



# AGENDA

## Commercial and Strategy Committee Meeting

**Tuesday, 24 November 2020**

**Date** Tuesday, 24 November 2020

**Time** following the Community Services Committee

**Location** Council Chamber  
Timaru District Council  
King George Place  
Timaru

**File Reference** 1390748

## **Timaru District Council**

**Notice is hereby given that a meeting of the Commercial and Strategy Committee will be held in the Council Chamber, Timaru District Council, King George Place, Timaru, on Tuesday 24 November 2020, at the conclusion of the Community Development Committee meeting.**

### **Commercial and Strategy Committee Members**

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

Quorum – no less than 2 members

### **Local Authorities (Members' Interests) Act 1968**

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

Donna Cross

**Group Manager Commercial and Strategy**

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- 1 Apologies**
- 2 Identification of Items of Urgent Business**
- 3 Identification of Matters of a Minor Nature**
- 4 Declaration of Conflicts of Interest**
- 5 Chairperson's Report**

## **6 Confirmation of Minutes**

### **6.1 Minutes of the Commercial and Strategy Committee Meeting held on 13 October 2020**

**Author:** Jo Doyle, Governance Advisor

#### **Recommendation**

That the Minutes of the Commercial and Strategy Committee Meeting held on 13 October 2020 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 Commercial and Strategy Committee Meeting held on 13 October 2020**



# MINUTES

## Commercial and Strategy Committee Meeting Tuesday, 13 October 2020

Ref: 1390748

**Minutes of Timaru District Council  
Commercial and Strategy Committee Meeting  
Held in the Council Chamber, Timaru District Council, King George Place, Timaru  
on Tuesday, 13 October 2020 at 10.37am**

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

**In Attendance:** Group Manager Commercial and Strategy (Donna Cross), Policy Analyst (Fabia Fox), Senior Programme Delivery Manager (Ashley Harper), Programme Delivery Manager (Lili Delwaide), Manager of Property Services and Client Representative (Nicole Timney), Governance Advisor (Jo Doyle)

**1 Apologies**

**Resolution 2020/37**

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That the apologies received from Charles Scarsbrook, Neville Gould and Wayne O'Donnell be accepted.

**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 not matters of a minor nature.

**4 Declaration of Conflicts of Interest**

There were no conflicts of interest.

**5 Chairperson's Report**

Since the last Committee meeting, the Chairperson has attended workshops and Council meetings, attended a lunch meeting with the Prime Minister, Governance to Governance meeting with ECan and TDC, met with the Waimate Mayor, attended Audit and Risk and had numerous meetings in regard to Showgrounds and Licensing and with the Group Manager Commercial and Strategy.

**Resolution 2020/38**

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist



That the Chairpersons report be received

**Carried**

## **6 Confirmation of Minutes**

### **6.1 Minutes of the Commercial and Strategy Committee Meeting held on 1 September 2020**

#### **Resolution 2020/39**

Moved: Cr Steve Wills

Seconded: Cr Gavin Oliver

That the Minutes of the Commercial and Strategy Committee Meeting held on 1 September 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Carried**

## **7 Reports**

### **7.1 Aoraki Development and Promotions Limited (Venture Timaru) Quarterly Report to 30 June 2020**

The Committee was presented a copy of the Aoraki Development and Promotions Limited (Venture Timaru) Quarterly Report for the period ending 30 June 2020.

Mark Rogers and Nigel Davenport attended and presented the report and advised of the following updates:

- A name change to Venture Timaru as of 1 July 2020
- MSD MyNextMove Youth Initiative Contract won an Economic Development NZ Best Practice Award for Collaboration in October 2019
- Escape to Timaru is part of the Covid Response from the Tourism Advisory Board
- Assisting strengthening families and the migrant centre
- Assisting local businesses to gain and retain staff
- Working towards 2021, reviewing the economic development and growth management strategy for long term strategic progress
- Scoping a new destination management plan
- Fully allocating \$150,000 from the Stimulus Fund, over half have been paid out
- SCOFF was a huge success in South Canterbury, enhancements planned for next year where food processors will open their doors

It was noted that there was a small adjustment from the final audited annual report, and the operating profit was now \$53,449.

