



PROPOSAL TO ESTABLISH AN ENVIRONMENTAL EDUCATION CENTRE

At the Brick Villa, 19 Longbush Road, Harbour View Estate

The Brick Villa at 19 Longbush Road has been identified in the Harbour View Open Space Management Plan as an important heritage building and identified as a future environmental education and information centre and/or community based activity site.

EcoMatters Environment Trust (the Trust) has been granted a lease over the building and is seeking seed funding from the Council for the internal refurbishment of the building in the amount of \$5000. The Trust proposes to raise the remaining money (an estimated \$95,000) for the refurbishment through a combination of grants and sponsorship.

During the process of development of the Harbour View Estate, the exterior of the building was extensively refurbished by Waitakere Properties Limited, who has now transferred the building and surrounding land back to the Council. The building consists of a kitchen, storage room, shower/toilet, two large rooms and two smaller rooms.

The interior of the building has not been refurbished and the Trust proposes to undertake the refurbishment and seek listing of the building in the Waitakere City District Plan as a heritage building upon the completion of upgrading.

The proposed refurbishment will ensure that the interior will be fire rated with gib board and painted walls. The kitchen will be renovated in keeping with the building character. The toilet facilities will be upgraded and enlarged by using the small room behind the existing shower box. The floors will be varnished, whilst rugs and furnishing will be in keeping with the historic interior. Electronic smoke alarms and high quality burglar alarms will be fitted. The building will also be retrofitted with solar water heating.

The Trust proposes to use the brick house for the purposes of running an environmental education centre, with an emphasis on the wetland and marine ecology of the local environment. Provision will also be made by the Trust to allow Council and other community groups to use part of the facility for training sessions, small seminars and other low-key uses of the meeting space.

The Trust believes that this proposal is entirely consistent with the Harbour View Open Space Management Plan and will deliver on Council's stated objectives for the site.

Meetings have been held with local residents who have raised concerns about the hours of operation and the management of traffic. It is preferable to the residents that the hours of operation be limited to Monday to Friday 9am – 5pm. However, it is likely that the Brick Villa will be an attractive destination point for visitors to the People's Park who may be only able to visit the Park outside of work hours and on the weekends. In addition, it is possible that local residents may want to use the Brick Villa as a meeting place on the occasional evening to discuss and network on local issues. It is therefore proposed that hours of operation for the Brick Villa be Monday to Friday 9am – 5pm and Saturdays from 10am – 3pm. It is also proposed that the Brick Villa be open on selected evenings during the week as demand warrants and that this be trialled for 6 months to assess demand. EcoMatters will continue to work closely with the local residents in regard to opening hours.

Parking is a major issue at the Brick Villa and EcoMatters will be submitting a proposal to the Council Parks Unit in regard to managing public parking at the Villa. EcoMatters will also be working with the Council to monitor traffic volumes to ensure that traffic impacts on the neighbourhood are minimised.

Waitakere City Council & Enterprise Waitakere 3 Year Funding & Service Agreement - Schedule 1

Enterprise Incubator

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2004
<ol style="list-style-type: none"> Continue to grow services of the WestSmart business incubator to meet the needs of local Small and Medium Enterprises. Move towards a best practice model of incubation. 	<ul style="list-style-type: none"> Continue to support local start-up enterprises through the Incubator. Provide mentoring opportunities to start-up enterprises. Identify appropriate support mechanisms for social enterprises, such as mentoring of the Pacific Island Advisory Board and cultural initiative at Corban and Ranui Action Project. 	<ul style="list-style-type: none"> Performance monitoring system providing information on the impact of incubator on: <ul style="list-style-type: none"> local jobs export earnings turnover profitability 75% survival rate of incubated businesses 75% of graduate businesses local in Waitakere 80% businesses completing the LaunchPad programme finding it useful or very useful 15 of ideas through the First Step programme 5 training programmes provided for incubator tenants Development and establishment of support mechanisms for social enterprises, including signposting to: <ul style="list-style-type: none"> HR & training advice Financial advice Programme & project development advice. 	<ul style="list-style-type: none"> No influence on local jobs as yet – no resident companies are yet employing staff. However, we have linked a Gateway student on work experience with one company. This may translate into employment in 2005. This trial may produce similar ventures by other resident companies. Luxury Adventures are currently looking at applying for a Unitec Industry-Based Learning student for a Marketing Project. No resident companies are currently exporting Turnover & profitability varies, with two residents performing especially well Two businesses have exited the incubator to relocate at home and one business has graduated to ASB Tower, Central Auckland to be close to their market. No LaunchPad programmes run during the period. Six businesses completed 1st Step in March – translating to four businesses resident in a shared office for six months. This project fully funded by Media Design School

2003/04 is the first year in which the First Step programme is to be run, therefore, performance measures relate to the number of business ideas. The current year will enable a base level of information to be gathered, which will be used to inform performance measure relating to the conversion rate of ideas to start-up businesses.

Waitakere City Council & Enterprise Waitakere 3 Year Funding and Service Agreement – Schedule 1 (2003/2004) – Services & Agreed Performance Measures

			<ul style="list-style-type: none"> • Goal setting and checking, regular monthly morning tea and afternoon meetings, commencement of a seminar series and informal meetings with the manager are all available to all residents. • Programmes to assist artists through the 1st Step process, plus meetings with Corban's Estate Management are in progress to expand WestSmart services into this area. • Pacific Business Trust take up residence at WestSmart from April 23rd. • Film Auckland have been resident as a tenant business since January, plus WestSmart hosted the pre-production team of the Lion the Witch & the Wardrobe during January and February prior to their establishment at Henderson Valley Studios and Hobsonville
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Small & Medium Enterprise Support

