



AGENDA

Ordinary Council Meeting Tuesday, 2 March 2021

Date Tuesday, 2 March 2021

Time 3pm - Geraldine

Location St Andrews Church Hall
10 Cox Street
Geraldine

File Reference 1407692

Timaru District Council

Notice is hereby given that a meeting of the Ordinary Council will be held in the St Andrews Church Hall, 10 Cox Street, Geraldine, on Tuesday 2 March 2021, at 3pm - Geraldine.

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 9 February 2021

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Council Meeting held on 9 February 2021 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Council Meeting held on 9 February 2021**



MINUTES

Ordinary Council Meeting Tuesday, 9 February 2021

Ref: 1407692

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 9 February 2021 at 3pm**

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

In Attendance: Chief Executive (Bede Carran), Group Manager Environmental Services (Tracy Tierney), Group Manager Commercial and Strategy (Donna Cross), Group Manager People and Digital and Acting Group Manager of Community Services (Symon Leggett), Group Manager Infrastructure (Andrew Dixon), Strategy and Corporate Planning Manager (Mark Low), Policy Analyst (Fabia Fox), Art Gallery Manager (Cara Fitzgerald), Exhibition Curator/Project Manager (Hamish Pettengell), Governance Advisor (Jo Doyle)

Community Board Members

Gaye Broker – Temuka Community Board
Natasha Rankin – Geraldine Community Board

1 Opening Prayer and Waiata

Lucy Flatt of Craighead Diocesan Chaplain offered a prayer for the work of Council followed by the singing of the Timaru District Council Waiata.

2 Apologies

There were no apologies

3 Public Forum

Roger Payne addressed the Council on Easter Sunday Trading.

Central Government in 2017 requested that Local Government make the decision on whether to allow shops to trade on Easter Sunday.

The Timaru District Council at the time undertook Public Consultation and invited written and oral submissions. The results of the consultation was clear with more than half the submitters residing from Geraldine and were totally opposed to permitting trading on Easter Sunday.

Surrounding Council's (Ashburton, McKenzie, Waimate and Waitaki) all voted to leave shops closed on Easter Sunday and the Councils of major cities came to the same decision.

Nelson and Tasman Council's conducted a survey of their ratepayers to make their decision, the outcome was to keep the stores closed on Easter Sunday.

The legislation governing shop trading on Easter Sunday requires a council to review its local Easter Sunday shop trading policies no later than 5 years after its adoption, which in Council's case is November 2022.

Council has requested officers report back and the policy be reviewed in time for it to have effect for Easter 2022.

4 Identification of Urgent Business

Resolution 2021/1

Moved: Mayor Nigel Bowen

Seconded: Cr Stu Piddington

That item 13.3 – Caroline Bay Sound Shell Stadium Seating Replacement be moved from Public Excluded to the Public Section of the meeting. Pricing information will remain redacted for Commercial Sensitivity.

Carried

5 Identification of Matters of a Minor Nature

There were no matters of a minor nature.

6 Declaration of Conflicts of Interest

There were no conflicts of interest.

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 15 December 2020

Resolution 2021/2

Moved: Cr Paddy O'Reilly

Seconded: Cr Barbara Gilchrist

That the Minutes of the Council Meeting held on 15 December 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

7.2 Minutes of the Council Meeting held on 22 December 2020

Resolution 2021/3

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That the Minutes of the Council Meeting held on 22 December 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

7.3 Minutes of the Tenders and Procurement Committee Meeting held on 21 December 2020

Resolution 2021/4

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the Minutes of the Tenders and Procurement Committee Meeting held on 21 December 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

8 Schedules of Functions Attended

8.1 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors

Resolution 2021/5

Moved: Mayor Nigel Bowen

Seconded: Cr Steve Wills

That the report be received and noted.

Carried

8.2 Schedule of Functions Attended by the Chief Executive

Resolution 2021/6

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the report be received and noted.

Carried

9 Reports

9.1 Affixing of the Common Seal

Resolution 2021/7

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the affixing of the Common Seal to the following document be noted:

14 January 2021 Warrants of Appointment

Carried

9.2 Contracts Let From Tenders and Procurement Committee

Council was advised of contracts let by the Tenders and Procurement Committee.

Resolution 2021/8

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

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 2448 –Te Ana Wai Trunkmain Upgrade (Water Treatment Plant to Cave)	4	\$7,321,956.53 to \$10,766,926.66	Rooney Earthmoving Limited \$7,321,956.53
Tenders were evaluated using weighted attributed method.			

All prices exclude GST

Carried

9.3 Rating Revaluation

Quotable Value presented the outcomes of the 2020 Rating Valuation to Council. Gail Smits, Kris Rodgers and Brendon McCurley from Quotable Value attended the meeting to present.

The Council is required to revise its district valuation roll at intervals of not more than 3 years by revaluing every rating unit within its district to ensure that the roll represents values current as at the date of the revaluation. Quotable Value undertake this engagement on Council's behalf. Quotable Value has now completed the valuation and the valuation has been audited by the Office of the Valuer General. Prior to the revaluations being used for rating purposes the Valuer General's approval must be given. The Valuer General has now given this approval, and the revised values may now be used for rating purposes. The revised valuations are effective from 1 September 2020 but will not take effect on rates until 1 July 2021.

This valuation cycle the process has taken longer, and the entire programme nationally has been delayed by 5 weeks which was to allow for additional sales information post Covid-19.

The valuation provides a snapshot in time, and 5% growth is noted since the revaluation date of 1 September 2020.

in respect of the revised valuation there have been some decreases in values, notably in Dairy and Pastoral since last valued 3 years ago. This is attributable in part to environmental regulations and limits on farming. Entry level homes have seen the biggest increases in value.

Overall Timaru is still considered an affordable location with the capital value of just over \$400k for residential properties. The average in New Zealand is \$714k.

Property owners have a right to object to their revised valuation. There is an established process for objections and this process is also undertaken by Quotable Value. The closing date for objections is 19 March 2021.

Resolution 2021/9

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That Council note and receive this report.

Carried

9.4 Draft Business Improvement District Policy

Council was presented with the framework to establish a Business Improvement District (BID) policy by Group Manager Commercial and Strategy and Consultant Mark Abbot who assisted with drafting the policy.

It was noted that the purpose of today is not to approve a BID or targeted rate, but to approve the draft of the policy. Once approved, the policy will serve as an enabler, providing a mechanism for a BID proposer/group who is able to establish sufficient mandate to apply for a BID targeted rate.

The BID policy was drafted after initial consultation and engagement with the Central Business District, and a desire to initiate a partnership with Council.

For a BID, specific projects would be identified that align with Council's objectives such as Business Development, Beautification, Business Mentoring, marketing.

BID Policies that are in operation in Auckland, Wellington and Christchurch were considered as each have operated very successful BID programmes over the last 10 years. Auckland has a significant number of BIDs in place.

Council also needs to consider the initial establishment and on-going voting thresholds, examples are Wellington "typically" 25% agreement to propose a BID, then, 25% of the voter return and a majority of that return to be in agreement. Auckland is also "typically" 25% establishment interest then 25% voter return with 51% of return votes needing to be in favour, and Christchurch, also "typically" 25% initiation interest with 50% voter return and agreement from 66% of returned votes in favour.

Council agreed that once a BID was in place and the group requested to continue the BID in subsequent years that a 10% lid be placed on increases or decreases to the targeted rate compared to the previous year unless otherwise agreed.

Council agreed that the building owner/ratepayer would be the individual initially recorded on the voting register, however part of the consultation would enable the owner to delegate voting rights to the occupier which would last for the life of the BID.

Council agreed that Capital Value be used in any of the targeted rate assessments over Land Value.

Council discussed the voting threshold, there were concerns that 25% participation is too low, however once the threshold is selected, this doesn't lock Council in at that rate, each BID is

assessed and the policy provides flexibility to alter this rate per BID, therefore a indicative “typically 25% threshold is used to allow for this flexibility.

Council agreed that a consultation can be bundled with the Long Term Plan consultation with the policy being in place to enable applications for BID proposals to commence from year 2 of the Long Term Plan onwards.

Resolution 2021/10

Moved: Cr Allan Booth

Seconded: Cr Barbara Gilchrist

That Council:

1. Receives the Report: Draft Business Improvement District (BID) Policy;
2. Confirms its request for Council Officers to develop a Business Improvement District (BID) Policy for Council’s consideration, following engagement with members of the Central Business District;
3. Instructs Council Officers to commence a consultation on the draft Business Improvement District (BID) Policy to be included with the Long Term Plan process in April/May, and incorporating any changes requested by Council.

Carried

9.5 Aigantighe Art Gallery 1978/1995 Extension Options Report

Council was presented with future options for the Aigantighe Art Gallery extension by Group Manager People and Digital and Acting Group Manager of Community Services, Art Gallery Manager and Exhibitions Curator.

The options provided were discussed, however an additional possibility of adding space to the Heritage and Cultural Centre was proposed as an addition to the public consultation.

The overall costs have increased with more accurate data and now include consultation fees and GST. Option 6 is considered the preferred option as it will provide the extra space required for storage and keeps the same land footprint but be built over two levels. The second level will also enable a lift to be installed with a walkway across to the House to provide access.

Funding applications are being explored, and this project has been included in the current LTP budget.

Further conversations with the family around the deed restrictions are required as some alterations or further use of the site may be required.

Resolution 2021/11

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the Council choose option 6 as the preferred option for the redevelopment of the 1978/1995 extension of the Aigantighe Art Gallery to be included in the Long Term Plan consultation document.

Carried

Resolution 2021/12

Moved: Cr Sally Parker

Seconded: Cr Stu Piddington

That the Consultation Document for the Long Term Plan include a fourth option with the possibility of a new build as part of the new cultural centre and retaining the original house.

In Favour: Clrs Nigel Bowen, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly, Sally Parker, Stu Piddington and Steve Wills

Against: Clr Allan Booth

Carried 9/1

Carried

9.6 Aorangi Park Master Plan

Council was presented with the draft Aorangi Park Master Plan for adoption by Group Manager People and Digital and Acting Group Manager of Community Services and Policy Analyst.

At a Council workshop in November, the lack of space at the Southern Trust Events Centre and Aorangi Park was discussed. Problems identified covered many sporting codes, indoor netball space and adjacent hockey turfs were requests from stakeholders.

The number of outdoor netball courts would reduce dramatically, however this reflects that the senior competition will be played inside. There is a future option for covering one or two outdoor premier courts.

The ability to still hold large scale functions was discussed, and a feasibility study will look into specific requirements of catering facilities and toilets for events.

This master plan will be presented to Council in the budget for stage 1 as the Aorangi Master Plan within the LTP framework.

Resolution 2021/13

Moved: Cr Paddy O'Reilly

Seconded: Cr Barbara Gilchrist

That Council adopts the Aorangi Park Master Plan.

Carried

9.7 Caroline Bay Sound Shell Stadium Seating Replacement [Contract 2490]

Council was presented with options for the Caroline Bay Sound Shell Stadium Seating ("the Bleachers") by Group Manager Commercial and Strategy.

It was noted that any commercial details, pricing or budget would not be discussed in the public section of the meeting.

Replacement of the bleachers was planned for year 4 of the current Long Term Plan, and there are currently measures in place with propping.

Innovation options such as lightweight concrete that could be completed quickly were explored, but were ruled out as unsuitable for this project.

A design and build procurement is the preferred option for this project, and a thorough procurement strategy would mean this project will need to be pushed out for a year. The ability to deliver the project with the current budget will need to be discussed further.

The storage underneath the bleachers will be excluded which means a displacement of the current tenant, communication to work through this is underway.

Future development will be considered such as shade sails, however disability access will be part of the brief.

It was noted there was a date error in paragraph 21 of the report, the commencement date should read April 2022.

Resolution 2021/14

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That Council:

1. Approves officers proceeding with the procurement, on a closed tender or direct appointment basis as appropriate, for the replacement of the Bleachers that:
 - a. provides similar seating capacity to the current design (1800 seats);
 - b. excludes the requirement for underneath storage;
 - c. provides the option of including a roof and/or shade structure in the future; and
 - d. addresses the items listed at paragraph 16 of the report.
2. Approves the deferral of demolition and construction until April 2022 for completion prior to December 2022, if through the current engagement with the market a completion date of 1 December 2021 is deemed not reasonably feasible – on the understanding the Bleachers and current propping can be re-assessed and their use extended for a further season.