New business support has been largely been with existing support and where a new stream of business has been created through Covid19.

South Canterbury's biggest challenge is its workforce, the labour markets have got tighter through Covid19 and a variety of roles are needed, senior and middle management and more critical workers are required. The tight housing and rental market does affect attracting workers here.

**Resolution 2020/40**

Moved: Cr Paddy O'Reilly

Seconded: Cr Sally Parker

That the Committee note and receive the report.

**Carried**

**7.2 Review of Sponsorship of Council Activities and Facilities Policy**

The Committee was presented with the draft Sponsorship of Council Events and Facilities Policy for adoption by the Policy Analyst.

The consideration for this policy is whether CCO's fall under this policy or not, e.g. Southern Trust Event Centre seek sponsorship within the facility and whether this aligns with Venture Timaru.

Assets that will be vested back to Council, e.g. C-Play and the planned Bike Park will also seek sponsorship and naming rights, and once vested back, will these align with this policy.

It was discussed whether naming rights should have end dates attached (generally yes, and this would be a matter to be agreed as part of the development or sponsorship agreement). Any specific sponsorship naming rights for facilities are currently in the policy to be approved by Council, where part of a facility is being named, it is appropriate that a Group Manager approve this.

**Resolution 2020/41**

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the Commercial and Strategy Committee adopt the Sponsorship of Council Events and Facilities Policy with an amendment to clause 9 where the naming rights for parts of a facility or a feature of a facility (as opposed to the whole facility) may be approved by the Group Manager.

**Carried**

**Resolution 2020/42**

Moved: Cr Steve Wills

Seconded: Cr Sally Parker

That the Commercial and Strategy Committee recommend to Council that the Delegations Manual be amended to reflect the delegations included in the Sponsorship of Council Events and Facilities Policy.

**Carried**

### **7.3 Overview of 2020/2021 Capital Work Programme - Dashboard**

The Committee was presented with an overview of the 2020/2021 capital work programme and an update on its current status.

This report will be refined for the next meeting, there are a few projects that are not currently hitting targets, however the remainder are looking to be on track, and some are contingency based e.g. a new cemetery site.

These details are shared on the Timaru District Council website.

#### **Resolution 2020/43**

Moved: Mayor Nigel Bowen

Seconded: Cr Richard Lyon

That this report be received and noted.

**Carried**

### **7.4 Progress Report: Theatre Royal and Heritage Facility Development and Social Housing Ventilation Compliance projects**

The Manager of Property Services and Client Representative and Senior Programme Delivery Manager presented an update on the progress of the two key property projects:

#### **Theatre Royal and Heritage Facility Development**

The third week of internal stakeholder meetings have taken place, the architects have visited the Theatre Royal and army hall, and commentary has been received from friends of the theatre, those who work with fly systems, sound and lighting and meetings have been held with the Museum staff and education team.

The architects are wanting to come and meet with Councillors in a few weeks' time to report back on the stakeholder commentary, the general theme from the public and to give their thoughts on the whole project.

It is expected that a review of the costs and budgets will be available after the project Quantity Surveyors are appointed. The evaluations for the QS team are being considered this week and will then be ready to appoint.

Fundraising for this project remains a consideration, for example to support extra fly systems or extra storage, technology or fit outs for the exhibition hall.

The Committee discussed the properties around the Theatre Royal, and whether these properties are part of the overall concept. The wider circle of the CBD is being considered, and what a facility of this nature and size can bring to down town Timaru, the spill on effect to surrounding commercial businesses. The City Hub strategy and good connection with the Chamber of Commerce and CBD group is an important link.

#### **Social Housing Ventilation Compliance**

This project is progressing, two contractors have now started work with a third contract about to start.