Objectives	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2004
<p>1. Maximise central government funding to Waitakere businesses.</p> <p>2. Increase the number of active business mentors in Waitakere to meet demand.</p> <p>3. Facilitate linkages to training, funding, exporting and mentoring programmes for Small & Medium Enterprises in Waitakere.</p>	<ul style="list-style-type: none"> • Secure central government service delivery contracts to deliver economic development programmes locally. • Contribute to the Council's town centre work. • Further develop a role in Maori economic development, including Maori Business Facilitation Service development. 	<ul style="list-style-type: none"> • 90% success rate for applications made through ENTERPRISE WAITAKERE. • Outcome statistics from funding received kept and reported. • Support systems to Maori business established and system established to monitor the contribution to their growth. 	<ul style="list-style-type: none"> • A total of 269 businesses were mentored during the period. 220 mentor visits via the NZTE Enterprise Training programme and 49 via the Business Mentor Programme (BITC). This is an increase over the previous period due to an unexpected increase in January enquiries and activity associated with the new series of Enterprise Training workshops running in March. • The opportunity for a mentor to specifically assist start ups in Waitakere was brokered to mentor organisation Company Rebuilders in March. A new mentor has been appointed for the whole Auckland region and it is hoped he will be focused on Waitakere's need to meet demand for a one to one start up service. 2 new mentors were inducted into the mentor programme both with sales & marketing as a key skill in their repertoire. Sales & marketing continues to be in high demand. Advice trends listed from highest demand to lowest are:

			<p>Sales & marketing 26%, general management & admin 33%, financial management 14%, production & distribution 10%, exporting 4%.</p> <ul style="list-style-type: none"> • This quarter 13 NZTE management workshops were held. This includes targeted sector delivery to marine (4) and 1 retail event. All met sector service targets. One workshop targeting retail is scheduled for April. • A Ministry for the Environment pilot on sustainable business practice for SMEs commenced delivery in March. Sustainability health checks on SME owners, workshops & focus groups have been supported by local business champions Stephen Baugh & Chris Morrison. Service targets have been met to date. The pilot concludes in May. • 21 people engaged facilitation services via MBFS or Maori Business Facilitation Service. The objective for most participants has been acquiring funding or finance for their start up venture. Business plans are commenced to assist the process of attracting funds and establishing goals. 3 plans have been completed to date. Many remain incomplete while market research is conducted and feasibility remains an issue for many start ups.
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Strategy, Advocacy and Networking

Objectives	Actions	Performance Measures (2003/2004)	Waitakere Employment and Skills
<p>1. Influence national, regional and local funding, policy and strategy development to secure positive outcomes for sustainable economic development in Waitakere.</p> <p>2. Establish, maintain and leverage networks to positively impact on sustainable economic development in Waitakere.</p> <p>3. Meet the Local Government Act 2002 requirement for the development of a Statement of Intent.</p>	<ul style="list-style-type: none"> • Actively contribute to strategies developed by the Council, which affect economic development of the city, including: <ul style="list-style-type: none"> - A Waitakere Economic Development Strategy - Waitakere Employment and Skills Project² - Waitakere On-line strategy - Council's Strategic Projects. • Maintain direct contact with central government agencies to remain up to date on all new economic development related programmes and funding. • Maintain and contribute to local, regional and national business networks. • Support Council in its relationships and initiatives with the business sector. • Provide ongoing feedback and advice to Council on all economic develop and business related interaction. • Continuously scan for new opportunities for Waitakere and respond to these as appropriate 	<ul style="list-style-type: none"> • Proactive participation and advice. • \$1,500,000 of central government programmes delivered by Enterprise Waitakere in Waitakere. • Database of over 1000 businesses maintained. • Maintained membership of Economic Development Association of New Zealand. • Attendance at 2 Economic Development Association of New Zealand and one other national economic development conference. • Proactive involvement in the development and implementation planning of the Waitakere Economic Development Strategy. • Continued to host and provide support to the Waitakere Employment and Skills Project, including: <ul style="list-style-type: none"> - Building stakeholder involvement in the Project and implementing actions under the Project. - Identifying funding 	<ul style="list-style-type: none"> • Waitakere Employment and Skills Project Manager hosted by EW. EW Chairs the cross sectoral Steering Group that now features 10 key organisations. All actions on time and within budget. Securing funding for projects is ongoing. To date, over \$800 000 has been committed to this project. • A significant commitment has been made to advocating on behalf of the City, on Whenuapai. • One EDANZ conference attended • Databases continually updated • At the end of 3rd quarter 1.4m of central government programme funding achieved.

² WESP is subject to separate funding grant from Council for part funding of the Project Manager post, which is hosted by Enterprise Waitakere.

³ Performance measures in relation to Hobsonville detailed under 'Cluster Development (Marine) as locational focus of activity.'

	<ul style="list-style-type: none"> • Maintain membership and participation in Economic Development Association of New Zealand network. • Advocate the Henderson Valley Studios as a national facility. • Facilitate economic development opportunities associated with Hobsonville and Whenuapai.³ 	<p>requirements to implement the project and supporting it to secure funding.</p> <ul style="list-style-type: none"> • Develop and agree a Statement of Intent with Council, with the draft SoI submitted no later than 21 February 2004. • Work in partnership with Council to promote the option for Whenuapai to be developed into a commercial airfield. 	<ul style="list-style-type: none"> • SOI under development
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Cluster Development (Film)

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2003
<p>1. Enhanced international competitiveness of the local screen production industry.</p> <p>2. Increased international awareness of Waitakere City as an international film production base.</p> <p>3. Increased screen production activity in Waitakere.</p>	<ul style="list-style-type: none"> • Host Film Auckland and the 2003 Film Summit.⁴ • Support outcomes from the 2003 Film Summit. • Monitor skills requirements of the cluster and facilitate skills development. • Develop a prospective investment framework for the Stage 3 development of Henderson Valley Studios (under the business plan), and seek a private sector equity partner.⁵ • Market Henderson Valley Studios to local and international production companies. • Act as Councils agent to provide a 'one-stop-shop' filming applications approval. 	<ul style="list-style-type: none"> • Film Auckland website established and regularly up-dated. • Information available at London Festival Week, AFCI Locations Expo and London film locations trade show achieved. • Strong industry network and partnerships. • Participation in at least one industry conference. • Filming approval applications processed in full and on time. • 3 pitches for productions in Waitakere facilitated. • Report provided on timing for Stage 3 development of the Henderson Valley Studios provided by May 04. • Report produced on skills development requirements of the industry. 	<p>Film Auckland website is established www.filmauckland.com</p> <p>Film Auckland is sponsoring the Women in Film and Television International Conference in Auckland in April. A 'West Coast Tour' will be hosted as part of the conference.</p> <p>Enterprise Waitakere sits on the Film Auckland Advisory Board</p> <p>Auckland Screen Production Industry Major Regional Initiative concept application to New Zealand Trade and Enterprise was approved in Feb. Work on the second stage of the application process is ongoing.</p> <p>Hosted 3 international delegations in first half year</p>

⁴ Film Auckland is being sponsored by Auckland Regional Economic Development Strategy under 'Go Now' funding.

