

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

Date: Friday 4 June 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)

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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, 20 May 2021 and the minutes of the Extraordinary Full Council meeting held on Thursday, 27 May 2021, be confirmed as a true and correct record of the meeting.

7 PRESENTATIONS

Nil

8 REPORTS

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8 REPORTS

8.1 ADOPTION OF RATES REMISSION POLICY

Decision Required

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Alan Bywater, Senior Policy Advisor; Matthew McGlinchey, Finance Manager
Report Number:	RCN21-06-1

1 Summary

- 1.1 The Council has developed and consulted on a series of proposed changes for its Rates Remission Policy. Those changes related to the following policies.
- Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Owner;
 - Policy on Remission of Rates on Low Valued Properties;
 - Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster;
 - Policy on Remission of Penalties;
 - Policy on Remission of Rates on Abandoned Land; and
 - Policy on Remission of Excess Metered Water Rates.
- 1.2 Consultation was carried out concurrently with the Long Term Plan 2021-2031 (LTP) Consultation Document with 61 submissions received. The Council considered the submissions at its deliberation meeting on 17 – 19 May 2021 and decided that no further changes be made to the Rates Remissions Policy prior to the Council considering it for adoption.
- 1.3 Three of the policies contained within the Rates Remission Policy were not changed.
- 1.4 The purpose of this report is to adopt the Rates Remission Policy so that it can become operational from 1 July 2021.

2 Draft Resolution

That the Full Council:

1. receives the Adoption of Rates Remission Policy RCN21-06-1; and
2. adopts the Rates Remission Policy dated 26 May 2021 and contained in Attachment 1 to report RCN21-06-01, under section 102(3)(a) of the Local Government Act 2002; and

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3. notes the Rate Remission Policy will become operative from 1 July 2021.

3 Purpose of the Report

- 3.1 The purpose of this report is to adopt the Rates Remission Policy so that it can take effect on 1 July 2021.

4 Background and Discussion

- 4.1 The Council consulted on the proposed changes to its Rates Remission Policy listed in the table below.

Policy	Proposed Change
Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Owner	<ul style="list-style-type: none"> Clarify that non-contiguous land is only eligible for rates remission if it has the same owner.
Policy on Remission of Rates on Low Valued Properties	<ul style="list-style-type: none"> Increase the threshold for low-valued properties to qualify for rates remission from \$7,000 to \$7,500. Clarify what we mean by 'isolation strips' (which are not eligible for remission).
Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster	<ul style="list-style-type: none"> Clarify that remission is only available to dwellings and not to other land uses.
Policy on Remission of Penalties	<ul style="list-style-type: none"> Limit eligible applications to those received within 12 months of the penalty being applied.
Policy on Remission of Rates on Abandoned Land	<ul style="list-style-type: none"> Policy applies when it is uneconomic for the Council to sell the land.
Policy on Remission of Excess Metered Water Rates	<ul style="list-style-type: none"> Non-residential ratepayers are eligible for remissions for leaks larger than 1,000 cubic metres, IF they supply a record of monthly meter readings. This would only apply for up to two remission applications within a five-year period of the first application. Leaks anywhere on a ratepayer's property become eligible for remission. Residential ratepayers pay at the marginal costs of water for second leaks larger than 1,000 cubic metres and pay fully for the first 1,000 cubic metres leaked.

- 4.2 Changes to the Rates Remission Policy were consulted on concurrently with the Long Term Plan 2021-2031 (LTP) Consultation Document between 24 March and 24 April 2021. A consultation document outlining proposed changes to the Rates Remission Policy, and the

draft Policy were published as part of this consultation. Three of the policies contained within the Rates Remission Policy were not changed.

- 4.3 The Council considered the 61 submissions received on the Draft Rates Remission Policy at its deliberation meeting on 17 - 19 May 2021. Comments made by a number of submitters were about people in financial hardship. However, staff note that submitters may not have been aware of the rates rebate scheme operated by the Department of Internal Affairs. At the deliberations meeting the Council noted the comments made by submitters and agreed that no further changes be made to the Rates Remissions Policy prior to the Council considering it for adoption.
- 4.4 The Council also noted that staff were planning to recommend the Rates Remission Policy for separate adoption at the same time as the final LTP on 30 June 2021.
- 4.5 Staff have presented this Policy for adoption earlier than anticipated as there were no changes required to the Draft Rates Remission Policy to make it final, and it will take some pressure off the meeting on 30 June 2021.

5 Options

- 5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	Adopt the revised Rates Remission Policy (Attachment 1) or instruct staff on minor wording changes prior to adoption at this meeting.	<ul style="list-style-type: none"> Enables the changes to rates remissions agreed by Council to become operational for the 2021/2022 year. The Rates Remission Policy will be consistent with that consulted on. Staff can contact ratepayers affected by changes in the Policy. 	<ul style="list-style-type: none"> No substantial disadvantages.
2.	Do not adopt the revised Rates Remission Policy.	<ul style="list-style-type: none"> The existing Rates Remission Policy will continue to be the operational policy for the 2021/2022 year. There will be no requirement for staff to contact ratepayers affected by changes in the Policy. 	<ul style="list-style-type: none"> The decision would not be consistent with the proposed changes consulted on. The improvements and refinements to the Policy developed by the Council will not become operational for the 2021/2022 year. Council may need to further consider whether

			to make changes to its Policy.
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5.2 Staff recommend Option 1.

6 Strategy and Risks

6.1 The Rates Remission Policy is made up of a number of individual policies. These policies implicitly recognise that the rating tools available to the Council can be blunt instruments. The policies are designed to address situations where the Council's rating policies create unintended consequences and substantial inequities for some ratepayers.

7 Policy / Legal Requirements / Plan

- 7.1 The Council may adopt a rates remission policy under section 102(3)(a) of the Local Government Act 2002.
- 7.2 Consultation in accordance with section 82 of the Local Government Act is required to amend the Rates Remission Policy. This consultation has been carried out.
- 7.3 The proposed Rates Remission Policy is consistent with section 109 of the Local Government Act 2002.
- 7.4 Under section 85 of the Local Government (Rating) Act 2002 the Council may remit all or part of rates on a rating unit if it has a rates remission policy and the Council is satisfied that the conditions and criteria in the Policy are met.

8 Consideration of Financial or Budgetary Implications

8.1 The changes to the Rates Remission Policy will have minor impacts on the Council's revenue and costs. These have been considered when preparing the LTP 2021-2031 budgets.

9 Significance and Engagement

9.1 The level of significance involved in this decision is low. The Council has followed a consultation process consistent with section 82 of the Local Government Act and given due consideration to the submissions received.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low	61 submissions received, with a number of these focused on financial hardship.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	For the vast majority of the population the well-being impacts are very minor. For a few ratepayers eligible for remissions the policy changes could in some cases have

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	Issue	Level of Significance	Explanation of Assessment
			a material effect on their economic well-being in a favourable way.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	Council can choose to amend its Rates Remission Policy at any time by following the required decision making process.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019 ?	N/A	
5.	Does the decision relate to a strategic asset?	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?	Low	The changes could have a very minor impact on rates revenue and in some cases reduce administration costs.
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 (consistent with s81 of the LGA)?	No	

10 Conclusion

10.1 The Council has developed and consulted on a series of changes to improve its Rates Remission Policy. The submissions made on the proposed changes have been considered and the Council decided not to amend its proposal. The purpose of this report is to adopt the final Policy so that it can become operative from 1 July 2021.

11 Next Steps / Timeline

11.1 The Council's website will be updated with the new version of the Policy.

11.2 The Policy will become operative from 1 July 2021.

Attachments

- | | |
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| 1. Rates Remission Policy - Draft for Adoption - 26 May 2021 | 13 |
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RATES REMISSION POLICY

POLICY REFERENCES

Effective date:	1 July 2021
Review due:	30 June 2024
Legal compliance:	Local Government Act 2002 sections 102 and 109 Local Government (Rating) Act 2002 sections 85 & 86

Purpose

The rates remission policy contains a number of policies that each outline objectives sought to be achieved by the remission of rates and the conditions and criteria to be met in order for rates to be remitted.

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

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[Policy on Remission of Rates on Low Valued Properties](#)

[Policy on Remission of Rates for School Wastewater Charges](#)

[Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster](#)

[Policy on Remission of Penalties](#)

[Policy on Remission of Rates on Abandoned Land](#)

[Policy on Remission of Excess Metered Water Rates](#)

26 May 2021

POLICY ON REMISSION OF RATES FOR LAND SUBJECT TO COUNCIL INITIATED ZONE CHANGES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To allow Council, at its discretion, to remit rates charged on any rating unit used for residential purposes that is rezoned as a result of a Council initiated zone change. The aim of this Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected by an increase in rates when the land value of their rating unit increases as a result of a Council initiated zone change. The Council's preference is to allow a transition period before affected ratepayers are required to pay the increased rates in full. It is accepted that the rates remitted will be paid by other ratepayers.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to rating units in the Tasman District.
- 1.2 The Council may, on the application of a ratepayer, remit all or part of the rates on a rating unit, if
 - a) the rating unit is used for residential purposes,
 - b) the rating unit has been rezoned as a result of a Council initiated zone change made under Part 1 Schedule 1 of the Resource Management Act 1991,
 - c) the zone change was notified after 5 October 2007,
 - d) the effect of that zone change is that the land value of the rating unit increases, and
 - e) consequently the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
- 1.3 The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as result of the zone change.
- 1.4 To be considered for a rates remission under this Policy:
 - a) the rating unit must be situated within the area of land that has been rezoned;
 - b) the rating unit must be used for residential purposes, and must have been used for residential purposes prior to the zone change being initiated by the Council;
 - c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
 - d) the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.
- 1.5 The remission of all or any part of the rates on a rating unit may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the

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rates payable in respect of the rating unit, provided that no rates shall be remitted that were due in a financial year (1 July to 30 June) prior to the one in which this Policy commenced.

- 1.6 The decision to remit all or any part of the rates on a rating unit shall be at the sole discretion of the Council.
- 1.7 The Council may refuse to remit rates even where the conditions set out in this Policy are met by a ratepayer.
- 1.8 Subject to clause 1.9 of this Policy the remission of rates on a rating unit will cease upon the happening of any of the following events:
 - a) the death of the ratepayer,
 - b) the ratepayer ceases to be the owner of the rating unit,
 - c) the ratepayer ceases to use the rating unit as his/her principal place of residence,
 - d) a date determined by the Council in any particular case, or
 - e) any earlier date determined by the ratepayer in any particular case.
- 1.9 The Council may at any time, at its discretion, grant the ratepayer an extension of the rates remission period previously agreed to by the Council.
- 1.10 The Council may consider and be guided by the following criteria in its decisions on applications for a rates remission under this Policy –
 - a) those relevant matters set out in s101 of the Local Government Act 2002 relating to the determination of appropriate funding sources;
 - b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
 - c) whether the applicant ratepayer has realised a financial benefit from the zone change;
 - d) the influence of market movements on land values;
 - e) the personal circumstances including the financial circumstances of the applicant ratepayer;
 - f) equity and fairness among ratepayers;
 - g) the precedent effect.

Definitions

- 1.11 In this Policy, 'residential purposes' means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the ratepayer as their principal place of residence.
- 1.12 In this Policy 'ratepayer' means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.
- 1.13 In this Policy 'rates' means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.

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2. PROCEDURE

- 2.1 If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 15 September. If the applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council.
- 2.5 As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any remission will be based on valuations supplied by Council's valuation service provider.
- 2.6 Council may recover costs from applicant ratepayers in accordance with the Fees and Charges schedule.
- 2.7 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

POLICY ON REMISSION OF RATES FOR SPORTING, RECREATION OR COMMUNITY ORGANISATIONS

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities by:

1. Recognising the public good contribution made by such organisations;
2. Assisting the survival of such organisations;
3. Making membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

1. CONDITIONS AND CRITERIA

This Policy applies to a sporting, recreation or community organisation that is not otherwise covered by the Local Government (Rating) Act 2002, Schedule 1 Parts 1 and 2. Parts 1 and 2 specify categories of land that is 100% or 50% non-rateable. The applicant must be in the Tasman District and must facilitate the ongoing provision of non-commercial community services and/or non-commercial sporting and/or recreational opportunities.

- 1.1 Remission of rates may be made when both of the following criteria apply:
 - a) The land is owned by Council, the Crown, or a non-profit organisation and is occupied by that organisation.
 - b) The land is used exclusively or principally for sporting, recreation or community services under the following categories:
 - i. Hall or library
 - ii. Promotion of arts, health or education
 - iii. Recreational or sporting
 - iv. Free maintenance and relief of persons in need.
- 1.2 Remission of rates will not be made when any of the following exclusions apply:
 - a) The organisation (including a society, association or organisation, whether incorporated or not) exists for the purposes of profit or gain.
 - b) The organisation engages in sporting, recreational, or community services as a secondary purpose only.
 - c) The rate is any targeted rate for water supply, wastewater or refuse/recycling.

2. PROCEDURE

- 2.1 If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 31 December. If the applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.
- 2.2 Applications for remission must be made on the prescribed form.

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- 2.3 Applications will not be accepted for prior years.
- 2.4 Organisations making an application should include the following documents in support of their application:
- a) Statement of objectives
 - b) Full financial accounts (balance sheet, income statement, cash flow statement)
 - c) Information on activities and programmes delivered
 - d) Details of membership.
- 2.5 Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.
- 2.6 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

DRAFT FOR ADOPTION

POLICY ON REMISSION OF UNIFORM CHARGES ON NON-CONTIGUOUS RATING UNITS OWNED BY THE SAME OWNER

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To provide relief from uniform charges for rural land which is non-contiguous, farmed as a single entity, and owned by the same owner.

1. CONDITIONS AND CRITERIA

- 1.1 The Policy will be applicable to rural land which is non-contiguous, farmed as a single entity, and owned by the same owner.
- 1.2 Rating units that meet the criteria under this Policy may qualify for a remission of the uniform annual general charge and specified targeted rates set on the basis of a fixed dollar charge per rating unit.
- 1.3 The owner will remain liable for at least one of each type of charge.
- 1.4 Rate types affected by this Policy are uniform fixed charges, i.e. those that would be impacted if the properties were treated as one unit for setting a rate. Any rate relating to water supply will not be eligible for remission under this Policy.
- 1.5 Rating units that receive a remission must be held in identical ownership with each other and operated as a single farming or horticultural unit. For the avoidance of doubt, the definition of farming does not extend to rating units used fully or partly for forestry.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 31 May. This application will be enduring and annual applications are only required if requested by the Council, however applicants must inform the Council if their land use changes or if the rating units cease to be operated as a single farming or horticultural unit.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Application will not be accepted for prior years.
- 2.4 The Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

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POLICY ON REMISSION OF RATES ON LOW VALUED PROPERTIES

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To minimise administrative costs in the collection of rates on properties that are low-valued and provide rates relief on low valued land that is not used. The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation/rating assessment. This has resulted in some low land valued assessments being created, particularly where subdivisions of assessments have not covered the full area.

1. CONDITIONS AND CRITERIA

1.1 This Policy applies to properties in the Tasman District.

1.2 Despite the main provisions of the Local Government (Rating) Act 2002, the Council may make a decision not to collect rates where it deems it uneconomical to do so. Under this Policy, the Council may make property assessments with a rating valuation of up to \$7,500 eligible for a 100% rates remission if they meet all of the following criteria:

- a) The property is not part of a group of assessments that are classified or treated as contiguous;
- b) The property is not used, nor able to be effectively used, by the owner listed on the Certificate of Title.
- c) The property is not an isolation strip. An isolation strip is a narrow strip of land which separates land from a road. For the avoidance of doubt, this includes any land owned by a central government agency, including Waka Kotahi/ New Zealand Transport Agency.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 31 May. This application will be enduring and annual applications are only required if requested by Council staff, however applicants must inform Council if their property becomes used, or becomes contiguous to another property they own.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

POLICY ON REMISSION OF RATES FOR SCHOOL WASTEWATER CHARGES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To provide relief and assistance to educational establishments in paying wastewater charges.

1. CONDITIONS AND CRITERIA

- 1.1 The Policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002. The Policy does not apply to school houses or parts of a school used for residential purposes.
- 1.2 The wastewater charge is the rate that would be levied using the same mechanism as applied to other rating units in the District, divided by the number of toilets/urinals as determined in accordance with the clauses below.
- 1.3 Where the formula is applied and the wastewater charge is higher than the amount that would normally be levied if no formula was applied, the amount to pay would be whichever is the lesser of the two.
- 1.4 For the purpose of clause 1.2, the number of toilets/urinals for rating units occupied for the purposes of an educational establishment is one toilet/urinal for every 20 pupils and staff.
- 1.5 The number of pupils in an educational establishment is the number of pupils on its roll on 1 March in the year immediately before the year to which the charge relates.
- 1.6 For early childhood establishments, the number of pupils is the maximum number of pupils licensed for each session.
- 1.7 The number of staff in an educational establishment is the number of full time equivalent teaching and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 15 June. Applications made before this deadline will be applicable for the next rating year commencing 1 July.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

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POLICY ON REMISSION OF RATES FOR LAND OCCUPIED BY A DWELLING THAT IS AFFECTED BY NATURAL DISASTER

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To allow the Council, at its discretion, to remit rates charged on any rating unit used for residential purposes if the land has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) rendering dwellings uninhabitable. The aim of the Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to properties located in the Tasman District.
- 1.2 The Council may remit all or a part of any rate or user charge made and levied in respect of land, if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) and:
 - a) As a result dwellings previously habitable were made uninhabitable; and
 - b) The rating unit was used for residential purposes immediately prior to the disaster

For the purposes of this policy, 'uninhabitable' shall mean –

- i. a dwelling that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004 and the residents have been required to move out by the Council; or
- ii. a dwelling that is a total loss; or
- iii. as determined by Council after taking into account the matters specified in Clause 1.5 of this Policy.

'Rating unit used for residential purposes' shall mean –

any land including land not zoned for residential purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence.

- 1.3 The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the dwellings, were made uninhabitable, which shall be no less than 30 days after the event affecting the land in terms of this Policy up to, and limited to, the time that the dwellings are deemed by Council to be able to become habitable.
- 1.4 The decision to remit all or any part of a rate or user charge shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions set out in clause 1.2 are met by a ratepayer. The Council is unlikely to grant a remission where the land affected is in a known hazard prone location.

- 1.5 In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:
 - a) the extent to which essential services such as water, or sewerage to any dwellings were interrupted and could not be supplied;
 - b) whether essential services such as water or sewerage to any dwellings are able to be provided;
 - c) whether any part of the dwellings remain habitable; and
 - d) any property revaluation undertaken by Council's valuation provider.

2. PROCEDURE

- 2.1 Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion, might allow.
- 2.2 Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined on a case by case basis.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

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POLICY OF REMISSION OF PENALTIES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To enable the Council to act fairly and reasonably in its consideration of penalties charged on rates which have not been received by the Council by the due date.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to ratepayers within the Tasman District.
- 1.2 Remission of penalties on late payment of rates may be made when it is considered just and equitable to do so. In determining justice and equity, one or more of the following criteria shall be applied.
 - a) Where there exists a history of regular, punctual payment over the last two years and payment is made within a short time following the ratepayer being made aware of the non-payment, a one-off reduction in penalties may be made.
 - b) Where an agreed payment plan is in place, penalties may be suppressed or reduced, where the ratepayer complies with the terms of the agreed payment plan.
 - c) Where the rates instalment was issued in the name of a previous property owner.
 - d) Where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment, on compassionate grounds.
 - e) Where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.
 - f) Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears.
 - g) Where the remission facilitates the future payment of rates by direct debit within a specified timeframe.
 - h) Where ratepayers can reasonably expect a rates remission for the rating year where their application has not yet been approved, or where the final date for lodging the remission application has not yet passed.

2. PROCEDURE

- 2.1 A ratepayer may request that the penalty applied for late payment be remitted. The request must be received within 12 months of the penalty being applied.
- 2.2 In implementing this Policy the circumstances of each case will be taken into consideration on their individual merits, and a remission will be conditional upon the full amount of such rates due having been paid.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

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POLICY ON REMISSION OF RATES ON ABANDONED LAND

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To minimise administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

1. CONDITIONS AND CRITERIA

1.1 The Policy will apply to rating units that meet the definition of abandoned land as prescribed in Section 77(1) of the Local Government (Rating) Act 2002. In addition, the land has either failed to or is unlikely to be sold using the authority provided in sections 77-83 of the Local Government (Rating) Act 2002, or where it is uneconomic to sell the property.

2. PROCEDURE

- 2.1 Rates will be remitted in full annually on rating units that meet the conditions and criteria specified above.
- 2.2 Any rates arrears owing on qualifying properties at the adoption of the policy, or in the first year a rating unit qualifies under the policy, will also be remitted.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

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POLICY ON REMISSION OF EXCESS METERED WATER RATES

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To ensure the efficient use of water by ratepayers, and provide an incentive to ratepayers to promptly repair any leaks to their reticulation, and to moderate financial consequences for significant or severe leaks.

1. CONDITIONS AND CRITERIA

- 1.1. This Policy applies to ratepayers who have excess metered water rates due to a leak in the property's reticulation. Reticulation is defined as all water supply pipes and connections that commence at the point of supply (generally at the water meter) and covers the whole of the ratepayer's property. Residential and non-residential ratepayers have some different eligibility for remission as detailed in this Policy.
- 1.2. For the purposes of this Policy, "residential" means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located. 'Dwelling' means a building or group of buildings, or part of a building or group of buildings that is a) used or intended to be used only or mainly for residential purposes; and b) occupied or intended to be occupied exclusively as the home or residence of not more than one household, but does not include a hostel, boarding house or other specialised accommodation including retirement villages or gated communities with multiple dwellings serviced by a single point of supply.
- 1.3. A remission will only be granted on the most recent water invoice.
- 1.4. No remissions will be granted on any leaks associated with reticulation installed within the last five years.
- 1.5. The leak must be repaired by a registered plumber as specified in clause 2.1. The only exemption to this requirement is that provided for Murchison as noted in the Sanitary Plumbing (Exemption) Notice 1978 SR 1978/340.
- 1.6. Where a residential ratepayer makes a first remission application in a five year period, any remission granted will be set so that the ratepayer is not liable for the charge relating to the amount of water leaked. The amount of water leaked is assumed to be the difference between the volume that was invoiced, and the calculated maximum volume consumption. The calculated maximum volume consumption is the maximum daily consumption for that rating unit charged at any one time in the past three years, multiplied by the equivalent days of the affected invoice, provided it has been in the same ownership.
- 1.7. Where ownership of the property has been for less than six months, staff will monitor consumption for a period of three months following completion of all verified repairs to the property's reticulation, to establish a reasonable consumption figure to include in the calculation of the remission.

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- 1.8 Where a residential ratepayer makes a second application for a remission following a leak within five years of the first application, the first 1,000m³ of water leaked will not be eligible for remission. For leaks in excess of 1,000m³, any remission granted will be calculated on the leaked volume in excess of 1,000m³. The ratepayer will still be liable for 6% of the current volumetric water rate on the leaked volume in excess of 1,000m³. The 6% charge represents Council's approximate marginal cost of supplying water for the quantity of the leak in excess of 1,000m³.
- 1.9 In order to qualify for a remission, a non-residential ratepayer making a first application for a leak, or second application for a leak that is within a five year period of the first application, must supply Council with a record of water meter readings taken at least monthly covering the period charged for on the invoice. This is to ensure water leaks are identified in a timely manner. The same mechanisms for determining the volume of leaks will be used as in clauses 1.6 and 1.7. The first 1,000m³ of water leaked will not be eligible for remission. For leaks in excess of 1,000m³, any remission granted will be calculated on the leaked volume in excess of 1,000m³. The ratepayer will still be liable for 6% of the current volumetric water rate on the leaked volume in excess of 1,000m³. The 6% charge represents Council's approximate marginal cost of supplying water for the quantity of the leak in excess of 1,000m³.
- 1.10 Where there is a third application for remission from either a residential or non-residential ratepayer within five years of the first application, or a leak that does not qualify under clauses 1.1-1.9, the application will be declined. If an application relates to subsequent leaks beyond five years after a first application, it will be considered under this Policy.

2. PROCEDURE

- 2.1 All applicants must submit their application for remission within six weeks of the date of the most recent water invoice, stating that there are no further leaks on the property and must provide proof of repair. The proof of repair must be carried out by a registered plumber. (The only exemption to this requirement is that provided for Murchison as notified in the Sanitary Plumbing (Exemption) Notice 1978 SR1978/340).
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

SANITARY PLUMBING (EXEMPTION) NOTICE 1978 SR 1978/340

Pursuant to section 55 (1) of the Plumbers, Gasfitters and Drainlayers Act 1976, and after consultation with the Waimea County Council, the Minister of Health hereby gives the following notice:

CONTENTS

TITLE AND COMMENCEMENT

- 1 This notice may be cited as the Sanitary Plumbing (Exemption) Notice 1978.
- 2 This notice shall come into force on the day after the date of its notification in the Gazette.

Exemption from provisions relating to sanitary plumbing

The area described in the Schedule to this notice is hereby designated as an area where sanitary plumbing may be done by any person.

Schedule

Area in which notice has effect

The Murchison Division of the County of Waimea (as shown on a plan number SPE 1 deposited with the Ministry of Health and thereon edged with a bold black line), excluding the area situated within a radius of 1.5 kilometres of the Nelson Lakes National Park Headquarters in the Township of St Arnaud.

Explanatory Note

This note is not part of the notice, but is intended to indicate its general effect.

The effect of the notice is that, subject to the provisions of any enactment other than the Plumbers, Gasfitters, and Drainlayers Act 1976, any person may do sanitary plumbing within the area of the County of Waimea described in the Schedule to this notice. Except where an area is exempted in this way, only the holders of licences or certificates under the Act in respect of plumbing may do this work (subject to certain limited exemptions).

Promulgation

Issued under the authority of the Acts and Regulations Publication Act 1989

Date of notification in Gazette: 21 December 1978

8.2 SCHEDULE OF FEES AND CHARGES 2021/2022

Decision Required

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Sandra Hartley, Policy Officer - Strategic Development
Report Number:	RCN21-06-6

1 Summary

- 1.1 The Council can set a schedule of fees and charges to recover some costs associated with its services. Some of these are set by statute and others by the Council. The Council reviews all fees and charges annually.
- 1.2 The Council adopted the draft Schedule of Fees and Charges 2021/2022 (Draft Schedule) as a Statement of Proposal for public consultation under Section 83 and 87 of the Local Government Act 2002 (LGA).
- 1.3 The Draft Schedule was publicly notified in Council's Newline and website, calling for submissions from 24 March to 24 April 2021.
- 1.4 Council received 68 submissions with 72 submission points on the Draft Schedule. The matters raised in the submissions were summarised in the Deliberations Report dated 17 May 2021, along with staff recommendations.
- 1.5 The Council deliberated on these submissions on 19 May 2021.
- 1.6 In its deliberations, the Council resolved to adopt the staff recommendations, and also to amend the cemetery fees for children aged between 0 to 5 years to extend the age range to 0 to 12 years.
- 1.7 Council is now able to adopt the Schedule of Fees and Charges 2021/2022 (the Schedule), as per Attachment 1.

2 Draft Resolution**That the Full Council**

1. receives the **Schedule of Fees and Charges 2021/2022 Report RCN21-06-6**; and
2. **adopts the Schedule of Fees and Charges 2021/2022 as contained in Attachment 1 to report RCN21-06-6, dated 28 May 2021**; and
3. **notes that the Schedule of Fees and Charges 2021/2022 in 2. above will become effective on 1 July 2021.**

3 Purpose of the Report

- 3.1 The purpose of this report is to adopt the Schedule (Attachment 1), for implementation on 1 July 2021.

4 Background and Discussion

- 4.1 Under the Revenue and Financing Policy, the Council can set fees and charges to recover some, or all costs associated with Council services. Some of these fees and charges are set by statute, and others by the Council. Staff annually review the fees and charges and recommend to the Council any changes, additions or deletions.
- 4.2 As discussed at the Strategy & Policy meeting on 17 December 2020, in comparison with the 2020/2021 Schedule, some fees and charges have increased and, where appropriate, been rounded up or down to the nearest dollar. Some have also had minor wording changes.
- 4.3 Those fees and charges that have not changed are because staff consider that the existing fee is reasonable for the service provided and that budgets can be met from current charges.
- 4.4 New fees and charges have been introduced for new services, or for those services that had been previously provided but not charged for.
- 4.5 The staff hourly charge-out rate has increased from \$160.00 to \$164.00 per hour, in line with the Business & Economic Research Limited's adjustors (BERL).
- 4.6 The Council adopted the Draft Schedule on 17 December 2020 (with subsequent amendments and additions on 25 February 2021) as the Statement of Proposal for consultation purposes. This was carried out as per Section 83 and 87 of the Local Government Act 2002 (LGA). The consultation and submission period was open from 24 March to 24 April 2021.
- 4.7 The Draft Schedule attracted 72 submission points from 68 submitters.
- 4.8 On 19 May 2021, Council considered a Deliberations Report, summarising the submissions along with staff recommendations.
- 4.9 The Council deliberated on the submissions, and resolved to:
- amend the charging methodology for residential building consents from a time based charging method to a fixed fee based on the value of the building work as per Attachment 1; and
 - rename "Property Rates Printout" to "Property Rates Printout and Electronic File"; and
 - extend the age range for children from 0-5 years to 0-12 years for cemetery fees.
- 4.10 These changes have been incorporated in the Schedule (Attachment 1)
- 4.11 The Council is now able to adopt the final Schedule.

5 Options

- 5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	Approve the final Schedule of Fees and Charges 2021/2022 as appended in Attachment 1, with or without minor changes	<p>The consultation process has been undertaken, and submissions have been considered by Council.</p> <p>The amendments recommended by staff are considered to be relatively minor and of low significance. Adoption of the Schedule would allow the Council to recover the expected costs for the services it provides from 1 July 2021.</p>	
2.	Not adopt the Schedule, or selected parts of it.	<p>The advantage of this option is that the Council could request staff to report to a future Council meeting with more information on any of the proposed charges. This option would only apply if the Council felt that it did not have sufficient information to adopt the attached final Schedule in Attachment 1.</p>	<p>The disadvantage of this option is that any changes to the Schedule that are considered to be significant or material would require a further round of public consultation. This would mean the final Schedule, or parts of it, could not be adopted prior to the new financial year. In this circumstance we would continue charging the current 2020/2021 fees and charges until the new Schedule (or part) is finalised.</p>

5.2 Option 1 is recommended.

6 Strategy and Risks

- 6.1 Staff have programmed the timing of public consultation, hearings, deliberations and adoption to ensure that the final Schedule can be operative from 1 July 2021.
- 6.2 If the Schedule is not adopted prior to 1 July 2021, the Council may not be able to recover the expected costs for some services that are provided, and the 2020/2021 fees and charges would apply by default.

7 Policy / Legal Requirements / Plan

- 7.1 Some of the Council's fees and charges are required by different statutes to be consulted on using the Special Consultative Procedure in the LGA. This includes, for example, Resource Consent fees and Food Inspection charges.
- 7.2 The process Council has undertaken meets the Special Consultative Procedure requirements, as set out in Section 83 and 87 of the LGA.
- 7.3 The Council now needs to adopt the final Schedule, as attached, and align it with the LTP budgets to ensure that there is in place a mechanism to recover some costs from some of its services.

8 Consideration of Financial or Budgetary Implications

- 8.1 Under the Revenue & Financing Policy, in relation to Fees & Charges, it states:
“An activity should be funded by users or exacerbators if an individual or group of individuals directly receives the benefits of the activity or causes the action, and the costs of the activity can easily be attributed and charged to that individual or group of individuals.”
- 8.2 The Schedule reflects the Council's financial statement and is in keeping with the budgets set out for Year 1 of the Long Term Plan 2021-2031.