Carried

Attachments

- 1 Council - Supplementary Agenda - 09.02.21_Redacted

10 Consideration of Urgent Business Items

No further consideration needed of urgent business.

11 Consideration of Minor Nature Matters

There were no matters of minor nature.

12 Public Forum Items Requiring Consideration

Chief Executive Bede Carran updated Council on the Easter Sunday Trading Policy

The current policy must be reviewed by November 2022. This won't be able to be reviewed prior to Easter this year, but could be bought forward to take effect for Easter 2022.

Officers will start to look at the work needed and come back and advise formal options.

The Mayor agreed to keep in contact with Roger Payne with developments.

13 Resolution to Exclude the Public

Resolution 2021/15

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

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
13.1 - Public Excluded Minutes of the Council Meeting held on 15 December 2020	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</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)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect a person's privacy</p> <p>To prevent disclosing a trade secret</p> <p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p>

13.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 21 December 2020	<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>
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Carried

14 Public Excluded Reports

13.1 Public Excluded Minutes of the Council Meeting held on 15 December 2020

13.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 21 December 2020

Resolution 2021/16

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

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

Carried

15 Readmittance of the Public

The meeting closed at 5.33pm.

.....
Mayor Nigel Bowen
Chairperson

7.2 Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 26 January 2021

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 26 January 2021 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 26 January 2021**



MINUTES

Extraordinary Tenders and Procurement Committee Meeting Tuesday, 26 January 2021

Ref: 1407692

**Minutes of Timaru District Council
Extraordinary Tenders and Procurement Committee Meeting
Held in the Chief Executive's Office, District Council Building, King George Place, Timaru
on Tuesday, 26 January 2021 at 1.30pm**

Present: Cr Barbara Gilchrist (Chairperson), Cr Peter Burt, Cr Sally Parker

In Attendance: Chief Executive (Bede Carran), Group Manager Infrastructure (Andrew Dixon), Land Transport Manager (Susannah Ratahi), Executive Assistant Infrastructure Group (Michelle Heal)

1 Apologies

Resolution 2021/2

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

That the apology received from Mayor Nigel Bowen be accepted and leave of absence granted.

Carried

2 Identification of Items of Urgent Business

There were no items of urgent business.

3 Identification of Matters of a Minor Nature

There were no minor nature matters.

4 Declaration of Conflicts of Interest

There were no conflicts of interest.

5 Consideration of Urgent Business Items

There were no items of urgent business.

6 Consideration of Minor Nature Matters

There were no minor nature matters.

7 Exclusion of the Public

Resolution 2021/3

Moved: Cr Sally Parker

Seconded: Cr Peter Burt

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 - Procurement for Maintenance of Traffic Signals, Carpark Equipment and Parking Meters	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

Resolution 2021/4

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

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

Carried

8 Public Excluded Reports

8.1 Procurement for Maintenance of Traffic Signals, Carpark Equipment and Parking Meters

9 Readmittance of the Public

The Meeting closed at 1.42pm.

.....
Mayor Nigel Bowen
Chairperson

7.3 Minutes of the Tenders and Procurement Committee Meeting held on 2 February 2021

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Tenders and Procurement Committee Meeting held on 2 February 2021 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

7.4 Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 17 February 2021

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 17 February 2021 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 17 February 2021**



MINUTES

Extraordinary Tenders and Procurement Committee Meeting Wednesday, 17 February 2021

Ref: 1407692

**Minutes of Timaru District Council
Extraordinary Tenders and Procurement Committee Meeting
Held in the Chief Executive's Office, District Council Building, King George Place, Timaru
on Wednesday, 17 February 2021 at 8.30am**

Present: Mayor Nigel Bowen (Chairperson), Cr Barbara Gilchrist, Cr Sally Parker

In Attendance: Chief Executive (Bede Carran), Group Manager Infrastructure (Andrew Dixon),
Drainage and Water Manager (Grant Hall), Governance Advisor (Jo Doyle)

1 Apologies

Resolution 2021/5

Moved: Chairperson Nigel Bowen

Seconded: Cr Sally Parker

That the apology received from Cr Peter Burt be accepted and leave of absence granted.

Carried

2 Identification of Items of Urgent Business

There was no urgent business.

3 Identification of Matters of a Minor Nature

There were no matters of minor nature.

4 Declaration of Conflicts of Interest

There were no conflicts of interest.

5 Consideration of Urgent Business Items

There was no urgent business.

6 Consideration of Minor Nature Matters

There were no matters of minor nature.

7 Exclusion of the Public

Resolution 2021/6

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

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 2470 - Pareora Pipeline Renewal Section 3	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 2470 - Pareora Pipeline Renewal Section 3

9 Readmittance of the Public

Resolution 2021/7

Moved: Chairperson Nigel Bowen

Seconded: Cr Sally Parker

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

Carried

The Meeting closed at 8.44am.

.....
Mayor Nigel Bowen
Chairperson

8 Schedules of Functions Attended

8.1 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 31 January 2021 to 21 February 2021.

<i>2 February 2021</i>	Attended Standing Committees meetings Attended Council workshops
<i>3 February 2021</i>	Met with CEO of West Coast Polytechnic
<i>4 February 2021</i>	Attended monthly meeting with SC Chamber of Commerce Attended Safer Communities Workshop
<i>5 February 2021</i>	Attended CMF and Chairs Papatipu Runanga joint meeting
<i>9 February 2021</i>	Attended Council workshops Chaired February Council meeting
<i>12 February 2021</i>	Attended Business breakfast with Colin Mansbridge
<i>15 February 2021</i>	Attended Council Long Term Plan meeting
<i>19 February 2021</i>	Spoke to OJ on the Breeze for Mayoral Musings Attended Mayoral Forum Attended Mayoral Forum tour of Prime Port Timaru
<i>20 February 2021</i>	Attended SC Mixed Netball Championships – VIP competition

In addition to these duties I met or spoke with 22 members of the public on issues of concern to them.

Functions Attended by the Deputy Mayor for the Period 31 January 2021 to 21 February 2021.

<i>3 February 2021</i>	Met with CEO of West Coast Polytechnic
<i>6 February 2021</i>	Opened the New Zealand Skating Banked Championships
<i>7 February 2021</i>	Attended NZ Triathlon
<i>8 February 2021</i>	Attended Waitangi Whanau Fun Day

Attachments

Nil

8.2 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 1 February 2021 to 19 February 2021.

<i>1 February 2021</i>	Attended SafeTalk Training
<i>2 February 2021</i>	Attended Standing Committee Meetings Attended Council Workshops
<i>3 February 2021</i>	Attended Three Waters Reform System Design Reference Group Meeting
<i>4 February 2021</i>	Meeting with Chief Executives from Prime Port and Venture Timaru District Meeting with South Canterbury Chamber of Commerce Attended Timaru District Holdings Limited Board Meeting
<i>5 February 2021</i>	Teleconference with Audit and Risk Committee Chair Teleconference with representatives of Fitch Ratings
<i>9 February 2021</i>	Attended Council Workshops Attended Council Meeting
<i>11 February 2021</i>	Meeting with Assistant Auditor-General and Sector Manager of Office of the Auditor General
<i>12 February 2021</i>	Attended Business Breakfast (Colin Mansbridge: Chief Executive Officer at the Crusaders)
<i>15 February 2021</i>	Attended Council Long Term Plan Meeting
<i>18 February 2021</i>	Attended Canterbury Mayoral Forum Working Dinner
<i>19 February 2021</i>	Attended Canterbury Mayoral Forum Attended Opening of In Services Exhibition at South Canterbury Museum

Meetings were also held with various ratepayers, businesses and/or residents on a range of operational matters.

Attachments**Nil**

9 Reports

9.1 Affixing of the Common Seal

Author: Jo Doyle, Governance Advisor

Authoriser: Bede Carran, Chief Executive

Recommendation

That the affixing of the Common Seal to the following document be noted:

14 January 2021 Warrants of Appointment

Purpose of Report

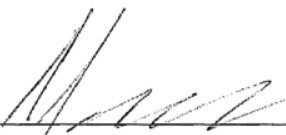
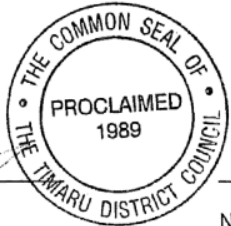
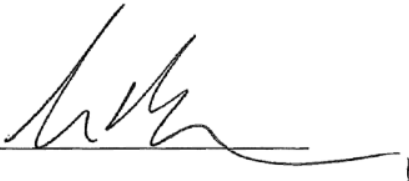
- 1 To report the affixing of the Common Seal to Warrants of Appointment.

Attachments

1. Attachment to Council Report - Warrants of Appointment - 16 February 2021 [↓](#) 

Approval of Warrants

I, Bede Carran, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 8.2.2 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

Bede Carran Nigel Bowen

16/2/21

Date

Warrant - First Security Contractor - Enforcement Officer

9.2 Contracts Let From Tenders and Procurement Committee**Author:** Jo Doyle, Governance Advisor**Authoriser:** Andrew Dixon, 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 2470 – Pareora Pipeline Renewal Section 3	6	\$8,166,012.27 to \$11,725,708.61	Paul Smith Earthmoving 2002 Ltd \$8,166,012.27
Tenders were evaluated using Timaru District Council weighted attributes method.			

All prices exclude GST

Purpose of Report

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

Attachments

Nil

9.3 2021 Bandquet Festival - Proposed Liquor Control Area

Author: Sharon Hoogenraad, Chief Licensing Inspector / Enforcement Officer

Authoriser: Tracy Tierney, Group Manager Environmental Services

Recommendation

That a temporary liquor control area is put in place over the entire Caroline Bay (map shown Attachment 1) to ban liquor for the period 8.00am 13 March 2021 to 8.00pm 13 March 2021.

Purpose of Report

- 1 The New Zealand Police have requested a temporary liquor ban for the Caroline Bay area during the 2021 Bandquet Festival being held 13 March 2021.

Assessment of Significance

- 2 This matter is not deemed significant under the Council's Significance and Engagement Policy.

Background

- 3 The Bandquet Festival is a six hour music festival that will include 45 food and beverage vendors and a children's play area. The special licence application also includes off-sales which will be collected when exiting the event.
- 4 The New Zealand Police have requested a liquor ban be temporarily put in place for the entire Caroline Bay area for the duration of the festival (with the licensed areas being excluded). Currently there is only a liquor ban at Caroline Bay from 31 December (New Years Eve) 7.00pm to 1 January (New Years Day) 7.00am.

Discussion

- 5 The organisers, Carter Consultants Limited are estimating attendance of up to 2,000 people over the six hour period.
- 6 The event will cover a large portion of the Caroline Bay area, including parking. The licensed areas are yet to be confirmed as the special licence is in progress. All areas being used by the festival will be fenced with security staff managing the perimeter. The event will be catering for all ages.
- 7 Extensive discussions have been held with the organisers and staff from various units within Council to address legislative and service needs to support a successful event.

Options and Preferred Option

- 8 The preferred option is that the proposed temporary liquor control area (Attachment 1) is put in place. This is to promote a safe environment for the community to continue to enjoy the Caroline Bay area during the festival period, without being concerned by people consuming alcohol outside the licensed area. The proposed area extends out into the bay itself to remove the temptation for members of the public to utilise various personal watercrafts to listen to

the music whilst consuming alcohol. The temporary liquor ban would also give the New Zealand Police the powers to issue Alcohol Infringement Notices for 'Breach (of) a Liquor Ban' and powers of arrest.

- 9 The alternate option is not put a temporary liquor control area in place. If a liquor ban is not implemented there is the potential for people to congregate outside the licensed areas consuming alcohol. This increases the risk of intoxicated persons interfering with the enjoyment of other members of the community wishing to use areas outside of the event for example the beach, paddling pools, playgrounds and skate park.

Consultation

- 10 Consultation has been undertaken between the New Zealand Police, the organisers of the event, and the Timaru District Council Liquor Licensing Unit. The organisers fully support the proposal requested by the New Zealand Police (Attachment 2).

Relevant Legislation, Council Policy and Plans

- 11 Timaru District Consolidated Bylaw 2018 - Chapter 4, Section 402.1 states 'The Council may from time to time by resolution of Council declare any specified area to be subject to the provisions of the chapter of the bylaw for such times as are considered appropriate.'
- 12 The Timaru District Consolidated Bylaw 2018 – Chapter 4, Section 402.3 states 'This chapter of the bylaw³ does not prohibit the consumption or possession of liquor in a place for which a liquor licence has been issued under the Sale and Supply of Alcohol Act 2012'.