⁵ The role of Enterprise Waitakere in the management of Henderson Valley Studios is covered in a separate contract.

			<p>Lion Witch and the Wardrobe production is now established in Waitakere. Lamp Post Productions utilised the Westsmart incubator as their first base, before moving onto Henderson Valley Studios and their Hobsonville base.</p> <p>A Powhiri for Lion Witch and the Wardrobe was held at Hoani Waititi Marae on 6 April.</p> <p>Lion Witch and the Wardrobe are confirmed in Henderson Valley Studios until 31 December 2004</p> <p>Master Plan for the development of the studios completed. A private sector investment enquiry is currently being facilitated and will be reported to Council in June.</p> <p>Skills research report completed by Massey University</p>
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Cluster Development (organics)

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2004
<p>1. Increased organics production activity in Waitakere</p>	<ul style="list-style-type: none"> • Facilitate 4-6 companies to export products. • Establish new business in the organics field. • Maintain organics website. • Establish local education programmes to raise the awareness of organic products and business prospects locally. 	<ul style="list-style-type: none"> • Barriers to growth identified • Programme of actions developed and implemented to overcome barriers to growth for cluster members. • Quarterly newsletter produced. • 2 network meetings held. 	<p>Export plans for selected companies complete. These companies are now working directly with New Zealand Trade and Enterprise</p> <p>Quarterly newsletters completed</p> <p>Quarterly networking meetings held with monthly meetings of the core advisory group</p>

Cluster Development (Tourism)

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2004
<p>1. Maintain promotional profile for local tourism operators.</p> <p>2. Encourage local operators to become more proactive in promoting tourism opportunities in Waitakere.</p>	<ul style="list-style-type: none"> • Tourism promotion facilitated by the development of a market position statement, and creating a range of marketing opportunities. • Exploring further the potential to partner with local tourism operators, including identifying a capacity building programme. 	<ul style="list-style-type: none"> • Facilitate access wholesale market & training for local tourism operators – training designed a completed and export ready businesses represented to inbound tourism operators. • Development of a marketing position statement by local tourism operators. • Secure advertising in relevant publications. • Identify and develop a capacity building programme with local tourism operators. • Local operators support local tourism website, which is linked to regional networks and local operators. • Assess the benefits of current clustering approach with tourism operators so as to ascertain the merits of continuing the approach in to future years. 	<ul style="list-style-type: none"> • West of Auckland Tourism Inc membership of Tourism Auckland facilitated • Tourism Auckland will run a training and assessment course for operators interested in the wholesale market in May • Market positioning established and ready for stakeholder consultation • Advertising placed in Discover Auckland, AA Guides and Jason's Twin Coast Discovery • 50 operators business health being assessed to identify capability needs • Website will be developed after positioning is adopted • Attended Green Globe 21 Sustainable Tourism Conference in Kaikoura

Cluster Development (Marine)

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January – 31 March 2004
<p>1. Increased marine production activity in Waitakere.</p>	<ul style="list-style-type: none"> • Facilitate opportunities for further clustering at Hobsonville. • Monitor skills requirements of the cluster and facilitate skills development. • Support maximisation of the supply chain opportunities created through clustering. • Market Hobsonville as the preferred location. 	<ul style="list-style-type: none"> • Relationship development programme continuing to facilitate responses to industry needs. • Monitor and progress the marine skill development programme and facilitate required responses as needed. • Two industry network meetings held. • Participation in one industry conference. 	<ul style="list-style-type: none"> • Regular meetings conducted with Marine Industry Association • Specific sector focused enterprise training programme underway, sponsored by MIA

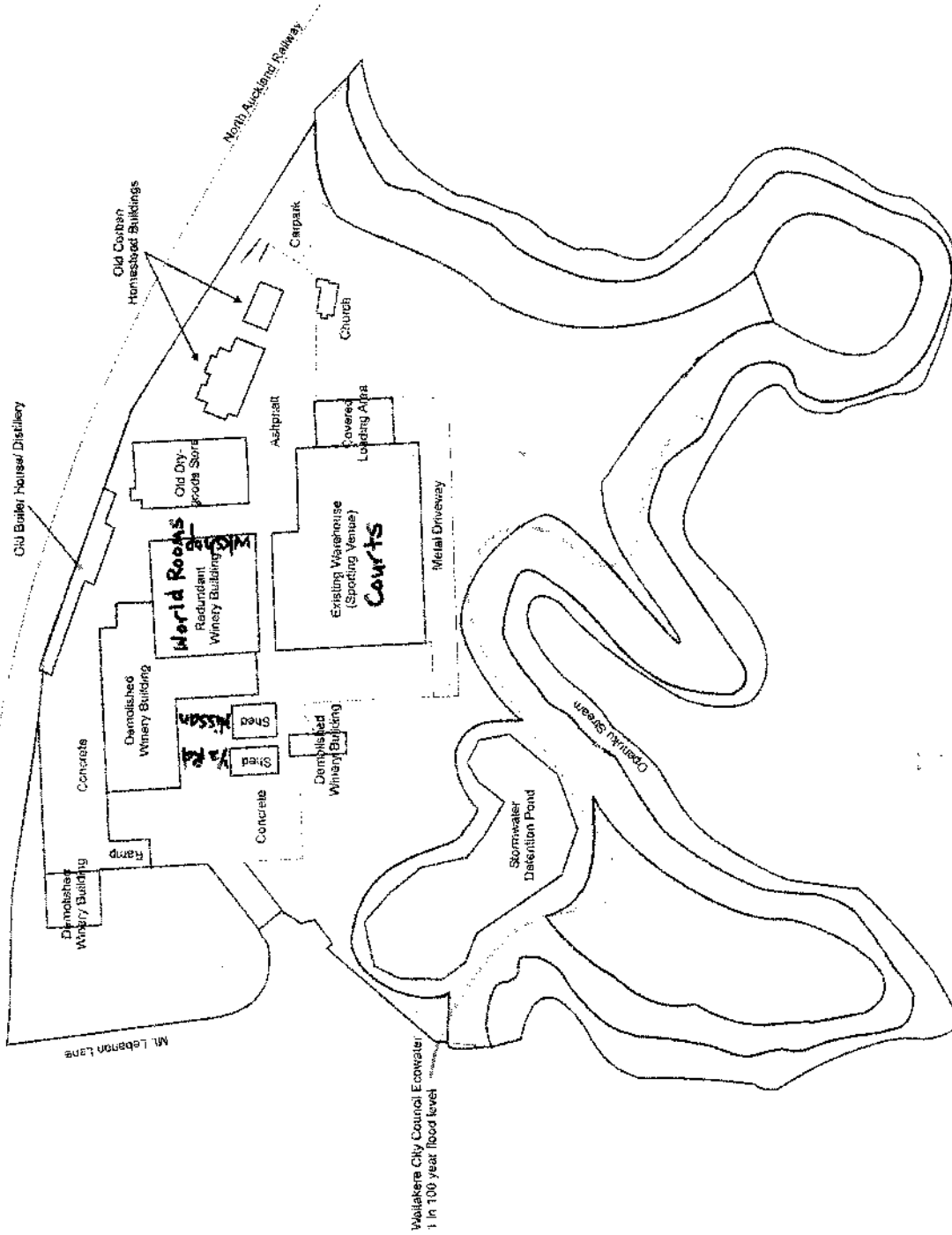
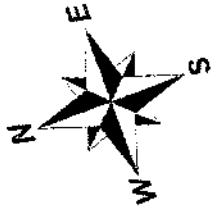
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Investment Attraction