9 Significance and Engagement

- 9.1 Fees and charges generally have a low/moderate level of significance to most members of the public, while some charges may have a high level of significance to others, for example, those residents on fixed incomes. Council undertook consultation on the Draft Schedule using the Special Consultative Procedure, which attracted 68 submissions.
- 9.2 The Council considered the submissions and resolved minor changes to the Draft Schedule at its deliberation meeting on 19 May 2021. These changes have been incorporated into the Schedule in Attachment 1.

	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 Schedule was publicly notified and 68 submissions were received.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	There may be a minor economic impact on some people in the community that will depend on their ability to pay.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	The Schedule of Fees and Charges is re-assessed on an annual basis and are set to recover the cost of providing the service concerned.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019 ?	N/A	The decision has no impact or negligible impact on greenhouse gas emissions.

	Issue	Level of Significance	Explanation of Assessment
5.	Does the decision relate to a strategic asset?	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?	Low/Medium	Revenue from fees and charges is budgeted in the Long Term Plan 2021-2031.
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 (consistent with s81 of the LGA)?	N/A	

Item 8.2

10 Conclusion

10.1 This report requests that the Council adopt the Schedule as attached.

10.2 Adoption of this final Schedule will ensure that the appropriate fees and charges are in place for the 2021/2022 financial year. This will enable the Council to recover costs for some of the services provided as budgeted in the Long Term Plan 2021-2031.

11 Next Steps / Timeline

11.1 Once approved, the Schedule will come into effect on 1 July 2021.

11.2 The Schedule will be uploaded onto the Council's website and hard copies will be made available in Council libraries and service centres prior to the implementation date of 1 July 2021.

Attachments

- Schedule of Fees & Charges 2021/2022

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Item 8.2

Tasman District Council Schedule of Fees and Charges 2021/2022

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

STATEMENT OF PROPOSAL

SCHEDULE OF FEES & CHARGES 2021/2022

The Tasman District Council, acting under the Local Government Act 2002 (LGA), hereby prescribes the following charges. The charges shall come into force on 1 July 2021. The charges shall remain in force until amended by Council resolution, which may occur during the year. Certain charges can be amended by the Chief Executive Officer under delegated authority at any time. Some charges in this schedule are set by Government regulations and cannot be changed by Council.

All fees and charges are GST inclusive, and are set charges unless stated otherwise.

Invoiced charges are payable on the 20th day of the month after the issue of an invoice. Credit terms for commercial activities may vary from 20th of month following. The Council reserves the right to recover any additional charges where payments are accepted by credit card.

Summary of Changes from the 2020/2021 Schedule of Charges

- 1 Most fees and charges have been inflation adjusted to recover costs and reduce the amount of general rate funding needed to offset any shortfall. Where appropriate fees and charges have been rounded up or down to the nearest dollar. Notwithstanding this all charges have been reviewed line by line. There are some charges that have not been increased because they are set by statute, or that budgets can be met from current fees.
- 2 The hourly charge-out rate of \$160.00 in 2020/2021 for recovering staff costs has increased to \$164.00, in line with the rate of inflation.

3 Environment & Planning Department

Resource Management

- Generally inflation adjusted.

Resource Management, Administration, Monitoring and Supervision Charges of Resource Consents

- Generally inflation adjusted with a minor lift in some charges to reflect Activity Management Plans expectations.

Building Control

- Most inflation adjusted.
- Fuel heaters now separated into freestanding and inbuilt.
- Exemption for notices under Section 124 Building Act 2004 for buildings affected by natural disaster.
- Amended Plans – formal amendments after consent granted deleted.

Property Information & Development Contributions

- Most inflation adjusted.
- Files transferred to CD deleted, as is superceded by transferring to either Sharefile or to a USB.
- Development contributions - increase in deposit for objection hearing, along with application for consideration.
- Property Rates Printout now been renamed to Property Rates Printout or Electronic File to reflect both types of requests. There is no change to the charge.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Environmental Health

- Fees and charges inflation adjusted, with the exception of charges under Sale of Alcohol which are governed by statute.

Dog Control

- Charges not inflated, as the Dog account is a closed account and all money received in relation to dogs can only be expended for purposes authorised under S9 of the Dog Control Act 1996. The current fees are sufficient to meet the requirements of the Act for 2021/2022.

Maritime Charges

- Subject to the Mooring Area Bylaw 2020 being enacted, and the Mooring Area provisions in Plan Change 72 to the Tasman Resource Management Plan being operative, the proposed mooring charges will be in force.

4 Engineering Department

- All generally inflation adjusted.

Transportation

- Corridor Access Request (CAR) – definition modified and new charges introduced to recover costs for previously free or uncharged services.

Waste Management

- Mixed refuse disposal charges have increased to reflect higher landfill charges. The landfill increases include an increase in the national waste disposal levy (from \$11.50 to \$23.00 per tonne) and an increase in funding to Nelson City Council and Tasman District Council for waste management and minimisation activities.
- Greenwaste disposal by tonne has increased to reflect actual processing costs (but not handling transport costs, which are funded by general rate). Greenwaste disposal by volume has not increased as the new charge more accurately reflects real world density of greenwaste loads measured by volume.
- The minimum commercial transaction has increased from \$10.00 to \$15.00 to part recover invoicing costs and discourage small invoiced transactions.
- Household hazardous wastes – up to 20kg annually can be disposed at no charge at some locations but the source location must be declared and Council retains the right to refuse some materials.
- The cancellation and collection fee to collect for mobile recycling bin (if a bin from an invoiced service is not returned) has increased to reflect the cost to Council to collect a bin.
- We have also clarified the acceptance criteria for some items.

Wastewater Network Charges

- Fees for wastewater services to some properties within the Nelson City Council boundaries, which are set at the same amounts as the wastewater rates that are paid by the residents of Tasman District, can be found in Council's Funding Impact Statement.

5 Corporate and Governance Services Department

Aerodromes

- No changes, as these fees had increased significantly two years ago.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Collingwood Holiday Park Charges

- Some minor increases.
- “Shoulder Season” removed.

6 Community Development Department**Cemeteries**

- Generally inflation adjusted.
- Richmond Memorial Wall plaque space – Out of District Fee removed, as no longer required as there is sufficient room on the wall to accommodate plaques for all.
- Cemetery fees for children aged between 0-5 years now apply to children aged 0-12 years.

Sports grounds and miscellaneous parks and reserves charges

- Sports grounds inflation adjusted.
- Baseball Senior charges removed as was a double up.
- Kina and McKee campground charges increased to align with DOC charges.

Library

- Library fees and charges have not increased by inflation, as they are small amounts and inflated amounts would be difficult to collect.
- The adult member maximum charge for overdue books has increased.
- Library room hire charges for commercial use have increased.
- CD rental charges have been removed, as there is no longer a CD collection.
- Junior member overdue charges have been removed.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management	Charges from 1 July 2021 incl. GST
<p>The hourly charge-out rate for recovering staff costs is now \$164.00 per hour.</p> <p>The Council has resolved to generally fix charges in accordance with Section 36 and Section 36AAA of the Resource Management Act 1991 (RMA) and Section 77(1) of the Housing Accords and Special Housing Areas Act 2013 (HASHAA) for processing applications or requests and carrying out reviews based on a formula of hourly rates multiplied by the actual and reasonable time required to carry out the activity, plus the costs of disbursements and specialised advice.</p> <p>For the activities to which this formula applies, the Council requires payment of minimum lodgement fees (deposits) as listed below but reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur substantial costs over and above the listed lodgement fees.</p> <p>For some specific functions a standard charge or set fee applies as listed below. Refer also to the General Rules Applying in Respect of Charges set out in this Schedule.</p> <p>Where the formula or standard fee is inadequate to enable the Council to recover the actual and reasonable costs that are or will be incurred to carry out an activity, or where the Council considers that additional charges are warranted, they may be imposed under section 36(5) RMA and are subject to rights of objection.</p> <p>If a refund is due, the Council policy is to repay the person who originally supplied the deposit. Unless the Council receives written authority to the contrary, it cannot refund the money owing to someone else. Processing charges or credits of \$20.00 or less are deemed uneconomic to process and the Council will not issue invoices or refunds if the total processing costs are within this \$20.00 allowable variance.</p>	
Deemed Permitted Boundary Activity Notice	\$410.00
Marginal or Temporary Consent Exemption Notice (Actual charge will take account of whether Project Information Memorandum fee has been paid)	\$164.00/hr
<p>Non-notified Applications for Resource Consent</p> <p>The following new land use consents:</p> <ul style="list-style-type: none"> Building in Landscape Priority Areas Minor repair or addition to heritage building or structure Bores (except domestic bores between 8 and 30 metre depth) Minor building set-back or coverage breaches with affected persons approvals supplied (if not a deemed permitted boundary activity) Three or more dogs in residential zones with affected persons approvals supplied 	\$820 deposit
<p>Non-notified Applications for Resource Consent</p> <p>New domestic bore not exceeding 30 metres depth (set fee includes first monitoring action)</p>	\$600.00
<p>Non-notified Applications for Resource Consent</p> <p>New land use activities not listed above including, but not limited to, the following:</p> <ul style="list-style-type: none"> Dwelling or building (including setback and coverage breaches) Land Use Activities not permitted in zone Removal of protected tree(s) Earthworks/Land Disturbance/Vegetation Clearance 	\$985.00 deposit

SCHEDULE OF FEES & CHARGES 2020/2021

Resource Management	Charges from 1 July 2021 incl. GST
Hazardous Facilities Dam structure New Discharge Permit (to land, water or air) excluding dust suppression discharge permits (refer next page) New Water Permit (to dam, divert, take or use water) New Coastal Permit New Notice of Requirement Alteration of Existing Designation (Notice of Requirement S.181 RMA) New Heritage Order Replacement Water Permit (to dam, divert, take or use water) Replacement Discharge Permit (to land, water or air) Replacement Coastal Permit Transfer of Water Permit to new site (S.136(2)(b) RMA) Transfer of Discharge Permit to a new site (S.137(3)(b) RMA)	\$985.00 deposit
Non-notified Applications for Resource Consent New subdivision	\$1,650.00 deposit
Non-notified Applications for Change or Cancellation of Consent Condition(s) on existing consents (S.127 RMA) Change or Cancellation of Consent Notice (S.221(3)(b) RMA)	\$820.00 deposit
Notified and Limited Notification All applications under the RMA requiring notification, including applications requesting change or cancellation of consent conditions or notified S.128 RMA reviews. Additional deposits may be required.	\$5,000 deposit
Non-notified Application Hearing All non-notified applications under the RMA requiring a hearing, including applications requesting change or cancellation of consent conditions or notified S.128 RMA reviews. Additional deposits may be required.	\$5,000 deposit

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management	Charges from 1 July 2021 incl. GST
Administration, Monitoring and Supervision A standard monitoring fee of \$164.00 will be applied to all land use, coastal and discharge consents where monitoring is required, except where a specific charge otherwise applies. Monitoring outside of the first review will be subject to the "Re-inspection Fee" below.	\$164.00
Monitoring due to repeat non-compliance (re-inspection fee)	\$164.00/hr
Approval of Survey Plan under S.223 RMA, approval of Engineering Plans, and Completion Certificate under S.224 RMA, including monitoring, inspection and acceptance of as built plans. No deposit is required for any of these activities. Actual Council staff time and actual costs of consultants, including disbursements, will also be charged.	\$164.00/hr
Pre-application advice after the first hour of staff time (Deposits may be required or interim charges made prior to application lodgement)	\$164.00/hr
Dust suppression discharge permit – replacement permit (equates to two hours)	\$328.00
Dust suppression discharge permit – new permit applications (equates to two hours)	\$328.00
Outline plan consideration (S.176A RMA)	\$820.00 deposit
Outline Plan Waivers (S.176A(2)(c) RMA)	\$328.00 deposit
Certificate of Compliance (S.139 RMA)	\$985.00 deposit
Existing Use Certificate (S.139A RMA)	\$985.00 deposit
Extension of consent lapsing period (S.125 RMA)	\$820.00 deposit
Section 226(1)(e) RMA Certificate (allowing issue of separate title) (equates to two hours)	\$328.00 deposit
Bond Administration Fee	\$164.00
Certificate under Overseas Investment Act 2005	\$820.00 deposit
Certificate of Compliance for Sale of Alcohol	\$164.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management	Charges from 1 July 2021 incl. GST
Document Execution and Use of Council Seal Documents requiring Council resolution, Certification or Council Seal e.g. S221, 226, 241, 243, RMA S321, 327A, Local Government Act 2002 (LGA), Covenants, Easements in Gross and Caveats.	\$164.00 Minimum charge plus actual time cost if over 1 hour
Objections under S.357, 357A and 357B RMA Costs of processing objections including hearings may be charged in accordance with the general rules set out in this Schedule depending on the merits of the objection. Additional deposits may be required.	\$328.00 deposit
Review of Consent Conditions Request for review from consent holder	\$985.00 deposit
All reviews carried out under Section 128 RMA	\$164.00/hr
Water meter reading fee (following failed water meter returns, 1.5 hour charge out rate)	\$246.00
Request for a change to a Plan (private plan change request). Additional deposits may be required.	\$6,000 deposit
Part transfer of coastal, water or discharge permit (S.135, S.136 and S.137 RMA) with no changes to conditions of consent	\$820.00 deposit
Water zone allocation waiting list registration	\$360.00
Full transfer of Permits (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) RMA)	\$164.00
Minor amendment to existing Water or Discharge Permit to recognise change in land description as result of subdivision or similar.	\$246.00
Return of property seized under S.323 and S.328 RMA	\$100.00/item \$10.00/week storage

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2021 incl. GST
Gravel/Shingle Extraction Fees	
Waimea/Wairoa Rivers	\$6.73/m ³
Wai-iti	\$6.73/m ³
Motueka and Tributaries	\$6.73/m ³
Moutere	\$6.73/m ³
Riwaka/Sandy Bay	\$6.73/m ³
Tākaka and Tributaries	\$6.73/m ³
Aorere and Tributaries and other Golden Bay Rivers	\$5.05/m ³
Buller	\$3.92/m ³
Other Rivers, Streams and Coastal Marine Area	\$5.05/m ³
Gravel extraction outside of the above-listed areas on freehold land within the river berm area inundated by an annual flood	\$3.36/m ³
Gravel extraction on freehold land outside of the river berm area inundated by an annual flood	Actual and reasonable monitoring charges at \$164.00/hr
Coastal Structures – Annual Charges Coastal Structures per consent: Aquaculture Activity	
0 – 10 lines	\$516.00
Each additional line	\$29.00
Other structures (excluding structures that extend landward of Mean High Water Springs [MHWS])	\$114.00
Water Permit Annual Charges	
For stock water, private domestic use and firefighting	\$164.00
Permits to take water to or from storage, seepage or embayment at 5 l/s and greater, hydroelectric power generation ≤ 2.5 l/s, cooling water, private community water supplies, schools, campgrounds and retirement villages, seawater takes and frost protection (when a separate irrigation consent is held) irrespective of the quantity authorised.	\$300.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2021 incl. GST
For all other permits to take water, the fee is based on the average daily quantity of water authorised as set out below.	
Less than 250 m ³ /day	\$330.00
250 – 499 m ³ /day	\$415.00
500 – 999 m ³ /day	\$530.00
1,000 – 2,499 m ³ /day	\$680.00
2,500 – 4,999 m ³ /day	\$1,045.00
5,000 – 14,999 m ³ /day	\$1,675.00
15,000 – 49,999 m ³ /day	\$3,535.00
50,000 – 299,999 m ³ /day	\$10,388.00
300,000 m ³ /day or more	\$28,041.00
For Permits to Dam Water	
Damming for non-water take purposes or where a take from storage or surface take consent is held.	\$82.00
Consented damming for water take purposes	\$164.00
Discharge Permits (Water or Contaminant)	
Permits to discharge scour water from dams and pipelines, for water resource augmentation, spillway and compensation flows, minor cooling water discharges, minor spraying operations, flood/drainage discharges, stormwater related to commercial and industrial activities, minor sediment discharges and composting.	\$164.00
Dairy shed and piggery effluent discharges (including laboratory costs)	\$437.00
Fish Farming	
Less than 1,000 m ³ /day authorised discharge	\$164.00
1,000 – 4,999 m ³ /day	\$300.00
5,000 – 14,999 m ³ /day	\$802.00
15,000 – 49,999 m ³ /day	\$1,634.00
50,000 – 99,999 m ³ /day	\$4,098.00
100,000 m ³ /day or more	\$5,377.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2021 incl. GST
Food Processing Industries (including by way of example, abattoirs, fish processing, vegetable processing, dairy factories, wineries)	
Food processing waste water to land	\$300.00
Semi-treated/screened waste to water	
Authorised at less than 200 m ³ /day	\$387.00
200 – 999 m ³ /day	\$1,169.00
1,000 m ³ /day or more	\$2,341.00
Fully treated waste to water	
Authorised at less than 200 m ³ /day	\$164.00
200 – 999 m ³ /day	\$246.00
1,000 m ³ /day or more	\$475.00
Gravel Wash and Mining Discharges	
Less than 1,000 m ³ /day authorised	\$300.00
1000 – 2,999 m ³ /day	\$475.00
3,000 m ³ /day or more	\$802.00
Sawmills, Timber Processing Discharges to land	\$300.00
Power Generation Discharges (≥ 2.6 l/s)	
Less than 1,000 m ³ /day authorised	\$164.00
1,000 – 4,999 m ³ /day	\$300.00
5,000 – 24,999 m ³ /day	\$575.00
25,000 – 299,999 m ³ /day	\$850.00
300,000 m ³ /day or more	\$5,495.00
Discharge Permits for Sewage	
Permits for residential dwellings with an on-site wastewater treatment system.	\$164.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2021 incl. GST
All other sewage including community schemes, more than two residential dwellings and commercial wastewater systems, including visitor and tourist accommodation:	
Less than 50 m ³ /day authorised	\$330.00
50 – 99 m ³ /day	\$527.00
100 – 999 m ³ /day	\$613.00
1,000 – 9,999 m ³ /day	\$821.00
10,000 m ³ /day or more	\$1,292.00
Permits Discharge to Land under Section 15(1)(d) RMA	\$164.00
Discharge Permits (Air) Annual Charges	
Major air discharges (former Pt A [Clean Air Act] activities)	\$2,565.00
Minor air discharges (former Pt B [Clean Air Act] activities)	\$410.00
Minor Air Discharges (former Pt C [Clean Air Act] activities)	\$164.00
FORESTRY MONITORING CHARGES	
Pre-harvest site inspection	\$650.00
Harvesting Activity	
Per inspection	\$650.00
Per upstream and downstream sample for colour, turbidity, and suspended solids, if required	\$120.00
Post Harvesting Activity	
Per inspection	\$650.00
Per upstream and downstream sample for colour, turbidity, and suspended solids, if required	\$120.00

Note: The above fees and charges set out the fixed charges for inspections and sampling under the NES - Plantation Forestry Regulations 2017. The number of inspections required per forest will vary depending on the size, environmental risk from the activity in that location, and the degree of compliance with the regulations. Non-compliance may result in additional inspections and/or sampling to ensure compliance has been achieved.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

General Rules Applying in Respect of Resource Management Fees and Charges – Including Special Housing Areas under Section 77 (1) of the Housing Accords and Special Housing Areas Act 2013.

Charges will include all reasonable staff time associated with processing and assessing applications, excluding staff travel time to and from the site of the application and/or consent holder. Applications include private plan change requests and resource consent processing and monitoring associated with Special Housing Areas. Staff time will be charged at \$164.00 per hour inclusive of overhead component and GST from 1 July 2021. Costs associated with consent processing and assessment such as use of consultants and laboratory costs, where these skills cannot be provided by in-house staff, will be recovered at actual costs. This policy also applies to the monitoring of consent conditions where an annual charge is not made or where costs exceed the payable annual charge and Council elects to recover the difference.

Where multiple resource consents are sought or required for related activities, the standard application lodgement fees (deposits) shall apply for each consent, except that the notification fee shall comprise one full deposit (\$5,000) plus 20 percent for each additional consent required provided that the Manager Consents or the Environment and Planning Manager have discretion to determine a lesser total lodgement fee when there are large numbers of separate consents required.

Council reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager, Environmental Policy Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur costs over and above the listed deposit or standard fees. Deposits for the cost of hearings will be required when the need for a hearing is confirmed.

Where all or part of any deposit or charge is not paid, Council reserves the right not to process that application, or not to continue processing that application, in accordance with relevant statutory powers.

The cost of Councillor hearing panels are set by the Remuneration Authority and will be charged accordingly. Commissioner costs shall be charged at actual costs incurred. Where submitters request that a matter proceed to a hearing before independent Commissioners they shall meet the costs additional to those that would have been incurred if the request had not been made (S.36(1)(ab) and (ad) RMA).

Reductions and waivers are generally not available. Reductions might be justified where the person liable to pay any charge reduces the costs to Council of carrying out its functions, including through self-regulation checks approved by Council.

There will be no charge on parties who choose to surrender a resource consent and provide written confirmation.

Annual charges shall be due on 1 October or on the 20th of the month following the date of invoicing, whichever is the later, unless otherwise agreed in writing by Council. A standard administration fee of \$82.00 will be applied when a consent is deemed by the Council as not currently given effect to and the ability to give effect is not currently present. Excludes permits to take water.

A 50% rebate applies to the annual charges for consents with consent-specific monitoring programmes where monitoring costs are being recovered separately. Specific arrangements will be made in relation to approved self-regulation inspections.

Where a consent has expired and the activity is continuing per S.124 RMA while an application for a replacement consent is being processed, the applicant shall continue to be liable to pay any annual and/or monitoring charge.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

General Rules Applying in Respect of Resource Management Fees and Charges – Including Special Housing Areas under Section 77 (1) of the Housing Accords and Special Housing Areas Act 2013.

Hydroelectric power generation (≥ 2.6 l/s), suction dredging, and land based fish farming annual charges will be based on the discharge and not the take as long as the take and discharge are of equal volume. If there is a consumptive off-take then that take will attract the annual charge as for other consumptive takes. Consents to take will still attract the minimum standard water permit annual charge.

Annual charges levied on holders of resource consents will be recovered whether permits are exercised or not.

Where a water take consent is restricted to winter only abstraction a 50% discount will apply.

Rights-Of-Way	Charges from 1 July 2021 incl. GST
Application Right-of-Way (S.348 Local Government Act {LGA})	\$985.00 deposit

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Building Control	Charges from 1 July 2021 incl. GST
<p>Building Consents All applications for building consent shall be accompanied by a deposit of \$2,000.00 or the actual charge whichever is the lesser amount. The balance of any charge will be invoiced along with Resource Management Authority check (where Property Information Memorandum [PIM] not applied for), government and other levies when the consent is ready for issue.</p> <p>Where charges are listed as a deposit only, actual charges will be invoiced on the basis of \$164.00 per hour or part thereof unless advised otherwise.</p> <p>Note: Council reserves the right to assess individual cases as required. Additional reasonable charges may be requested by virtue of Section 219(2) of the Building Act 2004 if costs incurred exceed the standard charge. Applications that require consultation with New Zealand Fire Service or Heritage New Zealand Puhere Taonga will have costs recovered. Review of engineer design buildings by consultant will be charged as specified below.</p> <p>A building project greater than \$20,000 will also attract Insurance, Quality (QA), BRANZ and MBIE levies. Work cannot commence until the consent is paid for and issued.</p>	
Pre-Lodgement Meetings	
First 30 minutes	Free
30 minutes or more	\$164.00/hr
Solid Fuel Heater Application (Inclusive of the Building Consent System Fee)	
Freestanding	\$410.00
Inbuilt	\$574.00
<p>Minor Works Application For building work with an estimated value less than \$20,000. Specialist input, PIM/RMA check and additional requests for information will be charged additionally per hour or part there of (Covers the likes of small farm buildings, minor alterations and additions, onsite wastewater, proprietary carports, kitset garages, kitset outbuildings, decks and swimming pools).</p>	\$1,250.00
Tent and Marquee >100m ²	\$400.00
<p>Express Service for Commercial Marquees If submitted 10 working days or less from planned construction date Tasman District Council will endeavour to complete but cannot guarantee the issue of the consent before construction starts or the sign off of inspections before use. The Tent and Marquee fee excludes PIM/RMA check and Certificate of Public Use costs which will be charged additionally as applicable).</p>	\$900.00
RESIDENTIAL DWELLINGS	
New Dwellings	
Value up to \$200,000	\$3,200.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Building Control	Charges from 1 July 2021 incl. GST
Value - \$200,001 to \$300,000	\$4,000.00
Value - \$300,001 to \$499,999	\$4,750.00
Relocated Dwellings	\$2,000.00
ALL OTHER BUILDING WORK (EXCLUDING COMMERCIAL)	
Value	
\$2,001 to \$5,000	\$750.00
\$5,001 to \$10,000	\$1,000.00
\$10,001 to \$19,999	\$1,650.00
\$20,000 to \$49,999	\$2,000.00
\$50,000 to \$99,999	\$2,900.00
\$100,000 to \$249,999	\$3,500.00
\$250,000 to \$499,999	\$4,400.00
Commercial Building Work Buildings requiring assessment in terms of accessibility, fire safety and those buildings accessible to the public.	\$1,000.00 deposit \$164.00/hr
Amended Plans	
Formal Amendments and onsite variations are charged per hour. Related additional may apply, e.g. PIM rechecking, Additional inspections.	\$164.00/hr
Associated Building Costs (GST inclusive)	
Project Information Memorandum (PIM) New Construction, additions and alterations, additions/alterations	\$308.00
Resource Management Act Check (not applicable if PIM application has previously been made.)	\$308.00
<i>Note: further charges may apply if changes other than minor have been made requiring planning re-assessment.</i>	
PIM/RMA Rechecking fee	\$195.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Building Control	Charges from 1 July 2021 incl. GST
Insurance Levy	
< \$20,000 assessed value	Nil
> \$20,000 assessed value	\$0.75/\$1,000 value of project
Quality Levy	
< \$20,000 assessed value	Nil
< \$20,000 assessed value	\$1/\$1,000 value of project
BRANZ Levy	
< \$20,000 assessed value	Nil
> \$20,444 assessed value	\$1/\$1,000 value of project
MBIE Levy	
< \$20,000 assessed value	Nil
> \$20,000 assessed value	\$1.75/\$1,000 value of project
Certification Charge For historic consents older than 5 years	\$164.00/hr
Inspection Fee (Including any additional Inspections and Code Compliance Certificate (per inspection))	\$164.00/hr
Inspection Cancellation Fee (For cancellations after 2pm the day prior to the day of inspection)	\$164.00
Swimming Pool Audit Fee	\$164.00
Work Start Extension Request or Work Completion Request	\$164.00
Refuse, lapse and cancellation of building consent administration fee	\$164.00
Certificate of Public Use (CPU) – Section 363A Building Act 2004	\$385.00
Safety Barrier Inspection only	\$164.00
Renewal	\$385.00
Compliance Schedule New application, whether or not associated with Building Consent	\$400.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Building Control	Charges from 1 July 2021 incl. GST
Compliance Schedule Amendments	\$250.00
Building Warrant of Fitness	Plus recovery of costs at \$164.00
Building Warrant of Fitness for back flow preventer ONLY	\$50.00
Inspections Deposit if required	\$164.00
Building Act 2004 Infringement Notice issue and administration Issue and Administration *Plus recovery charges per hour for investigation and monitoring of notices under BA04	\$164.00 plus recovery charges at \$164.00/hr for investigation and monitoring of notices under the Building Act 2004
Notice to fix	
Issue and administration where building consent is held	\$174.00
Issue and administration where no building consent is held	\$523.00 plus recovery charges at \$164.00/hr for investigation and monitoring of notices under the Building Act 2004
Application for Certificate of Acceptance (COA) (Section 97 of the Building Act 2004) Applicants will be charged a \$500.00 application fee, charged per hour for the processing of the application, and any levies that would have been payable had building consent been applied for before carrying out the work. The deposit will be a down-payment towards these costs.	\$1,000.00 deposit \$164.00/hr
Building Act Schedule 1(2) Exempted Work (Levies will apply which is not included in the deposit)	\$400.00 deposit \$164.00/hr
Lodgement of unauthorised building reports (pre Building Act only – pre June 1991)	\$130.00
Lodgement of Building Act Schedule 1 Exempt work reports with owner's declarations	\$100.00
Building Code Waivers or Modification	\$250.00
Section 72, Section 75 (Building Act 2004) decision, plus legal disbursements	\$426.00 deposit

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Building Control	Charges from 1 July 2021 incl. GST
Section 124 Dangerous and Insanitary and Affected Building Notice (excludes buildings affected by an emergency event)	\$523.00 Plus \$164.00/hr
Consultancy Specific design peer reviews (unless provided by applicant)	At cost
Specialist input When a PS2 design is provided this fee may not be applicable	At Cost plus 10%
Building Certificates required under other legislation (e.g. Sale & Supply of Alcohol Act 2012) Plus inspection charge (if required)	\$164.00/hr \$164.00
Documents requiring Council resolution, certification or Council seal Plus actual cost (over 60 minutes) and any legal disbursements	\$164.00 \$164.00/hr
Earthquake Prone Building	
To obtain an Engineering assessment s133AI(3)(c) by the Territorial Authority	At cost plus \$164.00/hr
Application for Exemption to carry out Seismic work s133AN(2) (deposit plus hourly rate)	\$626.00 deposit
Application for an extension of time to complete seismic work for Heritage buildings s133AO(3) (deposit plus hourly rate)	\$626.00 deposit \$164.00/hr
Council to erect hoarding or fence for an EQP Building s133AR(1)(a) (deposit plus hourly rate)	At cost plus \$164.00/hr
Territorial Authority may carry out seismic work S133AS	\$626.00
Issue of Earthquake Prone Building notice S133AL	\$626.00 deposit
Assessment of information related to a Building's EQP status s133AH and s133AK (deposit plus hourly rate)	\$626.00 deposit \$164.00/hr
Determination Charge (Unless Council is the applicant of the determination)	\$164.00/hr

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Property Information & Development Contributions	Charges from 1 July 2021 incl. GST
Land Information Memorandum requested under the Local Government Official Information and Meetings Act 1987	
Residential	\$279.00
Commercial/Industrial	\$420.00
Large properties involving more than one certificate of title will be quoted accordingly. Note: Should a special request be made that results in a field inspection and/or submitter research, Council reserves the right to charge any additional fees that are appropriate, based on the amount of time required to provide the requested information.	
Property enquiries – access to Council records	
File access	\$10.00
Files sent via Sharefile or transferred to USB Plus cost of USB if we have to provide	\$15.00/file Actual cost
Property Rates Printout or Electronic File	\$4.00 ea
Frequent user discount is available as follows	
Option 1 A lump sum of \$1,290.00 payable annually in advance for a company gives access to an unlimited number of files	\$1,290.00
Option 2 A coupon-based system. Each coupon will enable access to five site files.	
Residential files cost per coupon	\$51.00
Commercial/industrial files cost per coupon	\$134.00
Deposit for Development Contributions Objection Hearing	\$1,500.00
Application for Reconsideration	\$300.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Environmental Health	Charges from 1 July 2021 incl. GST
FOOD BUSINESSES	
Pre-registration guidance (under LGA)	\$164.00/hour (pro rata)
New Template Food Control Plan registration	\$248.00 + \$164.00/hr over 60 min
Renewal of template Food Control Plan registration	\$101.00 + \$164.00/hr over 60 min
New National Programme registration	\$150.00 \$164.00/hr over 60 min
Renewal of National Programme registration	\$101.00 + \$164.00/hr over 60 min
Amendment of Food Control Plan or National Programme registration	\$101.00 + \$164.00/hr over 60 min
Verification (audit) including site visit, correspondence, report, following up corrective actions	\$164.00/hr + disbursements for boat travel
Verification appointment cancellation fee within one week of agreed time	\$106.00
Verification appointment cancellation fee within 48 hours of agreed time	\$210.00
Compliance – development & issue of Improvement Notice	\$174.00 +\$164.00/hr over 60 min Additional visits to check compliance charged at \$164.00/hr
Compliance – application for review of Improvement Notice	\$174.00 +\$164.00 /hr over 30 min

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Environmental Health	Charges from 1 July 2021 incl. GST
Other Registered Premises	
New premises application fee	\$159.00
Camping ground registration fee – basic fee (plus 50c for every camp site)	\$292.00
Funeral directors registration fee	\$292.00
Hairdressers registration fee	\$188.00
Offensive trade	\$271.00
Transfer of Registration Fee	\$99.00
Late payment fee	Additional 20%
Trading in Public Places Bylaw 2010	
Mobile traders	\$99.00
Hawker's licence	\$55.00
Commercial services	\$55.00
Soliciting donations, selling street raffle tickets, and buskers	No fee
Registered premises exemption fee deposit (plus any costs associated with staff time, hearings, and inspections)	\$277.00
Gambling Venue Consent (Deposit fee only)	\$363.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Environmental Health	Charges From 1 July 2021 incl. GST
SALE OF ALCOHOL	
Special Licences The definition of event size for special licences is: large event is for more than 400 people; medium event is for between 100 and 400 people; and small event is for fewer than 100 people.	
Special Licence: class 1 (1 large event: or, more than 3 medium events: or, more than 12 small events). NB There is provision for applications by not-for-profit fundraising and community events to be reduced by one class depending on circumstances.	\$575.00
Special Licence: class 2 (3 medium events: or, 3 to 12 small events)	\$207.00
Special Licence: class 3 (1 or 2 small events)	\$63.20
Managers Certificate - application fee or renewal fee	\$316.20
Temporary Authority application	\$296.70
Temporary Licence application	\$296.70
Extract from Register	\$57.50
Refer to the table below to calculate fees for club, on or off licenses. A number of factors influence the final cost for any particular licence application or renewal fee, or annual licence fees.	

