



AGENDA

Ordinary Council Meeting Tuesday, 19 May 2020

Date Tuesday, 19 May 2020

Time 3pm

Location Via Zoom Video Link

File Reference 1338782

Timaru District Council

Notice is hereby given that a meeting of the Ordinary Council will be held via Zoom Video Link on Tuesday 19 May 2020, at 3pm.

Council Members

Mayor Nigel Bowen (Chairperson), Cllrs Allan Booth, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly, Sally Parker, Stu Piddington and Steve Wills

Quorum – no less than 5 members

Local Authorities (Members' Interests) Act 1968

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

Bede Carran

Chief Executive

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- 1 Opening Prayer and Waiata**
- 2 Apologies**
- 3 Public Forum**
- 4 Identification of Urgent Business**
- 5 Identification of Matters of a Minor Nature**
- 6 Declaration of Conflicts of Interest**

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 7 April 2020

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Council Meeting held on 7 April 2020 be confirmed as a true and correct record of that meeting.

Attachments

- 1. Minutes of the Council Meeting held on 7 April 2020**



MINUTES

Ordinary Council Meeting Tuesday, 7 April 2020

Ref: 1338782

**Minutes of Timaru District Council
Ordinary Council Meeting
Held via Zoom Remote Meeting Link
on Tuesday, 7 April 2020 at 4pm**

Present: Mayor Nigel Bowen (Chairperson), Cr Allan Booth, Cr Peter Burt, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills

In Attendance: **Environment Canterbury Representatives** (for item 8.2)
Senior Strategy Manager Caroline Hart, Clr Elizabeth McKenzie, Clr Peter Scott

Temuka Community Board – Lloyd McMillan

Council Officers

Chief Executive Officer (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Group Manager Environmental Services (Tracy Tierney), Group Manager Community Services (Sharon Taylor), Group Manager People and Digital (Symon Leggett), Acting Group Manager Infrastructure (Erik Barnes), Chief Financial Officer (David Codyre), Strategy and Corporate Planning Manager (Mark Low), Senior Programme Delivery Manager (Ashley Harper), Programme Deliver Manager (Lili Delwaide), Corporate Planner (Ann Fitzgerald), Communications Manager (Stephen Doran), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

1 Opening Prayer

Gordon Rosewall of Life Church Timaru offered a prayer for the work of the Council.

2 Apologies

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

That the apologies from John McDonald – Pleasant Point Community Board and Jennine Maguire – Geraldine Community Board be accepted.

Carried

3 Public Forum

There was no public forum.

4 Identification of Urgent Business

There were no urgent business items.

5 Identification of Matters of a Minor Nature

The meeting agreed to discuss the rubbish collection service during the Covid-19 lockdown period, and progress with the Heritage Hub and Theatre Royal projects as minor nature matters.

6 Declaration of Conflicts of Interest

There were no conflicts of interest declared.

7 Confirmation of Minutes**7.1 Minutes of the Council Meeting held on 23 March 2020****Committee Resolution 2020/29**

Moved: Cr Sally Parker

Seconded: Cr Paddy O'Reilly

That the Minutes of the Council Meeting held on 23 March 2020 be confirmed as a true and correct record of that meeting.

Carried

7.2 Minutes of the Tenders and Procurement Committee Meeting held on 17 December 2019**Committee Resolution 2020/30**

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That the Minutes of the Tenders and Procurement Committee Meeting held on 17 December 2019 be confirmed as a true and correct record of that meeting.

Carried

7.3 Minutes of the Tenders and Procurement Committee Meeting held on 28 January 2020**Committee Resolution 2020/31**

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

That the Minutes of the Tenders and Procurement Committee Meeting held on 28 January 2020 be confirmed as a true and correct record of that meeting.

Carried

7.4 Minutes of the Tenders and Procurement Committee Meeting held on 18 February 2020**Committee Resolution 2020/32**

Moved: Cr Peter Burt

Seconded: Cr Sally Parker

That the Minutes of the Tenders and Procurement Committee Meeting held on 18 February 2020 be confirmed as a true and correct record of that meeting.

Carried

7.5 Minutes of the Tenders and Procurement Committee Meeting held on 3 March 2020

Committee Resolution 2020/33

Moved: Cr Allan Booth
 Seconded: Cr Sally Parker

That the Minutes of the Tenders and Procurement Committee Meeting held on 3 March 2020 be confirmed as a true and correct record of that meeting.

Carried

8 Reports

8.1 Contracts Let From Tenders and Procurement Committee

The contracts let by the Tenders and Procurement Committee were presented.

Committee Resolution 2020/34

Moved: Cr Sally Parker
 Seconded: Cr Richard Lyon

That the following information on a contract let by the Tenders and Procurement Committee, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price
Contract 2438 – Arowhenua Road Upgrade	4	\$1,390,530.19 To \$1,736,034.97	Fulton Hogan Limited \$1,390,530.19
Contract 2431 – Te Ana Wai Raw Water Reservoir	3	\$1,195,092.72 to \$1,696,716.42	Rooney Group Limited \$1,265,872.89
Tenders were evaluated using the weighted attributes method. All prices exclude GST.			

Carried

8.2 Canterbury Water Management Strategy – Presentation from Environment Canterbury (ECan)

ECan’s Senior Strategy Manager with responsibility for the freshwater portfolio – Caroline Hart, supported by ECan Clrs Peter Scott and Elizabeth McKenzie, gave a presentation on the Canterbury

Water Management Strategy. The Canterbury Water Management Strategy (CWMS) was established over 10 years ago at the instigation of the Mayoral Forum in response to droughts in the region and the need for freshwater management across Canterbury, in the absence of no operative freshwater planning framework.

The strategy saw the establishment of ten Zone Committees, involving innovative collaboration between various relevant stakeholders in the community, to work towards achieving the CWMS vision and targets. Zone Committees were charged with developing Zone Implementation Programmes and Zone Implementation Programme Addenda which have informed the Plan Change 7 process.

As part of the latest refresh of the CWMS water targets were added for 2025 and 2030 giving key 5-yearly targets and goals out to 2040. Detailed progress reports are produced every 2 years on how the implementation of the CWMS is tracking.

Canterbury is at the forefront of the next round of policy proposals from central government regarding freshwater management. The Mayoral Forum and the communities are keen to look to the implementation phase and this will include robust, outcome-based monitoring.

The role of the zone committees and their connection with their communities is continuing to be supported by the Mayoral Forum, with the functions of the zone committees moving from planning to implementation, through the zone committees' work programmes.

Covid-19 will however disrupt the CWMS programme on a number of fronts.

Comment was made by councillors that it is vital to establish a worthwhile role and purpose for the zone committees in order to retain the enthusiasm and momentum of those involved.

The Mayor thanked the ECan representatives for the presentation and confirmed that the District is still very invested in the CWMS and looks forward to the next phase. ECan have offered to come back and keep Council and the Timaru Community informed of progress with the CWMS.

Committee Resolution 2020/35

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

That the presentation on the Canterbury Water Management Strategy be received.

Carried

Attachments

- 1 ECan CWMS presentation to TDC 7 April 2020

8.3 Annual Plan 2019/20 - Eight Month Report to end of February 2020

The progress of Council's 2019/20 Annual Plan (Year Two of the 2018-2028 Long Term Plan) including financial results, key performance indicators and the capital projects work programme for the eight month period ended 29 February 2020 was presented.

It was noted that the report does not factor in Covid-19. Reforecasting is currently being worked through by Council officers and will be reported to Council in due course.

Committee Resolution 2020/36

Moved: Cr Sally Parker

Seconded: Cr Steve Wills

1. That the summary financial results to 29 February 2020 be received and noted.
2. That the key performance indicators and capital projects work programme progress report to 29 February 2020 be received and noted.

Carried

8.4 Timaru District Council Local Governance Statement

The draft Local Governance Statement was presented for adoption. Two amendments were agreed on –

- Addition of reference to manu whenua and the region being a food bowl, in the TDC profile
- Correction to the explanation of the delivery of District Promotions, under The Council Organisation.

Committee Resolution 2020/37

Moved: Cr Barbara Gilchrist

Seconded: Cr Gavin Oliver

That Council adopts the Timaru District Council Local Governance Statement 2020, subject to reference being added to mana whenua and the food bowl history of the region, and a correction to the explanation of the delivery of tourism.

Carried

9 Consideration of Urgent Business Items

There were no urgent business items.

10 Consideration of Minor Nature Matters**Rubbish Collection Service during Lockdown Period**

It was reported that there appears to be some confusion in the community regarding rubbish collection, following advice to the public to retain as much green waste as possible on people's properties during the Covid containment period. The Acting Group Manager Infrastructure clarified that all bins will be collected as normal but residents should contain as much green waste as possible on their own properties during this time, in order to limit the impact on the landfill operation.

It was agreed that communication around this, together with information on how to make compost, should be publicised.

Theatre Royal/Heritage Hub Projects

A request was made for an update on the Heritage Hub project and the upgrading of the Theatre Royal. The meeting was advised that a remote session workshop is planned for the near future to

provide a more detailed update on progress. The main focus in the coming period is on establishing the design team.

Farewell to Group Manager Community Services

The meeting acknowledged the impending departure of Group Manager Community Services Sharon Taylor. Elected members thanked Sharon for her years of service, her professional, enthusiastic contribution to the organisation and to the community, and her guidance and friendly approach.

11 Public Forum Items Requiring Consideration

There was no public forum.

12 Resolution to Exclude the Public

Committee Resolution 2020/38

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>12.1 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 17 December 2019</p>	<p>s7(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>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>
<p>12.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 3 March 2020</p>	<p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To enable commercial or industrial negotiations</p>

Carried

13 Public Excluded Reports

12.1 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 17 December 2019

12.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 3 March 2020

14 Readmittance of the Public

Committee Resolution 2020/39

Moved: Cr Paddy O'Reilly

Seconded: Cr Gavin Oliver

That Council moves out of Closed Council into Open Council.

Carried

The meeting closed at 5.51pm.

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Chairperson

unconfirmed

7.2 Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020

Author: Joanne Brownie, Governance Support Officer

Recommendation

That the Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020 be confirmed as a true and correct record of that meeting.

Attachments

- 1. Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020**



MINUTES

Tenders and Procurement Committee Meeting Tuesday, 28 April 2020

Ref: 1338782

**Minutes of Timaru District Council
Tenders and Procurement Committee Meeting
Held via Zoom Video Link
on Tuesday, 28 April 2020 at 8.30am**

Present: Chairperson Nigel Bowen (Chairperson), Crs Peter Burt, Barbara Gilchrist, Sally Parker

In Attendance: Cr Allan Booth
Chief Executive (Bede Carran), Acting Group Manager Infrastructure (Erik Barnes), Drainage and Water Manager (Grant Hall), Stormwater Specialist (Uki Dele), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

1 Apologies

There were no apologies.

2 Identification of Items of Urgent Business

There were no items of urgent business identified.

3 Identification of Matters of a Minor Nature

There were no minor nature matters identified

4 Declaration of Conflicts of Interest

There were no conflicts of interest declared.

5 Consideration of Urgent Business Items

There were no items of urgent business identified.

6 Consideration of Minor Nature Matters

There were no minor nature matters identified.

7 Exclusion of the Public

Resolution 2020/2

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
8.1 - Contract 2442 - Professional Services for Stormwater Management Plan and Consent Applications	s7(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	Commercial sensitivity

Carried

8 Public Excluded Reports**8.1 Contract 2442 - Professional Services for Stormwater Management Plan and Consent Applications****9 Readmittance of the Public****Resolution 2020/3**

Moved: Cr Barbara Gilchrist

Seconded: Clr Peter Burt

That the meeting moves out of Closed Meeting into Open Meeting.

Carried

The Meeting closed at 8.50am.

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Chairperson

8 Schedules of Functions Attended

8.1 Schedule of Functions Attended by the Chief Executive

Author: Jacky Clarke, Executive Assistant to Chief Executive

Authoriser: Bede Carran, Chief Executive

Recommendation

That the report be received and noted.

Functions Attended by the Chief Executive for the Period 18 March 2020 – 30 April 2020.

Note: meetings attended during Levels 4 and 3 have all been remote meetings by video or teleconference link.

<i>23 March 2020</i>	Attended Council Annual Plan/Budget Meeting
<i>25 March 2020</i>	Meeting with General Manager Arowhenua Marae Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives
<i>26 March 2020</i>	Meeting with Chief Executive Aoraki Development
<i>27 March 2020</i>	Meeting with ECan regarding COVID-19 response Attended Canterbury Mayoral Forum videoconference
<i>30 March 2020</i>	Meeting with Audit NZ Meeting with ECan South Canterbury Manager
<i>31 March 2020</i>	Attended Audit and Risk Committee Meeting
<i>1 April 2020</i>	Attended Infometrics Webinar Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives Meeting with Mayor and Councillors – COVID-19 Update
<i>2 April 2020</i>	Meeting with Chamber of Commerce Representatives
<i>3 April 2020</i>	Attended Canterbury Mayoral Forum videoconference
<i>6 April 2020</i>	Meeting with Canterbury Mid-South Area Commander, NZ Police Attended Ministry of Health Civil Defence videoconference
<i>7 April 2020</i>	Meeting with MP Jo Luxton Attended People and Performance Sub-Committee Meeting Attended Council Meeting
<i>8 April 2020</i>	Meeting with Mayor and Community Board Members – COVID-19 Update Meeting with representative of Aoraki Environmental Consultancy Ltd

	Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives
	Meeting with Mayor and Councillors – COVID-19 Update
<i>9 April 2020</i>	Meeting with Chamber of Commerce Representatives
	Attended TDHL Meeting
<i>14 April 2020</i>	Attended Rangitata River Interagency Meeting
	Meeting with Chief Executive PrimePort
<i>15 April 2020</i>	Meeting with Mayor and Community Board Members – COVID-19 Update
	Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives
	Attended Infometrics Webinar
	Meeting with Mayor and Councillors – COVID-19 Update
<i>16 April 2020</i>	Meeting with Chamber of Commerce Representatives
	Meeting with Chief Executive of Aoraki Development
<i>17 April 2020</i>	Attended Civil Defence Emergency Management Group Meeting
	Attended Canterbury Mayoral Forum Meeting
	Attended National Emergency Management Agency Meeting
<i>21 April 2020</i>	Attended Council Workshops
<i>22 April 2020</i>	Meeting with Mayor and Community Board Members – COVID-19 Update
	Attended Multi Agency Meeting – Rangitata River
	Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives
	Meeting with MP Jo Luxton
	Meeting with Mayor and Councillors – COVID-19 Update
<i>23 April 2020</i>	Meeting with Chamber of Commerce Representatives
	Meeting with representative of Aoraki Environmental Consultancy Ltd
<i>24 April 2020</i>	Attended Civil Defence Emergency Management Group Meeting
	Attended Canterbury Mayoral Forum Meeting
	Attended Equip Board Meeting
<i>28 April 2020</i>	Attended Tenders and Procurement Committee Meeting
	Attended Standing Committee Meetings
	Attended Council Workshops
<i>29 April 2020</i>	Meeting with Mayor and Community Board Members – COVID-19 Update

Meeting with General Manager Arowhenua Marae

Meeting with Mackenzie, Waimate & Waimate Mayors and Chief Executives

Meeting with Mayor and Councillors – COVID-19 Update

Meeting with Chief Executive Alpine Energy

30 April 2020

Meeting with Chamber of Commerce Representatives

Attended SOLGM Chief Executives Meeting

Attachments

Nil

8.2 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors**Author: Alesia Cahill, Executive Assistant to the Mayor****Authoriser: Nigel Bowen, Mayor****Recommendation**

That the report be received and noted.

Functions Attended by the Mayor for the Period 19 March 2020 to 30 April 2020.**Note: meetings attended during Levels 4 and 3 have all been remote meetings by video or teleconference link.**

<i>19 March 2020</i>	Attended extraordinary Geraldine Community Board meeting Attended extraordinary Pleasant Point Community Board meeting
<i>20 March 2020</i>	Monthly radio conversation on the Breeze (Mayoral Musings) Recorded video with Roncalli College mentoring group Attended Budget Discussion
<i>23 March 2020</i>	Attended Council Budget and Annual Plan meeting
<i>24 March 2020</i>	Attended COVID-19 Planning and Communications meeting
<i>25 March 2020</i>	Joined and chaired South Canterbury Mayor and CE meeting
<i>27 March 2020</i>	Joined Canterbury Mayoral Forum meeting
<i>31 March 2020</i>	Joined Audit and Risk meeting
<i>1 April 2020</i>	Joined COVID-19 Infometrics webinar Joined and chaired South Canterbury Mayor and CE meeting Joined Elected Member and CE update meeting
<i>2 April 2020</i>	Spoke with OJ on the Breeze regarding COVID-19 messaging Joined weekly meeting with South Canterbury Chamber of Commerce Spoke with Aoraki Development Ltd
<i>3 April 2020</i>	Joined CDEM JC Briefing to discuss COVID-19 Response Joined Canterbury Mayoral Forum meeting Joined EOC Update meeting
<i>6 April 2020</i>	Zoom meeting with Andrew Falloon, Local National MP Zoom meeting with Mark Rogers, Aoraki Development Spoke with Dave Gaskin, Local area Police Officer Spoke with Waimate Mayor, Craig Rowley Spoke with Local Runanga

- 7 April 2020* Joined Local Government and CDEMs update meeting re COVID-19
Zoom meeting with Mayor Nigel and Liz Nolan, Presbyterian Support
Zoom meeting with Jo Luxton, Local MP
Chaired People and Performance Committee meeting via zoom
Chaired Council meeting via zoom
- 8 April 2020* Joined Community Board Members update meeting
Joined and chaired South Canterbury Mayor and CE meeting
Joined Elected Member and CE update meeting
Spoke to South Canterbury Federated Farmers President
Joined meeting with Aoraki Migrant Centre
- 9 April 2020* Joined weekly meeting with South Canterbury Chamber of Commerce
Spoke with Thompsons Construction
Joined Timaru District Holdings Limited meeting
Joined EOC Update meeting
- 15 April 2020* Joined Community Board Members update meeting
Joined and chaired South Canterbury Mayor and CE meeting
Joined Elected Member and CE update meeting
Joined Infometrics / Aoraki Development / Timaru District COVID-19 Webinar
- 16 April 2020* Joined weekly meeting with South Canterbury Chamber of Commerce
- 17 April 2020* Joined CDEM JC Briefing to discuss COVID-19 Response
Joined Canterbury Mayoral Forum meeting
Joined EOC Update meeting
- 21 April 2020* Joined Council Workshop
- 22 April 2020* Joined Community Board Members update meeting
Joined and chaired South Canterbury Mayor and CE meeting
Joined Elected Member and CE update meeting
Zoom meeting with Jo Luxton, Local MP
- 23 April 2020* Joined weekly meeting with South Canterbury Chamber of Commerce
Joined ECan Plan Change 7, Section 42a report release, Community Implications Discussion
Spoke with Roncalli College mentoring group
- 24 April 2020* Monthly radio conversation on the Breeze (Mayoral Musings)
Joined webinar - ASB Chamber of Commerce
Joined CDEM JC Briefing to discuss COVID-19 Response

	Joined Canterbury Mayoral Forum meeting
	Joined EOC Update meeting
<i>25 April 2020</i>	Joined St Mary's Online ANZAC Day Commemoration
<i>27 April 2020</i>	Joined TOR & Membership of Panel meeting
<i>28 April 2020</i>	Joined Tenders and Procurement Committee
	Joined Council Standing Committee meetings
	Joined Council Workshop
<i>29 April 2020</i>	Joined Community Board Members update meeting
	Joined and chaired South Canterbury Mayor and CE meeting
	Joined Elected Member and CE update meeting
<i>30 April 2020</i>	Joined weekly meeting with South Canterbury Chamber of Commerce
	Joined Air New Zealand update meeting
	Joined Rock Revetment Remediation meeting

In addition to these duties I met with 11 members of the public on issues of concern to them.