Objective	Actions	Performance Measures (2003/2004)	Performance 1 January -- 31 March 2004
<p>1. Increased number of businesses locating in Waitakere.</p>	<ul style="list-style-type: none"> • Proactively market Henderson Vineyard Business Campus as an investment opportunity to the business sector. • Facilitate inward investment enquiries from businesses interested in locating in Waitakere. 	<ul style="list-style-type: none"> • 30 business location marketing opportunities facilitated. • 5 new business relocations successfully facilitated. • Henderson Vineyard Business Campus opportunities specifically marketed as agreed in partnership with Council staff⁶. 	<ul style="list-style-type: none"> • First 3 months of new year has seen 10 businesses assisted with enquiries, none have matured into further investment at this point. • Work with property owners in Henderson Vineyard Business Campus is ongoing. Several development prospects referred during this period. • Enterprise Waitakere has a dedicated resource working with local property owners (Investor Champion).

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 Clyde Rogers, Chief Executive Officer, Enterprise Waitakere
 Jen Cook, Partnerships & Advocacy Leader: Economic Development, Waitakere City Council

⁶ Details in relation to how HVBC is being marketed is currently being developed (3/12) re work via Campbell Barbour.



Waitakere City Council Ecopwater
1 in 100 year flood level

SCALE (m)



A114

Soil Engineering Ltd
Consulting Geotechnical Engineers

15 Paramount Drive P.O. Box 124 073 Lutzon North Auckland
Tel: (09) 838 0370 Fax: (09) 838 0371

WAITAKERE CITY COUNCIL
GEOTECHNICAL ASSESSMENT
CORBAN ESTATE WINERY
HENDERSON

CORBANS ESTATE

SCALE (AS):
1:2000

BY	DATE
DRAWN	RG
CHECKED	TB
	MAR 03
	MAR 03

DRAWING NO.
D017/4

SHEET 4 OF 9

75.00% of Financial Year

Executive Summary	Actual to Date	%age Spent	Annual Budget
<u>Operating Costs</u>			
Executive Suite	1,132,145	65.1%	1,740,041
Public Affairs	1,790,465	81.0%	2,211,658
Finance	1,001,824	76.2%	1,313,975
Corporate & Civic	11,264,413	75.9%	14,848,746
Strategy & Development	4,644,049	52.5%	8,841,069
City Services			
Regulatory	1,065,232	18.5%	5,746,430
Asset Management	31,577,846	71.0%	44,497,515
Planning & Community Services	9,459,610	66.8%	14,160,840
Service Management	3,421,401	75.6%	4,528,228
Project Services	2,472,103	86.9%	2,846,348
Total City Services	47,996,192	66.9%	71,779,361
Total Unit Operating Costs	67,829,088	67.3%	100,734,850
<u>Capital Expenditure</u>			
Executive Suite	0	0.0%	10,000
Public Affairs	10,444	18.3%	57,000
Corporate & Civic	2,581,573	37.3%	6,921,753
Strategic Projects	3,759,984	7.5%	50,261,938
City Services			
Regulatory	236,952	35.5%	667,500
Asset Management	17,777,292	34.7%	51,264,697
Planning & Community Services	469,989	14.8%	3,166,652
Service Management	56,579	62.9%	90,000
Project Services	1,280,077	44.3%	2,888,282
Total City Services	19,820,889	34.1%	58,077,131
Total Capital Expenditure	26,172,890	22.7%	115,327,822

Waitakere City Council
Special Funds Report
March 2004

SPECIAL FUNDS	Opening		Receipts	Expenditure	Interest Accrued	Closing		Budget / Commitments	Est. Yr End	
	Balance	Balance				Balance	Balance		Balance	Balance
Restricted Funds										
Recreation & Sport Fund	1,307,012	99,349	1,065,383	35,535	376,513	(46,250)	422,763			
Auckland Regional Services Trust (Arts)	1,075,155	0	257,888	42,381	859,648	(20,000)	879,648			
Land Subdivision Reserve Fund	4,710,887	2,415,824	1,788,846	216,676	5,554,541	1,346,957	4,207,584			
Waikumete Cemetery & Park Fund	2,159,089	7,638	158,593	89,856	2,097,990	164,045	1,933,945			
Harbourview / Orangihina Fund	515,215	322,500	374,738	21,092	484,070	388,862	95,208			
	9,767,368	2,845,311	3,645,448	405,540	9,372,762	1,833,614	7,539,148			
Non Restricted Funds										
Waitemata Asset Acquisition Fund	93,071	0	0	0	93,071		93,071			
New Lynn Asset Acquisition Fund	347,107	0	0	0	347,107	342,000	5,107			
Disaster Recovery Fund	2,497,272	0	0	0	2,497,272		2,497,272			
Rural Fire Recovery Fund	9,916	0	0	0	9,916		9,916			
Quarry Aftercare Fund	790,173	37,500	0	0	827,673	(12,500)	840,173			
Testing Station Plant Renewal Fund	46,000	0	0	0	46,000	18,000	28,000			
Community Wellbeing Fund	593,398	0	0	25,590	618,989	(24,500)	643,489			
	4,376,937	37,500	0	25,590	4,440,027	323,000	4,117,027			
Total Special / Separate Funds	14,144,295	2,882,811	3,645,448	431,130	13,812,789	2,156,614	11,656,175			