Financial and Funding Implications

- 13 There are no financial implications involved in this proposal.

Other Considerations

- 14 There are no other relevant considerations.

Attachments

1. Proposed Temporary Liquor Control Area [!\[\]\(8d2a970e9e378c18eed91405331b57ec_img.jpg\)](#) 
2. New Zealand Police Proposed Liquor Ban Support Letter [!\[\]\(9b4e55a51be8ea1407cf6bcc012f3511_img.jpg\)](#) 
3. Proposed Event Layout [!\[\]\(2e88498bdbebaf1f135231259794683d_img.jpg\)](#) 
4. Event Organisers Support Letter





25 January 2021

To Whom it May Concern

This letter is written to support the Timaru District Council to impose an Alcohol Ban for the Caroline Bay area as per the agreed map held by the Chief Licensing Inspector Sharon HOOGENRAAD for the duration of the proposed event 'The Bandquet' 13th of March 2021.

The proposed Alcohol Ban area will not include any area covered by any On/Off license issued for the event.

Traditionally the Alcohol Ban is imposed and enforced for Caroline Bay for the New Year's celebrations. This has shown to decrease offending and has significantly contributed to making the event more 'family friendly' and enjoyable.

Due to the location and time of year it is likely there will be a high number of the public frequenting the Caroline Bay during the period other than those attending the event.

Imposing an alcohol ban for all areas other than those covered by any license obtained will enable all the other's to enjoy Caroline Bay without the concern of intoxication, dangerous litter and exposing young person's and children to the consumption of alcohol.

A ban would also to the control of intoxication in general as event attendees would not be able to 'pre load' in the immediate vicinity of the festival before entering the licensed area, which is commonly recognised practice and contributes greatly to alcohol related harm.

Alcohol would have to be consumed within the licensed area or which has the benefit of then having to comply with all aspects of the Sale and Supply Act and any conditions imposed on the license.

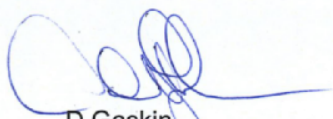
For those attendees who purchase from the off license this should remove any likelihood of them walking out of the venue and consuming their purchases before leaving Caroline Bay.

The organisers of the event have conveyed their support of the Alcohol Ban also. It would also assist them in a successful running of the event as they would then only have to be concerned with monitoring the consumption of alcohol within the licensed area.

Yours faithfully



D Robertson
Sergeant
Timaru



D Gaskin
Area Commander
Mid South Canterbury

17/11/2020

Screen Shot 2020-10-27 at 10.28.55 AM.png



<https://drive.google.com/file/d/1qFbhGy7Q1mjqlQx1YjrOvKcl9AF7HJe/view>

1/1



3 February 2021

To Whom It May Concern,

Carter Consultants and The Bandquet are in full support of the local Timaru Police Authority to enforce a temporary Liquor Ban for Caroline Bay, Timaru, over the period that The Bandquet is run in March.

We wholeheartedly agree that it would be extremely beneficial for all parties involved in the event if this Liquor Ban was in place.

If you have any further questions, please feel free to contact me.

Kind Regards,

Simon Carter
Managing Director

E simon@carterconsultants.co.nz

M 021 892 098

W carterconsultants.co.nz



9.4 Health and Safety Update

Author: Symon Leggett, Group Manager People and Digital

Authoriser: Symon Leggett, Group Manager People and Digital

Recommendation

That the report be received and noted.

Purpose of Report

- 1 The Audit and Risk Committee have requested that a Health and Safety updated is provided to the full Council on a regular basis.
- 2 This report is intended to provide Council with assurance that the health and safety of staff, contractors and members of the public who use our facilities is a constant focus. Continuous improvement is a key theme to ensure we're always striving for a stronger safety culture.

Assessment of Significance

- 3 Low

Discussion

- 4 Timaru District Council (TDC) has a maturing health & safety culture, focused on continually improving our activity of risk assessment and mitigation. Our Health & Safety Advisor drives our culture through the Health and Safety Committee whose members represent their respective business units in conjunction with the managers and supervisors.
- 5 Risk is regularly assessed with corresponding levels of controls, mitigations and monitoring implemented to ensure the effectiveness of the activity. While there are very few areas of high risk activity across TDC, these do attract extra review and attention.
- 6 While we have annual health and safety objectives that guide our work programme each year, there is an ongoing focus of assisting the multitude of contractors undertaking work on behalf of TDC. As this work is conducted at TDC's request, we become a party to their activity and work closely with them to ensure safe operating standards are met.
- 7 We experience a low number of incidents involving staff each year and even fewer numbers of staff injuries. To develop effective lead indicators of risk and identify potential causes for harm, we encourage the reporting of incidents regardless of their significance.
- 8 As we operate a number of facilities used by members of the public, we also record any non-staff related incidents. Understandably, the wet environment of the aquatic facilities combined with the usual 'play' activity creates a range of minor injuries at these sites. Understandably, we monitor these incidents for any common themes and respond accordingly.
- 9 While the aquatic facilities are the largest generator of incidents across TDC, it's important to note that the incidents are typically low level events requiring minor first aid intervention. In addition, these facilities are also used by patrons as part of their health journey or

rehabilitation activity. As a result we do get medical events occurring onsite from time to time, which also form part of our reporting activity.

- 10 We're in the process of transitioning from one software platform to another, making it easier for staff and contractors to access all of our health & safety tools. As we are no longer able to extract data from the old system a sample of the new reports are copied below for the period beginning 1st January 2021. In addition, a table of historic incident data is also included.



Health & Safety Summary Report

Location: TDC

Summary

Event Summary	Occurred This Period	12m Avg	YTD	Currently Active	Completed This Period
Accident	36	3.00	36	36	0
Injuries	35	2.92	35	35	0
LTI (Medical)	0	0.00	0	0	0
LTI (Non Medical)	0	0.00	0	0	0
Non LTI (Medical)	0	0.00	0	0	0
Non LTI (First Aid)	2	0.17	2	2	0
Non LTI (Non Medical)	29	2.42	29	29	0
Property Damage	0	0.00	0	0	0
Environmental	0	0.00	0	0	0
Near Miss	0	0.00	0	0	0
Pain & Discomfort	0	0.00	0	0	0

Incident Type	Part Year 2020	Change since last report	Full Year 2019/ 2020	Full Year 2018/2019	Full Year 2017/2018	Full Year 2016/2017
Incident Only	11	1	40	59	43	21
First Aid	6	1	16	27	23	27
Medical Treatment	0	0	4	0	4	8
Lost Time	1	0	2	1	0	5

- 11 The health and safety of our staff, contractors and customers remains a high priority for the organisation. While there are still many opportunities for improvement, our progress adds to a positive health and safety culture.

Attachments

Nil

9.5 Review of Rates Discount Policy

Author: Fabia Fox, Policy Analyst
Authoriser: Bede Carran, Chief Executive

Recommendation

1. That Council agree in principle to the repeal the Rates Discount Policy; and
2. That Council agree to the inclusion of the proposal to repeal the Rates Discount Policy in the Long Term Plan Consultation Document in order to seek feedback from the community on the decision to repeal the Policy.

Purpose of Report

- 1 The purpose of this report is to present a proposal to Council to repeal the current Rates Discount Policy. Should Council agree, in principle, to repeal the policy, this issue will be included for consultation with the community as part of the Long Term Plan (LTP) consultation process.

Assessment of Significance

- 2 The proposal to repeal the Rates Discount Policy is considered of medium significance due to the number of ratepayers affected by a decision to remove the discount currently offered for the early payment of rates in full. 2,619 properties currently receive the discount, representing nearly 12% of rateable properties in the District.
- 3 The financial impact of this decision on Council is considered of low significance, with an approximate annual cost of \$150,000. The degree to which people may be impacted is also considered low, as the current discount is set at 2.5% of total rates levied against a property.
- 4 In assessing the likely community interest in the proposed repeal of this policy, officers believe that this may be of medium significance, when combined with the other financial impacts of the draft Long Term Plan currently under development.
- 5 As a result of this assessment of significance, officers are recommending Council seek community feedback through the LTP Consultation Document to ensure Council's final decision on this policy is informed by the views of the community.

Background

- 6 The Local Government (Rating) Act 2002 (the Act) allows Council to adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date for those rates in the current financial year.¹
- 7 A policy adopted under this section of the Act may provide for Council to discount the amount of the rates if payment is made by a specified date before the due date or dates.

¹ Section 55, Local Government (Rating) Act 2002.

- 8 The policy must be adopted using the special consultative procedure, and may be included in the LTP.²
- 9 Council's Rates Discount Policy has been in place since 2002, with similar policies operating under previous legislation prior to this date. The 2002 policy provided a 4% discount for urban ratepayers and a 2.5% discount for rural ratepayers allowing for a later due date.
- 10 The current policy (attached) states:
- "A discount of 2.5% will be allowed on the total rates set for the financial year, if the rates for a financial year, including any current penalties, are paid in full on or before the due date of the first instalment for that financial year."

Discussion

- 11 In undertaking the triennial review of this policy, officers have considered the policy outcomes sought; the financial benefits Council receives from the early payment of rates; the administration cost associated with the policy; and funding equity principles. Council discussed the review of this policy at a workshop on 15 December 2020.
- 12 **Policy Outcomes:** While not explicitly detailed in the policy, the outcomes sought from local government rates discount policies are twofold; to encourage full and early rate payments, particularly through electronic payment mechanisms to reduce administrative cost associated with processing payments and collection costs; and to enable Council to realise the cash flow advantage of the early receipt of rates.
- 13 Electronic payments received by Council help reduce administrative costs. The number of electronic rates payments has increased dramatically, as a result of global technological changes, since this policy was adopted in 2002. With Council's bank ceasing to accept cheques after 1 July 2021, electronic payments will be the primary form of rates payment. This technological change will assist in meeting at least part of these policy outcomes.
- 14 **Financial Benefits:** The benefits sought from this policy are principally a reduction in borrowing costs, or through interest gained. Due to current interest rates being low, both the savings in borrowing costs and the interest gained on additional cash to invest falls well short of the actual cost of administering this policy.
- 15 As stated above, the cost of implementing this policy is approximately \$150,000 per annum. The financial benefits Council receives do not currently mitigate the cost of funding this Policy.
- 16 **Administration Costs:** There is an ongoing administrative cost to managing the discount policy in the form of rates account management and treasury management staff time.
- 17 **Equity:** The Rates Discount Policy is currently utilised by approximately 2600 properties, at a cost to Council of over \$150,000 per annum. The policy is funded from general rates and the uniform annual general charge at an equal proportion. Where the financial benefit does not meet the total cost of providing the rates discounts, an equity issue arises. Those ratepayers who, for whatever reason, do not pay their rates in full by the first instalment, are subsidising

² The requirement to undertake the special consultative procedure for the amendment or repeal of a rates discount policy is ambiguous in the current legislation. However, the assessment of significance for this item recommends that the proposal to repeal the policy, should Council agree, be included in the LTP Consultation Document. This will ensure any legislative compliance issues are met.

those ratepayers who do. Ratepayers choosing to pay their rates early in full receive a financial incentive, but many ratepayers do not have this financial capacity.

- 18 With these considerations in mind, officers are recommending Council agree in principle to the repeal of the Rates Discount Policy, and undertake consultation with the community through the LTP Consultation Document on this proposal.

Options and Preferred Option

- 19 **Option One:** Agree in principle to the repeal of the Rates Discount Policy and undertake consultation as part of the LTP to seek community feedback on the proposed repeal of the Policy.
- 20 This is the preferred option. This option will result in a saving of approximately \$150,000 per annum and the administrative cost saving. This option aligns with the review of the Policy.
- 21 There is a small risk identified that, should Council repeal this policy, that there will be a fall in the number of ratepayers who pay their rates in full at the first instalment. This may impact on Council's borrowing costs and interest received should interest rates increase.
- 22 **Option Two:** Retain the existing Rates Discount Policy. This option will continue to support those ratepayers who pay their rates in full. The administrative cost of implementing the policy will continue. Future interest rate changes may provide a greater financial benefit to Council. Retaining the policy does not address the equity issues discussed in the policy review. No consultation will be required under this option.
- 23 **Option Three:** Council may wish to amend the Rates Discount to provide either a greater, or lesser discount for the early payment of rates. Further analysis will be required under this option before any changes could be included in the LTP consultation document for the community to consider.