Functions Attended by the Deputy Mayor for the Period 19 March 2020 to 30 April 2020.

<i>20 March 2020</i>	Attended Public Induction of the Parish of Timarus new Vicar - Rev Ben Randall
<i>25 April 2020</i>	Joined St Mary's Online ANZAC Day Commemoration

Attachments

Nil

9 Reports

9.1 Orari-Temuka-Opihi-Pareora Water Zone Annual Report

Author: Joanne Brownie, Governance Support Officer

Authoriser: Erik Barnes, Acting Group Manager Infrastructure

Recommendation

That the Orari-Temuka-Opihi-Pareora Water Zone report be received.

Purpose of Report

- 1 To receive the 2019 annual report of the Orari-Temuka-Opihi-Pareora Water Zone (OTOP).
- 2 Hamish McFarlane, Chairman will present the report.
- 3 Clr Gilchrist is our Council's appointee on the OTOP Committee.

Assessment of Significance

- 4 This matter is of low significance under the Council's Significance and Engagement Policy.

Attachments

1. **CWMS Orari-Temuka-Opihi-Pareora Water Zone Committee 2019 Annual Report**

**Orari Temuka Opihi Pareora
Water Zone Committee**

2019 Annual Report



Moving to 'what next' after major milestone



Hamish McFarlane
Orari Temuka Opihi Pareora
Water Zone Committee Chair

Our committee had a quieter year in 2019 compared to the previous year's huge effort to complete our recommendations for local water management, called a Zone Implementation Plan Addendum (ZIPA).

Although not as hectic, we've still had a productive year and I am grateful to all members of the committee for their time and continued commitment.

This year, the plan change to the OTOP section of the Land and Water Regional Plan was drafted from the committee's recommendations in the ZIPA, notified and is progressing to a hearing in the second quarter of 2020.

As we wait for the plan change to progress through the statutory planning process, we are continuing to work together with farmers, industry, community and environmental groups to deliver real change through actions that we can undertake now.

I hope that we can keep the conversation going and continue to build awareness and trust so we can work together effectively and deliver on the Canterbury Water Management Strategy targets and on the committee's recommendations in the ZIPA.

The zone committee has been especially pleased to see the continuing work of voluntary catchment groups active in water management. Working with these groups will be a key focus for the committee in the coming year.

Projects such as the protection of forest on the Orari Gorge Station and safeguarding the rare long-tailed native bats near Raincliff show what can be achieved when we work together for a better future for our waterways, the living creatures and the communities that depend upon them.

Key achievements 2019

- Following 2018's collaborative process to produce recommendations to deliver community aspirations for water, the committee has focused on developing a work programme to implement recommendations for actions on the ground. A Plan Change has been proposed by Environment Canterbury.
- Worked with Timaru District Council on improving water quality and amenity values in Waitarakao-Washdyke Lagoon, as well as the Otipua-Saltwater Creek Catchment Group to improve the quality and flow of water in the popular waterway.
- Supported mahinga kai and biodiversity projects, such as wetland enhancement and roosting habitat for the endangered long-tail bats.

Committee members get an update on native tuna (eels) at Milford Lagoon during a field trip. As part of monitoring their health, the tuna are measured inside a clear plastic tube and then released back into the lagoon.



Orari Temuka Ophi Pareora Water Zone Committee

Delivering the community's vision for freshwater

The Canterbury Water Management Strategy (CWMS) puts finding solutions for freshwater management in the hands of the community, with support from councils, Ngāi Tahu, and others. The strategy sets out freshwater goals and targets to deliver the community's vision for freshwater.

“To gain the greatest cultural, economic, environmental, recreational and social benefits from our water resources within a sustainable framework both now and for future generations.”

Each of the ten community-led water zone committees work collaboratively to develop freshwater recommendations to ensure council plans give effect to these goals and targets.

Within each target area there are several specific time-bound targets to be achieved and these are monitored and reported on to ensure progress is being made.

The target areas are shown below – read some of the stories about what is being done in the zone to work toward these targets on the next page.

CWMS Targets

	Ecosystem health and biodiversity		Kaitiakitanga		Recreational and amenity opportunities		Irrigated land area		Regional and national economies
	Natural character of braided rivers		Drinking water		Water use efficiency		Energy security and efficiency		Environmental limits

Protection of native forest expands

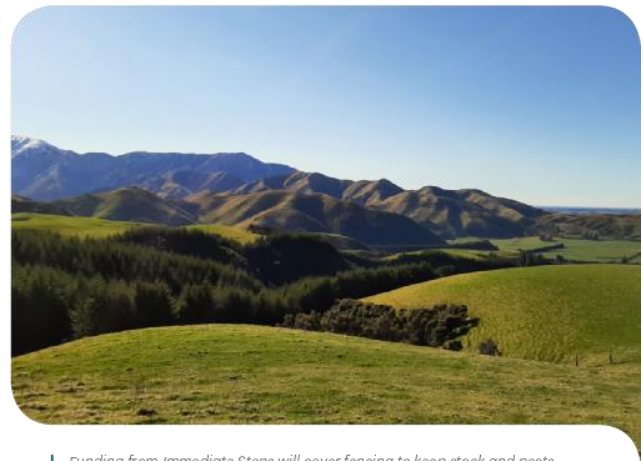
A project to protect native forest near Geraldine was boosted by \$21,000 of funding allocated by the zone committee this year.

The forest at Orari Gorge Station, favoured by kererū (wood pigeon) and korimako (bellbird), has been protected in perpetuity thanks to \$21,000 of Immediate Steps biodiversity funding, the QEII National Trust and the landowner.

It is the third of three covenants, totalling 148ha of native forest put in place at station with the help of the Trust, landowners and the zone committee.

Inside the newly-protected zone are native species tōtara, kowhai, and tī kōuka (cabbage trees). There are low levels of exotic species, making it a prime candidate for protection.

Funding will go towards the high costs associated with more than 1600m of fencing – on hilly land – to exclude stock and pests from the area. The full cost of the fencing is projected to be around \$36,000.



Funding from Immediate Steps will cover fencing to keep stock and pests out of the native bush.

Waihi River locals protect native biodiversity

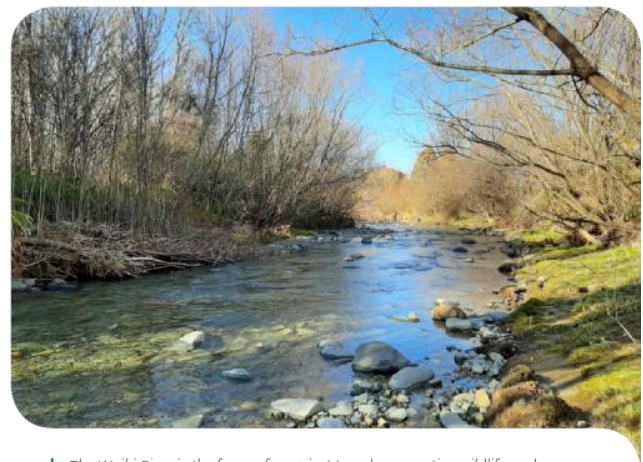
Four friends have adopted a hands-on approach to defending a significant natural area right on their doorstep.

Steve Dakin, Robbie Stewart, Jimmy Wallace and David Waddington are all volunteers who meet as a working bee to get rid of weeds and pests along the Waihi River to improve the chances for native plants and wildlife.

They spend hours knocking out invasive weeds like sycamores, re-planting natives and laying traps for pests. Without their intervention, invasive weeds would take over the area completely, leaving precious tōtara, ferns and cabbage trees to be overwhelmed and die.

In all, around 1600 natives have been planted by contractors and Dakin's team in the past two years, with many more seeding themselves with the help of kererū in the rejuvenated gardens along the river.

With \$12,200 of Immediate Steps funding allocated by the zone committee, the crew will extend the weed control area further downstream, set more predator traps, and fencing for stock exclusion.



The Waihi River is the focus of a project to enhance native wildlife and reduce invasive weeds.

2019 Annual Report

Nocturnal visitors welcomed by Geraldine landowners

A farm near Geraldine is the home of a newly discovered colony of long-tailed bats; and landowners Evan and Clare Chapman are thrilled to host their nocturnal guests.

With a conservation status of nationally critical, the mouse-sized bats are in the same league as the likes of kākāpō, kōtuku and Maui's dolphin.

The Chapmans got in touch with Environment Canterbury to check for bat activity in old willow trees that had been earmarked for removal. Automatic bat detectors, put in place for six weeks, showed bats were indeed active in the area and the old trees were a likely roosting place.

The zone committee then granted \$1800 of Immediate Steps biodiversity funding towards fencing and re-planting costs to protect the bat habitat.



Evan and Clare Chapman are protecting long-tailed bat habitat on their farm.

'Wild Day' to weir re-design - busy first year for Otipua-Saltwater Creek group

It's been a busy first year for Timaru's Otipua-Saltwater Creek Catchment Group, gathering information and getting local people involved in the key issues for this rural/urban waterway. Here's a few highlights of what's been happening:

- 'Wild Day at Otipua Wetlands' in September proved to be a busy community event for all ages. More than 150 people visited to see conservation and biodiversity displays and take guided walks on bird life and invertebrates. An exhibit about native bats was popular, alongside rock painting and information on water sampling techniques led by Water Watch.
- Water monitoring training sessions were held for volunteers keen to help out with additional sampling of tributary streams in 2019/20
- A virtual fly-over of four different tributary streams of the Creek by computer simulation. You can view it via the website below.
- Environment Canterbury approved funding for new projects for Otipua-Saltwater Creek for 2019-2020, including an engineering study into the existing weir.
- A dairy farm secured consent for irrigation from groundwater which will substitute for summer surface water take from the Creek.

More information about the group - and how to get involved - is available at www.ecan.govt.nz/saltwatercreek



Timaru residents enjoyed a variety of activities at the Wild Day at the Wetland. Here, Debbie Eddington (Environment Canterbury Youth Engagement and Education Advisor) is pictured with the 'Enviroscape' rainwater landscape model.

Future challenges and opportunities

Strong policy direction coming from central government for freshwater and biodiversity signals the challenges we are all facing and the work still to be done. That said, we are well placed to meet these challenges due to our freshwater outcomes proposed in Plan Change 7 and the committee's recommendations in the ZIPA for actions on the ground.

Particular challenges remain for our OTO communities in reducing nitrates in groundwater, in reducing reliance on limited water resources and in responding to the impacts of climate change. To respond to these challenges the committee will be focused on helping farmers to understand new planning requirements and working with stakeholders and irrigators to promote the formation of water user groups and explore opportunities to address over-allocation.

The committee will also seek to identify and prioritise biodiversity projects that provide protection and enhancement for indigenous species, high value sites and habitats in the zone, particularly around the coastal lagoons and margins and in the upper catchments.

To realise the committee's recommendations for action, there will be an ongoing work with industry and CWMS partners in seeking resourcing and funding. To establish which projects to prioritise and where effort can have the most impact, we will be continuing to seek input from catchment groups and local communities.



Members of the OTOP Water Zone Committee at a 2019 field trip to Orari Gorge Station.

Orari Temuka Opihi Pareora Zone

The zone covers the area from the Rangitata River to the southern boundary of the Pareora River, from Burkes Pass to the sea. It includes Timaru as well as the rural townships of Fairlie, Temuka, Pleasant Point and Geraldine. It is a joint committee of the Timaru, Waimate and Mackenzie District Councils and Environment Canterbury. It is in the rohe of Arowhenua Rūnanga.

Key Zone contacts

Chris Eccleston
Orari Temuka Opihi Pareora Water Zone Manager
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Brian Reeves
Orari Temuka Opihi Pareora Water Zone Delivery Lead
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Lyn Carmichael
Orari Temuka Opihi Pareora Water Zone Committee Facilitator
Lyn.Carmichael@ecan.govt.nz | 027 443 4731

Zone committee membership

Mark Webb,
Community Member

Glen Smith,
Community Member

Phil Driver,
Community Member,
Reg Committee

Herstall Ulrich,
Community Member,
Deputy Chair

Hamish McFarlane,
Community Member,
Chair

Lucy Millar,
Community Member

Luke Reihana,
Community Member

Cr Lan Pham,
Council Environment Canterbury

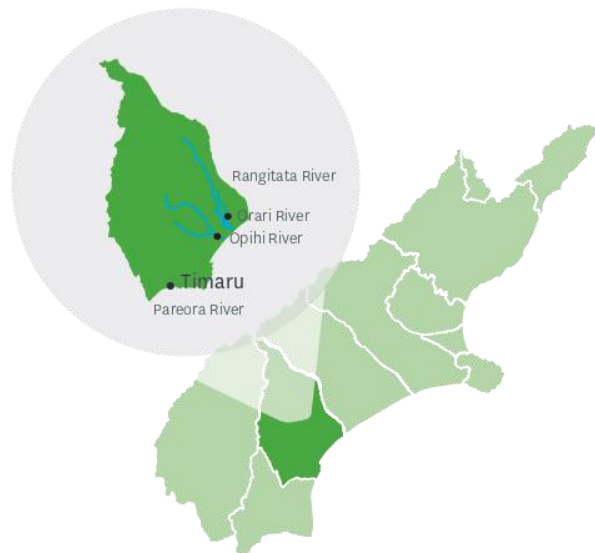
Cr Richard Lyon,
Council Timaru District

Cr David Anderson,
Council Waimate District

Cr Anne Munro,
Council Mackenzie Council

John Henry,
Rūnanga Rep Arowhenua

Sue Eddington,
Rūnanga Rep Waihao



Orari Temuka Opihi Pareora Water Zone Committee
is a community led committee supported by councils.
ecan.govt.nz/water

R19/20 E19/7749



9.2 Contracts Let From Tenders and Procurement Committee

Author: Jo Doyle, Governance Advisor

Authoriser: Erik Barnes, Acting Group Manager Infrastructure

Recommendation

That the following information on a contract let by the Tenders and Procurement Committee, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price
Contract 2442 – Professional Services for Stormwater Management Plan and Consent Applications	3	N/A	WSP/Pattle Delamore Partners \$864,470.00

Tenders were evaluated using the Brook’s Rule evaluation method. The price range is not provided as the price is opened only on the tender with the best non-price attributes and then negotiated with them. The other tenders prices are not opened.

All prices exclude GST

Purpose of Report

- 1 To advise of contracts let by the Tenders and Procurement Committee.

Attachments

Nil

9.3 Contracts Let Under Delegated Authority

Author: Erik Barnes, Acting Group Manager Infrastructure

Authoriser: Bede Carran, Chief Executive

Recommendation

That the following information on a contract let by the Chief Executive under delegated authority, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price
Contract 2428 – Dunkirk Street Kerb and Channel Renewal	5	\$384,112.87 to \$499,396.00	Greg Donaldson Contracting Limited \$384,112.87

Tenders were evaluated using the Lowest Price Conforming Tender Method

All prices exclude GST

Purpose of Report

- 1 To advise of contracts let by the Chief Executive under Delegated Authority.

Attachments

Nil

9.4 Governance Policy Review

Author: Fabia Fox, Policy Analyst

Authoriser: Donna Cross, Group Manager Commercial and Strategy

Recommendation

1. That Council adopts the Community Board Functions, Duties and Powers Policy.
2. That Council adopts the Elected Members' Remuneration, Allowances and Expenses Policy.
3. That Council repeals the Elected Members' Conferences, Seminars and Travel Policy.
4. That Council approves the joint review of the Fraud and Corruption Control for Elected Members Policy and the corporate Fraud Policy and Whistleblower Policy.
5. That Council notes the review and recommendation of the Council Appointment Policy, and Council Committee and Subcommittee Remuneration Policy will be provided separately.

Purpose of Report

- 1 To present Council with the draft Community Board Functions, Duties and Powers Policy; the draft Elected Members' Remuneration, Allowances and Expenses Policy; the draft Council Appointment Policy; and the draft Council Committee and Subcommittee Remuneration Policy for adoption.
- 2 The current Elected Members' Conferences, Seminars and Travel Policy is also presented for Council's consideration, with the recommendation that the policy is repealed. The report also notes the ongoing review of the Fraud and Corruption Control for Elected Members Policy.

Assessment of Significance

- 3 The policies presented to Council for review are of low significance in accordance with Council's Significance and Engagement Policy.

Background

- 4 Timaru District Council has a suite of governance policies due for review following the commencement of a new Council term. This suite includes:
 - 4.1 Community Board Functions, Duties and Powers Policy;
 - 4.2 Elected Members' Remuneration, Allowances and Expenses Policy;
 - 4.3 Elected Members' Conferences, Seminars and Travel Policy;
 - 4.4 Council Appointment Policy;
 - 4.5 Council Committee and Subcommittee Remuneration Policy; and
 - 4.6 Fraud and Corruption Control for Elected Members Policy;
- 5 At a Workshop on 3 March 2020 Council, Officers sought feedback from Councillors to assist with the review of these policies. Officers have reviewed and amended the policies, having regard to feedback and guidance from Elected Members. A summary of these is provided below.