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

How to calculate your cost / risk rating and fees

A		B		C		TOTAL WEIGHTING			
Types of premises	Weighting	Latest time allowed by licence	Weighting	Number of enforcement holdings in last 18 months	Weighting	Total Weighting	Cost/Risk Rating	Application Fee for all renewals, new licences and variations Incl GST (\$)	Annual Licence Fee Incl GST (\$)
Class 1 restaurant, night club, tavern, adult premises, supermarket, grocery store, bottle store	15	On-licences and clubs 2.00 am or earlier	0	None	0	0 – 2	Very low	368.00	161.00
Class 2 restaurant, hotel, function centre, Class 1 Club, Off-licence in hotel or tavern	10	Off-licences 10.00 pm or earlier				3 – 5	Low	609.50	391.00
Class 3 restaurant, other premises, Class 2 Club, Club off-licence, remote sale off-licence, other off – licence premises	5	On-licences and clubs between 2.01 am and 3.00 am	3	1	10	6 – 15	Medium	816.50	632.50
BYO restaurants, theatres, cinemas, winery cellar doors, Class 3 Club	2	Off-licences any time after 10.00 pm		2 or more	20	16 – 25	High	1023.50	1035.00
		On-licences and clubs any time after 3.00 am	5			26 plus	Very High	1207.50	1437.50

Definitions

- Class 1 restaurants** – restaurants with a significant separate bar area which, in the opinion of the relevant TA, operate that bar at least one night a week in the manner of a tavern.
- Class 2 restaurants** – restaurants that have a separate bar but which, in the opinion of the relevant TA, do not operate that area in the nature of a tavern at any time.
- Class 3 restaurants** – restaurants that only serve alcohol to the table and do not have a separate bar area.
- Class 1 clubs** – clubs which have at least 1,000 of purchase age) and which, in the opinion of the relevant TA, operate in the nature of a tavern at any time.
- Class 2 clubs** – clubs which are not class 1 or class 3 clubs.
- Class 3 clubs** – clubs that have fewer than 250 members of purchase age and operates a bar for no more than 40 hours each week.
- Enforcement Holding** – has the same meaning as a "Holding" under section 288 of the Act, or a previous offence for which a holding may have been issued if the offence had occurred before 18 December 2013.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

	Charges from 1 July 2021 incl. GST
Registration Fees	
Urban Dogs	\$50.00
Rural	\$30.00
Disability Assist Dogs	No charge
Search and Rescue Dogs	No charge
Late payment fee – if registration paid after 1 August	Additional 50%
Impounding Fees	
1 st impounding	\$70.00
2 nd impounding	\$100.00
3 rd impounding	\$150.00
Sustenance	\$15.00/day
Drop Off Fee (where dogs are not impounded)	\$40.00
Micro-chipping	
Micro-chipping impounded dogs if required	\$25.00
Micro-chipping on request (when available)	\$15.00
Micro-chipping first registered dogs under 6 months	No charge
Fee for the euthanizing of impounded dogs	\$75.00
Kennel Licence: Initial Application (plus any additional costs associated with staff time, hearings and inspections)	\$100.00
Replacement registration tag or disk	\$5.00

Note: a 50% surcharge is made for dangerous dogs

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Stock Control	Charges from 1 July 2021 incl. GST
Impounding Fees (per animal)	
Sheep or goat	\$15.00
Horse, mule, donkey	\$31.00
Bull over the age of 9 months	\$31.00
All other cattle	\$26.00
Pig	\$31.00
Alpaca, llama or deer	\$26.00
Any other impounded stock animal will be charged at rate determined fair and reasonable for that animal	
Sustenance per animal per day or part thereof	\$5.00
Other fees for droving, hire of equipment, necessary medical treatment etc. will be charged at actual cost. These fees are in addition to any allowed for under the Impounding Act 1955.	Actual cost

Biosecurity Charges	Charges from 1 July 2021 incl. GST
Hourly staff charge-out rate that will apply when undertaking Council's responsibilities under the Biosecurity Act 1993, associated with inspection and administration when issuing notices under the Act.	\$164.00/hr

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Commercial Operator's Licence	Charges from 1 July 2021 incl. GST
Application Fee Payable on initial application and in addition to the annual fee (plus reimbursement for any reasonable and necessary additional costs incurred by Council in assessing an application, e.g. evaluation of seaworthiness, qualifications and experience).	\$246.00
Annual Fee For each multiple of either one power-driven vessel or up to a total of 15 kayaks, rafts, waka or similar vessels that are not power-driven with greater than 10hpw.	\$318.00
Late Payment Fee	Additional 20%

Proposed Maritime Charges	Charges from 1 July 2021 incl. GST
Subject to the Mooring Area Bylaw 2020 being enacted, and the Mooring Area provisions in Plan Change 72 to the Tasman Resource Management Plan being operative, the following proposed mooring charges will be in force.	
Mooring Licence	
Application and renewal of existing mooring licence For new applications or renewal of expiring mooring licences with substantial changes or lack of inspection report	\$296.00
Annual monitoring and administration fee	\$164.00
Renewal of existing mooring licence A renewal application where there are no substantial changes required to the mooring licence conditions and where all inspection reports	\$100.00
Late payment fee (for annual renewal)	Additional 20%
Additional costs Reimbursement of any reasonable and necessary additional costs incurred by Council in assessing an application or enforcing compliance	\$164.00/hr
Waitlist Administration cost	\$50.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Engineering Charges	Charges from 1 July 2021 incl. GST
Staff time for inspection (including subdivision inspections), engineering and as-built plan processing, or administration.	\$164.00/hr
Fencing between private and Tasman District Council owned land excluding roads subject to a case by case basis	Council contribution - half actual cost per linear metre or \$67.00/metre (incl. GST), whichever is the lower
TRANSPORTATION NETWORK CHARGES	
Vehicle Access Crossing	\$161.00
Corridor Access Request (CAR) – in accordance with the Utilities Access Act 2010 and as part of a Code for the Management of a Road Corridor.	
Standard CAR – excavation (includes Traffic Management Plan {TMP} and 2 inspections)	\$273.00
Non-excavation on CAR/TMP (one off event, e.g. parade/sporting events)	\$80.00
Generic TMP	\$300.00
Generic TMP (inspection and mobile operations only)	\$80.00
Global CAR	Actual staff time and expenses \$164.00/hr
Non-approval penalty (undertaking activity without approval)	\$400.00
Parking permit	\$43.00/day
Application for Tourist Facility Sign (\$100 refunded if consent refused)	\$229.00 plus actual sign materials & installation costs
Road Closure (events, parades)	\$403.00 application fee, plus actual staff costs and expenses \$2,000 refundable deposit (Insurance and public liability cover)
Application for a road name change	\$393.00
Applications for Road Stopping (S.342 Local Government Act) (S.116 Public Works Act)	\$323.00 application fee plus actual staff costs and expenses

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Engineering Charges	Charges from 1 July 2021 incl. GST
WATER SUPPLY NETWORK CHARGES	
On Demand (Metered) Water Supply Network	
Individual connection where the physical connection to the main is between the property boundary and the adjacent kerb and no footpath exists	\$1,642.00
All other connections	Actual costs (up to a maximum of estimate of costs) plus \$164/hr for administration
Special water reading fee	\$77.00/reading
RESTRICTED FLOW WATER SUPPLY NETWORK	
Individual connection where the physical connection to the main is less than 10 metres from the main	\$1,642.00
All other connections	Actual costs (up to a maximum of estimate of costs) plus \$164/hr for administration
Alter restrictor size	\$257.00
To remove or relocate restrictor	Actual costs (up to a maximum of estimate of costs) plus \$164/hr for administration
SUBDIVISION	
Undertaking connection to main	Actual physical costs plus \$164/hr for administration

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Engineering Charges	Charges from 1 July 2021 incl. GST
PERMIT TO TAKE FROM A FIRE HYDRANT SUPPLY (in accordance with the Council's Public Water Supply Bylaw 2016)	
Annual charge	\$1,334.00 pa plus the current urban water rate per cubic metre for water consumed
Additional permit to an existing permit holder	\$564.00 pa plus the current urban water rate per cubic metre for water consumed
<p>General Rules Applying in Respect of Water Charges</p> <p>For Restricted Flow Water Supply, refer to the targeted rates section of the Long Term Plan 2021-2031 for the annual supply charge.</p> <p>The restricted supply schemes for Dovedale, Redwood Valley, Eighty-Eight Valley, and Māpua are currently closed due to lack of capacity from the source and/or the network.</p> <p>Connections to the restricted supply for Wakefield, Brightwater, and Richmond are subject to water availability.</p> <p>Connections to the Māpua Urban water supply are currently closed due to lack of capacity in the network.</p>	

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Solid Waste Charges

- York Valley landfill charges are set by the Nelson-Tasman Regional Landfill Business Unit. Other Solid Waste charges may be amended at any stage during the year by the Chief Executive Officer. Council will advise the public of any price increases by public notification at least one month prior to the new charges taking effect.

Solid Waste Charges	Charges from 1 July 2021 incl. GST
Rubbish bags (Tasman District Council sale price)	
Small bags (45 litres)	\$3.30 ea
Big bags (60 litres)	\$4.20 ea
Mixed refuse	
Weight based charge for account customers, vehicles over 3,500kg gross and light vehicles (when operational constraints allow)	\$223.10/tonne
Volume based charge, where weighbridge not available	\$79.30/m ³
60 litre bag (minimum domestic charge)	\$5.00
Light wastes (polystyrene and other similar wastes, where >25% of load)	\$160.00/m ³
Fee to recover unacceptable and undeclared waste	\$27.00/load
Minimum commercial transaction	\$15.00
Greenwaste (where accepted)	
Weight based charge for account customers, vehicles over 3,500kg gross and light vehicles (when operational constraints allow)	\$71.30/tonne
Volume based charge, where weighbridge not available	\$16.00/m ³
Minimum charge	\$4.00
Hardfill – clean, without contaminants (where accepted)	
The source location must be declared and Council retains the right to refuse loads or recover costs for disposal of contaminated material	
Where a Council provided weighbridge is available	\$24.00/tonne
At other sites	\$48.00/m ³
Minimum commercial or weighbridge transaction	\$15.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Solid Waste Charges	Charges from 1 July 2021 incl. GST
Scrap metals (where accepted)	
Scrap steel (sheet)	No charge
Car bodies and other vehicles	No charge
Refrigerating Whiteware (including fridges, freezers & dehumidifiers)	\$7.00 ea
Other Whiteware	No charge
Recyclables (where accepted)	
Domestic customers (quantities less than 1.0m ³)	
Glass (bottles) – clean, colour sorted	No charge
Clean paper and cardboard	No charge
Clean, plastic bottles and containers (Grades 1, 2, 5 only)	No charge
Clean cans	No charge
Unsorted or contaminated materials	At mixed refuse charge
Commercial customers or domestic customers greater than 1.0m ³	By arrangement with site contractor
Tyres	
Car and motorcycle	\$10.00 ea
Car tyres on rims	\$22.00 ea
Truck	\$30.00 ea
Truck tyres on rims and other large tyres not accepted	
Paint (where accepted)	
Resene branded	No charge
Other brands: containers 4 litres or smaller	\$1.20 ea
Other brands: containers greater than 4 litres	\$3.00 ea

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Solid Waste Charges	Charges from 1 July 2021 incl. GST
Hazardous waste (where accepted)	
Automotive Oil	No charge
Gas cylinders	No charge
Batteries	No charge
Household hazardous wastes – up to 20kg annually The source location must be declared and Council retains the right to refuse some materials	No charge
Commercial or agricultural hazardous waste not accepted	
Kerbside recycling services	
Additional kerbside recycling services - annual fee	\$138.00
Additional kerbside recycling services - part year (per month)	\$11.50
Replacement mobile recycling bin (delivered)	\$153.00
Replacement mobile recycling bin (from Council or RRC)	\$78.00
Additional or replacement glass recycling crate (delivered)	\$30.00
Additional or replacement glass recycling crate (from Council or RRC)	\$25.00
Cancellation fee to collect mobile recycling bin (if a bin from an invoiced service is not returned)	\$90.00
Tow-ball hitch for recycling bin	\$26.00
Exchange fee to deliver a smaller or larger recycling bin	\$90.00
York Valley landfill charges	
All Rubbish (except as below)	\$204.70/tonne
Buried rubbish (e.g. documents, odourous materials)	\$204.70/tonne
Asbestos	\$204.70 /tonne
Light waste (e.g. polystyrene or similar)	\$2,603.60 /tonne

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Solid Waste Charges	Charges from 1 July 2021 incl. GST
HAIL (Hazardous Activities and Industries List) material	
0-17,000 tonnes	\$184.00/tonne
>17,000 tonnes	\$173.65/tonne
Soil that has been tested, meets the NESCS recreation standards and can be used as construction or cover material. Residential only.	\$123.05 /tonne
7 -35 tonne quantities from A10 sites may be accepted without testing. Only commercial transporters are allowed to enter the landfill (no private individuals). A manifest must be completed with site plan and plot number from where material sourced.	

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Water Supply Charges

Tasman District Council supplies water to some parts of the Nelson City, including the Champion Road/Hill Street North area and the Wakatu Industrial Estate, shown on the maps attached to this Schedule of Charges and referred to as Nelson Residential Water Supply Area and Nelson Industrial Water Supply Area. Water is also supplied to 484 and 490 Nayland Road, Stoke, and 910 Main Road Stoke

Water supplied will be charged in accordance with the 2015 Engineering Services Agreement between Nelson City Council and Tasman District Council, or in accordance with any subsequent enacted agreement if applicable. For the water supplied to the Nelson Industrial Water Supply Area and to 484 and 490 Nayland Road, Stoke, and 910 Main Road Stoke, water charges may be charged directly to the customer and will be set to approximate the same rates charged as if the entities had been located in the Tasman District.

Water Supply Charges	Charges from 1 July 2021 incl. GST
Water supplied by Tasman District Council to Nelson City Council (Nelson Residential Water Supply Area) per cubic metre supplied	\$4.07
Water supplied to Nelson Industrial Water Supply Area (per cubic metre supplied) Plus fixed daily charge per rating unit	\$2.51* \$1.13 per day*
Water supplied to 910 Main Road Stoke and 490 Nayland Road	\$4.07

*A penalty of 10% will be added to the amount of water charges remaining unpaid on the day after the final date for payment as shown on the water invoice.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Wastewater Network Charges	Charges from 1 July 2021 incl. GST
Connections	
Stand-over for connection only	No charge
Wastewater Network Charges For Nelson City Council Properties	
The Council provides wastewater services to a small number of properties within the Nelson City Council boundaries. The wastewater charges are set at the same \$ amounts as the wastewater rates that are paid by the residents of Tasman District. Please refer to Council's Funding Impact Statement for details of the amounts.	
Trade Waste Discharges	
Annual (or part there-of) trade waste administration/inspection charge	
Registered Trade Waste activity	\$169.00**
Conditional Trade Waste activity (includes temporary discharges)	\$464.00
Conditional Trade Waste Conveyance and Treatment Charges (including temporary discharges)	
Volume	\$2.38/ m ³
Five-day Biochemical Oxygen Demand (BOD5)	\$2.31/kg
Chemical Oxygen Demand (COD)	\$0.16/kg
Total Suspended Solids (TSS)	\$1.32/kg
Total Kjeldahl Nitrogen (TKN)	\$2.00/kg
Total Phosphorus (TP)	\$1.15/kg

** A 50% discount of the annual trade waste charge will apply to registered trade waste activities where the business activity is subject to a separate and concurrent Council licensing process; namely food premises and hairdressers.

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

General Rule in Respect of Trade Waste and Domestic Wastewater Charges

Where trade waste is discharged or measured separately from domestic wastewater, both trade waste and pan charges will be applied cumulatively. Where the waste streams are combined, the pan charge shall apply and act as a credit against the trade waste charges, so that only the trade waste charges in excess of the pan charge shall be payable.

Stormwater Network Charges

Connections	Charges from 1 July 2021 incl. GST
Stand-over for connection only	No charge

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Aerodrome Charges

- For general aviation user landing charges:
 - Every landing incurs a landing charge
 - The first touch and go in a set of touch and go's incurs a landing charge
 - There is a maximum gap of 15 minutes between touch and go's in a set
 - Touch and go's that are more than 15 minutes apart incur another landing charge
 - Unpaid landings will be invoiced and will incur an additional administration charge of \$25 per aircraft per month
- For regular user landing charges:
 - New users during the year will be invoiced pro-rata for the period to the end of the year.
- The charges may be varied by the Chief Executive Officer where special circumstances exist

Motueka and Tākaka Aerodromes	Charges from 1 July 2021 incl. GST
General aviation user landing charges (via honesty box or bank transfer): All Aircraft	Per landing \$10.00
Regular recreational user landing charges (via annual invoice):	Per annum
Single User Aircraft	\$200.00/aircraft
Single User Additional Aircraft	\$100.00/aircraft
Single User Additional Aerodrome (Add Tākaka or Motueka Aerodrome)	\$100.00/aircraft
Multiple User / Club Aircraft	\$600.00/aircraft
Multiple User / Club Additional Aerodrome (Add Tākaka or Motueka Aerodrome)	\$200.00/aircraft
Regular commercial user landing charges (via annual invoice):	Per annum
All Aircraft	\$1,200.00/aircraft
Commercial User Additional Aerodrome (Add Tākaka or Motueka Aerodrome)	\$300.00/aircraft

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Port Tarakohe

- Port Tarakohe has cameras located around the Port to monitor activity, health & safety and security risks. The footage from these cameras will be used to support enforcement of charges for the use of facilities at the port.
- Cargo transferred between vessels within the Port is liable to standard wharfage charges.
- All charges for berths, moorings, storage and leased areas are payable in advance. For any overdue payments a penalty interest charge of 1% per month will be payable. All other payments are due on the 20th of the month following on standard commercial trade terms.
- All berth, mooring, storage and leased area users are required to sign a current port user agreements when requested by the Port Manager. Any users that refuse to sign a current port user agreement, will vacate their berth, mooring, storage or leased area within 48 hours.
- An administration charge of 10% per annum may be added to any charges paid by instalments during the year.
- Visitors and users that do not notify the Port Manager 24 hours before arrival to pre-arrange berthage requirements, will be charged a penalty fee of \$100 (including GST).
- No storage is permitted on wharf structures unless specifically authorised by the Port Manager in writing. Storage rates apply after 24 hours of cargo/material arriving (allowance to be made for extenuating circumstances such as bad weather). Storage to be in the assigned areas only. Bulk cargo in transit may have extended demurrage with approval of the Port Manager. Failure to comply may result in a “penalty storage charge” of \$500 (including GST) being issued and non-removal within 48 hours may incur removal charges and a further fee of \$500 (including GST).
- A fixed marine fuelling site, or any mobile fuelling where oils are transferred by way of a hose or similar between shore-and-ship, or ship-to-ship, is required to have a Tier-1 Fuel Transfer Site Oil Spill Contingency Plan approved in advance by the Council’s Regional On-Scene Commander. This does not apply to the transfer of self-contained fuel containers (tote tanks, sealed drums or similar) from shore-to-ship or ship-to-ship. The Council as Port Operator has full control over any activities conducted within the Port and therefore approval in writing is required before any fuel transfer is permitted – any approvals will also be subject to per litre charges. Failure to seek approval and comply with Council’s requirements will incur a fine of \$2,000 plus the costs of the activity that would normally apply and any costs of clean up/damage repair.
- The charges may be varied (including discounts for long term bulk contracts and wharf berthage) during the year by the Chief Executive Officer where special circumstances exist

Wharfage	Charges from 1 July 2021 incl. GST
Fish and shellfish Includes all marine animals	\$23.59/tonne
Fuel and oil Other than fixed facility, and fuel transfer only – no storage	\$0.06/litre
General cargo	\$8.72/tonne
Passengers Where no vessel berthed	\$7.69/person

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Wharfage	Charges from 1 July 2021 incl. GST
Vehicles (includes vehicle passengers)	
Cars and motorbikes up to 6m	\$25.65/vehicle
Light vehicles incl. cars with trailers up to 12.6m	\$51.30/vehicle
Medium vehicles (Gross Vehicle Mass > 3.5 tonnes) or any vehicles over 12.6m	\$76.95/vehicle
Heavy vehicles (Gross Vehicle Mass > 12 tonnes)	\$10.26/tonne
Boat movements Includes refloating etc.	\$23.59/tonne
Weighbridge All truck movements > 1.5 tonne	\$6.66/entry/exit

Berthage – Casual Rates	Charges from 1 July 2021 incl. GST
Wharf berthage per day	\$5.64/metre
Wharf berthage ancillary services – security, line charges and all other services	\$92.34/hr
Marina/mooring berthage per day	\$3.59/metre \$35.91/vessel, whichever is the greater

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Berthage – Annual Rates	Charges from 1 July 2021 incl. GST
Plastic Marina - Berth length:	Per Annum
8 metre – restricted access	\$2,718.90
8 metre	\$3,437.10
10 metre	\$4,309.20
12 metre	\$5,181.30
14 metre	\$6,027.75
16 metre	\$8,156.70
18 metre	\$9,234.00
20 metre	\$11,286.00
25 metre	\$15,390.00
Concrete Marina - Berth length:	Per Annum
12 metre – restricted access	\$6,771.60
12 metre	\$8,361.90
15 metre	\$10,516.50
25 metre	\$19,237.50
Moorings	\$1,795.50
Live Aboard Charge (additional to berthage)	
Marina	\$123.12/month
Mooring	\$61.56/month

Boat Ramp	Charges from 1 July 2021 incl. GST
Port Tarakohe boat ramp barrier arm	\$10.00/use
Boat ramp access card	\$150.00/pa (plus \$10.00 for each access card)
Pōhara Boat Club Members boat ramp access card – fees collected and paid by Pōhara Boat Club prior to issue of card	\$125.00/pa (plus \$10.00 for each access card)

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Storage	Charges from 1 July 2021 incl. GST
Boat Storage Compound	
Weekly	\$51.30
Monthly	\$153.90
Annually	\$1,333.80
Wharf storage	
Daily	\$1.90/m ²
Monthly	\$19.00/m ²
Annually	\$190.00/m ²
20' TEU container	
Monthly	\$282.15
Annually	\$2,821.50
40' FEU container	
Monthly	\$564.30
Annually	\$5,643.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Collingwood Holiday Park Charges

Collingwood Holiday Park is owned and operated by the Council.

- Peak season is 1 December to 31 March, plus all holiday weekends.
- Off peak season is 1 April to 30 November, excluding holiday weekends.
- Long stay rates are available from 15 August to 30 November for stays that exceed 7 nights.
- All reservations require a 20% non-refundable deposit.
- Reservations are only confirmed on receipt of the full payment, or the 20% deposit with the balance being due on arrival.
- No reduction in fees for early departures or late arrivals.
- Minimum tariffs and stay periods may apply.
- Cancellations:
 - Peak season:**
 - A refund will be given if a reservation is cancelled at least 14 days prior to the arrival date, less the 20% non-refundable deposit.
 - If a reservation is cancelled within 14 days of expected arrival no refund will be given.
 - If an amendment results in the shortening of the reservation, no refund will be made, unless notice is given at least 14 days prior to the arrival date. The 20% non-refundable deposit still applies to the cancelled nights.
 - Off peak season:**
 - A refund will be given if a reservation is cancelled at least 72 hours prior to the arrival date, less the 20% non-refundable deposit.
 - If a reservation is cancelled within 72 hours of expected arrival, no refund will be given.
 - If an amendment results in shortening of the reservation, no refund will be made, unless notice is given at least 72 hours prior to the expected arrival. The 20% non-refundable deposit still applies to the cancelled nights.
- The charges may be varied by the Chief Executive Officer where special circumstances exist.

Collingwood Holiday Park Charges	Charges from 1 July 2021 incl. GST
PEAK SEASON (1 December – 31 March, plus all holiday weekends)	
Sites (Tent/Caravan/Motorhome)	Per Night
Waterfront Powered (1 or 2 persons)	\$50.00
Waterfront Unpowered (1 or 2 persons)	\$40.00
Powered (1 or 2 persons)	\$40.00
Unpowered (1 or 2 persons)	\$35.00
Extra Adult	\$20.00
Extra Child 2-14 years	\$10.00
Extra Child under 2 years	Free

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Collingwood Holiday Park Charges	Charges from 1 July 2021 incl. GST
Cabins & Bach	Per Night
Ensuite Cabin (1 or 2 persons)	\$120.00
Waterfront Cabin (1 or 2 persons)	\$110.00
Standard Cabin (1 or 2 persons)	\$80.00
Backpacker Cabin (1 or 2 persons)	\$70.00
Bach (1 to 4 persons)	\$160.00
Extra Adult	\$25.00
Extra Child 2-14 years	\$15.00
Extra Child under 2 years	Free
OFF PEAK SEASON (1 April – 30 November, excluding holiday weekends)	
Sites (Tent/Caravan/Motorhome)	Per Night
Waterfront Powered (1 or 2 persons)	\$40.00
Waterfront Unpowered (1 or 2 persons)	\$35.00
Powered (1 or 2 persons)	\$35.00
Unpowered (1 or 2 persons)	\$30.00
Extra Adult	\$15.00
Extra Child 2-14 years	\$10.00
Extra Child under 2 years	Free
Cabins & Bach	Per Night
Ensuite Cabin (1 or 2 persons)	\$100.00
Waterfront Cabin (1 or 2 persons)	\$90.00
Standard Cabin (1 or 2 persons)	\$70.00
Backpacker Cabin (1 or 2 persons)	\$60.00
Bach (1 to 4 persons)	\$130.00
Extra Adult	\$20.00
Extra Child 2-14 years	\$15.00
Extra Child under 2 years	Free

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Collingwood Holiday Park Charges		Charges from 1 July 2021 incl. GST
LONG STAY RATES (15 August – 30 November, for stays that exceed 7 nights)		
Sites (Tent/Caravan/Motorhome)		Per Night
Powered (1 or 2 persons)		\$30.00
Unpowered (1 or 2 persons)		\$25.00
Extra Adult		\$10.00
Extra Child 2-14 years		\$5.00
Extra Child under 2 years		Free
EXTRA CHARGES		
Linen Hire (per person)		\$10.00
Internet (per 24 hours)		\$5.00
Towel Hire (per item)		\$2.00
Vehicle and Caravan storage subject to seasonal availability in designated area (per night)		\$5.00
Caravan/ Campervan site occupancy but absent from holiday park (per night)		\$20.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Corporate Charges	Charges from 1 July 2021 incl. GST
GIS Map Prices (per copy)	
A4	\$5.00
A3	\$10.00
A2	\$15.00
A1	\$20.00
A0	\$30.00
Subsequent copies	
A4	\$2.00
A3	\$5.00
A2	\$7.50
A1	\$10.00
A0	\$15.00
Electronic files (e.g. Maps and GIS data in electronic format)	\$164.00/hr
Official Information Requests Staff time will be charged out at a rate of \$38.00 per half hour. Copying will be charged out at the normal rate applicable.	\$38.00/ half hour

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Photocopying	Charges from 1 July 2021 incl. GST
First 20 pages for requests under the Official Information Act	Free
Additional copies:	
Single sided	20c
Double sided	40c
A3 black and white	
Single sided	40c
Double sided	70c
Colour copies A3 and A4	\$2.00

Miscellaneous Charges - Customer Services	Charges from 1 July 2021 incl. GST
Records of Title	\$21.00
Survey Plan	\$21.00
Historic Titles	\$21.00
Scanning of Minor Building Consent applications for electronic processing	\$2.00/page Maximum 20 pages

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Property Services Charges	Charges from 1 July 2021 incl. GST
Grazing Licence	
Grazing land - application for licence to occupy	\$154.00
Grazing land licence to occupy documentation fee	\$154.00
Grazing land annual licence to occupy rental fee	By negotiation with a minimum \$236.00/pa
Retail/Community Licence To Occupy	
Retail - application for licence to occupy (This is for vending carts, outdoor dining, market operator etc.)	\$154.00
Retail licence to occupy documentation fee	\$154.00
Retail licence to occupy temporary retail cart rental fee	\$64.00/week
Retail licence to occupy area for outdoor dining	\$30.00 per week up to 15m ² , then \$3.50 per week per additional square metre
Market operator licence to occupy	On a case-by-case basis by negotiation
Community-based licence to occupy application fee	\$154.00
Community-based licence to occupy (sports clubs). Minimum rental	\$236.00/pa
Short Term Encroachments (less than 5 years)	
Application for licence to occupy	\$154.00
Licence to occupy documentation fee	\$154.00
Long Term Encroachments (underground services, bach, garage, carport)	
Application fee for long term occupation agreement Documentation fee for long term occupation agreement	\$154.00 plus staff administration costs if the application is approved, all costs including staff time are payable

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Property Services Charges	Charges from 1 July 2021 incl. GST
Annual Rental for Short Term and Long Term Encroachments	
Above ground encroachment in rural 1 or rural 2 zoned land up to 20m ²	\$292.00/pa
Above ground encroachment in any other zoned land up to 20m ²	\$590.00/pa
Above ground encroachment over 20m ² in any zone	Charged at market value determined by independent valuer
Below ground encroachment	On a case-by-case basis taking in to account the scale of the encroachment with a minimum of \$285.00/pa
Miscellaneous	
Application to transfer licence	\$154.00
Transfer of licence document fee	\$154.00
Road stopping application fee. (if application is approved all costs including staff time are payable in advance in addition to the application fee).	\$308.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Tasman District Council Cemeteries	Charges from 1 July 2021 incl. GST
Plot – purchase right of burial	
RSA in designated areas	No fee
New Plot – 13 years and over	\$1,300.00
Natural Burial – Standard Plot Size	\$1,300.00
Natural Burial – Large Plot Size	\$2,600.00
Out of District Fee	
Out of District Fee on any Burial Plot – extra to above	\$1,300.00
Children’s areas where set apart	
Child 0-12 years	\$165.00
Stillborn	No fee
Ashes – purchase right of burial	
RSA	No fee
Rose Garden – all ages	\$523.00
Tree Shrub Garden – all ages	\$523.00
Ash Berm – all ages	\$523.00
Stillborn	No fee
Out of District Fee on any Ash Plot – extra to above	\$523.00
Richmond Memorial Wall Plaque Space	\$200.00
Burial interment fees	
RSA	\$819.00
Interments – 13 years and over	\$819.00
Child – 0-12 years	\$156.00
Stillborn	No fee