#### **Resolution 2020/44**

Moved: Cr Barbara Gilchrist

Seconded: Cr Steve Wills

That this report be received and noted.

**Carried**

## **7.5 Lease renewals**

The Committee was presented with the renewal of sports club leases for Temuku, at the Temuka Domain, Gunion and Buzon Square (reserve land) by the Group Manager Commercial and Strategy.

These leases were for an initial term of 30 years, and the lessees have a right to renew for a further 30 years. While the Group Manager Commercial and Strategy has the delegated authority to approve the renewals, given the long term nature of the leases, its' important for the Committee to have visibility of the lease arrangements.

For the clubs affected, they are generally seasonal or shared use, with the exception of Golf, Rugby (in part) and Bowling who have exclusive use rights.

The Temuka Swimming Pool was discussed. The lease provides the club with the right to use the pool between November and March each year for 3 nights per week for 3 hours.

A question was raised as to what would happen if private instructors wanted to be able to run learn to swim programmes. Agreements would need to be reached at the time with arrangements able to be put in place outside of (where not prevented by) existing exclusive use terms.

### **Resolution 2020/45**

Moved: Cr Richard Lyon

Seconded: Cr Steve Wills

That the Committee note and receive this report.

**Carried**

## **8 Consideration of Urgent Business Items**

There were no items of urgent business.

## **9 Consideration of Minor Nature Matters**

There were not matters of a minor nature.

## **10 Exclusion of the Public**

### **Resolution 2020/46**

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
<b>11.1 - Public Excluded Minutes of the Commercial and Strategy Committee Meeting held on 1 September 2020</b>	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  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	Commercial sensitivity  To enable commercial activities

**Carried**

#### **Resolution 2020/47**

Moved: Cr Barbara Gilchrist

Seconded: Cr Gavin Oliver

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

**Carried**

#### **11 Public Excluded Reports**

##### **11.1 Public Excluded Minutes of the Commercial and Strategy Committee Meeting held on 1 September 2020**

#### **12 Readmittance of the Public**

**The Meeting closed at 11.28am.**

.....  
**Chairperson**

## 7 Reports

### 7.1 Investments and Borrowing Treasury Report for quarter ending 30 September 2020

**Author:** Sandy Hogg, Management Accountant

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

#### Recommendation

That the Committee note and receive the report.

#### Purpose of Report

1 To update the Committee on the status of Council treasury activities at 30 September 2020.

#### Assessment of Significance

2 The assessment of significance is low.

#### Discussion

3 Council's treasury management involves holding a range of investments and borrowing to fund long term capital projects and operational expenditure as agreed in the Annual Plan.

4 Council treasury activities are managed in compliance within the limits of the Council's Investment and Liability Policy.

5 Bancorp Treasury Services Limited provide external treasury advice to Council on borrowing and investment decisions.

#### Investments

6 Timaru District Council

	30 September 2020 \$(000)	30 June 2020 \$(000)	31 March 2020 \$(000)
General Funds	19,058	\$15,761	\$25,773
Special Funds	18,176	\$26,082	\$22,079
<b>Total</b>	<b>\$37,234</b>	<b>\$41,843</b>	<b>\$47,852</b>

#### General and Special Funds

7 General Funds are cash reserves held for day to day operating activities. General Fund balances fluctuate across the quarter depending on operational income and expenditure cash flows. Council has a financial strategy to maintain a minimum of \$10 million general funds for liquidity purposes. Council has been entering shorter term deposits in order to maintain cash availability during Covid-19.