Community Board Functions, Duties and Powers Policy

- 6 This policy outlines the functions, duties and powers of Timaru District Community Boards. The policy aligns with schedule 7 of the Local Government Act 2002 (*Local Authorities, local boards, community boards and their members*) (LGA), and the Timaru District Council Delegations Manual (with regards to delegations to Community Boards from Council).
- 7 While the content of the policy is covered by requirements of the LGA and delegations made by Council, the policy serves to consolidate this information and specifically highlight the role of Community Boards in a formal Council policy which is accessible to elected members and the community.
- 8 The policy has been revised to ensure closer alignment with the LGA and the delegations manual. No material or significant amendments have been made to the policy.
- 9 The revised policy is attached.

Elected Member Remuneration, Allowance and Expenses Policy

- 10 This policy details the remuneration and allowances available to elected members as determined by the Remuneration Authority. The policy also details expenses, incurred by elected members in their undertaking of Council business, which can be reimbursed. The policy is guided by the Auditor General's advice and principles for sensitive expenditure.
- 11 As part of the local government remuneration framework, the Remuneration Authority requires council-approved allowances for elected members to be included in an expenses and reimbursement policy.
- 12 One material amendment has been included in the draft policy. The policy includes provision for a childcare allowance for elected members. This was included in the Local Government Elected Members Determination in 2019 by the Remuneration Authority following a full review of remuneration settings. This was in response to concern from within the local government sector that the lack of financial support for childcare created a barrier for people, particularly women, to enter elected positions. Councils in Australia and the United Kingdom provide elected members with similar childcare allowances.
- 13 As part of the review, the policy has also been reformatted to improve clarity and amended to include all relevant policy statements relating to elected member conferences, seminars and travel provisions.
- 14 The revised policy is attached.

Elected Members' Conferences, Seminars and Travel Policy

- 15 As discussed above, the Elected Members' Remuneration, Allowances and Expenses Policy has been amended to include all provisions for conferences, seminars and travel. As a result officers recommend repealing the current Elected Member Conferences, Seminars and Travel policy as a separate policy is no longer required.
- 16 The current policy for repeal is attached.

Director Appointment and Remuneration Policy

- 17 This policy provides guidance and sets requirements for the appointment and remuneration of directors to Council Organisations (COs) – including Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).

18 The review of this policy will be provided separately.

Council Committee and Subcommittee Remuneration Policy

19 This current policy sets out the remuneration, if any, payable to external parties appointed to committees and subcommittees of Timaru District Council.

20 The review of this policy will be provided separately.

Fraud and Corruption Control for Elected Members Policy

21 This policy aims to establish an environment where fraud and corruption concerns associated with elected members can be identified and readily accessed. It outlines the process for reporting and investigating elected member fraud or corruption.

22 Fraud, corruption control and protected disclosures policies are essential for any public organisation. Council's Corporate Policy Manual includes a Fraud Policy and a Whistleblower (Protected Disclosures) Policy.

23 Officers have recommended that the elected members' policy be reviewed in conjunction with the corporate policy to ensure Council's approach to fraud and corruption control is consistent and appropriate at all levels of the organisation. While this review is underway, the current policy remains valid.

24 Further, because of the distinct role of governance within a public organisation like local government, there are several pieces of legislation which directly address the prevention of fraudulent or corrupt behaviour by elected members. These include the Local Authorities (Members Interest) Act 1968, the Crimes Act 1961, and the Secret Commissions Act 1910. Council's Code of Conduct and Standing Orders also include clauses to prevent fraudulent or corrupt behaviour.

Options and Preferred Option

25 Option One: This is the preferred option. Council adopts the revised policies that are attached, and repeals the Elected Member's Conferences, Seminars and Travel Policy.

26 Option Two: Council may wish to make further amendments to the policies prior to their adoption.

Consultation

27 No consultation has been carried out in the review of these policies.

Relevant Legislation, Council Policy and Plans

28 Local Government Act: This is the primary piece of legislation governing Council activity. As discussed above, the Act requires, or allows for policies relating to the Community Board function, duties and powers, and the appointment and remuneration of directors to Council Organisations.

29 Local Government Members Determination: Prepared and gazetted annually by the Remuneration Authority, this determination sets out the remuneration and allowances available to elected members.

30 Timaru District Council Delegations Manual: With regard to this report the delegation manual sets out the delegations from Council to Community Boards.

Financial and Funding Implications

- 31 The adoption of the Elected Member Remuneration, Allowances and Expenses Policy has financial implications in that it affirms the level of remuneration set for elected members by the Remuneration Authority. It also sets the allowances available to elected members within the framework provided by the Remuneration Authority.
- 32 As elected member remuneration is set independently by the RA and Council is obligated to distribute the entire remuneration pool to its elected members. Elected Member remuneration is funded through rates and the Uniform Annual General Charge.
- 33 All elected member remuneration and allowances are accommodated within the proposed 2020/21 budget. These budgets are reviewed annually in line with advice from the Remuneration Authority and inflation.

Attachments

1. **Draft Community Board Functions Duties and Powers Policy** [↓](#) 
2. **Draft Elected Members' Remuneration, Allowances and Expenses Policy** [↓](#) 
3. **Elected Members' Conferences, Seminars and Travel Policy** [↓](#) 

Community Board Functions, Duties and Powers Policy

Approved by:

Timaru District Council

Date Approved:

TBC

Keywords:

Community Board ; Functions ; Duties ; Powers

1. Purpose

1.1. The purpose of this policy is:

- 1.1.1. To outline the functions, duties and powers of the Timaru District Community Boards as determined by the Timaru District Council; and
- 1.1.2. To enable the Geraldine, Pleasant Point and Temuka Community Boards to achieve their purpose as set out in Section 52 of the Local Government Act 2002 (LGA).

2. Background

2.1. As determined by the Local Government Commission there are three communities in the Timaru District represented by Community Boards:

- 2.1.1. Geraldine community, comprising the area of the Geraldine Ward;
- 2.1.2. Pleasant Point Community, comprising the area delineated on Survey Office (SO) Plan 19946 deposited with Land Information NZ; and
- 2.1.3. Temuka Community, comprising the area delineated on SO Plan 19949 deposited with Land Information NZ.

2.2. The membership of each Community Board is as follows:

- 2.2.1. Geraldine Community Board comprises six elected members and one member appointed to the Board by Council representing Geraldine Ward.
- 2.2.2. Pleasant Point Community Board comprises five elected members and two members appointed to the Board by Council representing Pleasant Point – Temuka Ward.
- 2.2.3. Temuka Community Board comprises five elected members and two members appointed to the Board by Council representing Pleasant Point – Temuka Ward.

3. Key Definitions

Community Board – as defined by Section 5 of the LGA.

- Elected Member** – **a)** in relation to a Community Board, means a member appointed to that board or elected to that board under the Local Electoral Act 2001;
- b)** in relation to Council, means a member of the governing body of the territorial authority elected under the Local Electoral Act 2001, including the mayor.

4. Functions and Duties

- 4.1. The functions and duties of a Community Board, as determined by section 52 of the LGA, is to:
- 4.1.1. Represent, and act as an advocate for, the interests of its community; and
 - 4.1.2. Consider and report on all matters referred by the Timaru District Council, or any matter of interest or concern to the Community Boards; and
 - 4.1.3. Provide an overview of Council activities within the respective Community Board area; and
 - 4.1.4. Provide input into Council's annual plan process relating to expenditure in the particular Community Board area and to recommend the prioritisation of items where appropriate; and
 - 4.1.5. Communicate with community groups in the Community Board area:
 - i to convey to Council the views of the residents in the community; and
 - ii to convey to community groups the aims, objectives, and activities of the Council and the Boards.

5. Powers

- 5.1. The Chair of a Community Board shall have the power:
- 5.1.1. To call Board meetings and workshops.
- 5.2. The Boards shall have the power:
- 5.2.1. To request a report from Council officers to enable the Boards to undertake any of their functions;
 - 5.2.2. To make recommendations on appropriate policy issues to be referred to Council or the appropriate Standing Committee, as determined by the Chief Executive or Group Manager;
 - 5.2.3. Where a community rate has been established, to determine how the monies so collected will be spent, in accordance with the Local Government (Rating) Act 2002; and

- 5.2.4. To make recommendations to the Public Trustee on Thomas Hobson Trust grant applications (Geraldine and Temuka Community Boards only).
- 5.2.5. To carry out any other functions, duties or powers delegated to the Community Board by Council.

6.0 Delegations, References and Revision History

6.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy

6.2 Revision History – Summary of the development and review of the policy

6.1 Delegations

Delegation	Delegations Reference	Register
<ul style="list-style-type: none"> - Chairs of Community Boards are able to call meetings and workshops - Where a community rate has been established, to determine how the monies so collected and provide for in the annual budget will be spent, in accordance with legislation. (Geraldine, Temuka and Pleasant Point Community Boards) - To make recommendations to the Public Trustee on Thomas Hobson Trust grant applications (Temuka and Geraldine Community Boards). 	Delegation 6.1 Delegation 6.6.2; 6.6.3; and 6.6.4 Delegation 6.6.2 and 6.6.3	

6.2 Revision History

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Chief Executive	9 February 2016	Policy & Development Committee	February 2019	#829848
2	Strategy and Corporate Planning Manager	TBC	Council	TBC	#1333180

Elected Members' Remuneration, Allowances and Expenses Policy

Approved by:

Council

Date

Approved:

TBC

Keywords:

Remuneration, Allowance, Expense, Determination

1 Purpose

- 1.1 This policy sets out elected members remuneration and entitlement of elected members to allowances and contributions towards expenses during their term of office.
- 1.2 This policy ensures that all remuneration and allowances paid to elected members are in accordance with the Remuneration Authority determination and rules for the appropriate year.

2 Background

- 2.1 The Local Government Act 2002 provides for the Remuneration Authority (the Authority) to determine the remuneration, allowances, and rules for reimbursing expenses incurred by all local authority elected members.
- 2.2 Prior to local body term the Authority undertakes a review of the settings for elected member remuneration and allowances, in consultation with councils. Following this review, an annual determination is then issued prior to 30 June each year, which may result in adjustments for to the level of remuneration received.¹
- 2.3 The attached schedule of remuneration is updated annually to reflect the latest determination issued by the Authority.
- 2.4 Allowances set by the Authority are reviewed annually and are entirely at the discretion of Council within the limits set by the Authority.
- 2.5 Council approved allowances must be included in this policy and published on Council's website.
- 2.6 Actual and reasonable expenses incurred by elected members while undertaking Council business will be reimbursed in line with this policy.

¹ These adjustments may take account of data collected by the State Services Commission on public and private sector remuneration movements, any major legislative changes in the role of elected members and feedback from the sector.

3 Key Definitions

Actual – means as evidenced by the original receipt attached to the expenses reimbursement claim form.

Council business – includes: formal Council and Community Board Meetings, Committee and Subcommittee Meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, and meetings with members of the public. It does not include events where the primary focus is on social activity.

Family member – (in relation to the childcare allowance) a spouse, civil union partner, or de facto partner of the elected member, or a relative, that is, another person connected with the elected member within two degrees of a relationship, whether by blood relationship or by adoption.

Hearing – has the same meaning as section 5 of the Local Government Members Determination for the year to which it applies, and includes resource consent hearings; pre-hearing meetings held under section 99 of the Resource Management Act (RMA); a hearing as part of the process of the preparation, change, variation, or review of a district plan; a mediation hearing in the Environment Court as part of an appeal process and a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.

Reasonable – means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.

Remuneration Authority (the Authority) – is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

4 Principles

- 4.1 The payment of allowances and expenses to Elected Members by Timaru District Council is made in accordance with the Auditor General's guidance for a principles based approach for sensitive expenditure.
- 4.2 The principles are that expenditure decisions:
 - i. Have a justifiable business purpose;
 - ii. Preserve impartiality;
 - iii. Are made with integrity;
 - iv. Are moderate and conservative, having regard to the circumstances;
 - v. Are made transparently; and
 - vi. Are appropriate in all respects.

5 Remuneration

- 5.1 The Mayor shall receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.

- 5.2 The Remuneration Authority sets a Governance Pool which is the total amount that can be paid in remuneration to councillors, and a minimum allowable remuneration for each councillor. Council must make a formal decision as to how the Governance Pool is allocated according to roles and additional responsibilities held by Councillors. The allocation of the Governance Pool is outlined in Appendix A, as recommended by Council and approved by the Remuneration Authority.
- 5.3 Community Board Chairs and Members receive remuneration as determined by the Remuneration Authority, outlined in Appendix A.
- 5.4 Elected Councillors who are appointed as Chairs on the Community Board receive no additional remuneration.
- 5.5 Elected members who sit on resource management or district plan hearings receive meeting fees as determined by the Remuneration Authority, outlined in Appendix A.
- 5.6 Elected Members will not receive any additional remuneration for their roles on Council Committees, Subcommittees beyond that outlined in Appendix A.
- 5.7 Elected Members appointed Directors of Council Owned Organisations (CCOs) may receive remuneration in accordance with Council's Appointment Policy.

6 Allowances

- 6.1 Any allowances not currently included in this policy will be subject, in the first instance, to the criteria set by the relevant annual determination.
- 6.2 The following allowances are available to elected members:

7 Vehicle Mileage Allowance

- 7.1 Elected members can claim a vehicle mileage allowance to reimburse costs incurred for eligible travel.
- 7.2 An elected members travel is eligible for the mileage allowance if:
 - i. The elected member is not provide with a vehicle by Council;
 - ii. The elected member is travelling in a private vehicle;
 - iii. The elected member is travelling on Council business; and
 - iv. The most direct route that is reasonable is taken.
- 7.3 The vehicle mileage allowance is set by the Authority and is reviewed annually. The allowance is based on the rate set by the Inland Revenue.
- 7.4 Any mileage allowance claimed should meet the reasonable additional cost the elected member incurs by using their own vehicle for travel required on Council business. This includes travel from home to the place of work or other venues required for local authority business.
- 7.5 The current vehicle mileage allowance rate is set out in Appendix 1.
- 7.6 All claims for vehicle mileage allowance are to be approved by the Chief Executive.

8 Travel Time Allowance

- 8.1 Elected members can claim a travel time allowance for travelling within New Zealand on Council business.
- 8.2 The Mayor is not eligible for this allowance because the role is deemed to be full time and remuneration set accordingly.
- 8.3 Council will pay the travel time allowance set by the Authority for all eligible travel claimed by an elected member.
- 8.4 An elected members travel is eligible for the travel time allowance if:
 - i. The elected member is travelling on Council business;
 - ii. The elected member uses the quickest form of transport that is reasonable; and
 - iii. The most direct route reasonable is taken.
- 8.5 Elected members cannot claim for the first hour of eligible travel.
- 8.6 The maximum total amount of travel time allowance that an elected member may be paid for eligible travel in a 24-hour period is eight hours.
- 8.7 An elected member who resides outside the district boundary is only eligible for a travel time allowance in respect of travel time after the first hour of eligible travel time within the Timaru District boundaries.
- 8.8 The current travel time allowance rate is set out in Appendix 1.
- 8.9 All claims for travel time allowance are to be approved by the Chief Executive.

9 Communications

- 9.1 The Mayor and Councillors are provided with tablet (or similar). Full technical support is provided where related to Council business.
- 9.2 The Mayor is provided with a mobile phone and full payment of all expenses related to the use of the mobile phone.
- 9.3 Council will pay annual allowances in recognition of elected members' use of personal communication equipment and services for Council business as set out in Appendix 1.

10 Childcare Allowance

- 10.1 Elected members can claim a childcare allowance as a contribution towards expenses incurred by the member for childcare while the member is engaged on Council business.
- 10.2 Elected members are eligible for the allowance if:
 - i. they are engaged on local authority business at the time of the childcare;
 - ii. they are the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child; and
 - iii. the child is under 14 years of age.

- iv. The childcare must be provided by someone who:
 - is not a family member of the elected member; and
 - does not ordinarily reside with the elected member.
 - v. Elected members must provide evidence of the amount paid for childcare.
- 10.3 Eligible elected members can claim up to \$6,000 per year for each child if the childcare meets the criteria above.
- 10.4 All claims for childcare allowance are to be approved by the Chief Executive.

11 Expenses

- 11.1 From time to time elected members incur expenses in their undertaking of Council business which need to be reimbursed. This reimbursement applies only to elected members personally, and only while they are acting in their official capacity as elected members.
- 11.2 In incurring and claiming these expenses, elected members will abide by the principles detailed in Section 4 of this policy.
- 11.3 Any expenses to be reimbursed will be on an actual and reasonable basis and in line with the principles detailed in Section 4 of this policy.
- 11.4 An expense reimbursement form is to be completed and full GST receipts attached for all expense claims.
- 11.5 All expense claims are to be returned to the Executive Assistant to the Chief Executive at least quarterly.
- 11.6 All expense claims submitted by elected members are to be approved by the Chief Executive and will be in line with approved Council budgets.
- 11.7 Council's internal audit work programme will include sampling of allowances and expense claims paid to elected members.
- 11.8 Any expenses not currently included in this policy will be subject in the first instance to the criteria set by the relevant annual determination.
- 11.9 All expense reimbursements will be made via Council's payroll system.

12 Transport

- 12.1 Taxis or ride sharing services may be used for council business, instead of private vehicles or public transport, for safety or security reasons, or where it is the most appropriate form of transport. Taxi charge vouchers should be used for planned travel within New Zealand.
- 12.2 Taxis or ride sharing services should not be used where significant travel distances mean that use of a taxi is not the most cost effective option.
- 12.3 Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.
- 12.4 Costs paid for directly by an elected member for unanticipated travel will be reimbursed on presentation of actual receipts.

13 Air Travel

- 13.1 Council will pay domestic air travel for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.
- 13.2 All air travel arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.
- 13.3 International air travel by an elected member is by way of economy class. The approval of Council is required for exceptions.
- 13.4 Council, where appropriate, will pay travel insurance for all domestic and international travel.

14 Koru Club

- 14.1 The Mayor will receive an annual membership to the Air New Zealand Koru Club, recognising the frequent travel requirements of the role.

15 Car Parking

- 15.1 The Mayor and Councillors will receive the use of an assigned car parks at the Timaru Civic Offices for use on council business.

16 Mayoral Car

- 16.1 The Mayor will be provided with a vehicle that will also be available for private use. A pro rata deduction will be made from the Mayor's salary to reflect the full use of the vehicle. The Mayor will not be able to claim for vehicle mileage.