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Tasman District Council Cemeteries	Charges from 1 July 2021 incl. GST
Burial interment fees cont.	
Disinterment/Reinternment	Actual cost
Saturday extra charge – all ages	\$227.00
Sunday & Public Holiday extra charge – all ages	\$510.00
Ash Interment Fees	
All ash plots in all cemeteries – all ages	\$160.00
Disinterment/Reinternment – ashes	Actual cost
Saturday extra charge – all ages (if contractor attendance is required)	\$175.00
Sunday and Public Holidays extra charge – all ages (if contractor attendance is required)	\$283.00
Miscellaneous	
Concrete cutting when required	Actual cost
Late funeral hourly rate extra charge after 5pm	\$227.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Sports Ground Charges

- Some Council owned Sports Grounds are run by Management Committees, who set their own charges
- Representative Training Tournaments and out of season one off use for sportsfields and associated facilities – charges will be at cost of preparation.
- These fees will be inflation adjusted annually
- All fees are per season

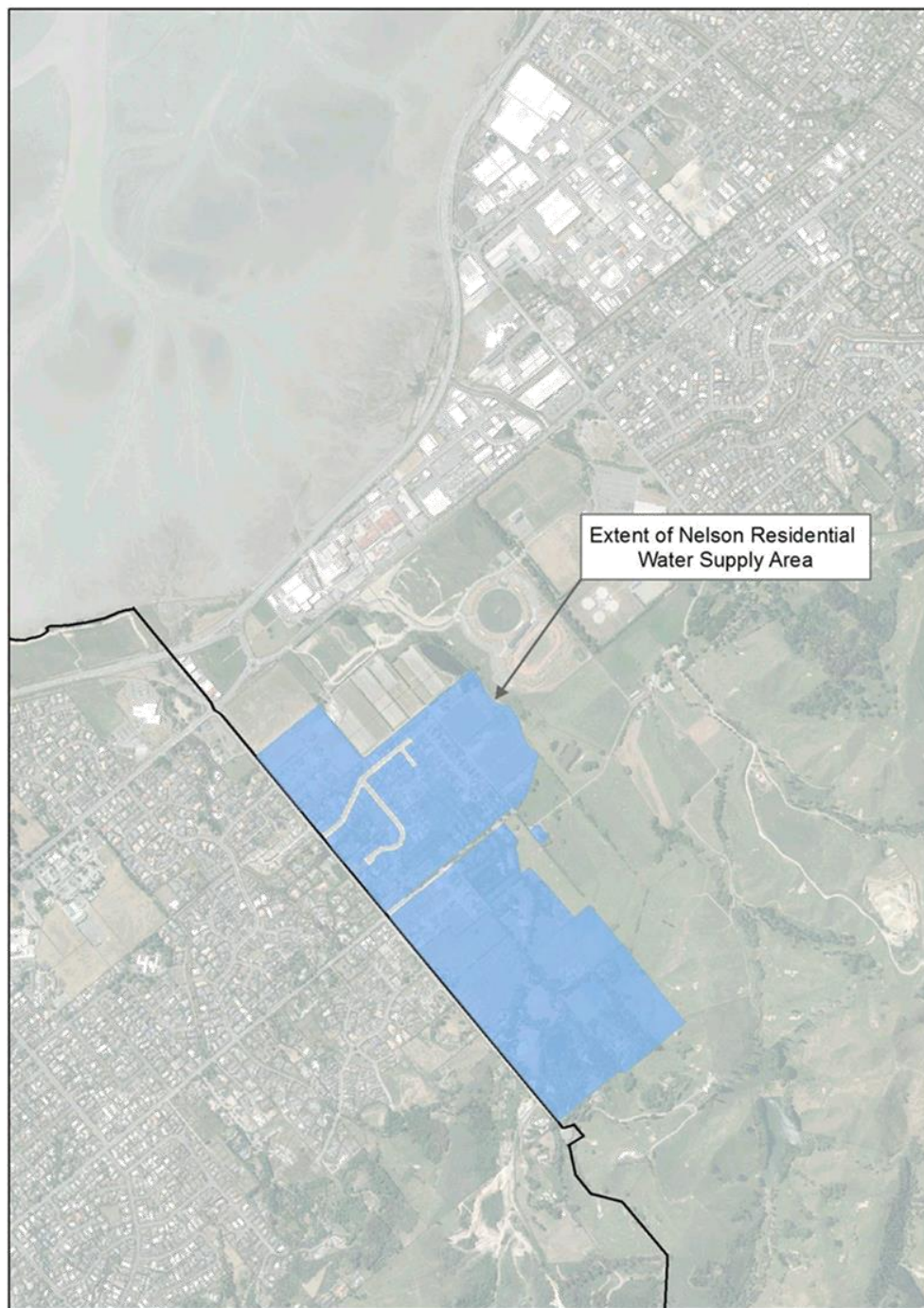
Tasman District Council Sports Grounds Charges		Charges from 1 July 2021 incl. GST
Type		
Cricket – Senior grade		\$3,559.00/block
Cricket – Second grade		\$2,718.00
Cricket – Artificial pitch		No charge
Rugby, Rugby League, Baseball, Football - Senior		\$386.00
Rugby, Rugby League, Football – Senior (where no field allocated)		\$106.00/occasion
Rugby, Football and Baseball - Junior		No charge
Athletics		\$137.00/track
Summer Rugby, Touch & Football - Senior		\$137.00/field
Velodrome – Cycle Club		\$421.00/ season/club

Miscellaneous Parks and Reserves Charges		Charges from 1 July 2021 incl. GST
Fencing between private and Tasman District Council owned land excluding roads subject to a case by case basis		Half actual cost per linear metre or \$67.00/metre whichever is the lower
Kina Campgrounds		Adult (16+ years) – \$10.00/night
McKee Campgrounds		Adult (16+ years) – \$10/night

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

Library Charges	Charges from 1 July 2021 incl. GST
Loans	
New adult books – three-week loan	\$1.50
All magazines in adult section – two-week loan	50c
DVDs – two-week loan	\$4.00
Holds and Requests	
Holds within Tasman District Libraries	\$2.00
Requests (inter-loan) outside Tasman District – minimum charge (further charges will apply if a fee is charged by the lending library)	\$5.00
Requests (inter-loan) outside Tasman District – child members	No charge unless a fee is charged by the lending library
Overdue items	
Adult Member	30 cents/day (maximum charge (\$7.00))
Miscellaneous	
Replacement Membership Card	\$3.00
Lost and Damaged Books	Replacement cost + administration fee
Lost Book Administration Fee (non-refundable)	\$8.00/item
Damaged Book Administration Fee (if charged)	\$5.00/item
Library room hire charges (Meeting rooms and Learning Suite)	
Non-profit Use - 1 hour	\$10.00
Non-profit Use - half day (4 hours)	\$20.00
Commercial Use - 1 hour	\$25.00
Commercial Use - per day	\$120.00

DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021



N
1:15,000

Nelson Residential Water Supply Area

0 200 400 600 800 1,000 m



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SCHEDULE OF FEES & CHARGES 2020/2021



Nelson Industrial Water Supply Area



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DRAFT SCHEDULE OF FEES & CHARGES 2021/2022 dated 31 May 2021

8.3 WAIMEA COMMUNITY DAM - INVESTIGATION OPTIONS**Decision Required**

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Janine Dowding, Chief Executive Officer
Report Number:	RCN21-06-7

Item 8.3**1 Summary**

- 1.1 At the Full Council Meeting on the 18 of March 2021, Council requested staff to report back on the option of an independent inquiry/investigation into the costs of the Waimea Community Dam, including the potential scope and costs of any such investigation.
- 1.2 If the Council wishes to initiate an investigation, there are three types of inquiries that could be available:
 - a Central Government “sponsored” inquiry.
 - an inquiry is undertaken by the Auditor General.
 - a Council initiated review.
- 1.3 Following enquiries, it is clear that the first two options are not available to Council. That only leaves the Council initiated review option. This paper is based on that option.
- 1.4 After making appropriate enquiries the Chief Executive has engaged with PJ & Associates to seek independent advice on the scope and Terms of Reference for such an investigation.
- 1.5 The proposed Terms of Reference are set out in Section 5 of this report.
- 1.6 It would be good practice for the investigation to be undertaken under the oversight of the Audit and Risk Committee and in particular the Independent member on that Committee, Mr Graham Naylor. Mr Graham Naylor has agreed to undertake this role if requested.
- 1.7 While it is difficult to estimate investigation costs upfront a Council initiated review will require a budget of between \$100,000 and \$170,000 (including disbursements and staff time). This cost would be unbudgeted and be met from within the Governance Activity. In addition to the external financial cost, an investigation would require a large investment in staff time of between 280 and 430 hours. (7-11 weeks work).

2 Draft Resolution

That the Full Council

- 1. receives the Waimea Community Dam - Investigation Options RCN21-06-7; and**
- 2. determines not to proceed with an independent investigation into the Waimea Community Dam Project at this time.**

OR

- 2. approves unbudgeted expenditure in the Governance Activity of up to \$170,000 to undertake an independent investigation based on the Terms of Reference, set out in Attachment 4; and**
- 3. assigns the oversight of the investigation and final reporting back to the Full Council to the Audit and Risk Committee; and**
- 4. notes that engaging with the entity, undertaking the investigation will involve staff time typically on an hour for hour basis with the persons undertaking the investigation; and**
- 5. notes that this engagement may impact the timely delivery of other Council work or require some additional short term resources to be engaged.**

3 Purpose of the Report

- 3.1 To provide the Council with the options available for instigating an investigation into the Waimea Community Dam Project; if it so desires.

4 Background and Discussion

- 4.1 At the Full Council meeting held on 18th March 2021 the Council resolved: CN21-03-1
- That the Council requests that Council staff report back on the option of an independent inquiry/investigation into the costs of the Waimea Community Dam, including the potential scope and costs of any such inquiry.***
- 4.2 Staff have been requested to prepare a report for Full Council on the options/costs/scope for an in investigation into the project in light of the cost overruns.
- 4.3 Broadly there are three types of inquiries that are available to the Council; these are:
- 4.3.1 1. a Central Government “sponsored” inquiry,
- 4.3.2 2. an inquiry undertaken by the Auditor General and
- 4.3.3 3. a Council initiated review.
- 4.4 A Central Government “sponsored” inquiry is a review using the provisions of the Inquiries Act 2013 which provides for three types of inquiries being: royal commissions, public inquiries and government inquiries. Based on the information received it is unlikely that Central Government would initiate a review under the provisions of the Inquiries Act 2013.
- 4.5 A more common inquiry is undertaken by the Auditor General. This type of review is undertaken when there is significant public interest or the organisation does not have the appropriate resources to undertake such a review. The situation could be compared to the Mangawhai community wastewater scheme, where the Auditor General undertook a substantial review over 21 months. This review required significant resources including those of the Kaipara District Council. At the time, because of the significant public interest and legal issues, it was not appropriate that the Kaipara District Council undertake such an internal review.
- 4.6 Therefore P J & Associates have concluded that based on the information received, it is unlikely that the Auditor General would initiate an inquiry unless there was the real inability of the Council to undertake such an investigation. Staff discussions have also confirmed that while the Office of the Auditor General (OAG) is interested in any enquiry and its outcome it is highly unlikely to initiate an inquiry into this matter.
- 4.7 More details of the Central Government sponsored inquiries and the Auditor General inquiries are set out in **Attachments 1 and 2.**
- 4.8 If the Council determines that it wishes to proceed with an investigation then the recommended option is for the Council to initiate its own review/investigation. However, given the debate around the project and allegations of bias, it is recommended that an independent party or parties undertake any review/investigation to ensure the objectivity and credibility of the findings. Any review/investigation will require significant staff resourcing in order to provide information and evidence to the reviewer as well as input from external specialists and other stakeholders who were engaged or involved at various stages during

the project. This will impact the organisation and additional resources may be required to backfill or support any investigation (refer to para 4.14 below).

- 4.9 In order for the review to have a useful outcome, the focus of the review should be on lessons learnt. However, if there are irregularities that need to be brought to the attention of the Council or other appropriate authorities, then this should be included as a requirement.
- 4.10 It must also be remembered that sometimes public entities must make controversial decisions. Decisions to invest significant sums in major infrastructure, whether a sports stadium or a sewerage system, will often attract strong supporters and opponents. With the long history of the project and continued controversy, the scope of any review could potentially cover decades before the project was approved, as well as the construction currently underway. For any investigation to be affordable and manageable, a more defined scope is necessary.
- 4.11 It is, therefore, recommended that if the Council wishes to proceed that an independent investigation be commissioned to review and comment on the quality of the advice and background information received by the Council in making its final decision to proceed with the project. This includes an assessment of the role of the Council officers in providing advice and supporting information.
- 4.12 If an investigation proceeds then it would be good practice for that investigation to be undertaken under the oversight of the Audit and Risk Committee and in particular the Independent member on that Committee, Mr Graham Naylor.
- 4.13 The investigation would comprise reviewing the technical and other information commissioned by and presented to both the Project Governance Board and the Council over the period until November 2018. This should also include the associated decision-making process up to and including the Full Council meeting held 30 November 2018.
- 4.14 A suggested proposed approach is set out in Section 5 - Proposed Terms of Reference including a range of costs. These costs do not provide any allowance for staff time. The number of staff hours to respond to questions, locate and collate information for the review is estimated to be between 280 and 430 hours.
- 4.15 Staff should be excluded from doing the investigation/lessons learned work as they may have a perceived bias. Equally, if the Council is being exposed to unreasonable criticism, then the review findings should be credible to bring a close to allegations.
- 4.16 The proposed investigation excludes the actions and implications since 30 November 2018, including how Waimea Water Limited (WWL) transitioned into managing the project and the contract with Fulton Hogan Taylors Joint Venture (FHTJV). Following the initial investigation and its findings if the Council has an appetite to review these later aspects of the project this should be considered as a separate investigation. If required that investigation should commence once the project is completed and should cover the timeframe from November 2018 through to final commissioning of the dam, currently scheduled for September/October 2022.
- 4.17 A Chronology of the Waimea Community Dam (Lee Valley) is provided as **Attachment 3**.
- 4.18 The proposed independent investigator Philip Jones trades under a Company, Financial & Asset Management Solutions Limited, which then trades as PJ & Associates.

5 Proposed Terms of Reference

5.1 The proposed Terms of Reference are outlined in **Attachment 4** to this report.

6 Options

6.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	Initiate a 'lessons learned' Investigation (recommended)	<p>Addresses the concerns raised by some calls for the Council to be accountable for its decision to proceed with this project.</p> <p>Provides transparency on the project.</p> <p>It will provide a useful document for this Council and other councils to use when undertaking major construction projects.</p> <p>Brings a conclusion to allegations made of staff.</p>	<p>Costs in staff time and resources (280 and 430 hours) financial cost estimated between \$100,000 to \$170,000.</p> <p>Will not alter the Council's contractual responsibility to fund cost overruns.</p> <p>Staff time will need to be directed away from other projects Council has planned.</p>
2.	Delay an investigation until project completion	<p>Can take a whole of the project approach and can include drivers of the cost overruns which with the dam complete will be crystallised.</p> <p>Would include lessons learned through to completion.</p>	<p>Will not alter the Council's contractual responsibility to fund cost overruns.</p> <p>Ongoing public concern about the project, which will not be addressed until a later date.</p>
3.	Take no action	<p>This is the least expensive option in terms of the cost in monetary and staff time.</p> <p>Recognises that an investigation will not alter the Council's contractual responsibility to fund cost overruns.</p>	<p>May be seen as the Council avoiding responsibility for this project and its prior decisions.</p> <p>This option will not address public requests for an investigation.</p> <p>The public may perceive that Council is not being transparent and has something to hide.</p> <p>Lost opportunity to identify lessons learned.</p>

7 Strategy and Risks

- 7.1 Engagement between third parties (e.g. Tonkin and Taylor, Dam Watch etc.) and contracted staff by the investigation team will require their co-operation. There is a risk that they may not choose to engage or only engage through their lawyers.
- 7.2 On occasions, public entities must make controversial decisions. Decisions to invest significant sums in major infrastructure, whether a sports stadium, a sewerage system, or a water Augmentation Scheme will often attract strong views and political opportunities. The current pressure on the Council to initiate an investigation is a response from groups within the community is a case in point. If the Council chooses not to fund and mount an investigation, it could be accused of avoiding scrutiny of its decisions. Alternatively, given the likely costs involved it could be accused of wasting the ratepayer's money if it proceeds and no significant issues in its decision making are found.
- 7.3 If an investigation proceeds it must be seen to be independent of Councillors and staff, some of whom may be considered by some to have a bias one way or the other on this matter. This risk can be managed by giving the oversight of the investigation to the Audit and Risk Committee and in particular the Independent member on that Committee, Mr Graham Naylor. Mr Naylor has indicated his willingness to be involved in the oversight of any investigation.

8 Policy / Legal Requirements / Plan

- 8.1 There are Council policies and legal requirements that relate directly to this decision. Any investigation should be conducted with the principles below in mind.
- 8.2 Investigations must be done in accordance with the principles of procedural fairness and natural justice. Broadly speaking these principles require:
- 8.2.1 People being given the opportunity to present their case where their interests and rights may be affected by a decision-maker. They must also be given the opportunity to respond to concerns raised about them.
- 8.2.2 Investigators and decision-makers must act without bias or predetermination in all procedures connected with the making of a decision.
- 8.2.3 A decision-maker must be impartial and must make a decision based on a balanced and considered assessment of the information and evidence before them.
- 8.2.4 The decision must be based on logical proof or evidence. Investigators and decision makers should not base their decisions on speculation or suspicion, or on assurances of what might be done at a future date. Rather, an investigator or decision maker should be able to point to the evidence on which the inference or determination is based.
- 8.3 The Council also has employment obligations as a 'good employer'. The 'good employer' principle imposes obligations of 'trust, confidence and fair dealing'. From an employer perspective, a test for this is 'what a fair and reasonable employer' could have done.
- 8.4 The Council in its investigation cannot compel other parties to engage in the investigation. While we would reasonably expect staff to engage in the investigation, we would need to respect their rights in terms of seeking their participation and respecting their right to receive support.

- 8.5 The breach (either an actual, potential or perceived breach) of any of the principles above creates a legal risk of challenge by either judicial review, Ombudsman's investigation or an employment case being brought under the employment legislation.

9 Consideration of Financial or Budgetary Implications

- 9.1 The cost of the investigation will be an unbudgeted expenditure in the Governance activity. There will also be a requirement to assign internal resources to engage with the independent investigation team. This may result in additional expenditure on backfilling or diverting internal resources from other Council work programmes.
- 9.2 Engagement between the investigation team, third parties and contract staff to the Council and the Project Office at the time, by the investigation team will lead to charges for the professional time being made to the Council at the usual commercial rates. For example, Andy Nelson's time to engage with any investigation would be charged out to the Council by Stantec at the current contract rates.
- 9.3 In accordance with his current engagement arrangement, additional professional fees will be due to Mr Graham Naylor for the time taken in his involvement in any investigation.
- 9.4 Because of the uncertainty of the volume of information to be reviewed and subsequent interviews, the base estimate of the review is between \$50,000 and \$85,000 plus disbursements (typically travel, accommodation, meals and any external party charges). It is difficult to estimate these costs, but an overall budget should be allocated at between \$100,000 to \$170,000. In addition to these external costs, there is expected to be between 280 and 430 hours (7-11 weeks FTE) of staff time.

10 Significance and Engagement

- 10.1 This decision is considered to be of low to moderate significance given Councillors knowledge of the views and preferences of the Community, this decision can be made without further engagement with the Community.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is the decision likely to be controversial?	Moderate	Although not widespread, there have been calls from some members of the public for an investigation into the dam project.
2.	Are there impacts on the social, economic, environmental or cultural aspects of the well-being of the community in the present or future?	Low	The decision to undertake an investigation is unlikely to have either a positive or negative impact on community well-being, other than the cost associated with undertaking the investigation.
3.	Is there a significant impact arising from duration of the effects from the decision?	No	

Item 8.3

	Issue	Level of Significance	Explanation of Assessment
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019 ?	No	
5.	Does the decision relate to a strategic asset?	No	While the Waimea Community Dam is a strategic project. An investigation does not impact on the asset itself.
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?	Low	The investigation will have a cost in the range of \$100,000 to \$170,000 which will be funded from rates.
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	

11 Conclusion

11.1 Council has two main options available to it. Staff recommend proceeding with an independent investigation into the Waimea Community Dam Project based on the proposed Terms of Reference. Should the Council wish to initiate an investigation the Council has only one approach available to it, a Council initiated and funded investigation. That investigation should be an independent investigation. If the Council chooses to proceed, then the appropriate oversight committee for an independent investigation is the Council's 'Audit and Risk Committee'.

12 Next Steps / Timeline

12.1 The Council's decision will be communicated to Mr Philip Jones (PJ & Associates) and Mr Graham Naylor.

12.2 If the decision is to proceed then:

12.2.1 A contract confirming the Terms of Reference, timeline and cost estimates will be entered into.

12.2.2 The investigation will be undertaken under the oversight of the Audit and Risk Committee.

12.2.3 The final results will be reported back to the Full Council.

Attachments		
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1.	Extract from Inquiries Act 2013	101
2.	Auditor General Inquiry	103
3.	Chronology of the Waimea Community Dam	105
4.	Investigation Terms of Reference	107

Appendix 1 - Extract from Inquiries Act 2013

Section 6 Types of inquiry

- (1) This Act applies to the following kinds of inquiry:
 - (a) Royal commissions established under the authority of the Letters Patent constituting the office of the Governor-General, and this Act applies to Royal commissions as if they were public inquiries:
 - (b) public inquiries, which are established in accordance with subsection (2):
 - (c) government inquiries, which are established in accordance with subsection (3).
- (2) The Governor-General may, by Order in Council, establish a public inquiry for the purpose of inquiring into, and reporting on, any matter of public importance.
- (3) One or more Ministers may, by notice in the *Gazette*, establish a government inquiry for the purpose of inquiring into, and reporting on, any matter of public importance.

Section 7 Establishment instrument to establish inquiry

- (1) The establishment instrument to establish an inquiry must—
 - (a) specify the matter of public importance that is the subject of the inquiry; and
 - (b) name the person or persons appointed to be members of the inquiry; and
 - (c) if more than 1 person is appointed to the inquiry, name the person who is to be the chairperson of the inquiry; and
 - (d) specify the date when the inquiry may begin considering evidence.
- (2) However, an inquiry must not begin considering evidence before the terms of reference are notified under subsection (3).
- (3) The terms of reference for an inquiry must be notified—
 - (a) in the establishment instrument; or
 - (b) by the appointing Minister or appropriate Minister, as the case may be, by notice in the *Gazette* as soon as is reasonably possible after the date of the establishment instrument.
- (4) The terms of reference may set out any matters relevant to the inquiry, including matters such as—
 - (a) any matters relevant to the scope and purpose of the inquiry; and
 - (b) any administrative or procedural matters; and
 - (c) a reporting date, provisional reporting date, or process for determining a reporting date.
- (5) The appointing Minister or appropriate Minister, as the case may be, may amend the terms of reference by notice in the *Gazette*.
- (6) Before terms of reference may be notified under subsection (3) or amended under subsection (5), the appointing Minister or appropriate Minister, as relevant, may consult the person appointed to the inquiry or appointed to be the chairperson of the inquiry.

Appendix 2 - Auditor General Inquiry – Extract from OAG website

Inquiries can be large or small, cover a wide range of issues, and take weeks or months to complete. Larger inquiries can involve significant amounts of staff time and other resources, for both our office and the entity we are investigating.

We carry out inquiries on our own initiative or on request from a member of the public, an employee, a member of Parliament, or another organisation. However, we are not a general complaints agency.

To ask us to consider an inquiry, please use the following process:

Step 1 – Raise the matter with the entity

If you are concerned about a public entity's use of its resources, first take your concern to the relevant public entity and seek its response.

Step 2 – Are we the best authority to consider your concerns?

Before writing to us, consider if we are best suited to look into your concerns. There may be another authority that is more appropriate or better able to help you. You might also want to contact any central government department that has responsibility for the area (such as the Ministry of Education if the matter involves a school or a tertiary education institution).

Step 3 – Write to us

If you are not satisfied with the public entity's response and want to raise the matter with us, please provide your request to us in writing. Give us as much information as you can, including:

- a factual description of the matter, and what your specific concerns are,
- what steps you have taken to raise your concerns or resolve these issues, including who you have been in contact with and the outcome of this,
- why you think the matter should be of concern to the Auditor-General, and
- copies of any relevant correspondence or documents that may be helpful to us in understanding and considering the issues.

Functions and duties

The Auditor-General can, at any time, examine how effectively and efficiently a public entity is carrying out its activities. The Auditor-General can also inquire into anything related to how a public entity uses its resources.

Waimea Community Dam (Lee Valley) - Chronology

Investigations into water augmentation options have been long-standing. The Tasman Regional Water Study was completed in 2003. This study considered the whole region east of Takaka Hill. It reviewed at a desktop level past storage options and provided high-level options for storage consideration in the drier catchments with indicative cost ranges.

The 2000/01 year was a severe drought in the region, the Waimea River went dry at about Appleby Bridge and below and seawater intrusion was affecting the coastal margins – including some of the Council bores that have since been shut down. Water restriction of 60 % cuts was in place and further cuts were considered as the rain arrived on April 2001.

Community discussion ensued as the review of minimum flows in the late '90s showed a higher minimum flow than the historic 225 l/s, on which allocations were set for the Waimea Plains, was required. A higher but still low-end minimum flow of 500 l/s was proposed by Cawthron Institute. A review of the water allocation model in 2003 also indicated that even at 250 l/s – the Waimea Plains zones were over-allocated. Raising minimum flows would require reductions in allocation, the extent dependent on the level of flow; 800 l/s and 1100 l/s were indicated as more desirable from an ecological point, and 1300 l/s the optimum. At these higher flows, the cuts required would be severe. (SAR Report for Plan Changes 45 – 48 notes 50 % and 80 % over allocation at 800 l/s and 1100 l/s for a ten year drought).

Engagement with all water users and Council (re: community supply) agreed that cutbacks were not the solution because of its wide-ranging impacts. A long-term solution was needed and the Waimea Water Augmentation Committee (WWAC) was formed in late 2003. The Waimea Water Augmentation Committee was a community group bound together by a common interest in augmenting water supplies to resolve the acute water shortage problems of the Waimea Basin. It included representatives elected by the Waimea Basin Water Users which comprises more than 400 water permit holders from the area. The Committee also included local Iwi and environmental interests represented by Fish & Game and the Department of Conservation. The local Councils (Tasman District Council/Nelson City Council) representing the wider community were represented by Councillors and Council staff. WWAC Committee members were not paid.

WWAC applied for and obtained funding from the Sustainable Farming Fund (SFF) – in 2004 for a three years (2004 – 2007). Pre-Feasibility Study with other funding coming from Tasman District Council water users and in-kind assistance from the other parties. The Stage 1 Study looked at augmentation options within the Waimea basin using a multipronged site criteria evaluation. An RFP resulted in several proposals and specialists with suitable background and expertise were selected to carry out this work. From an initial 18 options, the Upper Lee Valley was chosen for the next stage.

The above Stage 1 work then lead to the Stage2 work, funded from similar sources, to look in more detail into the Lee Valley Site. Reports concerning the various AEE requirements and information required for plan changes and consenting formed part of this work. This work resulted in the Stage 2 Report being completed in early 2010. This stage of the work included peer review of hydrology, dam investigations/geotechnical work and preliminary design work undertaken by the consultants – Tonkin & Taylor (T & T) were the principal lead relying on work from Cawthron, Landcare, and other specialists. The Geotechnical peer reviewer was Engineering Geology Ltd – T Matuschka - CPEng and the Hydrology peer reviewer was Dr Vince Bidwell, Lincoln Ventures Ltd., Lincoln University.

Item 8.3

In early 2009 an application to the new Community Irrigation Fund (for purposes of irrigation scheme development) was made and was successful. This was to consult and come up with a suitable structure and cost distribution for the Waimea Dam. Expert legal and financial experts were commissioned. This report was completed in 2011 and was an early basis for subsequent structure developed through the LTP (and used in part in the 2018 SCP).

Completion of the 2010 Stage 2 (Lee Valley Site) reports leading to the further application to the CIF for funding for the Detailed Design Dam funding in mid-late 2010. This application was successful. This stage of the project was carried out by T & T but also included an independent external peer reviewer – Opus International who had an experienced dam design engineer Ian Walsh (Lead Peer Reviewer) and other experts in design and hydrology.

Attachment 3

Preliminary estimated costing for constructing the dam in late 2012 was a P95 being \$72.7m. This estimate went through further reviews through 2013 and 2014. Assessments were also made as to what was the best method to attain the next level of cost. The advice received was to enter into a tender process based on the next level of Design Stage 4. The CIF component was completed in mid-2014. The Council initiated a combined team called the Project Board of Council CEO/Council Financial/Project Management and Technical Staff and by then representatives of WWAC at which time the irrigators had formed the Waimea Community Dam Ltd. (WCDL).

The Council TRMP Water - Waimea Plan (45-48) change was initiated in 2012 and the hearings on this were in late 2013 with the independent Commissioner's decision received in early 2014. Dam consents application were then made in mid – 2014. Hearings were in late 2014 and consent granted in early 2015 by the independent Commissioner's. There were appeals on the decision but these were resolved through Environment Court assisted mediation. Consent conditions did add additional cost to the project.

The Project Board had oversight of the project and went through from late 2014 to 2016 progressing stage 4 design and also through a tender process choosing contractors for the then subsequent Early Contractor Engagement (ECI) process which was lead independently by the Project Office through 2017. This lead to the costings that were used through the consultation and SCP process later from 2017 to 2018. With a final decision by Council in late 2018.

Terms of Reference /Purpose of Review To review and comment on the quality of the advice and background information received by the Council in making its decision to proceed with the project. This includes an assessment of the role of the Council officers in providing advice and supporting information.

The review would comprise reviewing the technical and other information commissioned by and presented to both the Project Governance Board and the Council over the period until November 2018. This should also include the associated decision-making process up to and including the Full Council meeting held 30 November 2018. The information that would be considered includes the following:

- The technical reports commissioned by and presented to WWAC and the Council covering all the key design aspects and risks associated with the project;
- Any peer reviews are undertaken on the technical reports commissioned and presented;
- All the Project Governance Board and the Council reports up until 30 November 2018 including:
 - Assessment of all practical options that WWAC considered for water storage prior to identifying the current dam site;
 - Assessment of all the decisions made by the Council whilst WWAC was overseeing as the project progressed;
 - Assessment of how the various estimates evolved during the course of the project;
 - The various estimates developed over time for the project;
 - Assessment of the “P95” confidence levels derivation;
- Assessment of the alternative storage (all practical) options including the pricing and risk. This assessment will also consider the confidence or likelihood of those options meeting the objectives in the long term.