Relevant Legislation, Council Policy and Plans

- 24 **Long Term Plan:** The LTP provides the financial framework for the setting of rates across the ten years of the plan. The proposal to remove the rates discount, and thereby the funding of this discount, will need to be included in the LTP budget.
- 25 **Local Government (Rating) Act 2002:** This Act provides the legislative framework which allows Council to adopt a rates discount policy.

Financial and Funding Implications

- 26 The funding implications of the proposal to repeal this Policy have been discussed above.

Attachments

1. **Rates Discount Policy 2018**  

Rates Discount Policy

**Approved by:**

Policy and Development Committee

Date**Approved:**

23 June 2015 (as part of adoption of LTP)

Keywords:

Discount

1.0 Purpose

To specify the policy for early payment of rates in the current financial year in terms of section 55 of the Local Government (Rating) Act 2002.

2.0 Background

Rates are set on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002. A local authority may adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current financial year.

This policy has been in place since 2002, with similar policies operating under previous legislation prior to this date.

This policy must be adopted using the special consultative procedure and may be included in the long-term plan.

3.0 Key Definitions

Financial year – a period of 12 months beginning on 1 July.

4.0 Policy

A discount of 2.5% will be allowed on the total rates set for the financial year, if the rates for a financial year, including any current penalties, are paid in full on or before the due date of the first instalment for that financial year.

0 Delegations, References and Revision History

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

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

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

5.1 Delegations

Delegation	Delegations Register Reference
None	

5.2 References

Title	Document Reference
Local Government (Rating) Act 2002	

5.3 Revision History

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Group Manager Corporate Services	14 October 2014	Policy and Development Committee	June 2018	#901875, F335 #901931, F545
2	Group Manager Corporate Services	23 June 2015	Council (as part of LTP)		
3	Group Manager Corporate Services	26 June 2018	Council (as part of LTP)	November 2020	#1133525

9.6 Review of Rates Remission and Postponement Policy

Author: Fabia Fox, Policy Analyst
Ann Fitzgerald, Corporate Planner

Authoriser: Bede Carran, Chief Executive

Recommendation

1. That Council adopts the Rates Remission and Postponement Policy as presented.
2. That Council approves the amendment to the Delegations Manual to include the following delegation:
 - (a) Authority to approve remissions on rates penalties in accordance with the Rates Remission and Postponement Policy:
 - (i) Group Manager Commercial and Strategy
 - (ii) Chief Financial Officer
 - (iii) Senior Rates Officer
 - (iv) Rates Officer
 - (v) Customer Services Manager
 - (vi) Customer Services Team Leader.

Purpose of Report

- 1 This report presents to Council the Rates Remission and Postponement Policy for adoption, noting that no material changes to the policy are recommended. The Policy is attached.

Assessment of Significance and Engagement

- 2 The adoption of this policy has been assessed as being of low to medium significance in accordance with Council Significance and Engagement Policy.
- 3 While the policy itself is assessed as being of a higher level of significance due to the number of ratepayers affected by the Policy, no material changes have been recommended to the current remissions or postponements, and therefore the impact of reconfirming this Policy is of a lower level of significance.
- 4 As a result of this assessment of low significance, no community consultation will be undertaken, however, Council will inform the community of the Policy content by making the full Policy available on Council's website.

Background

- 5 The Local Government Act 2002 (LGA) allows for Council to adopt either or both a rates remission policy and a rates postponement policy, and requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land.³

³ Section 102 (2) and (3), Local Government Act 2002.

- 6 Council's Policy combines these three policies into one document.
- 7 The LGA sets out the requirements of these policies including:⁴
 - 7.1 The objectives sought to be achieved by the remission or postponement;
 - 7.2 The conditions and criteria to be met in order for rates to be remitted or postponed; and
 - 7.3 That the policies must be reviewed at least once every six years using a consultation process that gives effect to the requirements of section 82 of the LGA.
- 8 The Local Government (Rating) Act 2002 (LGRA) states that Council:
 - 8.1 May remit all or part of the rates on a rating unit (including penalties for unpaid rates) if Council is satisfied that the conditions and criteria of this policy are met;
 - 8.2 Must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if the ratepayer has applied in writing, and Council is satisfied that the conditions and criteria of this policy are met.
- 9 Sections 7 and 8 above also apply to the remission and postponement of rates on Māori freehold land.
- 10 Council has had a policy providing for the remission of rates in certain instances for over twenty years. A number of amendments have been made to the policy, either to address rating anomalies, to ensure Council's rating system is equitable, or to provide financial assistance or incentives to ratepayers where Council believes it is reasonable to do so.

Discussion

- 11 Council reviewed the Rates Remission and Postponement Policy at a workshop on 15 December 2020 as part of the Long Term Plan development.
- 12 As a result of this review officers have made minor amendments to improve the clarity of the document. No material amendments are recommended to the current policy. It is proposed that the following remissions remain available:
 - 12.1 Community halls; sporting organisations; branches of the arts; community care organisations; volunteer organisation;
 - 12.2 Land protected for natural, historical or cultural conservation purposes;
 - 12.3 Rating units with penalties;
 - 12.4 Dwellings that were subject to a special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003;
 - 12.5 School sewerage rates;
 - 12.6 Rating units with excess water charges;
 - 12.7 Low value properties;
 - 12.8 Land affected by natural calamity;
 - 12.9 Separate self-contained flats;
 - 12.10 Urban residential development land;

⁴ Sections 108, 109 and 110, LGA.

12.11 Buildings undergoing earthquake strengthening; and

12.12 Maori Freehold Land.

- 13 It is also proposed that the postponement of rates for ratepayers experiencing extreme financial circumstances, and for Maori Freehold Land to facilitate the development of this land for economic use, remain available.
- 14 The objectives and the conditions and application criteria for each remission and postponement is detailed in the policy.
- 15 To ensure alignment between the policy and Council's Delegations Manual, an amendment is recommended to the Manual to include the delegated authority to approve remissions on rates penalties in accordance with the policy to the following officers:
- 15.1 Group Manager Commercial and Strategy
 - 15.2 Chief Financial Officer
 - 15.3 Senior Rates Officer
 - 15.4 Rates Officer
 - 15.5 Customer Services Manager
 - 15.6 Customer Services Team Leader.
- 16 The delegated authority for approving all other rates remissions and postponements remains with the Chief Financial Officer, Group Manager Commercial and Strategy, and the Rates Remission Subcommittee. Any appeals relating to a declined remission or postponement will be considered by the Rates Remission Subcommittee.

Options and Preferred Option

- 17 **Option One:** Council adopts the Rates Remission and Postponement Policy as presented and approves the amendment to the Delegations Manual detailed above. This is the preferred option. The Policy has been reworded to improve clarity, but no material amendments have been made to the policy content.
- 18 This option is supported by Council's review of the policy.
- 19 **Option Two:** Council amends the Rates Remission and Postponement Policy.
- 20 This option would require analysis of the impact of any new, or amended remission and the policy would need to be brought back to Council at a later date.
- 21 Any significant amendment to the policy would require consultation in accordance with Council's Significance and Engagement Policy, and the requirements of the LGA.

Relevant Legislation, Council Policy and Plans

- 22 Local Government Act 2002: As detailed in Background above.
- 23 Local Government (Rating) Act 2002: As detailed in Background above.
- 24 Long Term Plan: The Rates Remission and Postponement Policy forms part of Council's financial policy suite which provides a framework for the funding and rating elements of the Long Term Plan.

Financial and Funding Implications

25 Council has an annual budget of \$190,000 to allow for the implementation of this policy.

Attachments

1. Rates Remission and Postponement Policy - Draft February 2021 [!\[\]\(8e30e55f0960c07614b4dd80abaf1c36_img.jpg\) !\[\]\(05be675aea0848d52d964557110b331f_img.jpg\)](#)

Rates Remission and Postponement Policy



Approved by: Timaru District Council

Date approved: TBC

1. Purpose

1.1. The purpose of this policy is to:

- 1.1.1. Provide for rates remissions and postponements, including on Māori Freehold Land.
- 1.1.2. Details the objectives, conditions and criteria for each remission or postponement provided.
- 1.1.3. Promote Council's community wellbeing outcomes by providing a rating system that is both responsive and transparent to the community.

2. Background

- 2.1. The Local Government Act 2002 (LGA) allows for Council to adopt either or both a rates remission policy and a rates postponement policy, and requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land.¹
- 2.2. This document combines all Council's policies on remissions and postponements.
- 2.3. The LGA sets out the requirements of these policies including:²
 - 2.3.1. The objectives sought to be achieved by the remission or postponement;
 - 2.3.2. The conditions and criteria to be met in order for rates to be remitted or postponed; and
 - 2.3.3. That the policies must be reviewed at least once every six years using a consultation process that gives effect to the requirements of section 82 of the LGA.
- 2.4. The Local Government (Rating) Act 2002 (LGRA) states that Council:
 - 2.4.1. May remit all or part of the rates on a rating unit (including penalties for unpaid rates) if Council is satisfied that the conditions and criteria of this policy are met;
 - 2.4.2. Must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if the ratepayer has applied in writing, and Council is satisfied that the conditions and criteria of this policy are met.

¹ Section 102 (2) and (3), Local Government Act 2002.

² Sections 108, 109 and 110, LGA.

#Doc no

Rates Remission and Postponement Policy

- 2.5. Sections 2.3 and 2.4 above also apply to the remission and postponement of rates on Māori freehold land.

3. Definitions

Māori Freehold Land – land that has had the status determined as Māori Freehold Land by order of the Māori Land Court.

Rates Postponement – a delay of payment of rates to a date determined by this Policy.

Rates Remission – a reduction in the amount of rates to be paid, as determined by this Policy.

4. General Policy

- 4.1. Council has decided to remit all or part of the rates of rating units as detailed below provided that the criteria and conditions of this policy have been met.
- 4.2. Rates remissions will be provided for the following categories of rating units or under the following circumstances:
- i) Community halls; sporting organisations; branches of the arts; community care organisations; volunteer organisation;
 - ii) Land protected for natural, historical or cultural conservation purposes;
 - iii) Rating units with penalties;
 - iv) Dwellings that were subject to a special ratable value for the purpose of Timaru District Council Rating as at 30 June 2003;
 - v) School sewerage rates;
 - vi) Rating units with excess water charges;
 - vii) Low value properties;
 - viii) Land affected by natural calamity;
 - ix) Separate self-contained flats;
 - x) Urban residential development land; and
 - xi) Buildings undergoing earthquake strengthening.
 - xii) Māori Freehold Land
- 4.3. The objectives for these remissions, and the conditions and criteria to be met in order to receive the remission are detailed for each category below.

5. Delegations

- 5.1. Council has delegated authority to postpone or remit rates, in accordance with this policy, to the Chief Financial Officer, General Manager Commercial and Strategy, and the Rates Remission Subcommittee.

- 5.2. In the case of any appeal, where an application for a remission or a postponement has been decline or only partly remitted, Council has delegated decision-making authority to the Rates Remission Subcommittee.
- 5.3. Council has delegated authority to the following officers to approve remissions on rates penalties in accordance with this policy:
 - 5.3.1. Group Manager Commercial and Strategy
 - 5.3.2. Chief Financial Officer
 - 5.3.3. Senior Rates Officer
 - 5.3.4. Rates Officer
 - 5.3.5. Customer Services Manager
 - 5.3.6. Customer Services Team Leader.

6. Policy on Remission for Community Halls; Sporting Organisations; Branches of the Arts; Community Care Organisations; Volunteer Organisations

Objective

- 6.1. The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Timaru District.
- 6.2. The purpose of granting rates remission to an organisation is to:
 - i) Recognise the public good contribution made by such organisations.
 - ii) Assist the organisation's survival.
 - iii) Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

- 6.3. The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for pecuniary profit.
- 6.4. The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- 6.5. Organisations making application should include the following documents in support of their application:
 - iv) Statement of objectives.
 - v) Financial assets.
 - vi) Information on activities and programmes.
 - vii) Details of membership or clients.

Remissions

- i) 100% remission on non-service rates
- ii) 50% remission on water charges, except water charged by the meter;
- iii) Recreational Organisations, excluding chartered clubs receive 50% remission on sewer charges.

