

# **ATTACHMENTS**

**Ordinary Council Meeting**

**27 August 2019**

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Ordinary Council Meeting Minutes

30 July 2019

**TAUPŌ DISTRICT COUNCIL  
MINUTES OF THE ORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, 107 HEUHEU STREET, TAUPŌ  
ON TUESDAY, 30 JULY 2019 AT 1.30PM**

**PRESENT:** Mayor David Trewavas (in the Chair), Cr John Boddy, Cr Rosie Harvey, Cr Barry Hickling, Cr Rosanne Jollands, Cr Tangonui Kingi, Cr Anna Park, Cr Christine Rankin, Cr Maggie Stewart, Cr Kirsty Trueman, Cr John Williamson

**IN ATTENDANCE:** Chief Executive, Head of Operations, Head of Finance & Strategy, Head of Communications & Customer Relations, Head of Community, Culture & Heritage, Head of Economic Development & Business Transformation, Infrastructure Manager, Finance Manager, Asset Manager Transportation, Manager: Development Engineering, Facilities Manager, Business Improvement Manager, Administrative Headquarters Building Project Manager, Senior Policy Advisor, Landscape Architect, Senior Environmental Health Officer, Project Management Advisor, Democratic Services Support Officer

**MEDIA AND PUBLIC:** Six members of the public

- Notes:
- (i) *His Worship the Mayor, David Trewavas welcomed everyone to the meeting and Cr Tangonui Kingi recited an opening karakia. His Worship then dedicated a minute's silence in remembrance of esteemed kaumatua Mr Jim Maniapoto, who had sadly passed away in June 2019.*
  - (ii) *Items were heard in the following order: 1 - 5.1, 5.12, 5.2 – 5.11.*
  - (iii) *The meeting adjourned for a short break at the conclusion of item 5.5 (at 3.24pm) and reconvened at 3.27pm. Crs Hickling, Jollands, Stewart, and Trueman were not present when the meeting reconvened, and subsequently re-entered the meeting at 3.29pm.*
  - (iv) *Cr Tangonui Kingi left the meeting at 4.04pm (during item 5.11 – Members' Reports) and re-entered the meeting at 4.06pm.*

**LATE ITEM - UPDATE ON SIGNIFICANT PROJECTS**

His Worship the Mayor advised that there was a late item for consideration at the meeting, being 'Updates on Significant Projects' (item 5.12), and sought approval to add this item to the agenda.

In reply to a question, the Chief Executive clarified that the purpose of the item was to share current information only; no approvals from members were required.

**TDC201907/01 RESOLUTION**

Moved: Cr Barry Hickling  
Seconded: Cr Rosanne Jollands

That Council, pursuant to section 46A(7A) of the Local Government Official Information and Meetings Act 1987, approves that the item 'Update on Significant Projects' be added to the agenda and dealt with at the meeting as the information was not available at the time the agenda was circulated.

**CARRIED**

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**1 APOLOGIES**

Nil

**2 CONFLICTS OF INTEREST**

Nil

**3 CONFIRMATION OF MINUTES****3.1 ORDINARY COUNCIL MEETING - 4 JUNE 2019****TDC201907/02 RESOLUTION**

Moved: Cr Anna Park

Seconded: Cr Christine Rankin

That the minutes of the Council meeting held on Tuesday 4 June 2019 be confirmed as a true and correct record.

**CARRIED****3.2 ORDINARY COUNCIL MEETING - 25 JUNE 2019****TDC201907/03 RESOLUTION**

Moved: Cr John Boddy

Seconded: Cr Kirsty Trueman

That the minutes of the Council meeting held on Tuesday 25 June 2019 be confirmed as a true and correct record.

**CARRIED****4 RECEIPT OF MINUTES****4.1 ORDINARY TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 24 JUNE 2019****TDC201907/04 RESOLUTION**

Moved: Mayor David Trewavas

Seconded: Cr Rosanne Jollands

That Council receives the public and confidential portions of the minutes of the Taupō Airport Authority Committee meeting held on Monday 24 June 2019.

**CARRIED****4.2 ORDINARY KINLOCH REPRESENTATIVE GROUP MEETING - 27 JUNE 2019****TDC201907/05 RESOLUTION**

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That Council receives the minutes of the Kinloch Representative Group meeting held on Thursday 27 June 2019.

**CARRIED**

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**4.3 ORDINARY FENCES, ROADING, RESERVES & DOGS COMMITTEE MEETING - 2 JULY 2019**

A member acknowledged the FRRcD Committee members sound decision-making, noting that he agreed with all the resolutions made.

In reply to a question, the Asset Manager Transportation advised that consultation on the Oruanui Road / Spa Road refuge barrier had been completed. The next step was to find a contractor to construct it.

**TDC201907/06 RESOLUTION**

Moved: Cr Barry Hickling  
Seconded: Cr Maggie Stewart

That Council receives the minutes of the Fences, Roading, Reserves & Dogs Committee meeting held on Tuesday 2 July 2019.

**CARRIED****4.4 ORDINARY TURANGI/TONGARIRO COMMUNITY BOARD MEETING - 9 JULY 2019****TDC201907/07 RESOLUTION**

Moved: Cr Maggie Stewart  
Seconded: Cr Tangonui Kingi

That Council receives the minutes of the Turangi/Tongariro Community Board meeting held on Tuesday 9 July 2019.

**CARRIED****5 POLICY AND DECISION MAKING****5.1 CONSIDERATION OF RECOMMENDATIONS FROM MANGAKINO/POUAKANI REPRESENTATIVE GROUP - 16 JULY 2019 - SPORTSGROUND CHANGING FACILITIES**

Mangakino-Pouakani Representative Group (the Group) chair Cr Kirsty Trueman gave an overview of key points / events to date that had led to the decision to put forward the proposed recommendation. The initial scope for a temporary modular type building had changed in favour of a permanent building, and an additional \$200k (in addition to the \$200k already confirmed in the Long-Term Plan) was now requested from Council.

Key points noted during questions, answers and related discussion were:

- Approving the additional \$200k would provide the necessary seed funding to enable the community to source the remaining \$400k through external funders.
- A member noted concerns in relation to due diligence being undertaken - consultation, engagement and investigation work eg feasibility study. Also questioned where the project sat in the Sports and Recreation Strategy currently being developed. Cr Trueman responded noting that the decision to request funds from Council was taken after the community became aware that Turangi had been granted funds for their facility. She felt that the community was not asking for much as the overall footprint of the proposed building was relatively minor and would include changing rooms, showers, toilets, and a small meeting room. Although the overall costs appeared quite high, that was due to cost of commercial grade quality materials required for public buildings.
- Declining the recommendation could result in delays of up to 2-3 years.
- A member noted that there had been robust discussion amongst the Group members as well as key stakeholders in the community.
- A concept plan had been developed solely to enable costs to be scoped. The design did not reflect what the final building would look like.

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- In reply to a question, the Chief Executive advised that if approved, the \$200k would be allocated as unbudgeted expenditure now and would show as an expense in the next Annual Plan. It was unlikely that the funds would be expended in the current financial year however, approving the \$200k requested would enable the community to proceed with sourcing the remaining 50% (\$400k) required. In reply to a further question, the Chief Executive noted that it would be the Group's decision whether to approach Council for further funding in the event that the community could not raise the funds required.

#### **TDC201907/08 RESOLUTION**

Moved: Cr John Williamson

Seconded: Cr Anna Park

That Council adopts Mangakino/Pouakani Representative Group recommendation MP2019/07/05 and therefore:

1. Approves unbudgeted expenditure of \$200,000.00 (excl. GST) for the Mangakino Sportsground Changing Facilities which is in addition to the current Annual Plan budget of \$200,000 (excl. GST).
2. Notes that the total projected cost is approximately \$800,000.00 (excl. GST).
3. Notes that the balance shortfall will be sought from external funding sources.

**CARRIED**

#### **5.2 WHAREROA PRIVATE PLAN CHANGE**

Senior Policy Advisor Hilary Samuel took the item as read and confirmed that the number '36' was to be inserted to replace the 'XX' (of PCXX) in clauses 2. and 2b of the recommendation.

Additional points noted were that the recommendation sought acceptance of the process only at this stage; the Tūwharetoa Joint Management Agreement (JMA) process would be followed allowing the applicant to have a joint hearing panel if they chose to; and all costs would be borne by the applicant.

#### **TDC201907/09 RESOLUTION**

Moved: Cr Maggie Stewart

Seconded: Cr Tangonui Kingi

1. That the time limit for the Council to consider the request pursuant to the First Schedule, Clause 25(1) be extended from 30 working days from receipt of information from the Proponents (Proprietors of Hauhungaroa No.6) to 37 working days, pursuant to Section 37 of the Resource Management Act 1991.
2. That Council accept, in whole the proposal (as number PC36) in accordance with clause 25(2)(b) of Schedule 1 of the Resource Management Act 1991:
  - a. The Plan Change request as lodged on 20 December 2017, as amended in response to further information requested (including, but not limited to, information dated 9 June 2019);
  - b. Subject to any further relevant information received prior to the notification of PC36.
3. That this request be publicly notified as a private plan change.
4. That Council undertake its functions as set out in Section 6.0 of the Joint Management Agreement (JMA) between the Taupō District Council and Tūwharetoa Māori Trust Board including:
  - a. Giving notice to the request proponent (Proprietors of Hauhungaroa No.6) and Tūwharetoa Māori Trust Board;
  - b. providing 20 working days for the request proponent to notify the Council of they wish to opt out of the joint hearing process.
5. That Council lodge a (neutral) submission seeking jurisdiction (scope) in relation to such matters as:

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- a. Mechanisms – including changes to objectives, policies and rules;
- b. Staging and sequencing in relation to infrastructure integration;
- c. Efficient use and integration of infrastructure as associate with residential development and growth.

**CARRIED****5.3 TAUPŌ HOSPITAL AND HEALTH SOCIETY HEART MONITOR**

The Head of Community, Culture & Heritage introduced Mr Mark O'Callaghan who was in attendance following a brief presentation to Council during a previous public forum. Mr O'Callaghan gave apologies from their Society chair and treasurer, and answered member questions. Key points noted were:

- There was a current shortfall of \$75k.
- Project close-off date was end of October 2019 however, with Council's support could potentially move date forward to end of August 2019.
- There were (1-2) other funders willing to provide some financial support.
- The District Health Board (DHB) would fund a replacement machine beyond the current machines expiry (7-years from installation).

The Head of Finance & Strategy then answered questions regarding Council's \$1M TEL community fund investment. Members subsequently decided to donate \$30k being the majority of the interest gained since the fund was initially invested at the start of the last financial year.

In closing, Mr O'Callaghan thanked the members and staff noting that he had attended various Council meetings over the last 30-years and had always appreciated Council's long-standing commitment to community health and well-being.

**TDC201907/10 RESOLUTION**

Moved: Cr Christine Rankin

Seconded: Cr Barry Hickling

That Council approves unbudgeted expenditure of \$30,000 + GST as a donation towards the purchase of an Echo cardiogram Heart Scanner for Taupō Hospital.

**CARRIED****5.4 SMOKEFREE/ AUAHI KORE DISTRICT WIDE ACTION PLAN**

In reply to a question, the Strategic Partnerships Advisor noted that one way Council would be supporting people to quit through a ban was by removing triggers to smoke, such as the smell of cigarette smoke in the air.

Vaping would be included in the ban and although not enforceable, signage and education would discourage smoking in public places.

The Chief Executive noted that a lot of positive feedback had been received as a result of no smoking signs placed at public playgrounds; people overall were very respectful.

**TDC201907/11 RESOLUTION**

Moved: Cr Rosie Harvey

Seconded: Cr Maggie Stewart

That Council adopts the Smokefree/ Auahi Kore District Wide Action Plan.

**CARRIED**

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**5.5 TAUPŌ LAKE FRONT PATHWAY AND RESERVE ENHANCEMENT PROJECT 2019/20**

The Landscape Architect made a correction to the report and confirmed that officers had not yet commenced discussions with Tuwharetoa Māori Trust Board.

Key points noted during questions, answers and related discussion were:

- The project had been fully scoped, with no significant changes anticipated in relation to costs.
- The trees on the Lions Walk which led to Rainbow Drive would not be removed.
- Tenders closed at the end of October 2019.
- In reply to a question, the Chief Executive explained that delegating authority while the elections process and subsequent induction of the new Council was being finalised would enable the project to progress according to the planned schedule, including going out to tender, tender evaluation process, contractor engagement, etc. all of which was already time pressurised. The project needed to be completed before the IronMan world championship in March 2020.

**TDC201907/12 RESOLUTION**

Moved: Cr Maggie Stewart

Seconded: Cr John Williamson

1. That Council approves the concept plans and scope for option 1 for the Taupō Lake Front Pathway and Reserve Enhancement Project as per the attached plans to go to detailed design and tender.
2. That Council delegates authority to the Chief Executive to approve the contract for the successful Taupō Lake Front Pathway and Reserve Enhancement Project 2019/20 tender due to the local government elections.

**CARRIED****5.6 ENTERPRISE CONTENT MANAGEMENT (ECM) - SOFTWARE SERVICES CONTRACT**

The Head of Economic Development & Business Transformation noted that the Enterprise Content Management (ECM) software system would greatly improve business efficiencies and services for both staff and customers, as well as provide substantial savings based on staff time.

In answer to a question, the Business Improvement Manager advised that the system would be implemented in stages. The new payroll system would go live in November 2019.

**TDC201907/13 RESOLUTION**

Moved: Cr Christine Rankin

Seconded: Cr Rosie Harvey

That Council accepts an addition to the existing TechnologyOne Contract for the implementation and licencing, over five years, of Enterprise Content Management to the value of \$670,000 + GST.

**CARRIED****5.7 DELEGATION OF AUTHORITY TO CHIEF EXECUTIVE FOR COUNCIL ADMINISTRATION BUILDING PROFESSIONAL SERVICES CONTRACTS**

The Administrative Building Headquarters Project Manager gave a current progress update in relation to Council's administration building following on from the last update which was in June 2019. Following a recommendation from Audit New Zealand, a construction procurement specialist had been engaged to assist with the procurement strategy. The procurement process for architects, engineers and required experts would be undertaken in August 2019 with contracts available for sign-off in September / October 2019. Concept designs including an updated report would be presented at the second meeting of the new / incoming Council therefore it was essential that the Chief Executive had delegated authority in the interim to

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approve contracts and support the process and timelines outlined.