**WAITAKERE CITY COUNCIL ESTIMATED DEBT PORTFOLIO AT
31 March 2004**

	TERM DEBT (including Commissioner assets)		(\$000's)	
<i>Budget year end term debt position per 2003/2004 Long Term Council Community Plan</i>	Budget term debt	189,861		
	Further term debt approved by Council during 2003/2004	-		
	Budget 2003/2004 year end gross term debt	189,861		
	Less funds introduced from United Network Share Sale	-		
	Less investments held for resale	36,381		
	Forecast year end Sinking Fund Commissioner assets	4,908		
	Anticipated 2003/2004 Year End Net Term Debt	148,572		

		March 04	February 04
		Estimated	Estimated
	TERM DEBT PORTFOLIO	(\$000's)	(\$000's)
<i>Term debt position at 31 March 2004</i>	Term debt borrowed externally	92,321	81,821
	Special funds (used to reduce Council's external borrowing)	3,375	11,625
	Gross term debt	95,696	93,446
	Total Sinking Fund Commissioner assets	5,903	5,876
	Net term debt	89,793	87,570

<i>Term debt - source of funds at 31 March 2004</i>	Debenture stock - fixed rate (security: Debenture Trust Deed)	59,796	46,796
	Debenture stock - floating rate (security: Debenture Trust Deed)	27,025	20,025
	Secured bank loans (security: Debenture Trust Deed)	15,000	15,000
	Unsecured bank loans	(9,500)	0
	Finance Leases (security, associated asset)	0	0
	External borrowing	92,321	81,821
	Special funds (used to reduce Council's external borrowing)	3,375	11,625
	Gross term debt requirement	95,696	93,446

	WORKING CAPITAL	(\$000's)	(\$000's)
<i>Working capital borrowing at 31 March 2004</i>	Unsecured bank loans / (investments)	0	(550)
	Special funds (used to reduce Council's external borrowing)	9,734	1,484
	UNL Share Fund	-	-
	Council working capital borrowing requirement	9,734	934

	CASH INVESTMENTS	(\$000's)	(\$000's)
<i>Cash investments held 31 March 2004</i>	UNL Share Fund	-	-
	Other Cash Investments	-	-
	ARST fund (excluding fund allocations)	1,198	1,192
	Total cash investments	1,198	1,192
	ARST invested for 49 days - Current investment interest rate	5.42%	5.43%