7. Remission of Rates on Land Protected for Natural Historical or Cultural Conservation Purposes

Objective

- 7.1. Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

- 7.2. Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.
- 7.3. Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.
- 7.4. Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.
- 7.5. In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:
- iv) The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
 - v) The degree to which feature of natural, cultural and historic heritage are present on the land.
 - vi) The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.
 - vii) The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
 - viii) The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
 - ix) The degree to which feature of natural, cultural and historic heritage are present on the land.
 - x) The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.

Remissions

- 7.6. 100% remission on non-service rates.
- 7.7. 50% remission on water charges, except water charged by the meter

8. Remission on Penalties

Objective

- 8.1. The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

- 8.2. Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.
- 8.3. Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so. This includes:
 - xi) Humanitarian grounds.
 - xii) Address problems which resulted in the rate account going to the wrong address.
 - xiii) The ratepayer did not receive an account.
 - xiv) Due to a procedure at the bank that delayed or prevented payment.
 - xv) The Council made a mistake.
 - xvi) A property has changed ownership and the invoice has been issued in the name of the previous owner and/or timing issues associated with the change.
 - xvii) Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.
 - xviii) Where no penalty has been remitted in the last two years and that ratepayer provides a reasonable explanation for the delayed payment.
- 8.4. In cases where ratepayers are in arrears with their rates, but have made acceptable arrangements for the payment of the current year's rates together with reduction in the level of arrears, further penalties being incurred will be remitted under this policy.
- 8.5. Where the Council has accepted an application for payment by direct debit that will clear the rates by 30 June in the current rating year, the property will not be charged penalties.
- 8.6. The Council accepts responsibility for the amount of the debit being set at the correct level to clear the rates and any arrears.
- 8.7. It is the ratepayers' responsibility to ensure that there are sufficient funds available in the specified account to enable the debit to be processed.
- 8.8. The Council may, at its discretion, cancel a direct debit arrangement, with advice to the ratepayer.

Remissions

- 8.9. All penalties incurred will be remitted. No penalties previously incurred will be remitted.

9. Partial Remission on Dwellings Subject to a Special Rateable Value

Objective

- 9.1. The remission of general rates is to provide relief for rating units in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and, in the opinion of Council's valuation service provider, the rateable land value of the rating unit has been inflated due to the location of the property in relation to surrounding properties zoning and land uses.

Conditions and Criteria

- 9.2. Rating units must be situated in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of Council's valuation service provider the rateable land value of the rating unit has been inflated due to the zoning of the property.
- 9.3. Applications for remission must be made to Council prior to the commencement of a rating year. Applications received during a rating year will apply from the commencement of the following rating year.
- 9.4. Where an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district.
- 9.5. Values allocated under this policy are final and there is no right of objection or appeal against the level of valuation.
- 9.6. This policy will apply to all properties to which special rateable values applied at 30 June 2003 provided the use of the property has not changed.

Remissions

- 9.1. Remissions will be granted on all rates that are levied on the rateable land value of the rating unit, and the remission will be the difference between the rates that would have been struck on the rateable land value and the rates struck under the special land value allocated under this policy.

10. Remission of School Sewerage Charges

Objective

- 10.1. To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying sewerage charges.

Conditions and Criteria

- 10.2. The remission will apply to the following educational establishments:

- xix) Established as a special school under section 98(1) of the Education Act 1964; or
 - xx) A state school under section 2 (1) of the Education Act 1989; or
 - xxi) An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
 - xxii) A special institution under section 92 (1) of the Education Act 1989; or
 - xxiii) An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for a profit.
- 10.3. The policy does not apply to school houses occupied by a caretaker, principal or staff.
- 10.4. The sewage disposal rate in any one year may not exceed the amount calculated in the clause immediately below.
- 10.5. The sewage disposal rate is the rate that will be levied using the same mechanism as is applied to other separately rateable rating units within the District, the number of toilets determined will be charged with the full charge.
- 10.6. For the purpose of the clause immediately above, the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students or staff or part thereof.
- 10.7. The number of students in an educational establishment is the number of students on its roll on 1 March immediately before the year to which the charge relates.
- 10.8. The number of staff in an educational establishment is the number of administration and teaching staff employed by the educational establishment on 1 March immediately before the year to which the charge relates.

Remissions

- 10.9. Educational institutions will be levied for sewerage disposal on the basis of one charge per 20 pupils and staff or part thereof.

11. Remission of Rates and Charges on Land and/or Improvements Affected by Natural Calamity

Objective

- 11.1. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

- 11.2. Only rating units, where the use that may be made of the land or improvements has been detrimentally affected by erosion, subsidence, submersion or other natural calamity will be eligible for consideration for rates remission.
- 11.3. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on land or improvements affected by natural calamity.
- 11.4. The ratepayer must be the current owner of the rating unit which is subject to the application. The application should be supported by documented evidence that the rating unit has been detrimentally affected by natural calamity.
- 11.5. All applications will be considered on a case by case basis.
- 11.6. When considering whether extreme financial circumstances exist, all of the ratepayer's personal and business circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- 11.7. Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Remissions

- 11.8. Council may, where it considers it to be fair and reasonable to do so, remit wholly or in part, any rate or charge made and set in respect of the land and/or improvements.

12. Remission of Excess Water Charges

Objective

- 12.1. To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

Conditions and Criteria

- 12.2. The Council may remit all or part of the excess water rates where the application meets the following criteria:
- i) The policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation;
 - ii) That all applicants are requested to submit their application in writing;
 - iii) That proof of the repairs to the internal reticulation be submitted for verification (i.e. plumbers repair account);
 - iv) That proof be submitted for verification of the repairs being carried out promptly once the existence of a fault has been identified;
 - v) That the ratepayer be charged the full amount for normal consumption;
 - vi) That part or all of the excess amount be remitted.

Remission

- 12.3. The rate payer will be charged the full amount for normal consumption of water, and the excess amount will be remitted.

13. Remission on Rates for Low Value Properties

Objective

- 13.1. To assist ratepayers who own more than one property in the district, at least one of which is of very low value.

Conditions and Criteria

- 13.2. Council may partially remit the Uniform Annual General Charge (UAGC) for ratepayers who own more than one property in the district.
- 13.3. The ratepayer must have paid at least one full UAGC, and any remission will only apply to subsequent low value properties.

Remissions

- 13.4. The remission will be based on:

<u>Capital Value (\$)</u>	<u>UAGC</u>
0 – 20,000	\$30 contribution to UAGC
20,001 – 26,000	70% remission
26,001 – 30,000	50% remission
30,001 – 55,000	30% remission
Over 55,001	Full UAGC

- 13.5. Council may remit the UAGC where the Capital Value of a property is \$5,000 or less.

14. Remission on Separate Self-Contained Flats**Objective**

- 14.1. To assist ratepayers who own properties with separate inhabitable unit/self-contained flat used only for private, non-profit purposes.
- 14.2. To remit multiple use differential on value based rates and additional service charges for separately used or inhabitable part of rating unit.

Conditions and Criteria

- 14.3. The Council may remit the rates where the application meets the following criteria:
 - i) The ratepayer has submit a statutory declaration stating that the separate inhabitable unit/self contained flat is used for extended family members or private use only and is not leased, or rented for any period of the previous year and not intended so for the next rating year.
 - ii) An application has to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
- 14.4. Where an application is approved, the Council could direct its valuation service provider to inspect the rating unit to confirm the status of the property.

Remission

- 14.5. Where an application is approved Council may partially remit general rates, water, sewer and refuse charges, and the property will be rated as a single residential unit.

15. Remission of Rates for Development Land

Objective

- 15.1. To assist ratepayers who undertake significant development of land.
- 15.2. To ensure that unsold development land which is in more than one parcel, but has separate valuation assessment numbers, does not pay more than one Uniform Annual General Charge (UAGC).

Conditions and Criteria

- 15.3. The Council may remit the rates where the application meets the following criteria:
 - i) Ratepayers who apply in writing providing details of the multiple lot subdivision.
 - ii) An application is submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
 - iii) The remission will only apply to development (defined as one deposited plan) where there are more than 2 allotments.
 - iv) The remission will be for a maximum period of three rating years.
 - v) The remission shall cease for any allotment if:
 - Any interest in the land is passed by the developer to another party, or
 - An application for a building consent is granted, or
 - The land is developed in some other way.

Remissions

- 15.4. The ratepayer will receive a 100% remission on the UAGC on the second and subsequent allotments.

16. Remission on Buildings Undergoing Earthquake Strengthening**Objective**

- 16.1. To assist ratepayers who are unable to occupy their property while earthquake strengthening is being undertaken.

Conditions and Criteria

- 16.2. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on buildings undergoing earthquake strengthening.
- 16.3. Only properties where buildings have been determined by Council to be an Earthquake Prone Building will be eligible for a remission.
- 16.4. While receiving any remission, the property (rating unit) must not be used for any purpose, apart from the earthquake strengthening work and will not generate any revenue stream.
- 16.5. An application needs to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
- 16.6. The remission will only be available for a maximum of two rating years.

Remissions

- 16.7. A remission of up to 75% of the general rate will be granted.

17. Remission of Rates on Māori Freehold Land

Objectives

- 17.1. To ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori-owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.
- 17.2. The remission of rates on Māori freehold land is to:
 - i) Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
 - ii) Set aside land that is better set aside for non-use because of its natural features (whenua rahui).
 - iii) Recognise matters related to the physical accessibility of the land.
 - iv) Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.
 - v) Grant remission for the portion of land not occupied where part only of a block is occupied.
 - vi) Facilitate the development or use of the land where Council considers rates based on actual land value make the actual use of the land uneconomic.
 - vii) Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
 - viii) Recognise and take into account the importance of the land for community goals relating to:
 - The preservation of the natural character of the coastal environment.
 - The protection of outstanding natural features.
 - The protection of significant indigenous vegetation and significant habitat of indigenous fauna.

Conditions and Criteria

- 17.3. Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.
- 17.4. Owners or trustees making application should include the following information in their applications:
 - i) Details of the property.
 - ii) The objectives that will be achieved by providing a remission.
 - iii) Documentation that proves the land, which is the subject of the application, is Māori freehold land.

- 17.5. Council will maintain a register titled the Māori Land Rates Relief Register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:
 - i) The Māori Land General Remissions List.
 - ii) The Māori Land Economic Adjustment Remissions List.
- 17.6. Council will review the register annually and may add properties that comply, or remove properties where circumstances have changed and they no longer comply.
- 17.7. Remissions are applied at the sole discretion of Council and may be cancelled and reduced at any time.

Māori Land General Remissions List

- 17.8. Council will consider remission of rates on land that comes within the following criteria:
 - i) The land is unoccupied and no income is derived from the use or occupation of that land, or
 - ii) The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
 - iii) The land is inaccessible and is unoccupied.
 - iv) Only a portion of the land is occupied.

Māori Economic Adjustment Remissions List

- 17.9. Council will consider remission for land that carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
- 17.10. The remission for land recorded in the *Māori Land Economic Adjustment Remissions List* will be the difference between the rates as assessed and the rates that would be assessed based on the actual use of the land.

Remissions

- 17.11. A full remission of any rates except targeted rates made for water supply, sewerage disposal or waste management.

18. Postponement of Rates on Māori Freehold Land

Objective

- 18.1. To facilitate the development and use of Māori Freehold Land for economic use.
- 18.2. The policy will be applied where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Conditions and Criteria

- 18.3. Māori Freehold Land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for postponement under this policy.
- 18.4. Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.
- 18.5. Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of Council.
- 18.6. Owners or trustees making application should include the following information in their applications:
 - v) Details of the property.
 - vi) The objectives that will be achieved by providing postponement.
 - vii) Details of the proposed development.
- 18.7. Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

19. Rates Postponement Policy

Objective

- 19.1. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

- 19.2. Only rating units used solely for residential purposes will be eligible for consideration.
- 19.3. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances.
- 19.4. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application.
- 19.5. The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).
- 19.6. The ratepayer (or authorised agent) must make an application to Council.
- 19.7. Council will consider, on a case by case basis, all applications received that meet this criteria.
- 19.8. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- 19.9. Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- 19.10. Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
- 19.11. Any postponed rates will be postponed until:
- i) The death of the ratepayer(s); or
 - ii) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - iii) Until the ratepayer ceases to use the property as his/her residence; or
 - iv) Until a date specified by the Council.
- 19.12. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating depending on the circumstances.
- 19.13. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

- 19.14. Postponed rates will be registered as a statutory land charge on the rating unit title. This allows Council to have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

Fees and Charges

- 19.1. Council will charge an annual administrative fee of \$100 on postponed rates for the period between the due date and the date they are paid.
- 19.2. The ratepayer will be required to pay the first \$1,000.00 of the rate account.