Key points noted during questions, answers and related discussion were:

- In reply to a member comment that governance needed to be involved in discussions and decision-making given the significance of this project in the district's future, the Chief Executive advised that a clear criticism expressed in Audit NZ's reports on the process to date related to governance involvement in appointing Warren and Mahoney architects, which should have been undertaken through a closed process with both internal and external experts. The role of governance was to approve budgets.
- In reply to a question regarding other challenges around the District interfering with the progress of this project, the Chief Executive advised that there no impacts on this project, as it had its own dedicated team.
- In reply to a question regarding the ability to have a workshop to receive more information before elections, the Chief Executive advised that the information (regarding chosen experts) would not be finalised in time for the last meeting. The process was to approve experts and not the concept design, which would be presented to the new Council.
- In reply to a member's concern regarding the new Council overturning this decision, the Chief Executive noted that it would be inappropriate to relitigate the decision having been through the amendment process.
- Members supported the project team proceeding with the civil administration building (CAB) project, in accordance with the project management plan.

#### **TDC201907/14 RESOLUTION**

Moved: Cr Christine Rankin

Seconded: Cr Maggie Stewart

That Council delegates authority to the Chief Executive to enter into contracts for professional services, such as architecture, engineering and quantity surveying, for the council administration building at 61 and 67 Tūwharetoa Street using funding for professional fees set aside in the council administration building project budget.

**CARRIED**

*Note: Crs John Boddy, Rosanne Jollands and Tangonui Kingi noted their dissent to the above resolution (TDC201907/14).*

### **5.8 RECEIPT OF FINAL STATEMENTS OF INTENT 2019/20**

#### **TDC201907/15 RESOLUTION**

Moved: Cr John Boddy

Seconded: Cr John Williamson

That Council receives the final 2019/20 Statements of Intent for:

Taupō Airport Authority;

Waikato Local Authority Shared Services;

Bay of Plenty Local Authority Shared Services;

Destination (Great) Lake Taupō; and

Local Government Funding Agency Limited.

**CARRIED**

### **5.9 TREASURY MANAGEMENT POLICY REVIEW**

The Finance Manager noted that this was fundamentally an annual review of policy and clarified what the key changes were, including that there was no change in risk appetite.

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**TDC201907/16 RESOLUTION**

Moved: Cr Rosanne Jollands  
Seconded: Cr John Boddy

That Council amends the Treasury Management Policy (dated March 2019) following the annual review by PricewaterhouseCoopers to ensure that the Policy provides the necessary framework and controls in facilitating best practice treasury management process.

**CARRIED****5.10 COUNCIL ENGAGEMENTS AUGUST 2019 AND CONFERENCE OPPORTUNITIES****TDC201907/17 RESOLUTION**

Moved: Cr Rosanne Jollands  
Seconded: Cr Barry Hickling

That Council receives the information relating to engagements for August 2019.

**CARRIED****5.11 MEMBERS' REPORTS****Cr Christine Rankin**

- Following on from pre-meeting discussions in relation to the (Wairakei Drive) bridge being in a bad state, asked if Council could write to the owner regarding upgrading / painting it. The Head of Operations undertook to follow-up with Mercury at their next meeting.

**Cr John Williamson**

- Te Arawa River Iwi Trust (TARIT) / Council meeting. Great information provided which was well received.

**Mayor David Trewavas**

- Accompanied Prime Minister Jacinda Adern to Miraka, Tuaropaki. Briefly discussed Bulli-Point roads (which PM Adern noted on paper), Mangakino, Turangi and Kinloch; observed congestion at Taupō Airport; was aware of the PGF / Infrastructure Fund applications and that Housing NZ had built 9 new units in town; and thanked Council for the flowers sent to her on the arrival of her new baby. Wanted to come back for a full visit and cover commercial, tourism and social sectors as well as a geothermal site visit.

**Cr Kirsty Trueman**

- Attended the first Mangakino Lake Hop event which was hugely successful with over 200 cars present. Great to see the Chief Executive and his family there. Great effort from local organisers.

**TDC201907/18 RESOLUTION**

Moved: Cr Kirsty Trueman  
Seconded: Cr Tangonui Kingi

That Council receives the reports from members.

**CARRIED****5.12 UPDATES ON SIGNIFICANT PROJECTS**

Notice of the late item had been circulated earlier in the day (A2534855). The Chief Executive thanked the members for approving the item, which would cover the Lake Terrace waste water spill; Crown Road incident, and the new traffic lights at the intersection of Norman Smith Street and Wairakei Drive, which had

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been a source of controversy and contention within the community for some time. Consequently, there had been a lot of negative and personal comments on social media chastising staff and elected members which was unfair, unkind, and based on misinformation. Fundamentally this had been an extraordinary example of how people should be more mindful of their comments and how they affected others. He appealed to the community to be kinder and bear in mind that staff – who were professionals doing their utmost best – took onboard such comments, which were hurtful.

Members wholeheartedly supported the Chief Executive's comments both in relation to the community and staff, with one member adding that Taupō District Council staff were 'world-class'. Another member noted that there had also been a lot of positive feedback and support from the community with people taking food and drink to workers on Lake Terrace during the night.

**Traffic Lights**

A progress update on the current status of the traffic lights including the results of monitoring undertaken post installation was provided by the Asset Manager Transportation. At the conclusion of the update, a member noted that the temporary sign advising which lane right-turning traffic should enter be made permanent.

**Crown Road Site**

An update and explanation of major subsidence that had occurred at Crown Road including pictures to show the scale of work undertaken was provided by the Development Engineer. At the conclusion of the update, a member asked about what could be done going forward to protect properties from ongoing subsidence. In reply, the Development Engineer explained that most of the homes were sited on natural ground and the Ashwood Park area was on a slow progressive tilt towards the hole, which was well known and documented. An option would be for people to look at steel framed buildings with flexibility in the industrial area. Contact Energy were looking at increasing the zone of identified subsidence in the residential area, based on their latest survey date and resource consent conditions.

The Head of Operations noted that funding for new pipe work to provide more resilience going forward would be submitted to the next Long-term Plan (LTP).

**Lake Terrace Site**

The Infrastructure Manager went through through drone footage taken the day after the event and provided a detailed explanation of the cause / effect of the event; a timeline graph of key incidents and actions taken starting from the initial call received alerting Council of the event; and steps going forward.

Key points noted during questions, answers and related discussion were:

- Final design plans had only recently been signed off. The building / design process was being undertaken concurrently so it was difficult to provide firm dates for roads being reopened however, estimated that this would occur some time during September 2019.
- The Chief Executive advised that final costs though not known at this stage would be substantial. Council was looking into other funding opportunities, which would be included in a paper to Council (at its next meeting if the information was available then).
- The Chief Executive advised that although staff were being open and transparent with members and the general public, there was some information which was subject to legal and insurance risk and therefore needed to be reserved.
- Staff were in communication with affected retailers in the area at least once a week. The 'Hole in One' was the most affected business. There were significant costs involved with other parties as well.
- The Infrastructure Manager advised that they had taken the opportunity to install a downstream defender while the lakeside cliff was being rebuilt with a retaining wall, which was proving complex and challenging.
- A member noted that it would be helpful if the Chief Executive put out an explanation to the community to help understanding.
- In reply to a question, the Chief Executive advised that Council was completing its reporting on the event; there were legal timeframes to adhere to should Waikato Regional Council wish to issue proceedings.
- In reply to a question regarding Council's approach and strategy in terms of other key stakeholders and the wider environment moving forward, the Chief Executive advised that monitoring had been extensive and would be ongoing. Council would continue to work closely with Waikato Regional Council and local and river Iwi; the members would also be kept updated.

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**TDC201907/19 RESOLUTION**

Moved: Cr Rosanne Jollands  
 Seconded: Cr John Boddy

That Council receives the updates on significant projects.

**CARRIED****6 CONFIDENTIAL BUSINESS****TDC201907/20 RESOLUTION**

Moved: Cr Kirsty Trueman  
 Seconded: Cr Tangonui Kingi

**RESOLUTION TO EXCLUDE THE PUBLIC**

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48[1] of the local government official information and meetings act 1987 for the passing of this resolution are as follows:

| General subject of each matter to be considered                                                               | Reason for passing this resolution in relation to each matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Ground(s) under Section 48(1) for the passing of this resolution                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda Item No: 6.1</b><br>Confirmation of Confidential Portion of Ordinary Council Minutes – 4 June 2019  | Section 7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |
| <b>Agenda Item No: 6.2</b><br>Confirmation of Confidential Portion of Ordinary Council Minutes – 25 June 2019 | <p>Section 7(2)(a) – the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>Section 7(2)(b)(ii) – the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>Section 7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege</p> <p>Section 7(2)(i) – the withholding of the information is necessary to enable [the Council] to carry on,</p> | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |

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|                                                  |                                                                                                            |                                                                                                                                                                                                                             |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)         |                                                                                                                                                                                                                             |
| <b>Agenda Item No: 6.3</b><br>Litigation Funding | Section 7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |

**CARRIED**

The meeting closed with a karakia from Cr Tangonui Kingi at 4.16pm.

The minutes of this meeting were confirmed at the ordinary Council meeting held on 27 August 2019.

.....  
**CHAIRPERSON**

Taupō Airport Authority Committee Meeting Minutes

5 August 2019

**TAUPŌ DISTRICT COUNCIL  
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING  
HELD AT THE TAUPŌ AIRPORT, ANZAC MEMORIAL DRIVE, TAUPŌ  
ON MONDAY, 5 AUGUST 2019 AT 10.30AM**

**PRESENT:** Mr Chris Johnston (in the Chair), Cr Rosanne Jollands, Cr Christine Rankin  
**IN ATTENDANCE:** Head of Economic Development and Business Transformation, Acting General Manager – Taupō Airport, Airport Safety Manager, Economic Relationship Manager, Democratic Services Officer  
**MEDIA AND PUBLIC:** Nil

**1 APOLOGIES**

**TAA201908/01 RESOLUTION**

Moved: Mr Chris Johnston  
Seconded: Cr Rosanne Jollands

That the apologies received from His Worship the Mayor, David Trewavas and Mr John Funnell be accepted.

**CARRIED**

**2 CONFLICTS OF INTEREST**

Nil

**URGENT LATE ITEM**

The Chairperson, Mr Chris Johnston advised that there was one confidential urgent late item for consideration at the meeting, being Memorandum of Understanding with Operators. He sought approval to add this item to the agenda to be dealt with at the meeting.

**TAA201908/02 RESOLUTION**

Moved: Cr Rosanne Jollands  
Seconded: Cr Christine Rankin

That, pursuant to section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following item be added to the agenda and dealt with at the meeting as it was not available at the time the agenda was circulated, and consideration of the item is a matter of urgency, requiring a decision without delay:

Memorandum of Understanding with Operators

**CARRIED**

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**3 CONFIRMATION OF MINUTES****3.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 24 JUNE 2019****TAA201908/03 RESOLUTION**

Moved: Mr Chris Johnston  
Seconded: Cr Rosanne Jollands

That the public and confidential portions of minutes of the Taupō Airport Authority Committee meeting held on Monday 24 June 2019 be confirmed as true and correct records.

**CARRIED****4 REPORTS****4.1 TAUPŌ AIRPORT AUTHORITY MONTHLY FINANCIAL REPORT - MAY 2019****TAA201908/04 RESOLUTION**

Moved: Cr Rosanne Jollands  
Seconded: Mr Chris Johnston

That the Taupō Airport Authority Committee receives the monthly financial report for month ending 31 May 2019.

**CARRIED****4.2 UPDATE ON PROVINCIAL GROWTH FUND APPLICATION**

The Chairperson thanked the Head of Economic Development and Business Transformation, the Economic Relationships Manager and the Finance Manager for keeping up the momentum on the Provincial Growth Fund (PGF) application; and for ensuring members were well informed.

The Economic Relationships Manager confirmed that the PGF application had been lodged the previous week. She outlined the next steps in the process and advised that a response was not expected until at least mid-September 2019. She added that there was a package of tourism projects being driven by Ruapehu District Council, including projects in Turangi and the Tongariro region, and that the Taupō Airport project may be incorporated into that package.

**TAA201908/05 RESOLUTION**

Moved: Mr Chris Johnston  
Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the Economic Relationship Manager's update on the Provincial Growth Fund application.

**CARRIED****4.3 REVIEW OF TAUPŌ AIRPORT AUTHORITY GOVERNANCE STRUCTURE**

Members discussed options for the future governance of the Taupō Airport. The following points were noted:

- The current focus was safety.
- If the Airport land was extended to the north in future, a new focus on development opportunities would be appropriate. What would Council's role in supporting that new focus be?

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## Taupō Airport Authority Committee Meeting Minutes

5 August 2019

- The current committee often only received reports at meetings. It did not have “teeth” but members did have the ability to influence. Was this the appropriate level of engagement?
- It was important to have advocates representing the Airport’s best interests and ensuring it was economically sustainable for the community.
- A new terminal would mean the Airport was not so dependent on revenue from its lease sites.

In answer to a question, the Head of Economic Development and Business Transformation advised that the brief provided to the external consultant had been to provide advice on whether the status quo or a more commercial model would be appropriate for the Taupō Airport in future. The Economic Relationship Manager added that the Airport’s business plan would be a relevant consideration if a commercial model was favoured.

- The current structure was workable, but dependent on individuals’ goodwill and attitudes.
- Further discussion would be had at the next Taupō Airport Authority Committee meeting on 16 September 2019, once the consultant’s report had been received.

**TAA201908/06 RESOLUTION**

Moved: Mr Chris Johnston  
Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee notes the information as discussed.

**CARRIED****4.4 GENERAL MANAGER’S OPERATIONS REPORT**

The Acting General Manager – Taupō Airport, Kim Gard summarised her operations report for the month of July 2019, with additional points and answers to questions noted below.

- The recently completed 139 recertification audit was the third audit conducted this year.
- Blue passenger walkway lines had been painted on the apron for guidance following a request from Sounds Air.
- The ‘table top’ exercise on 25 July 2019 had been worthwhile and had included discussions on security screening at provincial airports. Local Police were involved in the exercise. The Acting General Manager and the Airport Safety Manager would be attending a meeting later in August with Ministry of Transport representatives to discuss security.
- Air New Zealand staff had had to deal with abusive customers following the new 30 minute prior check-in time.
- Airspace risk management – it was important that Taupō Airport Authority could manage its own airspace risks. An aeronautical study had been requested by and provided to the CAA. The Acting General Manager – Taupō Airport and the Airport Safety Manager would continue to progress the matter.

**TAA201908/07 RESOLUTION**

Moved: Cr Christine Rankin  
Seconded: Cr Rosanne Jollands

That the Taupō Airport Authority Committee receives the General Manager’s Operations Report as presented on August 5, 2019.

