10.1 The significance of Council decisions sought in this report are considered low. Community engagement and consultation was undertaken with a survey in July 2018.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	There is local interest in the community of Hamama, but there is not a wide interest across the District
Is there a significant impact arising from duration of the effects from the decision?	Low	
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	Water supply is a strategic asset but this is a small scheme and the decision affects a very small part of the community
Does the decision create a substantial change in the level of service provided by Council?	Low	The Council will no longer provide a service, but it is not substantial.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	Impact on the water rates taken for the Hamama Water Supply Scheme is a minor part of the water supply activity and is a closed account
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	Low	No
Does the proposal or decision involve Council exiting from or	High	Exiting from the ownership of the Hamama Water Supply

Issue	Level of Significance	Explanation of Assessment
entering into a group of activities?		
Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	NA	

11 Conclusion

11.1 The Hamama Water Supply users have requested that the ownership, management, operation and maintenance of the Hamama Water Supply Scheme be handed over to the HWS Society Incorporated .

11.2 A decision to hand over the scheme needs to be made as the current agreement is outdated and provides an ongoing risk to the Council. This is specifically related to compliance with the Health & Safety Act and the Drinking Water Standards New Zealand.

11.3 Staff recommend that the Council approve the request to hold a binding referendum on the ownership of the Hamama water supply and subject to the outcome that referendum undertake an SCP to cease levying the three rates on HWS users.

12 Next Steps / Timeline

12.1 A binding referendum has an 89-day timetable.

12.2 The next steps of the referendum process are set out below.

12.2.1 Arrange for the Council's electoral officer to prepare a special roll of persons eligible to vote in the binding referendum, Section 133(2) Local Government Act.

12.2.2 The electoral officer must make a copy of the Electoral Roll available at the principal office of the Council and any other place that the electoral officer and the occupier of that place agrees as a place at which the roll may be kept.

12.2.3 The electoral officer must give public notice of the place where the roll is kept and keep it open for public inspection for a period of not less than 21 days before closing of the roll, Section 42 Local Electoral Act.

12.2.4 The electoral officer must give public notice of the referendum in accordance with Section 52 Local Electorate Act 2001 not later than 28 days before the closing of the roll.

12.2.5 The Council must make publicly available in a balanced and timely manner:

12.2.5.1 The views of the Medical Officer of Health; and

12.2.5.2 The information the Council has received in the course of preparing the Management Plan and the Section 135 Assessments (future capital operating costs and ability to operate).

12.2.6 Conduct a referendum under Section 9 of the Local Government Act using first past the post electoral system, by more than 50% of the votes cast, Section 131(2)(d)(ii) Local Government Act.

12.2.7 Voting period and declaration of poll result.

12.3 If the referendum approves the handover of the HWS to the HWS Society Incorporated then the Council would need to initiate a Special Consultative Procedure to amend the Revenue and Financing Policy, if required, and the Funding Impact Statement. This is likely to take up to three months as it will require one month of consultation, followed by hearings, deliberations and a final decision.

12.4 The process following consultation will be as follows;

12.4.1 Draft agreement to transfer assets, easements and consents to the community entity (consider benefit of transferring the water service to the community entity so as to coincide with the Council's end of year processing as at 1 July 2022).

12.4.2 Settlement pursuant to the agreement and handing over responsibility for operation and maintenance of the water service.

12.4.3 Advise Medical Officer of Health of the change of ownership.

12.4.4 Allow period for operational handover of water service.

12.4.5 Adjust billing for water service so that individual scheme members are billed directly by the community entity.

12.4.6 Arrange for water rates for affected parties to be amended.

12.5 It is intended that all of this will be completed so that the Hamama Water Supply Scheme can be officially handed over to the HWS Society Incorporated on 1 July 2022.

Attachments

1. Hamama Water Supply Notes from Meeting-23 November 2018
2. Transfer Meeting Notes
3. Survey Responses
4. ESC Report-February 2018

8.3 REPORT TO CLASSIFY EXISTING RESERVES IN MOUTERE-WAIMEA WARD

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Anna Gerraty, Policy Advisor
Report Number:	RCN21-05-4

1 Summary

1.1 The Council is required to classify reserves vested in it in accordance with the Reserves Act 1977. For some types of reserves (e.g. Crown land that is vested in Council), the Council has delegated authority from the Minister of Conservation to carry out this function.

1.2 Classification determines the principal or primary purpose of a reserve and is used to guide the control, management, use and preservation of the reserve. Classification also guides decision-making during the management planning process (e.g. leasing).

1.3 The Council's proposals to classify existing reserves in the Moutere-Waimea Ward were publicly notified on 20 November 2020, with submissions closing on 15 March 2021. A total of 51 submissions were received on the proposals and 14 people spoke to their submission at a hearing held in Richmond on 13 April 2021.

1.4 This report requests that the Council resolves to classify existing reserves within the Moutere-Waimea Ward in accordance with the recommendations from the Hearing Panel, which has considered all submissions received on the proposals.

1.5 In summary, the Hearing Panel recommendations are to classify reserves as per the original proposals that were publicly notified on 20 November 2020, with the exception of Aranui Park, Dominion Flats and the Scenic Reserve parts of Faulkner Bush and Robson Reserve. The Panel recommends amending the classification of the latter reserves in response to objections raised by submitters.

1.6 The Hearing Panel recommends that the Council classifies Aranui Park and Dominion Flats as Scenic Reserve under section 19(1)(b) [amended from the original proposal to classify both areas as Recreation Reserve] and classifies the Scenic Reserve parts of Faulkner Bush and Robson Reserve as Scenic Reserve under section 19(1)(a) [amended from the original proposal to classify these areas as Scenic Reserve under section 19(1)(b)].

1.7 The Hearing Panel also recommends utilising delegated authority from the Minister of Conservation to authorise the retention of some exotic flora species at Faulkner Bush (i.e. the three exotic trees that are protected under the TRMP and other exotic specimens near the site of the Faulkner homestead).

2 Draft Resolution

That the Full Council:

1. **receives the Report to Classify Existing Reserves in Moutere-Waimea Ward RCN21-05-4; and**
2. **notes the recommendations of the Hearing Panel relating to classification of existing reserves in the Moutere-Waimea Ward and submissions on the proposals to classify these reserves, contained in the minutes of the deliberations meeting held on 13 April 2021 (refer Attachment 3 to this report RCN21-05-4); and**
3. **agrees to amend the proposed classification of Aranui Park, Dominion Flats and the Scenic Reserve parts of Faulkner Bush and Robson Reserve as per the Hearing Panel recommendations contained in the minutes of the deliberations meeting held on 13 April 2021 (noting that these amendments have been incorporated into the tables of recommended classifications appended as Attachment 1 to this report RCN21-05-4); and**
4. **in accordance with Section 16(1), 16(2), 16(2A) and 16(11b) of the Reserves Act 1977 and delegated authority from the Minister of Conservation (dated 12 June 2013), resolves to classify the land listed in Tables 1-5 of Attachment 1 to this report RCN21-05-4 for the purposes specified in the recommended classification column of those tables; and**
5. **instructs staff to prepare and submit notices to the New Zealand Gazette outlining the reserve classifications agreed to under resolution 4 above; and**
6. **in accordance with Section 19(2)(a) of the Reserves Act 1977 and delegated authority from the Minister of Conservation (dated 12 June 2013), resolves to determine that, at Faulkner Bush Scenic Reserve, the three protected trees (all exotic species) and the exotic species near the site of the Faulkner homestead shall be retained; and**
7. **instructs staff to consider the other matters raised by submitters that relate to future management of reserve areas during preparation of the draft Moutere-Waimea Ward Reserve Management Plan.**

3 Purpose of the Report

3.1 The purposes of this report are for the Council to consider the recommendations of the Hearing Panel appointed to consider all submissions received on the proposals to classify existing reserves within the Moutere-Waimea Ward and to agree to classify these reserves as per the amended proposals (appended as Attachment 1).

4 Background and Discussion

4.1 A total of 207 parcels of Council-administered land in the Moutere-Waimea Ward (refer **Attachment 1**) have already been declared reserve but have not yet been classified for a specific purpose, as required by the Reserves Act 1977 (the Act).

4.2 These existing reserves have been vested in the Council at various points in time over the past century or so. While the majority have been acquired through subdivision, others have been gifted to, or purchased by the Council or its predecessors, or are Crown land but vested in the Council for management.

4.3 Classification protects the reserves for the use and enjoyment of current and future generations and provides the community with certainty as to the types of activities that can take place on the land.

Public consultation on the proposals to classify existing reserves in the Moutere-Waimea Ward

4.4 At the meeting on 5 November 2020, the Strategy and Policy Committee approved the release of the proposals to classify existing reserves located in the Moutere-Waimea Ward ('proposals to classify reserves') for public consultation (refer to report RSPC20-11-4). The Committee also delegated the role of hearing and deliberating on submissions on these proposals to a Hearing Panel.

4.5 Submissions were open between 20 November 2020 and 15 March 2021.

4.6 A total of 51 written submissions were received and 14 submitters spoke to their submissions at the hearing held in Richmond on 13 April 2021. A statistical summary of submissions received, a list of submitter details and schedule of submitters heard at the hearing are included as **Attachment 2** to this report.

4.7 Staff prepared a report (RSH21-04-3) for the Hearing Panel providing them with a summary of the submissions received and discussing a range of matters raised in the submissions on proposals to classify reserves. A copy of staff report RSH21-04-3 and other information about the proposals, including maps showing reserve locations, is available on the Council's website.

4.8 The majority of submitters opposed the proposed classifications of Faulkner Bush and/or Robsons Reserve in Wakefield, and Aranui Park and/or Dominion Flats Reserve in Māpua. Alternative classification types were suggested for these and a few other reserves, including those bordering the Waimea Inlet.

4.9 Some submitters provided general support for classifying reserves in the Ward, or supported proposals to classify specific reserves (e.g. Lord Rutherford Memorial Reserve, Brightwater School Recreation Reserve, Wakefield Recreation Reserve, local purpose parcels at Faulkner Bush, the recreation area at Robson Reserve, Dawson Road Walkway, Dominion Flats Walkway, Māpua Recreation Reserve and Grossi Point Recreation Reserve).

4.10 Wakatū Incorporation made a submission that included a general statement that "*There are no specific issues other than highlighting the customary significance of those reserves from Kina to Māpua, particularly within the coastal area.*" Staff met with Wakatū twice during recent months, to discuss the proposals to classify existing reserves. While not explained in detail in their written submission, Wakatū staff told us that almost all of the reserves adjoining/near the coast between Kina Peninsula and Māpua peninsula (inclusive) were highly significant to iwi. There are several pā and other occupation sites, battle, burial and wāhi tapu sites along this part of the coastline, many of which coincide with reserves managed by the Council. Wakatū advocate that appropriate management objectives and policies be included in the draft Moutere-Waimea Ward Reserve Management Plan to protect and maintain these significant cultural values.

4.11 No submissions were received from any of the iwi Trusts. Staff held a hui with iwi Taiao staff in February 2021 on the proposals to classify reserves and draft content of the Moutere-Waimea Ward Reserve Management Plan (RMP). At this hui, the Taiao staff advised that, while classifying reserves is of great interest to iwi, due to their high workloads and capacity issues they would prefer to focus their efforts on ensuring that the content of the draft RMP contained appropriate objectives, policies and other text that outlines and protects cultural and other values of importance to iwi. We have already made a start on drafting this text and will continue to work with iwi Taiao staff on this over the next few months.

4.12 Several other suggestions made by submitters related to the ongoing management of the land rather than the proposed classification. The Hearing Panel recommends that these suggestions be considered during development of the draft Moutere-Waimea Ward Reserve Management Plan.

4.13 The Hearing Panel completed their deliberations on 13 April 2021. Minutes from the hearings and deliberations are appended as **Attachment 3**.

Summary of Hearing Panel recommendations

4.14 The following summary briefly outlines the Hearing Panel recommendations to the Council (refer to the minutes in **Attachment 3** for further details).

4.15 The Hearing Panel recommends that:

a) The Council resolves to classify the land listed in Tables 1-5 of **Attachment 1** of this report, for the purposes specified in the recommended classification column of those tables. Note that this includes recommendations to classify Aranui Park and Dominion Flats as Scenic Reserve under section 19(1)(b) [amended from the original proposal to classify both areas as Recreation Reserve] and classifying the Scenic Reserve parts of Faulkner Bush and Robson Reserve as Scenic Reserve under section 19(1)(a) [amended from the original proposal to classify these areas as Scenic Reserve under section 19(1)(b)]. These are the only amendments to proposed classifications that the Hearing Panel recommends the Council make, after considering all submissions.

The two types of scenic reserves each have a different purpose:

Scenic Reserve (Natural) (s.19(1)(a))	**Scenic Reserve (Modified) (s.19(1)(b))**
Purpose Area of land (or land and water) possessing significant qualities of scenic interest or beauty or significant natural features or landscapes.	**Purpose** A suitable area of land (or land and water) which by development and the introduction of flora, whether indigenous

	or exotic, will become of significant scenic interest or beauty

Another key difference in the two types of scenic reserve classifications is s19(2)(a), which includes a clause that: "*.. except where the Minister otherwise determines, exotic flora and fauna shall as far as possible be exterminated*".

b) in accordance with Section 19(2)(a) of the Reserves Act 1977 and delegated authority from the Minister of Conservation (dated 12 June 2013), the Council resolves to determine that, at Faulkner Bush Scenic Reserve, the three protected trees (all exotic species) and the exotic species near the site of the former Faulkner homestead shall be retained; and

c) instructs staff to consider the other matters raised by submitters that relate to future management of reserve areas during preparation of the draft Moutere-Waimea Ward Reserve Management Plan.

Additional matters

4.16 Two submitters suggested that the recreation area of Robsons Reserve be reclassified as Local Purpose Reserve. However, this request is out of the scope, as this part of Robsons Reserve was correctly classified as Recreation Reserve in 2005.

4.17 In addition to the 207 parcels being classified, there are another 47 parcels of land used as parks/reserves in the Moutere-Waimea Ward that will also be covered by policies in the draft Moutere-Waimea Ward Reserve Management Plan.

4.18 As outlined in paragraph 4.11 above, staff will continue working together with iwi Taiao staff to prepare the draft Moutere-Waimea Ward Reserve Management Plan.

5 Options

5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	Resolve to classify existing reserves within the Moutere-Waimea Ward in accordance with the recommendations from the Hearing Panel (i.e. as set out in the five tables included in **Attachment 1** to this report).	This option supports the Council's statutory obligation under the Reserves Act 1977 to classify existing reserves prior to notifying a draft Moutere-Waimea Ward Reserve Management Plan. Classification determines the principal or primary purpose of a reserve and is used to guide the control, management, use and preservation of the reserve.	Under this option, if the Council disagrees with any of the Hearing Panel recommendations it could not make major amendments to the proposed classification of one or more of the existing reserves.

	Option	Advantage	Disadvantage
2.	Resolve not to complete the process of classifying existing reserves within the Moutere-Waimea Ward.	If the Council wished to make major amendments to the recommended classification of one or more of the existing reserves, this option could be chosen. Note that any amendments to the proposals would need to be referred back to the Hearing Panel in the first instance. If the proposed changes were not requested by a submitter, the proposals may need to be publicly notified (i.e. trigger the full public consultation requirements under the Act).	This option does not support the Council's statutory obligation under the Reserves Act 1977 to classify existing reserves prior to notifying a draft Moutere-Waimea Ward Reserve Management Plan.

5.2 Option 1 is recommended.

6 Strategy and Risks

6.1 Classifying existing reserves is a statutory requirement under the Reserves Act 1977. There is a small risk that submitters who disagree with the recommended classifications may challenge the process (i.e. request a judicial review). We have been through a full public consultation process where all proposals were publicly notified, submissions were open for almost four months (the Act only requires them to be open for one month), a hearing was held for all submitters who asked to speak to their submissions, the Hearing Panel considered and deliberated on all submissions received, and the Council is now being asked to classify the reserves as per the Panel's recommended amendments to the proposals. The risk of a judicial review being successful is therefore considered to be low.

7 Policy / Legal Requirements / Plan

7.1 The reserve classification process is being undertaken in accordance with the Reserves Act 1977 and the Local Government Act 2002. Reserve classification is required by section 16 of the Reserves Act.

7.2 The Council has the ability to make the decisions sought through this report, some of which involve utilising the delegated authority from the Minister of Conservation (dated 12 June 2013).

8 Consideration of Financial or Budgetary Implications

8.1 The costs associated with classifying reserves are absorbed within the Community Development Department.

8.2 There will be minor costs associated with completing the process to classify reserves (i.e. publishing notices in the New Zealand Gazette). Provision for these will come from existing Community Development budgets.

9 Significance and Engagement

9.1 As outlined in the following table, we consider that classifying reserves is of low to medium significance to most residents of the Moutere-Waimea Ward/Tasman District, but of high significance to some iwi/Māori. The proposals have, however, been through a full public consultation process, where we received 51 submissions including one from Wakatū Inc.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low-Medium	The proposals to classify reserves will be of interest to iwi, nearby residents, community groups and other parties/organisations. Moutere-Waimea Ward residents are likely to be more interested than those in other parts of the District. Some iwi/Māori are likely to have a high level of interest in these proposals. The proposals, however, have been through a full public consultation process where iwi/ Māori and the community's views have been heard.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	Classification protects the reserves for the use and enjoyment of current and future generations and provides the community with certainty as to the types of activities that can take place on the land.
3.	Is there a significant impact arising from duration of the effects from the decision?	Medium	This report encourages the Council to complete the process of classifying reserves in Moutere-Waimea Ward. The implications of resolving to classify existing reserves (and publish notices to that effect in the New Zealand Gazette) are: (i) classification would formalise the principal purpose of the reserve; and (ii) classification of reserves would provide ongoing guidance for the development of future RMPs.

	Issue	Level of Significance	Explanation of Assessment
			Reserves can be re-classified if needed in the future provided the correct process under the Reserves Act is followed.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	N/A	Classification of reserves is of no relevance to the Tasman Climate Action Plan.
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	N/A	
6.	Does the decision create a substantial change in the level of service provided by Council?	N/A	
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	N/A	
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
9.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	
10.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	
11.	Does the proposal require inclusion of Māori in the decision making process	Medium	The Mayor appointed two Mātauranga Māori experts to the Hearing Panel. An overview of consultation undertaken with iwi and Wakatū Inc

	Issue	Level of Significance	Explanation of Assessment
	(consistent with s81 of the LGA)?		is outlined in paragraphs 4.10 and 4.11 of this report.

10 Conclusion

10.1 The Hearing Panel has considered all submissions received. Suggestions by submitters have been taken on board and the proposals to classify reserves have been amended where practicable and reasonable.

10.2 The Hearing Panel recommends that the Council now exercises its delegated authority from the Minister of Conservation and classifies the existing reserves in the Moutere-Waimea Ward, as outlined in the five tables contained in **Attachment 1** to this report.

11 Next Steps / Timeline

11.1 If the Council resolves to classify the reserves, staff will publish notices in the New Zealand Gazette notifying the reserve classifications.

11.2 Staff will respond to each of the submitters advising them of the outcomes of the reserve classification process and the decisions relating to their submissions.

11.3 Public notification and consultation through the draft Moutere-Waimea Ward Reserve Management Plan (RMP) process to outline how existing reserves will be managed and used, in accordance with the purposes for which they are classified. The draft RMP will also provide management guidance to park/'reserve' areas within the Motueka Ward that are not formally protected under the Reserves Act 1977.

Attachments

1. Tables of recommended reserve classifications *(Under Separate Cover)*
2. Statistical summary of submissions received, Submitter details, and Schedule of submitters heard at hearing *(Under Separate Cover)*
3. Draft minutes of hearing and deliberations on proposals to classify reserves *(Under Separate Cover)*

8.4 REPORT TO ADOPT THE SAXTON FIELD RESERVE MANAGEMENT PLAN

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Susan Edwards, Community Development Manager
Report Number:	RCN21-05-5

1 Summary

1.1 This report asks Tasman District Council to consider the recommendations of the Hearing Panel appointed to hear submissions on the Draft Saxton Field Reserve Management Plan and then adopt the amended Plan as the final Saxton Field Reserve Management Plan. Nelson City Council considered a similar report at its meeting on 11 May 2021 and made one change to the final Plan.

1.2 The Draft Saxton Field Reserve Management Plan was approved by the Saxton Field Committee on 18 September 2020 for public consultation. The Draft Plan was released for public submissions on 8 October 2020, with 13 submissions received by the 10 December 2020 closing date. Two submitters wished to be heard.

1.3 A Hearing Panel comprising the Saxton Field Committee members and a Mātauranga Māori expert, Aroha Gilling, heard the submissions and deliberated on them. Hearings and deliberations took place on 10 February 2021.

1.4 While there was general support in the submissions for the content of the Draft Plan, some submitters requested a number of changes to some wording and policies in the document.

1.5 The Hearing Panel considered and deliberated on the submissions and recommended a number of changes to the Draft Plan. The minutes of the deliberation meeting (**Attachment 1**) outline the Panel's recommended changes. Following the deliberations, staff have amended the Saxton Field Reserve Management Plan in accordance with the Panel's recommended changes. A copy of the amended Plan is now being presented to the two councils for adoption as the final Plan (**Attachment 2**).

2 Draft Resolution

That the Full Council:

1. receives the Report to Adopt the Saxton Field Reserve Management Plan, RCN21-05-5; and

2. notes the submissions on the Draft Plan and the recommendations of the Hearing Panel relating to the Saxton Field Reserve Management Plan contained in the minutes of the deliberations meeting held on 10 February 2021 (Attachment 1 to this report RCN21-05-5); and

3. agrees to amend the wording of the Draft Plan as per the Hearing Panel recommendations contained in the minutes of the deliberations meeting held on 10 February 2021 (noting that these amendments have been incorporated into the version of the final Saxton Field Reserve Management Plan 2021); and

4. in accordance with Section 41 of the Reserves Act 1977 and the delegated authority from the Minister of Conservation (dated 12 June 2013), resolves to adopt the Saxton Field Reserve Management Plan 2021 (Attachment 2, dated April 2021, to this report RCN21-05-5) with any minor amendments; and

5. authorises Councillor Tuffnell along with Councillor Edgar, who has been appointed by Nelson City Council, to approve any minor edits or changes to the Plan, prior to publication; including:

- **reference to the Community Outcomes of Nelson City and Tasman District Councils in the vision section.**

3 Purpose of the Report

3.1 The purposes of this report are for the Council to consider the recommendations of the Hearing Panel appointed to hear submissions on the Draft Saxton Field Reserve Management Plan and to adopt the amended Plan (**Attachment 2**) as the final Saxton Field Reserve Management Plan 2021.

4 Background and Discussion

4.1 The previous management plan for Saxton Field was adopted by Nelson City Council on 28 August 2008 and by Tasman District Council on 17 September 2008.

4.2 The intent to prepare the revised Plan was advertised on 1 November 2019. One hundred and twenty (120) groups and individuals provided initial feedback. Earlier workshops with sport clubs established a set of objectives and draft vision for the revised Plan.

4.3 All Te Tau Ihu iwi were contacted directly in October 2019. Most wished to be only kept advised of progress, but Ngāti Koata, Ngāti Tama and Ngāti Rārua delegated input to Frank Hippolite and a meeting was held with Te Atiawa. Mr Hippolite made contributions to the preparation of the first and second drafts of the Plan. The first draft was forwarded to Te Tau Ihi iwi in March 2020 and the second draft in July. The pre-release draft was sent to all Te Tau Ihu iwi in October 2020 with editorial input made by Te Atiawa.

4.4 The first draft of the Plan was prepared in May 2020 and reviewed by staff from both councils and the Saxton Field Committee. The second draft was considered by the Saxton Field Committee at a workshop on 4 September 2020. The Draft Plan was approved by the Saxton Field Committee on 18 September 2020 for public release. The Draft Plan was released for public submissions on 8 October 2020 with 13 submissions received by the closing date of 10 December 2020. Two submitters wished to be heard (Sport Tasman and Nelson Marlborough District Health Board).

4.5 A Hearing Panel comprising the Saxton Field Committee members and a Mātauranga Māori expert, Aroha Gilling, heard the submissions and deliberated on them. Hearings and deliberations took place on 10 February 2021.