The review will assess the overall quality of the advice received and whether the decision was robust. The information in the Council reports is likely to be highly technical. Whilst it is important to note the level of technical input, the focus of the review will be based on how that information was presented in a way that could be understood by decision-makers.

In addition to the above, the following will be considered as part of the review and final report.

Risk Management

How the project risks were identified, appropriately allocated, communicated and considered during the development of the proposal including reporting of outstanding risks as at 30 November 2018. This should include an assessment of key events and risks that have or could have adversely impacted project costs and programme.

One of the risks that faced the project was the time constraints on the availability of Crown funding to the project, and an assessment of this should be considered as to the effect on the timing and the information available to inform decisions.

Procurement processes

The investigation would cover the Early Contractor Involvement (ECI) process, including the interaction with the Project Governance Board and the Council.

This should not be a detailed assessment of the procurement process, but more of a review as to what procurement decisions were made and the relevance to the decision-making.

Peer reviews

This should consider how the peer reviewer(s) were engaged relevant to the decision-making rather than the quality of the peer reviewers' work. This will include the peer reviews and due diligence work carried out by CIIL as project funders.

Conflicts of interest

How any conflicts of interest were registered.

Items excluded from the scope

1. Project Implementation

Identify key events and risks that have adversely impacted project costs and the programme since 30 November 2018.

Contractual relationships relating to financing.

2. Value for money

Whether the selected Public Private Partnership procurement model has achieved value for money to date, taking into account project outcomes and key risks that have emerged.

Approach

The review would take place in three key parts:

1. The first stage would be an offsite review of all reports until 30 November 2018.
2. The next stage would be onsite interviews with key staff, contract staff and decision-makers to better understand the information contained within the reports and to examine further information.
3. Development of a draft report for consideration by the Audit and Risk Committee.

The final report would be presented to the Full Council.

Estimated timeframe and fees

Week 0-3	Document review
Week 3-6	Interviews, gather and review additional information;
Week 6-9	Prepare draft report for consultation;
Week 9-10	Consultation and comments liaison with the project group
Week 10-12	Review comments and finalise the report.
TBC	Presentation of the report to the Council.

Because of the uncertainty of the volume of information to be reviewed and subsequent interviews, the estimate of the review is between \$50,000 and \$85,000. Plus disbursements (typically travel, accommodation, meals). These costs also exclude any charges from third-party contractors to the Project Office (2017/18). For example, Andy Nelson's (Stantec) time to engage with any investigation. That would be charged out to the Council by Stantec at their current contract rates.

Proposed team

The team will be led by Philip Jones. Philip is an experienced local government practitioner with 14 years of experience as a consultant including chairing and a member of several Audit and Risks Committees. Before that, he spent 14 years as Western Bay of Plenty District Council's (WBOPDC) Chief Financial Officer. Prior to joining WBOPDC, he was a Business Services & Audit Manager with Coopers & Lybrand (now PricewaterhouseCoopers) in Tauranga, London and Hamilton.

From 1997 to 2007 Philip was a lead member of the Society of Local Government Managers (SOLGM) Financial Working Party. He was also SOLGM's financial representative on NAMS (Now New Zealand Asset Management Support, previously National Asset Management Steering Group).

He will be joined by Dave Adamson who was Christchurch City Council's General Manager, City Services, and Director of Infrastructure and Facilities Rebuild. Prior to that, he was the Chief Executive, at Southland District Council from Jan 2004 – Jun 2014.

In addition, Philip has a number of individuals who provide support to the consultancy roles, who will be available to assist with this project.

Conflicts of interest

While there is no conflict of interest of the proposed team, for completeness and full disclosure, none of the proposed team has any previous involvement in the project nor undertaken any recent work for the Council. Philip last undertook work for the Council in 2012 and he was previously the CFO at Western Bay of Plenty District Council and was SOLGM's representative on NAMS when Richard Kirby Engineering Services Manager was a representative and Chair.

Dave Adamson took over Chair of NAMS from Richard Kirby in June 2005.

8.4 WAIMEA WATER LTD - QUARTERLY REPORT TO SHAREHOLDERS

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Mike Drummond, Corporate and Governance Services Manager
Report Number:	RCN21-06-3

Item 8.4

1 Summary

- 1.1 The Waimea Water Ltd Quarterly Report to shareholders was delivered to shareholders on the 25 May 2021. The report is attached as (**Attachment 1**)
- 1.2 Waimea Water Ltd have advised shareholders that they intend to publish this report on their website on Monday 31 May 2021.

2 Draft Resolution

That the Full Council:

1. receives the Waimea Water Ltd - Quarterly Report to Shareholders RCN21-06-3; and
2. notes the receipt of the Quarterly Report for the period ended 31 March 2021 from Waimea Water Ltd.

3 Purpose of the Report

- 3.1 To formally receive the Waimea Water Ltd Quarterly Report for the period ended 31 March 2021.

4 Background and Discussion

- 4.1 The Company is required under the terms of its Statement of Intent to provide a quarterly report to shareholders. These reports are also made available to the public via both the Council and the Waimea Water Ltd websites.
- 4.2 The report provides information in regards to:
- health and safety performance;
 - an update on the dam project design;
 - an update on the dam construction progress;
 - an update on expected cost and risk;
 - financial statements; and
 - a commentary on the results for the period.
- 4.3 The dam construction progress is set out on Section 5 (page 9) and costs and risks in Section 8 (page 16). The estimated cost to complete remains at \$158.4m as was previously forecast. The risk range remains at \$148m - \$164m.
- 4.4 The work programme remains delayed as advised to shareholders in February this year. Practical completion will be approximately 6 months late, so completion would be in the second quarter of 2022. The dam would fill, over the winter and spring of 2022 and be commissioned in time for the summer of 2022/23.

5 Conclusion

- 5.1 The Company has provided the required quarterly update. The information in the update is in line with the presentation made to Councillors on the 25 February.

6 Next Steps / Timeline

- 6.1 The Council will provide a link to the report on our website within seven days of this meeting.

7 Attachments

1. Waimea Water Limited Quarterly Report for the period ending 31 March 2021. 113



Waimea Water Limited

Quarterly Report

Period ending
31 March 2021



1



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1. Introduction

This Quarterly Report is presented by the Directors of Waimea Water Limited (WWL), in accordance with Section 66 of the Local Government Act 2002. Established in December 2018, WWL is a Council Controlled Organisation under Section 6 of the Local Government Act 2002.

The purpose of this document is to provide Shareholders with an un-audited report containing the following information relating to the Waimea Community Dam (WCD) project for the three-month period ending 31 March 2021. It includes:

- Health & Safety performance.
- Update on project design
- Update on construction progress
- Update on expected cost and risk
- Statement of Comprehensive Revenue and Expense disclosing actual and comparative figures.
- Statement of Financial Position at the end of the period.
- Statement of Cash Flows.
- A commentary on the results for the period.



*Figure 1: Reinforced Rockfill embankment viewed from downstream.
Culvert on the left-hand side and spillway on the right of photo.*



2. Safety

WWL has a statutory (Health and Safety at Work Act 2015) and moral duty of care for people we influence or direct while delivering the Waimea Community Dam project. WWL's Health, Safety and Wellbeing obligations are discharged across three responsibility areas:

1. Operating a Health and Safety Management System for the safety and wellbeing of WWL's employees.
2. Ongoing due diligence of the Main Contractor's Health and Safety Management Systems for the main dam site.
3. Activity-specific due diligence for Minor Contractors, to check the appropriateness of and adherence to their own Health and Safety Management Systems.

WWL System: During this reporting period, WWL implemented updates to its H & S Management System including:

- The introduction of lead safety indicators in the areas of ergonomics, vehicle condition checks and wellbeing. Although only in use a short time, trends are static in these indicators.
- Planning monthly focus areas for improvements, exercises and reviews for 2021.

WCD Site (operated by FHTJV): During the period the WCD team celebrated 800 days of no Lost Time Injuries. WWL and its consultant, IMPAC, review and work with the Contractor on its safety performance each month. During the period, the following due diligence activities were undertaken on the main dam site:

- "Back to Work" H & S session in January.
- Health monitoring for site staff.
- 3 x independent monthly reviews of the FHTJV Project Safety Plans and Reports.
- Daily observations of site activity by WWL staff, and action on safety shortfalls.
- Co-operative review of monthly indicators with the Contractor.

Key metrics for this reporting period are:

- There were no recordable injuries or high potential incidents during the period.
- The main Contractor logged opportunities and lower rated observations (see Figure 2) at a similar rate to the previous quarter.
- The main Contractor logged 57 "lead indicators" this quarter. These are pro-active reports or audits carried out with a view to prevention. These lead indicators include actions from WWL audits or feedback.
- Activities by 'Separate Contractors' ramped up on the site, mostly Damwatch Engineering Ltd undertaking installation of instrumentation. WWL assisted this to be achieved safely through provision of vehicles, storage space and co-ordination.

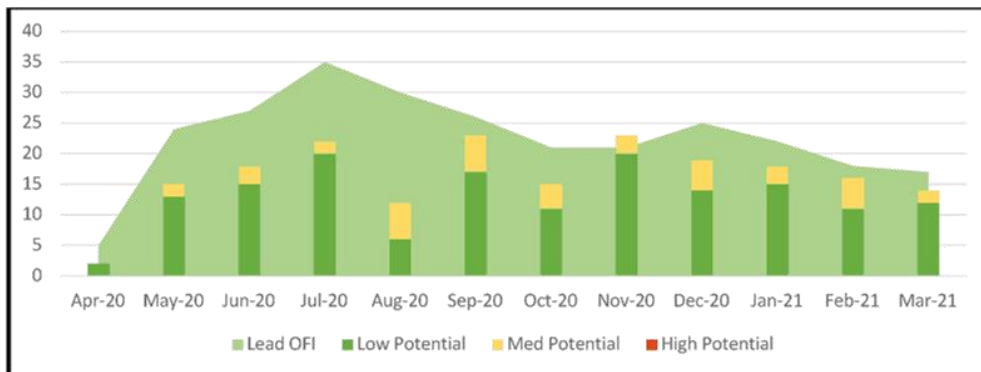


Figure 2: Main dam site rolling safety metrics - Opportunities for Improvement (OFIs) and Incident Reports by potential harm



Figure 3: Back to work Safety Session, January 2021

Other minor contractors

There have been no incidents related to the environmental offset and enhancement work on Rough Island, or the biodiversity survey work in the Lee River Valley below the main dam site.



3. Engagement

As well as scheduled shareholder meetings during the period, WWL has actively engaged with stakeholders and the public about the project.

In January, WWL hosted Government Ministers and the Tasman District Mayor on site. The Nelson Mail and the Golden Bay Weekly were also hosted on site during the period, as were WIN members, the New Zealand Planning Institute, TDC staff, irrigators, Civil Construction NZ Nelson Branch, and Engineering New Zealand. Shareholders and regional MPs are scheduled to visit the site in April.

WWL manned a public information display in the Richmond Mall in February and March, and is installing a display in the Richmond Library for two weeks in late April.

4. Design

The majority of significant design changes are complete with WWL's team of engineers and geologists continuing to monitor geological conditions as they are encountered, adapting the design to suit.

a. Dam Safety

Planning is underway to prepare and update the dam safety management system for operational readiness. This includes documenting surveillance and monitoring procedures, finalisation of emergency action planning and preparation of operational manuals and procedures.

b. Dam Design

Three-dimensional computational fluid dynamics (CFD) modelling of the revised spillway was undertaken following the spillway design (approach channel, flip bucket and plunge pool), that had been amended for the encountered topography and geology. The modelling verified the spillway rating curve and confirmed the freeboard is in accordance with the NZSOLD guidelines.

The lower spillway bridge design has now been completed following additional geotechnical investigations undertaken to inform selection of abutment design.

WWL continues to work with the Contractor to identify opportunities to reduce cost and find programme efficiencies. The latest change under consideration is to adopt a precast parapet wall arrangement to accelerate construction.

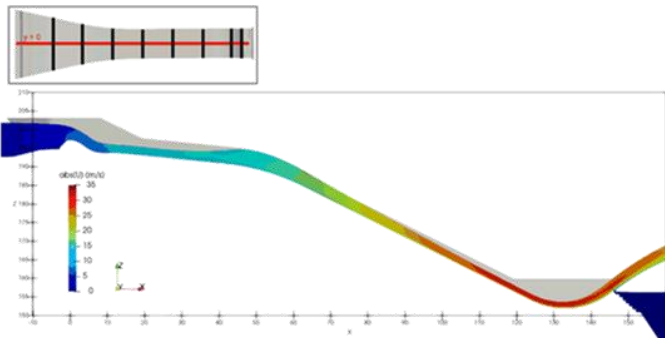


Figure 4: Modelling results of velocity in Spillway

c. Mechanical and Electrical

Pricing and procurement of mechanical and electrical equipment and works continued this period.

Modifications to the electrical, mechanical and structural components of the outlet works were undertaken in response to the change to mini-hydropower generation. This comprised:

- Introduction of a booster pump to feed water to the fish-pass, utilising high pressure water from the outlet pipework
- Platform modifications within the valve chamber for the mini hydropower system and a fish-pass booster pump. Revisions were also made for sump pump penetration
- Design of an expanded control building to house backup batteries and control systems and to ensure compliance with both NZSOLD seismic and Health and Safety at Work Act (2015) requirements.

Detailed design was commenced for the cover at downstream valve chamber. And, the detailed design of the low voltage electrical system was taken on by WWL and has now been completed for tendering by the Contractor.

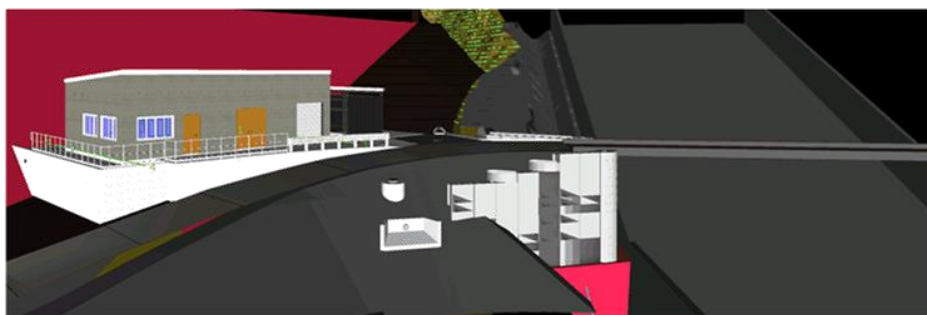


Figure 5: Revised control room and spillway bridge abutment

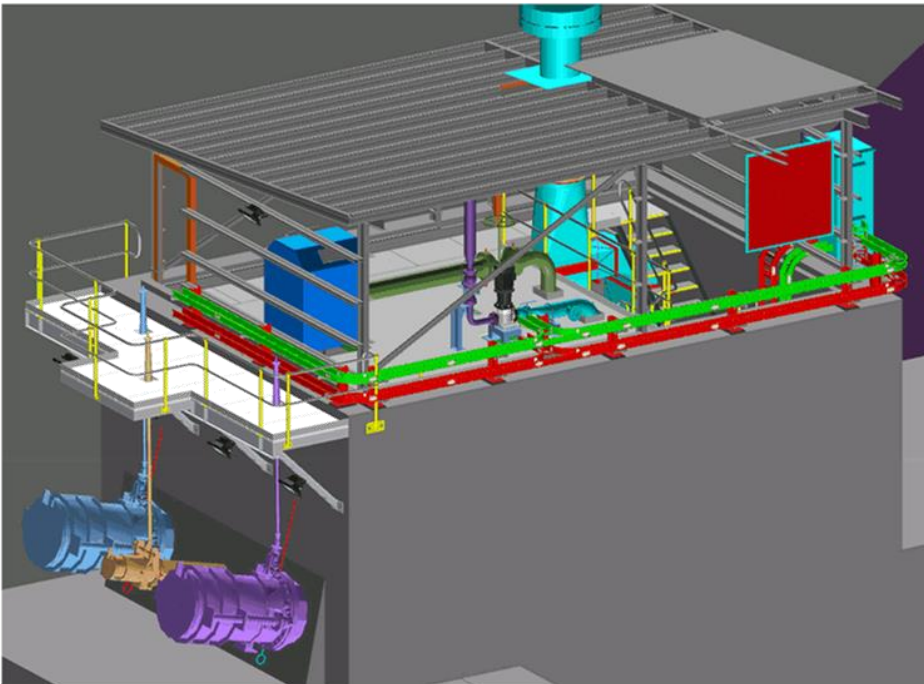


Figure 6: Downstream valve chamber showing mini-hydropower turbine and revised piping

d. Ancillaries

Ancillary elements of the work were progressed by WWL, superseding design and build components of the project. These included updating of the Outlet Functional Description, design of the control systems, winches and winch platform, and of the intake screens.

e. Closure sequencing

A final concept has been developed and the procurement of long lead items is underway.

Work optimising the preferred concept for diversion closure continues.

Preparation of commissioning plans has commenced.



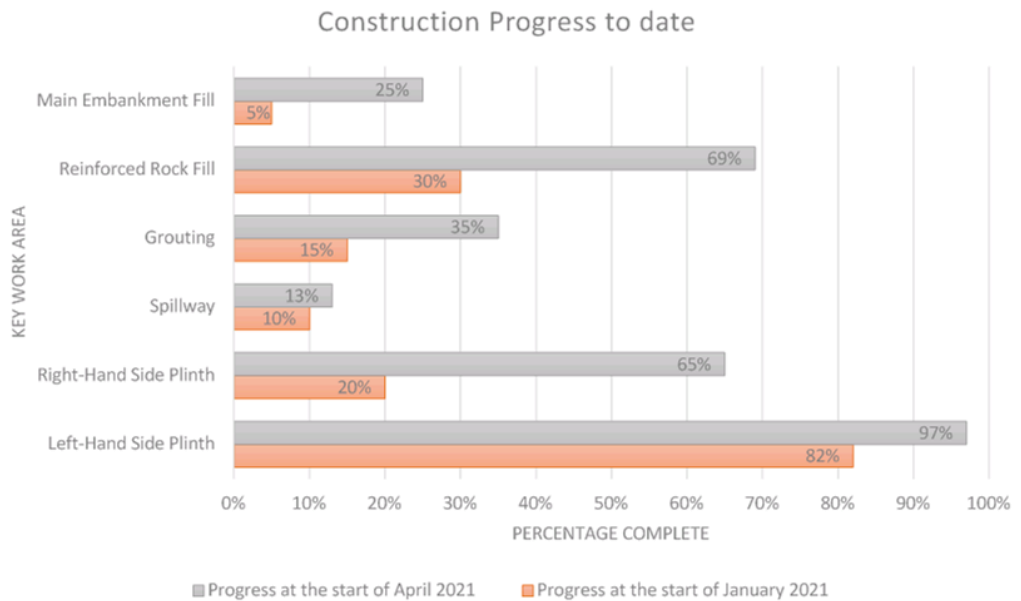
5. Construction

As of 31 March 2021, construction is well progressed with the third stage of river diversion in progress and construction of the reinforced rockfill embankment reaching a height of approximately 20 metres above the riverbed level.

This quarter, the focus has been on exposing the balance of the valley floor foundation, treating defects, placing imported drainage material and commencing the concrete face kerbing. Embankment fill remains the critical path activity, however, the spillway is near critical path. Excavation of the spillway is well progressed and being carried out to balance with demand for embankment fill. The foundation to the bottom half of the spillway has been excavated, cleaned and site concrete poured in preparation for slip-forming of the spillway wall bases to commence late April 2021.

The construction of the 310m long upstream plinth is now largely complete. As the plinth has progressed, drilling and grouting for the blanket and grout curtain has followed. The left-hand side plinth is all but completed and approx 50m is to be completed on the right-hand side.

The graph below shows progress of activities during this period.





At-a-glance construction activities/events of note this quarter:

- Left-hand side plinth approximately 97% completed. One section remaining to connect with the Parapet Wall structure.
- Right-hand side plinth foundation concrete is completed, and plinth structural concrete is approximately 35% completed.
- The two intake bends were installed and encased in concrete to mitigate thrust forces.
- Spillway excavation is well progressed with 30m of spillway foundation exposed and 20m of site concrete placed in this period.
- Grouting of all the tertiary and additional quaternary holes in the flat section of the dam floor is complete. Overall, 35% of grouting works is completed.
- The reinforced rockfill in the embankment progressed to a height of 20m (of 29 m).
- Filling of the main embankment is approximately 25% completed overall - 115,000m³ of a total forecast volume of 480,000m³.
- The drainage blanket (Zone 3P blanket) in the upstream third of embankment has reached the top of starter dam level at approx. 155mRL.
- Concrete face kerbing commenced in March.
- Production of Zone 2B material has continued but proved challenging.
- One flood event occurred during the reporting period
- Orders have been placed for several long lead Mechanical & Electrical items including the flow meter and knife gate guard valves. Awarding the sub-contract for the main Mechanical package is expected to be completed in the next quarter.



Figure 7: Defect treatment of third Embankment foundation

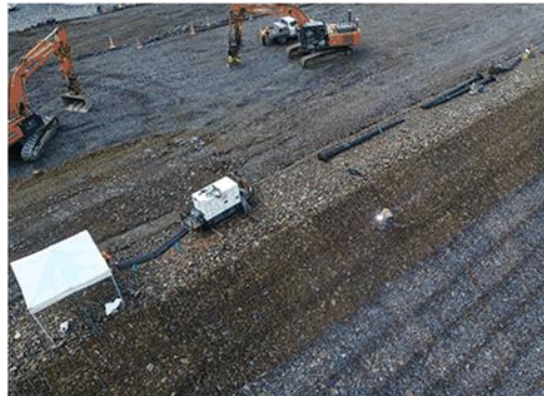


Figure 8: Welding on Reinforced Rockfill face mesh



Figure 9: Overview of the embankment footprint from top of Spillway



Figure 10: Upstream third embankment filling progress



Figure 11: Preparing the last section of LHS downstream anchor slab



Figure 12: Cleaning LH abutment foundation



Figure 13: The first hand-made kerb is being placed



Figure 14: LH abutment foundation treatment & kerb placement



Figure 15: RH plinth concrete complete. Drilling anchor holes at top



Figure 16: Steel fixing progress on RH plinth



6. Environment

During the quarter, WWL worked in compliance with its resource consents. Construction has to date not compromised the Construction Environmental Management Plan. Four Environmental Management Plans are under development or going through certification at the end of the reporting period.

Fortnightly water quality monitoring has been within prescribed parameters throughout the period, with Water Quality Results and the QMCI score continuing to demonstrate excellent ecological health in the river, including after the period's flood event in February.



Figure 17: Clean, clear water flowing from the diversion culvert



Figure 18: SLR water quality monitoring at downstream site

Lee River deposited fine sediments

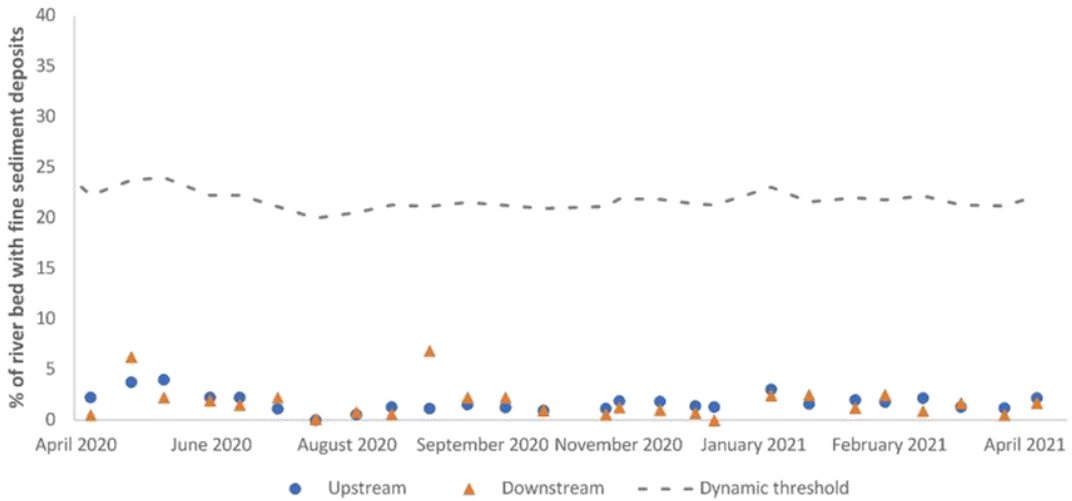


Figure 18: Lee River Deposited fine sediment

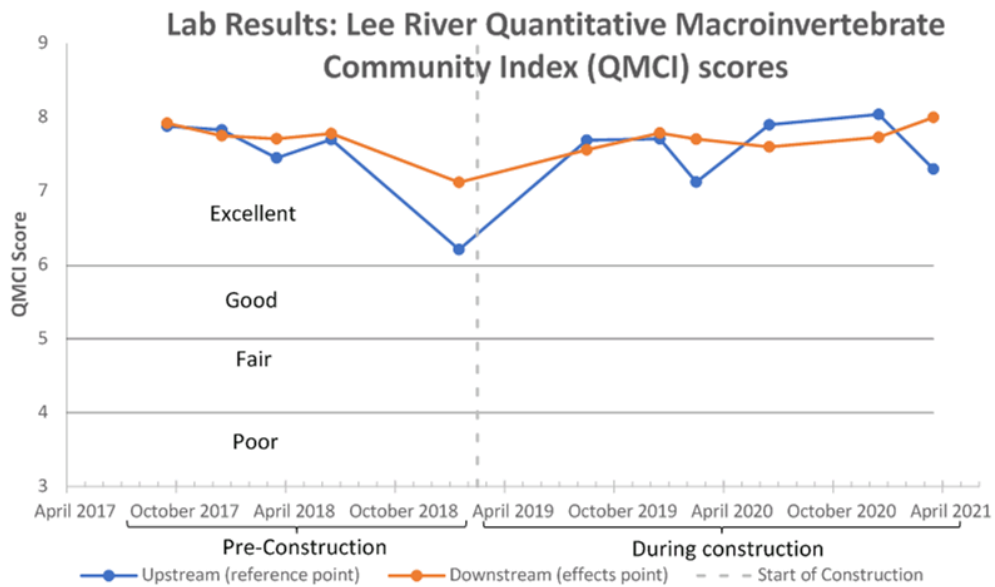


Figure 19: Lee River QMCI (Quantitative Macroinvertebrate Community Index) score

Biodiversity Management Plan

The approximately 10,500 trees planted last year at Rough Island as part of our Biodiversity Management Plan have been added to the national tree counting website, Trees That Count. Our project is currently at the #1 spot for 2021 and 120th of all time. Working with TDC, 15,000 more trees will be planted on Rough Island this year.

Monitoring of two key wetland plant species is completed.

The Gorge Turf monitoring program is underway, monitoring the health of turf plant communities in the Lee before and after the dam modifies the river flow.

ETS calculations for the 2020 calendar year were completed and submitted to Te Uru Rākau ahead of the March 21 deadline. WWL has also provided amendments to the 2019 submission to incorporate changes in design.



Construction phase fish passage

The project provides for fish passage in the Lee River catchment during the construction of the dam. Access roads requiring modifications to culverts, or new culverts installed have been completed under the guidance of a consulting ecologist to ensure modern fish passage standards are met. Temporary culvert crossings on the Lee River are also monitored to ensure fish passage is maintained.

Where water is abstracted from the river for drinking and construction purposes, the sites intake pipe is fitted with a fine mesh screen to exclude fish.

The largest construction phase impediment to fish passage is the diversion culvert at the base of the dam, where the water velocity is thought to be too high for fish to pass through. To mitigate this, RMA Ecology's trap and transfer programme sees fish transported and released above the dam in the Lee River and the Waterfall Creek tributary.

Figure 20 provides a count of fish caught for transfer to date. These are additional to the 468 fish salvaged during the culvert diversion process.

Trap Occasion	Date	Capture Method	Released onsite		Transferred to Waterfall Creek			
			Brown trout	Longfin eel	Kōaro	Elver	Un-ID Bully	Redfin bully
#1	16/12/2020	1, 2	1	15	220			
	17/12/2020	1, 2, 3		6	120		10	2
	18/12/2020	1, 2, 3	3	7	153	2	15	
	Dec total		4	28	493	2	25	2
#2	12/01/2020	1	3	6	14	2		2
	13/01/2020	1, 4	4	3	62	5		11
	Jan total		7	9	76	7	0	13
#3	22/02/2021	1, 4	4		24	2		5
	23/02/2021	1	3		6	1		4
	24/02/2021	1			7	8		6
	Feb total		7	0	37	11	0	15
Total			18	37	606	20	25	30

Figure 20: Summary of trap and transferred aquatic fauna.

Long term fish passage

For the long term, WWL is developing a trap and transfer process to ensure adult, out-migrating eels can complete their life cycle. The dam's design includes a fish passage for upstream migrating fish.



7. Programme

The programme remains delayed as forecast in February this year, with Practical Completion of the dam approximately 6 months late. The dam is likely to be completed in the 2nd quarter of 2022, so that the reservoir is filled over the winter and spring of 2022 and commissioned in time for the summer of 2022/2023.

8. Cost and Risk

The expected cost to complete construction of the Waimea Community Dam is \$158.4M as forecast in the mid-year report of February 2021. This forecast includes \$11.2M of costs resulting from COVID-19 and delays.

Recognising uncertainty in geology, COVID-19 and mechanical works, the range of uncertainty on cost is reasonably expected to be between \$148M and \$164M based on known risks, as reported in February 2021.

During the accounting period, risks evolved and were realised pertaining to embankment fill materials, mechanical items, import prices and weather impacts. The cost of these risks are within the estimated costs.

WWL continues to investigate ways to reduce risk, however, the project continues to face cost pressures.