**CARRIED****4.5 SAFETY MANAGEMENT SYSTEM (SMS) UPDATE**

This item was **withdrawn**, as it was no longer required. SMS updates could be incorporated into the Operations Report in future.

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Taupō Airport Authority Committee Meeting Minutes

5 August 2019

**4.6 HEALTH AND SAFETY UPDATE****TAA201908/08 RESOLUTION**

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the information relating to health and safety.

**CARRIED****5 CONFIDENTIAL BUSINESS****TAA201908/09 RESOLUTION**

Moved: Mr Chris Johnston

Seconded: Cr Rosanne Jollands

**RESOLUTION TO EXCLUDE THE PUBLIC**

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48[1] of the local government official information and meetings act 1987 for the passing of this resolution are as follows:

| General subject of each matter to be considered                                                                                     | Reason for passing this resolution in relation to each matter                                                                                                                                             | Ground(s) under Section 48(1) for the passing of this resolution                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda Item No: 5.1</b><br>Receipt of Unconfirmed Minutes:<br>Taupō Airport & Operational<br>Safety Committee - June 18,<br>2019 | Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public                                                 | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |
| <b>Agenda Item No: 5.2</b><br>Memorandum of Understanding<br>with Operators                                                         | Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |

**CARRIED**

The meeting closed at 11.24am.

The minutes of this meeting were confirmed at the Taupō Airport Authority Committee meeting held on 16 September 2019.

.....  
CHAIRPERSON

Page 4

Extract from the minutes of the Audit & Risk Committee meeting held on 19 August 2019

#### **4.5 BUSINESS CONTINUITY PLANNING**

Members agreed to progress the recommendation to Council, however they signalled a desire for savings to be made elsewhere in Council's programme of work to accommodate the unbudgeted expenditure.

#### **AR201908/07 RESOLUTION**

Moved: Cr Anna Park

Seconded: Cr Rosanne Jollands

That the Audit & Risk Committee:

1. Receives the proposal from AON and RiskLogic; and
2. Recommends to Council that it approves unbudgeted expenditure of \$13,660 + GST for the purpose of continuing with the business continuity programme as detailed in the AON and RiskLogic proposal.

**CARRIED**



## REVIEWING SPEED LIMITS ON STATE HIGHWAY 1 TAUPŌ AIRPORT TO MOTUOAPA

**JUNINE STEWART**

AREA PROGRAMME MANAGER, WAIKATO SAFE NETWORK  
PROGRAMME, NZ TRANSPORT AGENCY

2 AUGUST 2019

[New Zealand Government](#)

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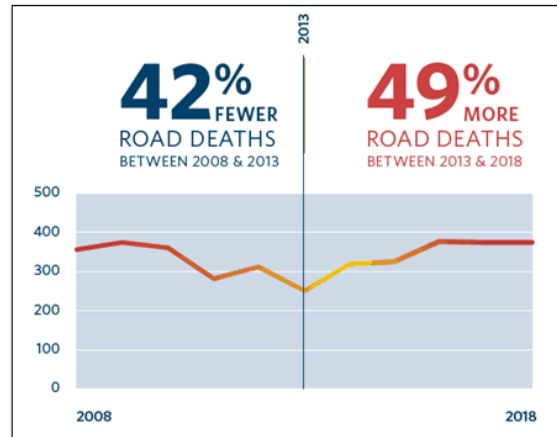


## NEW ZEALAND'S ROAD SAFETY PROBLEM

Every week, seven people are killed and 54 people are seriously injured on New Zealand roads. Each death and serious injury has a devastating and long-lasting effect on families, whānau, friends and communities. There is also a social cost to the country of \$4.8 billion a year.

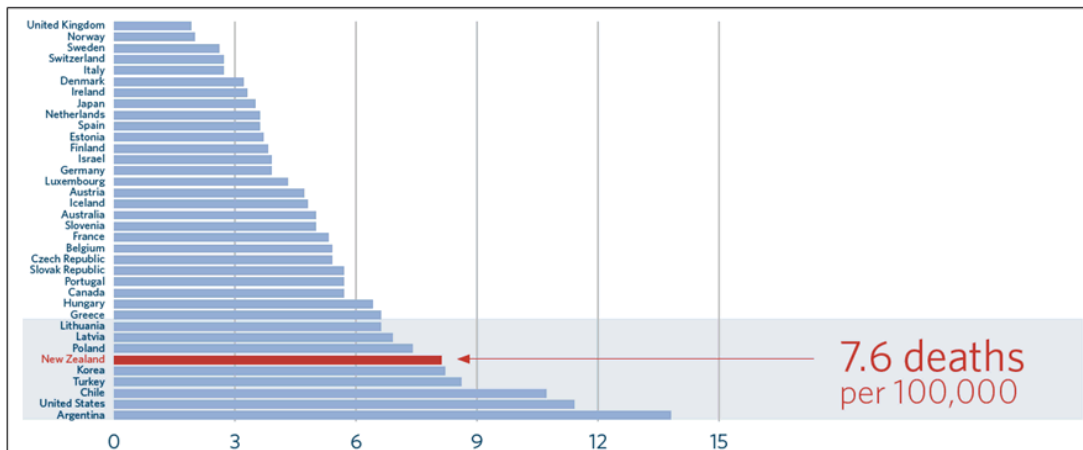
Over the past five years, there has been an upward trend of deaths and serious injuries. In 2018, 377 people were killed on our roads. This is up from a modern low of 253 deaths in 2013. We need to do something to turn this around.

### 1.1 Deaths on New Zealand roads



New Zealand performs poorly internationally when it comes to road safety and is now in the bottom quarter of the OECD on a road deaths per capita basis.

### 1.2 International road safety performance



## SAFE NETWORK PROGRAMME

As part of the NZ Transport Agency's response to the road safety problem in New Zealand, the Safe Network Programme was developed.

Announced by Ministers Twyford and Genter in December 2018, the three-year \$1.4b programme aims to make the country's highest risk state highways and local roads safer by delivering:

- Safe roads and roadsides
- Safe and appropriate speeds
- Safe level crossings

The Safe Network Programme is being delivered in partnership with local government partners using a streamlined investment pathway to deliver more safety improvements faster.

The programme is based on the Safe System – an internationally-proven approach which aims to create a more forgiving road system. Under a Safe System, it is accepted that people make mistakes, but those mistakes shouldn't cost people their lives.

### 1.3 The Safe System



## SPEED MANAGEMENT

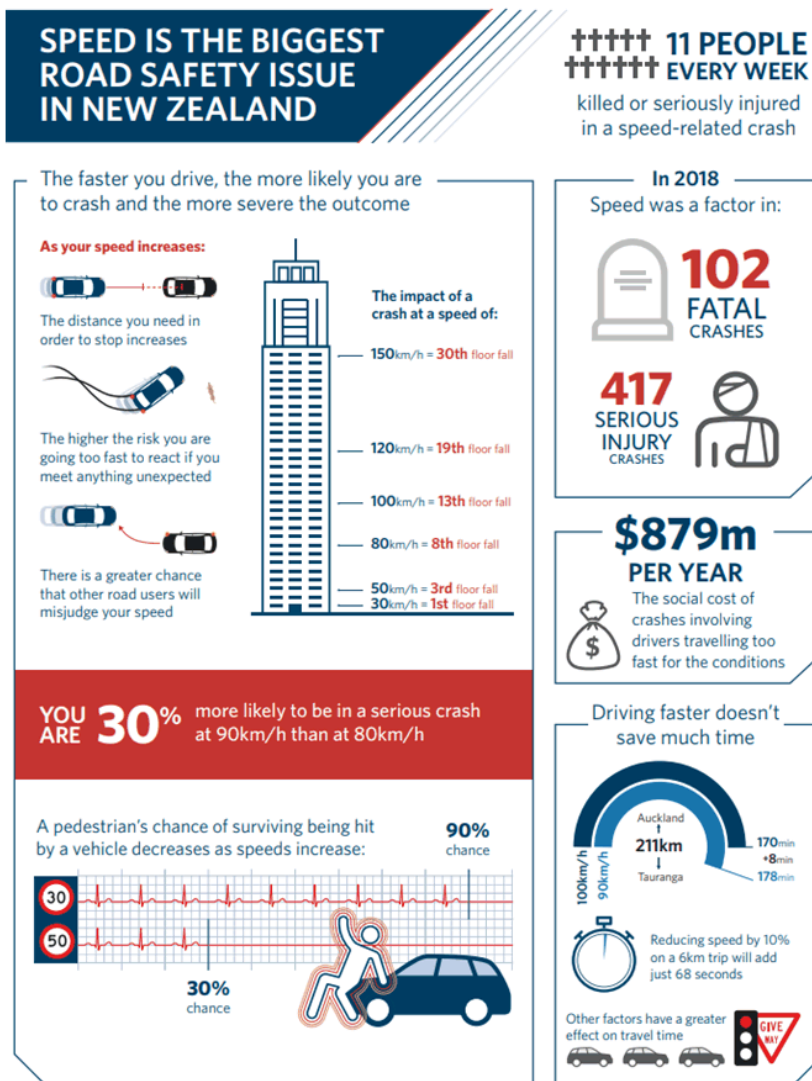
If we are going to reduce deaths and serious injuries on our roads, we need to address every part of the system, and that includes travel speeds.

Speed continues to be a huge problem on New Zealand roads and if we are going to have a serious discussion as a country about improving our road safety record, that discussion must include speed.

Speed increases both the likelihood of crashes and the severity of crash outcomes, regardless of what causes a crash. A small change in speed makes a big difference, especially when cyclists or pedestrians are involved.

Most crashes are caused by a number of contributing factors, but even when speed doesn't cause the crash, it is most likely to determine whether anyone is killed, injured, or walks away unharmed.

#### 1.4 The effects and impact of speed



#### Speed reviews

As part of the Safe Network Programme, the Transport Agency is reviewing speeds on state highways around the country.

We are currently identifying roads where reviewing speed limits could make a big difference in preventing deaths and serious injuries, and where communities are calling for change.

#### Speed review process

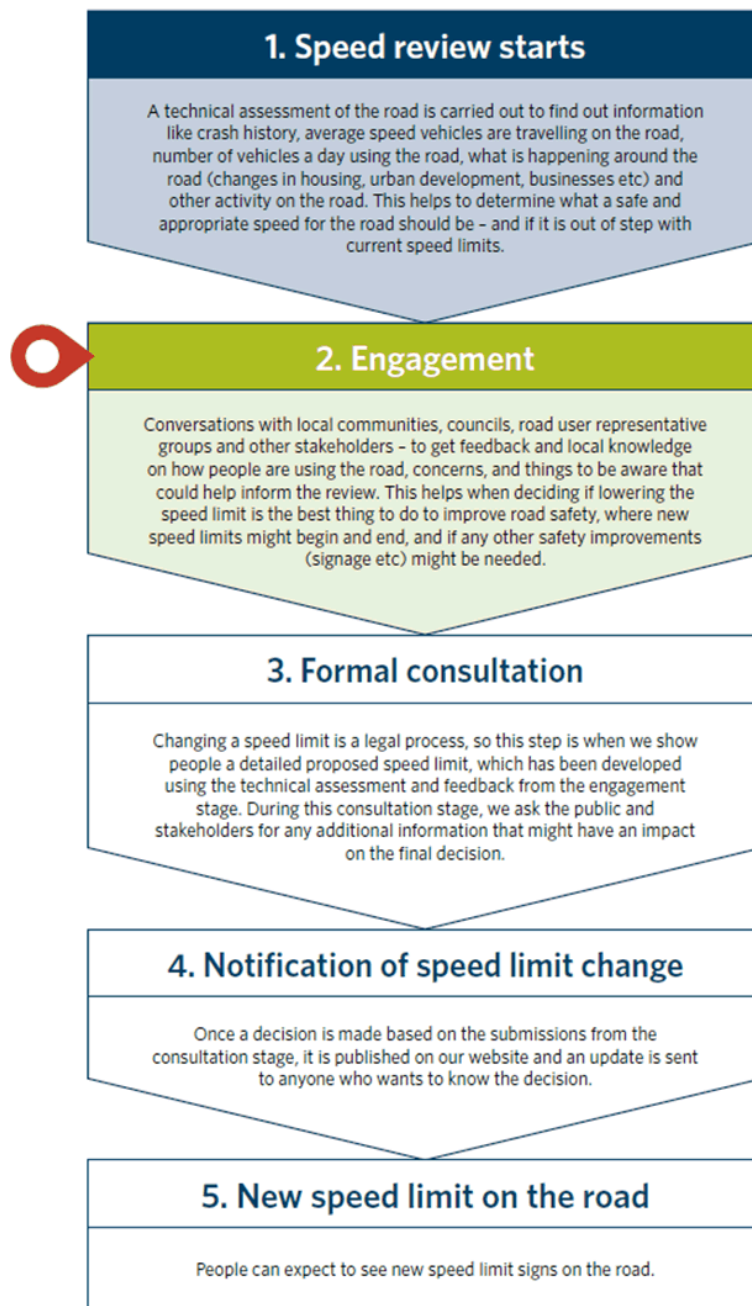
Changing a speed limit is a legal process and the diagram on the next page outlines the steps involved in a review.

NZ TRANSPORT AGENCY

REVIEWING SPEED LIMITS ON STATE HIGHWAY  
1 TAUPŌ AIRPORT TO MOTUOAPA // 5

Engagement and consultation with stakeholders and the community is an important part of the process. Locals know their roads best, so it is important to get insights into the roads, how people use them, any safety issues and to gain feedback on current and proposed speed limits before any changes are made.

#### 1.5 The speed review process (and what stage the Taupō Airport to Motuoapa review is at)





## TAUPŌ AIRPORT TO MOTUOAPA SPEED REVIEW

The Transport Agency has heard from communities along State Highway 1 from Taupō Airport to Motuoapa that current speeds feel too high to be safe. We are reviewing speeds along this route and will be talking to communities and stakeholders to understand their concerns and to gain feedback on current and proposed speed limits.

### The route

- This part of State Highway 1 is used by many people for many reasons, which creates safety issues for everyone.
- During holiday periods, there is a big increase in the number of people in the area, including tourists who want to take in the scenery, cyclists, pedestrians, people with campervans and holiday makers at campgrounds.
- Motutere has been regularly raised as a concern with the campground straddling the road, and people crossing the highway to get to the lake. Drivers turning in and out of entrances along the road are often towing boats or caravans.
- We have heard from Waitahanui, Te Rangiita and Motuoapa residents that current speeds feel unsafe. Given the increased residential development and holiday activity, current speed limits may no longer be suitable for these areas.
- Speed limits and road treatments vary along the route, and are not consistent between villages.
- There are tight and difficult corners along parts of the route, as well as steep drop-offs.
- There is ongoing concern about noise and vibration from heavy vehicles travelling through the area, especially late at night.
- Significant sections of this route are included in the top 10% of the regional network that will result in the greatest reduction in deaths and serious injuries through speed management.