4.6 There was general support in the submissions for the content of the Draft Plan. The low number of submissions received on the Draft Plan can be taken as support from the general public for the overall direction and content of the Draft Plan. There were some issues and proposals raised in submissions and some specific policies that submitters wanted amended. A summary of the submissions is contained in **Attachment 3**, along with the staff recommendations provided to the Hearing Panel deliberations meeting in relation to the submissions. The full submissions can be viewed in the attachments to the Submission Hearing report (RSH21-02-1) for the 10 February 2021 hearing and deliberations meeting (contained in the Joint Committees folder in Diligent).

4.7 The Hearing Panel considered and deliberated on all the submissions and recommended a number of changes to the content of the Draft Plan. The minutes of the deliberation meeting (**Attachment 1**) outline the Panel's recommended changes. Following the deliberations, staff have amended the Saxton Field Reserve Management Plan in accordance with the Panel's directions and recommended changes. The Hearing Panel delegated checking of the amended plan to Derek Shaw (Chair, Saxton Field Committee and Hearing Panel member) and Judene Edgar (Nelson City Council Deputy Mayor, Saxton Field Committee

member and Hearing Panel member). They have reviewed the amended plan. A copy of the amended Plan (**Attachment 2**) is now being presented to the two councils for adoption as the final Plan.

5 Key amendments made to the Draft Plan resulting from Hearing Panel deliberations

5.1 A copy of the amended Saxton Field Reserve Management Plan is contained in |**Attachment 2**. A tracked-change version of the amended Plan is available on request (please contact Tara Fifield).

5.2 The main changes incorporated into the amended Plan (i.e. that differ from those proposed in the Draft Plan) are summarised below:

5.2.1 changes to reflect that the plan has been finalised including removing references to the “Draft” Plan, removing references to calling for submissions through the consultation process and making additions noting the submission and hearing processes;

5.2.2 adding into the Vision section of the Plan that the development and use of Saxton Field will encourage behaviours that uphold and enhance the mana of the Saxton Field whenua and wai and a method requiring an audit of access provisions for those with limited mobility;

5.2.3 adding into the commercial activities and signage section of the Plan a note that the Saxton Field Committee will develop guidelines to assist with design and location decisions for commercial signs, particularly for internal facing signage;

5.2.4 adding into the commercial sponsorship and signage section of the Plan a reference to the Major Events Act 2007 requirements in relation to signage for declared major events;

5.2.5 adding conditions into the use and occupation agreements section of the Plan the types of conditions that would need to be applied to approvals for camping activities based on the conditions imposed for the Bay Dreams event;

5.2.6 making changes to the alcohol policies and methods and the smoke and vape free policies and methods to reflect the changes required by the Hearing Panel in relation to the submission by the Nelson Marlborough District Health Board;

5.2.7 making changes in the Development of New Built Features and Facilities section of the Plan noting the expectation that any code or organisation applying for a new or enhanced facility at Saxton Field will have considered Sport New Zealand’s National Sporting Facilities Framework, relevant National Sport Organisation facility strategies, the Regional Facilities Strategy and the latest regional sports and recreation facility plans, and the need for any funding of regional facilities to be considered by the joint councils’ Regional Funding Forum (or other committee formed for that purpose);

5.2.8 adding into the buildings and structures section of the Plan the expectation that the sporting/recreational codes who wish to construct new facilities will have to fundraise at least 20% of the costs of those facilities with the councils contributing the remaining amount if approved by both councils;

5.2.9 adding in the buildings and structures policies and methods section of the Plan that the councils may support existing users where they identify the need to develop

amenities which provide shade, water and other community safety and comfort requirements;

5.2.10 amending Appendix 7 of the Plan to summarise the various community feedback and consultation processes undertaken during the preparation of the Saxton Field Reserves Management Plan 2021; and

5.2.11 making various other wording changes to reflect the aspects of the submissions the Hearing Panel agreed with.

5.3 Nelson City Council adopted the final Saxton Field Reserve Management Plan at its meeting on 11 May 2021 but added a requirement that the Community Outcomes of Nelson City and Tasman District Council be included in the Vision section of the Plan. Staff consider that this change is acceptable and have added this change into the draft resolution for your consideration.

5.4 There are a few other very minor amendments recommended by Nelson City Council and staff, which can be made under delegation by Councillors Edgar and Tuffnell following the adoption of the Plan by the two councils.

6 Options

6.1 At the 10 February 2021 deliberations meeting, the Hearing Panel considered all the submissions received on the Draft Plan. The Panel also formed recommendations on how the Draft Saxton Field Reserve Management Plan should be amended in response to submission points that they accepted in full or in part. The Hearing Panel recommendations are summarised in section 5 of this report and further details are included within the minutes of the deliberations meeting.

6.2 The Hearing Panel recommendations of 10 February 2021 have been given effect to in the wording of the amended Plan. The Council is being asked to consider and then adopt this amended Plan as the final Saxton Field Reserve Management Plan.

6.3 Three options exist for the Council as follows:

6.3.1 **Option 1** - Agree to all of the changes recommended by the Hearing Panel and adopt the amended Plan (contained in **Attachment 2**) as the final Saxton Field Reserve Management Plan. This is the option recommended by staff.

6.3.2 **Option 2** - Agree to some of the changes recommended by the Hearing Panel, reject other changes and/or make further amendments to the Plan text before finalising and adopting the Saxton Field Reserve Management Plan.

6.3.3 **Option 3** - Adopt the Draft Plan as the final Saxton Field Reserve Management Plan without amendment, other than the amendments necessary to change the Plan from a “draft” to a “final” Plan. This option is not recommended.

6.4 The advantages of Option 1 are that it shows that submitter’s views have been considered by the Hearing Panel and, where appropriate, amendments have been made to Plan. The disadvantage is that not every submission point has been accepted. Some submitters may therefore be disappointed that their suggestions were not given effect to in the amended Plan. However, this is part of the public submission process and not all suggestions will be appropriate or can be adopted. Any amendments of a minor nature and can be approved by the delegation to Councillors Edgar and Tuffnell.

6.5 Option 2 has similar advantages and disadvantages to Option 1. An additional advantage is that it would enable the Council to make amendments to the Plan before it is finalised if not all of the Hearing Panel's recommendations are accepted. The disadvantage is that not all Council members were present to hear submitter views and were not part of the deliberations. Also, any more than minor amendments made by this Council will also need to be agreed by Nelson City Council.

6.6 The disadvantage of Option 3 is that it ignores all the submissions received and the councils will be open to criticism for not listening to the community's views through the public consultation process. There are limited or no advantages to this option.

7 Strategy and Risks

7.1 There are limited risks to the councils of adopting the amended Plan as the final Saxton Field Reserve Management Plan, as it takes into consideration the submissions received on the Draft Plan and the recommendations of the Hearing Panel. While some submitters may be concerned that not all of their suggestions were incorporated into the amended Plan, there has been general support for the direction and content in the Plan.

8 Policy / Legal Requirements / Plan

8.1 The councils have undertaken the correct process for preparing the Saxton Field Reserve Management Plan as required under the Reserves Act 1977. This report contains a summary of the process, including the early consultation processes undertaken for the preparation of the Draft Plan and the consultation undertaken on the Draft Plan.

9 Consideration of Financial or Budgetary Implications

9.1 The costs of preparing this Plan have been shared between the two councils and covered within the relevant operating budgets.

9.2 There will be costs associated with implementing aspects of the Plan. The draft Long Term Plans of both councils include provision for managing and developing Saxton Field in accordance with this Plan.

9.3 By adopting this Plan, the councils are not committing to funding all projects identified in the Plan, or to fund them by a particular date.

10 Significance and Engagement

10.1 The Saxton Field Reserve Management Plan is moderately significant for our regional community as it impacts on their use and enjoyment of the reserve. The community engagement and consultation procedures followed during the preparation of this Plan enabled the public to provide the councils with their views on the Plan and the processes meet the statutory requirement of the Reserves Act 1977.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Medium	The Plan is of medium significance to residents and visitors to Saxton Field because it sets policy direction for the use and management of this important regional reserve.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Medium	The appropriate use and development of Saxton Field governed by this Plan, has the ability to enhance the social, cultural and economic well-being of the Nelson/Tasman regional community and enhance the environmental values of the reserve.
3.	Is there a significant impact arising from duration of the effects from the decision?	Medium	The Plan is likely to be in place for 10 years.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	Low	The Plan provides for environmental enhancements which are likely to have a positive impact on the goals of the Tasman Climate Action Plan.
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	N/A	Saxton Field is not listed as a strategic asset.
6.	Does the decision create a substantial change in the level of service provided by Council?	Low	The Plan will have some minor impact on the levels of service, however, no major changes are proposed.
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	Adopting the Plan will not in itself have an impact on debt and rates. Budget allocation decisions will be made separately, as part of future annual and long term plan processes.
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
9.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	

	Issue	Level of Significance	Explanation of Assessment
10	Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	
11	Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	Yes	Engagement with iwi has occurred during the preparation of this Plan.

11 Conclusion

11.1 We have undertaken an extensive public consultation process, initially seeking ideas for inclusion in a Draft Plan and then hearing and deliberating on written and oral submissions on the Draft Plan which was publicly notified on 8 October 2020.

11.2 The Hearing Panel recommends that the two councils adopt the amended Plan which incorporates amendments made in response to matters raised by submitters.

12 Next Steps / Timeline

12.1 The final Saxton Field Reserve Management Plan will come into effect following adoption by the two councils.

12.2 Staff will publish the final Plan on both councils' websites, send copies of the final Plan to the organisations we are required to under the Reserves Act 1977. Hard copies will be available in both councils' offices and libraries.

12.3 Staff will also respond to all submitters in writing, advising them of the two councils' decisions on the matters they raised.

Attachments

1. Unconfirmed Saxton Field Submissions Hearing Minutes 2021-02-10 *(Under Separate Cover)*
2. Saxton Field Reserve Management Plan *(Under Separate Cover)*
3. Summary of Submissions recieved on the Draft Plan *(Under Separate Cover)*

8.5 GRANT OF EASEMENT FOR ACCESS (LOCAL PURPOSE (ROAD) RESERVE)

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Robert Cant, Programme Leader - Property Transactions
Report Number:	RCN21-05-6

1 Summary

1.1 The purpose of this report is to request that the Council approve an easement, providing a landowner with a 'right of way' (ROW) over a portion of Local Purpose (Road) Reserve. (Being Lot 5 DP 424010) to the adjoining legal road. The property that technically has no legal road frontage is at Pippin Lane, near Ruby Bay (see **Attachment 1**). The easement would provide legal access from the property boundary through to a legal road, giving the landowner assurance.

1.2 The Council's approval is sought because the relevant legislative regime requires consent from the Minister of Conservation. The Minister of Conservation has delegated authority for the Council to provide such consent. (There is no staff delegation).

2 Draft Resolution

That the Full Council:

1. **receives the Grant of easement for Access (Local Purpose (Road) Reserve) report RCN21-05-6; and;**
2. **agrees under Section 48(3) of the Reserves Act 1977 that public notification is not required under Section 48(2) of the Act, prior to the Council considering granting this easement as:**
    a. **the reserve is not likely to be materially altered or permanently damaged; and**
    b. **the rights of the public in respect of the reserve are not likely to be permanently affected by the establishment and lawful exercise of the rights of way easement; and**
3. **pursuant to Section 48(1)(f) of the Reserves Act 1977 agrees to grant a right of way easement over Lot 5 DP 424010 in favour of the land held in Record of Title 493764 and;**
4. **pursuant to Section 48(1)(f) of the Reserves Act 1977, acting as the Minister of Conservation's delegate, consents to the Council granting the easement and;**
5. **notes that parts 3. and 4. above of this resolution are subject to the owner of the land held in Record of Title 493764 covering all the costs incurred by the Council, associated with the granting of the easement; and**

6. **delegates to the Corporate and Governance Services Manager the authority to sign all documentation needed to give effect to the above resolutions.**

3 Purpose of the Report

3.1 The subject landowner has sought an assurance from the Council that they were able to use land held by the Council as "Local Purpose (Road) Reserve" to provide legal access to the road from their neighbouring property. Staff recommended that, to remove any doubt, a 'right of way' easement could be granted over the relevant portion of the Local Purpose (Road) Reserve being Lot 5 DP 424010 (see **Attachment 1**).

4 Background and Discussion

4.1 Tasman District Council has a relatively small number of 'Local Purpose (Road) Reserve' properties. This particular case is at Pippin Lane near Ruby Bay. For your information, please refer to **Attachment 1** for the plan. The relevant property boundary is shown outlined in blue, the legal road is shaded grey and the Local Purpose (Road) Reserve is shaded yellow. Note, that while the property contacts the legal road in some places, it does not have 'frontage' along the whole boundary. Contact with the road is in two very specific points.

4.2 The owner approached Council staff about a potential subdivision. The advice was that the fact the property only had frontage to a 'Local Purpose (Road) Reserve' would not be a problem from the Council's perspective. However, Council staff could not guarantee that a potential buyer would not see it as a problem. Because part of the 'Local Purpose (Road) Reserve' was a small triangular land parcel (indicated with the yellow arrow in **Attachment 1)** a 'right of way' easement could be granted over that parcel, without the cost of a survey. This would provide the owner's land with a 'right of way' to the legal road. Staff recommended that the owners seek a 'right of way' from the Council, with the landowner offering to pay the Council's legal costs.

4.3 This report seeks the Council's consent to grant a ROW easement over the small triangular land parcel (Lot 5 DP 424010) under Section 48(1)(f) of the Reserves Act 1977:

…..*The administering body, with the consent of the Minister may grant rights of way and other easements over any part of the reserve for—*
(…(f) providing or facilitating access ……. of any other land not forming part of the reserve or for any other purpose connected with any such land.

4.4 The proposed easement allows the landowner to construct one driveway on the easement area. It is not exclusive use, so the public retains the right to access the land. In practical terms, the triangular area is landscaped with the surrounding property. Please note that Tasman's Great Taste Trail is adjacent to this property and utilises most of the rest of the Local Purpose (Road) Reserve. The public has never actively used the area of land marked with the yellow triangle on the plan so having it maintained by the owner is not considered an issue for the time being. In the very unlikely event the Council considered using the triangular Local Purpose (Road) Reserve for public access, there is nothing in the easement that would prevent that use.

4.5 The Council is being asked to make two decisions:

4.5.1 to grant the easement pursuant to Sec 48(1) (f) of the Reserves Act 1977, acting as the Council; and

4.5.2 to consent to the Council granting the easement, acting under delegated authority from the Minister of Conservation. The Minister's decision is not delegated to staff.

4.6 In acting as the Minister of Conservation, the Council needs to consider whether the granting of the easement is in conflict with the intent of the Reserves Act 1977, and whether it is in conflict with the purpose of the reserve. Staff's view is that the easement is clearly consistent

with the reserve purpose in providing access and given that it is not exclusive use in any way, doesn't conflict with the intent of the Reserves Act. Council staff do not consider there is any reason why the Minister's consent should not be provided.

5 Options

5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	**Option 1:** Approve the granting of the easements under the Reserves Act **(Recommended).** This will allow the easement to be registered to remove any doubt the property has legal access to a road.	This removes any reputational risk to the Council and removes doubt about the ability to use the Local Purpose (Road) Reserve by the landowner. There is no cost to the Council.	There is no obvious disadvantage in that the easement merely clarifies the implied right to use "Local Purpose (Road) Reserve" to provide access to private property.
2.	**Option 2:** The Council could choose to not grant the easement. **(Not recommended)** This could increase doubt as to whether the Local Purpose (Road) Reserve can be used for access as of right.	Promoting good relationships in the community. Also setting a precedent, so the Council is not in the position where it was trying to negotiate with beneficiaries of easements.	The disadvantage of not granting the easement would be risk to the Council's reputation. This would potentially create doubt that "Local Purpose (Road) Reserve" is available for access by properties with frontage to this land status.

6 Strategy and Risks

6.1 Whether the easement is granted or not is unlikely to change the use of the land in practice. We do not consider there to be any risks in granting the easement.

7 Policy / Legal Requirements / Plan

7.1 The Council has delegation in using the powers available in Sec 48(1)(f) of the Reserves Act 1977.

7.2 The Reserves General Policy states at clause 4.1.1.5

Access to and through reserves, esplanade areas and public access easements is enabled where it is cost-effective, is consistent with the purposes for which the land is managed, and where significant benefits can be gained for the community of interest.

7.3 The proposed easement is considered to meet the criteria of being consistent with the reserve status. While it might be argued the use does not provide significant benefit to the community it will be a useful precedent to show that access can be guaranteed over Local Purpose (Road) Reserve, even if it is not considered a worthwhile process. Granting this easement is not considered to be a conflict with the Reserves General Policy.

7.4 There is a requirement in Section 48 (2) for public notice for easements involving

reserves. However, under Section 48 (3) of the Reserves Act Public Notice is not required if the reserve will not be materially altered, nor the rights of the public permanently affected. This proposal meets both tests.

8 Consideration of Financial or Budgetary Implications

8.2 The landowner has agreed to meet all of the legal costs due to this specific site, no survey costs are involved. As such there are no financial or budgetary implications for the Council. Staff time has not been cost recovered due to the 'trial' nature of the process.

9 Significance and Engagement

9.1 Staff consider that the decisions sought in this report are of low significance. Even a decision to refuse to grant the easement **(not recommended)** would impact a limited number of ratepayers. As noted in section 7.4 above, the easement is not required to be publicly notified and there is a very low likelihood of the easement having any material impact on the public's ability to use and enjoy this land or for it to impact on the Council's operations.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	Nothing will physically change in the immediate future. In the medium future, a new driveway may be needed.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	No	
3.	Is there a significant impact arising from duration of the effects from the decision?	No	
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	This decision will have no significant impact on climate change.	
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	While the Council's roading/reserves networks are strategic assets, this decision will not materially impact on either.
6.	Does the decision create a substantial change in the level of service provided by Council?	No	
7.	Does the proposal or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	

	Issue	Level of Significance	Explanation of Assessment
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
9.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
10	Does the decision involve Council exiting from or entering into a group of activities?	No	
11	Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	No	There will be no immediate change. Any driveway construction will be subject to RMA controls (if any)

10 Conclusion

10.1 This easement is an effort to provide certainty to landowners who only have frontage to Local Purpose (Road) Reserve confirming that it is possible to provide certainty of access to a legal road by granting a formal 'right of way' easement. While staff are unlikely to recommend other landowners repeat this process, it will be useful to have a precedent.

10.2 The easement itself will allow the owner to have certainty that they can use the relevant land (the small triangle shown with the yellow arrow) as a driveway. It is not exclusive use, so does not deprive the public of the right to use the land, albeit, they do not use the land now and are unlikely to in the future.

11 Next Steps / Timeline

The proposed easement agreement will be signed on behalf of the Council and the other parties and then registered on the relevant land titles held by the Council. No further action is necessary.

Attachments

1.⇩ Pippin Lane McDonald Grant of Easement 150

8.6 GRANT OF EASEMENT FOR ELECTRICITY SUPPLY UNDER POUTAMA DRAIN

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Robert Cant, Programme Leader - Property Transactions
Report Number:	RCN21-05-7

1 Summary

1.1 This report seeks the Council's approval to grant an easement to Network Tasman and Waimea Plains Retirement Village Limited for an electricity cable installed on land the Council holds for drainage purposes. The approximate location of the infrastructure is shown in red on the attached plan (**Attachment 1**).

2 Draft Resolution

That the Full Council receives:

1. **the Grant of Easement for Electricity Supply under Poutama Drain report, RCN21-05-7; and**
2. **agrees under Section 48(3) of the Reserves Act 1977 that public notification is not required under Section 48(2) of the Act, prior to Council considering granting this easement as:**
   a. **the reserve is not likely to be materially altered or permanently damaged; and**
   b. **the rights of the public in respect of the reserve are not likely to be permanently affected by the establishment and lawful exercise of the rights of way easement.**
3. **pursuant to Section 48(1) of the Public Works Act 1981 agrees to grant an easement for the conveyance of electricity and associated services in favour of Network Tasman and Waimea Plains Retirement Village Limited; and**
4. **pursuant to Section 48(1)(d) of the Reserves Act 1977 agrees to grant an easement for the conveyance of electricity and associated services in favour of Network Tasman and Waimea Plains Retirement Village Limited; and**
5. **pursuant to Section 48(1)(d) of the Reserves Act 1977, acting as the Minister of Conservation's delegate, consents to the Council granting the easement for the conveyance of electricity and associated services in favour of Network Tasman and Waimea Plains Retirement Village Limited; and**
6. **notes that parts 3, 4 and 5 above of this resolution are subject to the owner of the Waimea Plains Retirement Village Ltd covering all the costs incurred by the Council associated with the granting of the easement; and**

7. delegates to the Corporate and Governance Services Manager the authority to sign all documentation needed to give effect to the above resolutions.

3 Purpose of the Report

3.1 To seek the Council's approval to grant an easement for existing infrastructure for the supply of electricity and associated services. The electricity supply runs underneath the Poutama Drain and supplies electricity to buildings within the Waimea Plains Retirement Village (WPRV).

4 Background and Discussion

4.1 The Council owns Poutama Drain; the drain runs parallel to Jubilee Park, then parallel with Lower Queen Street before linking into the Borck Creek drainage system. The majority of the Poutama Drain (and Borck Creek) is held under the Public Works Act 1981 (PWA) (being record of title 628093). The remaining part was acquired on subdivision and held under the Reserves Act 1977 (RA) (being record of title 821359). Please see the attached plan (**Attachment 1**), shows the PWA in blue and the RA in green.

4.2 During the construction of the WPRV, a developer installed a mains power cable approximately 1.5m under the drain channel which has no impact on the purpose of the drain. The location is shown in red on **Attachment 1**.

4.3 The cable has been in use for some time but with the most recent village development stage, Network Tasman (which now owns the cable) expressed concern that its infrastructure was not protected by an easement. At one stage this threatened to delay new village residents being supplied with electricity. This was resolved when Council staff gave an assurance that a decision would be made on the easement (either to grant the easement, or not to grant it) prior to the next development stage (in early 2022).

4.4 The terms of the draft easement were discussed at length and are reasonably unique. In discussions with the developer and Network Tasman, staff have been clear that the Council should **not** face any costs in the future, if the cable needed to be relocated. Network Tasman is similarly unwilling to face any cost, given it had not been a party to the decision to locate the cable under the drain. The easement document that has been conceptually agreed is routine in that it allows electricity and other services to be carried in the duct under the drainage channel. However, in the unlikely event that the channel needs to be deepened and thus the cable relocated, the cost of relocation is to be met by the landowner (currently Waimea Plains Retirement Village Limited).

4.5 Staff have made enquiries as to how the cable came to be installed under Council land without any apparent permission from the Council, but have been unsuccessful. Network Tasman has been clear that contractors for WPRV installed the cable. Staff at WPRV have advised that they are not sure how it occurred. It is possible the cable was installed before the land was owned by the Council but there is no clarity to this question.

4.6 While there is some frustration that staff were not consulted prior to the installation, the reality is that the cable has no impact on the operation of the drain and with the easement agreement removing any liability for costs if the cable needs to be relocated, staff recommend that the easement be granted. The cable provides electricity to a large number of residents at the retirement village and is very important to the development.

4.7 Due to the fact the drainage channel is held under two different pieces of legislation, the legislative authority is quite complex. Section 48(1) of the PWA states: *the local authority having control of the public work, as the case may be, may from time to time*

grant to any person any easement. Coincidentally Section 48(1)(d) of the RA provides that *the administering body (of a reserve), with the consent of the Minister …….may grant rights of way and other easements over any part of the reserve for …….. (d) an electrical installation or work……*

4.8 There is a potential requirement for public notice for easements involving reserves, under Section 48 (3) of the Reserves Act Public Notice is not required if the reserve will not be materially altered, nor the rights of the public permanently affected. This proposal meets both tests.

4.9 The Council is being asked to make three decisions.

4.9.1 to grant the easement pursuant to Sec 48(1) of the PWA, acting as the Council;

4.9.2 to grant the easement pursuant to Section 48(1)(d) of the RA, acting as the Council; and

4.9.3 to consent to the Council granting the easement, acting under delegated authority from the Minister of Conservation.

4.10 In acting as the Minister of Conservation, the Council needs to consider whether the granting of the easement is in conflict with the intent of the RA and whether it is in conflict with the purpose of the Reserve. Because the cable is significantly underneath the drainage channel and the Council can require it to be moved if there ever is a conflict, staff feel the granting of the easement is not in conflict with either and so the Minister's consent can be provided.