Delegations, References and Revision History					
Delegations					
Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
Delegation	Delegations Register Reference				
References					
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
Title	Document Reference				
Text					
Revision History					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref

9.7 Draft Infrastructure Strategy 2021-2051

Author: Andrew Dixon, Group Manager Infrastructure

Authoriser: Andrew Dixon, Group Manager Infrastructure

Recommendation

1. That the Draft Infrastructure Strategy 2021-51 significant capital expenditure projects including details of estimated cost, options and decision timing are noted.
2. That the Draft Infrastructure Strategy 2021-51 financial summary information be noted.

Purpose of Report

- 1 To outline the indicative capital and operating expenditure for Roothing, Water, Sewer, Stormwater and Waste Minimisation over the next 30 years highlighting significant projects, options, cost and timing of Council decisions required to implement these.

Assessment of Significance

- 2 The Infrastructure Strategy (IS) is deemed of medium-high significance under Council's Significance and Engagement Policy given the number of ratepayers affected, the potential financial and service impacts and the community interest in the LTP process.
- 3 The implications of the IS are reflected within the 2021-31 Draft LTP and subsequent LTPs. The IS will be consulted on as part of the LTP engagement in April/May 2021.

Background

- 4 The IS is an important direction-setting document for the future provision of key Council services. It considers and plans for issues that will impact on the roading and footpaths, water supply, sewer, stormwater and waste minimisation activities in the long term. It also considers big infrastructure decisions and sets out options and time frames to address these.
- 5 Section 101B of the Local Government Act 2002 requires the Council to develop an IS.
- 6 As a minimum, the IS must cover Council's water, sewer, stormwater and roading activities for 30 years.
- 7 The purpose of the IS is take a long term view of infrastructure asset requirements and to:
 - Identify significant infrastructure issues;
 - Identify principal options for managing those issues.
- 8 In addition, the Council must outline how it intends to manage its infrastructure assets taking into account the need to:
 - Renew or replace existing assets;
 - Respond to growth or decline in demand;
 - Increase or decrease in levels of service;

- Maintain or improve public health and environmental outcomes;
- Provide for infrastructure resilience.

9 In accordance with section 101B (b)a Council's IS must also identify:

- Significant capital expenditure decisions;
- When such decisions are required; and
- Approximate scale of costs.

10 The financial projections must include capital (including renewals) and operational costs for at least the next 30 years. The first 10 year forecasts must be developed on an annual basis and the following 20 years in 5 yearly blocks. The Draft IS has included these projections for 30 years.

Discussion

- 11 This report outlines the projected long term (30 years) expenditure for the roading, three waters and waste activities, the significant decisions required for future capital expenditure and when these decisions are required.
- 12 The following outlines Council's significant capital expenditure that is anticipated to be required within the next 30 years including an indication of timing that Council's decisions need to be made.

12.1 Water

Key Issues (30 Year)	Projects	Timing	\$Cost	Options
Drinking water treatment and provision changes	Decisions are required on the approaches to comply with new requirements, particularly in providing for the necessary treatment and monitoring upgrades across all of its drinking water supplies. Council will also need to confirm the decision on the treatment upgrade of the Timaru water treatment plant at Claremont, to deal with poor raw water quality.	2021/22 (compliance monitoring) 2022-2025 (Timaru treatment upgrade) 2031-2035 (treatment upgrades all other supplies)	\$18.8M	Option 1 – Treatment upgrades Option 2 – enhanced compliance monitoring Option 3 – Upgrades as required and enhanced compliance monitoring (PREFERRED)
Universal urban water metering and pricing	A decision by Council is required on the implementation of water metering and	2024 onwards	\$16M	Option 1 – install (PREFERRED)

	pricing to manage demand and reduce excessive use of water.			Option 2 – not install
Aging infrastructure (driving renewals)	Pipe renewals Treatment facilities	Ongoing	\$1.75M (2021) per annum	Option 1 – Do less than the current level of service Option 2 – Accelerated renewals Option 3 – Current Level of Service (PREFERRED)
Water resilience and Climate Change	Treatment capacity Improve capacity of water sources depending on future demand and impact of climate change.	2023-2027 2040	\$31M (2021)	Option 1 – Development capacity of water sources Option 2 – Actively managing demand Option 3 – Treatment plant upgrade (PREFERRED)

12.2 Sewer

Key Issues (30 year)	Projects	Timing	\$Cost	Options
Aging infrastructure (driving renewals)	Pipe renewals Pumping station renewals Treatment facilities	Ongoing	\$1.6M (2021) per annum	Option 1 – Do less than the current level of service Option 2 – Accelerated renewals Option 3 – Current Level of Service (PREFERRED)
Resource consent compliance and renewal of the wastewater discharge resource consent	Trade waste monitoring New discharge consent Ocean outfall upgrade Treatment process upgrades	Ongoing 2042-45 (Consent) 2045-47 (Outfall)	\$6.5M (2021)	Option 1 – Re-consent wastewater discharge to the ocean with significant changes to the domestic and

		(Treatment process not included)		industrial treatment processes and/or ocean outfall structure Option 2 – Re-consent wastewater discharge to the ocean with minimal changes to the domestic and industrial treatment processes or the ocean outfall structure (PREFERRED)
Desludging of Oxidation Ponds	Oxidation pond sludge volume monitoring and desludging Sludge disposal	Ongoing; and then 2035-37 (Timaru desludging); and 2042/43 (Inland towns)	\$5M (2021)	Option 1 – Defer desludging of oxidation ponds Option 2 – De-sludge oxidation ponds when sludge volumes reach a best practice level, using an appropriate sludge disposal method (PREFERRED)

12.3 Stormwater

Key Issues (30 year)	Projects	Timing	\$Cost	Options
Resource consent compliance	Environmental and discharge monitoring New discharge consents	2022 ongoing (significant monitoring will be required under the Area resource consents 2037 (The duration of the Area resource consents may be 15 years)	Subject to consent requirements	Option 1 – provide resourcing to deliver monitoring in accordance with consent conditions (PREFERRED) Option 2 – Do minimum monitoring as

				current resources allow.
Timing and funding of stormwater strategy	Capital upgrades	2022-2037	\$15M (2021)	<p>Option 1 – change the stormwater treatment work programme to be completed over either a short period (5 years) or a longer period (20+ years)</p> <p>Option 2 – Fund and complete stormwater treatment work over a period of approximately 15 years (PREFERRED)</p>

12.4 Roothing and Footpaths

Key Issues (30 year)	Projects	Timing	\$Cost	Options
Bridge Renewals	A significant number of road bridges will reach the end of their useful life in 10-20 years. The renewal of these bridges will require an increase in expenditure from \$0.6M per	2025/26	\$2.1M per annum	<p>Option 1 –Do less than the current level of service</p> <p>Option 2 – Accelerated renewals</p> <p>Option 3 – Current Level of Service (PREFERRED)</p>
Southern Port Access Overbridge	Council will need to consider the future form of access prior to the expiry of the deed of grant.	2030	\$10M	
Ageing assets and increased consumption	<p>Renewal of Pavements</p> <p>Renewal of Bridges</p> <p>Renewal of Footpaths</p> <p>Renewal of street light poles and cables</p> <p>Renewal of traffic signals</p>	2021-2051	\$9.5M per annum (2021)	<p>Option 1 –Do less than the current level of service</p> <p>Option 2 – Accelerated renewals</p> <p>Option 3 – Current Level of</p>

				Service (PREFERRED)
Road Safety and Capacity	Increased Road Safety Education Programmes Road upgrades and Intersection improvements Carriageway Widening	2020/22	\$4.2M per annum (2021/22 - increasing to \$5.6M per annum 2022/23-2031/32)	Option 1 – Maintain current level of service Option 2 – Responsive level of service with increased resources (PREFERRED)
Amenity upgrades	Footpath Level of service Surveillance cameras upgrades/ extension CBD Hub projects Implemented to ensure the CBD is fit for purpose and in a position to respond to and maximise future opportunities.	Annually	\$42.9M (2021)	Option 1 – Maintain current level of service Option 2 – Undertake City Hub Upgrades and Footpath upgrades (PREFERRED)

12.5 Waste Minimisation

Key Issues (30 year)	Projects	Timing	\$Cost	Options
Landfill capacity management	New cell developments New waste diversion facilities Enhanced landfill capacity development	Ongoing based in landfill quantities. At current rates of filling that anticipated new landfill cell construction dates are: Cell 3.5 2021/22 Cell 3.6 2026/27 Cell 3.7 2029/30 Cell 3.8 2033/34 Cell 3.9 2037/38 Cell 3.10 2042/43	\$23M (2021)	Option 1 – Status quo Option 2 - Divert waste by transporting to alternative landfills Option 3 - Contractor actively manages waste streams being delivered to Redruth encourages waste minimisation and managing new cell developments (PREFERRED)

Landfill at capacity (replacement)	New landfill site investigations and land purchase New landfill plant development	2040 – site assessments, land purchase 2041-46 – landfill development	\$55M (2021)	Option 1 – Seek a new landfill site within District (PREFERRED) Option 2 – Send waste to an alternative landfill site outside of District Option 3 – Seek new landfill site in collaboration with South Canterbury
Landfill Emissions	Installation of gas collection/flaring systems	2021- completion of ring-piped system for gas collection 2022 – implementation of compliant flares and UEF application 2023 – operational and collection of carbon credits	\$1M (2021)	Option 1 – Continue to utilise existing non-compliant flare for burnoff Option 2 – Proceed with implementing new ring LFG capture system and compliant flare (PREFERRED)
Resource consent compliance	Monitoring equipment	2021 (Organics Processing Plant) 2028 (Redruth Landfill renewal)	\$500,000 (2021)	Option 1 – Ongoing monitoring and renew consent (PREFERRED) Option 2 – Do not renew consent
Ageing Infrastructure	Transfer station renewals Asset maintenance & renewal plan	2021 – asset condition assessment and valuation 2022 – asset management plan with maintenance and renewal plan scope	\$250,000 (2021)	Option 1 – Do less than the current level of service Option 2 – Accelerated renewals Option 3 – Current Level of Service (PREFERRED)

Landfills aftercare	Closed landfill investigation Remediation works	2021 – landfill aftercare for Stage One 2023 – landfill aftercare for Stage Two 2046 onwards – landfill aftercare for Stage Three	\$7.5M (2021)	Option 1 – Status quo Option 2 – Minimal monitoring activities and wait for directives from government Option 3 - Risk assessment for all known closed District landfills and develop management plans. (PREFERRED)
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Options and Preferred Option

- 13 The final IS will be adopted as part of the Supporting Information for the LTP engagement.
- 14 The first 10 years of the Draft IS are consistent with the Draft Long Term Plan document. Council may choose to amend the proposed long term projects in years 11 to 30.

Consultation

- 15 The draft IS is supporting information to the LTP 2021-31 and will be subject to public consultation through this process.