### Crash history

Between 2009 and 2018, there have been 226 crashes on this stretch of state highway. Eight people have been killed and 30 people have been seriously injured.

Along with the devastation caused, crashes on this route can result in extensive delays and long detours if there are road closures.

### Traffic volume

On average, about 6800 vehicles use this route every day. This has increased from 5400 vehicles per day 10 years ago.

### Travel time impact

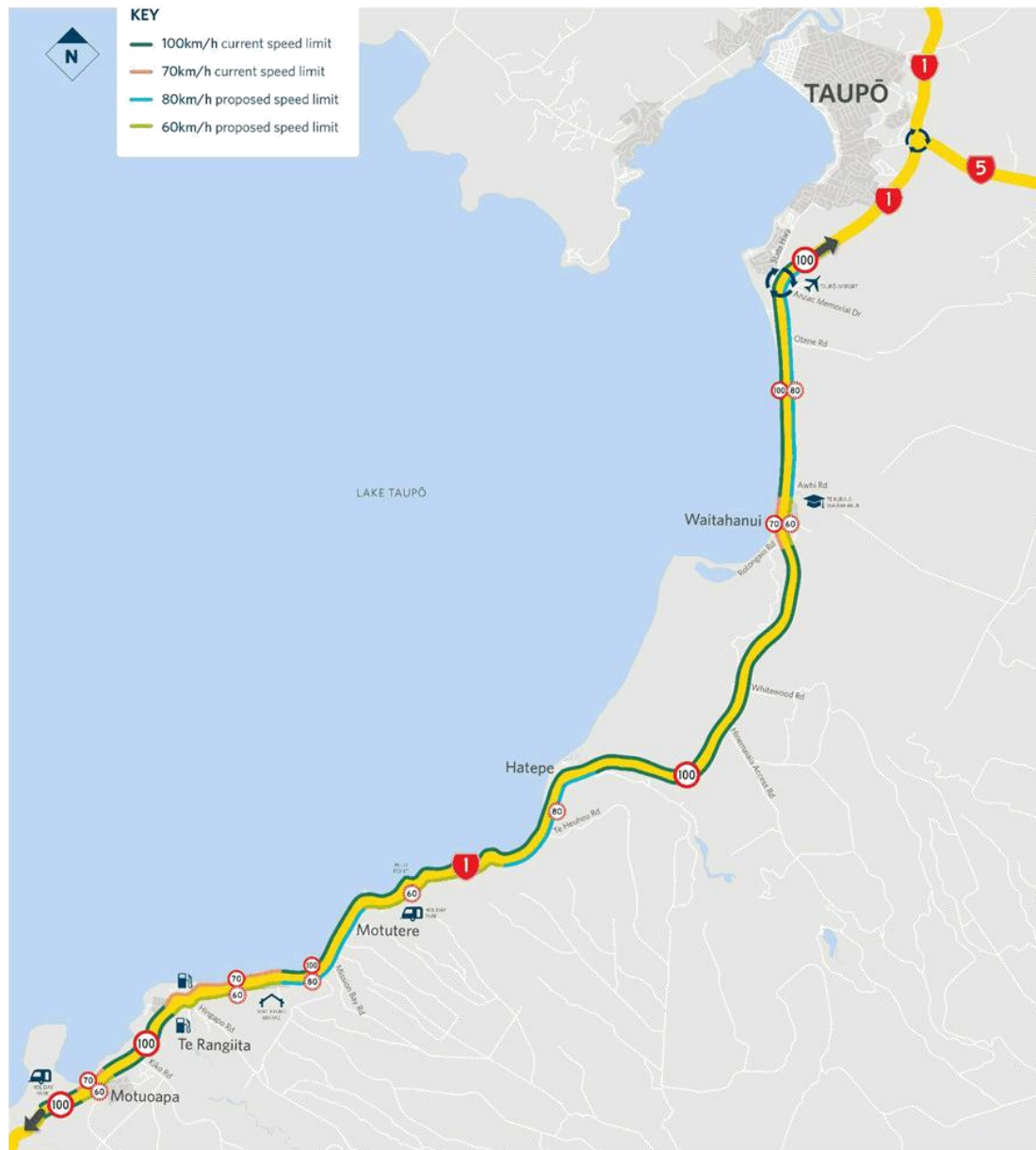
The proposed changes to speed limits would have minimal impact on travel time. Along the 34km route, travel time would increase by less than 1.5 minutes.

### Current and proposed speed limits

The map on the following page shows the current speed limits on the route and the proposed changes to speed limits.

1.6 Map showing current and proposed speed limits

# 1 Taupō Airport to Motuoapa speed review



NZ TRANSPORT AGENCY

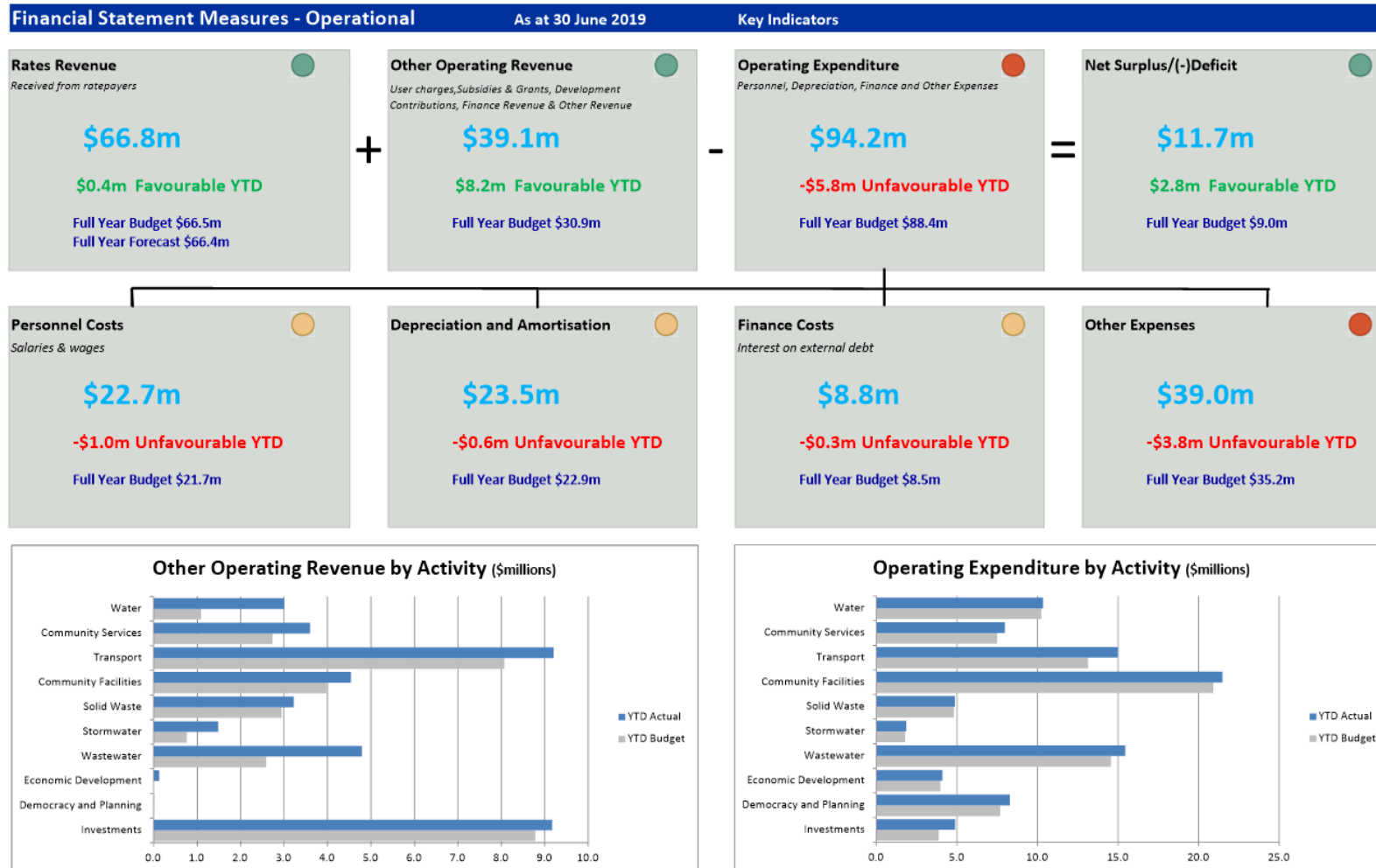
REVIEWING SPEED LIMITS ON STATE HIGHWAY  
1 TAUPŌ AIRPORT TO MOTUOAPA // 8

## Feedback

We are interested in hearing from the Community Board:

- What is your experience using this road?
- Do you have any safety concerns along the route?
- What are the things you think we need to take into consideration when reviewing speeds on this route?
- What do you think of the current speed limits?
- What do you think of the proposed speed limits?

Taupo District Council



Taupo District Council

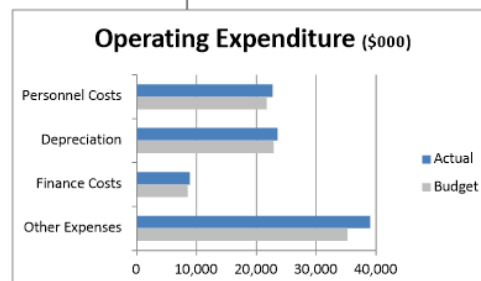
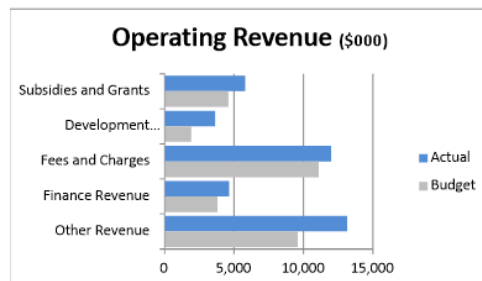


## Taupo District Council

### Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2019

|                                    | Full Year |                |               |                    |
|------------------------------------|-----------|----------------|---------------|--------------------|
|                                    | \$000     | Actual         | Budget        | Variance %         |
| <b>Revenue</b>                     |           |                |               |                    |
| Rates                              |           | 66,847         | 66,473        | 374 1%             |
| Subsidies and Grants               |           | 5,788          | 4,582         | 1,206 26%          |
| Development Contributions          |           | 3,617          | 1,900         | 1,717 90%          |
| Fees and Charges                   |           | 11,980         | 11,089        | 891 8%             |
| Finance Revenue                    |           | 4,640          | 3,790         | 850 22%            |
| Other Revenue                      |           | 13,123         | 9,574         | 3,549 37%          |
| <b>Total Revenue</b>               |           | <b>105,995</b> | <b>97,408</b> | <b>8,587 9%</b>    |
| <b>Operating Expenditure</b>       |           |                |               |                    |
| Personnel Costs                    |           | 22,723         | 21,748        | (975) -4%          |
| Depreciation                       |           | 23,540         | 22,905        | (635) -3%          |
| Finance Costs                      |           | 8,844          | 8,510         | (334) -4%          |
| Other Expenses                     |           | 39,047         | 35,236        | (3,811) -11%       |
| <b>Total Operating Expenditure</b> |           | <b>94,154</b>  | <b>88,399</b> | <b>(5,755) -7%</b> |
| <b>Net Surplus/Deficit</b>         |           | <b>11,841</b>  | <b>9,009</b>  | <b>2,832</b>       |
| <b>Group of Activities</b>         |           |                |               |                    |
| Water                              |           | 2,658          | 707           | 1,951              |
| Community Services                 |           | 492            | (72)          | 564                |
| Transport                          |           | 860            | 1,573         | (713)              |
| Community Facilities               |           | 817            | 815           | 2                  |
| Solid Waste                        |           | 374            | 145           | 229                |
| Stormwater                         |           | 1,414          | 756           | 658                |
| Wastewater                         |           | 2,513          | 1,153         | 1,360              |
| Economic Development               |           | 4              | 0             | 4                  |
| Democracy and Planning             |           | (614)          | (14)          | (600)              |
| Investments                        |           | 3,323          | 3,946         | (623)              |
| <b>Net Surplus/Deficit</b>         |           | <b>11,841</b>  | <b>9,009</b>  | <b>2,832</b>       |

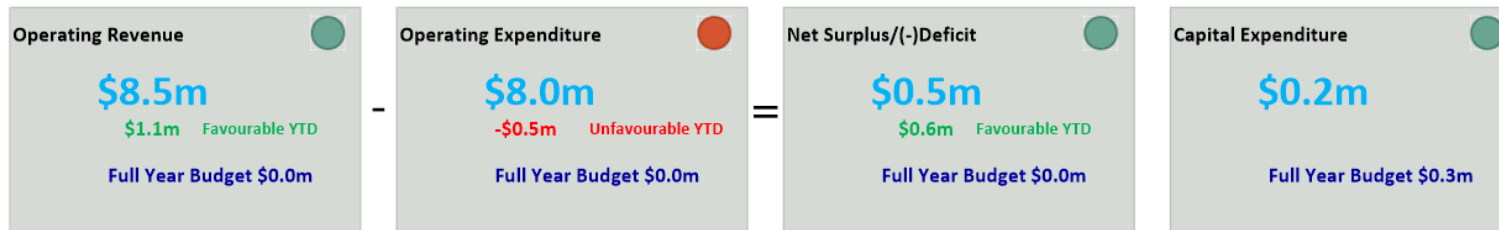


#### Explanation of variances to budget

- The Budget comparison for this report is based on the Approved Annual Plan plus any Council approved budgets subsequent to 30 June 2018.
 