17 Accommodation

- 17.1 Council will pay accommodation costs for those elected members approved to attend seminars, conferences, training and development courses, or for any other Council business approved by the Mayor and Chief Executive.
- 17.2 All accommodation arrangements for elected members are to be made by the appropriate Council officer in accordance with the principles of this policy.
- 17.3 Elected members can claim \$50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.

18 Meals, Beverages and Incidentals

- 18.1 Elected Members can claim actual and reasonable meal costs (excluding alcohol) incurred while the member is engaged on Council business.
- 18.2 Purchases from hotel mini-bars will not be reimbursed.

19 Hospitality and Entertainment

- 19.1 The Mayor holds a purchasing card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are

to be provided. All expenditure on this card is to be approved by the Chief Executive.

19.2 Elected members can claim actual and reasonable costs incurred while hosting official visitors to Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to; non-alcoholic drinks and catering.

19.3 Alcohol costs will not be reimbursed by Council.

20 Stationery

20.1 Council will supply a reasonable amount of paper and printer consumables, and other stationery requirements for Council business.

21.0 Delegations, References and Revision History

21.1 *Delegations* - Identify here any delegations related to the policy for it to be operative or required as a result of the policy

21.2 *Related Documents* - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)

21.3 *Revision History* – Summary of the development and review of the policy

5.1 Delegations

Delegation	Delegations Reference	Register
Chief Executive has the appropriate financial delegations to approve allowance and expense claims		

5.2 References

Title	Document Reference
Local Government Members (2019/20) Determination 2019	

5.3 Revision History

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Group Manager Corporate Services	15 October 2013	Council	2016	#843141
2	Group Manager Corporate Services	8 October 2016	Council	2019	#1001518
3	Group Manager Commercial and Strategy	TBC	Council	Following 2022 election	#1250020

Appendix A

As set by the Local Government Members (2019/20) Determination 2019

Remuneration

Timaru District Council

Mayor's Remuneration:	\$132,500
Councillor (Minimum Allowable Remuneration):	\$35,543

Geraldine Community Board

Chairperson:	\$11,008 (if applicable)
Member:	\$5,504

Pleasant Point Community Board

Chairperson:	\$8,633 (if applicable)
Member:	\$4,317

Temuka Community Board

Chairperson:	\$11,224 (if applicable)
Member:	\$5,612

Fees relating to hearings

Chairperson of a hearing:	\$100 per hour of hearing time
Member not a chairperson:	\$80 per hour of hearing time

The Mayor or a member acting as Mayor will not receive meeting fees for hearings.

Communications Allowance

20.2 All elected members shall receive:

- i. \$150 p.a. for use of a mobile telephone
- i. \$40 p.a. for the use of a printer
- ii. \$400 p.a. for landline/broadband services

20.3 All Councillors and Community Board members, excluding the Mayor, shall receive:

- i. \$400 p.a. for mobile phone services

20.4 Community board members shall receive:

- i. \$200 p.a. for the use of a personal computer

Vehicle Mileage Allowance

Vehicle Type	First 14,000 km of eligible travel	After 14,000km of eligible travel
Petrol or Diesel Vehicle	79 cents per km	30 cents per km
Petrol Hybrid Vehicle	79 cents per km	19 cents per km
Electric Vehicle	79 cents per km	9 cents per km

Travel time allowance

\$37.50 for each hour of eligible travel time after the first hour of eligible travel time travelled in a day. Maximum of 8 hours in a 24-hour period.



Elected Members Conferences, Seminars and Travel Policy

Approved by:

Policy and Development Committee

Date Approved:

22 November 2016

Keywords:

Conferences, seminars, travel

1.0 Purpose

This policy outlines the criteria and processes for Elected Member attendance at Conferences and Seminars.

2.0 Background

Elected Members are frequently required to attend conferences and seminars.

Financing the costs associated with attendance of these events is outlined in the Elected Members' Allowances and Recovery of Expenses policy, which is approved by the Remuneration Authority prior to each local Authority election and is valid for the three year tenure of the Council.

3.0 Key Definitions

Elected Member – Mayor, Councillors and Community Board members.

Remuneration Authority - the independent body set up by Parliament to handle the remuneration of key office holders such as Judges, Members of Parliament, local government representatives, and some individual office holders and board members of independent statutory bodies.

4.0 Policy

- 4.1 The Chief Executive, the Mayor and up to three Councillors will be funded by Council to represent Council at Local Government New Zealand Conferences.
- 4.2 Council funding for Councillor attendance at conferences other than Local Government New Zealand conferences, courses and seminars requires approval by the Mayor who will consult with the Chief Executive on budgetary matters prior to making a decision.

4.3 Criteria

- 4.3.1 Councillor attendance at a conference, seminar or course must be for the purpose of acquiring knowledge, including new developments, or transacting business that is appropriate to that Councillor.
 - 4.3.2 Costs of attendance must be able to be met within approved budgets.
 - 4.3.3 Councillors are required to discuss the suitability of the intended conference, course or seminar with the Mayor and/or the Chief Executive or appropriate Group Manager prior to seeking approval to attend.
- 4.4 Costs of partners/spouses attending conferences/courses/seminars will not be met by the Council except for partners accompanying delegates to the Local Government New Zealand conference when only the partners' registration fees will be paid by Council.
- 4.5 After attendance at an approved course/seminar/conference Councillors are required to provide a verbal or written report to the next Policy and Development Committee meeting, on relevant matters including course content, matters of interest to other Councillors and staff and an assessment of the value of the course.
- 4.6 Registration, travel and accommodation arrangements must be made by Council staff.

5.0 Delegations, References and Revision History					
<i>5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy</i>					
<i>5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)</i>					
<i>5.3 Revision History – Summary of the development and review of the policy</i>					
5.1 Delegations					
Delegation					Delegations Register Reference
<i>Approval for attendance at non LGNZ conferences - Mayor</i>					
5.2 References					
Title					Document Reference
<i>Policy on Elected Members' Allowances and Recovery of Expenses</i>					<i>Record#843141</i>
5.3 Revision History					
Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
<i>1</i>	<i>Group Manager Corporate Services</i>	<i>22 November 2016</i>	<i>Policy Development Committee</i>	<i>an November 2019</i>	<i>F8525 – Council Policy Register Final</i>

9.5 Elected Members Code of Conduct

Author: Mark Low, Strategy and Corporate Planning Manager

Authoriser: Donna Cross, Group Manager Commercial and Strategy

Recommendation

That the Council adopts the Code of Conduct.

Purpose of Report

1 The purpose of this report is for the Council to consider and adopt a new Code of Conduct.

Assessment of Significance

2 The proposal is considered of low significance in accordance with Council's Significance and Engagement Policy.

Background

3 The current, and operative Code of Conduct was approved and adopted by Council on 27 June 2017. While this document remains in place until reviewed and amended, if necessary, by Council, there are requirements under schedule 7 of the Local Government Act 2002 relating to reviews and that an amended Code receive a vote in support of at least 75% of members for any review after each triennial election. This section is included below:

15 Code of conduct

(1) A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.

(2) The code of conduct must set out—

(a) understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members, including—

(i) behaviour toward one another, staff, and the public; and

(ii) disclosure of information, including (but not limited to) the provision of any document, to elected members that—

(A) is received by, or is in the possession of, an elected member in his or her capacity as an elected member; and

(B) relates to the ability of the local authority to give effect to any provision of this Act; and

(b) a general explanation of—

(i) the Local Government Official Information and Meetings Act 1987; and

(ii) any other enactment or rule of law applicable to members.

(3) A local authority may amend or replace its code of conduct, but may not revoke it without replacement.

(4) A member of a local authority must comply with the code of conduct of that local authority.

(5) A local authority must, when adopting a code of conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.

(6) After the adoption of the first code of conduct, an amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.

(7) To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.

- 4 The current Code of Conduct was based on a pre-2015 Local Government New Zealand template with a number of examples specific to Timaru District Council provided. There have been legislative changes that are not incorporated into this document and the review process is intended to include these as well as generally consider whether the current Code is fit for purpose.

Discussion

- 5 Local Government New Zealand (LGNZ) provides to client Councils a format and content to structure a robust Code of Conduct. The review process has considered the current Codes adopted by Whangarei District Council, Auckland Council, Christchurch City Council and Dunedin City Council. While all these use the content recommended by LGNZ there are some variations as to the way they have structured the format.
- 6 In general, the review approach taken has been to retain the themes of the current Code and restructure the content in the LGNZ format, adopting a revised structure of Codes based on selected Council(s), specifically Christchurch and Dunedin.
- 7 While the current Code of Conduct outlines the roles and responsibilities of Elected Members in their dealings with each other, the organisation (CE and Staff), and the public, it fails to outline the process adopted for dealing with complaints made under this Code. The review is to include this process.
- 8 The main changes to the current Code of Conduct are:
- 8.1 Revised structure and format
 - 8.2 Inclusion of requirement for the maintenance of an annually updated Elected Members' Register of Interests (as based on the model used by Members of Parliament)
 - 8.3 Inclusion of more detailed process elements relating to code breaches (e.g. How complaints are made and how they are dealt with).
- 9 Once adopted by Council, the Code will be sent to Community Boards for adoption.

Options and Preferred Option

- 10 The options are:
- 10.1 The Council adopt the Code of Conduct as proposed (*Preferred Option*)

10.2 The Council make further changes to the Code of Conduct prior to adoption

Consultation

11 Liaison has occurred with other Councils on good practice Codes of Conduct. There has been no wider consultation.

Relevant Legislation, Council Policy and Plans

12 Local Government Act 2002, Schedule 7

Financial and Funding Implications

13 There are no funding or financial implications from this report.

Other Considerations

14 There are no other considerations.

Attachments

1. **Timaru District Council - Code of Conduct Final** [↓](#) 



1.

Timaru District Council

2. Code of Conduct

3.

4. (7 April 2020)

5.

6.

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Code of Conduct

1. Introduction

This Code of Conduct (the Code) sets out the standards of behaviour expected from elected members in the exercise of their duties. Its purpose is to:

- enhance the effectiveness of the local authority and the provision of good local government of the community, district or region;
- promote effective decision-making and community engagement;
- enhance the credibility and accountability of the local authority to its communities; and
- develop a culture of mutual trust, respect and tolerance between the members of the local authority and between the members and management and staff.

This purpose is given effect through the values, roles, responsibilities and specific behaviours agreed in this Code.

2. Scope

The Code has been adopted in accordance with clause 15 of Schedule 7 of the Local Government Act 2002 (LGA 2002) and applies to all members, including the members of any community boards that have agreed to adopt it. The Code is designed to deal with the behaviour of members towards:

- each other;
- the chief executive and staff;
- the media; and
- the general public.

It is also concerned with the disclosure of information that members receive in their capacity as elected members and information which impacts on the ability of the local authority to give effect to its statutory responsibilities.

This Code can only be amended (or substituted by a replacement Code) by a vote of at least 75 per cent of members present at a meeting when amendment to the Code is being considered. The Code should be read in conjunction with the council's Standing Orders.

3. Values

The Code is designed to give effect to the following values:

- 1 **Public interest:** members will serve the best interests of the people within their community, district or region and discharge their duties conscientiously, to the best of their ability.
- 2 **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.

- 3 **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
- 4 **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
- 5 **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their race, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of officials.
- 6 **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code of Conduct, and act in accordance with the trust placed in them by the public.
- 7 **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
- 8 **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which the Council operates, including a regular review and assessment of the Council's collective performance.

These values complement, and work in conjunction with, the principles of s.14 of the LGA 2002 and the governance principles of s.39 of the LGA 2002.

4. Role and Responsibilities

Good governance requires clarity of roles and respect between those charged with responsibility for the leadership of the council and those responsible for advice and the implementation of council decisions. The key roles are:

4.1 Members

The role of the governing body includes:

- representing the interests of the people of the district or region;
- developing and adopting plans, policies and budgets;
- monitoring the performance of the council against stated goals and objectives set out in its long term plan;
- providing prudent stewardship of the council's resources;
- employing and monitoring the performance of the chief executive; and
- ensuring the council fulfils its responsibilities to be a 'good employer' and meets the requirements of the Health and Safety at Work Act 2015.

4.2 Chief Executive

The role of the chief executive includes:

- implementing the decisions of the council;
- ensuring that all responsibilities delegated to the chief executive are properly performed or exercised;
- ensuring the effective and efficient management of the activities of the local authority;
- maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority;
- providing leadership for the staff of the council; and
- employing staff on behalf of the council (including negotiation of the terms of employment for those staff).

Under s.42 of the LGA 2002 the chief executive is the only person *directly* employed by the council itself. All concerns about the performance of an individual member of staff must, in the first instance, be referred to the chief executive.

5. Relationships

This section of the Code sets out agreed standards of behaviour between members; members and staff; and members and the public.

5.1 Relationship between members

Given the importance of relationships to the effective performance of the council, members will conduct their dealings with each other in a manner that:

- maintains public confidence;
- is open and honest;
- is courteous;
- is focused on issues rather than personalities;
- avoids abuse of meeting procedures, such as a pattern of unnecessary notices of motion and/or repetitious points of order; and
- avoids aggressive, offensive or abusive conduct, including the use of disrespectful or malicious language.

Any failure by members to act in the manner described in s.5.1 represents a breach of this Code.

Please note that nothing in this section of the Code is intended to limit robust debate within the council as long as it is conducted in a respectful and insightful manner.

5.2 Relationships with staff

An important element of good governance involves the relationship between the council and its chief executive. Members will respect arrangements put in place to facilitate this relationship, and:

- raise any concerns about employees, officers or contracted officials with the chief executive;
- raise any concerns about the performance or behaviour of the chief executive with the mayor/chair or the chairperson of the chief executive performance review committee (however described);

- make themselves aware of the obligations that the council and the chief executive have as employers and observe those requirements at all times, such as the duty to be a good employer;
- treat all employees with courtesy and respect, including the avoidance of aggressive, offensive or abusive conduct towards employees;
- avoid publicly criticising any employee in any way, but especially in ways that reflect on the competence and integrity of the employee;
- observe any protocols put in place by the chief executive concerning contact between members and employees; and
- avoid doing anything which might compromise, or could be seen as compromising, the impartiality of an employee.

Any failure by members to act in the manner described above represents a breach of this Code.

Please note: Elected members should be aware that failure to observe this portion of the Code may compromise the council's obligations to be a good employer and consequently expose the council to civil litigation or affect the risk assessment of council's management and governance control processes undertaken as part of the council's audit.

5.3 Relationship with the public

Given that the performance of the council requires the trust and respect of individual citizens, members will:

- interact with members of the public in a fair, respectful, equitable and honest manner;
- be available to listen and respond openly and honestly to community concerns;
- consider all points of view or interests when participating in debate and making decisions;
- treat members of the public in a courteous manner; and
- act in a way that upholds the reputation of the local authority.

Any failure by members to act in the manner described above represents a breach of this Code.

6. Contact with the media

The media play an important part in the operation and efficacy of local democracy. In order to fulfil this role the media needs access to accurate and timely information about the affairs of council.

From time to time individual members will be approached to comment on a particular issue either on behalf of the council, or as an elected member in their own right. When responding to the media, members must be mindful that operational questions should be referred to the chief executive and policy-related questions referred to the mayor or the member with the appropriate delegated authority.

When speaking to the media more generally members will abide by the following provisions:

6.1 Media contact on behalf of the Council

- the mayor or chairperson is the first point of contact for an official view on any issue, unless delegations state otherwise. Where the mayor/chair is absent requests for comment will be referred to the deputy mayor/chair or relevant committee chairperson or portfolio holder;
- the mayor/chair may refer any matter to the relevant committee chairperson or to the chief executive for their comment; and
- no other member may comment *on behalf of the council* without having first obtained the approval of the mayor/chair.

6.2 Media comment on member's own behalf

Elected members are free to express a *personal view* in the media, including social media, at any time, provided the following rules are observed:

- media comments must not state or imply that they represent the views of the council;
- media comments which are contrary to a council decision or policy must clearly state that they do not represent the views of the majority of members;
- media comments must observe the other requirements of the Code; for example, comments should not disclose confidential information, criticize, or compromise the impartiality or integrity of staff; and
- media comments must not be misleading and should be accurate within the bounds of reasonableness.

Any failure by members to meet the standards set out above represents a breach of this Code.

7. Information

Access to information is critical to the effective performance of a local authority and the level of public trust felt by the public.

7.1 Confidential Information

In the course of their duties members will occasionally receive information that is confidential. This will generally be information that is either commercially sensitive or is personal to a particular individual or organisation. Accordingly, members agree not to use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the member.

7.2 Information received in capacity as an elected member

Members will disclose to other members and, where appropriate the chief executive, any information received in their capacity as an elected member that concerns the council's ability to give effect to its responsibilities.

Members who are offered information on the condition that it remains confidential will inform the provider of the information that it is their duty to disclosure the information

and will decline the offer if that duty is likely to be compromised.

Any failure by members to act in the manner described above represents a breach of this Code.

Please note: failure to observe these provisions may impede the performance of the council by inhibiting information flows and undermining public confidence. It may also expose the council to prosecution under the Privacy Act and/or civil litigation.

8. Conflicts of Interest

Elected members will maintain a clear separation between their personal interests and their duties as elected members in order to ensure that they are free from bias (whether real or perceived). Members therefore must familiarise themselves with the provisions of the Local Authorities (Members' Interests) Act 1968 (LAMIA).

Members will not participate in any council discussion or vote on any matter in which they have a pecuniary interest, other than an interest in common with the general public. This rule also applies where the member's spouse contracts with the authority or has a pecuniary interest. Members shall make a declaration of interest as soon as practicable after becoming aware of any such interests.

If a member is in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, then the member should seek guidance from the chief executive *immediately*. Members may also contact the Office of the Auditor General for guidance as to whether they have a pecuniary interest, and if so, may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote.

Please note: Failure to observe the requirements of the LAMIA could potentially invalidate the decision made, or the action taken, by the council. Failure to observe these requirements could also leave the elected member open to prosecution (see Appendix A). In the event of a conviction, elected members can be ousted from office.

9. Register of Interests

Members shall annually make a declaration of interest. These declarations are recorded in a Register of Interests maintained by the council. The declaration must include information on the nature and extent of any interest, including:

- a) any employment, trade or profession carried on by the member or the members' spouse for profit or gain;
- b) any company, trust, partnership etc for which the member or their spouse is a director, partner or trustee;
- c) the address of any land in which the member has a beneficial interest within the jurisdiction of the local authority; and
- d) the address of any land owned by the local authority in which the member or their spouse is:
 - a tenant; or

- the land is tenanted by a firm in which the member or spouse is a partner, a company of which the member or spouse is a director, or a trust of which the member or spouse is a trustee:
- e) any other matters which the public might reasonably regard as likely to influence the member's actions during the course of their duties as a member (if the member is in any doubt on this, the member should seek guidance from the chief executive).