Debt Forecast

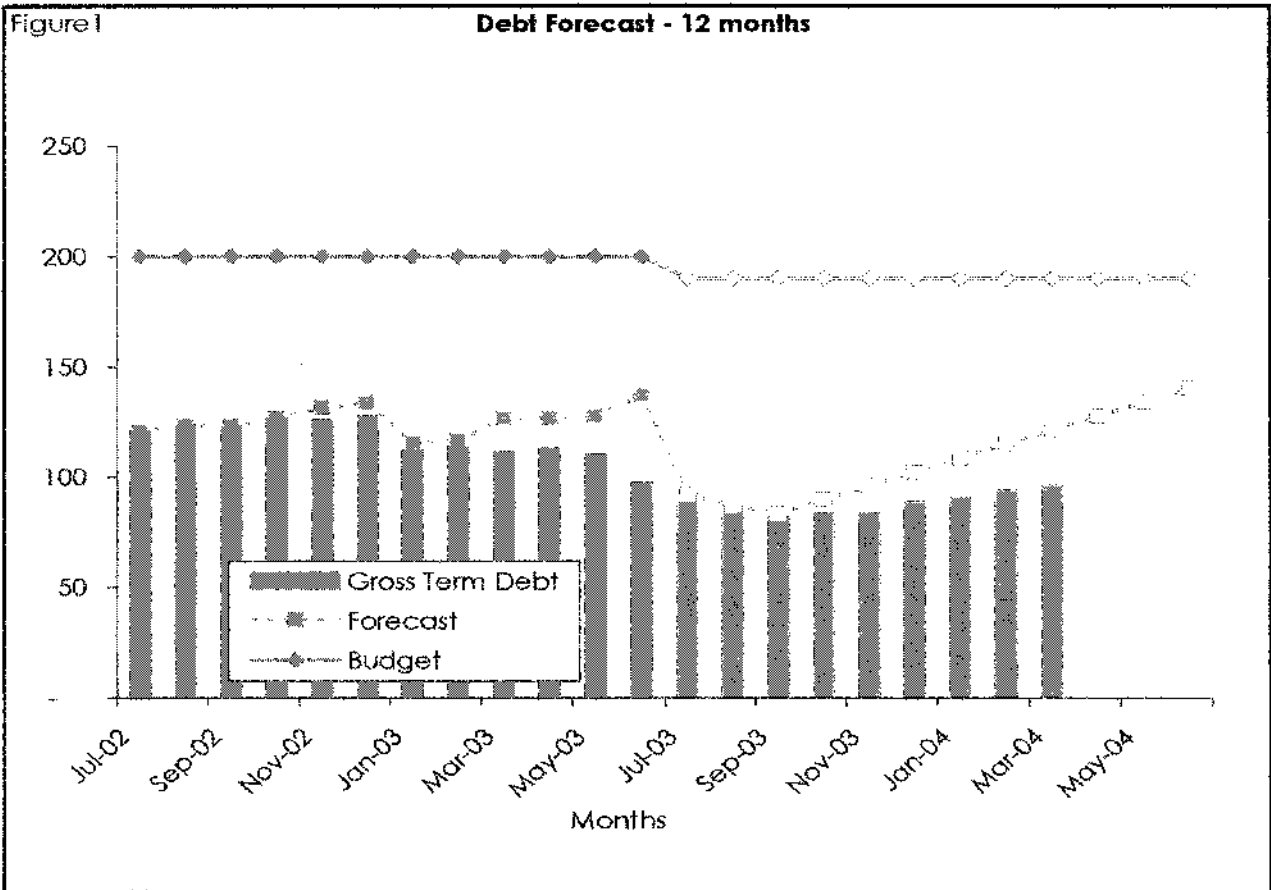
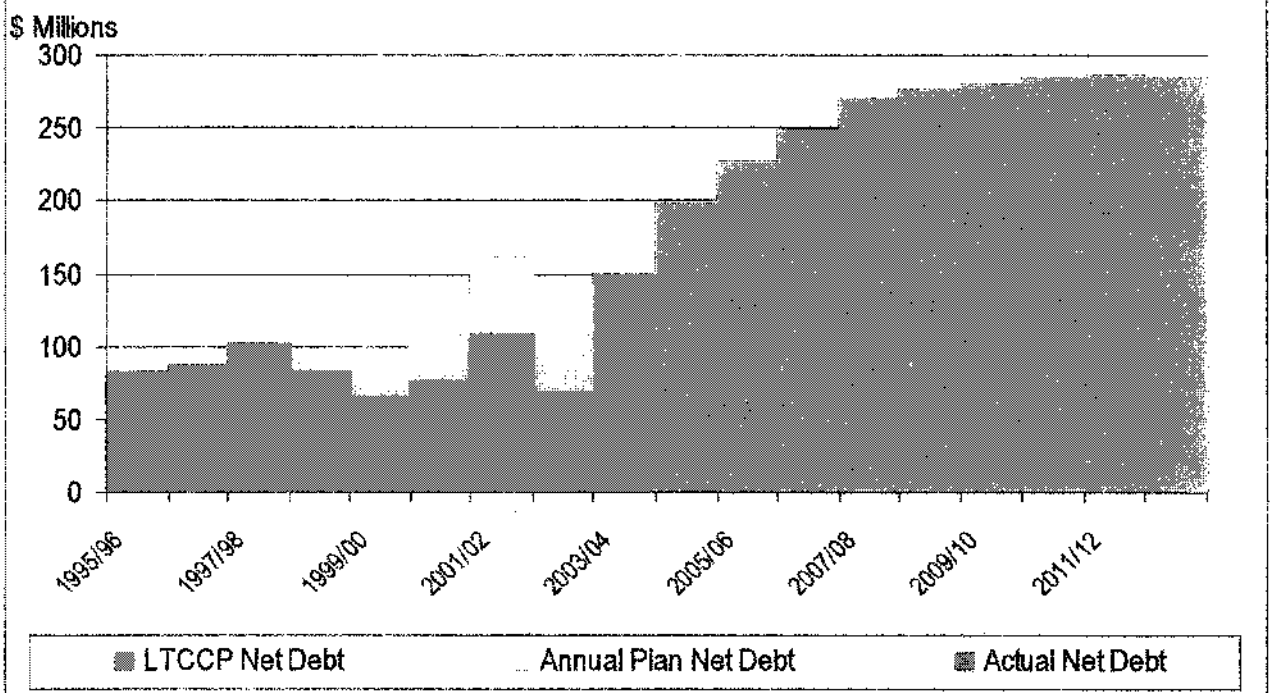
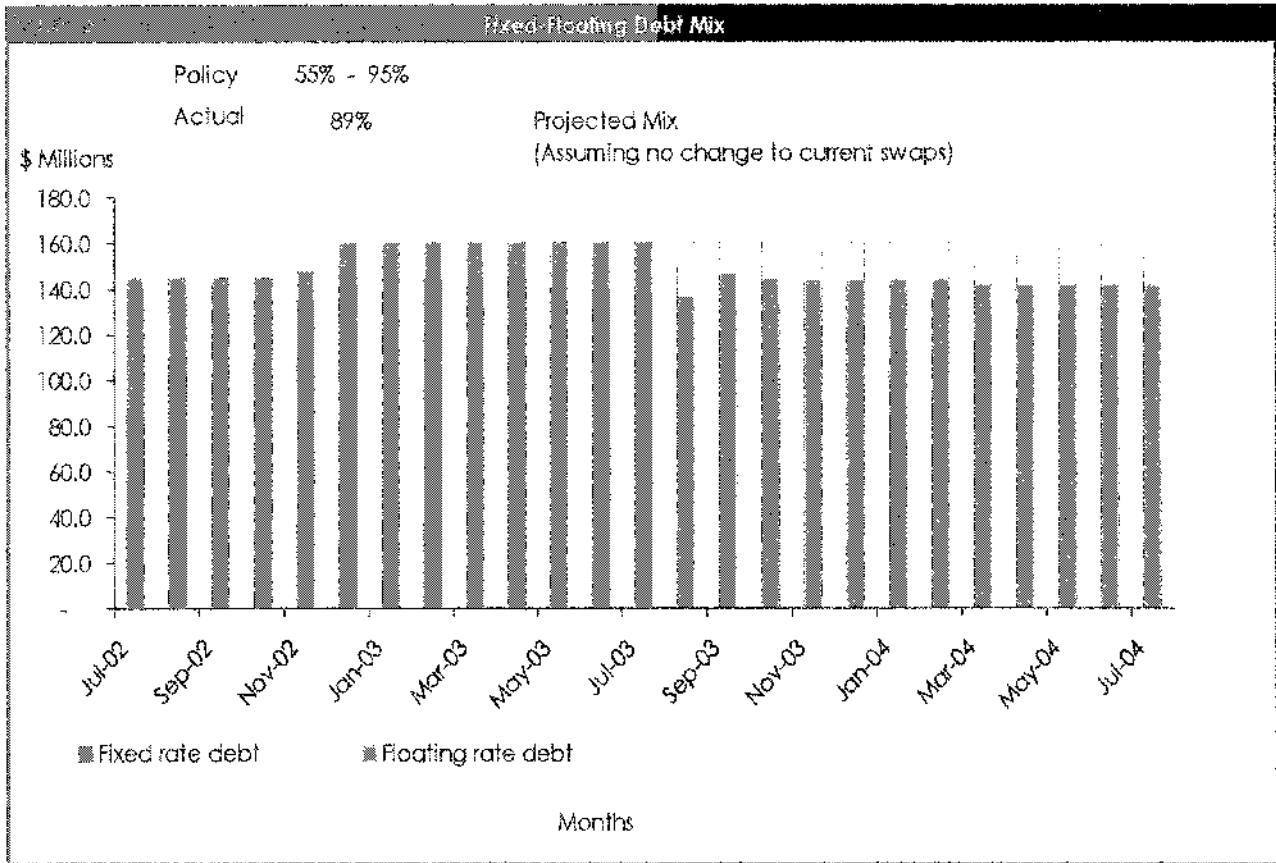