|                                      |        |
|--------------------------------------|--------|
| 2018/19 LTP budgeted surplus         | 10,505 |
| Budgeted revenue entered as expense  | 20     |
| Suzhou Exhibition TDC201806/18       | (37)   |
| Litigation Funding TDC201807/C03     | (72)   |
| Waiora House TDC201809/02            | (690)  |
| Waiora House TDC201903/13            | (425)  |
| Arrowsmith Washout TDC201812/09      | (278)  |
| PC34 Flood Hazard TDC201901/05       | 0      |
| Fin/Rating Analysis TGI TDC201903/12 | (14)   |
| Adjusted budgeted surplus            | 9,009  |
- Year-to-date surplus is \$2.832m ahead of the planned surplus
- Subsidies and grants are ahead of plan by \$1.2m due to Ministry of Health subsidy for Waitahanui budgeted in prior years \$475k, and \$546k of other grants which due to their nature are unbudgeted, and NZTA subsidies \$179k.
- The development contributions revenue is ahead of budget primarily due to large subdivisions in Kinloch, Taupo and, Motuapa.
- The favourable variance of \$891k in fees and charges is mainly due to the following:
  - Regulatory revenue is ahead of plan by \$774k
  - Landfill revenue \$243k ahead of plan
  - Venues \$62k ahead of plan
  - Haylage & Septage \$266k ahead of plan
  - Offset by revenue in investment behind plan \$416k
- Finance revenue \$850k ahead of budget due to additional investment funds and interest earned on the \$30m of loan prefunding
  - The favourable variance of \$3.549m in other revenue is mainly due to:
    - Community donations towards capital projects \$83k
    - Fines ahead of plan \$32k
    - Dividends \$46k
    - Realised gains on share equities \$673k
    - Vested Assets \$3.078m
    - First time recognition of assets \$657k
    - Gain on sale of Forestry \$557k
    - Gain on sale of assets \$140k
    - Offset by investment property gain on sale behind plan by \$1m and the forestry revaluation gain (yet to be processed) of \$784
- Other expenses are more than budget by \$3.811m mainly due to:
  - Loss on disposal of assets \$1.918m
  - Unrealised losses on equities \$304k
  - Wastewater \$1.012m
  - Community Facilities \$332k
  - Community Services \$420k
  - Solid Waste \$116k
  - Stormwater \$121k
  - Democracy & Planning \$62k
  - Economic Development \$83k
  - Offset by savings against budget in:
    - Water \$117k
    - Transport \$149k
    - Support Services \$220k

## Community Services

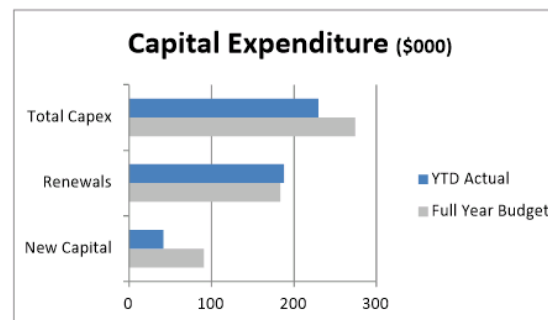
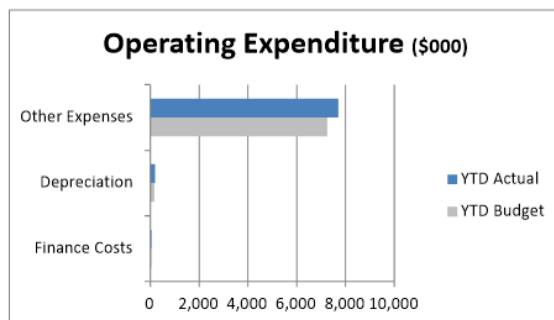


### Cost of Service Statement For the year ending 30 June 2019

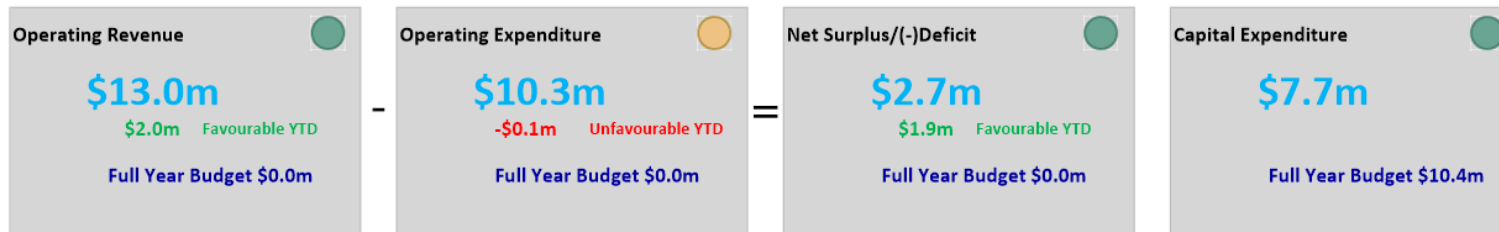
| \$000                              | Year to Date |              |              |                |
|------------------------------------|--------------|--------------|--------------|----------------|
|                                    | YTD Actual   | YTD Budget   | YTD Variance | YTD Variance % |
| <b>Revenue</b>                     |              |              |              |                |
| Rates                              | 4,860        | 4,673        | 187          | 4%             |
| Subsidies and Grants               | 11           | 13           | (2)          | -15%           |
| Development Contributions          | 0            | 0            | 0            | 0%             |
| Fees and Charges                   | 3,057        | 2,283        | 774          | 34%            |
| Finance Revenue                    | 0            | 0            | 0            | 0%             |
| Other Revenue                      | 532          | 440          | 92           | 21%            |
| <b>Total Revenue</b>               | <b>8,460</b> | <b>7,409</b> | <b>1,051</b> | <b>14%</b>     |
| <b>Operating Expenditure</b>       |              |              |              |                |
| Other Expenses                     | 7,712        | 7,255        | (457)        | -6%            |
| Depreciation                       | 204          | 173          | (31)         | -18%           |
| Finance Costs                      | 52           | 53           | 1            | 2%             |
| <b>Total Operating Expenditure</b> | <b>7,968</b> | <b>7,481</b> | <b>(487)</b> | <b>-7%</b>     |
| <b>Net Surplus/Deficit</b>         | <b>492</b>   | <b>(72)</b>  | <b>564</b>   |                |

#### Explanation of variances to budget

- The favourable variance of \$774k in fees and charges is made up of:
  - Regulatory revenue is ahead of plan, this is made up of building consents \$390k and resource consents \$352k due to increased activity in the housing and development markets; dog registration revenue is ahead of plan by \$33k; Food and Liquor revenue is behind by \$13k.
  - Other revenue is ahead of plan due to Fines ahead of plan \$32k and gain on disposal of assets \$7k vested assets (Unimogs) \$52k



## Water

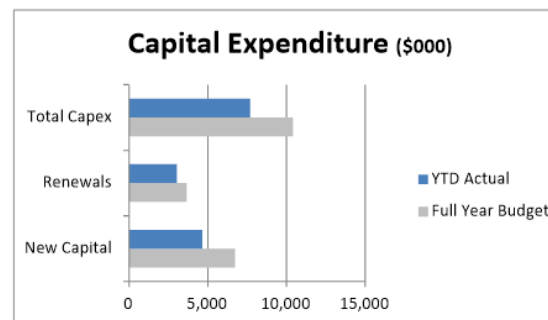
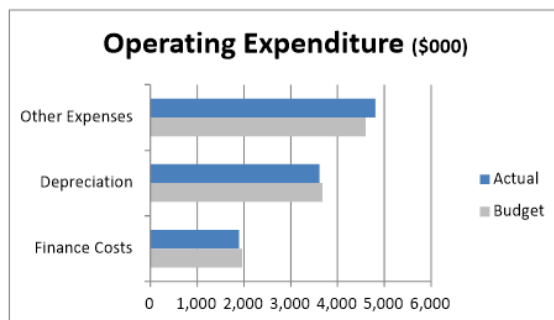


### Cost of Service Statement For the year ending 30 June 2019

|                                    | Full Year     |               |              |            |
|------------------------------------|---------------|---------------|--------------|------------|
| \$000                              | Actual        | Budget        | Variance     | Variance % |
| <b>Revenue</b>                     |               |               |              |            |
| Rates                              | 9,983         | 9,857         | 126          | 1%         |
| Subsidies and Grants               | 475           | 0             | 475          | 0%         |
| Development Contributions          | 1,128         | 484           | 644          | 133%       |
| Fees and Charges                   | 93            | 111           | (18)         | -16%       |
| Finance Revenue                    | 0             | 0             | 0            | 0%         |
| Other Revenue                      | 1,311         | 497           | 814          | 164%       |
| <b>Total Revenue</b>               | <b>12,990</b> | <b>10,949</b> | <b>2,041</b> | <b>19%</b> |
| <b>Operating Expenditure</b>       |               |               |              |            |
| Other Expenses                     | 4,814         | 4,602         | (212)        | -5%        |
| Depreciation                       | 3,620         | 3,679         | 59           | 2%         |
| Finance Costs                      | 1,899         | 1,961         | 62           | 3%         |
| <b>Total Operating Expenditure</b> | <b>10,333</b> | <b>10,242</b> | <b>(91)</b>  | <b>-1%</b> |
| <b>Net Surplus/Deficit</b>         | <b>2,657</b>  | <b>707</b>    | <b>1,950</b> |            |

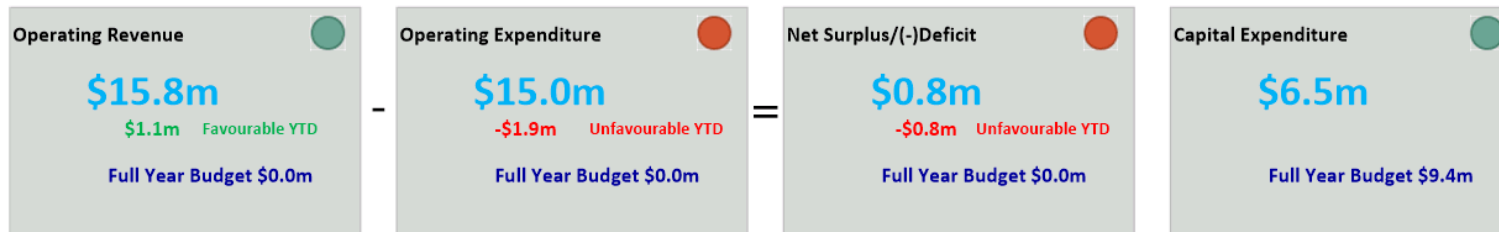
#### Explanation of variances to budget

- Subsidies & grants is ahead of plan by \$475k due to Ministry of Health contributions to Waitahanui water which was budgeted in prior years.
- The development contributions revenue is ahead of budget primarily due to large subdivisions in Kinloch and Taupo.
- Other revenue is ahead of plan by \$814k due to first time recognition and vested assets





## Transport

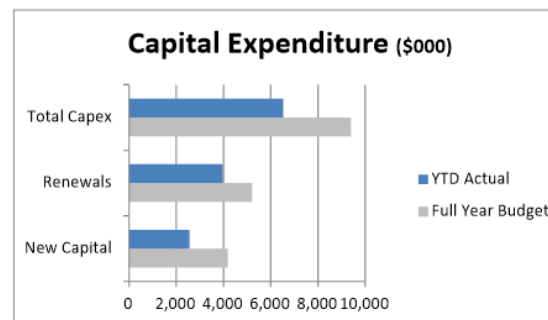
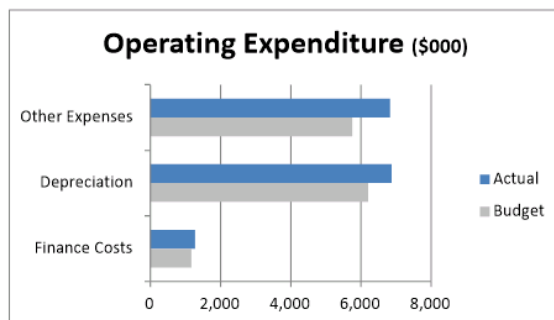


### Cost of Service Statement For the year ending 30 June 2019

|                                    | Full Year     |               |                |             |
|------------------------------------|---------------|---------------|----------------|-------------|
| \$000                              | Actual        | Budget        | Variance       | Variance %  |
| <b>Revenue</b>                     |               |               |                |             |
| Rates                              | 6,644         | 6,644         | 0              | 0%          |
| Subsidies and Grants               | 4,487         | 4,308         | 179            | 4%          |
| Development Contributions          | 818           | 575           | 243            | 42%         |
| Fees and Charges                   | 94            | 140           | (46)           | -33%        |
| Finance Revenue                    | 0             | 0             | 0              | 0%          |
| Other Revenue                      | 3,805         | 3,044         | 761            | 25%         |
| <b>Total Revenue</b>               | <b>15,848</b> | <b>14,711</b> | <b>1,137</b>   | <b>8%</b>   |
| <b>Operating Expenditure</b>       |               |               |                |             |
| Other Expenses                     | 6,836         | 5,758         | (1,078)        | -19%        |
| Depreciation                       | 6,875         | 6,208         | (667)          | -11%        |
| Finance Costs                      | 1,278         | 1,172         | (106)          | -9%         |
| <b>Total Operating Expenditure</b> | <b>14,989</b> | <b>13,138</b> | <b>(1,851)</b> | <b>-14%</b> |
| <b>Net Surplus/Deficit</b>         | <b>859</b>    | <b>1,573</b>  | <b>(714)</b>   |             |

#### Explanation of variances to budget

- Development contributions have exceeded budget due to the number of developments currently being undertaken
- Fees and charges is behind plan by \$46k due to reduced off road fees and sundry income
- Other revenue is ahead of plan by \$761k due to first time recognition & vested assets higher than plan \$703k and increased internal revenue of \$58k
- Other expenses are over plan due to loss on disposal of roading assets of \$1.2m offset by maintenance below budget..