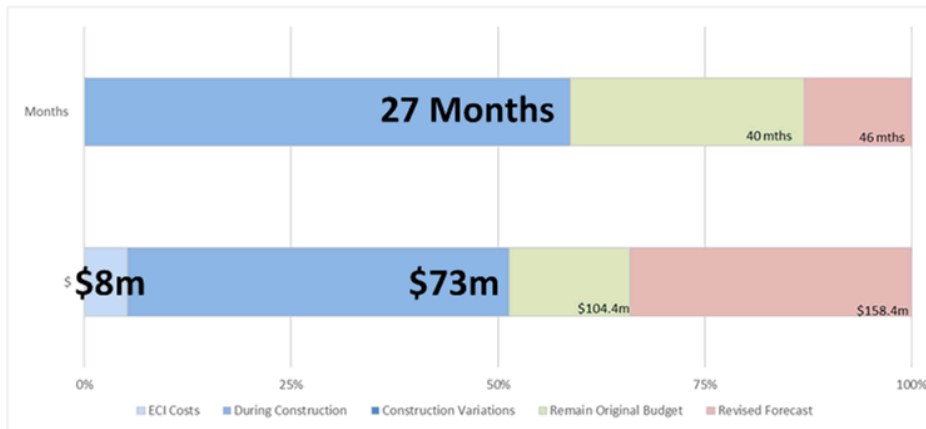


Figure 21: Spend and Time to Date

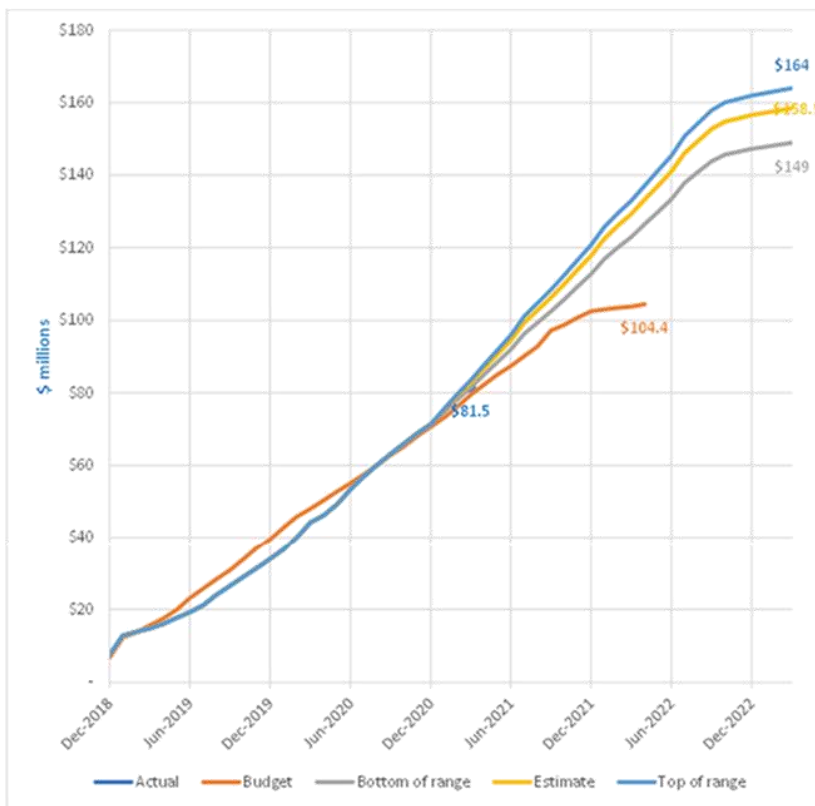


Figure 22: Project S-Curve



Unaudited financial information

Waimea Water Limited

Financial Statements
For the 9 months ended 31 March 2021



Unaudited

Waimea Water Limited

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Unaudited

Statement of Comprehensive Revenue and Expense

For the 9 months ended 31 March 2021

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Project costs	1	-	-
Employee costs		473	628
Depreciation and impairment	2	14	110
Other administrative expenses	3	239	317
Operating expenses		726	1,055
Finance income	4	406	646
Finance costs	4	(1)	(1)
Surplus/ (Deficit) for the year		(320)	(410)

Statement of Changes in Net Assets

For the 9 months ended 31 March 2021

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Opening retained earnings		(728)	(318)
Total surplus (deficit) for the period		(320)	(410)
Retained earnings as at period end		(1,049)	(728)
Opening share capital		55,147	35,096
Movement for the period		15,370	20,051
Share capital as at period end	19	70,517	55,147
Closing equity at period end		69,468	54,419

Statement of Financial Position

As at 31 March 2021

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000	
Assets				
<i>Current</i>				
Cash And Cash Equivalents	6	3,039	275	4,268
Receivables From Non-Exchange Transactions	7	666	621	1,584
Other Current Financial Assets	8	10,842	-	16,345
Total Current Assets		14,547	896	22,197
<i>Non-Current</i>				
Property, Plant And Equipment	9	78,703	43,597	51,436
Deferred Tax Asset	10	-	-	-
Other Non-Current Financial Assets	8	-	20,743	-
Total Non-Current Assets		78,703	64,340	51,436
Total Assets		93,250	65,236	73,633
Liabilities				
<i>Current</i>				
Payables Under Exchange Transactions	11	5,092	4,718	4,531
Employee Entitlements	12	84	53	86
Total Current Liabilities		5,176	4,771	4,617
<i>Non-Current</i>				
Loans And Borrowings	13	18,606	9,949	14,597
Total Non-Current Liabilities		18,606	9,949	14,597
Total Liabilities		23,782	14,720	19,214
Net Assets		69,468	50,516	54,419
Equity				
Equity Contributions	19	70,517	51,061	55,147
Accumulated Funds		(1,049)	(545)	(728)
Other Equity Reserves		-	-	-
Total Equity		69,468	50,516	54,419

Statement of Cash Flows

For the 9 months ended 31 March 2021

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<i>Cash flow from operating activities</i>			
Payments to suppliers	(367)	(322)	(445)
Payments to employees	(429)	(458)	(577)
Net cash from/(used in) operating activities	(796)	(780)	(1,022)
<i>Cash flow from investing activities</i>			
Purchase of property, plant and equipment	(25,609)	(22,318)	(31,332)
Purchase of financial assets	5,630	(5,291)	(919)
Net cash from/(used in) investing activities	(19,979)	(27,609)	(32,251)
<i>Cash flow from financing activities</i>			
Proceeds from equity	15,774	15,965	20,052
Proceeds from borrowings	3,493	7,658	12,266
Interest received	279	319	501
Interest paid on borrowings	-	-	-
Net cash from/(used in) financing activities	19,546	23,942	32,819
Net increase/(decrease) in cash and cash equivalents	(1,229)	(4,447)	(454)
Cash and cash equivalents, beginning of the year	4,268	4,722	4,722
Cash and cash equivalents at end of the period	3,039	275	4,268

Notes to the financial statements

A Reporting entity

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

The unaudited financial statements were authorised for issue by the Board of Directors on 24 May 2021.

B Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993. WWL has a balance date of 30th June.

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Comparatives

Comparative financial periods are the matching period of operations of the prior financial year and the last financial year end. Comparatives may have been reclassified from that reported in the 30 June 2020 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance.

(e) Changes in accounting policies

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

C Summary of significant accounting policies

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

(f) Cash and Cash Equivalents

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

Notes to the financial statements

(g) Trade and Other Receivables

Trade and other receivables are initially stated at fair value and subsequently stated at their amortised cost using the effective interest method less impairment losses. A provision for impairment of receivables is established when there is objective evidence that WWL will not be able to collect all the amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the expected future cash flows discounted using the effective interest method.

(h) Trade and Other Payables

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

(i) Property, plant and equipment

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

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

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

The majority of capital expenditure will remain as work in progress for the duration of the project and is not depreciated until ready for service.

Disposals

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

Depreciation

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

Buildings	not applicable
Leasehold improvements	10%
Furniture and equipment	16% - 50%
Vehicles	20% - 30%
Dam (Capital WiP)	not applicable

Notes to the financial statements

(j) Intangible assets

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

(k) Impairment of non-current assets

The carrying amounts of WWL's assets are reviewed at each annual balance date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated.

If the estimated recoverable value amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount, and an impairment loss is recognised in the surplus or deficit.

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

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

(l) Other Financial Assets

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

(m) Share Capital

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue. At balance date some shares may have been issued but not called up.

(n) Interest Bearing Borrowings

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

(o) Employee Entitlements

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

Notes to the financial statements

(p) Revenue

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

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

(q) Expenses

Financing Costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. They exclude qualifying costs that are capitalised.

Dividends

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

(r) Income Tax

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

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

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

(s) Goods and Services Tax (GST)

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

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

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

1 Project construction costs

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 to \$000	Project to date \$000
<i>The following amounts attributable to the build were passed through operational accounts:</i>				
Pre-incorporation costs	(2)	8	6,253	6,251
Dam construction costs	20,798	19,903	35,748	56,546
Project services	4,805	3,422	5,665	10,470
Borrowing costs capitalised	112	130	456	568
WWL operations	1,606	1,258	3,016	4,622
Transfer costs attributable to build to Capital WIP	(27,319)	(24,721)	(51,138)	(78,457)
Total	-	-	-	-

2 Depreciation, amortisation and impairment expenses

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000	
Depreciation of property, plant and equipment	9	14	17	24
Impairment loss - Capital WIP *		-	-	86
Total		14	17	110

* Some pre-incorporation costs reimbursed to TDC in FY19 were impaired in FY20.

3 Other overhead and administrative expenses

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Office costs	79	65	81
Insurance	61	52	58
Other professional fees *	57	98	123
Accounting fees	19	14	17
Auditor remuneration	14	-	33
Legal fees *	9	(12)	5
Total	239	217	317

* Some fees incurred in FY19 were recoded in FY20, moving them between Project services (Note 1) and Legal fees and Other professional fees (Note 3).

4 Finance income and costs

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Interest income on bank deposits	406	491	646
Bank fees	-	(1)	(1)
Net	406	490	645

5 Share Capital

	9 months Mar 2021	9 months Mar 2020	Audited FY2020
9,999 shares were authorised and issued on 21 Dec 2018.			
Ordinary shares - TDC	5,110	5,110	5,110
Ordinary shares - WIL	2,978	2,978	2,978
Non-voting shares - WIL	1,911	1,911	1,911
Shares at the end of the year	9,999	9,999	9,999

Ordinary shares have rights to vote, receive dividends, and participate in distribution on liquidation. Non-voting shares have no equivalent rights,

TDC ordinary shares have a par value of \$8,718.20.

TDC ordinary shares contribution*.	\$44,550k	\$29,270k	\$33,356k
TDC contribution per ordinary share.	\$8,718.20	\$5,727.98	\$6,527.59

TDC ordinary shares issued and fully paid	5,110	-	-
TDC ordinary shares issued and not fully paid	-	5,110	5,110

WIL ordinary shares have a par value of \$8,719.51.

WIL ordinary shares contribution*.	\$25,967k	\$21,791k	\$21,791k
WIL contribution per ordinary share.	\$8,719.51	\$7,317.33	\$7,317.33

WIL ordinary shares issued and fully paid	2,978	-	-
WIL ordinary shares issued and not fully paid	-	2,978	2,978

WIL non-voting shares have a par value of \$0.01.

* Share Capital contributions are also shown in Note 19, and represent the total dollar value of shares paid up. TDC contributions were primarily made to provide working capital to WWL. WIL contributions were made on agreed instalments.

TDC has committed to fund additional project costs. Shareholders have agreed part of the additional funding will be way of subscription for further shares. At balance date WWL has authorised the issue of up to 2,520 additional ordinary shares with a par value of \$8,719.91. At Balance Date these shares have not been issued and no contributions received for them. WWL will not authorise or issue further ordinary shares if it results in WIL holding less than 25% of total ordinary shares. Any additional project costs not funded by capital will be funded by loan, refer Note 13.

6 Cash and cash equivalents

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Cash at bank and in hand	3,039	275	4,268
Total	3,039	275	4,268

7 Receivables from non-exchange transactions

	Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
GST receivable		665	619	583
Other prepayments / receivables	17	1	2	1,001
Total		666	621	1,584

8 Other financial assets

	Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<i>Held-to-maturity investments</i>				
Term deposits - current		10,842	-	16,345
Term deposits - non-current		-	20,743	-
Total	15	10,842	20,743	16,345

9 Property, plant and equipment

	Capital WiP	Leasehold improve- ments	Furniture and office equip	Vehicles and site equip	Total
Note	\$000	\$000	\$000	\$000	\$000

Movements for each class of property, plant and equipment are as follows:

9 months	<u>Gross carrying amount</u>					
Mar 2021	Opening	51,138	28	76	278	51,520
	Additions	27,319	-	-	-	27,319
	Impairment	-	-	-	-	-
	Disposals	-	-	-	-	-
	Gross carrying amount	78,457	28	76	278	78,839
	<u>Accumulated depreciation and impairment</u>					
	Opening	-	(3)	(27)	(54)	(84)
	Depreciation - assets attributable to the build	-	-	-	(39)	(39)
	Depreciation - administration assets	2	(2)	(12)	-	(14)
	Disposals	-	-	-	-	-
	Accumulated depreciation and impairment	-	(5)	(39)	(93)	(137)
	Carrying amount 31 March 2021	78,457	23	37	185	78,702
Audited	<u>Gross carrying amount</u>	51,138	28	76	278	51,520
FY2020	<u>Accumulated depreciation and impairment</u>					
	Opening	-	-	(6)	(12)	(18)
	Depreciation - assets attributable to the build	-	-	-	(35)	(35)
	Depreciation - administration assets	2	(3)	(21)	-	(24)
	Disposals	-	-	-	(7)	(7)
	Carrying amount 31 March 2020	51,138	25	49	224	51,436

10 Deferred tax

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<i>Deferred tax assets are only recognised when management consider it probable that future tax profits will be available against which these assets will be utilised.</i>			
Recognised deferred tax assets:	-	-	-
<i>Unrecognised deferred tax assets are based on:</i>			
Statement of Comprehensive Revenue and Expense	(320)	(227)	(410)
Temporary differences *	85	-	81
Temporary differences **	(112)	-	(170)
Temporary differences prior year *	-	-	16
<u>Temporary differences prior year **</u>	-	-	(286)
Taxable income (deficit)	<u>(347)</u>	<u>(227)</u>	<u>(769)</u>
<i>Unrecognised deferred tax assets consist of:</i>			
Opening balance	304	89	89
Tax on taxable position above, at 28%	97	64	215
Total unrecognised deferred tax asset	<u>402</u>	<u>153</u>	<u>304</u>

* Primarily related to the deductibility of annual leave

** Primarily related to the deductibility of capitalised finance costs

11 Payables under exchange transactions

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Trade creditors	5,054	4,684	4,446
Related party payables	19	35	25
Non trade payables and accrued expenses	3	9	14
Total	<u>5,092</u>	<u>4,718</u>	<u>4,531</u>

12 Employee entitlements

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Annual leave entitlements	84	53	86
Total	84	53	86

13 Loans and borrowings

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
Non-current - Secured loans - CIIL	18,202	9,949	14,597
Non-current - Secured loans - TDC	404	-	-
Total	18,606	9,949	14,597

WWL has financing arrangements with Crown Irrigation Investments Limited up to \$25,000,000. Facilities can be drawn down monthly to fund project costs, and are secured by a general security over present and future assets. Facilities are provided subject to credit support from Tasman District Council plus guarantees from Waimea Irrigators Limited, and are repayable by 2034.

WWL has financing arrangements with Tasman District Council up to \$8,750,000. Facilities can be drawn down monthly to fund project costs, and are secured by a second ranking general security over present and future assets. Facilities will be repaid in instalments after project completion, with final maturity no later than 2058.

TDC has committed to fund additional project costs, part of which will be way of financing arrangements. Terms for such financing are to be agreed between WWL and shareholders. No funds have been drawn at Balance Date.

14 Commitments

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<i>Expenditure contracted for at the end of the reporting period but not yet incurred is:</i>			
Property, plant and equipment	37,352	62,685	50,414
Total	37,352	62,685	50,414

15 Financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Held-to-maturity investments	Loans and receivables	Financial Liabilities at amortised cost	Total
	\$000	\$000	\$000	\$000
9 months Mar 2021				
<u>Financial assets</u>				
Cash and cash equivalents	-	3,039	-	3,039
Trade debtors and other receivables	-	1	-	1
Other financial assets *	10,842	-	-	10,842
Total Financial assets	10,842	3,040	-	13,882
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	5,048	5,048
Loans and borrowings **	-	-	18,606	18,606
Total Financial liabilities	-	-	23,654	23,654
<hr/>				
Audited FY2020				
<u>Financial assets</u>				
Cash and cash equivalents	-	4,268	-	4,268
Trade debtors and other receivables	-	1,001	-	1,001
Other financial assets *	16,345	-	-	16,345
Total Financial assets	16,345	5,269	-	21,614
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	4,476	4,476
Loans and borrowings **	-	-	14,597	14,597
Total Financial liabilities	-	-	19,073	19,073
<hr/>				
	<u>9 months</u>	<u>Audited</u>		
	<u>Mar 2021</u>	<u>FY2020</u>		
<i>* Other financial assets</i>				
ANZ term deposit maturing Aug 2020 at 2.58%	-	511		
ANZ term deposit maturing Dec 2020 at 3.55%	-	5,277		
ANZ term deposit maturing Apr 2021 at 3.55%	5,419	5,277		
ANZ term deposit maturing Jun 2021 at 3.58%	5,423	5,280		
Total term deposits	10,842	16,345		
			<u>9 months</u>	<u>Audited</u>
			<u>Mar 2021</u>	<u>FY2020</u>
<i>** Loans and borrowings</i>				
Crown Irrigation Investments Limited			18,202	14,597
Tasman District Council			404	-
			18,606	14,597

16 Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities.

Last year the Engineer To Contract ("ETC") confirmed a 33 day suspension of works for the government mandated Covid-19 Level 4 lockdown. The obligation was not recognised because the final amount could not be reliably measured. The process to value the suspension was completed in April 2021, refer Note 17.

The Covid-19 lockdown will have future flow-on effects and further costs may be incurred in future periods, refer Note 17.

17 Covid-19

Impacts

On 26 Mar 2020 of last financial year the country entered a government mandated Covid-19 lockdown. WWL staff operations were not significantly impacted. Site works were suspended until 28 Apr 2020 when they resumed under Level 3. During Levels 3 and 2, appropriate restrictions and precautions impeded productivity. At 30 Jun 2020 normal works had resumed. The lockdown will extend the programme past the scheduled completion date in FY22.

Financial performance

The ETC issued a Notice To Contractor confirming a 33 day suspension for lockdown Level 4, valued in April 2021 at \$917,947. At March 2021 the cost is included in commitments in Note 14.

Last year the Contractor was advanced \$1,000,000 against those costs, without prejudice, to support employee retention during Level 4 and facilitate re-mobilisation at Level 3. At that time the advance - since repaid - was treated as a prepayment, refer Note 7.

Non-financial performance

The schedule was delayed for impacts from lockdown Levels 4, 3 and 2. The lockdown did not affect the ability to report against performance indicators.

Future assumptions

The final schedule will be affected and future costs will be higher than earlier contemplated. Costs for the 33 day suspension, resolved in April 2021, and for productivity losses during Levels 3 and 2, will be treated as impaired expenses. Further costs will be incurred in future periods from any flow-on impacts, however, those costs are unknown.

18 Events after the reporting period

There were no significant events after the balance date that would require amounts recognised in these financial statements to be adjusted, or separate disclosure. (WWL continues to receive claims for extension of time from the Contractor that if agreed may result in future costs.)

19 Related party transactions

WWL is jointly owned by Tasman District Council ("TDC" - 51% of issued shares) and Waimea Irrigators Limited ("WIL" - 49%). TDC and WIL are Joint Operators. The entity also has a related party relationship with its Directors and other key management personnel. Key management personnel include the Board of Directors and members of the Executive / Senior Management.

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<u>Purchase of goods and services</u>			
<i>Purchase / reimbursement of services</i>			
Directors *	16	-	-
Pre-incorporation costs	(3)	-	3
Shareholder services	3	3	123
Total	16	3	126

* Directors with engineering qualifications may perform independent peer review services in a normal supplier relationship on terms and conditions no more or less favourable than those it is reasonable to expect the entity would have adopted in dealing with the party at arm's length in the same circumstances.

Note	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000	Total \$000
<u>Share Capital contributions from Joint Operators</u>				
Tasman District Council Share Capital	11,194	29,270	33,356	44,550
Waimea Irrigators Limited Share Capital	4,176	21,791	21,791	25,967
Total Share Capital	15,370	51,061	55,147	70,517

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<u>Loans and borrowings</u>			
Non-current - Secured loans - TDC	404	-	-
<u>Year end receivable/ payable with related parties</u>			
<i>Payable to related parties:</i>			
Directors	35	25	32
Shareholders	-	-	39
Other key management personnel	-	-	-
Total	35	25	71

	9 months Mar 2021 \$000	9 months Mar 2020 \$000	Audited FY2020 \$000
<u>Key management compensation</u>			
<i>Key management personnel compensation includes the following expenses:</i>			
Salaries and other short-term employee benefits	606	554	945
Directors fees	189	126	236
Total	795	680	1,181
Persons recognised as key management personnel	11	11	11

Company Directory

Directors

David Wright (Chair)
Bruno Simpson (Deputy Chair)
Doug Hattersley
Julian Raine
Ken Smales
Andrew Spittal
Margaret Devlin

Registered Office

20 Oxford Street
Richmond 7020
New Zealand

Telephone: 027 544 0030
Email: info@waimeawater.nz

Chief Executive

Mike Scott

Management

Chief Financial Officer:	Dave Ashcroft
Commercial Manager and Company Secretary:	Richard Timpany
Engineering and Design Manager:	Iain Lonie
Environmental and Sustainability General Manager:	Alasdair Mawdsley
Construction Manager:	Daniel Murtagh

Auditor

Audit New Zealand on behalf of the Auditor-General

Accountant

Findex Ltd

Banker

ANZ Corporation

Lawyer

Anderson Lloyd

8.5 WAIMEA WATER LIMITED - FINAL STATEMENT OF INTENT 2021-2022**Decision Required**

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Mike Drummond, Corporate and Governance Services Manager
Report Number:	RCN21-06-5

Item 8.5**1 Summary**

- 1.1 The 2021-2022 Statement of Intent (SOI) for Waimea Water Ltd (WWL) was received by shareholders on 26 May 2021 (**Attachment 1**). Also included in this report is the Letter to Shareholders (**Attachment 2**). The SOI has been reviewed by staff for compliance with the Local Government Act 2002 (LGA).
- 1.2 The company has addressed the matters raised by the shareholders on the draft SOI being:
 - 1.2.1 requests that the Board considers their stakeholders engagement plan in terms of keeping the community informed and linking that to the performance targets within the Statement of Intent; and
 - 1.2.2 requests that the Company update the entity stakeholder information to reflect the current position.
- 1.3 These matters have been addressed in the final SOI. Section 6.5 Sustainability and community relationships and Section 7 Performance Targets KRA 5. The stakeholder information in Section 9 has also been updated.
- 1.4 The Company had until 30 June to deliver the final SOI to the Shareholders for 2021-2022.
- 1.5 Once the shareholders have agreed to the final SOI, it will be made public on the Council's website. It will also be published on the Waimea Water Limited (WWL) website.

2 Draft Resolution**That the Full Council:**

1. **receives the Waimea Water Limited - Final Statement of Intent 2021-2022 report; and**
2. **notes the delivery of the Waimea Water Limited Final Statement of Intent 2021-2022 (Attachment 1) as required under the Local Government Act 2002; and**
3. **agrees to the Final Waimea Water Limited Statement of Intent 2021-2022 (Attachment 1) dated 26 May 2021.**

3 Purpose of the Report

- 3.1 To present to the Council the Waimea Water Ltd (WWL) final Statement of Intent (SOI) 2021-2022.

4 Background and Discussion

- 4.1 Waimea Water Ltd (WWL), along with other Council Controlled Organisations (CCOs), is required to complete a SOI by 30 June each year. The draft SOI's are required to be delivered to shareholders by 1 March each year. The WWL draft SOI was received by the Council on 26 February 2021. The SOI covers the period from 1 July 2021 to 30 June 2022. It also includes prospective financial information out to June 2025.
- 4.2 While the SOI includes estimates for operating costs post dam completion and assumes an operating model, these matters are still being discussed between the Company and shareholders. These matters are expected to be settled by 30 June 2021 as set out in the SOI.
- 4.3 The Company has addressed the matters raised by the Council as a shareholder on the draft SOI being:
- 4.3.1 requests that the Board considers their stakeholders engagement plan in terms of keeping the community informed and linking the performance targets within the Statement of Intent; and
- 4.3.2 requests that the Company update the entity stakeholder information to reflect the current position.
- 4.4 These matters have been addressed in the final SOI. Section 6.5 Sustainability and community relationships and Section 7 Performance Targets KRA 5. The stakeholder information in Section 9 has also been updated.
- 4.5 The purpose of a SOI is set out in the Local Government Act 2002 Schedule 8. This purpose is repeated here as a background for the Council's discussion on the draft SOI presented by WWL.

Purpose of Statement of Intent

- 4.6 The purpose of the SOI is to:
- (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
 - (b) provide an opportunity for shareholders to influence the direction of the organisation; and
 - (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
- 4.7 The SOI has been checked for compliance with the statutory requirements and there are no matters to bring to the Council's attention.

5 Options

- 5.1 The Council has two options:

- a) **Option 1 (recommended)** – to accept the final SOI and advise the Company and Waimea Irrigators Ltd (WIL) as the other shareholder. Acceptance of the SOI provides certainty to all parties on expectations for the coming year.
- b) **Option 2** – To not agree to the final SOI and negotiate with WIL on the matters that the shareholders require the Board of WWL to address further in the SOI. This approach is not recommended as the Board has addressed the concerns raised and feedback on the draft SOI. Council is unlikely to get support from the other shareholder for further changes to the final SOI.

6 Strategy and Risks

- 6.1 There is no identified change in risks associated with the WWL operations and this SOI.
- 6.2 The Company provided a six-monthly presentation at the Full Council meeting on 25 February 2021. This covered financial, administration and project activity and also provided an opportunity to cover off the issues arising with the dam construction project. This included the revised estimate of the cost to complete the project and the revised completion and commissioning dates.
- 6.3 The Company has also provided the required Quarterly report for the period ending 31 March 2021. This report was delivered to shareholders on 26 May 2021 and was scheduled to be provided to the public on the WWL website from 31 May 2021.
- 6.4 There is a risk that the relationship between the shareholders and WWL could be significantly damaged if there is a failure of WWL and both shareholders to agree on the SOI 2021-2022.
- 6.5 As WWL is a joint venture partnership with WIL, the Council will need to consider the views and preferences of WIL in providing further feedback to the Company. We have been advised that the Board of Waimea Irrigators Ltd has considered the draft SOI, the directors resolved to accept the draft SOI at their Board meeting on 30 March 2021.

7 Policy / Legal Requirements / Plan

- 7.1 A Council-Controlled Organisation (CCO) must have a SOI that complies with clauses 7 to 10 of Schedule 8 of the Local Government Act 2002 (LGA).
- 7.2 The principal objective of a CCO is set out in Section 59 (1) of the LGA.
- 7.3 SOIs must not be inconsistent with the CCO's Constitution.
- 7.4 Draft SOIs must be delivered to the Council on or before 1 March each year. Shareholders may extend the deadline for a period or periods not exceeding one calendar month.
- 7.5 The LGA Schedule 8(2) requires the Board to consider any comments on the draft SOI that are made to it by the first of May and deliver a completed SOI to Shareholders on or before 30 June each year.
- 7.6 S65 (2) of the LGA requires the Council, as soon as practicable after receiving a SOI for a CCO, to agree to the SOI or, if it does not agree, to take all practicable steps under Clause 6 of Schedule 8 of the LGA to require the SOI to be modified.

- 7.7 If an agreement with the Board of WWL on the SOI is not reached, the shareholders will need to consider imposing a modification of the SOI by resolution of the shareholders using their powers under the LGA Schedule 8(6). This would be a last resort approach, as it would signal a breakdown in the relationship between the shareholders and the WWL Board.

8 Consideration of Financial or Budgetary Implications

- 8.1 There are no financial or budgetary implications arising from this decision. The increase in the costs to complete the project (and included in this SOI) have been provided for in the Long Term Plan 2021-2031 budgets. The costs of the review of the SOI and engagement with WWL and WIL are met from within the Corporate and Governance Services Department existing budgets.

9 Significance and Engagement

- 9.1 The adoption of the SOI for Waimea Water Ltd is considered to be of low significance to ratepayers as a whole. The SOI is consistent with arrangements entered into Financial Close in December 2018. The project and the formation of WWL have been consulted on through formal engagement and consultation processes. The Council has been updated on the revised cost to complete and the progress of the project at the Council meeting on 25 February 2021. The public has also been provided with an update on the project through the presentation to the Council and the issue of the Company's mid-year report. Further engagement on the SOI is not required.
- 9.2 As WWL shareholders, Waimea Irrigators Ltd (WIL) has also considered the draft SOI, and the directors resolved to accept the draft SOI at their Board meeting dated 30 March 2021. Given that WIL accepted the draft SOI, we can assume that they accept the final SOI.

10 Conclusion

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

11 Next Steps / Timeline

- 11.1 Staff will communicate the Council's decision to the other shareholder (WIL) and to the Waimea Water Ltd Board (WWL).
- 11.2 A link to the final SOI will be placed on the Council's website within seven days of receiving confirmation from WIL that they agree to the final SOI.

Attachments

- | | | |
|----|--|-----|
| 1. | Waimea Water Limited Final Statement of Intent 2021-22 | 157 |
| 2. | Waimea Water Limited Letter to Shareholders | 187 |



STATEMENT OF INTENT

1 July 2021 – 30 June 2022

VERSION: Final 26 May 2021

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1. Introduction

This Statement of Intent (SOI), Version: Draft 28 February 2021, is presented by the Directors of Waimea Water Limited (WWL), in accordance with Section 64 of the Local Government Act 2002 (LGA). Established in December 2018, WWL is a Council Controlled Organisation under Section 6 of the LGA.

The purpose of this document is to provide the scope, objectives, intentions and activities of WWL for the period 1 July 2021 to 30 June 2022 with forecast cashflows for three years from 1 July 2021.

WWL acknowledges the Statement of Expectation from shareholders Tasman District Council (TDC) and Waimea Irrigators Limited (WIL) dated 4 February 2021 and would like to thank them for their continued support.

A full copy of this SOI will be available via the WWL website (www.waimeawater.nz).

2. Purpose Statement

WWL is committed to building and operating a safe, reliable, sustainable and efficient dam for the benefit of the region. WWL's vision is to build and operate the Waimea Community Dam ('the dam') to the highest affordable standards.



Construction Site, February 2021



Statement of Intent 1 July 2021- 30 June 2022

3. Background

WWL was established in November 2018, as a Council-Controlled Organisation, to manage the construction, operation and maintenance of the dam. A joint venture between the TDC and WIL, the dam will secure the Nelson Tasman region's urban and rural water demand for the next 100 years.

The dam will improve the resilience of the regional economy, support regional growth and improve and maintain the mauri of the Waimea River by using nature's storage and delivery system to provide water to our region.

WWL is focused on ensuring that it has the people, the policies and positive relationships needed to deliver a world-class water infrastructure project to support the Nelson Tasman region and its growth.

The Waimea Community Dam is a significant local infrastructure project to augment the supply of water and add to the sustainability of the region. The benefits of the dam include:

- Supporting a growing population and providing the community with water security
- Healthy Lee and Waimea Rivers for swimming, fishing and other recreational activities
- Healthier rivers for aquatic life to thrive
- A robust economy strengthened by the success of horticulture and farming industries and the subsequent growth of associated secondary and tertiary industries.



Supporting a growing population with water security



4. WWL Objectives

WWL's activities to design, construct and operate the dam are based on the following objectives:

4.1. Safety

Personnel safety

WWL will continue to use an appropriate and robust risk-based Health and Safety Management System to mitigate the risk of serious injuries to staff, contractors and the public during the construction and operation of the dam.

Dam safety

WWL will construct and operate the dam to the appropriate high standards described by the New Zealand Society on Large Dams (NZSOLD) guidelines¹ to mitigate risk to the public and to the asset.

4.2. Reliability

WWL will design, construct, operate and maintain the dam in a manner that allows it to reliably operate over its planned 100-year life to:

- Meet the requirements of the resource consent
- Maintain asset integrity to meet the requirements of NZSOLD guidelines.

WWL will use independent and qualified technical experts to verify integrity. Asset integrity will be demonstrated through competent inhouse engineering and verified by external and independent Producer Statements (PS)² from qualified experts. This will include a PS-1 from competent design engineers, and PS-2 and PS-4 from qualified, competent and reputable peer reviewers.

4.3. Sustainability

WWL will ascribe to a sustainability-based management regime that considers and balances:

- Economic sustainability by providing shareholders with a safe, reliable and efficient asset
- Environmental sustainability by understanding consumption and waste, emissions and implementing its environmental and biodiversity management plans
- Social sustainability by engaging and nurturing positive relationships with the community it works within, contributing to its community and its prosperity, and being a good employer.

4.4. Efficiency

WWL will endeavour to construct and operate the dam within the approved budget and schedule, as adjusted for conditions encountered and significant uncontrolled events, while always bearing in mind the priority objectives to provide a safe, reliable and sustainable asset. WWL will efficiently and proactively manage construction and operating risks.

¹ https://nzsold.org.nz/wp-content/uploads/2017/08/nzsold_dam_safety_guidelines-may-2015.pdf

² A producer statement is a professional opinion based on sound judgement and specialist expertise. There are currently four types of producer statement, all with generally widespread Council acceptance. They are known as: PS 1 – Design, PS 2 – Design review, PS 3 – Construction (often used by the installers of proprietary systems), PS 4 – Construction review.