5 Options

5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	**This is the recommended option**. Approve the granting of the easements under the PWA and RA, and consent to the granting the easement under the RA, acting as the Minister of Conservation's delegate. This will allow the cable to be protected by an appropriate easement, and give comfort to Network Tasman to continue to use the cable to supply electricity to the village.	This will resolve the dilemma with Network Tasman refusing to upgrade the electricity supply when new stages of the retirement village are in place. This should allow the rest of the stages to proceed without this electricity supply easement complexity causing delays in the future.	No obvious disadvantage given the landowner is responsible for all costs in the event the cable needs to be relocated due to any need to expand the drain.

	Option	Advantage	Disadvantage
2.	The Council could choose to not grant the easement. **This is not recommended.** If the Council was to choose this option it would effectively be requiring the WPRV to remove the duct and cable and locate the supply elsewhere. While the cable could be located on the nearby bridge structure nearby, Network Tasman advised that option is both less efficient in terms of conveying the electricity and more dangerous. Staff have a good working relationship with staff at the WPRV and if the decision was to require the duct/cable to be removed, it would run a risk of that relationship deteriorating. The removal of the duct/cable would be more likely to cause issues with the drainage channel than allowing it to remain.	This would eliminate any doubt as to any costs associated with relocating the cable if the drain capacity needed to be expanded.	The relationship between the developers and Council staff is positive. A requirement to remove the cable would incur significant costs for the developer and run the very serious risk of a deterioration in what is a good relationship. It would also create a low risk of a disruption to Network Tasman's supply of electricity to existing residents of the village, but a medium risk of Network Tasman refusing to supply electricity to new stages of the village until an alternative was in place. This could cause a delay in new residents accessing their units, which would cause them considerable distress.

6 Strategy and Risks

6.1 The main risk is a conflict in the future with the drainage channel needing to be deepened to increase capacity requiring the duct/cable to be relocated. If the requirement to move the cable originated due to a Council action, the Council could be asked to cover the cost.

6.2 Staff have mitigated this risk to the Council by ensuring a clause in the easement agreement clearly stating that if the Council has a reasonable requirement to increase capacity for the drain the landowner must meet the cost of relocating the electricity supply.

6.3 Refusing to grant the easement is considered to create a higher risk than granting the easement. The electricity supply duct/cable would have to be relocated. This would risk a deterioration in the relationship between WPRV and Tasman District Council. It would also create a low risk of a disruption to Network Tasman's supply of electricity to existing residents of the village, but a medium risk of Network Tasman refusing to supply electricity to new stages of the village until an alternative was in place. This could cause a delay in new residents accessing their units, which would cause them considerable distress.

7 Policy / Legal Requirements / Plan

7.1 There is no formal policy on when to refuse or agree to grant easements over land held for a public work.

7.2 The Reserves General Policy states at clause 4.1.1.5

Access to and through reserves, esplanade areas and public access easements is enabled where it is cost-effective, is consistent with the purposes for which the land is managed, and where significant benefits can be gained for the community of interest.

7.3 The proposed easement is considered to meet the criteria of providing significant benefit to the community by making the supply of electricity more efficient and safer. While it could be argued that the use is not consistent with the use, it does not conflict with it. Granting this easement is not considered to be a conflict with the Reserves General Policy.

7.4 Both the Public Works Act and Reserves Act provide for easements in this circumstance.

7.5 Under Section 48(2) public notice of an intention to grant an easement over reserve land is generally required. However, Section 48(3) of the Reserves Act 1977 Public Notice is not required if the reserve will not be materially altered, nor the rights of the public permanently affected. This proposal meets both tests.

8 Consideration of Financial or Budgetary Implications

8.1 The WPRV has agreed to meet all of the Council's legal costs in relation to granting this easement.

9 Significance and Engagement

9.1 Staff consider that the decisions sought in this report are of low significance. Even a decision to refuse to grant the easement (not recommended) would impact on a limited number of ratepayers. As mentioned earlier, the easement is not required to be publicly notified and there is a very low likelihood of the easement having any material impact on the public's ability to use and enjoy this land or for it to impact on the Council's operations.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	No	The granting of the easement will not be noticed by the public, given the cable is already in place
2.	Are there impacts on the social, economic, environmental or cultural	No	

	Issue	Level of Significance	Explanation of Assessment
	aspects of well-being of the community in the present or future?		
3.	Is there a significant impact arising from duration of the effects from the decision?	No	
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	No	This decision will have no impact on climate change mitigation or adaption.
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	While the overall drainage network is a strategic asset, this proposal will not impact the network.
6.	Does the decision create a substantial change in the level of service provided by Council?	No	
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
9.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
10	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
11	Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	No	The cable is already in place.

10 Conclusion

10.1 Staff consider that if permission had been sought prior to the cable installation, it would have been granted. Granting the easement will not have any noticeable impact on either the Council's operations, or the public's ability to enjoy the land.

11 Next Steps / Timeline

11.1 The easement agreement will be signed on behalf of the Council and other parties, then registered on the relevant land titles. As the infrastructure is already in place, no further action is necessary.

Attachments


LocalMaps Print
McShane Road
Headingly Lane
Lower Queen Street
Carmine Crescent
Eagle Technology, Land Information New Zealand
April 23, 2021
Road Boundaries
Road Name Label
ValuationBoundaries
N
1:2,257 @A4
0
0.03
0.06
0.12 km
Cadastre sourced from Land Information New Zealand data. Crown copyright reserved. Contact Tasman District Council regarding Copyright on Aerial Photography.
The information on this map is prepared for indicative use only and is not intended for definitive legal, location or formal reference. This map was produced council's internal Localmaps viewer.
tasman district council
te tai o Aorere

8.7 NELSON REGIONAL DEVELOPMENT AGENCY - SIX MONTH ACTIVITY REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Alan Bywater, Senior Policy Advisor
Report Number:	RCN21-05-8

1 Summary

1.1 COVID-19 has brought a range of new challenges to Tasman businesses and the community. The Nelson Regional Development Agency (NRDA) has responded to these challenges through an expanded work programme over 2020/2021. This report provides a six-month update on delivery of objectives as outlined in the Statement of Intent (**Attachment 1**). The Statement of Intent was approved by Nelson City Council (as the owner of NRDA). Tasman District Council staff provided input to the Statement of Intent prior to approval. Objectives have largely been met with some changes required to adapt to the impact of COVID-19 as outlined in the report.

2 Draft Resolution

That the Full Council

1. Receives the Nelson Regional Development Agency - Six Month Activity Report, RCN21-05-8.

3 NRDA six monthly report on Statement of Intent 2020/2021

3.1 This report was prepared by Jessica Bensemann, Nelson Tasman Economic Portfolio Manager.

3.2 The 2020/2021 Statement of Intent for the NRDA focused on the delivery of Project Kōkiri, the region's economic response to the impacts of COVID-19. Project Kōkiri scaled up some of the NRDA's existing activities such as business support, decreased others such as business events and international tourism marketing and launched a range of new initiatives, including the 'We've Got This' and 'Pick Nelson Tasman' campaigns to attract domestic visitors and seasonal labour to the region.

3.3 The NRDA received increased funding from both local and central government sources to deliver Project Kōkiri and make up for the shortfall from private sector funding. Nelson City Council provided an additional $250,000 for the year 2020/2021 and Tasman District Council provided $200,000. The NRDA received $1.48 million this year from central government to provide a range of programmes including the Regional Business Partner Network's Business Continuity Planning programme, Tourism Transition Funding, development of a destination management plan, establishment of a regional events fund and work in the education to employment space. In comparison over the last two years, NRDA has received $346,000 and $396,000 from central government. Central government funding is currently due to be around $500,000 in 2021/2022.

3.4 The NRDA has supported businesses during the significant uncertainty that COVID-19 has created. For many businesses in the tourism sector, such as hospitality and recreation, the last 12 months has required a change in approach to ensure ongoing viability. Businesses in the region's primary industries have faced challenges including access to seasonal labour and supply chain disruptions, as well as adverse weather events such as the Boxing Day hailstorm. The outlook is still uncertain and business confidence to invest remains shaky throughout New Zealand.

3.5 Some highlights of NRDA's work for the six months include:

3.5.1 Providing an additional $0.9 million in central government funding for the delivery of one-to-one Business Continuity Support services and Tourism Transition Funding across Te Tau ihu since March 2020 through the Regional Business Partners programme.

3.5.2 Attracting $1.8 million to the Nelson Tasman region through NZTE/Callaghan funding for research and development and business mentoring. Around 80 business in Tasman are intensively case managed to support applications through this component of the Regional Business Partners programme.

3.5.3 Engaging Co.Starters, a Nelson Based business development specialist, to deliver two rounds of workshops to groups of start-up businesses. A food and beverage sector focused group is currently underway with funding from the Provincial Growth Fund, partnering with the Food Factory.

3.5.4 Instigating campaigns to attract seasonal labour to Nelson Tasman, such as "Pick Nelson Tasman" with a focus on Tasman's horticulture harvest. This has been followed up with the recent release of "Catch a Job" targeting the hoki season.

3.5.5 Consulting with local tourism providers and the community regarding the development of a new destination management plan that will set out the strategic direction for the region's visitor sector.

3.6 Over the first six months of 2020/2021, the NRDA adapted to the changing situation and adjusted its work programme as necessary. Project Kōkiri workstreams have largely been delivered as expected over the first six months of the year, with some delays or changes due to the ongoing impact of COVID-19, as explained in the six-month report (**Attachment 2**). This adaptation process has been governed by the Project Kōkiri Leadership Team, made up of a range of government agency and industry representatives and the Mayors of both Nelson City and Tasman District.

3.7 Key priorities expected to be delivered by the end of 2020/2021 include an Economic Development Strategy that will set out a range of strategic initiatives to attract investment and a destination management plan, which will provide strategic direction for the local tourism sector. Supporting completion of Tasman's Great Taste Trail loop is one of the top six actions within the Destination Management Plan.

4 Tasman District Economic Update

4.1 Overall, Tasman's Gross Domestic Product only took a small hit in the year ending December 2020 (provisionally down 0.9%) as consumer spending rebounded post lockdown and primary sector exports remained strong. House price values have increased 8% year on year in Tasman, slightly below the national average of 13%. This has reduced housing affordability. However, for property owners, the effect of rising house values has supported the consumption of goods and services, for example through carrying out property renovations.

4.2 Tourism expenditure for Tasman to the year ended December 2020 was $134 million, down from $146 million the year before. The impact of border closures to international visitors was not completely offset with increased spend from domestic visitors.

4.3 The economic impact of COVID-19 on people in the community has been mixed. Jobseeker numbers in Tasman rose throughout the second half of 2020, from around 1,100 in February to around 1,600-1,700 throughout the second half of 2020. This has since fallen to 1,480 as at the end of April 2021 as seasonal labour opportunities increased over summer. Accommodation supplement recipients have increased from 2,900 in March 2020 to 3,200 in March 2021.

5 Attachments

1.⇩	NRDA Statement of Intent 2020/2021	165
2.⇩	Nelson Regional Development Agency Six-Month Shareholder Report - December 2020	219

NELSON REGIONAL DEVELOPMENT AGENCY | nelson tasman.nz

STATEMENT OF INTENT 2020-21

Prepared by Nelson Regional Development Agency Board

1 July 2020 to 30 June 2021

Mahitahi Colab, Nelson Marlborough Institute of Technology, 322 Hardy Street
P O Box 788, Nelson 7010

NELSON REGIONAL DEVELOPMENT AGENCY | nelson tasman.nz

1. Introduction

1.1. Purpose of the NRDA

The Nelson Regional Development Agency (NRDA) exists to make a difference to the future prosperity of the Nelson Tasman region through positioning, connecting and promoting the region, with a current focus on the recovery and regeneration of the region from the economic impacts of COVID-19.

Everything we do is built on a strong platform of collaboration and partnership with the public and private sectors to achieve alignment, build stakeholder engagement, and drive NRDA's role in execution.

For this year NRDA's three key areas of focus have been amended to reflect the focus on recovery and regeneration from the current and future economic impacts of COVID-19 on the region's economy.

1. ***Positioning*** the Nelson Tasman region as a place where talent, visitors and investment wants to be and young people can thrive.
2. ***Connecting*** our clever people and companies with opportunities to recover, grow, innovate and collaborate.
3. ***Promoting*** the destination as a place of choice for visitors, talent and business.

For the 2020-21 Statement of Intent (SOI) period all of NRDA's activities will be focused on leading the collaborative implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic. All of NRDA's activity will be aligned and driven by the seven-point action plan contained within Project Kōkiri. Project Kōkiri is a collaboration between Nelson City Council (NCC), Tasman District Council (TDC), NRDA, Nelson Tasman Chamber of Commerce (NTCC), iwi and central government's regionally based agencies. (https://projectkokiri.nz)

For clarity, while NRDA is responsible for the majority of the deliverables in the Project Kōkiri action plan, itis not accountable for all. For the duration of this SOI the NRDA's role in Project Kōkiri will be focused around the following 5 areas:

1. Supporting the collaborative leadership and delivery model
2. Providing management and oversight for the implementation of the Action Plan
3. In partnership with NTCC leading the engagement and comms with business, councils, iwi, education, local and central Government and other key stakeholders around the implementation of the plan
4. Leading the establishment of funding partnerships around implementation
5. Leading the delivery of initiatives, where NRDA has accountability or coordinating with delivery partners as identified in the SOI.

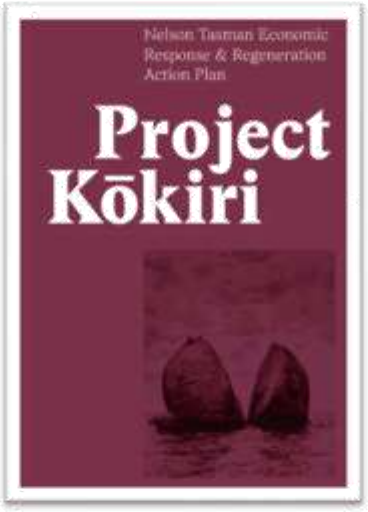
1.2. Background

The NRDA is a Council Controlled Organisation established on 1 July 2016 and is 100% owned by NCC. Core funding for the NRDA is provided by NCC. TDC also contributes financially to the NRDA for economic development, business support and destination marketing and management services through a Service Level Agreement that sets out the accountability arrangements, and the anticipated outputs and performance measures. These services are delivered by the NRDA with a combined Nelson Tasman regional focus. This SOI has been prepared to enable NRDA in its role in the implementation of Project Kōkiri, the region's economic response and regeneration plan to the COVID-19 pandemic.. The SOI forms the basis of accountability for the NRDA to the shareholder for the 12 months commencing 1 July 2020 and is in accordance with Schedule 8 of the Local Government Act.

1.3. COVID-19 and Project Kōkiri

The onset of COVID-19 and resulting economic crisis sets the scene for this SOI. COVID-19 has presented the greatest economic shock in living memory, and although the full extent of this is still to play out, it is clear that the economy will be significantly changed by the pandemic. Independent economic forecasts indicate that the impact here in Nelson Tasman is likely to be on par with the hit to the national economy. We expect an 8% contraction in GDP over the year to March 2021 and an unemployment rate of 9% which will have significant and far reaching impacts on our local communities. The negative impacts are also projected to be disproportionally greater on the tourism, hospitality and retail sectors. At the time of writing the initial unemployment figures also show a disproportionate impact on those aged under 30 in our communities.

For this SOI period all of NRDA's activities will be focused on leading the collaborative implementation of Project Kōkiri. In June 2020, Project Kōkiri released the Nelson Tasman's Economic Response & Regeneration Plan which outlines the region's economic strategy for the next twelve months. The aim is to initiate a response and regeneration that will stimulate the economy, protect and create new jobs and accelerate investment into the region. Project Kōkiri provides an opportunity to deliver on the aspiration of the Te Tauihu Intergenerational Strategy – to be good ancestors. Our actions will be guided by Te Tauihu Oranga, the eight-point wellbeing framework designed by the communities of Te Tauihu through the Te Tauihu Intergenerational Strategy process.



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All of the activities contained within this SOI are aligned and driven by the seven-point action plan contained within Project Kōkiri:

1. Targeted Business and Innovation Support
2. Capability Building and Job Creation
3. Business and Investment Attraction
4. Stimulating Local Spending and Domestic Visitation
5. Local Government Stimulus
6. Visitor Destination Management
7. Regional Competitive Advantage and Regeneration Initiatives

Project Kōkiri is purposefully titled an Economic Response and Regeneration plan and in the seven-point action plan we have tried to get the balance between shorter-term responsive and medium-longer term regenerative activities.iReturning to where a business was pre-COVID is likely not a viable option, even in the medium to longer term. The action plan contains a range of responsive activities to support those in the economy who are really struggling to get through until the economic environment for their business improves. The regeneration activities within the plan are about identifying that we need to build back in a stronger and more resilient manner than before. It is also about recognising that those major influences on the region's economy pre-COVID still exist, and a regenerative approach provides a unique opportunity to influence them into the future.

While the impact of the necessary health response to COVID will continue to have a significant impact on the regions' economy, the Nelson Tasman sustainable economic growth direction still presents plenty of opportunity and has helped to shape the regenerative focus of Project Kōkiri. That growth direction is still based around the application of research, science, and technology within our areas of regional competitive advantage in the oceans economy, high-value nutritional food and beverage, a sustainable natural environment based visitor economy and an emerging technology sector.

The economic growth direction also looks to build on the growing appreciation of the livability of the region based on leveraging the region's attractiveness as a place to live, work and do business. The urban and rural centres of the Nelson Tasman region have an increasingly important role to play in enabling the achievement of this direction. In particular Nelson City's "Smart Little City" vision is a critical element as the major population and commercial centre of the top of the South.

The six major influences on the region's economy pre-COVID that we will aim to influence through the economic regeneration activity contained in this SoI are:

1. **Nelson Tasman productivity** per employee is about 25% lower than NZ average.[1]

[1] Based on NRDA assessment of Stats NZ and Infometrics regional data.

2. **Income levels** remain about 15% lower than the NZ average despite the Nelson Tasman region keeping pace with income growth. [2]
3. **Accelerating aging population.** We have a significantly disproportionate ageing population base. Even with good migration growth, we are projected to see a decrease of around 8.5% in our traditional working age population over the next 15 years, which is in contrast to the NZ trend of +13%.[3] There is a risk this could be amplified if increased outwards migration in the under 30's age group occurs given the early indications of the higher impacts of COVID unemployment on this group in our region.
4. **Resilient, future-proof infrastructure** is required to support private sector confidence. As a growing region, both in terms of population and the economy, we need to develop a more resilient, future-proof infrastructure base which will in turn support the confidence of the private sector in making the necessary future investment decisions required to take the Nelson Tasman region forward. Priority infrastructure has been identified as water, roading and housing. [4]
5. **Visitor sector seasonality** has a significant impact on the viability of product development, staff security, social license and flow-on to the retail and transport sectors within the region.
6. **Climate Change** is a significant risk to the future of NZ and the region's economy. Consideration of the transitions required within the current economy to a lower emissions focused economic and community base and a focus on the future resilience of the region in response to the significant challenges presented by climate change is at the heart of the regenerative economic thinking in Project Kōkiri.

For more information on Project Kōkiri, please visit (https://projectkokiri.nz)
For more information on the forecast potential impacts of COVID-19 on the regions economy please visit: https://www.nelsontasman.nz/do-business/insights/

1.4. NRDA Directors

As at June 2020, the NRDA Board comprises the following directors:

- Meg Matthews – Chairperson
- Martin Byrne
- Marina Hirst-Tristram
- Alan Dunn
- Sarah-Jane Weir
- David Johnston
- Jeremy Banks

[2] Based on NRDA assessment of Stats NZ and Infometrics regional data.
[3] Based on Stats NZ population data
[4] Based on various market research reports and the 2019 NTIN Nelson Tasman Talent research

1.5. NRDA Review of Operations 2019-20

In December 2019, Martin Jenkins Ltd undertook a Review of NRDA Operations. The report had three key recommendations:

1. **Build strategic alignment between the councils and the NRDA** to agree four or five outcome areas and related strategic priorities for the CCO, consistent with Council objectives.
2. **Refresh and communicate the value of the NRDA**, reflecting the agreed strategic priorities and set out in an outcomes and measurement framework, and supporting monitoring and evaluation plan. This recommendation also includes developing a stakeholder engagement plan, a restructured SOI, and a new reporting framework to NCC and TDC.
3. **Take steps to secure the sustainability of the NRDA** which includes reviewing the interfaces between the NCC and NRDA for efficiency improvements, completion of the NRDA's business model review, and the development of a business case for additional funding.

While the advent of the COVID-19 pandemic and the associated response activity has delayed progressing the recommendations of the report, in February 2020, the board of NRDA provided feedback to the shareholder that it believes the report presents a fair assessment of the current situation, reflecting positively on activities and the effective and efficient manner within which NRDA operates. NRDA acknowledges and agrees with the key recommendations and looks forward to working with both councils in securing greater strategic alignment around priorities and exploring additional funding opportunities to support the longer-term sustainability of NRDA through the next Long Term Plan process.

NRDA takes comfort that the report reinforced a CCO is the preferred delivery structure, that our activities are consistent with our peer Regional Development Agencies in NZ and that in delivering those activities we operate on a best practice basis. The report identified that NRDA currently operates on approximately 45% of the local authority funding of comparable RDA's, albeit with a higher level of private sector funding, which is consistent with the concerns raised in our 2019/20 SOI. The NRDA board sees it as a priority to find a solution to this situation if we are to secure the longer-term sustainability of the NRDA business model.

NRDA looks forward to building on our engagement with councils, at both an elected member and staff level, to secure the strategic alignment required to agree on four or five outcome areas and related strategic priorities for NRDA that are consistent with council objectives.

Securing this level of clarity will contribute towards getting an agreed level of balance between wider economic development and tourism related activity, while also providing greater clarity of the NRDA value proposition.

In conclusion the NRDA board thanks Nelson City Council for undertaking this independent review and looks forward to being a proactive participant in the next steps over the course of this SOI and leading into the Long Term Plan process.

2. Areas of Activity and Performance Measurement

The core business activities and key performance measures are based on the seven-point Project Kōkiri Economic Response and Regeneration Action Plan and the expected base funding outlined in the financial section.

The performance framework is based on two key metrics:

- ***Regional Indicator (RI)*** – The RIs form the basis of why we undertake an activity and are based on a key indicator that reflects outcomes at the regional level which NRDA will monitor, report and where possible influence at a local level. However, they are not the measure of performance for the organisation due to our limited ability to influence the significant number of factors that contribute to this indicator, in particular in a Post-COVID environment.
- ***Key Performance Measure (KPM)*** - The KPMs are based on those aspects that the NRDA has a degree of control over and will form the basis of accountability to the shareholder.