## Community Facilities

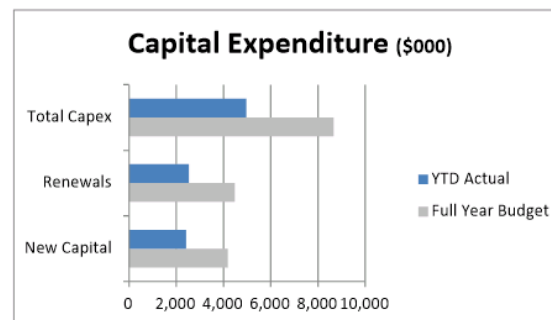
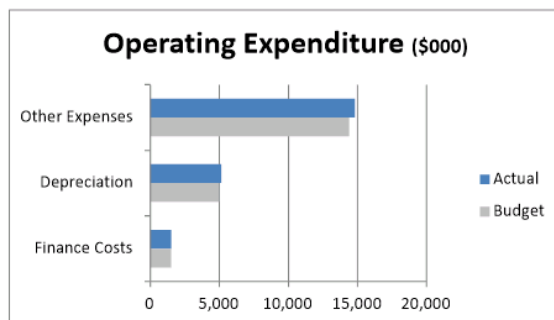


### Cost of Service Statement For the year ending 30 June 2019

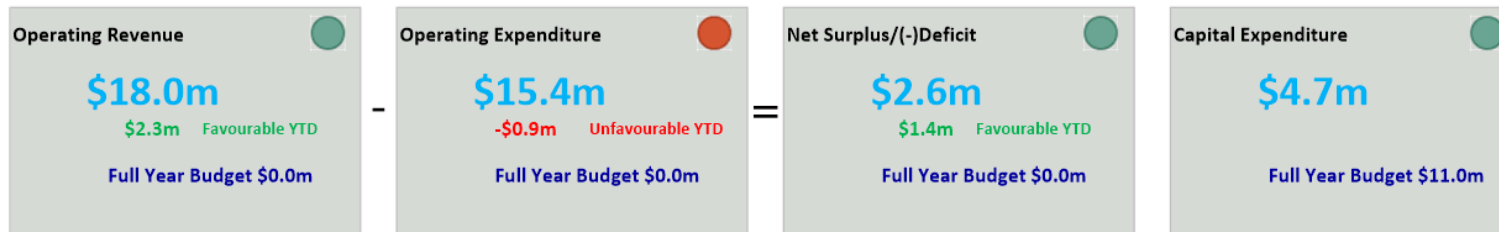
|                                    | Full Year     |               |              |            |
|------------------------------------|---------------|---------------|--------------|------------|
| \$000                              | Actual        | Budget        | Variance     | Variance % |
| <b>Revenue</b>                     |               |               |              |            |
| Rates                              | 17,760        | 17,760        | 0            | 0%         |
| Subsidies and Grants               | 307           | 142           | 165          | 116%       |
| Development Contributions          | 235           | 226           | 9            | 4%         |
| Fees and Charges                   | 3,012         | 2,950         | 62           | 2%         |
| Finance Revenue                    | 0             | 0             | 0            | 0%         |
| Other Revenue                      | 984           | 659           | 325          | 49%        |
| <b>Total Revenue</b>               | <b>22,298</b> | <b>21,737</b> | <b>561</b>   | <b>3%</b>  |
| <b>Operating Expenditure</b>       |               |               |              |            |
| Other Expenses                     | 14,805        | 14,403        | (402)        | -3%        |
| Depreciation                       | 5,150         | 5,001         | (149)        | -3%        |
| Finance Costs                      | 1,525         | 1,516         | (9)          | -1%        |
| <b>Total Operating Expenditure</b> | <b>21,480</b> | <b>20,920</b> | <b>(560)</b> | <b>-3%</b> |
| <b>Net Surplus/Deficit</b>         | <b>818</b>    | <b>817</b>    | <b>1</b>     |            |

#### Explanation of variances to budget

- Subsidies & grants are ahead of plan mainly due to a grant from MBIE for Hipapatua Reserve \$70k, and WRC subsidies for erosion \$84k
- Other revenue is ahead of plan by \$325k due to donations from community trusts towards two capital projects \$83k and gain on sale of vehicles \$96k and vested assets of \$146k over plan



## Wastewater

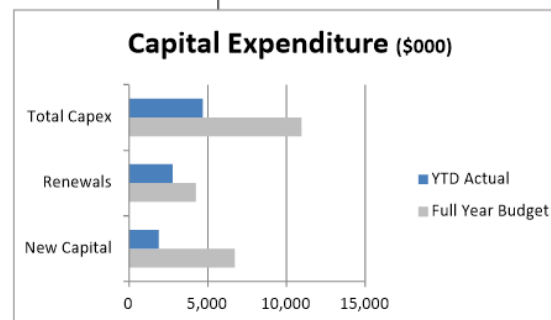
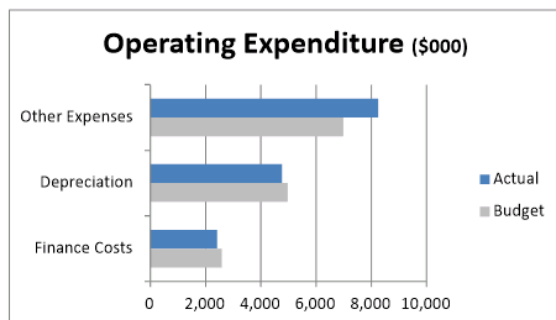


### Cost of Service Statement For the year ending 30 June 2019

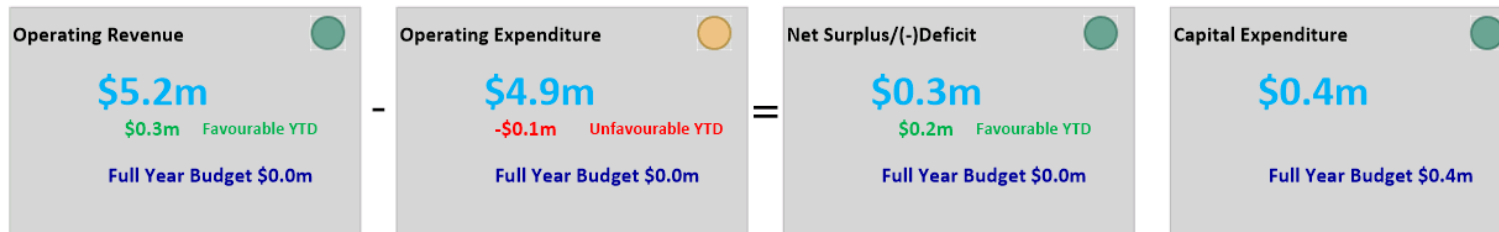
|                                    | Full Year     |               |              |            |
|------------------------------------|---------------|---------------|--------------|------------|
| \$000                              | Actual        | Budget        | Variance     | Variance % |
| <b>Revenue</b>                     |               |               |              |            |
| Rates                              | 13,164        | 13,111        | 53           | 0%         |
| Subsidies and Grants               | 0             | 0             | 0            | 0%         |
| Development Contributions          | 1,418         | 616           | 802          | 130%       |
| Fees and Charges                   | 1,636         | 1,370         | 266          | 19%        |
| Finance Revenue                    | 0             | 0             | 0            | 0%         |
| Other Revenue                      | 1,741         | 602           | 1,139        | 189%       |
| <b>Total Revenue</b>               | <b>17,959</b> | <b>15,699</b> | <b>2,260</b> | <b>14%</b> |
| <b>Operating Expenditure</b>       |               |               |              |            |
| Other Expenses                     | 8,255         | 6,982         | (1,273)      | -18%       |
| Depreciation                       | 4,768         | 4,978         | 210          | 4%         |
| Finance Costs                      | 2,422         | 2,587         | 165          | 6%         |
| <b>Total Operating Expenditure</b> | <b>15,445</b> | <b>14,547</b> | <b>(898)</b> | <b>-6%</b> |
| <b>Net Surplus/Deficit</b>         | <b>2,514</b>  | <b>1,152</b>  | <b>1,362</b> |            |

#### Explanation of variances to budget

- The development contributions revenue is ahead of budget primarily due to large subdivisions in Kinloch, Taupo and, Motuopa.
- Fees and charges are ahead of plan by \$266k due to haylage and septage revenue ahead of plan by \$311k offset by trade waste levies behind plan by \$48k.
- Other revenue is ahead of plan by \$1.1m due to first time recognition and vested assets.
- Other expenses are ahead of plan by \$1.273m due to the following:
  - Reticulation maintenance over several schemes being ahead of full year budget by \$631k (includes an underspend on the sewer project of \$22k)
  - Other maintenance is currently over year to date budget by \$168k
  - Loss on disposal of assets \$146k
  - Operations costs are over budget by \$142k mainly due to resource consent renewal costs \$134k
  - Wage capitalisation is behind plan by \$194k due to renewal programme being behind plan.



## Solid Waste



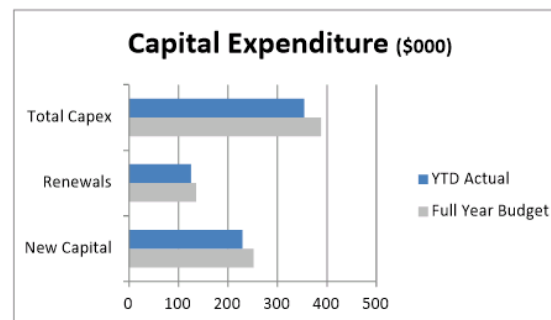
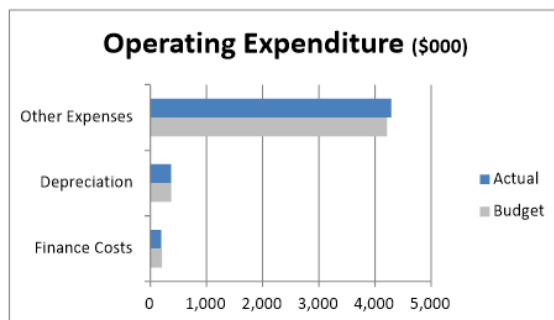
## Cost of Service Statement

For the year ending 30 June 2019

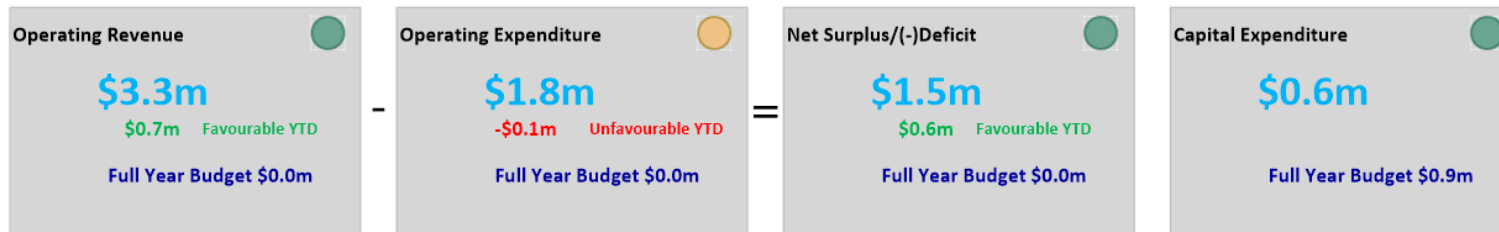
|                                    | Full Year    |              |             |            |
|------------------------------------|--------------|--------------|-------------|------------|
| \$000                              | Actual       | Budget       | Variance    | Variance % |
| <b>Revenue</b>                     |              |              |             |            |
| Rates                              | 2,013        | 2,007        | 6           | 0%         |
| Subsidies and Grants               | 159          | 120          | 39          | 33%        |
| Development Contributions          | 0            | 0            | 0           | 0%         |
| Fees and Charges                   | 3,064        | 2,821        | 243         | 9%         |
| Finance Revenue                    | 0            | 0            | 0           | 0%         |
| Other Revenue                      | 0            | 0            | 0           | 0%         |
| <b>Total Revenue</b>               | <b>5,236</b> | <b>4,948</b> | <b>288</b>  | <b>6%</b>  |
| <b>Operating Expenditure</b>       |              |              |             |            |
| Other Expenses                     | 4,295        | 4,217        | (78)        | -2%        |
| Depreciation                       | 372          | 374          | 2           | 1%         |
| Finance Costs                      | 195          | 212          | 17          | 8%         |
| <b>Total Operating Expenditure</b> | <b>4,862</b> | <b>4,803</b> | <b>(59)</b> | <b>-1%</b> |
| <b>Net Surplus/Deficit</b>         | <b>374</b>   | <b>145</b>   | <b>229</b>  |            |

### Explanation of variances to budget

- Grants and subsidies are ahead of plan by \$39k due to \$22k funding from Glass Packaging Forum for upgrades to Kinloch Transfer Station and the waste minimisation subsidy ahead of plan by \$17k
- Revenue is ahead of plan by \$243k this is due in part to increased volumes and timing against budget



## Stormwater



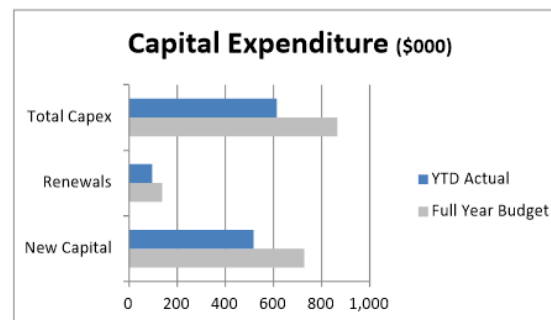
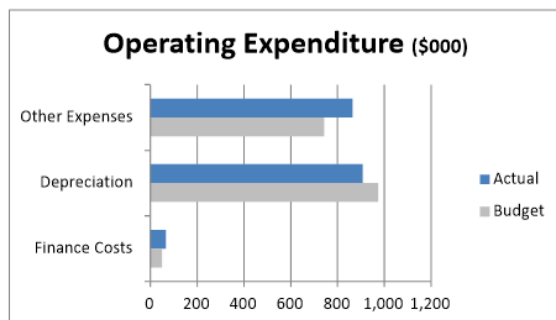
## Cost of Service Statement

For the year ending 30 June 2019

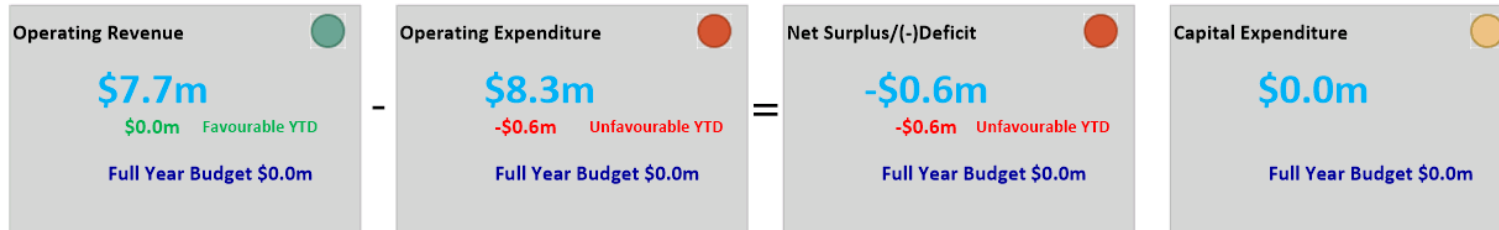
|                                    | Full Year    |              |             |            |
|------------------------------------|--------------|--------------|-------------|------------|
| \$000                              | Actual       | Budget       | Variance    | Variance % |
| <b>Revenue</b>                     |              |              |             |            |
| Rates                              | 1,769        | 1,769        | 0           | 0%         |
| Subsidies and Grants               | 0            | 0            | 0           | 0%         |
| Development Contributions          | 0            | 0            | 0           | 0%         |
| Fees and Charges                   | 0            | 0            | 0           | 0%         |
| Finance Revenue                    | 0            | 0            | 0           | 0%         |
| Other Revenue                      | 1,483        | 756          | 727         | 96%        |
| <b>Total Revenue</b>               | <b>3,252</b> | <b>2,525</b> | <b>727</b>  | <b>29%</b> |
| <b>Operating Expenditure</b>       |              |              |             |            |
| Other Expenses                     | 864          | 744          | (120)       | -16%       |
| Depreciation                       | 908          | 974          | 66          | 7%         |
| Finance Costs                      | 67           | 51           | (16)        | -31%       |
| <b>Total Operating Expenditure</b> | <b>1,839</b> | <b>1,769</b> | <b>(70)</b> | <b>-4%</b> |
| <b>Net Surplus/Deficit</b>         | <b>1,413</b> | <b>756</b>   | <b>657</b>  |            |

### Explanation of variances to budget

- Other revenue is ahead of plan by \$727k due to first time recognition and vested assets.
- Other expenses are ahead of plan by \$120k due to loss on disposal of assets \$70k and maintenance costs \$50k.