Please note: Where a member's circumstances change they must ensure that the Register of Interests is updated as soon as practicable.

10. Ethical behaviour

Members will seek to promote the highest standards of ethical conduct. Accordingly members will:

- claim only for legitimate expenses as determined by the any remuneration or reimbursement policy and any lawful policy of the council developed in accordance with that determination;
- not influence, or attempt to influence, any council employee, officer or member in order to benefit their own, or families personal or business interests;
- only use the Council resources (such as facilities, staff, equipment and supplies) in the course of their duties and not in connection with any election campaign or personal interests; and
- not solicit, demand, or request any gift, reward or benefit by virtue of their position and notify the chief executive if any such gifts are accepted. Where a gift to the value of \$50 or more is accepted by a member, that member must immediately disclose this to the chief executive for inclusion in the publicly available register of interests.

Any failure by members to comply with the provisions set out in this section represents a breach of this Code.

10.1 Undischarged bankrupt

In accordance with clause 15(5) of Schedule 7 (LGA 2002) any member who is an "undischarged bankrupt" will notify the chief executive prior to the inaugural meeting or as soon as practicable after being declared bankrupt. The member will also provide the chief executive with a brief explanatory statement of the circumstances surrounding the member's adjudication and the likely outcome of the bankruptcy.

11. Creating a supporting and inclusive environment

In accordance with the purpose of the Code, members agree to take all reasonable steps in order to participate in activities scheduled to promote a culture of mutual trust, respect and tolerance. These include:

- Attending post-election induction programmes organised by the council for the purpose of facilitating agreement on the council's vision, goals and objectives and the manner and operating style by which members will work.
- Taking part in any assessment of the Council's overall performance and operating style during the triennium.

- Taking all reasonable steps to ensure they possess the skills and knowledge to effectively fulfil their Declaration of Office and contribute to the good governance of the city, district or region.

12. Breaches of the Code

Members must comply with the provisions of this Code (LGA 2002, Schedule 7, s. 15(4)). Any member of the public, elected member, or the chief executive, who believes that the Code has been breached by the behaviour of a member, may make a complaint to that effect. All complaints will be considered in a manner that is consistent with the following principles.

12.1 Principles

The following principles will guide any processes for investigating and determining whether or not a breach under this Code has occurred:

- that the approach for investigating and assessing a complaint will be proportionate to the apparent seriousness of the breach complained about;
- that the roles of complaint, investigation, advice and decision-making will be kept separate as appropriate to the nature and complexity of the alleged breach; and
- that the concepts of natural justice and fairness will apply in the determination of any complaints made under this Code. This requires, conditional on the nature of an alleged breach, that affected parties:
 - have a right to know that an investigation process is underway;
 - are given due notice and are provided with an opportunity to be heard;
 - have a right to seek appropriate advice and be represented; and
 - have their privacy respected.

12.2 Complaints

All complaints made under this Code must be made in writing and forwarded to the chief executive. On receipt of a complaint the chief executive must forward that complaint to an independent investigator² for a preliminary assessment to determine whether the issue is sufficiently serious to warrant a full investigation.

Members of the public, elected members and the chief executive may make a complaint under this Code.

12.3 Investigation, advice and decision

The process, following receipt of a complaint, will follow the steps outlined in Appendix

² On behalf of the Council the Chief Executive will, shortly after the start of a triennium, prepare, in consultation with the Mayor or Chairperson, a list of investigators for this purpose of undertaking a preliminary assessment. The Chief Executive may prepare a list specifically for his or her council, prepare a list jointly with neighbouring councils or contract with an agency capable of providing appropriate investigators, such as Equip.

B.

12.4 Materiality

An alleged breach under this Code is material if, in the opinion of the independent investigator, it would, if proven, bring a member or the council into disrepute or, if not addressed, reflect adversely on another member of the council.

13. Penalties and actions

Where a complaint is determined to be material and referred to the council the nature of any penalty or action will depend on the seriousness of the breach.

13.1 Material breaches

In the case of material breaches of this Code the council, or a committee with delegated authority, may require one of the following:

1. a letter of censure to the member;
2. a request (made either privately or publicly) for an apology;
3. a vote of no confidence in the member;
4. removal of certain council-funded privileges (such as attendance at conferences);
5. restricted entry to council offices, such as no access to staff areas (where restrictions may not previously have existed);
6. limitation on any dealings with council staff so that they are confined to the chief executive only;
7. suspension from committees or other bodies; or
8. an invitation for the member to consider resigning from the council.

A council or committee may decide that a penalty will not be imposed where a respondent agrees to one or more of the following:

- attend a relevant training course; and/or
- work with a mentor for a period of time; and/or
- participate in voluntary mediation (if the complaint involves a conflict between two members); and/or
- tender an apology.

The process is based on the presumption that the outcome of a complaints process will be made public unless there are grounds, such as those set out in the Local Government Official Information and Meetings Act 1987 (LGOIMA), for not doing so.

13.2 Statutory breaches

In cases where a breach of the Code is found to involve regulatory or legislative requirements, the complaint will be referred to the relevant agency. For example:

- breaches relating to members' interests (where members may be liable for prosecution by the Auditor-General under the LAMIA);

- breaches which result in the council suffering financial loss or damage (where the Auditor-General may make a report on the loss or damage under s.30 of the LGA 2002 which may result in the member having to make good the loss or damage); or
- breaches relating to the commission of a criminal offence which will be referred to the Police (which may leave the elected member liable for criminal prosecution).

14. Review

Once adopted, a Code of Conduct continues in force until amended by the council. The Code can be amended at any time but cannot be revoked unless the council replaces it with another Code. Once adopted, amendments to the Code require a resolution supported by 75 per cent of the members of the council present at a council meeting where the amendment is considered.

Council may formally review the Code as soon as practicable after the beginning of each triennium. The results of that review will be considered by the council in regard to potential changes for improving the Code.

Appendix A

Legislation bearing on the role and conduct of elected members

1. The Local Authorities (Members' Interests) Act 1968

The Local Authorities (Members' Interests) Act 1968 (LAMIA) provides rules about members discussing and voting on matters in which they have a pecuniary interest and about contracts between members and the council.

A pecuniary interest is likely to exist if a matter under consideration could reasonably give rise to an expectation of a gain or loss of money for a member personally (or for their spouse or a company in which they have an interest). In relation to pecuniary interests the LAMIA applies to both contracting and participating in decision-making processes.

With regard to pecuniary or financial interests a person is deemed to be "concerned or interested" in a contract or interested "directly or indirectly" in a decision when:

- a person, or spouse or partner, is "concerned or interested" in the contract or where they have a pecuniary interest in the decision; or
- a person, or their spouse or partner, is involved in a company that is "concerned or interested" in the contract or where the company has a pecuniary interest in the decision.

There can also be additional situations where a person is potentially "concerned or interested" in a contract or have a pecuniary interest in a decision, such as where a contract is between an elected members' family trust and the council.

Determining whether a pecuniary interest exists

Elected members are often faced with the question of whether or not they have a pecuniary interest in a decision and if so whether they should participate in discussion on that decision and vote. When determining if this is the case or not the following test is applied:

"...whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned." (OAG, 2001)

In deciding whether you have a pecuniary interest, members should consider the following factors.

- What is the nature of the decision being made?
- Do I have a financial interest in that decision - do I have a reasonable expectation of gain or loss of money by making that decision?
- Is my financial interest one that is in common with the public?
- Do any of the exceptions in the LAMIA apply to me?
- Could I apply to the Auditor-General for approval to participate?

Members may seek assistance from the mayor/chair or other person to determine if they should discuss or vote on an issue but ultimately it is their own judgment as to whether or not they have pecuniary interest in the decision. Any member who is uncertain as to whether they have a pecuniary interest is advised to seek legal advice. Where uncertainty exists members may adopt a least-risk approach which is to not participate in discussions or vote on any decisions.

Members who do have a pecuniary interest will declare the pecuniary interest to the meeting and not participate in the discussion or voting. The declaration and abstention needs to be recorded in the meeting minutes. (Further requirements are set out in the council's Standing Orders.)

The contracting rule

A member is disqualified from office if he or she is "concerned or interested" in contracts with their council if the total payments made, or to be made, by or on behalf of the council exceed

\$25,000 in any financial year. The \$25,000 limit includes GST. The limit relates to the value of all payments made for all contracts in which you are interested during the financial year. It does not apply separately to each contract, nor is it just the amount of the profit the contractor expects to make or the portion of the payments to be personally received by you.

The Auditor-General can give prior approval, and in limited cases, retrospective approval for contracts that would otherwise disqualify you under the Act. It is an offence under the Act for a person to act as a member of the council (or committee of the council) while disqualified.

Non-pecuniary conflicts of interest

In addition to the issue of pecuniary interests, rules and common law govern conflicts of interest more generally. These rules apply to non-pecuniary conflicts of interest, including common law rules about bias. In order to determine if bias exists or not members need to ask:

"Is there a real danger of bias on the part of the member of the decision-making body, in the sense that he or she might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?"

The question is not limited to actual bias, but relates to the appearance or possibility of bias reflecting the principle that justice should not only be done, but should be seen to be done. Whether or not members believe they are not biased is irrelevant.

Members should focus be on the nature of the conflicting interest or relationship and the risk it could pose for the decision-making process. The most common risks of non-pecuniary bias are where:

- members' statements or conduct indicate that they have predetermined the decision before hearing all relevant information (that is, members have a "closed mind"); and
- members have a close relationship or involvement with an individual or organisation affected by the decision.

In determining whether or not they might be perceived as biased, members must also take into account the context and circumstance of the issue or question under consideration. For example, if a member has stood on a platform and been voted into office on the promise of implementing that platform then voters would have every expectation that the member would give effect to that promise, however he/she must still be seen to be open to considering new information (this may not apply to decisions made in quasi-judicial settings, such as an RMA hearing).

2. Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 sets out a list of meetings procedures and requirements that apply to local authorities and local/community boards. Of particular importance for the roles and conduct of elected members is the fact that the chairperson has the responsibility to maintain order at meetings, but all elected members should accept a personal responsibility to maintain acceptable standards of address and debate. No elected member should:

- create a disturbance or a distraction while another councillor is speaking;
- be disrespectful when they refer to each other or other people; or
- use offensive language about the council, other members, any employee of the council or any member of the public.

See Standing Orders for more detail.

3. Secret Commissions Act 1910

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to council.

If convicted of any offence under this Act a person can be imprisoned for up to two years, and/or fines up to \$1000. A conviction would therefore trigger the ouster provisions of the LGA 2002 and result in the removal of the member from office.

4. Crimes Act 1961

Under this Act it is unlawful for an elected member (or officer) to:

- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of council; and
- use information gained in the course of their duties for their, or another person's, monetary gain or advantage.

These offences are punishable by a term of imprisonment of seven years or more. Elected members convicted of these offences will automatically cease to be members.

5. Financial Markets Conduct Act 2013

Financial Markets Conduct Act 2013 (previously the Securities Act 1978) essentially places elected members in the same position as company directors whenever council offers stock to the public. Elected members may be personally liable if investment documents such as a prospectus contain untrue statements and may be liable for criminal prosecution if the requirements of the Act are not met.

6. The Local Government Act 2002

The Local Government Act 2002 (LGA 2002) sets out the general powers of local government, its purpose and operating principles. Provisions directly relevant to this Code include:

Personal liability of members

Although having qualified privilege, elected members can be held personally accountable for losses incurred by a local authority where, following a report from the Auditor General under s.44 LGA 2002, it is found that one of the following applies:

- a) money belonging to, or administered by, a local authority has been unlawfully expended; or
- b) an asset has been unlawfully sold or otherwise disposed of by the local authority; or
- c) a liability has been unlawfully incurred by the local authority; or
- d) a local authority has intentionally or negligently failed to enforce the collection of money it is lawfully entitled to receive.

Members will not be personally liable where they can prove that the act or failure to act resulting in the loss occurred as a result of one of the following:

- a) without the member's knowledge;
- b) with the member's knowledge but against the member's protest made at or before the time when the loss occurred;
- c) contrary to the manner in which the member voted on the issue; and
- d) in circumstances where, although being a party to the act or failure to act, the member acted in good faith and relied on reports, statements, financial data, or other information from professional or expert advisers, namely staff or external experts on the matters.

In certain situation members will also be responsible for paying the costs of proceedings (s.47 LGA 2002).

7. Health and Safety at Work Act 2015

Elected members have a role to play in making sure the Council operates in a safe and healthy environment. The well-being of other members and Council employees must be a primary concern.

Appendix B

Process for determination and investigation of complaints

Step 1: Chief executive receives complaint

On receipt of a complaint under this Code the chief executive will refer the complaint to an investigator selected from a panel agreed at the start of the triennium. The chief executive will also:

- inform the complainant that the complaint has been referred to the independent investigator and the name of the investigator, and refer them to the process for dealing with complaints as set out in the Code; and
- inform the respondent that a complaint has been made against them, the name of the investigator and refer them to the process for dealing with complaints as set out in the Code.

Step 2: Investigator makes preliminary assessment

On receipt of a complaint the investigator will assess whether:

1. the complaint is frivolous or without substance and should be dismissed;
2. the complaint is outside the scope of the Code and should be redirected to another agency or process;
3. the complaint is non-material; and
4. the complaint is material and a full investigation is required.

In making the assessment the investigator may make whatever initial inquiry is necessary to determine the appropriate course of action. The investigator has full discretion to dismiss any complaint which, in their view, fails to meet the test of materiality.

On receiving the investigator's preliminary assessment the chief executive will:

1. where an investigator determines that a complaint is frivolous or without substance, inform the complainant and respondent directly and inform other members (if there are no grounds for confidentiality) of the investigator's decision;
2. in cases where the investigator finds that the complaint involves a potential legislative breach and outside the scope of the Code, forward the complaint to the relevant agency and inform both the complainant and respondent of the action.

Step 3: Actions where a breach is found to be non-material

If the subject of a complaint is found to be non-material the investigator will inform the chief executive and, if they choose, recommend a course of action appropriate to the breach, such as;

- that the respondent seek guidance from the Chairperson or Mayor;
- that the respondent attend appropriate courses or programmes to increase their knowledge and understanding of the matters leading to the complaint.

The chief executive will advise both the complainant and the respondent of the

investigator's decision and any recommendations, neither of which are open to challenge. Any recommendations made in response to a non-material breach are non-binding on the respondent and the council.

Step 4: Actions where a breach is found to be material

If the subject of a complaint is found to be material the investigator will inform the chief executive, who will inform the complainant and respondent. The investigator will then prepare a report for the council on the seriousness of the breach.

In preparing that report the investigator may:

- consult with the complainant, respondent and any affected parties;
- undertake a hearing with relevant parties; and/or
- refer to any relevant documents or information.

On receipt of the investigator's report the chief executive will prepare a report for the council or committee with delegated authority, which will meet to consider the findings and determine whether or not a penalty, or some other form of action, will be imposed. The chief executive's report will include the full report prepared by the investigator.

Step 5: Process for considering the investigator's report

Depending upon the nature of the complaint and alleged breach the investigator's report may be considered by the full council, excluding the complainant, respondent and any other 'interested' members, or a committee established for that purpose.

The council or committee will consider the chief executive's report in open meeting, except where the alleged breach concerns matters that justify the exclusion of the public, such as the misuse of confidential information or a matter that would otherwise be exempt from public disclosure under s.48 of the LGOIMA, in which case it will be a closed meeting.

Before making any decision in respect of the investigator's report the council or committee will give the member against whom the complaint has been made an opportunity to appear and speak in their own defence. Members with an interest in the proceedings, including the complainant and the respondent, may not take part in these proceedings.

The form of penalty that might be applied will depend on the nature of the breach and may include actions set out in section 13.1 of this Code.

9.6 Appointment of second external member to the Audit and Risk Committee

Author: Bede Carran, Chief Executive

Authoriser: Bede Carran, Chief Executive

Recommendation

That Council approves the appointment of Janice Fredric as the second external and an independent member of its Audit and Risk Committee

Purpose of Report

- 1 For Council to be provided with the information necessary to consider and if deems appropriate to appoint a second external and independent member to Council's Audit and Risk Committee.

Assessment of Significance

- 2 This matter is of low significance as measured against the criteria set out in Council's Significance and Engagement Policy.

Background

- 3 At its inaugural meeting on 31 October 2019 the Council resolved to establish an Audit and Risk Committee (the Committee). The Committee reports directly to Council. The membership of the Committee is comprised of the Mayor, Chairperson of the Commercial and Strategy Committee, Deputy Chairperson of the Commercial and Strategy Committee, another Councillor and at least one and up to two External Appointees (one of whom will be the Chairperson, Keiran Horne is the chair and an independent member of the Committee). The Committee has an important role supporting Council's governance by testing and examining how Council is identifying and managing risk across its operations. It also provides assurance by reviewing Council's financial processes, systems and information. As with all assurance functions having independence strengthens the trust and confidence that users have in the advice that comes from the Committee. For this reason, having members outside of the governing body as members is considered important to supporting its assurance function to Council. Having independent members is recommended by the Auditor General in his guidance on how to constitute a high performing audit committee. The Committee provides advice and recommendations to Council and does not have decision making delegations.
- 4 To fill the Committee's second external member vacancy Council's Director and Trustee Appointments' Committee, along with chair of the Committee, worked with the Institute of Directors (IoD) to identify suitable candidates for the position. The IoD supports many organisations to make appointments at a governance level. Using the IoD provided assurance that a thorough and rigorous process was followed in determining the attributes and qualities required by potential candidates for the position. This involved identifying the necessary skills, competencies and experience required for the position. Broadly, it required candidates to have demonstrable and proven attributes in financial analysis and risk frameworks across a range of sectors and environments. It also required candidates to demonstrate they had

expertise and experience with complex organisations that have high levels of public accountability.