2.1. 2020-21 SoI Headline Key Performance Measures Summary

	Activity Area	2020/21 KPM	Baseline
	Responsive one on one business continuity service (RBP)		
1.	Companies receiving RBP Support	> 400	454
2.	RBP funding support attracted	> $1million	$1.2million
3.	Customer Satisfaction net promoter score	+60	>60
	Targeted Business Recovery and Regenerate Accelerator Programme		
4.	Establishment of business enhancement clusters	3	New
5.	Businesses involved in the business enhancement clusters	>36	New
	Reposition Mahitahi Colab to support COVID Recovery		
6.	Attendees at Mahitahi Colab business and talent collaboration events	>1500	2335
7.	Potential business start-up's attending a COVID recovery Co.Starters program	>10	New
	Education to Employment Programme		
8.	Regional secondary schools engaged in employment brokerage services	12 Schools	New
	Young People Work Placement Programme		
9.	Business involved in the work placement programme	>20	New
10.	Students placed into work placements and Intern & Grad programme	>40	11
	Targeted Business Relocation Programme		
11.	Business relocation pitches presented	>10	New
	Locals and Domestic Marketing Campaign		
12.	Businesses engaged in campaign activity	>500	36
13.	Registration of Nelson Tasman expats ambassadors	>1000	New
14.	Digital Content Marketing Engagement levels	> NZ Avg	5x NZ Avg
	Visitor Destination Management		
15.	Coordinate the development of a Regional Destination Management Plan	Y/N	New
16.	New tourism product development feasibility and/or investment cases developed	>4	New
17.	Major Events Attendees (% out of town) through events programme activity	>15,000 (50%)	17,894 (79%)
18.	Return on NCC Economic Event Fund Investment	>20:1	31:1
19.	Out of region Business Event delegates attracted through business events programme	>2,000	1912
20.	Australian travel trade and media hosted and trained on the Nelson Tasman proposition	>50	254
21.	Travel trade sales and marketing referrals provided to Nelson Tasman Co's	>200	500
22.	Customer Satisfaction with the Nelson i-Site	>80%	90%
	Regional Projects Pipeline		
23.	Organisations supported through the projects pipeline process	>50	New
	Project Kokiri Management and Operations		
24.	Nelson Tasman businesses engaged with regularly through communications channels	>3000	1600
25.	Individual Nelson Tasman businesses directly engaged in Project Kokiri activity	>500	New
	NRDA Management and Operations		
26.	NRDA maintains a balanced budget (EBITDA)	Y	Y
27.	Lost time work injuries	0	0
28.	Annual Stakeholder engagement levels of satisfaction	>60%	>60%

2.2. Core Business Areas of Activity and Key Performance Measures

1 Targeted business and Innovation Support				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
1.1 Responsive one on one business continuity service (Regional Business Partner Programme)	• A positive change in regional productivity relative to NZ trends (GDP / filled job – infometrics data) • Sustaining the number of business units and jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs infometrics data)	Connecting with and understanding Nelson Tasman companies' current situation and needs with a focus on the impacts of and recovery from COVID. Connecting Co's with the various business support services and networks available to address their immediate needs and to assist in enabling them to be better positioned to withstand the future impacts. The programme has two key components: 1. Coordination, management and delivery of the Regional Business Partner Programme (Mentoring, Business support vouchers and R&D support & funding programmes) 2. Targeted one-on-one COVID response and recovery service	• Delivering RBP support to over 400 companies, attracting in excess of $1 million in RBP funding and a customer satisfaction net promoter score of +60 across the RBP programme by June 2021. • Targeting a minimum of 30% of businesses from any one district. • 20 Tasman and 20 Nelson businesses intensively case-managed.	• Delivered support to 454 companies • Attracted $1.2 million in RBP funding • Customer satisfaction net promoter score greater than 60. • At least a minimum of 30% of businesses from any one district. • 89 Tasman and 133 Nelson businesses intensively case-managed. (note COVID impact)
NRDA Role and Collaboration with others	• NRDA has a contractual relationship with NZTE and Callaghan Innovation for the delivery of this programme. • NRDA delivers programme management and coordination, the front-line R&D, and some of the responsive COVID support services. • NRDA has a sub-contract for delivery of some parts of the service with the Chamber of Commerce and Nelson Tasman Business Trust.			

1.2 Targeted business recovery and regenerate accelerator programme	• A positive change in regional productivity relative to NZ trends (Infometrics data) • A positive change in income levels for the region relative to NZ trends. (Mean earnings Infometrics data) • Sustaining the number of business units and jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs Infometrics data)	Delivery of a deliberate and proactive wrap-around business acceleration service focused on supporting organisations that wish to collaborate on common business challenges and opportunities resulting from the impacts of COVID. The programme will focus on companies that make a significant contribution to our economy through generating demand and flow-on impacts for SMEs and the rest of our community, while also contributing to the improvements in productivity and incomes in the region. The programme has three key components: 1. Research & insights into the current situation, needs and solutions. 2. Programme design, funding, delivery 3. Evaluation of impact and future sustainability	• Establishment of at least 3 business enhancement clusters with up to 12 companies per cluster. • At least 40% of the companies involved in the research and invited into the programme will come from each district.	• New initiative • Nelson Tasman has the 2nd lowest rate of productivity in NZ[5] • Nelson Tasman Mean annual earnings are 15% below that of NZ.[6] • Infometrics projected unemployment rate of 9% as a result of COVID[7]
NRDA Role and Collaboration with others	• NRDA delivers research, programme design and delivery • Will require a high-level of engagement with local and national business development solution providers, Callaghan and NZTE.			
1.3 Reposition Mahitahi Colab to support Covid-19 recovery	• Collaborating to support and inspire clever business, innovation and talent in Nelson Tasman through a positive	The intention is that together we will be able to build a more connected business and innovation community by creating stronger links between business, investors, researchers, business development providers and the	• Mahitahi Colab hosts at least 50 business and talent collaboration events attracting 1500 attendees.	• Hosted 100 events • Attracting 2335 attendees.

[5] Infometrics 2019 Economic Profile
[6] Infometrics 2019 Economic Profile
[7] Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

	change in the utilisation of the Mahitahi Colab space for the hosting of collaboration events, tenants and student connections with business. (Mahitahi reporting)	education sector in a post-COVID environment. The programme has four key components: 1. Collaboration and innovation events 2. Coworking space 3. COVID recovery start-up programme 4. Student-led consulting programme and other initiatives designed to connect young talent with business.	• At least one COVID recovery and regeneration Co.starters programme delivered with at least 10 potential start-up's participating. • The Student consulting programme has at least 10 students involved, and they have delivered services to at least 10 Nelson Tasman clients.	• New initative • 12 Students involved in the consulting programme
NRDA Role and Collaboration with others	• NRDA has a lease and funding agreement with Mahitahi Colab for the delivery of the above services. • NRDA is a shareholder in the ownership of Mahitahi, with Nelson Marlborough Institute of Technology (NMIT) and NTCC and provides Governance and management support (finance and admin). • NRDA provides some additional support to Mahitahi around some of the event and programme delivery.			

2 Capability Building and Job Creation				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
2.1 Interim Regional Skills Leadership Group (iRSLG)	To better manage changing skills and workforce needs in the region and to support the recovery of labour markets. The iRSLG is the eyes and ears on the ground, gathering local intelligence, supporting the immediate response to the regional labour market impact arising from	The iRSLG is one of the Governments responses to creating a joined up approach to labour market planning to see the workforce, education, and immigration systems working together to better meet differing skills needs across the region. The iRSLG's are facilitated by MBIE.	• NRDA making a proactive contribution to the iRSLG programme.	• New initiative • Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60%

	COVID-19 and advising Government on the region's labour market.			of Nelson Tasman Co's [8]
NRDA Role and Collaboration with others	• NRDA Chair is also the Chair of the iRSLG, and the NRDA CE is on the iRSLG. • NRDA will support MBIE and the iRSLG with labour market, education and skills activity that is identified as the iRSLG programme evolves.			
2.2 Coordination of labour market services and recovery activity	• Minimising the level of COVID impact on the region's unemployment rate, with the aim of being better than the projected 9.0% by July 2021[9]. • Minimising the level of COVID impact on the region's NEET rate, with the aim of an improvement in the current levels of Nelson 17%, Tasman 12% (NZ 11%) . (NEET rate[10])	Coordinate activity that supports both businesses and individuals whose circumstances have changed as a result of Covid-19. A key focus on Young people (under 30) employment as the most affected age-group and to ensure we maintain a sustainable pipeline of future talent in the region. This includes: 1. Liaison and coordination with Ministry of Social Development (MSD), iRSLG and other key stakeholder programmes. 2. Delivery of the Youth NEET pathways project. 3. Delivery of the Education to Employment Broker (EEB) Service.	• Engage all 12 targeted schools (staff and students) in the region in the Education to Employment Brokerage Service (EEB) and facilitate the opportunity for students and school staff to be able to attend at least 4 industry sector expo/information events. • Identify, trial and evaluate up to two appropriate interventions that will help young people who are at a disproportionate risk from the economic fallout of Covid-19, avoid or recover from NEET status.	• New initiative
NRDA Role and Collaboration with others	• NRDA works closely with MSD, iRSLG and other key stakeholders to ensure coordination of programmes to maximise impact and reduce duplication risk. • NRDA holds a contract for delivery of the Youth NEET pathways project with NCC. • NRDA holds a contract for delivery of the Education to Employment Broker Service with MSD.			

[8] Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019
[9] Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020
[10] % of population under 24 years of age not in employment, education or training, MSD supplied data

2.3 Coordinate Education and Skills development activity	• The majority of Employers in Nelson Tasman find it easy to access the skills required in the regional labour market. (Local labour market survey) • Minimising the level of COVID impact on the region's NEET rate, with the aim of an improvement in the current levels of 17%, Tasman 12% (NZ 11%). (NEET rate)	Coordinating skills development and upskilling opportunities across the region to support retraining and redeployment as a result of COVID-19, with an overarching focus on ensuring we meet our talent needs, lift productivity and deliver on higher paying jobs throughout the region. This includes: 1. Liaison and coordination with MSD, iRSLG, Ministry of Environment (MOE), NMIT and other key stakeholder programmes. 2. Young people work placement, intern & graduate programmes.	• Establishment of work placement programme with at least 20 businesses and 20 students engaged. • An increase to at least 20 students engaged in the intern and grad programme.	• 11 students participated in the 2019 Summer of Tech Intern Programme. • Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60% of Nelson Tasman Co's. [11] • Other activities are new initiatives
NRDA Role and Collaboration with others	• NRDA works closely with MSD, iRSLG, MOE, NMIT, other key stakeholders to ensure coordination of programmes to maximise impact and reduce duplication risk. • NRDA holds a contract for delivery of the Young people work placement, intern & graduate programmes with MSD.			

3 Business and Investment Attraction				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
3.1 Targeted business relocation programme	• A positive change in knowledge intensive employment in the region relative to NZ. (Infometrics data) • Sustaining the number of business units and	Delivering a programme that leverages our advantages as an attractive place to live and visit into an attractive place to also work and do business, especially for those in the technology and service sectors, who can work from anywhere. Primary focus on businesses which will create new high-value jobs within the	• 10 target businesses relocation pitches presented including highlighting the benefits of being located in the urban centres of each district.	• New initiative. • In 2019 knowledge intensive employment in the region made up 26% of all employment (NZ

[11] Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019

	jobs in the region, relative to NZ trends of growth or decline, post COVID. (Business Units & Filled Jobs Infometrics data)	region, in particular for the younger demographic and likely be located within our urban centres. Initial activity will target the key urban centers of Auckland and Wellington where we can capitalise on our lifestyle proposition and value case. The programme has three key components: 1. Research, benchmarking and investment case development 2. Targeted in-market programme design and delivery 3. Post relocation integration and connection programme		32%) for the 2019 year there was +3.6% growth (NZ +2.4%)[12]. • Infometrics projected unemployment rate of 9% as a result of COVID.[13]
NRDA Role and Collaboration with others	• NRDA will be responsible for research, programme design and delivery • The delivery of this programme will require a high degree of engagement with other business support agencies and networks, such as NTCC and Nelson Tasman Innovation Neighbourhood (NTIN).			
3.2 Targeted investment and skills attraction to assist existing businesses in region	• The majority of employers in Nelson Tasman find it easy to access the skills required in the regional labour market. (Local labour market survey)	Identifying and delivering targeted investment and skills attraction activity into existing businesses to assist their growth, leading to the development of more high-value jobs. This includes: 1. Facilitating individuals looking to migrate to the region on investor or global impact work visas (COVID restrictions dependent).	• Facilitating investor or global impact work visas inquiries in a timely manner. (COVID restrictions dependent) • Facilitation of an appropriate targeted skills attraction intititave if identified by labour market activity.	• Research in Nov 2019 identified that skills attraction and retention was identified as 1 of the 3 top challenges for 60% of Nelson Tasman Co's. [14]

[12] Infometrics 2019 Economic Profile
[13] Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020
[14] Nelson Tasman Innovation Neighbourhood Talent Challenge Research – Nov 2019

		2. Targeted talent attraction for key skills shortages if identified through labour market activity. 3. Assembly of a portfolio of projects that are investment ready.		• 2 skills attraction campaigns delivered
NRDA Role and Collaboration with others	• NRDA will be responsible for identifying and delivering activity. • The delivery of this activity will require a high degree of engagement with other business support agencies and networks, such as NTCC and NTIN.			

4 Stimulating Local Spending				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
4.1 Campaign initiatives and activations to encourage those who can, to support and buy local, build confidence and pride in the region, and generate national exposure to support the recovery of domestic tourism to Nelson Tasman.	• Increased domestic visitor spend in Nelson Tasman relative to NZ trends. (Infometrics data) • Increased awareness of local products and services (locals survey)	Delivery of the ***'We've Got This'*** cross—sector campaign designed to support local businesses and showcase the region as a visitor destination. This cross-sectoral approach will enhance the value and reach of the campaign and ensure alignment of regional messaging. The campaign is designed to achieve the following two key outcomes: 1. A sense of solidarity and support within the Nelson Tasman community, igniting local pride and encouraging locals to spend locally on with local products and services and to explore their backyard and to tell their family and friends to visit. 2. A platform to showcase the region's offerings nationwide, including our award-winning food and beverage	• Campaign launched by 20th July. • Campaign achieves a digital content marketing engagement level that is above the national industry avg. • Over 500 Business from across the region are engaged in the campaign, with at least 40% coming from each district. • Registration of at least 1,000 Nelson Tasman Expats to promote the campaign. • Two in-market activations, 1 in Wellington and 1 in	• New Initiative with the locals focus and the scale of activity. • Domestic digital engagement 5 times higher than NZ Avg • 36 compnaies engaged in dometic visitor maskreting

		sector, stunning natural landscapes, vibrant arts and artisans, extraordinary visitor experiences and diverse calendar of events. A suite of campaign assets will be created that can be used by locals, businesses, visitors, media, event organisers and travel partners when promoting the Nelson Tasman region. A database of Nelson Expats (NEA) will be created to facilitate distribution of campaign assets and build longevity. Digital, Print and Physical marketing activations will run across our three key visitor markets of Auckland, Wellington and Christchurch. Collaboration with national media platforms and influencers will further amplify this activity and stimulate local spend and domestic visitation. On-going promotion will be enhanced by seasonal marketing campaigns to promote shoulder season visitation.	Auckland that secure national attention.	
NRDA Role and Collaboration with others	• NRDA will be responsible for programme design and delivery. • The delivery of this programme will require a high degree of engagement with many sectors of the economy and other local business support agencies, such as NTCC, UN, TBPA, GBP, the Councils etc. • At a national level, the campaign will be delivered in partnership with Tourism New Zealand, airlines, regional airports and other transport partners to demonstrate our connectivity.			
4.2 Supporting local and social procurement policy and campaign	• Increased participation by social enterprise organisations in local economy. (survey)	Supporting NTCC and Social Impact Nelson as they establish a local and social procurement policy to enable greater economic activity and local business participation in public and private	• Social Impact Nelson Tasman and the NTCC level of satisfaction with NRDA support of the delivery of this activity.	• New Initiative

	• Increased awareness of social enterprise in creating an economy built on positive impact. (survey)	projects and stimulus initiatives. This activity has four key components: 1. Identify key procurement contacts in region. 2. Work with the Akina Foundation on education resources for social enterprise. 3. Work with Akina Foundation to educate procurement contacts as to the value of supporting social enterprise . 4. Recruit local social procurement ambassadors to promote the concept to their business peers.		
NRDA Role and Collaboration with others	• NRDA will support Social Impact Nelson Tasman and the NTCC in their establishment of this activity.			

5 Local Government Stimulus	
NRDA Role	• This programme of activity is not a direct NRDA accountability • Where appropriate, we will continue to provide insights, advice and support to enable this critically important aspect of the region's economic recovery and regeneration.

6 Visitor Destination Management				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
6.1 Destination Management Restart and Recovery Plan	• Positive community sentiment towards the visitor sector in the region. (NRDA survey)	Design, coordinate and lead the development of a Regional Visitor Destination Management Plan designed to evolve and respond to the significant impacts of COVID on the visitor sector,	• Regional destination management plan completed and endorsed by	• New initiative

	• Minimising the level of COVID impact on the regions visitor sector, with the aim of performing better than the projected 21% decline in domestic visitor spend and 90% decline in international spend by July 2021.[15] (visitor spend infometrics data)	with the aim of ensuring that the tourism industry is a resilient and regenerative contributor to the Nelson Tasman economy, community and environment. Our Destination Management approach will target the following key areas: • Creating 100,000 passionate local ambassadors • Creating a light footprint (low carbon) visitor journeys within the region. • Smoothing seasonality with a focus on product development that will contribute to March-November visitation. • Attract higher value visitors through product development • Create sustainable higher value careers • Supporting the sector to restart and recover from the impacts of COVID	key stakeholders by June 2021. • Development of 3 theme-based journeys within the region and 1 connecting Te Tauihu. • Production of 2 visitor sector product development investment cases and 2 early stage product development feasibility studies. With at least one in Tasman and one in Nelson City.	
NRDA Role and Collaboration with others	• NRDA will be responsible for research, design and delivery of this activity. • NRDA will hold an agreement with MBIE to support the funding of the delivery of this programme. (Subject to successful funding outcome) • The delivery of this programme will require a high degree of engagement with many local, regional and national public and private sector stakeholders.			

[15] Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

6.2 Support the reactivation of Events including Business Events	Minimising the level of COVID impact on the Nelson City events programme, with the aim of sustaining the level of event attendees attracted to events in our region relative to NZ trends. (NRDA data)	Rebuilding of the major, business and community events programme post COVID. The events programme is designed to maximise the impact of events on Nelson City and the visitor sector while also contributing to smoothing seasonality: The programme has four key components: 1. Delivery of major event lead generation 2. Coordination of the events fund (major and community events) 3. Event coordination, marketing, and development 4. Business event lead generation and facilitation	• Through the NCC events fund, support at least 12 community events and major events contributing to the attraction of over 15,000 major events attendees (50% from out-of-region) delivering a return on event fund investment ratio of 20:1 • Contributing to the attraction of 2,000 out-of-region business events delegates, at an average of 2.5 nights each (5,000 room nights), with 75% between March-November for events to take place within the next three years.	• Supported 13 community events • Supported 15 Major events contributing to the attraction of over 17,894 (79% from out-of-region) • Return on event fund of 31:1 • Contributed to the attraction of 1912 out-of-region business events delegates. • >80% between March-November.
NRDA Role and Collaboration with others	• NRDA will be responsible for the delivery of this activity. • NRDA holds an agreement with NCC to coordinate the NCC events fund • The delivery of this programme will require a high degree of engagement with the local and national events sector stakeholder.			
6.3 Reactivation of international marketing	Minimising the level of COVID impact on the regions international visitor sector, with the aim of performing better than the projected 90% decline in	Reactivation of the region's international visitor marketing programme, when the border settings allow. It is very likely that this activity will have a heavy focus on Australia as a result of the activation of	• 50 Australian trade and media hosted and trained, and 4 in-market trade training events attended or led (incl virtual) with 200 referrals[17] by June 2021.	• 254 Australian trade and media hosted and trained • 500 referrals.

[17] Referral is a qualified sales lead provided to a business partner.

	international spend by July 2021[16]. (international visitor spend)	the proposed Trans-Tasman Bubble. The programme has two key components: 1. Regional positioning within Tourism NZ and target markets. 2. Lead generation.		
NRDA Role and Collaboration with others	• NRDA will be responsible for the delivery of this activity. • The delivery of this programme will require a high degree of partnership with Tourism NZ and the local and national tourism sector stakeholders.			
6.4 Reactivation of the Nelson i-SITE	• Enhancing the Nelson Tasman visitor experience through a strong national visitor information network delivered by locals who are authentic, trusted personalized hosts as measured by the customer satisfaction ratings. • Supporting the vibrancy of the Nelson City Centre by maintaining a footfall of over 110,000 p.a.	Reactivation of the Nelson i-SITE services to enhance the regions visitor experience.	• Minimising the level of COVID impact on the Nelson i-SITE while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings. (i-SITE data) • Agreeing and implementing a long-term sustainable future i-SITE business model, within the context of meeting Councils expectations and the revised national business model.	• Customer satisfaction rating 80%
NRDA Role and Collaboration with others	• NRDA will be responsible for the delivery of this activity. • The delivery of this programme will require a high degree of engagement with the sector, NCC and i-SITE NZ (the national body) in the design and implementation of the new national business model.			

[16] Projected Economic Impacts of COVID-19 on the Nelson Tasman Economy, Infometrics, May 2020

7 Regional Competitive Advantage and Regeneration Initiatives				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
7.1 Regional Projects Pipeline that will identify and facilitate investment ready proposals around our areas of key competitive advantage	• Amount ($) of new Government investment into the region. (measured through the pipeline) • Amount ($) of new private sector and philanthropic sector funding and investment into the region. (measured through the pipeline)	Establishment and delivery of A coordinated regional projects pipeline programme which will assist with project development, the identification and securing of funding. There will be a key focus on positioning the region to attract as much central government funding as possible, by prioritising and supporting the development of key projects that are aligned to our regions competitive advantages, so they can leverage different government funding sources as they are announced. In implementing this process we will engage in a proactive manner with the appropriate Te Tauihu iwi organisations and Māori enterprises to identify if and how this process may be able to specifically support iwi-led and Māori enterprise economic development related projects seeking investment. We will also look to utilise this process to support the securing of investment for the priority Te Tauihu Intergenerational Strategy projects, where that is appropriate. The Pipeline process will assist with: • Project identification and prioritisation • Project proposal development	• At least 50 organisations engaging with the Pipeline triage process and receive the business support offered by the Pipeline team. • Of those Project Proposals which are developed to an investment ready stage, 20% are successful in securing investment.	• New Initiative

		• Identification of funding and investment channels (public and private sector) • Drafting of Business Cases, PitchDecks and funding proposals; • Project advocacy and securing regional stakeholder support.		
NRDA Role and Collaboration with others	• NRDA will be responsible for the design and delivery of this activity. • The delivery of this programme will require a high degree of engagement with the public and private sectors incl: Iwi, councils, MSD, MBIE, MPI, Te Puni Kōkiri (TPK), and Department of Conservation (DOC).			

8 **Management and Operations**				
Focus area (What we do)	**Regional Indicator (Why we do it)**	**Description (How we do it)**	**FY20 Key Performance Measures**	**FY20 Baseline**
Project Kōkiri Management and Operations	• Mobilising the business community to be active in the economic response and regeneration. (levels of engagement)	Establish and facilitate the Project Kōkiri Leadership and Action teams to enable the successful development, coordination and implementation of the restart and regeneration plan. Creating and communicating a trusted set of data and intelligence on the economic impacts, needs and responses to COVID-19 on the Nelson Tasman business community to assist understanding and inform decision making. Delivering on a programme of communications and engagement that builds confidence in the Nelson Tasman economic response, allows people to participate and contribute their ideas	• Engaged with over 3,000 businesses across the region through communications channels to keep them informed with up-to-date information. • Direct participation and engagement through virtual events from over 500 individual businesses, with at least 40% coming from any one district. • Maintain economic data insights, provides timely reports and reginal COVID impact related information on a regular basis.	• New initiative

		and keeps key stakeholders well informed. Coordination of the economic recovery and regeneration plan with the social, health and Iwi recovery Pou activity	• Proactively engage with the leaders of the Kia Kotahi te Hoe, the Nga iwi o Te Tauihu Transition and Recovery Plan and provide support where appropriate. • Provide input to at least four COVID economic development related stakeholder working groups and at least 10 regional collaboration projects in Nelson and Tasman. • Proactively contribute to the COVID Recovery Pou Leads Forum.	
NRDA Role and Collaboration with others	• NRDA will coordinate and facilitate the Project Kōkiri Leadership and Action teams. • NRDA will deliver Project Kōkiri management oversight, coordination, and communications in partnership with the NTCC. • NRDA will lead on data and insights. • NRDA will lead the liaison and coordination with the Project Kōkiri Collaboration partners.			
NRDA Organisational Sustainability and Culture	• Positive visibility of NRDA with key stakeholders. (NRDA survey) • Financially sustainable organisation. (NRDA Annual report) • Safe and Well organisation with engaged staff. (NRDA data)	Maintaining oversight of the NRDA contributions to the delivery of Project Kōkiri and the future sustainability of the NRDA.	• Annual Stakeholder engagement survey demonstrates that at least 60% of respondencts are positive about NRDA's service. • The NRDA maintains a balanced budget. • NRDA delivers a clean Audit.	• 61% of resondents are happy or very happy with NRDA's service with a further 26% neutral. • Achieved • Audit underway at time of writing

			• Zero lost-time work injuries. • The CEOs 360 review demonstrates an engaged and valued team with improvements shown within any identified areas for improvement. • Every staff member completing at least one Professional Development activity annually.	• Zero • Achieved • Achieved

3. How the NRDA Works

3.1. Risk management

The current uncertain economic climate poses many potential risks to the successful delivery of this SOI. In addition to our focus on high-levels of engagement and communication with key stakeholders and best practice Governance approach outlined in sections 3.5 and 6, we have assessed the following apporach to assist us in managing the identified potential risks.