Figure 2

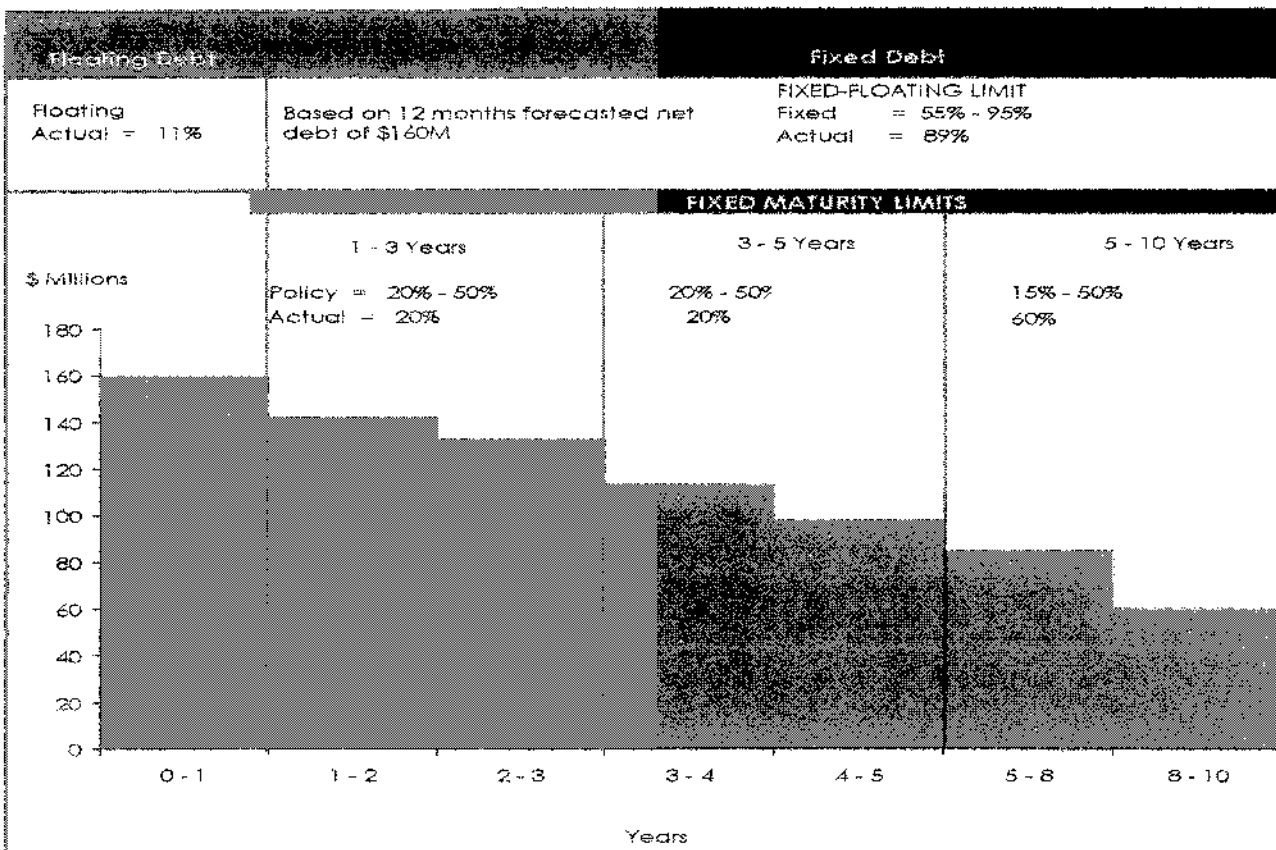
Historic and Future Net Debt Position



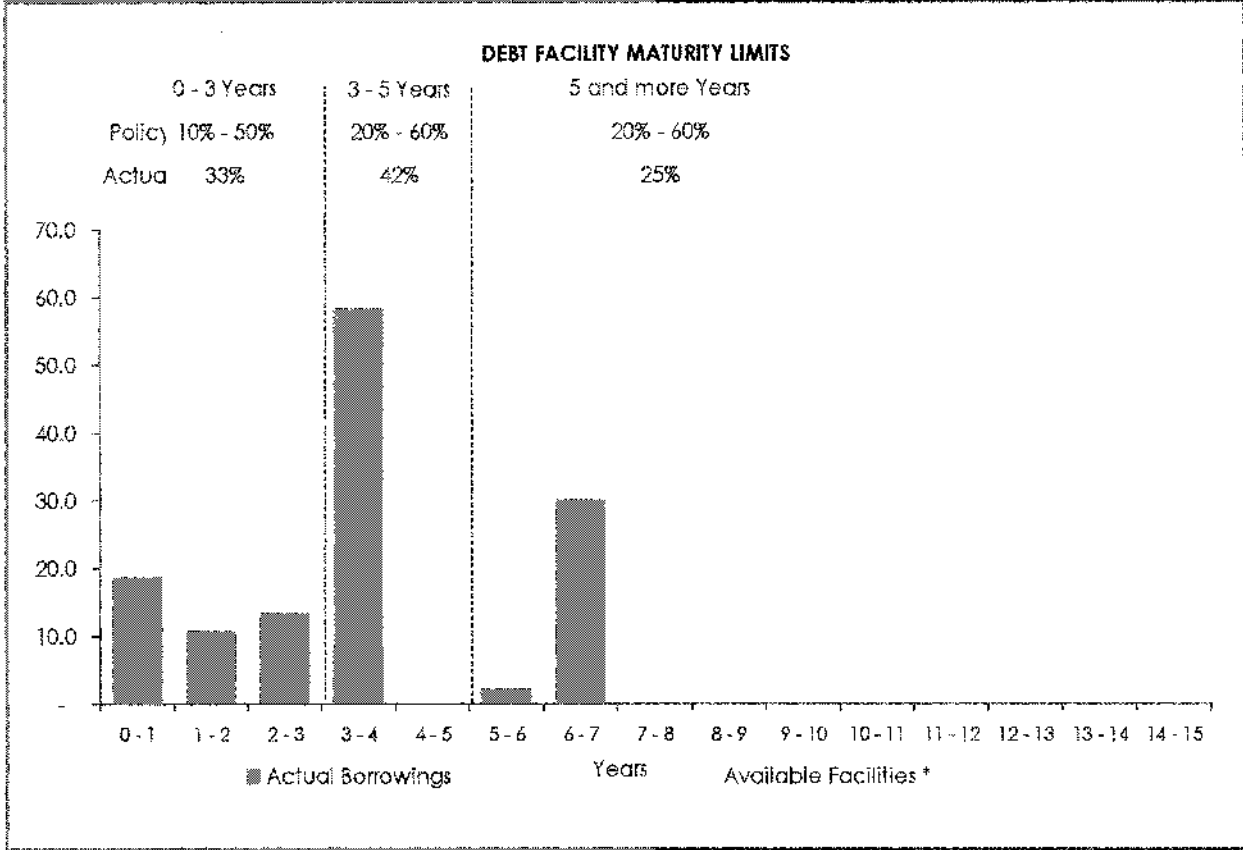
Fixed-Floating Debt Mix



Net Interest Rate Repricing Risk Profile



Funding Risk: Debt Maturity Profile



(1) Council is in the unique position of having a \$50 million committed funding facility. The nature of this facility may, depending on the utilisation, result in a breach of the funding maturity limits. As this facility is very much in Council's favour this is an acceptable breach of policy.

Summary of Debt Sources

Council Approved Debt Sources	\$ Millions		
	Committed Funding Sources	Usage	Available
Bank Loans			
Short Term (uncommitted)	\$0.0	-\$9.5	\$9.5
Long Term (committed)	\$85.0	\$15.0	\$79.5
Commercial Paper			
Bank Overdraft	\$1.0	\$0.0	\$1.0
Senior Bonds			
Retail	\$15.7	\$15.7	\$0.0
Wholesale	\$71.2	\$71.2	\$0.0
Other	\$0.0	\$0.0	\$0.0
TOTAL	\$172.8	\$92.3	\$90.0

The Liability Management and Investment Policy gives guideline parameters for the mix of fixed/floating interest rate management and maturity profiling. From time to time the actual position may marginally be outside the recommended guideline as a result of volatility of market interest rates or the Council's actual cash position.

Notes:

Working capital borrowing is necessary due to fluctuations in the timing of operating revenue and expenditure. The working capital borrowing requirement also includes internal deficits relating to prior years. External working capital borrowing is reduced by the use of internal special funds with any surplus requirement funded by way of unsecured bank loans.

Gross Term debt is the borrowing relating to long term loan funded capital works projects. External borrowing to fund term debt is reduced by the use of internal special funds with the surplus requirement funded by way of secured or unsecured short term bank loans, fixed or floating medium or long term bonds and finance leases.

The managed debt portfolio refers to the portion of Council's total debt portfolio that is managed to reduce interest rate risk, liquidity/funding risk, counterparty risk and operational and legal risk as defined in the Liability Management and Investment Policy. The portfolio is managed on the external net term debt requirement excluding finance leases. I.e. it is net of the special funds that have been used to reduce the external term debt requirement and the sinking fund balance. Working capital is not included in the managed debt portfolio.

Special Funds are cash funds either collected through rates or vested to Council that have been 'set aside' for specific future spending. The funds are used in the interim to reduce Council's requirement to borrow externally. The fund is managed via accounting entries and a monthly interest allocation is made to the funds based on the Council's weighted average cost of borrowing for that period.