Relevant Legislation, Council Policy and Plans

- 16 Local Government Act 2002
- 17 Draft Long Term Plan 2021-31

Financial and Funding Implications

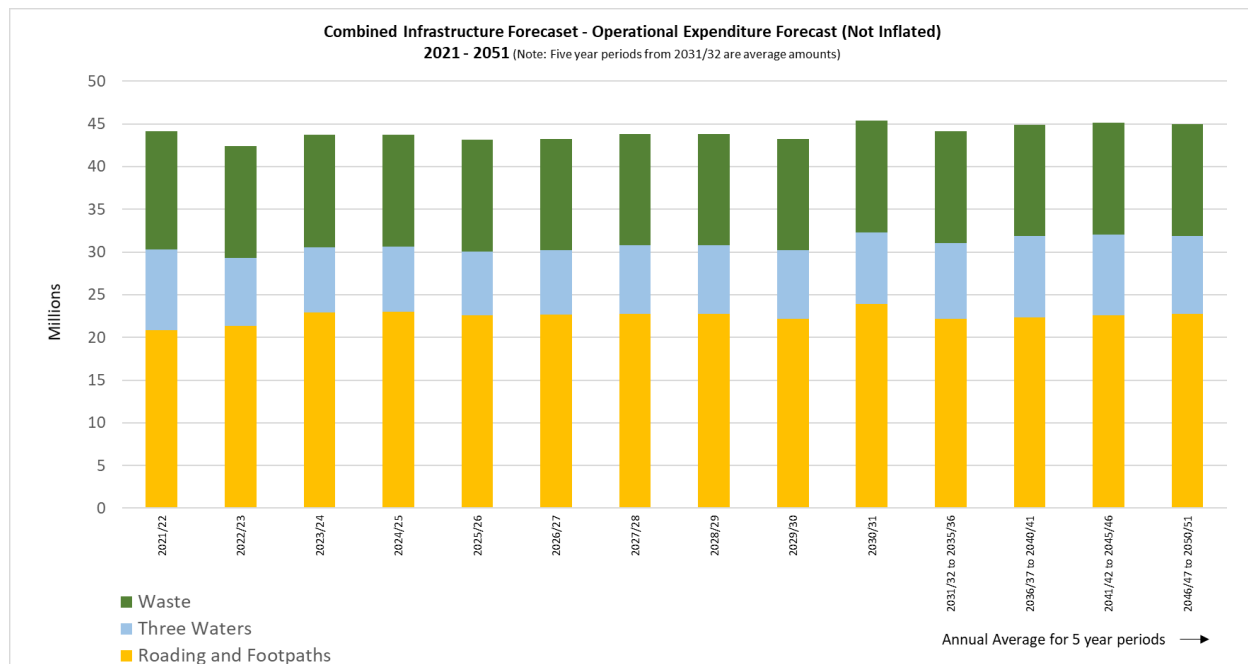
- 18 Costs in any particular year are a mix of capital expenditure and operational costs. In addition, depreciation costs are provided for annually to reflect the consumption of assets over time, which provides funding for future asset replacements.
- 19 Funding of these costs will come from a variety of sources. Operating costs will generally be funded from rates, user charges and Waka Kotahi financial assistance (where appropriate). Capital costs will generally be funded from loans, depreciation funds, financial contributions (from developments) and Waka Kotahi financial assistance (where appropriate and available).

Operating Expenditure

- 20 Based on the proposed draft IS, there are minor operating expenditure increases in the following activities. These include:
 - Stormwater management and meeting enhanced environmental standards;
 - Meeting drinking water standards and water resilience;

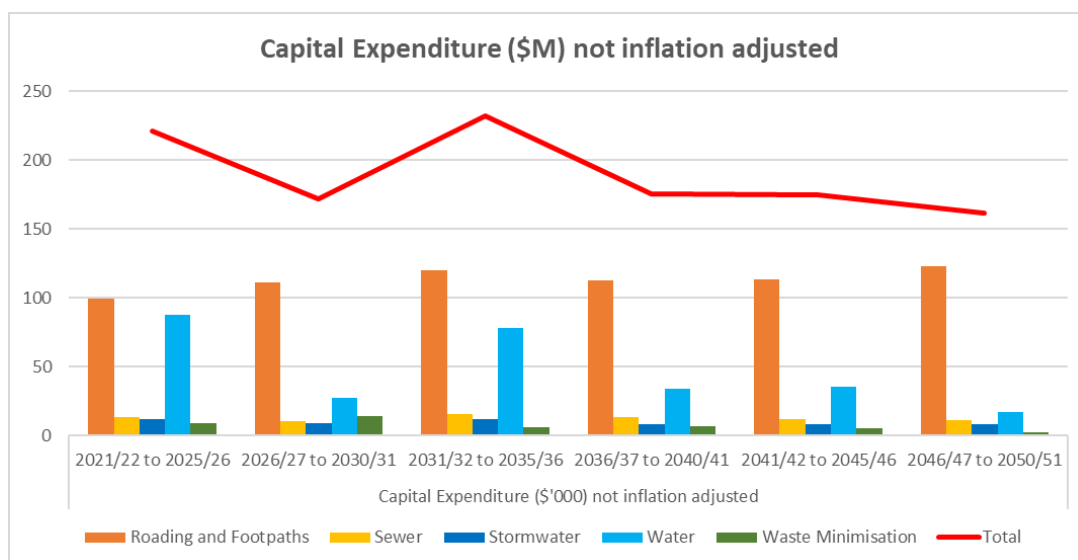
- Road maintenance and safety.

21 Many of these items occur within the first 10 years and are reflected in the Long Term Plan budgets. The forecast operating expenditure for the Roding, 3 Waters and Waste activities is ranges from approximately \$43M to \$45M per annum over the 30 year period.

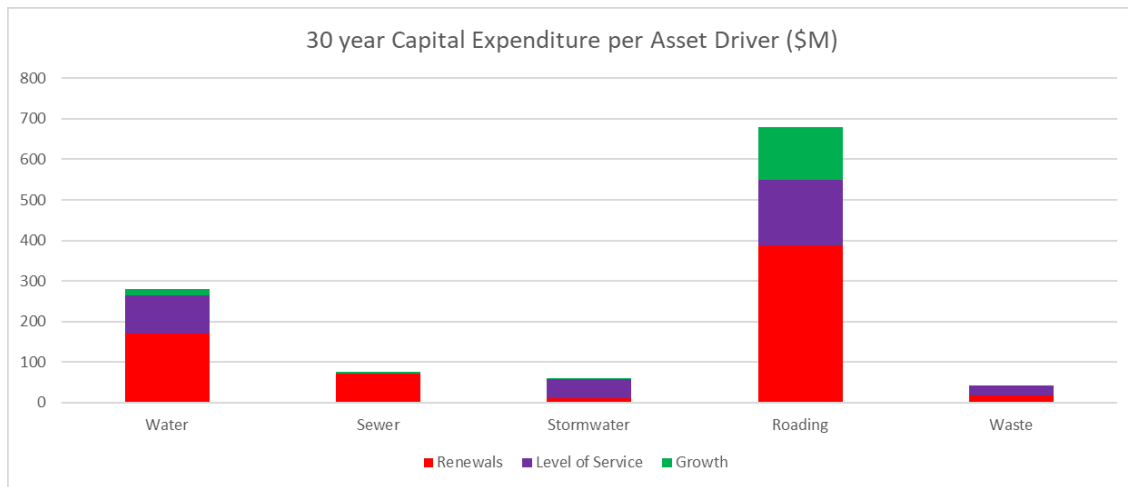


Capital Expenditure

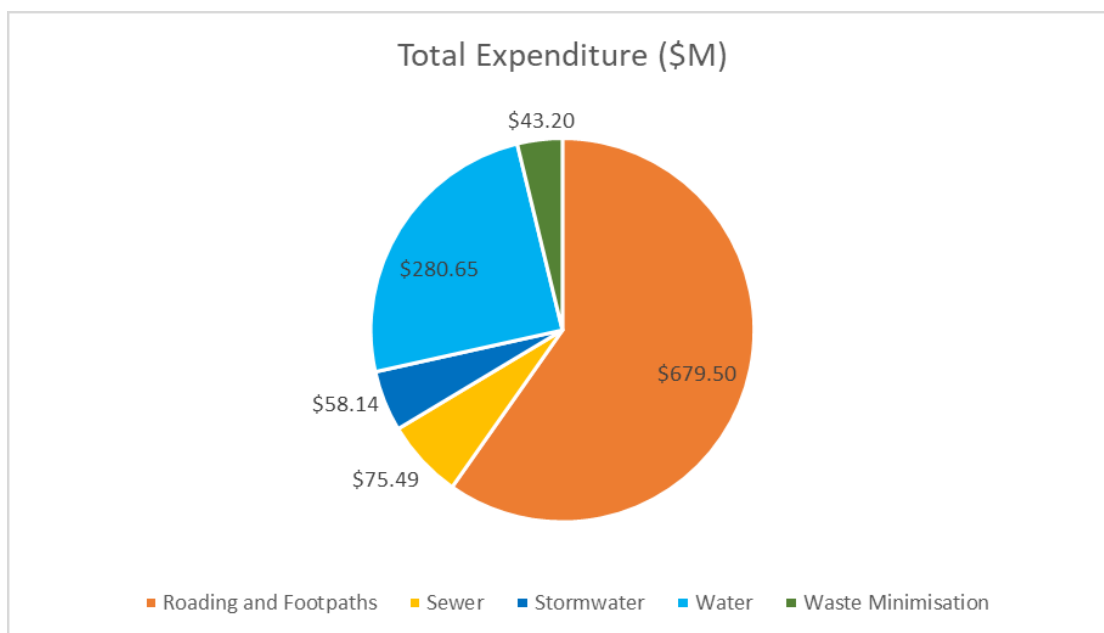
22 The total capital expenditure for water supply, sewer, stormwater and roading activities included in the proposed draft IS over the 30 years is \$1.137 Billion being an average of \$37.9 million per annum. The chart below shows expenditure shown in 5 year time bands over the 30 years.



- 23 The capital expenditure drivers are related to renewals, growth, and meeting levels of service. The capital expenditure for each of these drivers is shown in the chart below. The dominant driver is asset renewals.



- 24 An indicative breakdown of capital expenditure across the 30 years for the Infrastructure Assets is shown in the chart below.



Debt Considerations

- 25 The loan requirements to fund this capital programme were modelled to determine our ability to deliver the projects within the limits prescribed within the liability management policy.
- 26 The modelling calculations over the 30 years show that debt to total revenue ratio remains below the self-imposed policy debt limit of 2.10 during this period.

Other Considerations

- 27 The liveable assets such as community facilities have not been included within the Draft IS. It is estimated that these assets would potentially require an additional \$100M over years 11 to 30 in the IS. Significant projects include the renewal of the library (\$12M) and CBay Aquatic centre (\$30M).

- 28 The future capital expenditure on these assets will need to be balanced with the infrastructure asset requirements and trade-offs may need to be considered. This will be done through future Long Term Plan development.

Attachments

Nil

9.8 Draft Financial Strategy 2021-31

Author: Donna Cross, Group Manager Commercial and Strategy
Azoor Ali, Chief Financial Officer

Authoriser: Bede Carran, Chief Executive

Recommendation

That Council endorses the draft Financial Strategy as supporting information for the long Term Plan Consultation Document.

Purpose of Report

- 1 This report introduces the draft Financial Strategy for Council's consideration prior to being audited as part of the supporting information to the Long Term Plan (LTP) Consultation Document. This provides Council with an opportunity to discuss and provide feedback on the draft Strategy.
- 2 No decisions are required as part of this report.

Assessment of Significance

- 3 This discussion on the draft Financial Strategy has been assessed as being of low significance. This assessment reflects that Council will be presented with the final draft Strategy for adoption as part of the supporting information to the LTP Consultation Document at a later meeting.
- 4 Council's Financial Strategy is of high significance. This is reflected in its inclusion for consultation as part of the LTP process. A thorough engagement and consultation plan is developed to ensure the community has range of opportunities to provide feedback on the strategy and Council's LTP.

Background

- 5 The Financial Strategy is one of the cornerstones of Council's LTP and is a requirement of the Local Government Act 2002 (LGA).⁵
- 6 The LGA provides:

⁵ Section 101A LGA.

101A Financial strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long-term plan.
- (2) The purpose of the financial strategy is to—
 - (a) facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
 - (b) provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.
- (3) The financial strategy must—
 - (a) include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including—
 - (i) the expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes; and
 - (ii) the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
 - (iii) other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services; and
 - (b) include a statement of the local authority's—
 - (i) quantified limits on rate increases and borrowing; and
 - (ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
 - (c) specify the local authority's policy on the giving of securities for its borrowing; and
 - (d) specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

7 With regards to the content of the LTP Consultation Document, the LGA also requires that the Consultation Document include:⁶

- 7.1 Matters of public interest relating to the proposed content of Council's Financial Strategy including, without limitation, the quantified limits on rates increases and borrowing in the Strategy;
- 7.2 Any significant changes that are proposed to the way Council funds its operating and capital expenditure requirements;
- 7.3 Using graphs and charts, the direction and scale of changes to Council's rates and debt levels that will result from the proposed content of the LTP.

8 Before adopting the Consultation Document, Council must prepare and adopt the information that is relied on by the content of the Consultation Document; is necessary to enable the Auditor General to provide the necessary audit reports; and provides the basis for the preparation of the LTP.⁷

9 In accordance with this requirement, the draft Financial Strategy will be presented to Council for adoption prior to the adoption of the Consultation Document.