Identified Potential Risk	Mitigation strategies
1. Deterioration of economic or health environment as a result of COVID impacting our ability to deliver	• Implementing an Agile business response approach • Three-phases approach designed to be responsive • Insight-led approach to enable a proactive response • Collaboration with Health & Social recovery Pou to assist in being proactive.
2. Loss of Local Government Support (incl funding)	• Councils part of the Project Kokiri Leadership & Management groups • Strong engagement and coms with the Council stakeholders • Maintaining a sub-regional level of engagement (e.g. GB, Mot, Nelson etc.)
3. Loss of Central Government Support (incl funding)	• Local Central Government staff part of the Project Kokiri Leadership & Management groups • Strong engagement and coms with the local and Wellington Central Government staff and stakeholders • Funding contracts in place
4. Loss of Business Community Support	• Delivering on the strong business community coms and engagement plan • Maintaining the NTCC and NTIC relationships • Sector leaders' part of the Project Kokiri Leadership groups
5. Loss of Iwi Support	• Delivering on the iwi coms and engagement plan • Participation in the Economic Pou, and Recovery leads group • Iwi part of the Project Kokiri Leadership & Management groups
6. Loss of staff capacity to deliver	• Staff part of the plan development, involved at multiple levels and all clear on their roles • Extra funding designed to provide additional capacity support • Strong collaborative culture to support each other
7. Collaboration partner non-delivery	• Delivering on the strong coms and engagement plan • Part of the Project Kokiri Leadership groups • Where appropriate contract for delivery in place

An Agile Response underpins our approach

We define agility as the ability to reconfigure strategy, processes, structure and people quickly toward value-creating and value-protecting opportunities. The economic

response and regeneration will be business-led with a high-level of collaboration, defined mission and a sense of urgency to assist in guiding NRDA in its roles in implementation. We are a small team which enables us to act with agility as we know that the regions that move earlier, faster and more decisively will do best out of this recovery. We recognise that this will require unprecenteded collaboration by private and public sector and are committed to achieving this outcome. The successful implementation of this SoI will be an iterative process that will requie constant adjustment, flexibility and timely response to changing conditions.

Phases of Economic Response and Regeneration

The onset of COVID-19 and resulting economic crisis impacts will have a significant influence on the economic environment over the coming 12 months. We are seeing three, non-linear phases emerging. The timeframes for these phases are a balance of probabilities, however, we have made assumptions for planning purposes and are prepared to adapt if circumstances change. To demonstrate the fluidity of the situation, we have amended the timeframes from the original Project Kōkiri document within the last month, due to the pace at which the country has moved through the alert levels. In making these assumptions we have also considered that different sectors will recover at varying rates. For example, food & beverage will likely be a lot quicker than tourism. The three phases we are working towards as part of this SOI are:

Phase 1: Survival and response (Now – Jan 2021)

Phase 2: Response and Recovery (Jan – Dec 2021)

Phase 3: Recovery and Regeneration (Jan 2022 onwards)

3.2. Te Tauihu Intergenerational Strategy

NRDA sees the Te Tauihu Intergenerational Strategy as a key piece of strategic work for the region assisting to create alignment between business, iwi and local government around the priorities for the region. Project Kōkiri gives us an opportunity to deliver on the aspiration of the Intergenerational Strategy - to be Good Ancestors (Tupuna Pono). Collectively, NRDA and Project Kōkiri's actions are guided by Te Tauihu Oranga, the wellbeing framework designed by the communities of Te Tauihu through the intergenerational strategy process. The vision, intergenerational outcomes and key priorities of the strategy will be at the heart of our future decision making.

The eight intergenerational outcome areas also provided the high-level strategic context for shaping the focus and application of Project Kōkiri's Response & Regeneration Plan and will guide our implementation through this SoI. The eight intergenerational outcome areas are:

- Te Ao Tūroa - Environment
- Pūtea - Economy
- Te Tauihutanga - Identity
- Tangata - People & Communities
- Te Rākau Taumatua - Place

- Rangatiratanga - Leadership
- Papa Whenua - Infrastructure
- Mātauranga – Knowledge

Support for the key Pūtea related projects identified in the strategy will be considered as part of the regional competitive advantage and regeneration projects pipeline process.

Representatives of the Intergenerational Strategy governance and management are included in the Project Kōkiri leadership and action teams.

More can be found at https://tetauihu.nz/

3.3. Council Priorities

Nelson City Council and Tasman District Council take a regional partnership approach to economic development. Supporting the need for economic development is captured within all of the councils' joint Community Outcomes. It is particularly related to:

1. Providing leadership and fostering partnerships, a regional perspective, and community engagement; and
2. Our region is supported by an innovative and sustainable economy.

NCC and TDC recognise the unprecedented impact that COVID-19 has had, and will continue to have, on our regions people, businesses, and community. The economic impact will be long-lasting and there will not be a return to the way things were before. The Councils, alongside NRDA, the Nelson Tasman Chamber of Commerce, Iwi and other stakeholders came together to collaborate on the economic response, recovery and regeneration through Project Kōkiri.

NCC has increased it's funding this year to NRDA through Project Kōkiri in recognition of the additional resources that are needed to support businesses through this period, support people into employment and training, attract investment and people into the region, and identify opportunities for innovation, productivity and resilience improvements. Both councils will play an important role in providing economic stimulus to the region through increased investment in infrastructure and renewals.

3.4. Nelson Smart Little City

NRDA sees Nelson City's "Smart Little City" vision is a critical element to enabling the future of the region, in particular as it relates to creating a place where talent, visitors and investment want to be. This SOI has a number of key actions that will contribute to this vison, including:

1. Business and Investment Attraction
2. Stimulating Local Spending and Domestic visitation
3. Visitor Destination Management Programme

In addition to doing what we can at present to integrate the Smart Little City vision and priorities into our relevant activity areas, NRDA is looking forward to delivering on some

more targeted and tangible projects as the City Centre Development plan develops and resources for implementation become available.

3.5. Stakeholder Relationships

NRDA has a high-level of stakeholder engagement in everything we do. This was a key element in the initial response to COVID and the formation of Project Kōkiri, which now provides a strong platform for strengthening and delivering value on these relationships over the next year.

The NRDA currently measures its acceptance, recognition and legitimacy with stakeholders in the following ways:

- The level of engagement of the business community in the collaborative projects and events NRDA is involved in with over 90 in the past year such as Project Kōkiri, Tourism sector COVID response forums, NTIN, various DOC projects, Mahitahi Colab, Young Enterprise Scheme, NMIT student consulting business, Innovation Strategy, Tourism NZ, Te Tauihu Intergenerational Strategy, and a significant range of additional visitor sector groups and projects.
- The number and value of the private sector investment in our activity areas with over 100 businesses investing over $350K in our activity programmes last year, as a result of COVID this will take a different form this year, but for example we already have over 100 companies prepared to commit products and services to the 'We've Got This' campaign.
- The number of companies engaged in our innovation programmes, which is over 300.
- The level of attendance at the various NRDA-hosted or partnered events. For example, we were humbled by in excess of 100 business people who turned up to our AGM and Mahitahi Colab First Birthday last year.
- The number of NRDA staff that are part of national economic development groups. For example our Regional Business Advisor is part of many national R&D and business support programme design and testing groups, our Visitor Destination Manager is part of many Tourism NZ groups.

3.6. Partnerships with Iwi and Māori Business

Over the past year we have worked to build on enhancing our engagement with both iwi and Māori business, however we acknowledge we still have much to do. The Chair to Chair and General Manager programme of meetings last year assisted to understand how we can better engage and collaborate with the various stakeholders in a manner that can add value. The follow-on from those initial engagements has assisted to build relationships which has been very important in the response to COVID and the development of Project Kōkiri.

The appointment of two directors with strong Māori linkages into the community has also enhanced our position to be able to proactively support future iwi and Māori business aspirations. It has also made a significant contribution to improving the understanding of

what it is we need to do to improve this engagement over time. We have a plan for continued upskilling in basic Te Reo and Tikanga over the coming year.

Over the period of this SOI we will be active in the following key Iwi and Māori Business forums:

- Economic Pou of the Regional Intersectoral Forum
- Iwi engagement in Project Kōkiri
- The regional COVID Recovery leadership group
- Where appropriate the Māori Business Network
- Where appropriate engaging with the appropriate Iwi GM's on specific or collective areas of interest
- The development of Te Tauihu Intergenerational Strategy, which has been important in assisting to build a closer working relationship with Wakatu Incorporation is assisting us to gain a better level of understanding around various Māori business initiatives, organisational needs as well as the various Iwi entities' future economic development aspirations.

We look forward to evolving this aspect of our organisation over the coming year.

3.7. Sustainability and Climate Change Responsiveness

The NRDA recognises that Climate Change is a significant risk to the future of NZ and the region's economy and that the advent of the COVID Pandemic is not reason to not take sustainability and Climate Change into account in our activities for the next year . The NRDA has taken a lead from the work completed as part of the environment pillar of Te Tauihu Intergenerational Strategy around Climate Change. This work has assisted to both improving our understanding and informing us of what considerations we should be taking into any future sustainable economic development programs or initiatives.

Project Kōkiri also recognizes this challenge and consideration of the transitions required within the current economy to a lower emissions focused economic and community base, and a focus on the future resilience of the region in response to the significant challenges presented by climate change are at the heart of the regenerative economic thinking in the plan.

Three key examples of how we will achieve this are:

- Maintaining a strong dialogue with the Nelson Tasman Businesses for Climate Change Action group.
- Facilitating a climate change transitions focused "build back better" workshop in August 2020 to guide our integration of climate change into the implementation of Project Kokiri initiatives.
- Having a climate change focused low carbon footprint ambition built into the scope of the regional visitor destination management plan.

The NRDA has sustainability at the heart of the organisation's approach to all of its activities. Sustainability is a core element that runs through all aspects of the Nelson Tasman identity. The organisation demonstrates this commitment through:

- Sustainability being a key theme of all our economic development strategy activity, noting that Climate Change is a critical future element.
- The future sustainability of the Nelson Tasman environment is a core component of the visitor destination management plan to be delivered in this SOI.
- The future sustainability of the Nelson Tasman environment is a core component of all of the visitor marketing activity we deliver.
- The NRDA as an organisation has signed-up to the national Tourism Industry Aotearoa Sustainability pledge, which has many obligations on us around meeting various sustainability requirements. We are also actively encouraging local visitor operators to join us in this commitment further strengthening the Nelson Tasman's sustainability story including hosting some events in-region to promote it to our partners.
- Sustainability forms an important part of the way in which we present our view through formal submissions on matters of importance to the sustainable economic development community.
- As part of our relocation to Mahitahi Colab we have signed-up to the NMIT recycling programme and we have a hybrid vehicle which has contributed to a reduction in our fuel consumption.
- Environmental sustainability is also a key aspect for consideration of events funding applications with applicants required to demonstrate what measures they are taking around waste reduction and sustainability.

4. Financial Information

4.1. Projected financial performance

A Prospective Statement of Comprehensive Income and Opening Statement of Financial Position is appended to this SoI (refer Appendix 1 and 2). As a result of COVID-19 we have an extraordinary year ahead and this calls for an extraordinary budget to deliver a plan to position our region to respond and rebound from the effects. Project Kōkiri has a wider mandate than the normal NRDA activity, however the project is utilising this NRDA annual SoI process to secure the required funding.

The total budget for the implementation of Project Kōkiri for the next 12 months, is $3m, which is approx. $700K more than NRDA's pre-COVID budget. As a result of the impact of COVID-19, the Project Kōkiri budget includes 4 additional aspects that are over and above the normal pre-COVID inclusions in an NRDA SOI. Those aspects are:

1. Support of a targeted business recovery and regeneration accelerator programme ($200K)
2. Additional Workforce Development and labour market coordination activity ($150K)
3. Stimulating local spending and domestic visitation activations and Visitor Destination Management ($485K)
4. Additional stakeholder coordination, project pipeline support, comms, and insights ($330K)

These 4 additional areas of work have a total financial impact of $1.1m however we have managed to save and reapportion resources so that the net impact on previous budgets is $700K.

Compounding this extra budget, is the fact that NRDA has traditionally raised $500k from private sector funding partners, mostly in the tourism sector. For the purposes of this budget we have assumed they will not be in a position to continue to invest this year. This initally left us with an unsecured funding amount of $1.0m.

To addrerss that funding gap, we have been sucessful in working with Central Government in securing a $700K investment, through the Strategic Tourism Assets Fund. This funding will enable us to apply $500K to the shortfall of funding, the additional $200K is tagged to some extra outcomes we had not previously budgeted for. This investment enables us to apply it directly to the funding of areas (4) and (6) of the Activity Plans contained within this SOI (4. Stimulating local spending and domestic visitation; 6. Visitor Destination Management).

NCC has comitted an investment of up to $350K in addition to their current SoI investment commitment of $980K. However NCC have indicated that their intention in providing up to $350K was to make a $250K investment, as part of their commitment of 50% of the Local Authority short-fall and provide up to an additional $100K should NRDA not be successful in securing the required Central Government support. NRDA have also applied to TDC for an additional $250K of investment to assist with the unsecured

funding shortfall and are currently working through the funding process with an expectaion of knowing the outcoeme by the end of August 2020.

The SOI budget demonstrates an EBITDA surplus of $2.5K and an EBIT loss of ($80K) after depreciation assuming we achieve raising the additional $250K of unsecured funds identified in the budgets.

4.2. Building long-term financial sustainability

Nelson City Council commissioned external consultants Martin Jenkins to perform an independent review to establish whether NRDA could improve its financial position through internal efficiencies and operating improvements, or additional funding from other sources.

Review Key Findings

Amongst the findings the review advised that there was little scope for NRDA to reduce costs given its current business model and management and staff are focused on keeping a tight control of costs. Staff oversight and monitoring of budgets appears to be professional. New financial processes and systems have been introduced. It was identified the level of local government funding in NRDA (on a per capita, per business and per ratepayer basis) is relatively low. NRDA attracts a relatively high level of private sector funding for destination marketing in comparison to peers.

Due to the impacts of COVID the private sector investment over the next 12 months will be negligible due to the strain on the visitor sector and in turn will take the next 2-3 years to build back up to pre-COVID levels.

One of the reviews key recommendations was the development of a business case for additional funding.

The current budget focuses on the next 12 months. NRDA is looking forward to having the opportunity to the address long term financial sustainability of the organisation through engagement with NCC and the LTP process.

4.3. Procedure to be followed with purchase of shares in other company or organisation

The procedure to be followed before subscription for, or purchase of, or other acquisition of shares in any company or organisation, shall be by resolution of the Directors, excepting that any significant diversification or addition to existing activities will be referred to the shareholder for approval.

4.4. Directors estimate of Company Value

The Directors estimate that the opening balance of shareholder funds in the annual accounts will represent the value of the Company. The Directors will advise the shareholder on an annual basis if they believe the value to differ materially from this state. The opening balance of equity projected at 1 July 2020 is $294,976.

The projected ratio of consolidated shareholder funds to total assets at 1 July 2020 is 30%.

Based on the nature of the NRDA's business the shareholder accepts no dividend is required to be paid to the shareholder as a result of the company's activities.

4.5. Accounting Policies

The NRDA Accounting Policies were reviewed by the board in December 2019 following the 2018/2019 audit report and found to be complying with the Tier 2 Public Benefit Entity Public Sector ("Tier 2 PBE PS") Financial Reporting Framework and all audit requirements. A full set of the reviewed policies are available from the NRDA as required.

4.5. Capital Expenditure and asset management intentions

Based on the business model assumption the capital expenditure estimate for 2020/2021 is $20K. This will assist in the delivery of expected outcomes and will be primality allocated to digital assets for the Local Spend & Domestic Visitors section of the Project Kōkiri plan.

5. Health and Safety

The Nelson Regional Development Agency is committed to the provision of a healthy and safe working environment for employees and others that may be affected by its activities.

The NRDA Board will review the Health, Safety and Wellness Policy by June 2021 to ensure it reflects the current working environment. This Policy is compliant with the requirements of the Health and Safety at Work Act of 2015, which came into effect, April 2016. In addition to the statutory requirements the board has also instigated the inclusion of a number of Health, Safety and Wellness aspects into the NRDA Reward, Perform and Grow recognition framework, assisting to ensure that this is a key aspect of the NRDA culture and values.

The NRDA Management has proactively created a safe and healthy workplace by means of:

- Creating a culture that allows all staff and contractors to use their skills and knowledge to take personal ownership for health, safety and wellness in the workplace.
- Taking a personal interest in incidents within their area of influence, ensuring proper investigation and follow up, and the welfare of people involved.
- Ensuring a high priority to health, safety and wellness through its prominence in all business plans, projects, and the NRDA Reward, Perform and Grow recognition framework.
- Ensuring adequate resources and training are available to enable successful health, safety and wellness initiatives.
- Including health, safety and wellness as an agenda item at any staff and management meetings as well as reporting on a regular basis to the Board of Directors.
- Inviting solutions to any health, safety and wellness issues from staff.
- In implementing this policy, the NRDA has established a Health, Safety and Wellness committee which meets regularly, any significant outcomes of which are reported to the Board.

6. Approach to Governance

6.1. Reporting to the Shareholder

In addition to provide economic reporting, advice and guidance to NCC, NRDA also has key reporting requirements and timeframes it must meet under Schedule 8 of the Local Government Act.

Quarterly – NRDA report to Shareholder

- By the 31 October and 31 January each year, the NRDA will provide the shareholder a quarterly report against the SOI Key Performance Measures and any other relevant governance or operational matters.
- This report will also be provided to TDC.

Half Yearly – NRDA report to Shareholder

- By the end of March each year, the NRDA will provide to the Shareholder a half-yearly report against the SOI Key Performance Measures and comply with the Local Government Act.
- This report will contain unaudited financial information and comply with NZIAS 34.
- This report will also be provided to TDC.

Annual – NRDA balance date is 30 June and the NRDA will provide an Annual report to the shareholder by the 30 September each year

- The Annual report will report against the SOI Key Performance Measures and comply with sections 67, 68 and 69 of the Local Government Act and the Companies Act.
- This report will include audited Financial Statements and comply with NZIAS 34.
- This report will also be provided to TDC.

Annual Economic Profile

- By the end of April each year NRDA will provide each council with an annual economic profile for the Nelson Tasman region.

In addition, the NRDA will be available to attend ad-hoc Council meetings or workshops throughout the year on an as requested basis. NRDA will make an effort where possible in its reporting to the Councils to provide both a regional and a Territorial Local Authority level of information.

6.2. Best Practice Governance

Consistent with best practice, Directors are appointed under the expectation that in undertaking their role, they will exhibit and ensure to:

- Act as a Board of Governance for the organisation responsible for the overall direction and control of the company's activities, to act in the best interests of the NRDA, and not act as representatives of either their business or the sector they work in.
- Assist the organisation to ensure the activities of the NRDA deliver upon the SOI and funding agreements with the shareholder which are driven by the strategies and expectations of the two funding Councils.
- The Board will adopt governance practices and policies that are not inconsistent with those of the Shareholder and make the commitment to operate in a manner consistent with adherence to the Companies and Local Government Acts and the principles of the Institute of Directors of NZ and their four pillars of governance best practice for NZ Directors.
- Sound and sustainable business practice in commercial undertakings, operating as an efficient and effective business.
- Ethical and good behaviour in dealing with all parties in alignment with a policy of identifying and dealing with potential conflicts of interest.
- An active partnership with the Shareholder, Iwi and Māori, TDC, funding partners and key stakeholders.
- The Chairperson and Board members are expected to adhere to the communication protocols identified in the SoI in addition to the formal reporting requirements.
- The practices of a good employer, operating a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment.
- The Board shall ensure that the Company has appropriate risk management procedures and policies in place to assist the smooth running of the organisation and compliance with all applicable legislation.
- The Board shall ensure that the Company has appropriate Health, Safety & Wellness procedures and policies in place to assist the safe running of the organisation and compliance with all applicable legislation.
- Act in a manner that will bring commercial disciplines and a greater ability to partner with the business community.
- The Company Constitution sets out in more detail the governance framework for the Company.

In accordance with best practice the Board Chair will undertake an evaluation of the individual members and overall board performance by November 2020.

6.3. Communication Protocols

The Chairperson, Board members and officers of the NRDA are expected to adhere to the following communication protocols with the Shareholder in addition to the formal reporting requirements:

- A "no-surprises" approach.
- Consultation with the Shareholder prior to external release of significant changes and/or developments.
- Early notification and collaboration on the management of risks and issues.
- Will not make comments that could impact detrimentally or bring into disrepute the Shareholders reputation.

7. Signatories:

Meg Matthews	Mark Rawson
Chairperson	Chief Executive
Nelson Regional Development Agency	Nelson Regional Development Agency
Date: 23.07.20	Date: 23.07.20

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8. Appendicies

8.1. Appendix 1: Summary Statement of Comprehensive Income

Revenue:	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**
Central Government	$1,190,000	$490,000	$345,000
Private Sector Investment	$36,500	$200,320	$405,480
Local Body Funding	$73,500	$73,500	$73,500
Project Kokiri	$250,000	$0	$0
Trading Income	$35,000	$79,680	$119,520
Other Income	$2,400	$10,620	$10,620
Unsecured Funding	**$250,300**	**$500,000**	**$500,000**
Core Shareholder Funding			
SoI Shareholder Funding (NCC)	$909,200	$909,200	$909,200
SoI Funding (TDC)	$303,000	$303,000	$303,000
Total Core Shareholder Funding	$1,212,200	$1,212,200	$1,212,200
Total Revenue	**$3,049,900**	**$2,566,320**	**$2,666,320**
***Less* Operating Expenses:**			
Business & Innovation Support	$606,376	$600,750	$603,704
Capability Building & Job Creation	$287,297	$207,437	$9,947
Business Investment Attraction	$278,047	$320,830	$322,704
Local Spend & Domestic Visitors	$448,305	$195,911	$197,539
Visitor Destination Management	$822,965	$787,898	$1,106,521
Competitive Advantage & Regeneration	$151,104	-	-
NRDA & Project Kōkiri Mgmnt & Ops	$453,266	$349,372	$358,175
Total Operating Expenses	**$3,047,360**	**$2,462,198**	**$2,598,590**
Operating Surplus (EBITDA)	**$2,540**	**$104,122**	**$67,730**
Depreciation/Interest	$82,600	$64,000	$39,000
Operating Loss (EBT)	**($80,060)**	**$40,122**	**$28,730**

8.1. Appendix 2: Statement of Financial Position

Prospective Statement of Financial Position

Opening Balance as at 1 July 2020 - 1 July 2021 - 1 July 2022

Assets	**2019-2020**	**2020-2021**	**2021-2022**
Current Assets	$819,832	$728,759	$781,404
Non-current Assets	$148,235	$89,634	$49,634
Total Assets	**$968,067**	**$818,393**	**$831,038**
Liabilities			
Current Liabilities	$673,091	$603,477	$576,000
Total Liabilities	**$673,091**	**$603,477**	$576,000
Net Assets	**$294,976**	**$214,916**	**$255,038**
Equity			
Retained Earnings	$94,976	$14,916	$55,038
Issued Capital	$200,000	$200,000	$200,000
Equity	**$294,976**	**$214,916**	**$255,038**

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Nelson Regional Development Agency

Six-month Shareholder Report

December 2020

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Introduction & Background

The Nelson Regional Development Agency (NRDA) exists to make a difference to the future prosperity of Nelson Tasman, with a current focus on the recovery and regeneration of the region from the economic impacts of COVID-19, through leading Project Kōkiri. The purpose of this report is to provide the Shareholder with the NRDA six-month report as part of the requirements of our Statement of Intent (SoI).

Our economy continues to be very vulnerable to the impacts of COVID-19 and the global recovery will be long and uneven. Despite some great success stories and positive economic reports, we know that many businesses are struggling - the region is missing the international visitor spend that we have traditionally relied on and there is ongoing uncertainty around alert levels which is putting huge pressure on many in our community.