- 5 A number candidates with the requisite attributes were identified. The Director and Trustee Appointments' Committee were pleased with the list of identified candidates and with those interviewed. All were of extremely high calibre.
- 6 The Director and Trustee Appointments' Committee is recommending that Janice Fredric is appointed as the second external and independent member of the Committee. By training and demonstrated professional experience Ms Fredric presents with all the requisite credentials (a copy of her curriculum vitae is attached for reference). All reference checks confirmed her impeccable professional standards and suitability for the role.
- 7 Professionally, Ms Fredric is a Chartered Accountant, a Chartered Member of the New Zealand Institute of Directors and Fellow of the New Zealand Institute of Management South. Academically, Ms Fredric has a Bachelor of Commerce, a Masters of Business Administration (MBA with Distinction), a Certificate of Company Direction and is a Certified Master Coach.
- 8 Ms Fredric has extensive experience at a governance level (including with Audit and Risk Committees). Currently she:
 - Chair of the Civil Aviation Authority
 - Council member of Lincoln University
 - Director of Mainpower
 - Deputy Chair of Credit Union Baywide
 - Trustee of the New Zealand Shipwreck Welfare Trust
- 9 Ms Fredric has held governance roles at multiple organisations. These include a full spectrum of entities such as profit oriented entities (professional and service entities), not for profit organisations, for example YHA New Zealand and a Credit Union, and government agencies including Maritime New Zealand.

Options and Preferred Option

- 10 Council's options are to appoint Ms Fredric, or to not appoint and ask the Director and Trustees' Appointment Committee to recommence its search if it is not satisfied that Ms Fredric is the appropriate person as an independent member of the Committee.

Consultation

- 11 The IoD supported Council and conducted reference checks to confirm her suitability for the role.

Relevant Legislation, Council Policy and Plans

- 12 Local Government Act 2002.

Financial and Funding Implications

- 13 It is proposed to pay Ms Fredric \$10,000 per annum for the position plus disbursements such as mileage at the Inland Revenue Rates. This is funded out of existing budgets.

Attachments

- 1. Janice Fredric CV**



JANICE FREDRIC

B Com, CA, MBA(Dist), CMInstD, FNZIMS

31 Scarborough Road
Sumner
Christchurch 8081

021 67 33 64
janice@fredric.co.nz

Key Governance Skills

- Experience as Chairman, Deputy Chairman, Chair of Audit & Risk Committees
- Experienced business professional
- In depth understanding of professional service firms
- Financial literacy
- Strategic development
- Strong relationship management and interpersonal skills
- Experience with regulatory and governmental environments
- Trans Tasman business experience
- Clear understanding of governance roles and responsibilities

Key Personal Attributes

- Adept critical thinker with a strategic focus
- Commercial acumen
- Sound judgement
- Skilled and constructive communicator
- Commitment, determination, perseverance
- High level of ethics and professional conduct

Personal Statement

An experienced and financially literate chairman, director and chief executive with twenty years governance experience, Janice enjoys using her skills to assist businesses realise their potential. Respected for her forthright approach, Janice is an independent and critical thinker who enjoys the trust and confidence of those she works with.

Janice has excellent interpersonal and communication skills. Leading by example, she enjoys working in strong teams founded on consultation and collaboration – but is decisive and unafraid to make the tough calls when required. Janice thinks laterally – considering the long-term implications of a situation and proposed actions. She quickly grasps the essence of an issue seeking to understand the underlying issues, not just the surface symptoms.

Janice demonstrates a thorough knowledge of governance and has experience across a wide range of industry sectors and sizes, applying that experience in a practical way to the organisations she works with. Janice thrives on challenge and variety – and continually looks for opportunities to improve performance.

CV – Janice Fredric

Current Governance Roles

Civil Aviation Authority of New Zealand	Dec 2020 - Current
Aviation Security Service	
Chairman	
Lincoln University	February 2017 – Current
Council Member – Ministerial appointee	
Audit and Risk Committee – Chair	
Capital Assets Committee - Chair	
Mainpower Limited	August 2016 - Current
Director	
Audit and Risk Committee – Chair	
Credit Union Baywide	May 2019 - Current
Deputy Chair	
Hurunui Tourism Board	February 2014 – April 2020
Independent Chairman	
New Zealand Shipwreck Welfare Trust	August 2016 – Current
Trustee	

Previous Governance Roles

Maritime New Zealand	March 2016 – Apr 2019
Director, Audit and Risk Committee	
Credit Union South	October 2014 – Apr 2019
Chairman, Audit and Risk Committee	
Lincoln University AgResearch Joint Facility GP Limited	November 2017 – Feb 2019
Director, Audit and Risk Committee Chair	
Moore Stephens Markhams Christchurch Ltd	October 2014 – August 2018
Independent Chairman	
Perception PR & Marketing	February 2015 – July 2017
Advisory Board	
New Zealand Family Planning Inc	June 2011 – November 2016
Council Member, Finance Committee	
University of Canterbury Foundation	April 2013 – November 2016
Trustee, Finance Committee	
Moore Stephens Markhams Wairarapa Ltd	February 2014 – June 2016
Independent Chairman	
Institute of Directors – Canterbury	March 2013 – March 2016
Chairman	
Pivot Accounting	May 2014 – July 2015
Independent Chairman	
Hairy Lemon Web Solutions Limited	April 2013 – June 2015
Advisory Board	
The IT Team Limited	April 2013 – June 2015
Advisory Board	
Connetics Limited	Dec 2012 – Dec 2013
Intern Director (IoD Aspiring Director Award)	
Duncan Cotterill Lawyers	March 2004 – December 2012
Board Member, Chief Executive	
Duncan Cotterill Investment Advisors Limited	March 2011 – December 2012
Director	
CPIT Foundation	April 2007 – April 2010
Trustee, Deputy Chairman, Finance Committee	
Team Canterbury Netball Limited (Canterbury Flames)	June 2005 – June 2007
Director, Finance Committee	
YHA New Zealand Inc	August 2000 – August 2006
Board Member, Chairman	
Committees – Audit, Risk, Remuneration	

March 2020

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CV – Janice Fredric

Professional Memberships

Chartered Member of New Zealand Institute of Directors (CMIInstD)
 Member of New Zealand Institute of Chartered Accountants (CA)
 Fellow of New Zealand Institute of Management South (FNZIMS)

Awards

Mentoring for Diversity Programme – Institute of Directors – 2013
 Aspiring Director Award – Institute of Directors (Canterbury Branch) – 2012

Education

Certificate of Company Direction	Institute of Directors 2001
Master of Business Administration (Distinction)	Massey University 1999
Chartered Accountant	Institute of Chartered Accountants of NZ 1983
Bachelor of Commerce	University of Canterbury 1983
Certified Master Coach	Behavioural Coaching Institute (Intl Division) 2011

Relevant Courses Attended

BOMA – Transformation Directors Programme - 2019
 Singularity University New Zealand Summit – Exponential Technologies - 2016
 Institute of Directors – Annual Conference – 2018, 2016
 Institute of Directors – Boards in Action, Managing in a Media Crisis - 2015
 Chartered Accountants ANZ – Ethics Course- 2015
 Institute of Directors – Risk Essentials Course – 2013 and 2014
 Institute of Directors – Audit and Risk Committee Course - 2013
 Institute of Directors – Chairman’s Workshop (2 day course) – 2014, 2002
 Institute of Directors – Certificate of Company Direction (5 day course) 2001
 Professor Ingemar Dierickx (INSEAD) - Negotiation Skills Part I (2 day workshop) – 2005
 Professor Ingemar Dierickx (INSEAD) - Negotiation Skills Part II (2 day workshop) – 2006

Employment Experience (detail on following pages)

Professional Services – National, Trans-Tasman
 Banking, Finance, Treasury – National, International
 Manufacturing - National

CV – Janice Fredric

Governance Experience

Civil Aviation Authority, Aviation Security Services

Crown entity, governed by an independent Board. The five-member Authority directs the overall Civil Aviation and Aviation Security strategy and appoints the Director of Civil Aviation New Zealand.

Chairman

December 2019 - Current

Lincoln University

New Zealand's specialist land-based university.

Council Member – Ministerial appointee

June 2017 - Current

Capital Assets Committee Chair, Audit and

Risk Committee Chair

Independent Member Audit Risk Comm.

February 2017 – June 2017

Mainpower Limited

Community owned electricity distribution company servicing North Canterbury and Kaikoura.

Director, Audit & Risk Committee Chair

August 2016 – Current

Credit Union Baywide

Credit Union Baywide, trading as NZCU Baywide, is a 100% owned New Zealand Co-operative.

Credit Union South transferred engagements to Credit Union Baywide 1 May 2019.

Deputy Chairman - CU Baywide

May 2019 – Current

Chairman – CU South

October 2014 – April 2019

Maritime New Zealand

Crown entity, governed by an independent Board. The five-member Authority directs the overall Maritime New Zealand strategy and appoints the Director of Maritime New Zealand.

Director, Audit and Risk Committee

March 2016 – April 2019

Hurunui Tourism Board

A committee of the Hurunui District Council charged with growing domestic and international visitors to the Hurunui district.

Independent Chairman

February 2014 – Current

New Zealand Shipwreck Welfare Trust

A charitable trust providing immediate financial support to dependants affected by shipwrecks and mishaps at sea around the New Zealand coast.

Trustee

August 2016 – Current

Lincoln University AgResearch Joint Facility GP Limited

Company established to oversee the establishment of new joint facility buildings for Lincoln Hub entities.

Director, Audit and Risk Committee Chair

November 2017 – February 2019

Moore Stephens Markhams Christchurch Limited

Independently-owned firm providing chartered accountancy and business advisory services to clients in the Canterbury region – part of the Moore Stephens global network.

Chairman of Advisory Board

October 2014 – August 2018

Perception PR & Marketing

Full service PR and marketing agency – based in Christchurch, operating nationally.

Advisory Board Member

October 2014 – July 2017

New Zealand Family Planning -

A not-for-profit charitable organisation promoting a positive view of sexuality to enable people to make informed choices about their sexual and reproductive health.

Council Member and Finance Committee

June 2011 – November 2016

March 2020

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CV – Janice Fredric

University of Canterbury Foundation

An independent charitable trust with the primary aim of providing opportunities for individuals and organisations to support students, teachers, researchers and programmes at the University of Canterbury.

Trustee and Finance Committee

June 2013 – November 2016

Moore Stephens Markhams Wairarapa Limited

An independently-owned firm providing chartered accountancy and business advisory services to clients in the Wairarapa region – part of the Moore Stephens global network.

Director and Chairman

February 2014 – June 2016

Institute of Directors - Canterbury

Chairman

March 2014 – March 2016

Committee Member

March 2013 – March 2016

Pivot Group

An independently-owned firm providing accountancy, business advisory, financial planning, and wealth protection services to clients in the South Canterbury region. Value successfully extracted from business for shareholders via sale.

Advisory Board Chairman

May 2014 – July 2015

Hairy Lemon Web Solutions Limited

Established in 2000, hairyLemon provides digital marketing services internationally and nationwide.

Advisory Board Member

April 2013 – June 2015

The IT Team Limited

Established in 2011, the IT Team provide cloud-based IT services to businesses.

Advisory Board Member

April 2013 – June 2015

Connetics Limited

A 100% owned subsidiary of Orion, providing construction and maintenance of overhead and underground lines and associated equipment provided for the delivery of utility services throughout New Zealand.

Intern Director (Aspiring Director Award)

December 2012 – December 2013

Duncan Cotterill

A law firm with over 225 employees in offices in Sydney, Auckland, Wellington, Christchurch and Nelson.

Board Member and Chief Executive

March 2004 – December 2012

Highlights & Achievements:

- Growing the Partnership from 25 to 37 Partners
- Fees increased during tenure by 205%
- Employee numbers grew by 130%
- Success in NZ Law Awards – 2010 Large Law Firm of the Year, Employer of Choice (100+ staff), Insurance Law Award, Resource Management & Environment Award – finalist in 10 categories
- Successful management and relocation of Christchurch head-office following earthquakes.

Duncan Cotterill Investment Advisors Limited

A registered financial service provider in accordance with the Financial Advisors Act 2008.

Director

March 2011 – December 2012

CPIT Foundation

An independent charitable trust with the primary aim of providing support to students and lecturers at CPIT.

Trustee and Finance Committee

April 2007 – April 2010

Deputy Chairman

April 2008 – April 2010

March 2020

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CV – Janice Fredric

Team Canterbury Netball Limited (Canterbury Flames)

TCN Ltd operated the Canterbury Flames netball franchise.

Board Member and Finance Committee

June 2005 – June 2007

YHA New Zealand Incorporated

A not-for-profit organisation, it was the market leader in the backpacker market and a significant player in the tourism market. (Turnover \$18m - Assets \$36m)

National Board Member

August 2000 – August 2006

Chairman

August 2002 – August 2004

Committee Memberships

Audit Committee

August 2001 – August 2002 August 2005 – August 2006

Management Committee

August 2001 – August 2002 - committee then disbanded

Remuneration Committee

August 2002 – August 2005

Awards, AGM Planning Committees

August 2002 – August 2004

Risk Management Committee

August 2001 – August 2002

Employment Experience

Duncan Cotterill – Law Firm

March 2004 – December 2012

Chief Executive, Board Member

Grant Thornton (Christchurch) Limited - Accountancy

September 2002 – February 2004

Manager

White Fox and Jones – Law Firm

November 1994 – August 2002

Manager

Heidelberg – Germany

September 1992 – October 1994

Accompanied husband to Heidelberg. Wrote orientation manuals for non-German immigrants and assisted in event management work. Thoroughly enjoyed living and working in a different culture, and the challenge of learning a new language.

Mortgage Services Limited - United Kingdom

October 1990 – August 1992

Treasury Accountant

Large, German owned mortgage bank based in England. A new position in a newly established subsidiary.

Synon Limited - United Kingdom

August 1989 – September 1990

Treasurer

Large, multinational software development house with operations in the United Kingdom, Europe and the USA. A new position in a recently established and rapidly growing business.

United Building Society

April 1984 – June 1989

Risk Manager, Project Manager, Financial Accountant

Donaghys Industries Limited

July 1982 – March 1984

Finance Accountant

Lawrence Anderson Buddle

February 1980 – July 1982

Accountant

9.7 Annual Plan 2020/21

Author: Donna Cross, Group Manager Commercial and Strategy
David Codyre, Chief Financial Officer

Authoriser: Donna Cross, Group Manager Commercial and Strategy

Recommendation

That Council:

1. Notes that COVID-19 has had and will have a material adverse impact on Council's budget for the 2019/20 and 2020/21 years.
2. Confirms its approval of the draft Annual Plan details and budget for the 2020/21 financial year (FY21), as contained in the agenda for 23 March 2020, but with the changes described in this report, to bring the average rates increase down to 3.89% (subject to Council feedback).
3. Determines and approves the draft principles for the \$2,000,000 contingency fund for stimulating economic and social recovery within Timaru District, in terms of COVID-19.
4. Confirms its approval or otherwise of the inclusion of the seal extension of Orari Back Road and allocates additional funding of \$1.2 million excluding GST in the 2020-21 Annual Plan.
5. Approves the consultation approach discussed in this report in relation to the Annual Plan 2020/21.
6. Adopts the consultation document (to be tabled), and delegates to and authorises the Mayor and Chief Executive to make any changes required to the document to reflect the decisions coming out of this meeting, and to approve the final design.
7. Confirms its approval of the proposed Fees and Charges contained in the agenda for 23 March 2020, subject to the changes agreed at that meeting and contained in this report.
8. Approves expenditure of up to \$100,000 in the current financial year in order to bring forward capital work that was not otherwise planned to commence until FY21, to be funded from depreciation funds associated with the respective activity. This is to enable acceleration of those capital projects.
9. Notes the forecast information for the current financial year, 2019/20.

Purpose of Report

- 1 To obtain Council's approval to proposed revisions to the previously considered draft Annual Plan and budget for FY21, amongst other things, to enable consultation to commence with a view to achieving Annual Plan adoption by 30 June 2020.

Assessment of Significance

- 2 The draft Annual Plan 2020/21 is considered to be of medium to high significance in terms of the Council's Significance and Engagement Policy and Local Government Act. The Plan has been prepared in the COVID-19 environment which has caused significant impact on the

Council generally. The draft Annual Plan for FY21 contains differences to what was indicated in Year 3 of the Long Term Plan 2018-28.

- 3 Section 95(2) of the Local Government Act 2002 provides that a local authority must consult in a manner that gives effect to the requirements of section 82 of the Act before adopting its annual plan.
- 4 For the above reasons, Council plans to consult on its draft Annual Plan 2020/21. However it does not consider that a special consultative procedure or LTP amendment is required.
- 5 The proposed consultation timetable is as follows:
 - 5.1 Consultation Opens Friday 22 May 2020
 - 5.2 Submissions Close Friday 12 June 2020
 - 5.3 Council considers submissions at Annual Plan Hearing Tuesday 23 June 2020 (*if required*)
 - 5.4 Annual Plan Final Decisions and Annual Plan adopted Tuesday 30 June 2020
- 6 Community engagement:
 - 6.1 Advance notice of the upcoming consultation has been advertised in the Courier for the past two weeks.
 - 6.2 The Consultation Document will be made publically available on the Council website by 5pm Friday 22 May, and will be circulated to every household with the 28 May edition of the Courier. Additional copies will be made available at the Council office, and the Service Centre/Libraries in Temuka and Geraldine.
 - 6.3 In addition we intend to use the Council Facebook page, radio advertising, website advertising, as well as reminders in the Council Noticeboard in the Courier to encourage community engagement.
 - 6.4 Submissions will be collated for Council consideration. If there are a substantial number of submissions a Council hearing will be arranged (23 June), and submitters who wish to speak to Council will be invited to present their views at the hearing. Given the current COVID-19 Level Two status, the nature and format of the hearing is yet to be determined. All submitters will be reminded that the hearing is public and they are welcome to attend even if they do not wish to address Council (depending on the meeting format used).

Background

- 7 On 23 March 2020 Council met to consider the draft Annual Plan including budget for FY21
- 8 The draft Annual Plan initially proposed an 8.02% average rates increase.
- 9 With it becoming apparent that the economic impact of COVID-19 was going to be significant and prolonged, Council agreed on 23 March 2020 to reduce the proposed average rates increase to 4%. The following measures were identified to achieve this:
 - 9.1 A change to the way we account for internal staff costs directly associated with capital projects – these will now be charged to the capital projects and not treated as operating costs - \$740,000 of personnel costs will be moved to our capital expenditure;
 - 9.2 A reduction in the Safer Community budget to reflect the changes within that Activity - \$40,000;

9.3 Efficiency savings \$800,000 to be found from across the organisation;

9.4 Using \$2,000,000 of reserve funds/retained earnings (an increase of \$660,000); 10

Other adjustments and decisions included:

10.1 Approval of a business case for \$110,000 of additional grant funding for Aoraki Development;

10.2 Approval of a business case for a loan for the airport runway resurfacing - \$660,000;

10.3 A \$2m fund to be set aside in a contingency fund from general reserves for a Council response to COVID-19, the terms of which are to be developed, but with a focus on supporting activities to stimulate the local economy;

10.4 Orari Back Road Sealing (\$900,000) – referred back to the Land Transport Unit for a report to be prepared for the Infrastructure Committee. Note the Infrastructure Committee has considered the business case for this and recommends that Council considers the inclusion of the seal extension of Orari Back Road and allocates additional funding of \$1.2 million excluding GST in the 2020-21 Annual Plan (this has not yet been built into the attached budget).