Discussion

10 The draft Financial Strategy has been prepared following a number of workshops with Council from the second half of 2020. The Strategy draws on Council's recently adopted strategic direction – Timaru District, Thriving Together, and seeks to ensure Council meets the community wellbeing outcomes identified in this strategic direction.

⁶ Section 93C LGA.

⁷ Section 93G LGA.

- 5 The Financial Strategy brings together important information set out in the 10 year plan, together with the Infrastructure Strategy, integrating it with financial forecasts and policies to arrive at a prudent budget.
- 6 The financial strategy establishes key parameters for rates rises and borrowing limits within the LTP. These are provisionally included in the draft attached. The limits that are required to be included in the strategy for rates and debt will be a major focus for the community.
- 7 The role of the strategy is to provide context for the strategic trade-offs that Councils must make in deciding the LTP components. This involves achieving an appropriate balance between the following elements:
 - 7.1 Rates increases. The strategy must contain the limits that Council will set on rates increases.
 - 7.2 Borrowing limits.
 - 7.3 Capital spending to meet and maintain levels of service.
- 8 These items must contain the appropriate balance. Each item has an impact on the other. If the capital work programme is large and needs more funding, that funding must come from debt or additional revenue. Revenue capacity from user fees is typically close to maxima, so the additional revenue must come from rates. Debt has certain limits established by the entities Council borrows from.
- 9 The Financial strategy was prepared after evaluating the options to resolve the problem in an informed way. Borrowing has limits; Rates rises have limits: Capital works has constraints established by the previous. A robust strategy is established when Council has established its priorities and has acceptable profiles for each of these items.
- 10 Options worked through were higher rates rise for year 1, and lower rates rises for years 2-10, completing less capital work over the 10 years and increasing the debt maxima. These scenarios are not favoured as they do not achieve the appropriate balance of debt/rates/capital spending.
- 11 The proposed strategy introduces limits for debt based on the sector norms. These are for debt to be evaluated on "Net Debt" being total external borrowing minus liquid financial assets investments. It also introduces the concept that Council should have a debt maxima and also standard operating bounds that it seeks to operate within. These are proposed to be an absolute net debt cap of 280% of operating revenue⁸, and normal operating net debt limit of 210%. Note this represents a material increase on current limits, with Council's net debt cap currently being a conservative 150% of revenue, the increase being required to enable the funding of the large capital works programme proposed. A prior paper suggested the operating debt would be in a bank of 180% - 210%, the lower level has now been excluded to provide more flexibility in the way the programme is managed.
- 12 The draft strategy also outlines the proposed limits on rates.
- 13 The draft Strategy has also been prepared with consideration to a challenge issued by the Office of the Auditor General following the audit of 2018-28 LTPs. The challenge states:

"Our challenge to councils for the next LTPs is to present a financial strategy in a clear and concise way, in no more than five pages. This will better help meet the strategy's purpose by

⁸ Defined as total operating revenue minus one off or non-sustainable revenue or grants to fund capital works.

clearly explaining to the community how the council in managing its finances and why it has chosen to do it that way.”⁹

- 14 The draft financial strategy is going through an audit process and may be subject to changes from that process.

Attachments

1. Financial Strategy Draft 2021-31  

⁹ “Matters arising from our audits of the 2018-28 long-term plans”, Office of the Auditor General, p 29. - <https://oag.parliament.nz/2019/ltps/docs/ltps.pdf>

TIMARU DISTRICT COUNCIL 2021-31 LONG TERM PLAN

FINANCIAL STRATEGY

Our Financial Strategy sets out our overall financial goals for the 2021-31 Long Term Plan (LTP). We are planning to leverage our strong financial position and have ambitious plans to deliver a large capital works programme over the next ten years. This will mean an increase in both debt and rates, but it does ensure that we can continue to deliver high quality services; invest in our core infrastructure; provide much enhanced community facilities and CBDs; and contribute towards meeting our Strategic Direction – Timaru District, Thriving Together.

Thriving Together

Council's Financial Strategy for the next ten years is to ensure we have the financial ability to:

- Meet the social, cultural, environmental and economic wellbeing needs of our communities, now and into the future;
- Maintain current levels of service across the core infrastructure services of roading and footpaths; drinking water; stormwater; sewage; and waste management;
- Provide for the future economic wellbeing of our District by ensuring long term water supply resilience;
- Undertake an ambitious capital work programme across our community infrastructure to provide high quality, fit-for-purpose community facilities;
- Focus investment on the rejuvenation of Timaru's CBD;
- Ensure Council has the resources to plan effectively for future environmental, legislative, and societal challenges; and
- Deliver all of this in a way that is affordable and fair to current and future communities.

Our Strategy responds to the challenges Council and our District is facing including:

- Ageing infrastructure, requiring a large capital renewal programme;
- Increasing operating costs for our activities across the board;
- Increasing regulatory requirements and community expectations;
- The need to maintain infrastructure and services that are resilient to natural disasters and the impacts of climate change; and
- A reduced dividend from Council's shares (through TDHL) in Alpine Energy.

A step-change

For the past two LTPs Council has taken a conservative, business as usual approach to the Financial Strategy. This approach has placed Council in a strong financial position with relatively low debt. But we also recognise that we have not rated to the full extent planned for in these previous LTPs. In 2020/21, for example, Council decided to reduce the total amount of rates collected, recognising the impact of COVID-19 on our community.

This is where the step change comes in, but balancing this with financial prudence, and ensuring fairness between current and future ratepayers.

Debt

Our large capital works programme means we have to lift our debt limit. This is a change from our previous financial strategies where our debt limit was set at 150% of revenue, but Council believes lifting the debt limit is essential to the delivery of our plan and to meet our community wellbeing outcomes. Using our debt wisely also ensures that future users of new and upgrade assets will contribute appropriately.

While we have a maximum debt level of 280% of operating revenue, our Strategy sets a limit of normal operating debt at, or below, 210%. These debt limits are supported by Council's strong credit rating.

By limiting our debt in this way we are ensuring that there is still capacity to borrow in an unforeseen event (e.g. a significant natural disaster). We also know from our 30-year Infrastructure Strategy that beyond this LTP there is still significant investment required in aging infrastructure, and upgrades and replacements to community facilities (e.g CBay and the Timaru Library). This debt limit will allow headroom for the future interests of the Timaru District and give future Councils the ability to make decisions about what is important to their community.

Net Debt	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Borrowing ratio to Total Revenue	1.06	1.36	1.55	1.72	1.87	1.98	1.92	1.82	1.71	1.63

The financial balancing act

We need to ensure that operational costs - from paying the power bill, to paying our staff - are covered by operational revenue, such as rates, fees and charges. This is called a 'Balanced Budget'. If we can't achieve this, we have to borrow to cover these costs. This means that current ratepayers are not paying the full share, and future ratepayers will have to meet those costs, and the interest. We don't believe this is fair, prudent, or sustainable.

These everyday operating costs are increasing due to a range of factors including:

- Increasing staff costs to meet the evolving demands local government;
- Increasing the amount we fund to replace our infrastructure assets, like roads and water networks (also referred to as funding depreciation); and

- Increased operating expenses due to inflation, the cost of carbon credits, and higher compliance standards in areas like water and sewer.

Throughout the life of this plan, Council will continue to look for ways to control expenditure and ensure efficiency across all our services.

Rates

Council has set a rates increase limit of 10.5% in year 1 and 4.9% plus inflation in the following years. While we don't plan to reach this limit, and are forecasting that the increase will remain at 4.9% from 2022/23 onwards, it does allow some flexibility if inflation-related costs change across the life of the plan.

The average rates increase for 2021/22 is higher than in previous years, and also in the later years of the plan, and this reflects the step-change in our Financial Strategy and Long Term Plan. We recognise that we need to fully fund our operating costs if Council is to continue to deliver our services to a high standard, to maintain and renew our existing core infrastructure, and to invest in our community facilities.

These rates increases also form part of the balancing act. If we were to collect less rates it would reduce how much we can borrow, remembering how much we can borrow is a ratio of how much revenue we collect. This would mean that some of the projects we have planned would need to be deferred.

Total Rates	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Rates Increase % inc-Growth		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Rates Increase %	10.5%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Rates Cap		7%	7%	7%	7%	7%	7%	7%	7%	7%

Growth

Population and household growth in the Timaru District is relatively steady. We are projecting a 0.7% annual population growth and an increase of 2,267 households over the next ten years. We have factored the rates contribution of this growth into our forecast rates increases.

Capital Spending

Council has planned a capital works programme of \$514 million excluding inflation over the next ten years. This is a significant increase on prior LTPs. The majority of this investment is in core infrastructure renewals, like our water and sewer pipes, our roads and footpaths, and our landfill, and will help ensure Council can continue to maintain our levels of service.

Council recognises how important our community facilities, like the Aigantighe Art Gallery, the Theatre Royal and South Canterbury Museum, and the Southern Trust Event Centre are to supporting community wellbeing. This Strategy allows Council the ability to borrow enough to support the upgrades and development of these facilities over the next ten years, and enhances the lifestyles of our communities.

Group of Activities	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Community Support	4.26	4.20	1.70	2.97	2.60	2.75	0.66	0.56	0.26	0.26
Corporate Support	1.70	0.89	1.48	0.85	1.35	0.85	1.35	0.81	1.31	0.79
District Planning and Environmental Services	0.04				0.02		0.03	0.02		
Other Activities	0.89	1.16	1.73	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Recreation & Leisure	12.89	18.88	10.68	6.68	16.68	12.88	5.29	2.53	2.22	3.14
Roading and Footpaths	15.85	18.68	20.04	19.53	17.63	21.52	20.10	18.89	19.76	23.68
Sewer	3.20	3.58	3.00	1.85	1.57	1.85	1.83	1.71	1.77	3.35
Stormwater	2.18	1.71	3.10	2.45	2.45	2.65	1.73	1.65	1.65	1.65
Waste Minimisation	5.56	3.53	1.86	1.62	1.67	3.27	1.69	1.67	3.47	1.92
Water Supplies	33.33	12.72	7.17	20.04	12.42	12.31	3.06	4.68	2.88	3.61
Grand Total	79.88	65.35	50.75	57.03	57.43	59.13	36.78	33.57	34.36	39.44

It is expected that Council will achieve 90% of its planned annual capital works programme, recognising that factors outside of Council's control can impact on delivery timeframes.

Security of borrowing

Council provides security on its borrowing. This provides our lenders with a charge over the Council's rates income and means that, if we defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority would default on its obligations.

Council has obtained a credit rating from Fitch Ratings. This is currently AA- with a stable outlook. It is expected that this will be maintained as a minimum during the 10 year period.

Investments

Our primary investments are in equity, property, and cash. We intend to maintain the value of these investments in the long term.

Equity Investments

We have shareholdings in a number of entities primarily to achieve efficiency, to help meet our community wellbeing outcomes, and for a financial return on our investment.

The largest equity investment held by Council is its investment in Timaru District Holdings Limited which in turn holds the Council's interests in Alpine Energy Limited and PrimePort Timaru Limited as well as a property portfolio.

We also have a shareholding in Civic Financial Services which is a local authority collective providing insurance and Kiwisaver services to its members.

Property Investments

Council also owns a number of properties that we don't use for Council business. Our objective is to only own property that is required to be held or necessary to achieve our strategic objectives and meet operational requirements. We will be reviewing our property portfolio in the first three years of the LTP.

Cash Investments

Investments of cash are held for specific purposes (special funds) are usually held as short-term deposits or in bonds.

The Council maintains cash investments for the following primary reasons:

- To provide liquidity in the form of readily available cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams;
- To invest amounts allocated to special funds, bequests, and reserves;
- To invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations;
- To invest proceeds from the sale of assets; and
- To invest surplus cash, and working capital funds.

Other Investments

Council also holds 235 hectares of forestry woodlots which is held as a long term investment to support cashflow, and to help maintain the Council land where the woodlots are situated.

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 9 February 2021

13.2 Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 26 January 2021

13.3 Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 17 February 2021

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
13.1 - Public Excluded Minutes of the Council Meeting held on 9 February 2021	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</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)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations</p>	<p>To protect a person's privacy</p> <p>To prevent disclosing a trade secret</p> <p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p>

	(including commercial and industrial negotiations)	
13.2 - Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 26 January 2021	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
13.3 - Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 17 February 2021	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