It is essential we remain focused on our economic recovery and reflect on the importance of the work we do in supporting the region's businesses and advancing economic development in the region. Over the past year, we have been recognised nationally for our work in navigating COVID-19 and the NRDA is in a strong position to continue that good work and to look to the next steps for recovery and regeneration.

This COVID-19 crisis has been a catalyst for many. Business conditions are still difficult, but businesses are cautiously optimistic about the future. The upcoming 12-month period however might be stressful and how businesses manage cashflow and inventory as well as iterating their products will be key. While the challenges vary across sectors and markets, the simple reality is that no business is able to survive unless it adapts to the circumstances. Tourism, Hospitality and Event sectors will be most affected.

There are still many issues in front of us now such as access to markets; the changes within the markets themselves i.e tariffs/increased regulatory barriers/competitors price drops; supply chain disruption (both sea and air); digital e-commerce; the difficulty of borders and travel. Across the Government agencies, and in the business community, we know what the issues are and are very focused on dealing with what we can see in front of us.

Highlights for July-Dec 2020:

For the July-Dec reporting period we are on track to achieve 42 of the 45 performance measures contained in our SOI, including being ahead of the financial performance targets, which is very pleasing given the impacts of COVID-19 on our economy, stakeholders, and team.

1 Targeted Business and Innovation Support

1.1 One-to-One Business Continuity Service

The Regional Business Partner Programme provided an additional $0.9m in funding for the delivery of a one-to-one Business Continuity Support Service and Tourism Transition Funding across Te Tauihu, which has taken place both before and during the reporting period. Since the March 2020 lockdown, we have supported over 2,000 businesses through this service. Over 500 of these were provided with COVID-19 related resources, advice and connections – including exploring individual

circumstances, understanding the assistance packages and helping to build the applications etc. Examples include:

- MSD - wage subsidies
- IRD – Tax subsidies/6-month Mortgage Holidays/Re-estimation of provisional tax payments/extension of filing dates for income tax returns/provisional tax threshold increased to $5k.
- Tenancy Services - Commercial Leases and enquiries about landlord obligations.
- Essential Services – lots of questions around: what is it, criteria, where do we go to register as an essential service.
- 'Business Finance Guarantee Scheme' (BFGS) – bank loans underwritten by government.
- 'Small Business Cashflow Loan Scheme' – government's direct loan scheme, this was administered via IRD.
- NZTE / MFAT - Trade & regulations.
- NZTE Air Freight – NZTE paid for selected flights, for Air Freight as many NZ exporters were having issues transporting their goods.
- Insolvency – the Govt introduced legislation to make changes to the Companies Act to help companies facing insolvency. Changes around director liabilities, debt hibernation.
- Free webinars (there were 150+ during COVID period). Mostly from Icehouse, Katabolt, and Regional Business Partner Programme.

Our business community has been relying on this service to get through some extremely difficult times and we have noticed a shift in the types of support being required. In the early stages, it was focused on wage subsidies and government support but as things have evolved so too have the needs of the businesses we are talking to. Understanding cash positions and future scenarios came next, followed by a surge in enquiries about how to use digital tools to enhance business. The global disruption in manufacturing and freight mean that supply chain issues are a strong focus at present. These are completely new challenges for businesses in our region and they come from the key sectors underpinning our economic recovery.

1.2 Regional Business Partner Programme

NRDA holds a contract with New Zealand Trade and Enterprise to deliver access to a range of Government support for businesses. This support is largely in the form of access to Research and Development funding and expertise, but also includes training vouchers to assist with the cost of upskilling and access to business mentoring programmes.

NRDA has engaged fully with 316 companies during the reporting period, and processed one-off enquiries for a further 100 businesses. 160 businesses are still being intensively case managed, evenly split between Nelson and Tasman. Funding of $1.8m has been approved as at 31st December 2020 across a range of projects in sectors such as food & beverage, agricutlure, technology, marine, engineering and manufacturing. Maintaining a net promoter score of +91 is also pleasing, demonstrating an exceedingly high level of customer satisfaction with the services being provided.

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1.3 Regeneration Accelerator Programme

The Nelson Tasman Innovation Clusters Project is an intervention initiated as part of Project Kōkiri: Nelson Tasman's Covid-19 Economic Recovery and Regeneration Plan. The Innovation Clusters Project aims to improve our region's productivity by developing a model to support medium-sized enterprises in key industries and with long local supply chains, to solve common problems through collaboration. We have completed the research and insights phase of the project reviewing 600 Nelson businesses to understand need using multiple criteria and consulting with 40 Nelson Tasman businesses to gather insights in depth.

In the second half of the year, we have moved into designing a programme identifying cluster focus areas, target participants and development of a programme of work.

Clusters have been identified as:

- Food & Beverage
- Horticulture – Cross-sector across the value chain.
- Technology Capability – Cross-sector collaboration to identify skills/capability gaps.

1.4 Mahitahi Colab to support COVID-19 recovery.

The region has a very high number of Small to Medium Enterprises, 92% of them very small (fewer than 10 employees). This presents many challenges for business owners in trying to develop their business whilst at the same time working in the business. However, it also presents strong opportunities for the region to provide targeted support for business expansion and value add.

The Mahitahi Colab joint initiative, of which NRDA is a part, has engaged Co.Starters – Nelson-based business development specialists – to deliver business development workshops to groups of businesses/potential businesses, covering a range of subjects such as product development, business expansion, scale-up and so on. To date Mahitahi has delivered two Co.Starters cohorts, each of which involved 16 start-up businesses. We have also secured PGF funding to partner with The Food Factory – a shared, co-working facility in Nelson for food and beverage development and production - to deliver a Food and Beverage-specific Co.Starters cohort in Q1 2021. Furthermore, we have secured a contract with MSD to deliver a wrap-around start-up support programme (which will include Co.Starters for some clients) to MSD clients who express an interest in starting a new business.

Beyond the Co.Starters programme, Mahitahi Colab continues to provide a hub for business networking, co-location and connecting business communities. We have so far this year hosted 40 events, attracting 1558 attendees, with strong forward bookings. Event organisers ascribe high value to holding events in a space shared with NRDA, the Chamber of Commerce, and NMIT, as it is seen as a place where business happens. Examples include:

- Regular Nelson Angels investment group pitch evenings

- Techweek event explaining and showcasing the work being undertaken by the Nelson AI Institute
- Te Tauihu Māori Business Network Members Hui
- Sustainable Business Network Sustainable Business Awards
- Nelson Young Professionals Professional Development Series
- Labour and National Party pre-election talks
- Local election candidates debate
- Institute of Directors talk on Governance for Not for
- Social Impact Nelson Tasman – Ecosystem mapping event

We now have approximately 100 Colab regular users, 22 of whom are co-working tenants, as well as housing Pareto Business Solutions (the NMIT student consultancy business solving real-world issues) and a steady stream of enquiries which is great validation for the Colab concept.

2 Capability Building and Job Creation

2.1 Interim Regional Skills Leadership Group.

NRDA is a member of the iRSLG which focus has been around seasonal staff attraction for the horticulture and fishing sectors.

- Both sectors rely on a significant amount of imported labour to deliver their functions (ranging between 20-90% of their workforce) and while there is an increasing supply of NZ labour, the shortfall is projected to be significant.
- The iRSLG is working on enabling a 4-phase strategy:
    1. Understanding and defining the need (skills and timing (the majority are required March-June))
    2. Attracting NZ'ers to assist in the short-term through We've Got This Labour Attraction Campaign and MSD job matching.
    3. Working with Government on overseas labour supply for the short-term (e.g. RSE)
    4. Medium-longer-term industry career pathway programmes

Because of the border closures the region does not have the usual supply of seasonal workers and working holiday visa holders upon whom the horticulture sector in particular has usually depended for the harvest period. This has resulted in a significant shortage of labour which threatens not only the seasonal work of harvesting but also the permanent jobs associated with year-round business operation.

We have facilitated an interaction between the horticulture industry and Government to assess various aspects of their current seasonal labour challenges. As a response to the immediate need we have secured industry and Government support of $80-100K for the development of a seasonal worker attraction campaign which will commence in February 2021.

For the longer term we are also working on scoping a longer-term harvest technology adoption project, with the ultimate aim of reducing dependence on overseas seasonal workers whilst increasing industry labour productivity overall.

We are starting to see the early benefits of having a good communication channel between the region and Government as well as coordination of activity on the ground.

2.3 Employment/Skills development

The region has a number of challenges related to employment and skills, especially for young people. NRDA is making good progress in a number of initiatives within an overall workforce development programme, which aims to address some of these challenges and to build long-term pathways for our people into employment in our key sectors.

- NEETs are young people who are 'Not engaged in Employment Education or Training'. There is a tendency for NEETs to remain unengaged and potentially become long-term unemployed, and so it is a priority to support these young people towards better outcomes. We have completed a research project to understand the gaps for supporting NEETs impacted by COVID and have formed a recommendation for options that could be trialled in the first half of 2021. A report containing our conclusions will be presented to the funders group (TDC, NCC, MSD and MOE) in mid-January and next steps will be agreed.
- With the support of MSD, we have worked with the Nelson Tasman Innovation Neighbourhood (NTIN) – a collaboration of local employers who are working together on shared issues - the Nelson Tasman Summer Intern programme launched in December with 10 interns employed in the region. This includes a social and personal development wrap-around programme for each intern.
- We have also completed a scoping project for the development of a work placement programme with recommendations for how Mahitahi Colab can support NMIT students connect further with the business community, while in or as part of their study, which we will work through in the new year.
- The Nelson Tasman Graduate Programme development is well underway with the aim to launch this in time for the University recruitment sessions in 2021, so businesses can hire a cohort of students for 2022.
- We are part of a regular forum for key stakeholders in the youth employment space – including MSD, MOE, TEC, iRSLG, NCC, TDC and others to share activity, learnings, and ideas, with the aim to be more collaborative and effective in delivery.

3 Business and Investment Attraction

3.1 Targeted Business Relocation Programme

NRDA seeks to attract existing businesses to relocate to Nelson-Tasman, building on our attractive regional proposition and advantages.

The focus for July to December has been on research, engagement and planning, with the decision to delay the majority of in-market activity until 2021 due to timing around COVID recovery and where businesses attention was focussed. However, we did still utilise the 'We've Got This'

campaign to profile and showcase local business stories and build our value proposition for business attraction.

We have engaged with a range of businesses in and out of region to define and test Nelson Tasman's live, work and do business proposition (and any changes post COVID) to help inform activity. We also worked closely with the Nelson Tasman Innovation Neighbourhood who identified Business Attraction as one of their top two priorities during an ideation session in July, to shape up their activity in this space and clarify how this interlinks with regional activity.

Preliminary work to prepare for our key business attraction activity was also completed. This is focussed around a Tech Week event showcasing Nelson Tasman businesses who are applying Science and Tech in order to "Be Good Ancestors" in line with the aspirations of the Te Tauihu Intergenerational Strategy. Tech Week will include:

- Hosting a group of target out-of-region businesses in the region to attend the event and experience Nelson Tasman as a place to do business and live.
- Live streaming of the event and out-of-region marketing, along with accompanying storytelling and media activity.

3.2 Targeted Investment and Skills Attraction

In addition to attracting businesses to relocate to Nelson Tasman, NRDA also seeks to attract investment and skills/talent attraction to benefit existing local businesses.

The initial approach to investment attraction was centred on the Projects Pipeline which is discussed under heading 7. Running in the background we engaged in ongoing liaison and exploratory discussions both with agencies such as NZTE and MBIE, and with businesses and developers. Intended work around investor or global impact work visas inquiry management activity has been stalled by border restrictions.

As outlined in 2.1 above we worked closely with the iRSLG around seasonal labour challenges for the horticulture sector due to the lack of international workers. This included facilitating multiple workshops and discussions with industry and government to understand the challenge and workshop how we could address it – with the resulting Labour Campaign due to launch in February 2021.

4 Stimulating Local Spending and Visitation

The border closure caused by COVID-19 obviously put a stop to international visitation, with no indication of when that might change. The loss of revenue will really start to bite when summer is over and will be a problem for some considerable time to come. Conversely, the inability of kiwis to travel overseas themselves presented an opportunity for Nelson Tasman to capitalise on the expected increase in domestic visitation. Alongside this was the desire to stimulate pride in our locals and encourage them to enjoy their own region, support our local businesses and come together to celebrate the region.

To address this three-fold scenario, NRDA launched the "We've Got This" campaign in June 2020 with tremendous success. The campaign has now reached an audience of 2.6 million through direct

channels (Facebook and Instagram) and digital engagement is continuing to achieve a rate approximately 3-4 times higher than the industry average. The two Nelson Tasman Adventure Challenges, designed to get locals and visitors out exploring the region, were major successes. 510 teams participated comprising 973 players completing 6,425 challenges in the region, supporting local businesses, and doing something new.

Apart from direct participation and spend, the campaign has resulted in huge media exposure for the region. The New Zealand Herald, with an audience of 1.632 million readers, has featured 72 local businesses across 45 articles. 109 local businesses have featured in Stuff articles about Nelson Tasman since June 2020 and a collaboration with Destination Marlborough and Destination Kaikoura resulted in 32 pages of editorial content distributed to and audience of 135,000.

Overall Tourism Electronic Card Transactions (TECTs) domestic visitor spend for the July to December 2020 period was $128m, compared to $103m in 2019 – an increase of 24%. However, it is important to note that this additional $25m of spend, while very welcome, does not fully offset the loss of International spend during this period.

In terms of international tourism, NRDA continues to work on maintaining and rebuilding the international network of contacts, agents, media and inbound tour operators that was significantly impacted by the global border closures and travel restrictions. Many of these individuals and businesses have disappeared and we are working to ensure that when the borders do reopen, especially when a Trans-Tasman bubble becomes possible, we will be ready to take action.

Supporting local and social procurement policy and campaign

We assisted Social Impact Nelson Tasman (SINT) with the planning of a Social Procurement workshop in partnership with Akina Foundation. Attendees on the day included the CE of NCC and senior managers from larger businesses in the region such as New Zealand King Salmon, Chia Sisters Wakatu and the DHB.

Following the workshop a second event was held by SINT to start an eco-system mapping project for the Nelson Tasman Region. The purpose of the workshop was to identify not-for-profit organisations and companies working with a strong social impact focus.

Social Impact Nelson Tasman (SINT) have become less active over the last couple of months due to a key member of the team leaving and funding from Akina coming to an end, therefore progress has halted on this project at this time.

5 Local Government Stimulus

Not an NRDA activity.

6 Visitor Destination Management

6.1 Destination Management Plan

NRDA is the Regional Tourism Organisation for Nelson Tasman. In the past, most RTOs simply engaged in Destination Marketing – promoting the region by advertising and showcasing whatever is

here. NRDA has moved past this to the more comprehensive Destination Management activity, which places locals at the heart of our planning – a very different approach. It encompasses many factors such as actively working with businesses, Councils and other organisations to improve the long-term wellbeing of our region, strike the balance between visitor arrivals, and what is best for the community who live here, as well as incorporating considerations of climate change, environmental protection and future resilience to benefit visitors and locals alike. Planning is based on these three pillars:

- Benefit our Communities (Proud Locals; Better Jobs; Local Ambassadors)
- Enable / support our businesses (New Collaborations; Sustainable Operations; Profiling other sectors such as Food and Beverage)
- Optimise our sector (Attract investment; Innovation; Productivity Gains)

The Destination Management Plan is progressing at pace with a draft currently out for consultation with the sector and final delivery will be the end of FY21. The plan focuses on developing a visitor sector that is good for visitors but also good for the community and recognising that we need both of those things to work. It places a huge emphasis on "reducing our footprint" through supporting operators to create more sustainable experiences.

The DMP focuses on developing our visitor sector experiences in the following areas:

- Arts & Culture
- Food & Beverage
- Low Footprint (low carbon) Journeys

The Food and Beverage Tourism Plan is already under development and will leverage visitors as a market development channel for local F&B companies.

6.2 Events

Community and Major Events

NRDA manages the NCC Events Fund, which is designed to showcase the city, attract spend from out-of-region, deliver good return on investment for Council and provide residents with more and better-quality sporting and recreational events – a recent highlight being the Black Ferns v Barbarians event. Funding decisions are made by the Events Development Committee, which includes NCC and NRDA staff.

In addition to the management of this fund, NRDA liaises across other regional organisations to deliver related activity to drive maximum economic benefit from the events themselves – such as city centre activations. NRDA also administers the Community Events Fund, which supports community wellbeing.

To date NRDA has supported major events that have attracted 12,800 out of region attendees, generating a ROI ratio of 38:1, well in excess of the Council target of 20:1.

The following events are a selection of those which were approved in the 6 months to 31 Dec 2020.

- Top of the South Film Festival Nov 2020
- Marchfest 2021, 2022 & 2023
- Adam Chamber Summer Celebration 2021
- America's Cup ETNZ Fan Zone Mar 2021
- Netball Tactix x 3 matches Jun & Jul 2021
- Santa Parade 2020

In addition to the NCC Events Funds, NRDA has secured approximately $900K in events funding for the Nelson Tasman region over the next four years from the MBIE Regional Events Fund. The purpose of this funding is to drive implementation of a Te Tauihu events programme, which will complement the NCC funds to deliver seven categories of activity: Business Events, Food & Beverage Events; Sporting Events; Arts & Culture Events; Inter-regional Event across Te Tauihu; Event Accelerator programme (building capability and capacity to deliver); and event success and impact measurement.

Business Events

Business events vary from industry-specific conferences to company annual conferences, and various other types of gatherings. Delegates at these events often tag on an extra day or two either side of the conference to enjoy the region, and may bring partners or family with them. On a per-capita basis this tends to deliver very high spend. Business events deliver multiple benefits – not just the returns to accommodation and venue providers, but the spin-off spend in retail, hospitality and recreational businesses, and importantly the exposure of Nelson Tasman to delegates who are often highly-skilled, may have in-demand talents and who may be attracted to live, work or play in Nelson Tasman.

The Business Events pipeline collapsed during the COVID-19 national lockdown and the subsequent Auckland lockdowns exacerbated the uncertainty and perception of risk; many planned events were cancelled or postponed. NRDA is working to rebuild this pipeline, and proactively engages with the business events community across New Zealand to attract organisers to choose Nelson Tasman. Once secured, we work to ensure organisers are well-connected with all of the attractions and services in the region. We have been working with local conference organisers on the biggest conference to land in Nelson since 2014. Over 550 delegates from across New Zealand are being hosted in the region this week from March 24 to 26, for the New Zealand Planning Institute conference. This was originally scheduled for April 2020, but due to COVID-19 it was moved to 2021. This conference will have a significant positive economic impact on the region, injecting at least $500k into the region's economy.

To date, we have contributed to the attraction of 558 out-of-region delegates attending business events during October to December.

6.3 I-Site

- The i-SITE has continued to deliver an essential service to both our visitors and locals alike, remaining flexible and responding to the change in alert levels as required. The iSITE has seen 25K of customers through the doors over the six-month period down 47% for the same period last year:

- Locals 57%
- Domestic and 33%
- International 10%

Compared with the same period last year:

- Locals 12%
- Domestic 9%
- International 79%

Maintaining a customer satisfaction of (4.5/5) and is currently tracking ahead of budgeted financial targets.

The i-SITE model continues with it challenges and we are working closely with i-SITE New Zealand on the future network strategy.

7 Regional Projects Pipeline

As part of Project Kōkiri we initially developed a framework for the Pipeline – including templates, processes, and criteria. However as the policy direction of the returned Government started to become apparent, and following business consultation, it was determined that we should move away from an individulal project-based approach and instead take on an issues-based "initiative and intervention" focus.

Resources were refocused onto the Nelson Tasman Regional Economic Development Briefing, which lays out for Ministers and others the key economic sectors, regional challenges, and opportunities for us to partner with central government in pursuit of their policy objectives. During early 2021 this work will lead into the development of a Nelson Tasman Economic Recovery and Regeneration Plan, at which point the Pipeline will come back into discussion as a tool to help realise the Plan.

8 Project Kōkiri Management and Operations

Project Kōkiri drives all NRDA delivery activity as outlined above. The Project Kōkiri Leadership Team meets every six weeks and since the delivery of the initial Nelson Tasman Economic Response and Regeneration Plan – immediate and short term reponse to the COVID-19 economic and social

impacts – the Leadership Team as gone on to create the Nelson Tasman Regional Economic Development Briefing.

The Briefing is designed to inform the incoming Government and new Ministers as to our regional strengths, challenges, priorities and opportunities to collaborate with Central Government in the pursuit of policy objectives. This can be viewed here: https://projectkokiri.nz/RegionalBriefing.pdf . It also contains a strong set of messages, that through the Project Kōkiri Collaboration, the region is well aligned and 'match fit' to progress a more productive partnership with Government in relation to their economic development investments in the region. The briefing is designed to be the start of the conversation and to date has generated great feedback and further engagement from briefings with the Minister of Economic Development, Tourism, Forestry and Small Business, The Minister of Agriculture, and some other key Government Caucus members. We have an engagement programme in place to utilise the briefing with our local MP's and a range of key local and national stakeholders in both the public and private sectors.

Building on this work, the next area of focus starting in January 2021 will be developing Project Kōkiri 2.0 (Nelson Tasman Economic Recovery & Regeneration Plan). It will be the blueprint for the economic development direction for Nelson Tasman as a whole for the next five years in service of the aspirations laid out in the Te Tauihu Intergenerational Strategy https://www.tetauihu.nz/#the-strategy . The five-year horizon gives us the ability to continue to deliver on our initial COVID-19 response whilst shifting our attention to the "Regeneration" aspect of Project Kōkiri which was always intended to be the next phase of work. This will lay out the work that we as a region will actually do.

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Six month – SoI Performance Measures reporting (July 1st 2020 - December 31st 2020)

Key Performance Measures Summary

This summary reports progress against the 45 Key Performance Measures contained in the 2020/21 SOI

Status	Description	Number
Change of status for the period. None		0 (0%)
Green	On time, on budget, performing as anticipated	42 (93%)
Amber	Potential impacts – requires monitoring	0 (0%)
Red	Significant delay or impact upon ability to deliver on time and/or on budget	3 (7%)

5.2 Community and Major Events: attract 50% from out of region.
As indicated in the Q1 report we will not hit this target due to the impacts of Covid. The additional Government support for the regional events plan will assist to mitigate this impact in the longer-term, but not by June 2021.

5.2 Business Events: attract 2000 out-of-region delegates.
As indicated in the Q1 report we will not hit this target due to the impacts of Covid.

5.3 International Marketing: 50 Australian trade and media hosted and trained; and 4 in-market trade training events.
As indicated in the Q1 report, while borders remain closed due to COVID, we are focusing on on-line delivery of this function, however the hosting of Australian trade and media in person is not possible which means we will not hit this KPM.