## Democracy and Planning

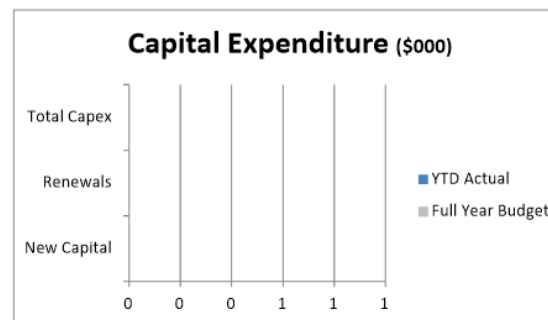
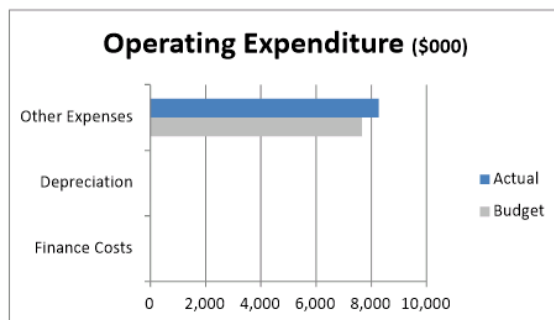


### Cost of Service Statement For the year ending 30 June 2019

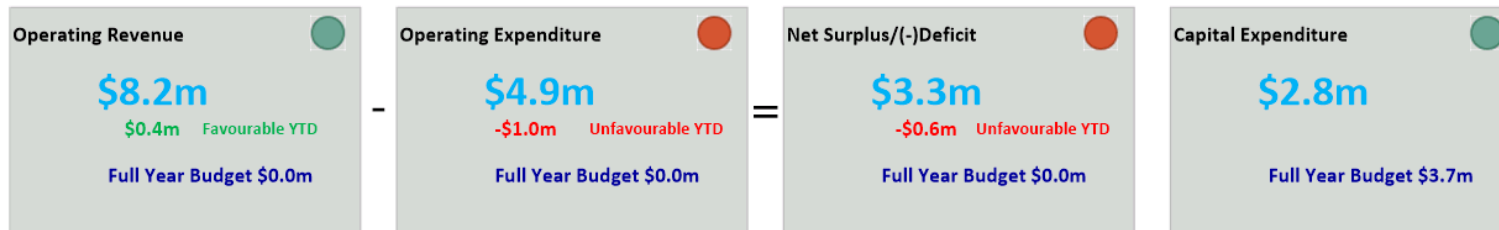
| Full Year                          |              |              |              |            |
|------------------------------------|--------------|--------------|--------------|------------|
| \$000                              | Actual       | Budget       | Variance     | Variance % |
| <b>Revenue</b>                     |              |              |              |            |
| Rates                              | 7,666        | 7,666        | 0            | 0%         |
| Subsidies and Grants               | 0            | 0            | 0            | 0%         |
| Development Contributions          | 0            | 0            | 0            | 0%         |
| Fees and Charges                   | 2            | 1            | 1            | 100%       |
| Finance Revenue                    | 0            | 0            | 0            | 0%         |
| Other Revenue                      | 0            | 0            | 0            | 0%         |
| <b>Total Revenue</b>               | <b>7,668</b> | <b>7,667</b> | <b>1</b>     | <b>0%</b>  |
| <b>Operating Expenditure</b>       |              |              |              |            |
| Other Expenses                     | 8,269        | 7,669        | (600)        | -8%        |
| Depreciation                       | 14           | 12           | (2)          | -17%       |
| Finance Costs                      | 0            | 0            | 0            | 0%         |
| <b>Total Operating Expenditure</b> | <b>8,283</b> | <b>7,681</b> | <b>(602)</b> | <b>-8%</b> |
| <b>Net Surplus/Deficit</b>         | <b>(615)</b> | <b>(14)</b>  | <b>(601)</b> |            |

#### Explanation of variances to budget

- Other expenses is over plan by \$600k due to operating expense \$63k and the balance is due to allocation of overheads \$538k



## Investments



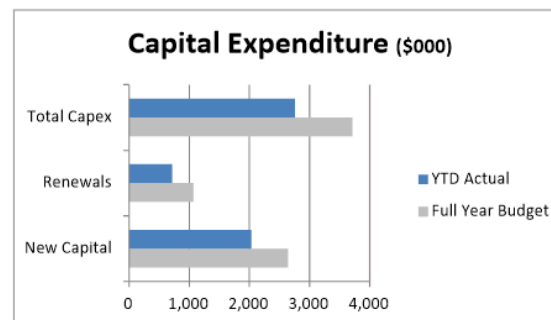
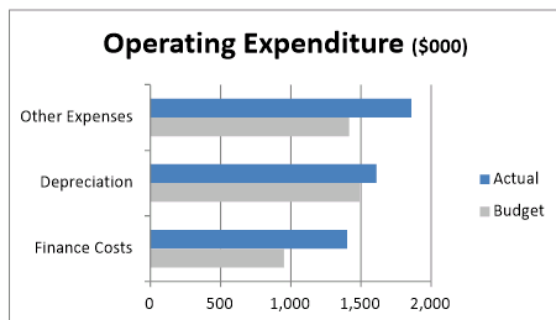
## Cost of Service Statement

For the year ending 30 June 2019

|                                    | Full Year    |              |                |             |
|------------------------------------|--------------|--------------|----------------|-------------|
| \$000                              | Actual       | Budget       | Variance       | Variance %  |
| <b>Revenue</b>                     |              |              |                |             |
| Rates                              | (969)        | (969)        | 0              | 0%          |
| Subsidies and Grants               | 245          | 0            | 245            | 0%          |
| Development Contributions          | 17           | 0            | 17             | 0%          |
| Fees and Charges                   | 998          | 1,414        | (416)          | -29%        |
| Finance Revenue                    | 4,640        | 3,790        | 850            | 22%         |
| Other Revenue                      | 3,268        | 3,577        | (309)          | -9%         |
| <b>Total Revenue</b>               | <b>8,199</b> | <b>7,812</b> | <b>387</b>     | <b>5%</b>   |
| <b>Operating Expenditure</b>       |              |              |                |             |
| Other Expenses                     | 1,861        | 1,417        | (444)          | -31%        |
| Depreciation                       | 1,612        | 1,494        | (118)          | -8%         |
| Finance Costs                      | 1,402        | 954          | (448)          | -47%        |
| <b>Total Operating Expenditure</b> | <b>4,875</b> | <b>3,865</b> | <b>(1,010)</b> | <b>-26%</b> |
| <b>Net Surplus/Deficit</b>         | <b>3,324</b> | <b>3,947</b> | <b>(623)</b>   |             |

### Explanation of variances to budget

- Grants received \$245k due to grant received for training and freedom camping ambassadors
- Fees and charges are behind plan by \$416k mainly due to no section sales
- Finance revenue \$850k ahead of budget due to additional investment funds and interest earned on the \$30m of loan prefunding
- The unfavourable variance of \$309k is due to gain on sale of investment property being below annual plan by \$1m and other revenue behind plan by \$89k, offset by gain on sale of forestry \$557k first time recognition of a land asset \$155k, dividends \$45k and net realised gains on shares \$673k
- Other expenses are over plan by \$444k due to net unrealised losses on shares \$304k and effect of Support cost centres of \$140k.
- Finance costs are over plan by \$448k due to interest costs on the \$30m of loan prefunding, which is offset by interest earned (refer above).



## Economic Development



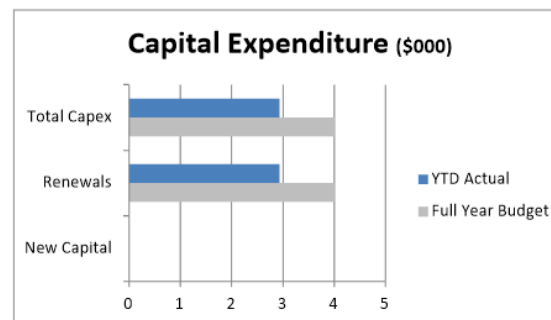
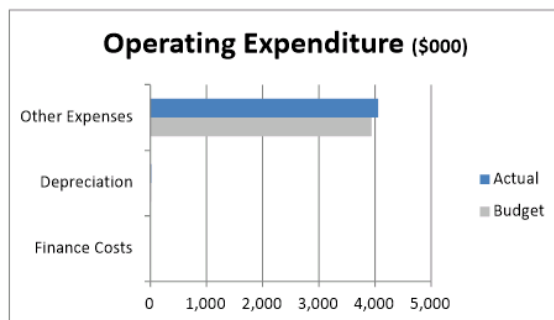
## Cost of Service Statement

For the year ending 30 June 2019

|                                    | Full Year    |              |              |            |
|------------------------------------|--------------|--------------|--------------|------------|
| \$000                              | Actual       | Budget       | Variance     | Variance % |
| <b>Revenue</b>                     |              |              |              |            |
| Rates                              | 3,958        | 3,956        | 2            | 0%         |
| Subsidies and Grants               | 104          | 0            | 104          | 0%         |
| Development Contributions          | 0            | 0            | 0            | 0%         |
| Fees and Charges                   | 23           | 0            | 23           | 0%         |
| Finance Revenue                    | 0            | 0            | 0            | 0%         |
| Other Revenue                      | 0            | 0            | 0            | 0%         |
| <b>Total Revenue</b>               | <b>4,085</b> | <b>3,956</b> | <b>129</b>   | <b>3%</b>  |
| <b>Operating Expenditure</b>       |              |              |              |            |
| Other Expenses                     | 4,060        | 3,939        | (121)        | -3%        |
| Depreciation                       | 18           | 14           | (4)          | -29%       |
| Finance Costs                      | 3            | 3            | 0            | 0%         |
| <b>Total Operating Expenditure</b> | <b>4,081</b> | <b>3,956</b> | <b>(125)</b> | <b>-3%</b> |
| <b>Net Surplus/Deficit</b>         | <b>4</b>     | <b>0</b>     | <b>4</b>     |            |

### Explanation of variances to budget

- Subsidies and grants are ahead of plan mainly due to \$100k grant from MBIE for Ironman 70.3
- Other expenses are over plan by \$121k mainly due to cost associated with Ironman 70.3