Description of Graphs:

Figure 1

Gross term debt (blue) is the actual gross term debt position of Council as defined in the notes above. The *Forecast* (orange) is the projected gross term debt level per month in the current financial year, the figures are obtained from capital works timing forecasts (provided by budget managers on a monthly basis) and the current debt maturity profile. The *Budget* (green) line represents the gross public debt as approved in the 2003/2004 Long Term Council Community Plan.

Figure 2

The prior year net term debt figures (dark blue section) are obtained directly from the published Annual Reports. The Annual Plan net term debt figures (light blue section) are obtained from that years published Annual Plan. The orange section is the Long Term Council Community Plan net term debt as published for 2003/2004 - 2012/2013.

Figure 3

The fixed (blue) and floating (orange) interest rate mix, both historic and projected, based on the 12 month rolling forecast net debt requirement. The Liability Management and Investment Policy minimum is 55% fixed and maximum 95% fixed. The positioning of the portfolio between policy minimum and policy maximum is dependent on the current and forecast financial market outlook.

Figure 4

Interest rate risk profile. Figure 4 shows, given the current fixed/floating rate mix and the debt forecast (assuming no changes to current swaps), the percentage of current fixed rate debt that will mature in future years. This enables Council to recognise and reduce significant concentrations of interest rate risk that may arise in future years. As debt forecasts change the amount of fixed cover in place may have to be adjusted to comply with the policy limits.

Figure 5

Funding and liquidity risk. Figure 5 varies from figure 4 in that it shows the actual maturity profile of current debt on issue as opposed to the profile of Council's exposure to interest rate risk arising when debt either reprices (in the case of floating rate debt or hedges) or matures. The debt maturity profile enables Council to identify significant concentrations of maturing debt and debt facilities. Where there are significant concentrations of debt maturing Council is at risk of not being able to re-borrow from the market at favourable rates.

Figure 6

In order to ensure Council has the ability to borrow from the market when funding is required committed funding facilities are arranged with approved debt sources. Figure 6 shows Council's committed funding sources and the current usage of these funds. In addition to the committed sources Council also uses uncommitted lines of funding as seen in short term bank loans and bonds, uncommitted funding is at times less expensive than committed funding however its availability is not guaranteed.

Wholesale Market Interest Rates and the Trade Weighted Index