Focus Area	Key Performance Measures	Status
Connecting our clever people and companies with opportunities to recover, grow, innovate and collaborate.		
1. Targeted Business and Innovation Support		
1.1 Responsive one on one business continuity service (Regional Business Partner Programme)	a. Delivering RBP support to over 400 companies, attracting in excess of $1 million in RBP funding and a customer satisfaction net promoter score of +60 across the RBP programme by June 2021	✓
	b. Targeting a minimum of 30% of businesses from any one district.	✓
	c. 20 Tasman and 20 Nelson businesses intensively case managed.	✓
1.2 Targeted business recovery and regenerate accelerator programme	a. Establishment of at least 3 business enhancement clusters with up to 12 companies per cluster.	✓
	b. At least 40% of the companies involved in the research and invited into the programme will come from each district.	✓
1.3 Reposition Mahitahi Colab to support Covid-19 recovery	a. Mahitahi Colab hosts at least 50 business and talent collaboration events attracting 1500 attendees.	✓
	b. At least one COVID recovery and regeneration Co.Starters programme delivered with at least 10 potential start-up's participating.	✓
	c. The Student consulting programme has at least 10 students involved, and they have delivered services to at least 10 Nelson Tasman clients.	✓
Positioning the Nelson Tasman region as a place where talent, visitors and investment want to be, and young people can thrive.		
2. Capability Building and Job Creation		
2.1 Interim Regional Skills Leadership Group (iRSLG)	a. NRDA making a proactive contribution to the iRSLG programme.	✓
2.2 Coordination of labour market services and recovery activity	a. Engage all 12 targeted schools (staff and students) in the region in the Education to Employment Brokerage Service (EEB) and facilitate the opportunity for students and school staff to be able to attend at least 4 industry sector expo/information events.	✓

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		b. Identify, trial, and evaluate up to two appropriate interventions that will help young people who are at a disproportionate risk from the economic fallout of Covid-19, avoid or recover from NEET status.	✓
2.3	Coordinate Education and Skills development activity	a. Establishment of work placement programme with at least 20 businesses and 20 students engaged.	✓
		b. An increase to at least 20 students engaged in the intern and grad programme.	✓
3.	Capability Building and Job Creation		
3.1	Targeted business relocation programme	a. 10 target businesses relocation pitches presented including highlighting the benefits of being located in the urban centres of each district.	✓
3.2	Targeted investment and skills attraction to assist existing businesses in region	a. Facilitating investor or global impact work visas inquiries in a timely manner. (COVID restrictions dependent)	✓
		b. Facilitation of an appropriate targeted skills attraction initiative if identified by labour market activity.	✓
	Promoting the destination as a place of choice for visitors, talent and business.		
4	Stimulating local spending		
4.1	Campaign initiatives and activations to encourage those who can, to support and buy local, build confidence, and pride in the region, and generate national exposure to support the recovery of domestic tourism to Nelson Tasman.	a. Campaign launched by 20th July.	✓
		b. Campaign achieves a digital content marketing engagement level that is above the national industry avg.	✓
		c. Over 500 businesses from across the region are engaged in the campaign, with at least 40% coming from each district.	✓
		d. Registration of at least 1,000 Nelson Tasman Expats to promote the campaign.	✓
		e. Two in-market activations, 1 in Wellington and 1 in Auckland that secure national attention.	✓
4.2	Supporting local and social procurement policy and campaign	a. Social Impact Nelson Tasman and the NTCC level of satisfaction with NRDA support of the delivery of this activity.	✓
5	Visitor Destination Management		
5.1	Destination Management Restart and Recovery Plan	a. Regional destination management plan completed and endorsed by key stakeholders by June 2021.	✓
		b. Development of 3 theme-based journeys within the region and 1 connecting Te Tauihu.	✓
		c. Production of 2 visitor sector product development investment cases and 2 early-stage product development feasibility studies. With at least one in Tasman and one in Nelson City.	✓
5.2	Support the reactivation of Events including Business Events	a. Through the NCC events fund, support at least 12 community events and major events contributing to the attraction of over 15,000 major events attendees (50% from out-of-region) delivering a return on event fund investment ratio of 20:1	✗
		b. Contributing to the attraction of 2,000 out-of-region business event delegates, at an average of 2.5 nights each (5,000 room nights), with 75% between March-November for events to take place within the next three years.	✗
5.3	Reactivation of international marketing	a. 50 Australian trade and media hosted and trained, and 4 in-market trade training events attended or led (incl. virtual) with 200 referrals by June 2021.	✗
5.4	Reactivation of the Nelson i-SITE	a. Minimising the level of COVID impact on the Nelson i-SITE while maintaining a Customer Satisfaction Rating of 80% of 4/5 and 5/5 ratings. (i-SITE data)	✓

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		b. Agreeing and implementing a long-term sustainable future i-SITE business model, within the context of meeting Councils expectations and the revised national business model.	✓
Regional Competitive Advantage and Regeneration Initiatives			
6	**Regional Competitive Advantage and Regeneration Initiatives**		
6.1	**Regional Projects Pipeline that will identify and facilitate investment ready proposals around our areas of key competitive advantage**	a. At least 50 organisations engaging with the Pipeline triage process and receive the business support offered by the Pipeline team.	✓
		b. Of those Project Proposals which are developed to an investment ready stage, 20% are successful in securing investment.	✓
Management and Operations			
7	**Management and Operations**		
7.1	**Project Kōkiri Management and Operations**	a. Engaged with over 3,000 businesses across the region through communications channels to keep them informed with up-to-date information.	✓
		b. Direct participation and engagement through virtual events from over 500 individual businesses, with at least 40% coming from any one district.	✓
		c. Maintain economic data insights, provides timely reports and regional COVID impact related information on a regular basis.	✓
		d. Proactively engage with the leaders of Kia Kotahi te Hoe, the Nga iwi o Te Tauihu Transition and Recovery Plan and provide support where appropriate.	✓
		e. Provide input to at least four COVID economic development related stakeholder working groups and at least 10 regional collaboration projects in Nelson and Tasman.	✓
		f. Proactively contribute to the COVID Recovery Pou Leads Forum.	✓
7.2	**NRDA Organisational Sustainability and Culture**	a. Annual Stakeholder engagement survey demonstrates that at least 60% of respondents are positive about NRDA's service.	✓
		b. The NRDA maintains a balanced budget.	✓
		c. NRDA delivers a clean Audit.	✓
		d. Zero lost-time work injuries.	✓
		e. The CEOs 360 review demonstrates an engaged and valued team with improvements shown within any identified areas for improvement.	✓
		f. Every staff member completing at least one Professional Development activity annually.	✓

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NRDA 6 MONTH FINANCIAL REPORT - for the period ending 31 December 2020

The financial results for the first six months of operation show that the organisation is currently tracking ahead of budget. This is primarily due to increased activity and focus of resource in response to COVID-19 impacts which has resulted in leveraging our Local Government investment to secure additional Central Government funding. It is worth noting this funding is of a short-term nature to support the COVID response. Support from the Private Sector was also higher than anticipated and the i-SITE services have performed better than expected with both locals and the domestic market utilising their services. Expenses are under budget overall due to the tight management of expenditure and timing fluctuations. We are expected to have a higher level of expenditure over the next six months with a shift of emphasis to COVID recovery and rejuvenation activity. NRDA is on track to deliver a balanced budget at year end meeting our SOI financial targets.

Statement of Comprehensive Income

Revenue:	**Act Dec 20**	**Budget 20**
Core Shareholder Funding	$ 831,122	$ 829,998
Central Government	$ 619,849	$ 524,998
Private Sector Investment	$ 72,973	$ 10,670
Local Body Funding	$ 78,056	$ 30,498
Trading Income	$ 21,349	$ 12,280
Other Income	$ 4,266	$ 5,310
Total Revenue	**$1,627,615**	**$1,413,754**
***Less* Operating Expenses:**		
Business & Innovation Support	$291,074	$301,071
Capability Building & Job Creation	$120,461	$135,691
Business Investment Attraction	$69,772	$138,964
Local Spend & Domestic Visitors	$278,029	$250,325
Visitor Destination Management	$384,978	$308,914
Competitive Advantage & Regeneration	$57,064	$73,538
NRDA & Project Kōkiri Mgmt. & Ops	$225,994	$248,521
Total Operating Expenses	**$1,427,372**	**$1,457,024**
Operating Surplus (EBITDA)	**$200,243**	**($43,270)**
Depreciation/Interest	$47,471	$47,398
Operating Loss (EBT)	**$152,772**	**($90,668)**

Source: NRDA Management Accounts 31 December 2020

Statement of Financial Position

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As at December 2020

Assets	**2020**
Bank Accounts	$1,155,931
Accounts Receivable	$793,622
Other Current Assets	$24,151
Prepayments	$14,283
Stock on Hand	$23,950
Total Current Assets	**$2,011,937**
Fixed Assets	$117,113
Total Assets	**$2,129,050**
Liabilities	
Accounts Payable	$175,375
Accrued Expenses	$161,507
GST	$88,169
Income in Advance	$1,168,964
Other Current Liabilities	$86,284
Total Liabilities	**$1,680,299**
Net Assets	**$448,751**
Equity	
Retained Earnings	$248,751
Issued Capital	$200,000
Equity	**$448,751**

Source: NRDA Management Accounts 31 December 2020

8.8 MACHINERY RESOLUTIONS REPORT

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Claire Galsworthy, Executive Support Officer - Executive and Council Services
Report Number:	RCN21-05-9

EXECUTIVE SUMMARY

The execution of the following documents under Council Seal require confirmation by the Council.

RECOMMENDATION/S

That the report be received and that the execution of the documents under the Seal of Council be confirmed.

DRAFT RESOLUTION

That the Tasman District Council

1. receives the Machinery Resolutions report and that the execution of the following documents under the Seal of Council be confirmed:

a) Loan agreement – Tasman Bay Heritage Trust (TBHT) – 270 Trafalgar Street, Nelson, 7010 – The Council has loaned the total amount of $1,200,000 to TBHT for managing and administering the Nelson Provisional Museum. TBHT has repaid part of this loan.

b) Deed of Assignment of Lease – Paul Fraser and Carla Pirrett – Update to new lessees to Paul Fraser and Carla Pirrett for one of the Jackett Island garages at 11 Massey Street, Motueka.

c) Deed of Lease and Deed of Surrender – Waypoints Aviation – Mark and Margaret Woodhouse – New agreement of lease with Waypoints Aviation for hangar at Motueka Aerodrome from Frank Frost who has surrendered his lease.

d) Deeds of Variations – Ministry for the Environment and Tasman District Council, Waimea Inlet Enhancement and Waimea Inlet Billion Trees – Payments in Advance is deleted; recipient will submit request for payment of Grant with each Quarterly report.

8.9 CHIEF EXECUTIVE'S UPDATE REPORT

Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Janine Dowding, Chief Executive Officer; Richard Kirby, Engineering Services Manager
Report Number:	RCN21-05-10

1 Purpose of the Report

1.1 The purpose of this report is to provide the Council with an update on some key activity since my last report on 8 April 2021. A copy of the Council Action sheet is attached for the Council's reference.

1.2 This report also includes:

1.2.1 a request that the Council approve the use of $40,000 from the 2020/2021 budget to implement the Tasman Climate Action Plan. This would be to insulate low-income homes in Tasman and to promote use of the Council's bus service; and

1.2.2 a request to form a joint Richmond Programme Business Case Panel with Waka Kotahi of eight members to:

- approve engagement material on the Richmond Programme Business case including the emerging preferred programme;
- hear any feedback on the emerging preferred programme; and
- make recommendations to the Council and NZTA about the final preferred programme; and

1.2.3 a request to provide delegations to the Golden Bay Community Board in relation to the Easter Sunday trading policy.

2 Draft Resolution

That the Full Council:

1. **receives the Chief Executive's Update Report RCN21-05-10; and**
2. **approves a $20,000 funding contribution to the Warmer Healthier Homes programme within Tasman District in 2020/2021; and**
3. **approves $20,000 expenditure to attract increased patronage of the Richmond to Nelson bus service via promotions and incentives, noting that the latter will include surveys collecting users' feedback on the service; and**
4. **notes the planned expenditure of $50,000 for producing and auditing a baseline inventory of Council's greenhouse gas emissions; and**
5. **notes the planned expenditure of $2,000 for promotion of the online FutureFit tool; and**
6. **notes that the activities noted in the four preceding resolutions are to be funded from the Council's Tasman Climate Action Plan budget for 2020/2021; and**
7. **agrees to form a joint Richmond Programme Business Case Panel with Waka Kotahi of eight members to:**
   a) **approve engagement material on the Richmond Programme Business case including the emerging preferred programme;**
   b) **hear any feedback on the emerging preferred programme; and**
   c) **make recommendations back to Council and NZTA about the final preferred programme.**
8. **appoints the following Councillors to the Panel:**
   - **Stuart Bryant (Chair), Dana Wensley, Mark Greening, Kit Mailing and Trevor Tuffnell; and**
9. **notes that Waka Kotahi will appoint three of their key staff to the Panel.**
10. **approves the request that the Tasman District Council delegate to the Golden Bay Community Board the power to propose and do all that is necessary to change the Local Easter Sunday Trading Policy as it relates to the Golden Bay Ward, up to but not including its adoption, under the Shop Trading Hours Act 1980.**

3 Tasman Climate Action Plan Working Group

3.1 The Tasman Climate Action Plan Working Group (the Group) has prepared a prioritised work programme for the 2020/2021 Tasman Climate Action Plan (TCAP) implementation budget. Staff from all departments are represented on the Group.

3.2 Due to carryovers, the total TCAP budget for 2020/2021 is $207,704. To date, $48,590 has been spent on the LED light upgrade of the Richmond library building, $5,000 has been spent on an energy audit of Council's activities, $3,000 has been used to purchase access to FutureFit software and $1,330 has been used as a contribution to the Climate Forum for venue hire. This leaves approximately $150,000 in the budget this financial year. From mid-2021, funding to implement the TCAP will be incorporated within each of the relevant activity budgets across Council.

3.3 The Group recommend the remaining 2020/2021 budget be allocated as follows:

- Warmer Healthier Homes, $20,000
- Bee Card promotions, $20,000
- Measuring Council's emissions baseline inventory and a one-off emissions scope and boundaries workshop, $50,000
- FutureFit promotions, $2,000

3.4 Each of these items is discussed further below. There is sufficient budget in 2020/2021 to complete all recommended actions. If the Council approves the recommendations in this report, the forecast underspend will be approximately $58,000.

3.5 The Group have two proposals that require the Council's approval:

- Twenty thousand dollars ($20,000) to the Warmer Healthier Homes Programme; and
- Twenty thousand dollars $20,000 to promote and survey Tasman residents on the use of the bus service.

Warmer Healthier Homes Programme

3.6 The Warmer Healthier Homes (WHH) Programme provides multiple benefits, including:

- enabling qualifying low-income home owners to make their houses more energy efficient;
- retrofitting of ceiling and underfloor insulation in these homes;
- a reduction in use of firewood in wood burners, with a corresponding reduction in carbon emissions and winter time air pollution (from PM10); and
- provision of warm, dry homes that contribute to community wellbeing as residents stay healthy, thus reducing the number of hospital admissions over winter.

3.7 Tasman District Council has provided a total of $24,000 over the last two financial years to Warmer Healthier Homes and the programme has proven to be very popular. The Council contribution, along with other third-party funders (e.g. Network Tasman, Nelson Marlborough DHB, Rātā Foundation) has enabled 481 qualifying low income families in Tasman to live in warmer, drier and more energy-efficient housing.

3.8 The Group recommends that the Council allocates an additional $20,000 towards the WHH programme. This aligns with the TCAP's medium term action: 1(b)(iii) "Support local

Warmer Homes programme" over the years 2021-2024. An additional contribution of $20,000 from Council would enable the WHH Programme to leverage $180,000 of funding from the Efficient Energy Conservation Authority's (EECA) Warmer Kiwi Homes Programme (a funding ratio of 1:9). All contributions from the Council will be spent within Tasman District.

3.9 The Group note that, in response to early engagement on the Long Term Pan (LTP), the Council declined a request to include $50,000 per annum for Years 1-3 towards the WHH Programme within the draft LTP budgets. The WHH Trust has indicated in their recent submission on the LTP 2021-2031 that the programme has only approximately three years of work ahead, to complete insulation in all eligible homes (that they can identify). The Group therefore encourages the Council to support the programme now, while the opportunity to leverage such significant funding from EECA under the current 1:9 funding ratio is still available.

Increasing Bus Patronage through Bee Card Promotion

3.10 Post Covid-19 lockdown, bus patronage has declined and has not risen to its original numbers.

3.11 The $20,000 proposed budget for this initiative will be used to research and promote use of the bus service. Our aim is to encourage new users to try the bus by providing free tickets. The free tickets (Bee Cards) would be accessed through completion of the survey. Staff hope that, by trying out the bus service, new passengers will recognise this as a feasible travel option for themselves and may continue to use the service in future. This proposal aligns with the TCAP action "...investigate options for increasing use of public transport..." Staff will use information from surveys to produce messaging to counter any misconceptions, and to help with reviews of the bus service.

Council's Emissions

3.12 This financial year, the Group have set aside $50,000 for the scoping, measurement, reporting and auditing of Council's baseline greenhouse gas emissions. Knowledge gained from the baseline inventory will be incorporated into a review of the TCAP. This work is the first action in the TCAP: 1(a)(i) (i) *Undertake a baseline inventory by end of 2020; and then annual monitoring of Council's greenhouse gas emissions*.

FutureFit Promotions

3.13 The Council has signed up to FutureFit for councils. This gives the Council insight into how residents are progressing with reducing their emissions. FutureFit measures and recommends actions to reduce a person's carbon footprint, and allows them to form teams to compete for the biggest reduction in carbon footprint. Staff are trialling this tool this year, and will use the information to help form more targeted messaging around climate action for the District's residents. The Group will use $2,000 to help promote and incentivise residents to use the FutureFit tool and partake in actions to reduce their carbon footprint. The TCAP action this aligns with is 4(a)(i) *Promotion of innovations, changes and initiatives that individuals and businesses can take to reduce emissions, benefit from climate change and improve resilience.*

4 Richmond Programme Business Case

4.1 Engineering Services staff partnered with Waka Kotahi to form a project team for the Richmond Programme Business Case which is looking into the long term programme of work to address the transport issues in Richmond.

4.2 The project team have been following Waka Kotahi's Programme Business Case process which has included two workshops with key stakeholders. Using feedback from the workshops and assessment of options, the project teams have identified an emerging preferred programme. The emerging preferred programme is made up of interventions on state highway, local roads and other operational activities.

4.3 As part of the programme business case process, the project team would like to seek wider community feedback on the emerging preferred programme. It is intended that this community consultation will be undertaken in June 2021.

4.4 Staff recommend that a joint panel, made up of Richmond Ward Councillors, the Regional Transport Committee chair and key Waka Kotahi staff, be created to provide governance for the pubic engagement process. The panel will approve engagement material, hear any feedback on the emerging preferred programme, and make recommendations back to staff and New Zealand Transport Agency about the final preferred programme. This process is expected to conclude in August.

4.5 The final preferred programme will included for consultation via the future Long Term Plan and Regional Land Transport Plan.

5 Strategic Workplace Taskforce

5.1 The Council resolved at its December 2020 meeting that a Strategic Workplace Taskforce would be set up to respond to six resolutions and report back to Council within 12 months with findings and a recommendation on our future Richmond accommodation options.

5.2 The Taskforce is well underway and there are five separate Workstreams tasked to respond to the various resolutions. We are:

- Tracking the development of key changes to local government related to the Three Waters and RMA reform so that we may predict the impacts of these on our region and specifically on our organisation and therefore staffing needs for our future office accommodation. We have set ourselves a target of formulating our best forecast of how this may play out by June.
- Reviewing and formulating a position on how we wish to work with a focus on a flexible workforce that can log in for work from anywhere and taking on board the lessons learnt from our response to the Covid-19 pandemic.
- Reviewing the remote working policy as part of this Taskforce.
- Identifying potential opportunities of co-locating with other organisations.
- Identifying potential locations on either Council or privately owned land on which our future accommodation may be sited.

5.3 I will provide regular updates on the Taskforce progress and if necessary seek early direction/support from the Council on key findings. We have set a date in October this year for a full workshop to report back and share the group's findings.

6 Local Government Reforms

6.1 Councillors will be aware of the announcement in late April from Hon Nanaia Mahuta regarding an independent review of local government. The purpose of the review is to:

> "identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership."

6.2 The terms of reference for this review are available on the Department of Internal Affairs website.

6.3 We have set aside time for a Council workshop to discuss this review in the context of other reforms on 17 June at the conclusion of the Regulatory Committee meeting.

7 Organisation Change

7.1 In the last Chief Executive Report to Full Council on 8 April 2021, I provided an update that the four week consultation period for staff had closed and that the Leadership Team was preparing to deliberate on the submissions received.

7.2 There were 65 submissions in total, made up of a combination of individual and group feedback, covering a range of topics and making constructive suggestions. There was a good level of support for change in order to better position the organisation to be agile and effective within a changing local government environment. The main themes of the feedback have been reflected in the final structure and a total of 17 changes to the proposed structure have been made as a result of staff feedback. A copy of the final structure is attached (**Attachment 1**).

7.3 The Leadership Team have set a target date for implementation of the changes as 5 July 2021 to align with the new financial year. A number of activities need to happen to put the new structure in place, largely in the Human Resources, Information Services and Finance areas of the Council. To ensure an efficient and timely transition, the Programme Management Office have been asked to coordinate and drive delivery of the operational tasks that need to be completed by 5 July in order for the organisation to transition to its new team structure.

7.4 This transition is an important stage of the larger organisational strategy, which includes our refreshed vision, mission and values on which I provided a briefing to Councillors on 18 February. **Attachment 2** is the headline page of the Organisation Strategy for Councillors information.

Human Resources Update

7.5 The Human Resources statistics for the quarter ending March 2021 show that we have 340 full time equivalent (FTE) and a headcount of 372. This has increased from the 330 FTE (headcount of 362) as at December 2020. Turnover for the quarter was 4.03% and the 12 month rolling period is 10.8%. The new positions are listed below and have been off-set by a reduction in the number of fixed term employees which has reduced by 2 FTE.

7.6 In October 2020, the Council established a Programme Management Office (PMO) to oversee the receipt and delivery of government economic stimulus funded project. This has resulted in additional Project Management staff.

Department	New positions
Community Development	• Community Engagement & Outreach Specialist (fixed term 18 months) • Digital Learning & Digitisation Specialist (fixed term 18 months)
Corporate & Governance Services	• Senior Legal Advisor
Engineering Services	• Transportation Planning Officer • Project Manager (fixed term 18 months) • Water Engineer - Treatment
Environment & Planning	• Consents Officer – Land Use • Principal Planner – Resource Consents • Project Manager – Jobs for Nature (fixed term 4 years) • Special Projects Analyst (fixed term 3 years)
Information Services	• Applications Specialist (Sharepoint) • Service Delivery Support Cadet (fixed term 12 months)

7.7 Collective Agreement bargaining meetings with the Public Services Association Union have been scheduled for late June. Last year we negotiated for a two year term agreement and a zero salary increase for year one of the agreement. A minimum 1.5% mid-term salary grade increase was agreed for year two. Any increases above this will form the basis of the negotiations. We understand the Living Wage is expected to increase this year to $22.75 gross per hour.

7.8 Recruitment continues to remain consistent and we are currently at various stages of recruiting for a:

- Consent Planner – Land Use (replacement)
- Consent Planner – Subdivision (replacement)
- Consent Planner – Natural Resources (replacement)
- Senior Activity Planning Advisor – Water & Wastewater (new position)
- Team Leader – Building Consents (replacement)
- Team Leader – Building Compliance
- Management Accountant (replacement)
- Project Manager – Fish Passage Remediation, fixed term (new position)
- Project Manager – Wetlands Restoration, fixed term (new position)
- Maori Liaison Officer, fixed term (new position)
- Building Support Officer (replacement)

- Library Assistant – Motueka (replacement)
- Catchment Enhancement Officer (replacement)
- Executive to Chief Executive (replacement)
- Executive to Chief Operating Officer (new position)
- Executive Assistant to Chief Information Officer (new position)
- PMO Coordinator (replacement)
- PMO Analyst (replacement)
- PMO Manager (new position)
- Chief Operating Officer (new position)
- Administration Officer – Property Services (replacement)

7.9 Since my last report, another 11 appointments have been made:

- Digital Workplace Engineer (new position)
- Building Compliance Officer – Pools, fixed term (replacement)
- Enterprise Portfolio Manager (replacement)
- Enterprise Portfolio Officer (new position)
- Environmental Policy Administrator (replacement)
- Team Leader – Water Supply & Wastewater (replacement)
- Resource Scientist – Soils (fixed term 12 months)
- Project Manager – Fish Passage Remediation, fixed term (new position)
- Project Manager – Wetlands Restoration, fixed term (new position)
- Maori Liaison Officer, fixed term (new position)
- Building Support Officer (replacement)

8 Health and Safety

8.1 There was an accident at Richard's reserve in Motueka on 3 May where a child was injured due to a failure of a piece of sliding play equipment. The piece of equipment broke while the child was using it. He fell and the broken fitting fell on to his face. He received facial grazing and bruising and also hit his head when he fell. He was not seriously injured.

8.2 Staff had discussions with the family and they were appreciative of staff contacting them.

8.3 The contractor identified three other playgrounds that have the same equipment and that equipment was immediately decommissioned

8.4 We are conducting an investigation into the matter and the contractor is re-checking other similar equipment throughout the District. I will provide an update once the investigation is complete.

9 People Management

9.1 There have been four events reported by staff since my last report. Two events resulted in minor damage to a Council vehicle, one event was a near miss involving a Council vehicle, and one event was caused by sparking from a multi-plug box under a staff member's desk.