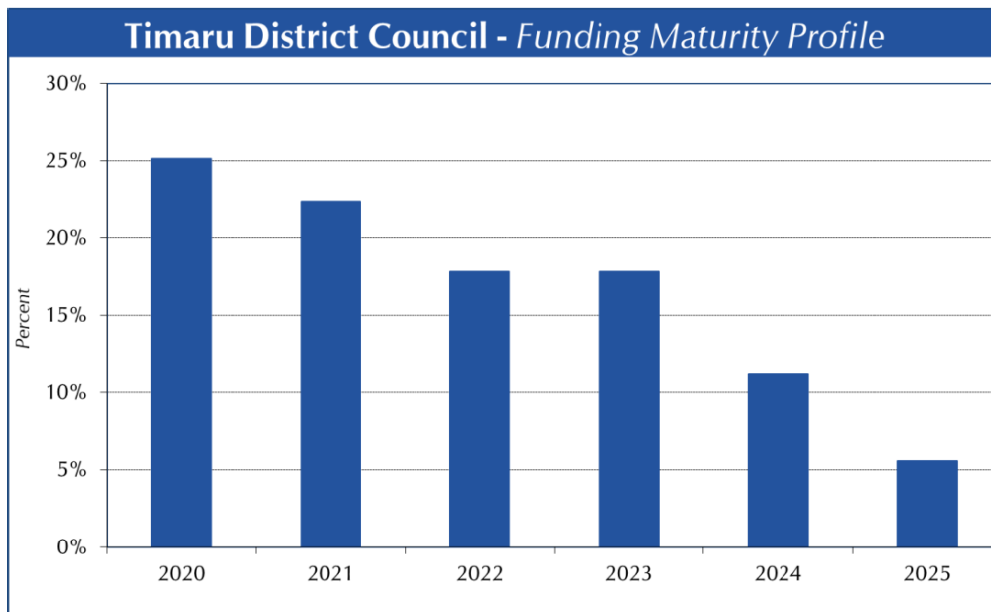
- 8 Special Funds are held for specific purposes as set out in the Long Term Plan, Annual Plan and Annual Report. These funds are invested for approved future expenditure, to implement strategic initiatives, support intergenerational allocations, bequests and other reserves. The above balances sometimes drop to cover operational cashflow shortfalls and timing of general fund term deposits maturing.
- 9 The yields available for term deposits continue to be higher than those available for bonds of a similar term. This is reflected in the proportion of Term Deposits to Bonds held. This is not expected to change in the short term.
- 10 Based on market valuation the Council's bond portfolio increased by 1.42% over the September 2020 quarter, and outperformed the benchmark portfolio (a selection of market bonds from Bancorp) which increased by 1.00. For the twelve months ending 30 June 2020 the portfolio value increased by 4.48% compared to the benchmark portfolio's increase of 4.02%. The value of the portfolio increases when the bond yield % falls below the bond coupon %.
- 11 The duration of the Bond portfolio is compliant with the policies 25% fluctuation band comparable to the benchmark portfolio's duration for this quarter. The portfolio duration is the remaining weighted average term to maturity.

Portfolio duration 2.07 years  
 Benchmark portfolio Duration 2.05 years.

