

YEAR TO DATE REVIEW

Treasury Management Compliance Report For the nine months ended 31 March 2003

| Total Council Limit Compliance Analysis | | | <i>Yes</i> | <i>No</i> |
|---|---------|---------|------------|-----------|
| Risk management activities are related to the Councils underlying cashflows | | | ✓ | |
| Access to undrawn committed lines and liquid investments of no less than \$7.5m. | | | ✓ | |
| Access to undrawn committed lines and liquid financial investments of no less than \$42m for Council's self insured infrastructural asset risks and contingency reserves. | | | ✓ | |
| Hedging of interest rate risk on debt within allowable parameters | | | ✓ | |
| Hedging of interest rate risk on investments within allowable parameters | | | ✓ | |
| Counterparty exposures: | ANZ | < \$10m | ✓ | |
| | NBNZ | < \$50m | ✓ | |
| | BNZ | < \$10m | ✓ | |
| | Westpac | < \$10m | ✓ | |
| | ASB | < \$10m | ✓ | |
| Core Council External Borrowing Limits Compliance | | | ✓ | |
| Consolidated Group External Borrowing Limits Compliance | | | ✓ | |
| Internal Borrowing Limits Compliance | | | ✓ | |

| Core Council External Borrowing Limits Compliance | | <i>Actual</i> | <i>TMP Limits</i> | |
|---|--|---------------|-------------------|--------------------|
| Interest Expense on Net External Debt to Rates and Levies | | 8% | 20% | |
| Net External Debt to Rates and Levies | | 90% | 175% | |
| Net External Debt per Capita | | \$160 | \$300 | |
| Internal Borrowing Limits Compliance | | <i>Actual</i> | <i>TMP Limits</i> | <i>TMP Targets</i> |
| <i>Activity</i> | <i>Ratio</i> | | | |
| Regional Water Supply | Net Debt to Water Supply Levy | 21.5% | 300% | 220% |
| | Net Financial Costs to Water Supply Levy | 17% | 40% | 20% |
| Flood Protection - Western | Net Debt to Rates | 318% | 400% | 250% |
| | Net Financial Costs to Rates | 27% | 50% | 25% |
| Flood Protection - Wairarapa | Net Debt to Rates | 26% | 80% | 80% |
| | Net Financial Costs to Rates | 2% | 10% | 10% |
| Parks & Forests | Net Debt to Rates | 37% | 50% | 50% |
| | Net Financial Costs to Rates | 3% | 10% | 10% |
| Forestry | Net Debt to Forestry Market Value * | 65% | 70% | 35% |

* Forestry market value is based on valuation as at 30 June 2002 at a discount rate of 9%.

Note:

This report records the Council's compliance with the revised Treasury Management Policy which was adopted on 4 March 2003. However, all measures would have been complied with under the previous policy with the exception of the Forestry net debt to market value limit. Under the previous policy the Forestry net debt to market value limit was 60%, compared to the actual percentage of 65% at 31 March 2003.