5. Governance and Reporting

5.1. Governance

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

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

5.2. Composition of the Board

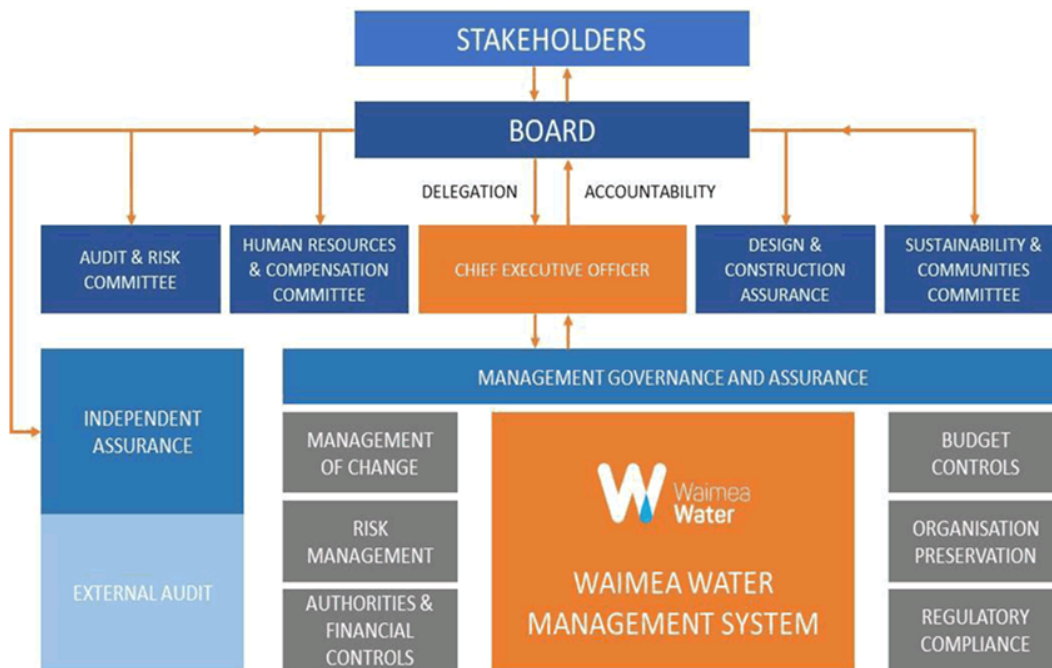
The WWL Board currently has seven highly experienced directors appointed by shareholders and iwi. The TDC may appoint four directors; WIL appoints two directors and Ngāti Koata appoints one director.

Directors are appointed for a period of up to four years.

5.3. Structure of the Board

The WWL Board is supported by four committees that consist of subgroups of directors and staff.

The committees provide governance and assurance across audit and risk, human resources, design and construction, and sustainability and communities.





5.4. Reporting

WWL will provide shareholders with a SOI, annual and mid-year reports in accordance with the LGA. In addition, WWL will provide quarterly and other financial statements and reports in accordance with shareholder expectations.

Statement of Intent

WWL will deliver to the shareholders a draft SOI no later than 1 March each year that fulfils the requirements of Section 64 of the LGA. Following review by shareholders, a final SOI shall be published before 30 June each year.

Quarterly Reports

No later than two months after the end of the March and September quarters, WWL shall deliver to the shareholders a brief unaudited report containing information and commentary on results for that quarter.

Mid-Year Report

No later than 28 February, WWL shall deliver to the shareholders an unaudited report containing the following information relating to the six-month financial period ending 31 December:

- Statement of Comprehensive Revenue and Expense, disclosing actual and comparative figures
- Statement of Financial Position at the end of the period
- Statement of Cash Flows
- A commentary on the results for the period, including progress against SOI objectives.

Annual Report

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

- A report including a summary of the financial results, a review of operations and comparison of performance in relation to objectives in the Statement of Intent
- Statement of Comprehensive Revenue and Expenses disclosing actual expenditure and comparative figures from previous annual reports
- Statement of Financial position at the end of the year
- Statement of Cash Flows
- Auditor's report.

The annual report is to be available for public inspection (on the WWL website waimeawater.nz/).

5.5. Functions and Operations

WWL's activities are directed by the requirements of a governance and accountability framework including the company constitution, statutory compliance obligations, company policies and procedures, a performance and accountability framework and project control disciplines.

5.6. Management

The Chief Executive Officer is accountable to the Board and has responsibility for the management, operation and administration of WWL.

WWL management works to a Board-approved Management System for:

- Management of change
- Dam and personnel safety
- Risk management
- Authorities and financial controls
- Budget controls
- Organisation preservation
- Regulatory compliance

Audit NZ completes the annual external audit for the Board.



WIL shareholders tour the site in 2020

6. Nature and Scope of Activities

The construction programme has been extended to account for the project delays to date. WWL expects, therefore, that Practical Completion of the dam to be six months late and will likely be in the 2nd quarter of 2022, with the reservoir being filled over the winter of 2022 in time for commissioning by the following summer and season of 2022/2023.

The scope of WWL's activities include:

1. Health, Safety and Wellbeing
2. Environmental management
3. Design
4. Construction
5. Sustainability and community relationships
6. Financial management
7. Operational readiness.

The following sections provide the details of these seven activities.

6.1. Health, Safety and Wellbeing

Consistent with WWL's objectives, personal and process safety is of critical importance to WWL. WWL's Health, Safety and Wellbeing charter is:

We are committed to a culture that creates personal accountability for and a relentless focus on health and safety as part of the way we do things. No task is too important or so urgent as to preclude health and safety.

WWL has developed and will continue to use a risk-based Health and Safety Management System, that has been independently peer reviewed, to mitigate risk of harm to its staff, contractors and the public, and to ensure compliance with the Health and Safety at Work Act 2015. As part of this system, WWL has and will continue to work with and oversee its contractors to ensure their own systems comply with WWL's requirements and the Health and Safety at Work Act 2015, and so minimise and manage safety risks.

During the period of this SOI, WWL will:

- Meet requirements of health and safety legislation
- Use and review its own and Fulton Hogan and Taylor's ('the contractor') Health and Safety Systems
- Verify compliance with those systems and monitor statistics.





Statement of Intent 1 July 2021- 30 June 2022

H&S award ceremony held at site November 2020

6.2. Environmental Management

The dam will reliably improve water quality to provide a better river environment for plants, fish and animals.

WWL is committed to efficiently minimising impacts on the environment during the build and operation of the dam, and ensuring the benefits are not eroded through unexpected adverse effects on the surrounding area.

WWL has and will continue to use skilled and experienced specialists and robust systems for environmental auditing, monitoring and training. Through a continuous ‘Plan-Do-Check-Improve’ cycle WWL monitors compliance, deals with change and ensures construction partners continue to work in a manner that protects our natural environment.



SLR staff Emma Woods checking water clarity downstream of site.



SLR conducting fortnightly water quality testing



Clean water flowing through the diversion culvert during construction works



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The project currently has 22 permits containing 184 resource consent conditions. These have been consolidated into 98 monitored obligations. These conditions include, but are not limited to:

- Salvaging and propagating rare plants from the reservoir footprint
- Offsetting vegetation loss through a range of biodiversity enhancements
- Preparing to prevent and respond to spills during construction
- Constructing sediment ponds to protect water quality during construction
- Measuring and tracking river water quality
- Remediating the land within the project footprint on completion of the dam.

During the period of this SOI, WWL will:

- Comply with all resource consent conditions, including ensuring Supplementary Construction Environmental Management Plans (SCEMPs) are approved by the regulator, and WWL verifies performance and compliance with the SCEMPs
- Continue to monitor river water quality in accordance with the resource consent and take steps to improve river water quality as required
- Continue to implement the Biodiversity Management Plan, including the removal and propagation of four native plant species and planting at Rough Island

Meet obligations for carbon associated with deforestation prescribed by the Climate Change Response Act 2002.



11,000 trees were planted on Rough Island in July 2020

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6.3. Design

The dam has been designed in accordance with the highest requirements of the NZSOLD guidelines and in accordance with New Zealand building regulations. The dam was designed by Tonkin and Taylor, who issued a PS-1, and peer reviewed by WSP Opus who issued a PS-2. WWL's independent engineering reviewer of construction, Damwatch Engineering Ltd (DWE), also reviewed and completed due diligence of the design.

Since the original design was consented, the design has had to be modified for the encountered geology and topography. The revised embankment, spillway and culvert designs were completed by DWE, who issued PS-1 for the changes. GHD Engineering peer reviewed and provided a PS-2. The mechanical design has been completed by DWE and MTL and peer reviewed by GHD Engineering.

The dam break analysis has been revised and published. The dam is designed to withstand significant natural hazards including an earthquake with a 1:10,000-year probability of occurring. The membrane provides a reliable impermeable layer and the rock embankment is designed to drain any seepage to prevent any uncontrolled loss of the reservoir. The spillway, which is anchored to rock with drainage beneath, is designed for a Probable Maximum Flood (PMF) that has a peak flow of almost three times a 100-year flood event.

With necessary design changes now largely complete, focus during the period of this SOI will be on completing construction, commissioning and preparing for operations and WWL will:

- Continue to modify and optimise design for encountered conditions
- Complete an Emergency Action Plan (EAP) in accordance with the NZSOLD guidelines and based on the revised dam break analysis
- Complete the dam surveillance plan (piezometers, seismometers, survey) to inform and complete a Dam Safety Management Plan in accordance with the NZSOLD guidelines

There will also be design impacts on operational readiness requirements, including commissioning dam safety instrumentation and systems, completing a closure and reservoir filling plan, completing operations and maintenance manuals, and preparing a commissioning plan.

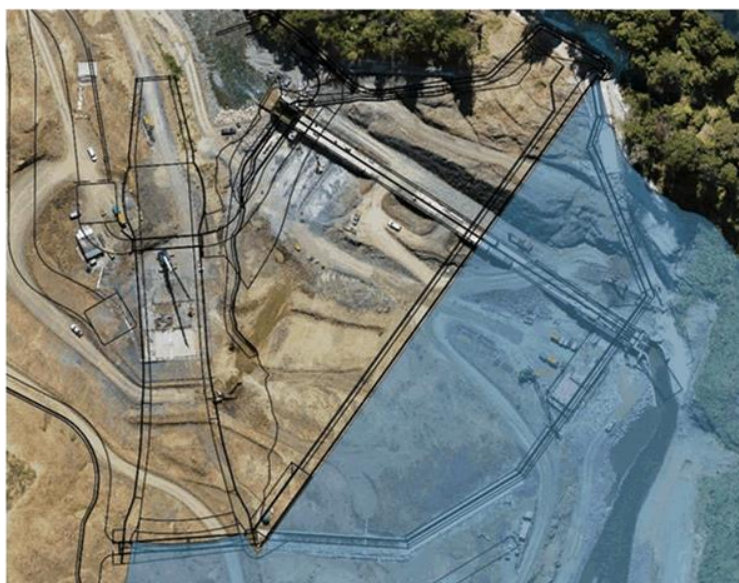


Downstream view of rockfill embankment

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Aerial view of the site progress, February 2021



Aerial illustration of the future Waimea Community Dam filled with water



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6.4. Construction

A baseline project schedule to build the dam was agreed with shareholders and financiers when WWL was incorporated in December 2018. In 2019, WWL finalised key contracts and sub-contracts, mobilised plant and machinery and attracted talented people to build the dam in a safe, reliable and efficient way. To date WWL has:

- Completed access to site and haul roads around the site and constructed access bridges
- Completed the diversion culvert, diverted the river and constructed a coffer dam
- Completed the starter dam
- Progressed the spillway, plinth and grout curtain
- Progressed the rock embankment, including the rock reinforced dam
- Commenced the spillway

WWL will continue to work collaboratively with the contractor to resolve construction and geological challenges and seek opportunities to enhance the dam.

During the period of this SOI, WWL and its contractor plan to :

- complete the plinth and grout curtain, complete the rock embankment, complete the face/membrane and parapet wall, complete the spillway and plunge pool, and commence constructing the mechanical, electrical, power and control systems.

WWL will;

- complete civil works, close the diversion and prepare to commence filling the reservoir (SP1)
- provide independent verification of construction complying with the specification and drawings, with a PS-4 from DWE. In accordance with the resource consent (condition 88b), WWL will seek a Code of Compliance from the Regulator prior to closing and filling the reservoir.
- Continue to use an appropriate risk management system, that includes understanding impacts from Covid19.

As has been reported previously, the geology of the site continues to be a considerable risk for the project and has resulted in incremental costs. It remains a residual, albeit diminishing, risk to the project. Although some areas of rock have met expectations, other areas of the predominantly argillite rock (siltstone/mudstone) exhibit significantly more incipient foliations than expected, resulting in the rock breaking up more readily than anticipated. Construction of the embankment and plunge pool will continue to adjust during construction.

WWL will continue to regularly report against the schedule to keep both shareholders and financiers informed of progress.



Stock pile of blended 2B material



Importing and blending material

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Construction progress in images



Overview of reinforced rockfill placement, Dec 2020



Pouring concrete in steep LH plinth section, Dec 2020



Pouring concrete in starter dam, Nov 2020



RHS plinth void buttress support concrete pour, Nov 2020



Overview of RHS plinth foundation and void, Dec 2020

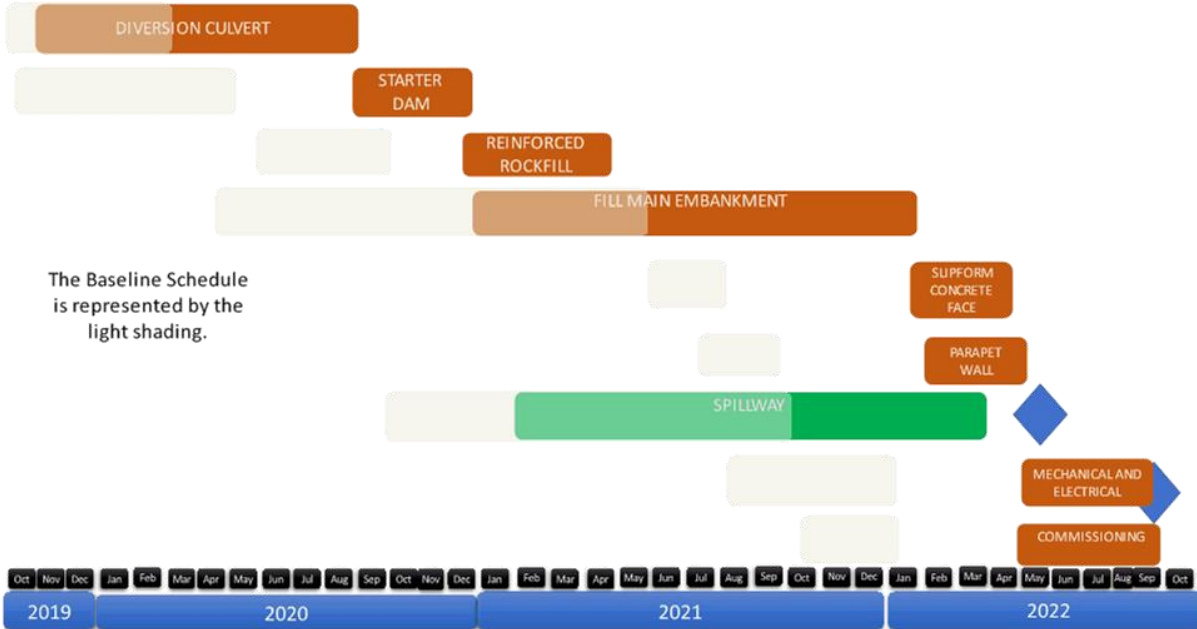


LHS plinth progress looking downstream, Dec 2020



Statement of Intent 1 July 2021- 30 June 2022

Construction timeline



WWL expects to complete construction of the dam and commence filling the reservoir in May 2022, to allow commissioning of the dam and project completion by October 2022.



The first part of the dam's outlet works



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6.5. Sustainability and Community Relationships

WWL’s vision is to build and operate the dam to the highest affordable sustainability standards.

WWL is committed to ensuring that the public is well-informed, has easy access to information and people are given the opportunity to ask questions and find out more about the project.

During the period of this SOI, WWL will:

- Work closely with mana whenua, the Department of Conservation, landowners, local communities and those who have a focus on the development and sustainability of the region
- Continue to work closely with Ngāti Koata to protect and nurture native taonga in the area and to integrate Māori cultural values in caring for the environment
- Complete a Sustainability Plan, that will describe how the dam will be sustained in the long term (economically, environmentally and socially).

WWL will be upfront and transparent about the progress of the project and clearly describe issues and plans.

WWL will continue to actively engage stakeholders and the public about the project. WWL will use a range of channels to reach as many stakeholders and interested parties as possible, including a presence at regional events and locations, social media (Facebook), media releases, TDC meetings, newsletters and the WWL website. WWL aims to increase engagement with the development of brochures in the coming year.



Diversion Culvert Blessing (14 August 2020)



Information stand at Tasman’s A&P Show (22 November 2020)

6.6. Financial Management

When WWL was incorporated in December 2018 a budget was approved with shareholders and financiers. Managing costs and funding is done in accordance with the Company Constitution, best practice, and Generally Accepted Accounting Principles. WWL provides regular reporting against budget to keep both shareholders and financiers informed of progress.

WWL is funded by its shareholders TDC and WIL.

WWL has a tight focus on financial management and is doing all it can to minimise costs without compromising safety, reliability and sustainability. Finance activities are centred on producing accurate and timely financial information for decision makers, with a focus on quarterly reporting to shareholders and financiers, and ensuring all systems and processes support an unqualified audit opinion from Audit NZ on behalf of the Auditor General.

During the period of this SOI, WWL will:

- Continue to manage Costs to Complete, as adjusted for encountered conditions and uncontrolled events and risks
- Meet agreed quarterly reporting deadlines
- Comply with financier expectations
- Obtain unqualified audit opinions on annual financial statements.

6.7. Operational Readiness

Once constructed, WWL will operate and maintain the dam in accordance with NZSOLD guidelines, the resource consent, and business plans and budgets.

During the period of this SOI, WWL will:

- Complete the plans required to operate the dam, as prescribed in the resource consent, including an Operational Management Plan, a Reservoir Release Management Plan and River and Reservoir Quality Monitoring Programmes
- Complete the operating model and operating budgets for shareholders.





7. Performance Targets (KPIs)

The following table provides the objectives and key performance indicators for the period 1 July 2021 to 30 June 2022 (FY22) and the two years following.

All objectives relate to the seven key activity areas outlined in the previous sections, with each objective reflecting the guiding principles to be safe, reliable, sustainable and efficient.

1. Health, Safety and Wellbeing		
Objective	FY22 KPI	Post 2022 KPI
To meet the requirements of health and safety in workplace legislation	WWL system peer reviewed by industry qualified expert	Migrate from construction system to operations system
Review and verify contractors' Health, Safety & Wellbeing systems	FHTJV system peer reviewed by industry qualified expert	n/a
No fatalities or serious injuries	0	
Total recordable injury rate	≤5 injuries per 1m hours	
2. Environmental management		
Objective	FY22 KPI	Post 2022 KPI
To meet resource consents conditions	100% compliance	100%
Approve and validate SCEMPs	100% compliance	n/a
Implement the Biodiversity Management Plan	100% compliance	100%
3. Design		
Objective	FY22 KPI	Post 2022 KPI
Modify and optimise design for all encountered conditions to meet NZSOLD guidelines	PS-1 and PS-2	n/a
Revise dam break analysis and prepare Emergency Action Plan (EAP) (#84)	EAP complete	Update as per NZSOLD guidelines
Complete surveillance strategy and Dam Safety Management Plan (DSMP)	DSMP complete	Update as per NZSOLD guidelines



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4. Construction		
Objective	FY22 KPI	Post 2022 KPI
Construct dam in accordance with specification	PS-3 and PS-4 Regulator Code of Compliance (#88b)	Revised Code of Compliance
Deliver project to schedule, as adjusted for encountered conditions and uncontrolled events	Commence filling reservoir (SP1) Track variance to schedule	Commission dam (SP2) and move to operations
Report COVID-19 impacts	Track variance to schedule	
Utilise appropriate risk-based management system	Risk register follows NZTA Z/44 guideline	
5. Sustainability and Community relationships		
Objective	FY22 KPI	Post 2022 KPI
Transparent engagement with stakeholders and community	Quarterly public newsletter, six monthly Richmond Mall 'pop-up'	TBA
Consultation with Ngāti Koata	Annual update	
Recognise key cultural milestones	Closure and reservoir blessing	TBA
Develop Sustainability Plan	Plan approved	Plan complied with
6. Financial management		
Objective	FY22 KPI	Post 2022 KPI
Manage Costs to Complete	Update in Mid-Year and Annual Reports	Update in Mid-Year and Annual Reports
Agreed quarterly reporting deadlines met	100% compliance	
Compliance with financier expectations	100% of expectations met	
An unqualified audit opinion on annual financial statements	Unqualified opinion on FY21 financial statements	Unqualified opinion on FY22 and FY23 financial statements
7. Operational readiness		
Objective	FY22 KPI	Post 2022 KPI
Complete Land Owner Consultation and Land Access Report (#87)	Completed and approved	Annual review
Complete Operational Management Plan (#92)	Completed and approved	Annual review
Complete Reservoir Management Release Plan (#108)	Completed and approved	Annual review
Complete River Quality Monitoring (#110) and Reservoir Quality Monitoring (#106) programmes	Completed and approved	Annual review
Complete operating model and budgets for shareholders consideration	Completed and approved	Annual review

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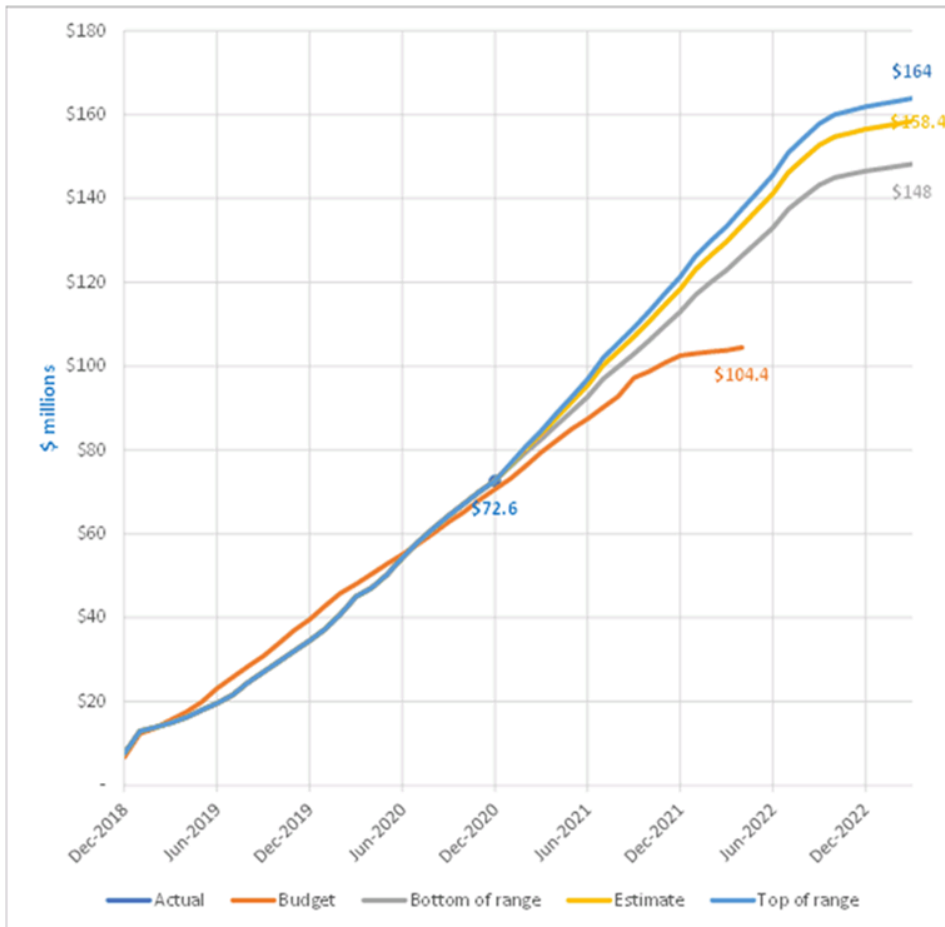


8. Cost and Risk Management

8.1. Construction Cost forecast

WWL forecasts a revised cost to complete of \$147.2M, excluding COVID-19 costs and associated delays. The COVID-19-related costs experienced to date, the associated delays to the project and a provisional allowance for future impacts resulting from COVID-19 cost an additional \$11.2M, such that the forecast cost to completion is \$158.4M.

Recognising residual uncertainty in COVID-19 costs and geology, WWL expects the cost of the project to be between \$148M to \$164M. The increase in cost is described in the 28 February 2021 Mid-Year Report.



Cost and Risk forecast.



8.2. Risk Management

WWL is committed to constructing and operating the dam as efficiently and reasonably as possible with respect to cost and schedule, recognising the overarching principles that the dam shall be safe, reliable and sustainable.

WWL will continue to operate a robust risk management system, and the risk register is continuously updated as risks are identified and closed.

8.3. Operating Plan and Cost forecast

During the period of this SOI, WWL will finalise for approval its Operating Budgets and Plans with shareholders. During the previous SOI period WWL completed and submitted to shareholders a draft Operating Plan and Budget for consultation.

Cashflow forecasts during operations are based on this draft plan, and include \$2.75M pa in the first two years of operation and then \$2.5M pa for subsequent years, noting these assumptions exclude finance charges.

8.4. Note to risks

Project risk is dissipating with progress and as structures come up out of the ground. The most significant risks as the project progresses relate to:

- Geology: Grouting of the sub-surface grout curtain, due to be complete in late 2021
- Geology: Exposing of the spillway foundation, due to complete in late in 2021
- Geology: Exposing of the plunge pool has not yet commenced and is scheduled for late 2021
- Flood and abnormal weather risk: The risk of flooding gradually dissipates with dam height
- COVID-19: WWL does not expect another enforced shut down for the project and is taking steps with MBIE to be considered as an important infrastructure project to protect against further shutdowns. COVID-19 is, however, clearly having emerging and uncertain impacts on procurement. WWL is starting to see costs and delays associated with logistics and increasing commodity (steel) prices. There is further risk that purchase and delivery of mechanical and electrical components escalates with a worsening supply chain.

Given the delay and increasing cost of the project, WWL has included increased insurance for the contract work in this cost forecast.

WWL expects an effective delay to the project of approximately six months, predominantly resulting from COVID-19 and assuming there are no further delays associated with the pandemic.

For these reasons, the final cost of the dam will not be known until near completion of the project, but is expected to be within the cost to complete range indicated in section 8.1.



9. Additional Information

9.1. Entity and stakeholder information

WWL is a limited liability company, incorporated under the Companies Act 1993.

WWL is a Council Controlled Organisation (CCO) subject to the LGA and represents the shared interests of TDC and WIL. TDC is the majority shareholder with 51% of the issued shares and WIL holds the remaining 49% of issued shares.

CIIL provides a \$25m loan to WWL, and further loans to the TDC.

TDC contributions are supported by a Ministry for the Environment grant of \$7m.

WWL operates on a cost recovery basis only. Dividends will not be paid.

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

During the period of this SoI TDC and WIL will commit further equity or shareholder advances to support increased project costs.

9.2. Professional Support Information

Contractor:	Fulton Hogan & Taylors (FHTJV)
Temporary Works Designer:	GHD Engineering
Design Engineer:	Damwatch Engineering Ltd
Design Reviewer:	GHD Engineering
Quantity Surveyor:	Rawlinsons
Engineer to Contract:	Stantec
Legal Support:	Anderson Lloyd
Accounting:	Findex
Auditor:	Audit New Zealand on behalf of the Auditor-General
Banker:	ANZ Corporation



9.3. Accounting Policies

Reporting entity

WWL is a CCO under Section 6 of the LGA. WWL is registered under the Companies Act 1993. WWL has been established to manage the construction, operation and maintenance of the Waimea Community Dam.

Basis of preparation

(a) Statement of compliance

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

Financial statements are prepared in accordance with and comply with PBE Standards RDR and disclosure concessions have been applied. WWL is eligible to report in accordance with these standards because it does not have public accountability and it is not large.

(b) Basis of measurement

The financial statements are prepared on the basis of historical cost and the going concern basis.

(c) Functional and presentation currency

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

(d) Comparatives

Statements report comparative figures.

(e) Changes in accounting policies

Accounting policies are adopted consistently.

Summary of significant accounting policies

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

(f) Cash and Cash Equivalents

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

(g) Trade and Other Receivables

Trade and other receivables are initially stated at fair value and subsequently stated at their amortised cost using the effective interest method less impairment losses. A provision for impairment of receivables is established when there is objective evidence that WWL will not be able to collect all the amounts due according to the original terms of the receivables. The amount of the



provision is the difference between the asset's carrying value and the present value of the expected future cash flows discounted using the effective interest method.

(h) Trade and Other Payables

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

(i) Property, plant and equipment

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

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

Individual assets, or groups of assets, are capitalised if their cost is greater than \$500. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition. The majority of capital expenditure will remain as work in progress for the duration of the project and is not depreciated until ready for service.

Disposals

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

Depreciation

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

Buildings	not applicable
Leasehold improvements	10%
Furniture and equipment	16% - 50%
Vehicles	20% - 30%
Dam (Capital WiP)	not applicable

**(j) Intangible assets**

Software Acquisition and Development.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

(k) Impairment of non-current assets

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

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

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

(l) Other Financial Assets

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

(m) Share Capital

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

(n) Interest Bearing Borrowings

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

(o) Employee Entitlements

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

**(p) Revenue**

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

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

(q) Expenses***Financing Costs***

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

Dividends

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

(r) Income Tax

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

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

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

(s) Goods and Services Tax (GST)

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

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



10. Financial forecast

At incorporation in December 2018 shareholders anticipated Total Project Costs of \$104.4m. In February 2021, as described elsewhere in this document, shareholders acknowledged an updated Total Project Costs estimate of \$158.4m. WWL has completed two financial years (FY19 and FY20), and the next five years to FY25 will see a transition from construction to operations.