10.5 That the Airport Carpark extension (\$63,000) be deferred to the following year.

10.6 Fees and charges: That stillborn burial fees be reduced to nil;

10.7 Fees and charges: That the increase in the waste disposal at Pleasant Point be phased in 3 steps over 2 years.

11 COVID-19:

11.1 The COVID-19 response in New Zealand escalated rapidly, and following the Council budget discussion, an Alert Level 4 lockdown was implemented across New Zealand from 11.59pm on Wednesday 25 March.

11.2 This continued until 11.59pm on 27 April when New Zealand entered Alert Level 3, and at 11.59pm 13 May 2020 then entered Alert Level 2.

11.3 Effect on Council:

- As a provider of essential services, Council has continued to operate providing key public services as per the government's guidelines such as water, wastewater, solid waste, essential maintenance of stormwater, cemeteries, animal services, essential road repairs, social housing and urgent consenting work. The crisis also generated an emergency response via the Civil Defence Emergency Operations Centre (EOC) and this remains ongoing.
- Support services for Council business have continued to operate as needed, with impacts across units varying considerably.
- The lockdown has had a significant impact on the Council's business, including an emergency response, closing key facilities, suspension of contractors work for non-essential services and remote working by most Council employees. Where roles are not able to be undertaken from home, redeployment and secondment opportunities have been explored and where possible initiated.

11.4 At the time we were in Alert Level 4 officers embarked on a process to revise the draft Annual Plan further to take into account the impact of COVID-19 on Council's operations

and predicted net financial impact for Council in FY21, with a view to bringing that back to Council for consideration. This also involved carrying out a reforecast in relation to the current year's budget to understand the impact of COVID-19 on our fourth quarter and end of year result (summary **attached**).

11.5 We carried out this work in Alert Level 4 without knowing how long we might be in different Alert Levels, or whether restrictions at different Alert Levels would change, and therefore in a situation where it was difficult to predict impact with any certainty. We applied assumptions based on information coming out of central government and within the sector, but also found that information to be changeable.

11.6 It is also possible that a second wave of COVID-19 cases could result in an escalation of Alert Levels. However, we have not built that into our modelling so this remains a risk.

11.7 Effect on community and future impact:

- The ongoing impact of the COVID19 crisis will be felt across NZ, all sectors and Council operations for some time (potentially years). Council has a role to play in supporting recovery.
- Work is underway on a Recovery Strategy grounded on the 4 well-beings with focus on economic and social impacts on the district and it is structured as a multi-agency effort. Council has recently resolved to form a Re-Ignition Panel, led by the Mayor, with representation from Council, other agencies, sectors and Iwi, to provide leadership and a co-ordinated approach to our District's recovery.
- We also further reviewed our own capital work programme to determine if any projects can be re-phased.

12 In this report we outline for Council's consideration pre-consultation changes that have been made to the draft Annual Plan and budget for FY21, taking into account the projected indicative impact of COVID-19 on Council. We also set out some changes to the proposed Fees and Charges for FY21 that were discussed on 23 March 2020.

Financial statements to accompany the annual plan

13 Attached are the financial statements for FY21. The financials are a forecast and actual results will vary from the budgeted figures. Council is budgeting to make a surplus of \$10.4 million for 2020/21 (note figures are rounded). A surplus is budgeted to cover the additional costs of depreciation funding, principal loan repayments and includes specific capital funding for the Rooding Programme. Variances and adjustments are noted below.

14 Total Revenue is forecast to be \$91.8 million with \$54.7 million being rates income, \$16.7 million from fees and charges, \$13.5 million from grants and subsidies with the remaining \$6.9 million spread over other revenue, finance and dividend revenue. Rates are \$1.9 million lower than the LTP forecast (after an adjustment for Downlands which is noted below). Fees and Charges have been adjusted to include \$1.2 million drop on revenue as a result of COVID-19. There is a drop in dividend income attributable to income received from TDHL of \$850,000, this is attributable to the approximately \$3.6 million reduction Alpine Energy dividend.

15 In respect of Downlands, the LTP 2020/21 figures include Council's share of the Downlands Water Scheme. The 2019/20 and 2020/21 budget figures are adjusted to reflect a proposed change of accounting policy and has the effect of eliminating the Mackenzie and Waimate

District Councils share. Making this adjustment removes \$1.9 million of revenue, \$1.56 million of expenditure, and surplus of \$373,428.

- 16 Total Expenditure is budgeted to be \$81.2 million with \$21 million attributable to personnel costs, \$16.4 million depreciation, \$3.5 million finance costs and \$40.4 million being other operational expenses.
- 17 Remuneration has increased over the LTP by \$2.6 million (and \$1.3 million on the current year). In respect of the LTP \$600,000 relates to reclassifying elected members' remuneration, \$1.3 million relates to the variance on the current year budget with the remaining \$700,000 relating to minimum wage increases, step changes and additional or rescaled positions. Elected Member's remuneration varies \$122,000 from the LTP. This figure is set by the Remuneration Authority.
- 18 Contractor costs have increased \$2.0 million from the LTP. \$1.6 million can be attributed to the Council's Infrastructure activities reflecting changes in their work programmes and increased costs for services. The majority of the remainder can be attributed to increases in Parks maintenance \$375,000.
- 19 Other expenditure variances include:
 - carbon credit costs are proposed to increase up to \$650,000 on the LTP figure. This is a result of an increase in the cost of Units and increased use of Council's landfill facilities
 - the cost of insurance has increased \$340,000 on the LTP figure. This can be attributed to the increasing cost of premiums and a move from indemnity to replacement costs on certain assets, and will be reviewed as part of the upcoming insurance renewal process.
 - planning Consultant Costs associated with the District Plan Review have been carried forward from the 2019/20 year. This has created an \$820,000 variance to the LTP.
 - other consultant costs have increased \$794,000 on the LTP. \$400,000 of this can be attributed to increased support across the infrastructure units, with the remainder spread across other Council Units.
 - IT costs of \$500,000 have been carried forward from 2019/20 meaning a variance of that amount to the LTP, and additionally software operating costs are proposed to increase \$370,000 on the LTP. This relates to increased costs of existing software licenses, and additional software required by the organisation to operate.
 - finance costs are projected to decrease \$2.2 million due to lower borrowing costs than forecast in the LTP.

Discussion

- 20 Due to timing and the rapid escalation of COVID-19, the net financial impact of COVID-19 was not known at the time of discussing the 23 March draft Annual Plan and budget for FY21.
- 21 As a result of work carried out since that time, we predict that net financial impact of COVID-19 on FY21 could be \$1.05m-\$1.5m (including a reduction in non-rates revenue of \$1.2m).
- 22 Specific details of the financial impact of Covid-19 on the draft FY21 budget are as follows:

- 22.1 The general assumption is Council will be operating at COVID Alert Level 2 for much of the remainder of 2020 – however some areas have anticipated returning to Level 1 sooner.
- 22.2 Fees and Charges income will reduce by \$1.2 million. Areas such as Building, Parking, Swimming Pools and Airport are forecasting material drops in fees and charges.
- 22.3 Some Units such as Land Transport expect to utilise their full pre COVID budget and expect to complete the programme of work they have planned for FY21.
- 22.4 Trade Waste and Water Billing fees have not reduced materially as it is expected these services will not experience a significant drop in demand.
- 22.5 Rates penalties are budgeted to be \$470,000 but may drop dependent on application of remissions policies.
- 22.6 The drop of income experienced by activities has not matched by drops in expenditure. A drop in expenditure or saving of \$160,000 have been identified.
- 23 Without any compensatory measures, assuming a net financial impact from COVID-19 of \$1.05m, this would result in an average rates increase of 2% to circa 6% (note that every \$500,000 of net movement in revenue equates to a rates movement of approximately 1%).
- 24 The net financial impact of Covid-19 on Council for FY21, means that further measures are required (additional to those identified on 23 March) in order to deliver a budget that results in an average rates increase of no more than 4%.
- 25 We have now developed a draft budget that proposes a **3.89%** rates increase.
- 26 This has been achieved by making the following changes, additional to those identified at the Council meeting on 23 March 2020:
- 26.1 The prior requirement for efficiencies and savings of \$800,000 has been increased to \$1,550,000 to come from a combination of operating and personnel costs.
- 26.2 Budgeting lower average interest rates on borrowings (a reduction of the interest rates on borrowing 0.5% to 3.5%). This reduces finance costs by \$560,000 – a 1% rates effect.
- 27 There are also some other changes or other items that have been incorporated or need to be considered:
- 27.1 An increase in costs of approximately \$400,000 attributable to making provision for CDEM activities (contingency), climate change and other expenditure.
- 27.2 The Orari Back Road (refer to 10.4 and attached report and minutes).
- 27.3 Funding for Aoraki Development (AD) recognising the transfer of the tourism function to AD.
- Some further adjustments have also been incorporated as a result of our further review.
- 28 A copy of the revised draft budget for FY21 is **to be tabled**, with changes from the earlier draft budget presented in the agenda for 23 March 2020 highlighted yellow.
- 29 *Fees and charges:*
- 29.1 In terms of the proposed fees and charges that were considered by Council on 23 March, these have been revised to incorporate the changes from Council (in relation to cemetery and waste fees – refer above). Please also note there is a moratorium on rent increases for residential tenancies as a result of COVID-19, for 6 months from 26 March,

therefore the new rates for our social housing tenancies would not commence until October 2020.

29.2 No other changes have been made to the proposed fees and charges considered on 23 March.

30 *Construction work programme:* An assessment of the proposed construction work programme for FY21 shows that \$11m of work is already contracted and that there are opportunities to accelerate some approved projects to assist with the economic stimulation of the local economy post COVID-19. The highest priority to create some acceleration for new projects is to arrange for the project design phase to commence immediately. This will allow the construction phase to commence sooner than normally expected. This design work is a project cost and doing this phase sooner will have no impact on the overall budget requirement of each project.

31 *Stimulus fund:*

31.1 Council has resolved that the draft Annual Plan and budget for FY21 include a \$2m fund to be set aside in a contingency fund from general reserves for a Council response to COVID-19, the terms of which are to be developed, but with a focus on supporting activities to stimulate the local economy and wellbeing.

31.2 Input has been sought and received from the Mayor and Councillors as to the guiding investment principles for this fund, with the collection of ideas and comments outlined below. Council now needs to agree on the principles. This will also be subject to obtaining advice in relation to the application of the fund as appropriate.

31.3 Feedback from the public will be sought on this proposed initiative as part of the consultation on the Annual Plan.

Category	Investment principle	Supported Y/N
Purpose/ Outcomes	\$2m discretionary fund set aside from general reserves to support projects or activities that will stimulate the local economy, therefore assist in Timaru District’s economic recovery following Covid-19.	
Purpose/ Outcomes	Support major community projects in the District that will have lasting and positive impact	
Purpose/ Outcomes	Stimulus, with wellbeing outcomes	
Purpose/ Outcomes	Stimulate the economy in the near future	
Purpose/ Outcomes	Ideally have ongoing economic benefit	
Purpose/ Outcomes	Projects that contribute to achievement of Council’s community outcomes and contribute to and align with the 4 well-beings	
Purpose/ Outcomes	Priority on projects that contribute to economic and social wellbeing	

Category	Investment principle	Supported Y/N
Outcomes		
Purpose/ Outcomes	Is about enabling projects and activities that otherwise might not occur due to COVID-19. How the project or activity has been impacted by COVID-19, and how the funding will assist, will be considered.	
Purpose/ Outcomes	Stimulating tourism	
Purpose/ Outcomes	Enhancing our city and towns within the District	
Purpose/ Outcomes	Strong focus on employment outcomes, local spend and enabling future community projects	
Project type/ other criteria	Bricks & mortar type projects, facilities that benefit the community	
Project type/ other criteria	Funding will ensure either projects go ahead or are completed, is not for projects in the feasibility or planning stage	
Project type/ other criteria	Contribution must allow a project to go ahead and stimulate the economy, not sit in the bank. (i.e. construction or implementation readiness – within 12 months)	
Project type/ other criteria	External projects	
Project type/ other criteria	To deliver an asset to the community, not to fund an applicant’s wage or promotion costs.	
Project type/ other criteria	‘Shovel ready’ within 12 months	
Project type/ other criteria	Applicants need to demonstrate other funding opportunities are being sought or have been exhausted	
Project type/ other criteria	Not about providing financial relief or support to private businesses	
Project type/ other criteria	Planning well advanced, ideally with concept plans and consents in place.	
Project type/ other criteria	\$50,000 to be used to get township based events to happen within the CBDs (could potentially be administered through Loans and Donations/Grants)	
Project type/ other criteria	Projects and/or events – seed or kick start funding	

Category	Investment principle	Supported Y/N
Project type/ other criteria/ other	\$200,000 to come from this fund for event specific funding for the next year [FY22] to re-energise our domestic tourism (could potentially be administered through Loans and Donations/Grants)	
Project size	\$500,000 plus projects to ensure there is real stimulus to the economy	
Project size	3 or 4 sizeable projects [a year], able to be started within a year	
Funding type	To provide up to 25% of funding for a project up to a maximum of \$500,000	
Funding type	Co-funding (rather than full funding)	
Funding type	Grant funding	
Funding type	Grant funding or a mix of grant and loan funding	
Funding type	Does not exclude an organisation seeking a loan from Council	
Other	Flexibility within the funding policy, and discretion for Council to make changes as priorities and circumstances change	
Other	Will consider projects sponsored, endorsed or put forward by the Re-Ignition panel, or Aoraki Development	
Other	Performance, reporting and audit criteria may apply	
Other	\$250,000 to be added to the fund annually to support qualifying projects on an ongoing basis	
Other	\$250-400k to be added to this stimulus fund each year from 2021 onwards	
Other	Structured, contestable funding (or will Council consider applications on an as required basis).	

Options and Preferred Option – Draft Annual Plan

- 32 Council must adopt a prudent Annual Plan as required by the Local Government Act 2002, including when considering the operational and financial impacts of COVID-19. The general requirement under the Local Government Act 2002 is that Council must adopt a balanced budget, that is operating revenue is sufficient to meet operating expenses (including funding depreciation). Council can depart from this if it is clear about why it is prudent not to adopt a balanced budget and how it will fund the difference.
- 33 **Preferred options:** Officers put forward that the preferred option is for Council to agree to the revisions to the draft Annual Plan and budget for FY21 as set out in this report, which results in an average rates increase of 3.89%, so that we may proceed to finalise the Annual Plan on that basis for adoption by Council on 30 June, subject to consultation requirements. While this has been put forward by Officers as the preferred option, we acknowledge that COVID-19 has had a material impact on households and businesses and Council may yet wish to consider a different approach.

- 34 **Alternative options** for reducing (or further reducing) the proposed rates increase include:
- 35 First, reducing levels of service (and therefore the cost of providing those services). A reduction in levels of service would not be conducive to the District's economic and social recovery from COVID-19 both economic and social. Levels of service are agreed with the community and a reduction in service level will mean a reduction in what the community receives. It would undermine our ability to achieve the community outcomes in our Long Term Plan and to discharge our obligations under the Local Government Act in terms of delivering against the 4 well-beings. Depending on the materiality of any change in levels of service, it may also give rise to the need for a Long Term Plan amendment which would result in additional expenses, delay the adoption of the Annual Plan and divert resource from other important work. Further, many of Council's services are mandatory or delivered with a long standing community agreement. To achieve a material reduction in expenditure it would require very significant reductions in levels of service across a relatively few activities.
- 36 Secondly, reduce the amount collected for funding depreciation. Council rates contribute approximately \$20 million in depreciation funding in the FY21 Annual Plan. Depreciation funding works by putting aside a small amount each year over the useful life of an asset so any future renewals of the asset are withdrawn from the accumulation of those small amounts. Council could consider reducing the amount its funds depreciation to mitigate the rates impact. Some care would be required to ensure it was reduced across general rates and uniform annual general charges (UACGs) so that the reduction was equitable to all ratepayers. If the depreciation reduction occurred on targeted rates this would benefit some ratepayer more than others.
- 37 Thirdly, Council could look to fund the reduction in rates by borrowing the funds which reduces the forecast net equity. These borrowings will need to be repaid in the future.
- 38 Council currently holds approximately \$35 million in cash reserves and has total external debt of \$80 million (net debt is \$45 million: \$80 million less \$35 million). We have capacity for further borrowing, in the order of \$85 - 95 million (before reaching our own self-imposed conservative debt affordability and the regulatory debt servicing benchmarks). Finance's advice and preferred approach is to borrow in the first instance (rather than using cash reserves) to preserve Council's liquidity and also while interest rates are low.
- 39 Officers' preference, if Council decides to reduce the rates below the forecast 3.89% increase, is for the third option. This most equitably spreads the benefit of any reduction without reducing levels of service.

Consultation

- 40 Community Boards were consulted as part of the initial draft budget process, but have not been involved in the development of the revised "COVID-19" annual plan or draft budget for FY21.

Relevant Legislation, Council Policy and Plans

- 41 Long Term Plan 2018-28
- 42 Local Government Act
- 43 Significance and Engagement Policy


Financial and Funding Implications

- 44 The financial and funding implications are described above.

Other Considerations

- 45 The situation with regards to COVID-19 remains fluid and uncertain. The numbers presented in the Annual Plan reset are estimates based on our assessment of the developing COVID-19 situation, over which there remains considerable uncertainty. Under these circumstances it is difficult to fully assess the overall effects of COVID-19 on Council. The information presented should be considered with this in mind.
- 46 Further adjustments to the proposed budget for FY21 may be required prior to the Annual Plan and budget being finalised. We are seeking to achieve Annual Plan adoption on 30 June 2020.