9.2 Through the recent Long Term Plan (LTP) consultation process we have noticed an increased number of submissions containing offensive remarks. Before the next LTP we will be developing a position on standards of submissions which may see those with offensive material rejected

9.3 We are awaiting a date from our medical provider for this year's flu vaccinations, and we've been advised that any staff over the age of 65 should be arranging to have their flu vaccination with their own doctor. This is because this year the vaccine for people over the age of 65 is different to the vaccine for people who are under 65.

10 Golden Bay Easter Trading

10.1 At its meeting on 13 April 2021, the Golden Bay Community Board considered the matter of Sunday Trading. The development of Easter Sunday Trading Policies is governed by the Shop Trading Hours Act 1990. This Act states that a council cannot delegate the power to make a final decision on whether to adopt, amend, revoke or replace a local Easter Sunday Trading policy. However, a council can delegate the steps in the process for preparing such a policy, provided the council makes the final decision.

10.2 The wording of the Act follows:

5D Delegation of power in relation to local Easter Sunday shop trading policies

1) A territorial authority may not delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority the power to make a final decision whether to adopt, amend, revoke, or replace a local Easter Sunday shop trading policy, or to continue a local Easter Sunday shop trading policy without amendment following a review.

2) Nothing in this section restricts the power of a territorial authority to delegate to a committee or other subordinate decision-making body, community board, or member or officer of the territorial authority the power to do anything before the exercise by the territorial authority (after consultation with the committee or body or person) of the power to adopt, amend, revoke, or replace a local Easter Sunday shop trading policy, or to continue a local Easter Sunday shop trading policy without amendment following a review.

10.3 The Act also requires that a formal Special Consultative Procedure is followed in order to develop a local Easter Sunday Trading Policy.

10.4 Council staff will be able to assist the Board to start preparing a local Easter Sunday Trading Policy after the Long Term Plan 2021-2031 is completed, with the formal process commencing in August 2021. The process should be able to be completed in time for Easter 2022 if work commences about August.

10.5 The Community Board passed the following resolution (GBCB21-04-1) at the 13 April 2021 meeting:

Requests that the Tasman District Council delegate to the Golden Bay Community Board the power to propose, and do all that is necessary to change the Local Easter Sunday Trading Policy as it relates to the Golden Bay Ward, up to but not including its adoption, under the Shop Trading Hours Act 1980.

10.6 The Council would need to grant the Board this delegation prior to the commencement of the policy development process.

11 Waimea Community Dam inquiry/ review

11.1 Staff have been asked to report back on a potential inquiry/review and have been working with an independent contractor to consider the scope.

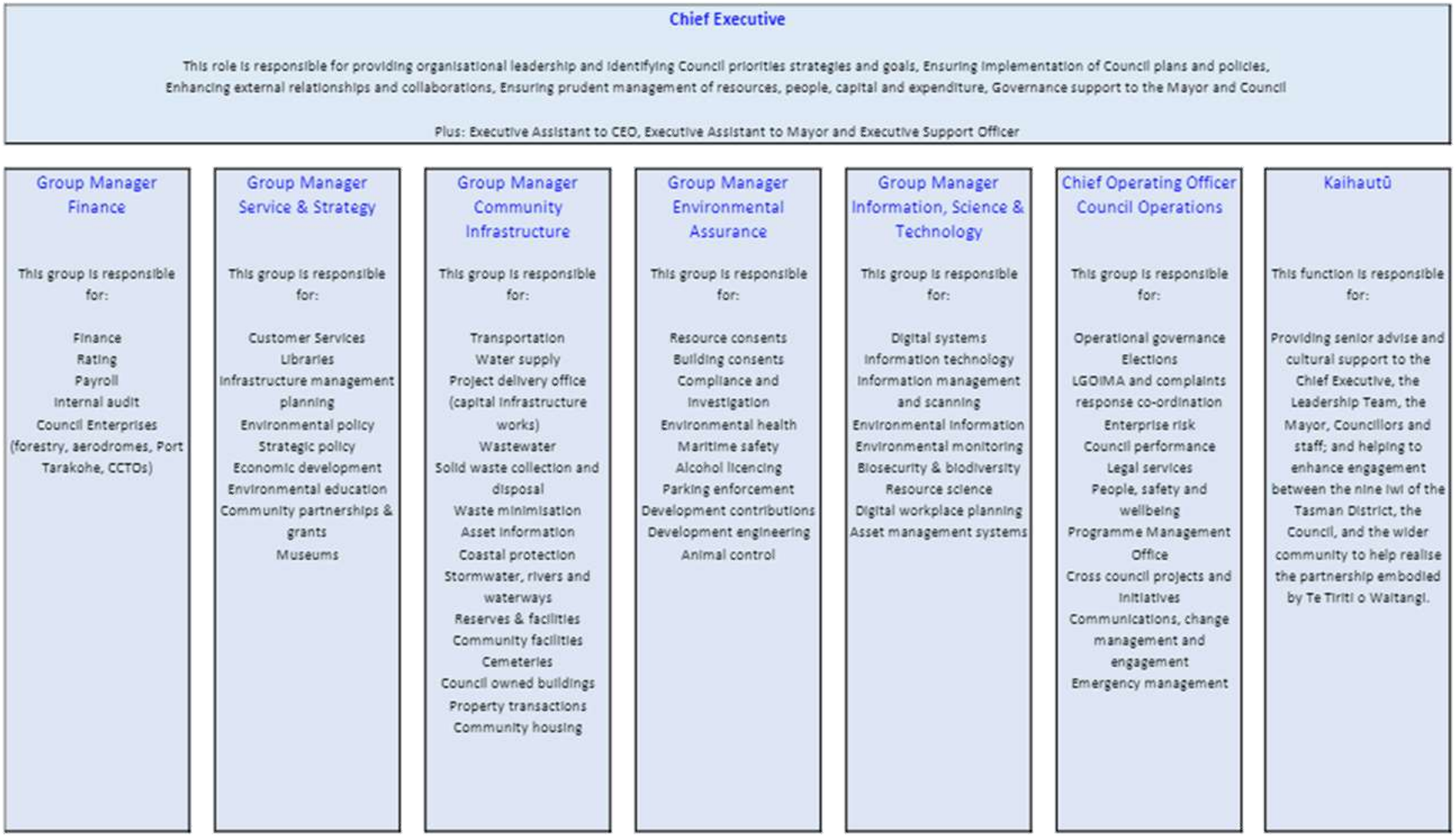
11.2 We anticipate being able to provide a report to the out of cycle Full Council meeting on 4 June.

12 Council Action Sheet

12.1 The Council Action Sheet (**Attachment 3**) has been updated and is attached for Council's information.

Attachments

Attachment 1: Tasman District Council Organisation Structure (as of 5 July 2021)




OUR STRATEGY
Our Vision
TASMAN INSPIRED
Whakangiha Te Tai o Aorere
Our Mission
DRIVING VALUE FOR TASMAN'S PEOPLE AND PLACES
Whakamana tātou ki ngā wāhi katoa o Te Tai o Aorere
Our Values
A AUAHA Innovation
K KAWENGA Responsibility
M MANAAKITANGA Caring/Sharing
W WHANAUNGATANGA Relationships
WE'LL BRING OUR VISION, MISSION AND VALUES TO LIFE BY:
Positioning to prepare for and influence change
Driving efficiency and value for money
Expanding the methods for interacting with Council services
Working in partnership with iwi
Resetting our relationship with our customers
Valuing our staff

Action Sheet – Full Council as at 20 May 2021

Meeting Date / Item	Action Required	Responsibility	Completion Date/Status
7 November 2019			
Moutere-Waimea Ward Reserves	Report back to Full Council (in committee) including legal advice and other matters relevant to any decision to initiate the process to declare as reserve Council land not currently protected under the Reserves Act.	Policy Advisor	In progress. Kerensa Johnson presented to the Council at a briefing on 29 July 2020. Staff will meet with Wakatu as directed at that briefing and a further report will be presented at a later date.
13 February 2020			
Appointment of Advisers to the Tasman Regional Transport Committee	• Continue discussions with iwi and the NRDA regarding the appointment of advisers to the Tasman Regional Transport Committee	Engineering Services Manager	Economic adviser confirmed at Full Council meeting on 10 September 2020. Iwi discussions regarding an iwi representative are ongoing.
22 October 2020			
Mayor's Update Report	• Keep the Council apprised of NPS Freshwater issues as they arise and are debated within the local government regional sector	Environment & Planning Manager	Ongoing - Update provided at the Regulatory Committee on 1 April 2021. Professor Skelton will provide an update on the planning processes on 24 June 2021 to the Full Council and relevant staff. This will include discussion on the plan development timetable as it relates to freshwater.
25 February 2021			
Hangar Houses, Motueka Aerodrome	• Timeline for review of the Motueka Aerodrome Development Plan	Corporate and Governance Services Manager	

Meeting Date / Item	Action Required	Responsibility	Completion Date/Status
Best Island – Access to Residential Properties	• Report to Full Council regarding funding options including target rating	Engineering Services Manager	
Chief Executive's Activity Report	• Standard process for Council workshops	Chief Executive	A process has been developed and is ready to be implemented once it has been socialised with staff and elected members.
Establishment of Golden Bay Recreation Park Management Committee	• Appointment of Mayor's nominee	Mayor King	Will be discussed at the first meeting of the Recreation Park Management Committee.
8 April 2021			
Golden Bay Marine Enhancement Group presentation	• Report to Regulatory Committee focusing on how the Council may support the group's aims.	Environment & Planning Manager	Presented to Regulatory Committee, 6 May. Complete
Hamama Water Supply	• Proceed with a binding referendum then consider a special consultative procedure regarding rating users on the Hamama Water Supply Scheme. • Undertake further conversations with the Hamama Water Supply Committee	Engineering Services Manager	Report to this meeting.
Motueka Wastewater Treatment Plant – request for additional funding	• Review the $380,000 shortfall from the NRSBU budget in the next two years as and when the NRSBU schedule the respective capital investment.	Engineering Services Manager	
Treasury Report	• Amend commentary in next report to reflect the Council's non-exposure to the Emissions Trading Scheme.	Finance Manager	Completed and will be included in the next Treasury report to Full Council

Meeting Date / Item	Action Required	Responsibility	Completion Date/Status
Chief Executive's Update	• Utilisation of the roving camera in Chambers – ensure it is working	Chief Executive	The technology is available and has been used at various meetings. Chairs will be reminded at meetings to consider use of the technology.
Waimea Water Ltd – Draft Statement of Intent 2021-2022	• Provide feedback to the Waimea Water Ltd Board asking them to consider their stakeholder engagement plan in terms of keeping the community informed and linking the plan to the performance targets within the statement of intent and to update the entity stakeholder informaiton to reflect current circumstances.	Corporate and Governance Services Manager	Completed
Waimea Community Dam – Nelson City Council Funding Agreement	• Advise Nelson City Council of the Council's decision on the agreement	Corporate and Governance Services Manager	Completed

8.10 MAYOR'S UPDATE REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	20 May 2021
Report Author:	Tim King, Mayor
Report Number:	RCN21-05-11

1 Summary

1.1 Welcome to today's meeting.

1.2 I would like to take this opportunity to thank both the Councillors and our staff for their marathon efforts over the past few weeks as we all read the 1709 submissions to the Long Term Plan and then met to hear those residents and ratepayers who chose to present their submissions to the hearings over four days.

1.3 It was good to see so many people take an interest in the Council's priorities for the next ten years. While many did not agree with how we are managing some of our big ticket items, it was great to see others support our strategy around growth, housing affordability, sustainability and climate change.

1.4 We have some hard decisions to make when we finalise the plan at the end of next month.

1.5 The Chief Executive and I are meeting with the chairs of the Top of the South iwi, along with Nelson Mayor, Rachel Reese and Marlborough Mayor, John Leggett on 14 May. I will provide a verbal update on those discussions at our meeting.

1.6 Thanks to those Councillors who took the time to lay a wreath on behalf of the Council at the recent ANZAC Day services throughout the District. This is the first year that we have had a Council representative at every service in the District although, due to timing issues, we had to call on help from Carolyn Ellis from the Tapawera & Districts Community Council to do the honours on our behalf at the Tapawera event. Thank you Carolyn.

1.7 I attach a letter from Hon Stuart Nash around the Government's plans for freedom camping. Since then, the Minister has made some bold announcements on how he plans to tackle this issue on a national scale and I am sure any compliance will fall to us.

2 Submission to the Nelson City Council Long Term Plan 2201-2031 Consultation

2.1 Nelson's Long Term Plan 2021-2031 Consultation Document was open for public consultation from Monday 22 March to 21 April 2021.

2.2 On behalf of the Council, I signed a submission to the Nelson City Council Long Term Plan 2021-2031 Consultation Document (see **Attachment 1**). The Council's submission raises concerns on the level of investment Nelson City Council is planning for growth infrastructure and seeks additional funding from Nelson City Council towards the Waimea Community Dam.

2.3 The public consultation closed on 21 April 2021, prior to this Council meeting, meaning there was insufficient time for the Committee to approve the submission before the closing date. This report recommends that the Committee retrospectively approves the Council's submission.

3 Draft Resolution

That the Full Council:

1. **receives the Mayor's Update Report RCN21-05-11; and**
2. **receives the Council's submission to the Nelson City Council Long Term Plan 2021-2031 Consultation (appended as Attachment 1); and**
3. **agrees to retrospectively approve the Council's submission to Nelson City Council (appended as Attachment 1); and**

4 Mayoral Activity

4.1 On 7 April, I opened the Under-13 national baseball competition held at Saxton Field. This included me taking a catch from one of New Zealander's top pitchers. I'm happy to say I managed to catch the ball.

4.2 Mayor Rachel Reese and I had our regular catch up meeting on 8 April 2021.

4.3 The Chief Executive, Janine Dowding and I hosted the chairs of our District's community associations on 9 April 2021. This was an opportunity for the chairs to meet each other, many for the first time, and to share their experiences with the wider group. We also provided some coaching on chairing meetings which was well received. Everyone appreciated the opportunity to network and to make contact so that in the future they can share any issues they may have with their peers.

4.4 I attended and presented our future plans to most of the LTP consultation sessions held around the District. Thanks to Deputy Mayor, Stuart Bryant who filled in when we had two sessions at the same time.

4.5 The Nelson-Tasman Civil Defence team held an exercise on 15 April at which many of our staff were involved. The exercise, "Ru Whenua" focused on a magnitude 8.2 earthquake which included a rupture of the Alpine Fault and caused the collapse of a number of significant buildings in Nelson City and Richmond along with landslips and rockfalls throughout the region. The scenario included Motueka being cut off from Richmond and Nelson due to bridge damage and the Takaka Hill road closed because of a large slip.

4.6 I took the opportunity to visit the Civil Defence operations centre during the exercise and see many of our staff managing the response to the emergency as though it was the real thing. Congratulations to those who were involved including staff from both councils, iwi organisations and the emergency services.

4.7 Daryl Wehner, outgoing chair of the Nelson Marlborough Institute of Technology was fare-welled on 21 April 2021.

4.8 I met with Ian Reade from FENZ on 22 April to discuss plans for the transition of rural fire services.

4.9 Alsco opened their new $10 million building in Estuary Place, Richmond on 23 April. The company previously had two operations in Motueka and Nelson. The plant is carbon-efficient using a burner fuelled by wood pellets and a continuous batch washer that requires less water than other machines (5.4 litres of water per kilogram of washing compared with the previous 18 litres).

4.10 There was a very good turnout at the ANZAC Day Service in St Arnaud where I laid a wreath on behalf of the Council.

4.11 Building Assurance Manager, Ian McCauley, Team Leader – Land Use Consents, Katrina Lee and I met with the owners of Ruru Tiny Homes recently to learn about their business and their plans for expansion.

4.12 I met with personnel from Fulton Hogan on 28 April 2021 to discuss the ongoing issue with the short supply of quarry material for roading and other infrastructure works.

4.13 Chamber of Commerce Chief Executive, Ali Boswijk and I met for our regular catch-up on 28 April 2021.

4.14 Julia Campbell the Regional Director of Kāinga Ora and I met on 29 April 2021. Julia was keen to see our plans for future housing development in Tasman District.

4.15 The Project Kōkiri leadership team met on 29 April 2021 to discuss the first draft of the five-year economic development plan for the region. The draft plan will be circulated more widely soon and I will share that with the Council when it is received.

4.16 Mayor Rachel Reese and I met for our regular catch up on 3 May 2021.

4.17 New ACT MP, Chris Baillie and I met on 3 May 2021. I took the opportunity to update him on our Long Term Plan and progress with the Waimea Community Dam.

4.18 I spoke to the Council's submission to the Nelson City Council's Long Term Plan on 6 May 2021.

4.19 On 10 May 2021 I met with local developers to view their plans for a new development at Stagecoach Road near Mapua.

4.20 The Cawthron Institute Trust Board meeting was held on 10 May 2021.

4.21 I attended the Kaiteriteri Recreation Reserve Board meeting on 11 May 2021.

4.22 Finally, I would like to acknowledge Reg and Vaila Hackwell who celebrated their 70th wedding anniversary with friends and family at their home in Brightwater recently. Congratulations to you both on an amazing achievement.

Reg and Vaila with flowers from Tasman District Council

Attachments

20 April 2021

Nelson City Council
PO Box 645
Nelson 7040

submissions@ncc.govt.nz

To the Mayor, Councillors and staff of Nelson City Council

Submission to Nelson City Council Proposed Long Term Plan 2021 - 2031

Our Councils have a long history of working together. This collaboration is particularly important in times of crisis, such as the response and recovery to natural disasters and Covid-19. Our partnership is also important in terms of strategic planning and economic investment for Nelson-Tasman. Nelson and Tasman operate and function as a single economic market and business activity flows both ways across the Territorial Authority boundaries. The relative isolation of the Nelson and Tasman markets reinforces this interconnectedness. Nelson and Tasman rely to varying degrees on each other to sustain their respective economies, and generate significant economic benefits for each other.

For these reasons, we are submitting on the Nelson City Council proposed Long Term Plan to raise our concerns on the level of investment Nelson City Council is planning for growth infrastructure and to seek additional funding from Nelson City Council towards the Waimea Community Dam.

Investment in Growth Infrastructure and Housing Affordability

We are concerned about Nelson City Council's proposed population growth assumption for its 2021 Long Term Plan, especially the next three years. The assumed growth rate does not reflect what we are currently seeing across the region, or what we expect to see in the near future. The population growth assumptions are key to understanding the likely amount of future housing demand, planning appropriate infrastructure, and ensuring sufficient development capacity to meet that demand.

Nelson City Council is assuming population growth of 4.5% over the next ten years, significantly lower than the 17% increase observed over the last ten years. Recent Stats NZ projections, which typically underestimate growth in our region, project growth for Nelson's population over the next ten years of 6%, even under a medium growth scenario.

According to the population assumptions adopted by Nelson City Council in November 2020, the low growth assumption means Nelson City Council has estimated demand for 35-80 new dwellings a year, for the next five years. This compares with actual figures of 348 new dwellings in 2018/2019 and 264 new dwellings in 2019/2020. The significant proportion of holiday homes in Nelson and Tasman also creates additional demand for new dwellings, in addition to population growth.
Given the link between the growth assumptions and the level of investment in growth infrastructure, we are concerned the Long Term Plan's proposed infrastructure work programme will not supply a sufficient amount of serviced land. This increases the risk that Nelson will have a

shortfall in housing supply and that Tasman will continue to meet Nelson's unmet housing demand, resulting in higher growth in Tasman than we have planned for in our Long Term Plan.

The joint Urban Development Monitoring Report for the year ended June 2020 already highlighted the different development trends between the two Councils, with 491 new dwellings consented in Tasman (96 higher than the previous year), compared with 264 new dwellings consented in Nelson (84 lower than the previous year).

Through our proposed Long Term Plan, Tasman is planning to invest more than $124 million in growth infrastructure over the next ten years to enable enough development capacity for a 14% increase in our population by 2031.

We expect that Nelson-Tasman will continue to be an attractive location for both internal and international migrants, including New Zealander's returning from overseas. If Nelson's housing supply is unable to meet demand, this will result in a faster rate of development of Tasman residential land. Tasman District Council is likely to need to invest even more in growth infrastructure to continue to meet capacity requirements under the National Policy Statement for Urban Development. There is also a risk that growth pressures will require a greater amount of land to be serviced and zoned sooner than the zoning process or infrastructure programme determined by the Future Development Strategy.

Any shortage in housing supply relative to demand will worsen the region's housing affordability issues, detrimentally impacting our economy and overall community wellbeing. Median house prices increased by 60% in the past five years to June 2020 in our region, and Tasman and Nelson became the second and third least affordable areas in the country (behind Auckland). The last year has seen further significant increases in median house prices, with a 23% increase in Nelson, to $710,000, and a 13% increase in Tasman, to $750,000 (REINZ, February 2021).

The potential shortfall in growth infrastructure and housing supply is inconsistent with your proposed Long Term Plan's intent to focus on wellbeing by providing support to alleviate the housing crisis, and ensuring core infrastructure meets growing demand (two of the key issues in the Nelson City Council Long Term Plan Consultation Document).

We ask Nelson City Council to review its growth assumption and its growth infrastructure work programme to ensure our regions continue to jointly meet demand, as agreed through the Future Development Strategy and the recommendations in the 2018 joint Housing and Business Capacity Assessment.

Nelson City Council Funding Contribution to Waimea Community Dam

Nelson City is a major beneficiary of Tasman District Council's investment in the Waimea Community Dam, currently estimated to cost between $148 million and $164 million to complete. The dam will be completed in the first half of 2022, and then filled over the winter of 2022, becoming fully operational in October 2022. This will ensure it is ready to operate from the 2022/2023 summer season. Businesses in Waimea and Nelson are already benefiting, directly and indirectly, from the transitional Tasman Resource Management Plan provisions which ensure that water restrictions are applied less often and are less severe than if the dam project had not proceeded. Once the dam is operational, there will be both water supply security and additional water available, along with wider public benefits including improvements to environmental, cultural and recreational values.

While we appreciate the $5 million Nelson City Council has agreed to provide, this amount was set at a time when the estimated costs for the project were $82.5 million. This contribution contributed to an equivalent of 515ha of extractive use capacity assigned to Nelson City Council. The original $5 million supported the assigned extractive capacity (76.6%) as well as a

contribution to the economic, environmental and community benefits (23.4%). This recognised that these wider benefits also flow to the Nelson City community, many of whom work in industries directly or indirectly connected to the economic activity in the Waimea area. Nelson City Council also benefits from the dividends it receives from Port Nelson and Nelson Airport, as these entities both benefit directly from the level of economic activity in Nelson and Tasman.

We ask Nelson City Council to consider increasing your funding for the Waimea Community Dam project to $10.5 million. This would go a long way to realigning the Nelson City Council contribution with the benefits received by Nelson City, rather than having more of those benefits funded by Tasman ratepayers. This would ensure a more equitable outcome, especially in light of Tasman District Council's cross-boundary funding of activities and institutions based in Nelson City.

Yours sincerely

Tim King
Mayor, Tasman District Council

Hon Stuart Nash LLM, MMgt, MForSc

Minister for Economic and Regional Development
Minister of Forestry
Minister for Small Business
Minister of Tourism

0 6 APR 2021

Mayor Tim King
Tasman District Council
mayor@tasman.govt.nz

Dear Mayor King,

Thank you for your letter of 25 February 2021 regarding freedom camping in the Tasman District.

Please be assured that I am aware of the issues around freedom camping, and of the difficulties that councils have faced in addressing those issues. This is why freedom camping is an area of focus for me.

Supporting councils to effectively manage freedom camping is an important part of my vision. Every visitor who camps, whether they are kiwis or international visitors, must do so responsibly. We need to make sure that the costs of freedom camping are not borne by local councils and communities. I am intending on consulting shortly on a range of ways to improve freedom camping management in New Zealand, including through strengthening the regulatory system for self-contained vehicles, having a regulator for self-contained vehicles and setting up a national register for self-contained vehicles. I intend to announce more on this soon.

Thank you again for taking the time to write to me about this important matter.

Yours sincerely,

Hon Stuart Nash
Minister of Tourism

+64 4 817 6712 Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand s.nash@ministers.govt.nz beehive.govt.nz