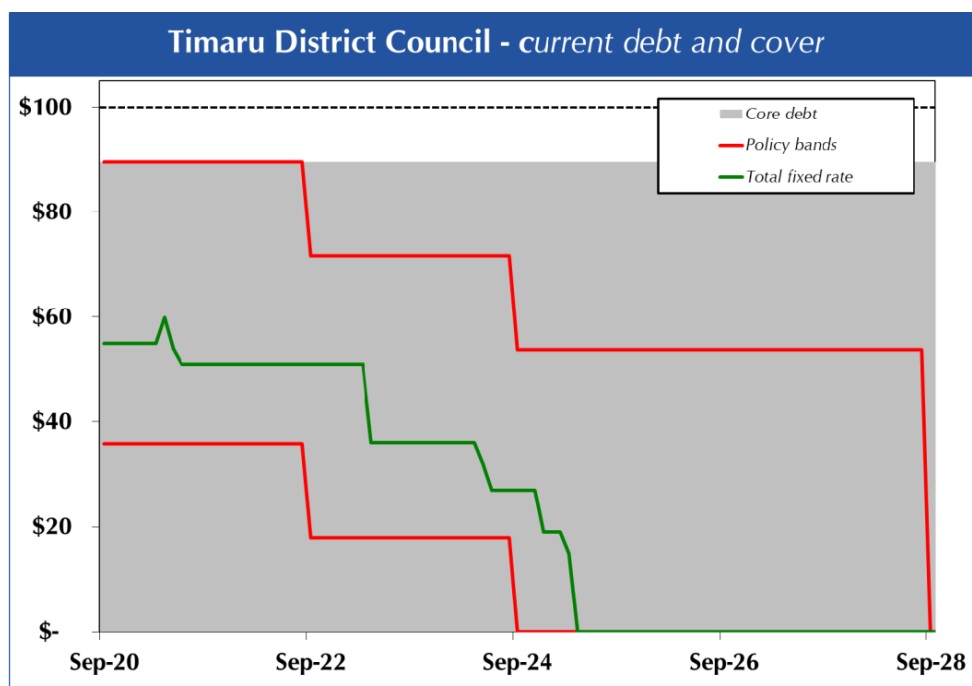
### Borrowings

	30 September 2020 \$(000)	30 June 2020 \$(000)	31 March 2020 \$(000)
Bank Debt	\$0	\$0	\$0
Bonds Issued	\$89,500	\$89,500	\$89,500
<b>Total</b>	<b>\$89,500</b>	<b>\$89,500</b>	<b>\$89,500</b>

- 12 There has been a fall in the borrowing interest rates available to Council. This is a reflection of what has been happening in the COVID-19 economic environment. There is an expectation that any economic recovery will take time to happen indicating interest rates will remain low with the market currently pricing a 100% probability that the OCR will fall from 0.25% to 0% by May 2021, with a 76% probability that it will be at -0.25% by October 2021. Additionally, three of the 'big four' banks are projecting the OCR to fall to -0.50%, with the outstanding bank forecasting a bottom of -0.25%.
- 13 During the quarter, Council renewed no new external debt.  
 We have continued to use shorter periods for finance to take advantage of low rates. There is \$22.5 million of existing debt maturing in the December 2020 quarter. We will continue to look to refinance maturing debt within the limits of the Funding Maturing Policy as well as using cash reserves to fund debt requirements.
- 14 Councils current funding maturity profile is as follows:

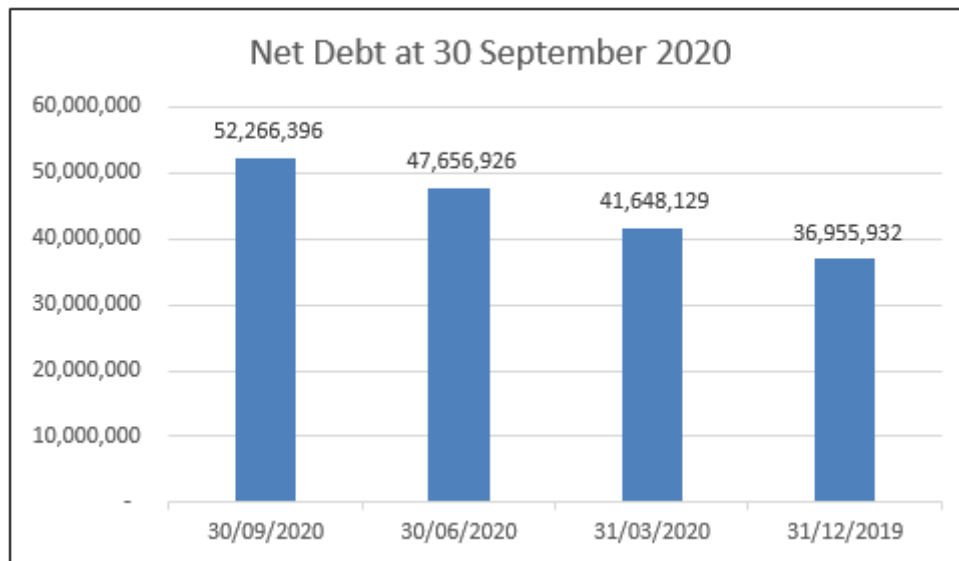


- 15 Council Policy requires no more than 33% of Council’s outstanding borrowings being subject to refinancing within any rolling 12 month period. The funding maturity profile above indicates Council is compliant with this requirement.
- 16 The weighted average cost of funds excluding margins fell from 2.40% to 2.31% over the quarter. This is still high, due to Council holding older more expensive debt, comparable to the benchmark rate of 1.24% as calculated on the Liability Management Policy. The weighted average cost of funds will continue to fall as older debt is refinanced at lower available rates.
- 17 The following chart illustrates the debt and cover profile set against the Liability Policy Control:



- 18 The following table illustrates the Council’s net debt position as at 30 June 2020. Net Debt has increased over the period as Council has used available cash funds to fund its operational and capital programmes. Net Debt levels do fluctuate in response to the cyclical nature of Council’s cashflow needs.



**Relevant Legislation, Council Policy and Plans**

Investment Policy

Liability Management Policy

Local Government Act 2002

Long Term Plan

**Attachments**

Nil

**7.2 Aorangi Stadium Trust Annual Report to 30 June 2020****Author: Sandy Hogg, Management Accountant****Authoriser: Donna Cross, Group Manager Commercial and Strategy****Recommendation**

That the Committee receive and note the report.

**Purpose of Report**

- 1 To provide the Committee with the audited Annual Report/Financial Performance of the Aorangi Stadium Trust for the year ending 30 June 2020.

**Assessment of Significance**

- 2 The assessment of significance is low.

**Background**

- 3 Aorangi Stadium Trust is a Council Controlled Organisation under the Local Government Act 2002.
- 4 The Trust is required to report to Council on its financial performance for the year ended 30 June 2020.
- 5 The annual report from the Trust is attached.

**Attachments**

1. **Aorangi Stadium Trust Financials and Audit Letter to 30 June 2020**  

**Aorangi Stadium Trust****Performance Report**

For the year ended  
30 June 2020

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## Aorangi Stadium Trust

### Entity Information

"Who are we?", "Why do we exist?"

For the year ended  
30 June 2020

Legal Name of Entity:	Aorangi Stadium Trust
Type of Entity and Legal Basis (if any):	The Aorangi Stadium Trust was incorporated on 14 August 2001 under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.
Registration Number:	CC22027
<b>Entity's Purpose or Mission:</b> The Purpose of the Entity is to continue development, maintenance & operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru.	
<b>Entity Structure:</b> The Trust comprises a board of 4 Trustees who oversee governance of the Trust. The facility is leased to Timaru District Council who manage the facility and undertake administration of the Trust.	
<b>Main Sources of the Entity's Cash and Resources:</b> The main sources of cash and resources for the Stadium Trust is income from the Timaru District Council.	
<b>Main Methods Used by the Entity to Raise Funds:</b> The Aorangi Stadium Trust is not an active fundraiser.	
<b>Entity's Reliance on Volunteers and Donated Goods or Services:</b> The Aorangi Stadium Trust does not rely on Volunteers.	
<b>Contact details</b>	
Physical Address:	70 Morgans Road, Timaru, 7910
Postal Address:	P.O. Box 522, Timaru, 7940
Phone:	Phone: (03) 687 7559
Email:	john.liddiard@timdc.govt.nz

**Aorangi Stadium Trust**  
**Statement of Service Performance**  
 "What did we do?", When did we do it?"  
 For the year ended  
 30 June 2020

Description of the Entity's Outcomes:  
 The Purpose of the Entity is to continue development, maintenance & operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	3		
	Actual This Year	Budget This Year	Actual Last Year
Ratio of Equity to Total Assets remains above 90%	Met; 99.52%	90.00%	Met; 99.04%
Regular liason occurs with the tenant (Timaru District Council) on at least a six monthly basis.	Met		Met
Audited annual report completed within 3 months of financial year end	Not met		Met
Promote ongoing development & maintenance of Aorangi Sports Stadium on Morgans Road Recreation Reserve.	Met		Met