10.1. Profit and loss overview to dam commissioning (SP2)

Construction period							Operations period		
Costs and income	FY19	FY20	FY21	FY22	FY23	Total	FY23	FY24	FY25
	7 months	full year	full year	full year	6 months	49 months	6 months	full year	full year
	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Dec-2022	Dec-2022	Jun-2023	Jun-2024	Jun-2025
Total Project Costs	19,540	34,694	39,575	49,844	14,837	158,489	1,379	2,759	2,646
Offset by interest income	(325)	(646)	(459)	-	-	(1,430)	-	-	-
Offset by water charges	-	-	-	-	-	-	(1,379)	(2,759)	(2,646)
Net Commitment	19,215	34,048	39,116	49,844	14,837	157,059	-	-	-
Accounting treatment							FY23	FY24	FY25
P&L impact	318	411	402	587	254	1,972	-	-	-
Capital	18,896	33,637	38,714	49,257	14,582	155,087	-	-	-
Net Commitment	19,215	34,048	39,116	49,844	14,837	157,059	-	-	-

10.2. Cash flow overview to dam commissioning (SP2)

Construction period							Operations period		
Cash flows	FY19	FY20	FY21	FY22	FY23	Total	FY23	FY24	FY25
	7 months	full year	full year	full year	6 months	49 months	6 months	full year	full year
	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Dec-2022	Dec-2022	Jun-2023	Jun-2024	Jun-2025
Income from operations	-	-	-	-	-	-	1,379	2,759	2,646
Paid to suppliers/employee	(440)	(1,169)	(860)	(587)	681	(2,376)	(1,379)	(2,759)	(2,646)
Operating outflows	(440)	(1,169)	(860)	(587)	681	(2,376)	-	-	-
Capital (payments)/receipt	(9,748)	(31,039)	(39,582)	(49,226)	(18,781)	(148,375)	80	-	-
Equity contributions (TDC)	15,201	10,877	16,098	41,795	14,835	98,805	-	-	-
Equity contributions (WIL)	12,617	9,174	4,176	-	-	25,967	-	-	-
Change in Term Deposits	(15,281)	(1,064)	16,345	-	-	(0)	-	-	-
Net interest rec'd	311	501	618	-	-	1,430	-	-	-
Loans	2,062	12,266	3,525	6,698	(2)	24,550	-	-	-
Cash balance	4,722	4,268	4,587	3,266	(0)	(0)	80	80	80



Statement of Intent 1 July 2021- 30 June 2022

10.3. Balance Sheet overview to dam commissioning (SP2)

Balance Sheet	Construction period					Operations period		
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	FY25
	Jun-2019	Jun-2020	Jun-2021	Jun-2022	Dec-2022	Jun-2023	Jun-2024	Jun-2025
Cash balance	4,722	4,268	4,587	3,266	(0)	80	80	80
Receivables	213	1,584	558	666	-			
Accounts payable	(2,073)	(4,617)	(3,830)	(3,939)	(9)			
Capital WiP	18,592	51,139	91,009	140,311	154,914	154,914	154,914	154,914
Fixed assets	204	297	238	194	173	84	84	84
Non-current liabilities	(2,161)	(14,597)	(18,272)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Term deposits	15,281	16,345	0	0	0			
Total net assets	34,778	54,418	74,290	115,497	130,078	130,078	130,078	130,078
Shareholders	35,096	55,147	75,421	117,215	132,050	132,050	132,050	132,050
Retained earnings	(318)	(729)	(1,131)	(1,718)	(1,972)	(1,972)	(1,972)	(1,972)
Net equity	34,778	54,418	74,290	115,497	130,078	130,078	130,078	130,078



11. Glossary

This section summarises abbreviations used throughout this document.

Abbreviation	Definition
CIIL	Crown Irrigation Investments Ltd
DSMP	Dam Safety Management Plan
DWE	Damwatch Engineering
EAP	Emergency Action Plan
FHTJV	Fulton Hogan Taylors Joint Venture
ITE	Independent Technical Expert
KPI	Key Performance Indicator
LGA	Local Government Act 2002
LHS	Left-hand side
SoE	Statement of Expectation
NZSOLD	New Society of Large Dams
PMF	Probable Maximum Flood
PS	Producer Statement
SCEMP	Supplementary Construction Environmental Management Plan
SLR	SLR Consulting NZ Limited
SOI	Statement of Intent
TDC	Tasman District Council
WCD	Waimea Community Dam
WIL	Waimea Irrigators Ltd
WWL	Waimea Water Ltd



Waimea Water Ltd
14 Oxford Street
Richmond
Nelson 7020

26 May 2021

Mayor Tim King
Tasman District Council

Chair Murray King
Waimea Irrigators Limited

By Email

Dear Tim and Murray,

Re: Waimea Water Limited Final Statement of Intent 2021-2022

I refer to your letter of 28 April 2021 regarding the draft Waimea Water Limited (WWL) Statement of Intent 2021-2022 that was written by Mike Drummond.

I thank you for your consideration of WWL's draft Statement of Intent and associated comments.

In accordance with section 64 of the Local Government Act 2002, I attach a final Statement of Intent for the financial year of 2021-2022 that incorporates your comments.

WWL intends to publish this Statement of Intent on its website on or before the 30th of June 2021.

Yours sincerely,

Mike Scott,
Chief Executive Officer

8.6 WAIMEA COMMUNITY DAM - FUNDING & NEGOTIATIONS OUTCOME**Decision Required**

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Mike Drummond, Corporate and Governance Services Manager
Report Number:	RCN21-06-8

Note: This report is prepared on the basis that the negotiations between Council and Waimea Irrigators Ltd, Crown Irrigation Investments Ltd and Waimea Water Ltd achieve a satisfactory outcome to all parties. The final outcome will not be known until the Waimea Irrigators shareholders meeting which is being held on 3 June 2021. If an agreement is not reached, staff will ask for this report to be withdrawn from the agenda and an alternative report will be substituted on the alternative way forward.

1 Summary

- 1.1 At the Full Council Long Term Plan (LTP) Submissions Deliberations Meeting on 17 - 19 May; the Council considered Report RSH21-05-2. It also considered two supplementary reports on the Waimea Community Dam. At that meeting, Council resolved (amongst other things) to proceed with Revised Option A for the allocation of additional irrigator capacity costs for the Waimea Community Dam, with Option D as the preferred default option, if the Revised Option A is not agreed by all parties by the scheduled 4 June 2021 Council meeting.
- 1.2 This report covers the outcome of the negotiations with the other parties and recommends that the Revised Option A is adopted and that the agreements necessary to give effect to this are executed by the Council, along with making the consequential updates to the Council's Revenue and Financing Policy.
- 1.3 The three key documents are confidential and have been provided separately (Confidential Report "Waimea Community Dam - Cost Overrun Agreements" to this meeting).
 - 1.3.1 First Amendment and Restatement Deed (relating to the Waimea Community Dam);
 - 1.3.2 Shareholder Loan Agreement (Irrigator Capacity) via template; and
 - 1.3.3 Shareholder Loan Agreement (Council Capacity) via template
- 1.4 The key terms of the proposal were set out in the Supplementary Report 1 – Long Term Plan Deliberations report RSH21-05-4 which should be read in conjunction with this report.
- 1.5 The shareholder advances facilities, have been sized to accommodate the current risk range for the estimated cost to complete the project of \$148m to \$164m. The financial modelling and calculations of the impacts have been undertaken at the agreed \$158.4m estimate.
- 1.6 The consideration of this "revised funding option A" will be considered by Waimea Irrigators Ltd shareholders at a special shareholders meeting on the evening of 2 June 2021. The outcome of that decision will be advised to Councillors at this meeting.

2 Draft Resolution**That the Full Council**

- 1. receives the Waimea Community Dam - Funding & Negotiations Outcome RCN21-06-8; and**
- 2. authorises the execution on behalf of Council of the following confidential agreements to which the Council is a signatory (contained as attachments to the Confidential Report “Waimea Community Dam - Cost Overrun Agreements” to this meeting), subject to any minor edits or changes cleared by Council’s legal advisors:**
 - a. The First Amendment and Restatement Deed (relating to the Waimea Community Dam); and**
 - b. Shareholder Loan Agreement (Irrigator Capacity); and**
 - c. Shareholder Loan Agreement (Council Capacity); and**
 - d. WWL/WIL General Security Deeds; and**
- 3. notes that pass through funding from Council to Waimea Water Ltd is excluded from Council net debt calculation and therefore does not impact on the current or proposed net debt limit; and**
- 4. authorises the Mayor to vote Council’s shares in Waimea Water Limited to give effect to any shareholders’ resolutions necessary to enable the cost overrun agreements to be given effect to; and**
- 5. agrees to include in the final Revenue and Financing Policy, the matters needed to give effect to the Revised Option A; and**
- 6. instructs the Chief Executive to advise Waimea Irrigators Ltd, Waimea Water Ltd, Crown Irrigation Investments Ltd and Nelson City Council of the Council’s decision.**

3 Purpose of the Report

- 3.1 To provide the Council with the outcome of the negotiations with Waimea Irrigators Ltd (WIL), Crown Irrigation Investments Ltd (CIIL), Waimea Water Ltd (WWL), over the Revised A option, for funding the cost overruns on the Waimea Community Dam Project and seek the Council's authority to execute the various confidential agreements, to which the Council is a signatory in order to give effect to Revised Option A.

4 Background and Discussion

- 4.1 At the Full Council Long Term Plan (LTP) Submissions Deliberations Meeting on 17 - 19 May, the Council considered Report RSH21-05-2. It also considered two supplementary reports on the Waimea Community Dam: Supplementary report 1 – Long Term Plan Deliberations report RSH21-05-4; and the Confidential Supplementary Report 2 – Long Term Plan Deliberations report RSH21-05-5.
- 4.2 On 17 May 2021, Council resolved, among other things to adopt a Revised Option A as its preferred option, for the allocation of additional irrigator capacity costs for the Waimea Community Dam, as follows:
12. ***agrees to proceed with Revised Option A for Choice 2 - Waimea Community Dam (WCD) allocation of additional irrigator capacity costs, subject to:***
 - a. ***the formal agreement of Waimea Irrigators Ltd (WIL), Crown Irrigation Investments Ltd (CIIL) and Waimea Water Ltd (WWL) having followed due process to enter into the contractual arrangements by 4 June 2021; and***
 - b. ***the execution of the final contractual agreements by all parties ; and***
 13. ***notes that the full Contractual Agreements will be considered for execution by the Council at the Full Council Meeting scheduled for 4 June 2021; and***
- 4.3 On the 18 May, Council resolved in regards to the Waimea Community Dam:
- In the event that the contractual arrangements to give effect to the Revised Option A for inclusion in the Long Term Plan 2021-2031 are not agreed by all parties by the scheduled 4 June 2021 Full Council meeting, that the Full Council:***
1. ***notes that the Council consulted on a range of options for funding the irrigators contribution to the cost overruns in respect of the Waimea Community Dam through the Long Term Plan 2021-2031 Consultation Document in Choice 2; and***
 2. ***notes that Council must make provision in the Long Term Plan 2021-2031 to fund the irrigators share of the cost overruns on the Waimea Community Dam and that the Council does not have time to re-consult on further options if it is to be in a position to finalise the Long Term Plan 2021-2031 on or before 30 June 2021 as required under the Local Government Act 2002 and this would delay the setting of the rates for the 2021/2022 financial year until the Plan was adopted; and***
 3. ***notes that Council has undertaken substantial negotiations with Waimea Irrigators Ltd (WIL), Crown Irrigation Investments Ltd and Waimea Water Ltd, to address the cost overruns funding shortfall, including developing the Revised Option A which is WIL's decision to accept or reject; and***

4. ***agrees that Council has a good understanding of the community's views and preferences on the options outlined in the Consultation Document and that those views and preferences provide a good basis for input into the decision making on the default option should Revised Option A not proceed; and***
5. ***agrees that Council considers Option D is the preferred default option if Revised Option A does not proceed due to:***
 - a. ***it was one of the options consulted on through the Long Term Plan 2021-2031 Consultation Document and that it received wide support in the submissions received through that process; and***
 - b. ***that while Option D will increase the irrigator contribution when compared with Revised Option A particularly for irrigators with a small shareholding in WIL, Council considers this is a more appropriate option than the general ratepayers picking up that portion of the costs on a long term basis; and***
6. ***notes that Council, through any mechanism, does not have the ability to recover costs from WIL shareholders proportionate to their shareholding, and has therefore reverted to an available targeted rating option; and***
7. ***if Option D proceeds, agrees to include in the final Revenue and Financing Policy the matters needed to give effect to Option D.***

Revenue and Financing Policy (R&F Policy) – Provisions

- 4.4 If the approach under Revised Option A is adopted, there would need to be consequential changes to the Revenue and Financing (R&F) Policy that was consulted on. The agreements contain a provision that restricts target rating irrigators for any cost they are meeting through the shareholder advances (SHAs) that they are servicing. There will remain in the R&F Policy provision for the funding of future cost overruns (not managed through irrigator services SHAs), or defaults on these arrangements to be covered by imposing a targeted rate on properties with or receiving water from an affiliated water consent.

5 Options

- 5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	<u>Agree</u> to the recommendations contained in this report to enable the execution of the contractual agreements to give effect to Revised Option A.	This option enables the Council to progress Revised Option A to recover the cost overruns for the Waimea Community Dam. It enables the Council to also complete the documentation to finalise the Long Term Plan 2021-2031 and Revenue and Financing Policy for adoption on 30 June 2021, as required under the Local Government Act 2002.	The disadvantages of Revised Option A were outlined in the reports considered during the Deliberations Meeting on the Long Term Plan 2021-2031.

		<p>It will also enable Council to strike the rates on 30 June 2021 for the 2021/2022 year.</p> <p>The advantages of Revised Option A were outlined in the reports considered during the Deliberations Meeting on the Long Term Plan 2021-2031.</p>	
2.	<p><u>Not agreeing</u> to execute the contractual agreements to give effect to Revised Option A.</p>	<p>Given that the Council has already decided that Revised Option A is its preferred option, the advantage of this option would be if the Council considered that the contractual agreements do not adequately give effect to Revised Option A. This decision would require the Council to default to Option D to finalise the Long Term Plan 2021-2031 and the Revenue and Financing Policy for adoption on 30 June 2021 and to strike the 2021/2022 rates.</p> <p>The advantages of Option D were outlined in the reports considered during the Deliberations Meeting on the Long Term Plan 2021-2031.</p>	<p>The disadvantages of Option D were outlined in the reports considered during the Deliberations Meeting on the Long Term Plan 2021-2031.</p>

5.2 Option 1 option is recommended.

6 Strategy and Risks

- 6.1 Revised Option A required the agreement of Waimea Irrigators Limited (WIL), Crown Irrigators Investments Limited (CIIL), Waimea Water Limited (WWL) and the Council. That agreement has been reached. Those approvals required compromise from all parties. All the parties recognised that a failure to reach an agreement would have serious consequences, as it would have resulted in a fall back to the rating Option D.
- 6.2 Both options have litigation risks. However, Revised Option A has a much lower risk than Option D. Option D (the full cost recovery of circa \$25 million of irrigator cost overruns) will carry a higher risk of challenge particularly from WIL on behalf of their shareholders given the high level of targeted rates in particular on small shareholders in WIL.
- 6.3 The other key risk relates to the reasonableness and affordability of the options and the impacts they have on community well-being. Option D particularly disadvantages smaller shareholders, who will be required to pay more under Option D than under Revised Option

A. The distribution of costs and benefits of the dam were outlined in Appendix 1 of the Consultation Information for the proposed changes to the Revenue and Financing Policy.

Item 8.6

7 Policy / Legal Requirements / Plan

- 7.1 This Revised Option A was not specifically consulted on as part of the Long Term Plan 2021-2031 Consultation Document. As noted in the previous reports, the use of a shareholder advance has only become an option since the parties have reconsidered their positions in light of the impacts of the proposed targeted rate.
- 7.2 The Policy / Legal Requirements / Plan considerations for the Revised Option A have been previously provided through Supplementary Report 1 - Long Term Plan Deliberations Report RSH21-05-4.
- 7.3 The documents required to give effect to the proposed arrangements are set out in the document check list below.

Waimea Water – Community Dam Funding cost over runs 2021 Documents Checklist

Tasman District Council	"TDC"
Waimea Irrigators Limited	"WIL"
Waimea Water Limited	"WWL"
Crown Irrigation Investments Limited	"CIIL"

DOCUMENT	PARTIES	STATUS
1. First Amendment and Restatement Deed (relating to the Waimea Community Dam) to amend and restate the following documents: <ul style="list-style-type: none"> • Project Deed • Project Facility Agreement • TDC Wholesale Water Augmentation Agreement • WIL Wholesale Water Augmentation Agreement • Share Subscription Agreement • Shareholders' Agreement (if needed) 	WWL WIL TDC CIIL	CT drafts received 19.05.2021 covering Project Deed, Project Facility Agreement, TDC Wholesale Water Augmentation Agreement. The WIL Wholesale Water Augmentation Agreement will be broken out from the TDC Wholesale Water Augmentation Agreement. The draft amended Share Subscription Agreement has also been included in the pack.
2. Shareholder Loan Agreement (Irrigator Capacity)	WWL TDC	Most recent draft master template for the shareholder advance agreements circulated 25.05.2021. To be broken out as Council

DOCUMENT	PARTIES	STATUS
		capacity and irrigator capacity versions once settled.
3. Shareholder Loan Agreement (Council Capacity)	WWL TDC	Most recent draft master template for the shareholder advance agreements circulated 25.05.2021. To be broken out as Council capacity and irrigator capacity versions once settled.
4. WWL General Security Deeds	WWL TDC WIL TDC	Executed 12 December 2018 – to be supplemented to provide security for the new loans (draft circulated)

- 7.4 The decisions from this report will lead to subsequent amendments to the Long Term Plan 2021-2031 documents, including the Revenue and Financing Policy, the Water Supply Activity Management Plan, Development and Financial Contributions Policy, among others.

8 Consideration of Financial or Budgetary Implications

- 8.1 A decision to proceed with the Revised Option A impacts on the Long Term Plan budgets, including the Net Debt cap and the forecast rates income rises. The use of shareholder advances in WWL takes debt off the Council's balance sheet of up to \$37m. It also has an impact on rates income, as the proposed targeted rate would be replaced with a charge through WIL. It should be noted that irrigators with affiliated consents will still be contributing to the overrun costs for irrigator capacity just not through the rates mechanism.
- 8.2 The shareholder advances facilities have been sized to accommodate the current risk range for the estimated cost to complete the project of \$148m to \$164m. The financial modeling and calculations of the impacts have been undertaken at the agreed \$158.4m estimate.
- 8.3 The financial impacts of Revised Option A have been previously provided through Supplementary Report 1 - Long Term Plan deliberations report RSH21-05-4.

9 Significance and Engagement

- 9.1 The overall level of significance of this decision is moderate to high. The matter received the highest number of submissions of any of the key issues in the LTP Consultation Document. The decision will have a duration of 40 years and impact on irrigators for that length of time. However, the duration and impact on other ratepayers across the District will be for five years. The proposal has been consulted on with WWL, WIL and CIIL and this revised option is preferred to the options outlined in the Consultation Document. While this proposal has not been consulted on with the community, the outcomes for ratepayers across the wider District are similar to those under Option A, for the first five years and under Option D for

future years. Staff consider, that the Council is likely to have a sufficient understanding of the community's views and preferences in relation to the proposal, for it not to need to undertake consultation on this revised option.

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	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	High for irrigators and some people in the community Moderate across the District	This decision is in relation to a key choice consulted on as part of the LTP 2021-2031 consultation. Although, this decision gives effect to the decision Council made on 17-19 May for the funding options for the irrigators share of the cost overruns for the dam.
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Moderate	This is a decision to give effect to Council's decision on the funding options and rates impact which will affect community well-being.
3.	Is there a significant impact arising from duration of the effects from the decision?	Moderate	The decision to execute the agreements will impact irrigators for up to 40 Years. However, it will only impact on wider ratepayers for 5 years.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019 ?	No	This decision is focused on allocation of costs.
5.	Does the decision relate to a strategic asset?	No	This decision is focused on allocation of costs.
6.	Does the decision create a substantial change in the level of service provided by Council?	No	This decision is focused on allocation of costs.
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Moderate	This decision impacts on targeted rates and to a lesser extent district wide rates. If approved, this decision will reduce budgeted debt levels and rates increases.
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	This decision is focused on allocation of costs.

	Issue	Level of Significance	Explanation of Assessment
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	

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10 Conclusion

10.1 As a result of the successful negotiations with the other stakeholders Waimea Irrigators Ltd (WIL), Waimea Water Ltd (WWL) and Crown Irrigation Investments Ltd (CIIL), the Council's revised proposal (Revised Option A) has been agreed. The Revised Option A is a reasonably practicable option now that the irrigators as represented by Waimea Irrigators Limited are willing to support it. This Revised Option A provides better overall outcomes than the other options consulted on.

10.2 Staff recommend that the Council agrees to execute the related agreements to give effect to Revised Option A.

11 Next Steps / Timeline

11.1 The other parties will be advised of the Council's decision.

11.2 The documents to give effect to the decision will be executed by all parties prior to 30 June 2021.

11.3 The Mayor, on behalf of Council as a shareholder in WWL, will vote Council's shares in support of the shareholder resolutions necessary to give effect to the revised arrangements.

Attachments

Nil

8.7 FINANCIAL CAPS IN THE FINANCIAL STRATEGY 2021-2031**Decision Required**

Report To:	Full Council
Meeting Date:	4 June 2021
Report Author:	Alan Bywater, Senior Policy Advisor; Matthew McGlinchey, Finance Manager; Jenna Neame, Acting Strategic Policy Manager
Report Number:	RCN21-06-9

Item 8.7**1 Summary**

- 1.1 This reports seeks the Council's decision on the rates revenue increase caps and the net debt caps for inclusion in the Financial Strategy and Long Term Plan (LTP) 2021-2031. This will provide a firm position to staff for the purposes of drafting the final documents for adoption on 30 June 2021.
- 1.2 The rates revenue increase cap and the net debt cap in the Draft Financial Strategy for consultation were based on Option A for Choice 2 (funding the irrigators' share of the Waimea Community Dam) in the Consultation Document.
- 1.3 The outcome of the negotiations on Revised Option A for funding the irrigators' share of the cost overruns on the Waimea Community Dam Council will be considered by the Council through the Waimea Community Dam – Funding and Negotiations Update report on this agenda.
- 1.4 The outcome of the negotiations on Revised Option A is likely to influence Council's decision on its financial caps, particularly the net debt cap.
- 1.5 Staff recommend that the Council makes a decision on the financial caps for inclusion in the final Financial Strategy 2021-2031 and LTP 2021-2031 at this meeting.
- 1.6 The changes that Council agreed to during the deliberations meeting have had an impact on the rates revenue increases and net debt that were consulted on. This has caused a breach in Year 4 and Year 9 of the proposed Long Term Plan (LTP). The Council can direct staff to moderate the respective increases in those years through the use of reserves.

2 Draft Resolution**That the Full Council:**

1. **receives the Financial Caps in the Financial Strategy 2021-2031 report RCN21-06-9; and**
2. **agrees to include the following rates revenue increase caps in the Financial Strategy 2021-2031; and**

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
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Item 8.7

4.5%	4.5%	4.5%	7.0%	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%
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- 3 agrees to set the net debt cap at \$250 million in the Financial Strategy 2021-2031.
- 4 Instructs staff to moderate the modelled rates revenue increases in Year 4 and Year 9, using financial reserves, to ensure the rates revenue increases remain below the caps that were included in the Long Term Plan 2021-2031 Consultation Document.

3 Purpose of the Report

- 3.1 This reports seeks the Council's decision on the rates revenue increase caps and the net debt caps for inclusion in the final Financial Strategy and LTP 2021-2031. This will provide a firm position to staff for the purposes of drafting the final documents for adoption on 30 June 2021.

4 Background and Discussion

Background

- 4.1 The rates revenue increase caps in the Draft Financial Strategy 2021-2031 were as follows:

Table 1: Proposed Average General Rate Increase Caps

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
4.54%	4.57%	4.5%	7.0%	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%

- 4.2 The Council also proposed to increase the Net Debt Cap to \$282 million in its Draft Financial Strategy.
- 4.3 The Council developed the financial caps in the Draft Financial Strategy 2021-2031 in parallel with its understanding of the Waimea Community Dam overruns and the Draft Revenue and Financing Policy.
- 4.4 The financial caps in the Draft Financial Strategy were based on the Council's preferred option at that time for funding the irrigators' share of the cost overruns i.e. Option A.
- 4.5 The Council received 60 submissions on aspects of the Financial Strategy.
- 4.6 At the LTP 2021-2031 Deliberations meetings on 17, 18 and 19 May 2021, the Council determined that Revised Option A was its preferred option for funding the irrigators' share of the WCD overruns. This revised option would see some of the Council's debt, and the irrigators' debt in relation to cost overruns, held in Waimea Water Limited (WWL). This debt would be serviced through the WWL water charges to the Council and Waimea Irrigators Limited (WIL). The Council acknowledged that the availability of this option was dependent on the majority of WIL shareholders agreeing to it and that this would not be known until 3 June 2021.
- 4.7 At the same meeting, the Council considered a default option, in case the WIL shareholders did not agree to Revised Option A. The Council agreed that Option D was the default option, which is a new targeted rate solely on irrigators for the full irrigator share with no general rate contribution.
- 4.8 Revised Option A and Option D have different implications for rates revenue increases and net debt.
- 4.9 The Council is due to consider the outcome of the negotiations on Revised Option A through the Waimea Community Dam – Funding and Negotiations Update report at this meeting. The outcome of the negotiations will determine whether Revised Option A proceeds or if the Council needs to default to Option D. Which option proceeds is likely to influence the Council's decision on where to set the financial caps for inclusion in its final Financial Strategy 2021-2031 and LTP 2021-2031.

Revised Option A Financial Cap Scenario

- 4.10 If the Council's decision on funding the irrigators' share of the Waimea Community Dam overruns is Revised Option A, the projected rates revenue increase levels and recommended caps are as follows:

Table 2: Rates Revenue Increases allowing for Revised Option A

	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Projected Rates Increases	4.39%	4.19%	4.04%	7.08%	6.64%	4.20%	1.95%	2.89%	4.52%	3.08%
Recommended Cap Level	4.5%	4.5%	4.5%	7.0%	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%

- 4.11 These rates limits are consistent with those consulted on through the Long Term Plan Consultation Document, except the first two years are slightly lower than those consulted on.
- 4.12 Staff note that the recommended cap is lower than the modelled rates revenue increase in Year 4 and Year 9. Staff could moderate the rates impact in Years 4 and 9 to remain within the consulted cap by using the Council reserves if instructed. Staff have recommended the caps be retained as consulted expecting that the Council chose this option.
- 4.13 Under Revised Option A, the projected net debt levels as follows:

Table 3: Net Debt allowing for Revised Option A

	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Projected Net Debt level \$m	229.6	230.9	249.0	248.1	239.0	233.4	227.8	235.4	235.5	233.8

- 4.14 Staff recommend that in this scenario the net debt cap be set at \$250 million in the Financial Strategy 2021-2031. This net debt cap is lower than the cap consulted on through the LTP Consultation Document.
- 4.15 Please note the figure are above are indicative.

Option D Financial Cap Scenario

- 4.16 If agreement is not reached on Revised Option A to fund the irrigators' share of the Waimea Community Dam overruns, then the default position will be Option D. Under Option D the projected rates revenue increase levels and recommended rates caps are as follows:

Table 4: Rates Revenue Increases allowing for Option D

	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Projected Rates Increases	4.44%	4.51%	4.50%	7.13%	6.66%	4.09%	2.00%	2.84%	4.53%	3.03%
Recommended Cap Level	4.5%	4.55%	4.5%	7.0%	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%

- 4.17 These rates limits are consistent with those consulted on through the LTP Consultation Document, except the first two years are slightly lower than those consulted on.
- 4.18 Staff note that the recommended cap is lower than the modelled rates revenue increase in Year 4 and Year 9. Staff could moderate the rates impact in Years 4 and 9 to remain within the consulted cap by using the Council reserves if instructed. Staff have recommended the caps be retained as consulted expecting that the Council chose this option.
- 4.19 If Option D proceeds, the projected net debt levels are as follows:

Table 5: Net Debt allowing for Option D

	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2023/ 2023
Projected Net Debt level \$m	235.2	266.0	283.4	282.3	272.1	265.6	257.41	263.8	263.3	260.6

- 4.20 Staff recommend that in this scenario the net debt cap be set at \$285 million in the Financial Strategy 2021-2031. This net debt cap is an increase on the cap consulted on through the LTP Consultation Document.
- 4.21 Tables 2, 3, 4 and 5 above will be subject to change if the Council agrees to make further budget or funding changes.
- 4.22 Please note the figure are above are indicative.

5 Options

- 5.1 The options are outlined in Table 6.

Table 6: Options

	Option	Advantage	Disadvantage
1.	The Council agrees its rates revenue increase caps and net debt caps at this meeting.	The Council will have clearly determined its financial caps for the LTP 2021-2031. Staff can draft the Financial Strategy 2021-2031 and LTP 2021-2031 ahead of adoption on 30 June 2021.	No notable disadvantages.
2.	The Council defers its decision on the rates revenue increase caps and net debt caps to the Full Council meeting on 30 June 2021.	The Council can consider this matter over a longer time period.	The Financial Strategy 2021-2031 and LTP 2021-2031 must be adopted on 30 June 2021. Delaying the decision could increase the scale of last minute changes required to finalise the LTP document. Any changes at 30 June

	Option	Advantage	Disadvantage
			meeting are likely to make it difficult for Council to adopt the LTP and strike the rates for the 2021/2022 year.

5.2 Staff recommend Option 1.

6 Strategy and Risks

6.1 The financial caps in the Financial Strategy provide the broad financial envelope for the LTP 2021-2031 and subsequent Annual Plans. The Council has considered the level of its financial caps in parallel with its decisions on the proposed programme and levels of service in its LTP 2021-2031, including arrangements to fund the cost overruns for the Waimea Community Dam.

7 Policy / Legal Requirements / Plan

7.1 The Council is required, as part of its LTP, to prepare and adopt a financial strategy under section 101A of the Local Government Act 2002 (LGA). Amongst other requirements, under clause 101A(3)(b) the financial strategy must include quantified limits on rate increases and borrowing.

8 Consideration of Financial or Budgetary Implications

8.1 This report does not seek budget changes that would impact on the project rates increase or net debt. The Council is being asked to make a policy decision on the financial caps.

9 Significance and Engagement

9.1 Overall the decision on the level of the financial caps is considered to be of medium to high significance. This decision is closely linked to the multiple other decisions that the Council has made on the LTP 2021-2031 and Revenue and Financing Policy through its deliberations meeting and through the other related reports on the agenda for this meeting. The Council has carried out consultation on the financial caps and the funding of the irrigators' share of the Waimea Community Dam overruns through the Special Consultative Procedure on the LTP Consultation Document. It also carried out concurrent consultation on the Revenue and Financing Policy. No further consultation is required to make the decisions sought in this report.

Table 7: Level of Significance

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Medium/High	In general there is a medium to high level of public interest in Council's level of rates and debt. 60 submissions were received on the Financial Strategy in the recent consultation.
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 level of the financial caps has the potential to affect multiple aspects of community well-being either through the level of rates required from ratepayers and/or the ability of the Council to fund a range of projects and activities.
3.	Is there a significant impact arising from duration of the effects from the decision?	Medium	The level of the financial caps are considered on a three yearly basis as part of the LTP process.
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019 ?	Low	Responding to Climate Change was one of the key choices in the consultation document. The financial caps provide for the Council's planned actions on climate change.
5.	Does the decision relate to a strategic asset?	N/A	
6.	Does the decision create a substantial change in the level of service provided by Council?	Low	The financial caps provide for the Council's planned levels of service in the LTP.
7.	Does the decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Medium	The decision directly affects Council projected debt and rates. Actual rates and debt levels are impacted by a range of factors.
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO / CCTO?	N/A	
9.	Does the decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	
1	Does the decision involve Council exiting from or entering into a group of activities?	N/A	

	Issue	Level of Significance	Explanation of Assessment
1	Does the proposal require inclusion of Māori in the decision making process (under s81 of the LGA)?	N/A	

10 Conclusion

10.1 The Council will be able to decide on the rates revenue increase caps and net debt caps at this meeting, on the basis that it will know the outcome of the decisions relating to the following matter:

- Whether the Council proceeds with Revised Option A or Option D for the irrigators' share of the Waimea Community Dam cost overruns. To be considered through the separate Waimea Community Dam – Funding and Negotiations Update report on the agenda for this meeting.

11 Next Steps / Timeline

11.1 The financial caps in the Financial Strategy will inform the drafting of the final LTP 2021-2031 documents.

11.2 The final LTP 2021-2031 is due to be adopted at the 30 June 2021 Council meeting.

Attachments

Nil

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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

9.2 Waimea Community Dam - Nelson City Council Funding Agreement

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

9.3 Waimea Community Dam - Cost Overrun Agreements - Confidential

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.