Attachments

1. **Orari Back Road Seal Extension - Infrastructure Report 28.04.20** [↓](#) 
2. **Unconfirmed Infrastructure Committee Minutes - 28.04.20** [↓](#) 
3. **2020/21 Draft Financial's Annual Plan** [↓](#) 
4. **Summary - FY20 April Reforecast** [↓](#) 

7.2 Orari Back Road Seal Extension**Author:** Andrew Dixon, Land Transport Manager**Authoriser:** Erik Barnes, Acting Group Manager Infrastructure**Recommendation**

That the Infrastructure Committee recommend that Council consider the inclusion of the seal extension of Orari Back Road and allocate additional funding of \$1.2 million excluding GST in the 2020-21 Annual Plan.

Purpose of Report

- 1 To consider the seal extension of unsealed sections of Orari Back Road and request the Infrastructure Committee to endorse that funding for this work be considered as part of the 2020/21 Annual Plan process.

Assessment of Significance

- 2 This project has low significance under the Council's Significance and Engagement Policy. However it is considered of significance to the Geraldine Community Board who have recommended this project be considered by the Infrastructure Committee.

Background

- 3 Orari Back Road is a 7.4km road that starts at Orari Station Road in Orari and ends at SH79 north of Geraldine. This road is classified as a Primary Collector under the nationally used One Network Road Classification (ONRC) system. The road has an average daily traffic of 70 to 110 vehicles per day and is one of the higher trafficked unsealed roads in the District.
- 4 Part of this road is sealed with 4.6km remaining unsealed. This consists of two sections being 1.4km and 3.2km lengths.
- 5 Sealing has progressed slowly in recent years through property owner financial contributions. There are very few houses adjacent to unsealed sections of this road.
- 6 The Geraldine Community Board has requested that the seal extension of Orari Back Road be considered in the Draft 2020-21 Annual Plan. This matter has been referred to the Infrastructure Committee for consideration in accordance with the Council seal extension policy. This policy states that seal extensions are funded only in extraordinary circumstances and upon approval of the Infrastructure Committee.

Discussion

- 7 Orari Back Road is a key freight route used by high proportion of heavy vehicles. This is fundamentally due to the reduced travel distance and time travelling north being a more direct route from Orari to north of Geraldine particularly as it by-passes the Geraldine township.
- 8 Given the relatively high use by heavy vehicles the maintenance of the unsealed sections of this road are reasonably high with grading required on a fortnightly basis and frequent

renewal of the wearing course layer is also required. On this basis the costs of maintaining this unsealed road are high.

- 9 An economic analysis (using Net Present Value) has demonstrated that the proposed seal extension has a greater long term cost than maintaining the unsealed road. However road aggregates are increasing in cost as river sources get more restricted. The total discounted cost over a 25 year period calculates that the cost of maintaining the current unsealed road is approximately 20% less cost (\$360k) than a seal extension.
- 10 However, there are other benefits of sealing this road with the greater amenity, improved environmental and health benefits and improved road smoothness that reduces vehicle operating costs.

Options and Preferred Option

- 11 There are three options available for consideration.
- 12 Option 1 is to seal the 4.6km unsealed section of Orari Back Road to provide a sealed surface for the entire length in the next financial year. It is important that the seal extension be designed for heavy traffic as this road is used predominately by heavy traffic. This is a total estimated cost of \$1,200,000 excluding GST.
- 13 Option 2 is to seal the two unsealed sections of Orari Back Road over two or more financial years. The two unsealed sections that are estimated to cost \$805,000 excluding GST for the 3.2km section and \$385,000 excluding GST for the 1.4km section. It should be noted that committing to funding this project over a number of years may prevent other seal extensions being considered as the budgets would be fully committed.
- 14 Option 3 is to maintain the current unsealed sections of Orari Back Road by continuing to regularly grade the road and renew the gravel surface layer when appropriate to ensure the road surface is well maintained. This option is the status quo.

Consultation

- 15 If the Orari Back Road seal extension project and additional funding is supported, community engagement may be undertaken in conjunction with the Draft Annual Plan.

Relevant Legislation, Council Policy and Plans

- 16 Council's seal extension policy states that Council will fund seal extensions in extraordinary circumstances. It is considered that this criteria is met.
- 17 The Timaru District Annual and Long Term Plan that provide funding for seal extension projects.

Financial and Funding Implications

- 18 There is \$100,000 unallocated funding in the Approved 2019/20 Annual Plan budgets for seal extensions. This funding is part of an annual provision for Council funded and approved seal extension projects.
- 19 The Draft Annual Plan 2020/21 provides \$330,000 excluding GST for seal extensions that are specifically approved by Council in accordance with the Council's seal extension policy.
- 20 This project is highly unlikely to be eligible for NZ Transport Agency financial assistance as it does not meet the current priority criteria under the Government Policy Statement.

Other Considerations

- 21 Seal extensions have a benefits to road user safety as sealed roads are generally safer to drive on. There are also benefits to health and the environment with the reduction in dust when the road is sealed.

Attachments

1. **Orari Back Road Location**



MINUTES

Infrastructure Committee Meeting Tuesday, 28 April 2020

Ref: 1333939

**Minutes of Timaru District Council
Infrastructure Committee Meeting
Held via Zoom Video Link
on Tuesday, 28 April 2020 following the Environmental Services Committee**

Present: Cr Sally Parker (Chairperson), Cr Paddy O'Reilly (Deputy Chairperson), Cr Allan Booth, Cr Peter Burt, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Stu Piddington, Cr Steve Wills, Mayor Nigel Bowen

In Attendance: **Community Board Representatives**
Temuka Community Board – Charles Scarsbrook
Pleasant Point Community Board – Anne Lemmens
Geraldine Community Board – Jan Finlayson

Council Officers
Acting Group Manager Infrastructure (Erik Barnes), Chief Executive (Bede Carran), Land Transport Manager (Andrew Dixon), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

1 Apologies

There were no apologies.

2 Identification of Items of Urgent Business

There were no urgent business items identified.

3 Identification of Matters of a Minor Nature

There were no minor matters identified.

4 Declaration of Conflicts of Interest

There were no conflicts of interest declared.

5 Chairperson's Report

The Chairperson reported on meetings she had attended since the previous Committee meeting including Council workshops, Council Budget/Annual Plan meeting, People and Performance Committee, Council meeting, elected member updates and discussion with the Land Transport Manager.

6 Confirmation of Minutes

6.1 Minutes of the Infrastructure Committee Meeting held on 10 March 2020

Resolution 2020/11

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

That the Minutes of the Infrastructure Committee Meeting held on 10 March 2020 be confirmed as a true and correct record of that meeting.

Carried

7 Reports

7.1 Spur Road Seal Extension

The Committee considered a report on the possible seal extension of Spur Road. Councillors raised a number of concerns, predominantly around the level of expenditure required to seal the section of road, when the District will be facing economic challenges due to the Covid-19 pandemic.

While it was acknowledged that it is a reasonably high use road with 13% of the traffic being heavy vehicles, and sealing would provide the best long term solution and increased safety, the Committee was reluctant to approve the seal extension without firstly reviewing other priorities for seal extensions across the District, as well as reviewing Council's seal extension policy, and taking a strategic approach to capital expenditure on larger projects in the post-Covid environment.

It was agreed that the best course of action at this time would be to defer a decision on the issue until further analysis has been done on seal extension priorities as well as overall expenditure on capital works as part of the Annual Plan process.

Resolution 2020/12

Moved: Cr Sally Parker

Seconded: Cr Paddy O'Reilly

That consideration of the inclusion of the seal extension of Spur Road in the 2020-21 Annual Plan be parked until seal extension priorities have been further reviewed and analysis of Council's capital expenditure priorities has been undertaken.

Carried

7.2 Orari Back Road Seal Extension

The Committee considered a report on the possible seal extension of Orari Back Road. While this seal extension has some similarities to the Spur Road situation, important differences were identified such as the proposed seal extension re-routing heavy vehicles from the Geraldine township.

It was again noted that it would be helpful to the decision making process to have a priority list of possible seal extensions and an opportunity to review the pressure on the limited seal extension budget.

Resolution 2020/13

Moved: Mayor Nigel Bowen

Seconded: Cr Richard Lyon

That the Infrastructure Committee recommends

- a) that Council considers the inclusion of the seal extension of Orari Back Road and allocates additional funding of \$1.2 million excluding GST in the 2020-21 Annual Plan.
- b) that a seal extension priority list and criteria for prioritisation be provided, to inform the decision making on seal extensions.

Carried

7.3 Draft Government Policy Statement on Land Transport Submission

The Committee was briefed on the final Government Policy Statement on Land Transport 2021/22 – 2030/31 (GPS2021) and a proposed submission from Timaru District Council.

Resolution 2020/14

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

- 1. That the Infrastructure Committee supports a submission on the Draft Government Policy Statement on Land Transport 2021/22 – 2030/31 on the basis of the key points outlined in this report.
- 2. That the final submission be approved by the Chairperson of the Infrastructure Committee and the Acting Group Manager Infrastructure.

Carried

8 Consideration of Urgent Business Items

There were no urgent business items to be considered.

9 Consideration of Minor Nature Matters

There were no minor nature matters to be considered.

The Meeting closed at 10.30am.

.....
Chairperson

**Prospective Statement of Comprehensive Revenue and Expenses
for the year ended 30 June 2021**

Budget 2019/20 \$000		Budget 2020/21 \$000	LTP 2020/21 \$000
Revenue			
52,697	Rates revenue	54,671	57,804
10,827	Subsidies and grants	13,477	9,526
16,213	Fees & charges	16,722	19,074
4,200	Other revenue	3,400	1,296
1,894	Finance revenue	1,466	1,591
2,890	Dividend revenue	2,040	2,890
<u>88,721</u>	Total Revenue	<u>91,776</u>	<u>92,181</u>
Expenses			
19,366	Personnel costs	20,998	18,321
16,867	Depreciation expense	16,381	18,247
4,655	Finance costs	3,493	6,984
40,003	Other expenses	40,412	39,101
<u>80,891</u>	Total Operating Expenditure	<u>81,284</u>	<u>82,653</u>
<u>7,830</u>	Surplus / (Deficit) before Tax	<u>10,492</u>	<u>9,528</u>

**Statement of Changes in Net Assets / Equity
for the year ended 30 June 2021**

Budget 2019/20 \$000		Budget 2020/21 \$000	LTP 2020/21 \$000
789,061	Opening Equity	796,062	770,397
7,830	Total Comprehensive Revenue and Expense attributable to Council	10,492	9,528
<u>796,891</u>	Closing Equity	<u>806,554</u>	<u>779,925</u>

LTP 2020/21 includes Downlands Water Scheme. Budget 2019/20 and 2020/21 figures do not due to change in accounting policy.

**Prospective Statement of Financial Position
for the year ended 30 June 2021**

Budget 2019/20 \$000		Budget 2020/21 \$000	LTP 2020/21 \$000
Current Assets			
7,985	Cash and deposits	9,858	11,304
6,218	Debtors and other receivables	6,242	6,218
72	Inventories	77	72
26,216	Other financial assets	10,094	7,417
40,491	Total Current Assets	26,271	25,011
Non-Current Assets			
846,760	Property plant & equipment	869,701	894,018
1,201	Forestry	1,201	1,201
1,546	Investment property	1,546	1,546
31,260	Investment in associates	31,260	1,260
20,974	Investment in cco's & other similar	22,913	23,354
-	Other financial assets	51	-
901,741	Total Non-Current Assets	926,672	921,379
942,232	TOTAL ASSETS	952,943	946,390
Current Liabilities			
11,874	Trade and other payable	7,338	10,576
-	Employee benefit liabilities	614	-
5,214	Borrowings	6,000	6,752
17,088	Total Current Liabilities	13,952	17,328
Non-Current Liabilities			
-			
5,000	Provisions	5,000	5,000
-	Employee benefit liabilities	1,526	-
119,681	Borrowings	120,411	138,580
3,572	Derivative financial instruments	5,500	5,557
128,253	Total Non-Current Liabilities	132,437	149,137
145,341	TOTAL LIABILITIES	146,389	166,465
796,891	NET ASSETS	806,554	779,925
Equity			
788,332	Retained earnings	796,462	770,093
8,559	Special funds	3,134	9,832
-	Separate funds	6,958	-
796,891	TOTAL EQUITY	806,554	779,925

LTP 2020/21 includes Downlands Water Scheme. Budget 2019/20 and 2020/21 figures do not due to change in accounting policy.

**Prospective Statement of Cashflows
for the year ended 30 June 2021**

Budget 2019/20 \$000		Budget 2020/21 \$000	LTP 2020/21 \$000
Cash flows from operating activities			
	<i>Cash was provided by (applied to):</i>		
73,070	Receipts from customers	73,225	78,133
10,827	Other revenue received	15,005	9,526
1,894	Interest received	1,466	1,591
2,890	Dividends received	2,040	2,890
(59,305)	Payments to suppliers and employees	(61,429)	(57,359)
(4,655)	Finance costs	(3,493)	(6,984)
<u>24,721</u>	Net cash flow from operating activities	<u>26,814</u>	<u>27,797</u>
Cash flows from investing activities			
	<i>Cash was provided by (applied to):</i>		
220	Proceeds from sale of other financial assets	-	-
37,521	Reduction of Term Investment	-	602
45	Proceeds from sale of property, plant and equipment	20	45
(30,043)	Acquisition of shares / investments	-	-
(70,475)	Purchase of property, plant and equipment	(64,634)	(39,843)
<u>(62,732)</u>	Net cash flow from investing activities	<u>(64,614)</u>	<u>(39,196)</u>
Cash flows from financing activities			
	<i>Cash was provided by (applied to):</i>		
25,384	Drawdown / (Repayment) of borrowings	36,984	7,853
<u>25,384</u>	Net cash flow from financing activities	<u>36,984</u>	<u>7,853</u>
(12,627)	Net increase/(decrease) in Cash and cash equivalents	(816)	(3,546)
46,828	Cash and cash equivalents at the beginning of the financial year	20,768	22,267
<u>34,201</u>	Cash and cash equivalents at the end of the financial year	<u>19,952</u>	<u>18,721</u>

LTP 2020/21 includes Downlands Water Scheme. Budget 2019/20 and 2020/21 figures do not due to change in accounting policy.

Summary: Current year reforecast, to 30 June 2020 (refer paragraph 11.4 of report)

1. This was prepared by Council staff using year to date actuals to 31 March 2020 with budget holders' forecasts revenue and expenditure for April, May and June 2020. The assumptions were Council would be operating in COVID-19 Alert Level 4 for April, Alert Level 3 for May and Alert Level 2 for June.

Timaru District Council - 2020 P & L Reforecast				
	YTD Mar-20	Reforecast	Full Year Budget	Variance
	\$000	\$000	\$000	\$000
1 - Revenue				
11 - Rates revenue	-42,161	-52,871	-52,639	232
12 - Subsidies and grants	-6,904	-10,785	-11,180	-395
13 - Fees & charges	-13,830	-17,697	-17,306	391
14 - Other revenue	-1,794	-2,467	-3,125	-658
15 - Finance revenue	-1,082	-1,540	-1,816	-277
15.1 - Dividend revenue	-1,708	-3,058	-2,890	168
Total Revenue	-67,479	-88,417	-88,956	-539
2 - Expenditure				
21 - Personnel costs	15,049	19,652	19,553	-99
22 - Depreciation expense	12,018	16,133	16,444	311
23 - Finance costs	1,758	2,785	4,269	1,484
24 - Other expenses	30,717	43,059	42,037	-1,022
26 - Other losses	44	44	0	-44
Total Expenditure	59,585	81,673	82,303	630
Grand Total	-7,894	-6,744	-6,653	91

2. Key Points

- Council is forecasting a full year surplus, excluding year end adjustments, of \$6.7 million, which remains broadly in line with budget.
- Total Revenue is forecast to be \$88.4 million, \$539,000 less than budget. At 31 March 2020 the Council has total revenue of \$67.5 million.
- Rates Revenue is forecast to be \$232,000 more than budget.
- Subsidies and Grants revenue is forecast to be \$395,000 less than budget. This is attributable to the reallocation of some of the Roads work programme into 2021, such as Tiplady-Coach Road. However, extra funding of approximately \$1m was received in relation to the Rangitata Emergency roading works carried out.
- There is a forecast drop in fees and charges (approximate only) as a result of the COVID-19 restrictions on our operations. However, this has been offset by the Waste Minimisation Revenue which through processing greater than budgeted waste volumes is forecast to be approximately \$600,000 more favourable than budget.

- Other Revenue is forecast to be \$650,000 less than budget. This is attributable to forecast reductions in Petrol Tax, \$66,000 and Forestry Sales, \$50,000. Donations to the Theatre Royal, for the purpose of the upgrade project, budgeted at \$250,000 in 2020 have not been received due to timing.
- Finance Revenue is \$277,000 less than budget as market interest rates of investments have decreased. Dividend revenue is forecast to be \$168,000 more than budget due to an unbudgeted dividend from Civic Financial Services Ltd.
- Total expenditure is forecast to be \$81.7 million, \$630,000 less than budget. Total expenditure at 31 March 2020 is \$59.6 million.
- Personnel costs are forecast to be \$99,000 more than budget. Last year's budget did not include provision for remuneration increases which have instead been managed through the vacancy factor and other adjustments. Council has also incurred additional wage expenses to operate and support the civil defence and welfare functions arising from the Rangitata River Flood event and Covid-19.
- Depreciation is forecast to be \$16.1 million, \$311,000 less than budget. Please note, the revaluation of the 3 Waters Assets has not yet been implemented which will increase depreciation costs in future years.
- Finance Costs are forecast to be \$2.7 million for the year, \$1.4 million less than budget, attributable to less borrowings being required at lower interest rates. Average interest rates being 3.5% compared to budget of 4%.
- Other expenses are forecast to be \$43.1 million, \$1.0 million more than budget. Of this, \$950,000 relates to costs incurred for the Rangitata Emergency roading response which has been funded by the Funding assistance rate from NZTA and Council reserves as resolved. YTD expenditure at 31 March was \$30.7 million. We will review again once the April payment run has closed.

10 Consideration of Urgent Business Items

11 Consideration of Minor Nature Matters

12 Public Forum Items Requiring Consideration

13 Exclusion of Public

13.1 Public Excluded Minutes of the Council Meeting held on 7 April 2020

13.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020

Recommendation

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>13.1 - Public Excluded Minutes of the Council Meeting held on 7 April 2020</p>	<p>s7(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>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>
<p>13.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020</p>	<p>s7(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>Commercial sensitivity</p>