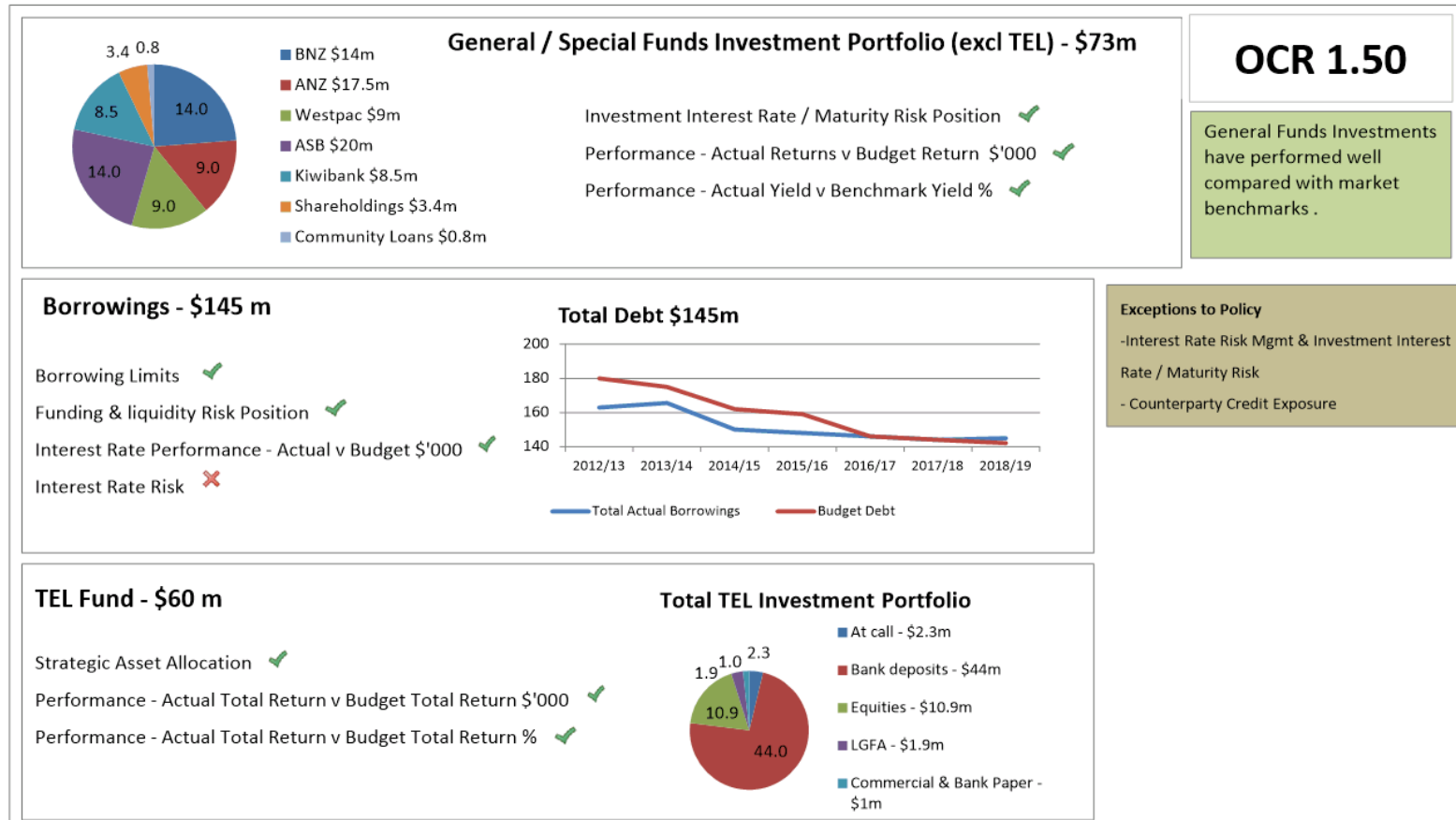


## Taupo District Council Monthly Treasury Management Report



Month Ended: 30 June 2019

## Summary



# Taupo District Council Monthly Treasury Management Report



Month Ended: 30 June 2019

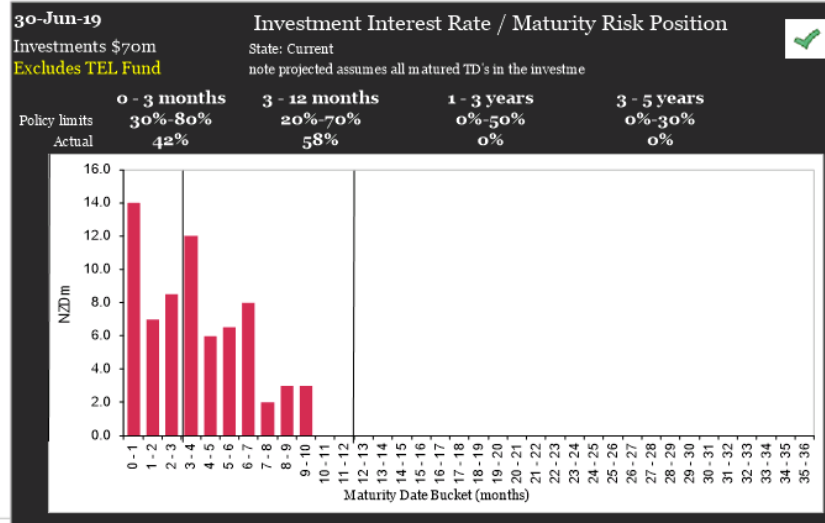
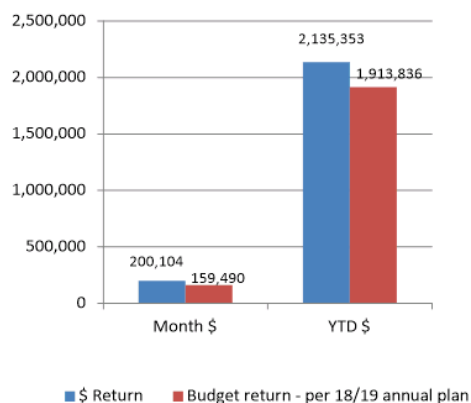
General / Special Fund Investments - \$70m (excl \$3.5m shareholding & loans)

## Performance - Policy Compliance

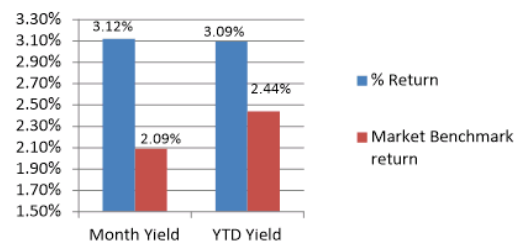
We are performing well against target returns this year, exceeding that planned.  
Performance against market benchmarks are also favourable for the month.

The investment return figures show the return excluding interest earned from July 2018 to March 2019 on the \$30m additional deposits of funds borrowed early to pre-fund the LGFA debt which was repaid in March 2019.

### Investment Portfolio - Actual Return vs Budget \$'000 (cash return) ✓



### Investment Portfolio - Actual Return vs Market Benchmark Return (cash return) ✓



### Financial Investment Performance Measure:

Internally managed general funds/ special reserves actual investment returns must be benchmarked to a market interest rate. The benchmark is constructed as follows:

- 50% 6-month BKBM mid-rate (average of reporting month)
- 50% 6-month BKBM mid-rate, 6 months ago (average of month)
- = 100%

# Taupo District Council Monthly Treasury Management Report

Month Ended: 30 June 2019

Borrowing - \$145m

Current Standard & Poors Rating: AA

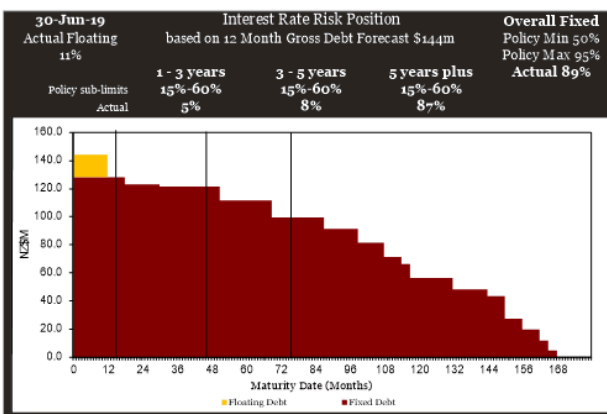
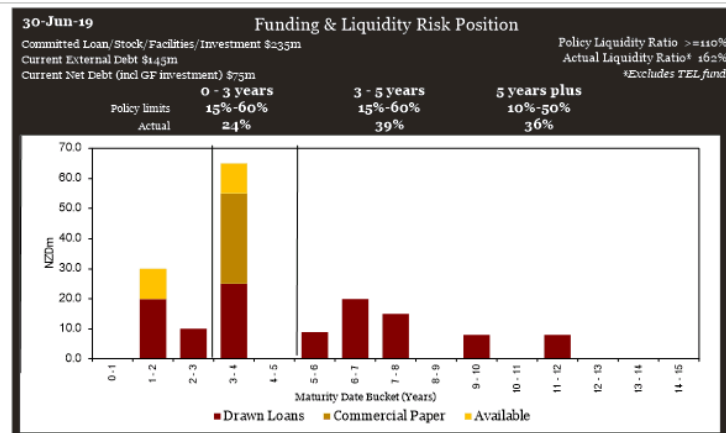


## Funding Facility

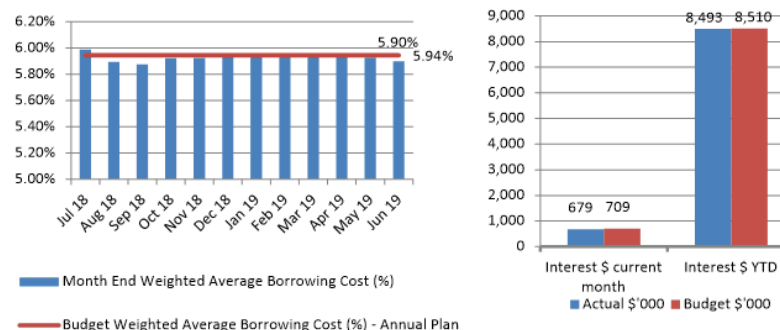
We have \$30m issued under our Commercial Paper programme backed up by facilities with BNZ (\$40m) and Westpac (\$10m). We have issued \$115m of Floating Rate Notes under our Debenture Trust Deed, all of which is through the LGFA.

## Borrowing Limits

| Borrowing Limits                                                                                           | Policy Limits | 2018/19 | Performance |
|------------------------------------------------------------------------------------------------------------|---------------|---------|-------------|
| Net External Debt / Total Revenue (TMP)                                                                    | < 200%        | 90%     |             |
| Net Interest on External Debt / Total Revenue (TMP)                                                        | < 20%         | 6.9%    |             |
| Net Interest on External Debt / Annual Rates Income (TMP)                                                  | < 25%         | 8.7%    |             |
| Liquidity (External, term debt + committed bank facilities + liquid investments to existing internal debt) | > 110%        | 160%    |             |



## Borrowing Cost Performance



## Taupo District Council Monthly Treasury Management Report

Month Ended: 30 June 2019

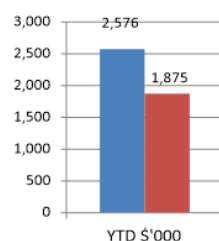
TEL Portfolio - \$60.0m



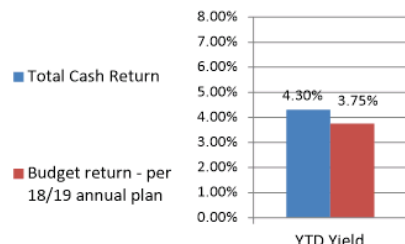
### TEL Investment Portfolio - Performance - Total Return

Results for the TEL Fund were very positive in July 2018 and August 2018, boosted by realised gains on shares sold during this period. In mid-late October 2018 there was a fall in the sharemarket, which resulted in an unrealised loss of \$1.2m on the equity portfolio at 30 November 2018. The market has been strengthening since then, and the unrealised loss is now \$0.2m at 30 June 2019. The TEL investment portfolio shows a return of \$2.3m on a total return basis, exceeding budget. The yield on a total return basis is 3.79%, also exceeding budget.

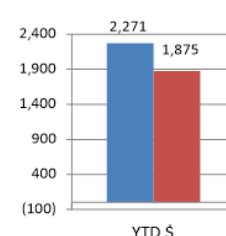
TEL Investment Portfolio -  
Actual vs Budget \$'000  
(cash return basis)



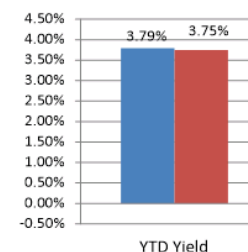
TEL Investment Portfolio - Actual  
vs Budget Yield (cash return basis)



TEL Investment Portfolio -  
Actual vs Budget \$'000  
(total return basis)

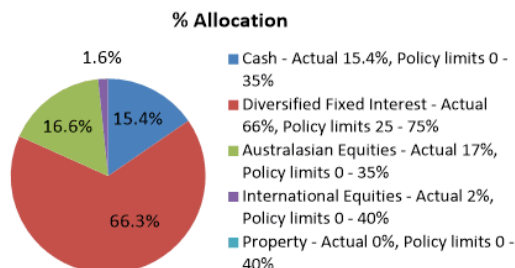


TEL Investment Portfolio - Actual vs  
Budget Yield (total return basis)



### TEL Investment Portfolio - Strategic Asset Allocation - Policy Compliance

TEL strategic asset allocation is within the target allocation. Much of our investment is within lower yielding term investments but we have found, and continue to look for, opportunities to maximise our returns within lower risk equities and bonds.



### Equities:

The following equity transactions were executed in the month of June 2019 :-

- Purchase 9,872 shares in Costa Group @ \$A 3.70 for net cost \$NZ \$39k
- Purchase 150,000 shares in Syrah Resources @ \$A1.05 and 50,000 shares @ \$A0.85 for a total net cost of \$NZ 211k
- Purchase 30,000 shares in Link Administration @ \$A 5.50 and 20,000 shares @ \$A 5.45 for a total net cost of \$NZ 289k

## Taupo District Council Monthly Treasury Management Report

Month Ended: 30 June 2019



### Counterparty Credit Exposure - Policy Compliance

Counterparty Credit Exposures are within limits for all transaction types at 30 June 2019.

Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments and investments, excl. property)

|                                                                                    |              |
|------------------------------------------------------------------------------------|--------------|
| Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest rate risk management)  | \$20,000,000 |
| Policy Credit Limit (NZ\$) per NZ Registered Bank (Investments)                    | \$35,000,000 |
| Policy Credit Limit (NZ\$) per NZ Registered Bank (Total maximum per counterparty) | \$55,000,000 |

|                            | Min LT/ST credit rating | Max \$ per counterparty (\$m) | \$m per issuer | Policy<br>Max % of total investment portfolio | Actual<br>Issuer % of total investment portfolio | Compliance |
|----------------------------|-------------------------|-------------------------------|----------------|-----------------------------------------------|--------------------------------------------------|------------|
| NZ Govt                    | NA                      | Unlimited                     | 0.00           | 100%                                          | 0%                                               | Y          |
| NZ registered bank         | A+/A-1                  | 35.00                         | 115.32         | 100%                                          | 98%                                              | Y          |
| NZ LGFA                    | AA-/A-1                 | 40.00                         | 1.84           | 50%                                           | 2%                                               | Y          |
| Corporate                  | A-/A-1                  | 5.00                          | 0.00           | 50%                                           | 0%                                               | Y          |
| SOE                        | BBB/A-2                 | 5.00                          | 0.00           | 50%                                           | 0%                                               | Y          |
| NZ local authority         | A+/A-1                  | 10.00                         | 0.00           | 25%                                           | 0%                                               | Y          |
| NZ local authority unrated |                         | 5.00                          | 0.00           | 25%                                           | 0%                                               | Y          |

|          | Short Term Rating | Long Term Rating | Credit Exposure -Total Investments (\$m) | FPCE Credit Exposure (Swaps) (\$m) | Compliance |
|----------|-------------------|------------------|------------------------------------------|------------------------------------|------------|
| Westpac  | A-1+              | AA-              | 19.00                                    | 0.00                               | Y          |
| ANZ      | A-1+              | AA-              | 27.50                                    | 8.95                               | Y          |
| ASB      | A-1+              | AA-              | 28.50                                    | 6.77                               | Y          |
| BNZ      | A-1+              | AA-              | 26.82                                    | 8.29                               | Y          |
| Kiwibank | A-1               | A+               | 13.50                                    | 0.00                               | Y          |
| CBA      | A-1+              | AA-              | 0.00                                     | 0.00                               | Y          |
| LGFA     | A-1+              | AA+              | 1.84                                     |                                    | Y          |

### Investment Interest Rate / Maturity Profile (General / Reserve):

| Period            | 0 - 3 months | 3 - 12 months | 1 - 3 years |
|-------------------|--------------|---------------|-------------|
| Policy Limits     | 30% - 80%    | 20% - 70%     | 0% - 50%    |
| Actual            | 42%          | 58%           | 0%          |
| Policy Compliance | Y            | Y             | Y           |

### Carbon Credits

In the month of May 2019 15,600 NZ carbon credits were purchased at a total cost of \$391k. These carbon credits were surrendered on 31 May 2019 to satisfy our net emission liability for the current assessment year 1 Jan 2018 to 31 Dec 2018.

### Exceptions to Policy

#### Interest rate risk position :

Council adopted a new treasury management policy in June 2015. This included a significant policy change to interest rate risk management parameters, moving to sub-limits over time bands. It will take 3-4 years for Council to transition its existing interest rate hedging instruments to align with the new policy.