**Aorangi Stadium Trust**  
**Statement of Financial Performance**  
 "How was it funded?" and "What did it cost?"  
 For the year ended  
 30 June 2020

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Revenue</b>				
Donations, fundraising and other similar revenue	1	52,000	54,000	52,000
Interest, dividends and other investment revenue	1	2,292	4,000	3,663
Other revenue	1	38,117	32,600	34,409
<b>Total Revenue</b>		<b>92,409</b>	<b>90,600</b>	<b>90,072</b>
<b>Expenses</b>				
Costs related to providing goods or services	2	44,768	40,600	37,253
Other expenses	2	172,839	173,300	173,313
<b>Total Expenses</b>		<b>217,607</b>	<b>213,900</b>	<b>210,566</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(125,198)</b>	<b>(123,300)</b>	<b>(120,494)</b>



**Aorangi Stadium Trust**  
**Statement of Financial Position**  
 "What the entity owns?" and "What the entity owes?"  
 As at  
 30 June 2020

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	3	307,275	282,116	283,972
Debtors and prepayments	3	53,074	-	34,409
<b>Total Current Assets</b>		<b>360,349</b>	<b>282,116</b>	<b>318,381</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	4	666,783	741,230	839,622
<b>Total Non-Current Assets</b>		<b>666,783</b>	<b>741,230</b>	<b>839,622</b>
<b>Total Assets</b>		<b>1,027,132</b>	<b>1,023,346</b>	<b>1,158,003</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	3	5,972	5,000	11,645
<b>Total Current Liabilities</b>		<b>5,972</b>	<b>5,000</b>	<b>11,645</b>
<b>Non-Current Liabilities</b>				
<b>Total Non-Current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>5,972</b>	<b>5,000</b>	<b>11,645</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>1,021,160</b>	<b>1,018,346</b>	<b>1,146,358</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members	5	3,050,631	3,050,631	3,050,631
Accumulated surpluses or (deficits)	5	(2,225,754)	(2,188,404)	(2,047,392)
Reserves	5	196,283	156,119	143,119
<b>Total Accumulated Funds</b>		<b>1,021,160</b>	<b>1,018,346</b>	<b>1,146,358</b>

  
 Trustee

  
 Trustee



**Aorangi Stadium Trust**  
**Statement of Cash Flows**  
 "How the entity has received and used cash"  
 For the year ended  
 30 June 2020

	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Donations, fundraising and other similar receipts	-	54,000	104,000
Interest, dividends and other investment receipts	2,288	4,000	3,663
Other revenue	72,526	32,600	-
Net GST	(7,870)	3,000	5,130
<b>Cash was applied to:</b>			
Payments to suppliers and employees	43,641	40,600	52,001
<b>Net Cash Flows from Operating Activities</b>	<b>23,303</b>	<b>53,000</b>	<b>60,792</b>
<b>Cash flows from Investing and Financing Activities</b>			
<b>Cash was received from:</b>			
<b>Cash was applied to:</b>			
Payments to acquire property, plant and equipment	-	48,000	-
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>-</b>	<b>(48,000)</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>23,303</b>	<b>5,000</b>	<b>60,792</b>
<b>Opening Cash</b>	<b>283,972</b>	<b>277,116</b>	<b>223,180</b>
<b>Closing Cash</b>	<b>307,275</b>	<b>282,116</b>	<b>283,972</b>
<b>This is represented by:</b>			
Bank Accounts and Cash	307,275	282,116	283,972





**Aorangi Stadium Trust**  
**Statement of Accounting Policies**  
**"How did we do our accounting?"**  
For the year ended  
30 June 2020

**Basis of Preparation**

Aorangi Stadium Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

**Goods and Services Tax (GST)**

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

**Income Tax**

Aorangi Stadium Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

**Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year (last year - nil).



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Funding from Central or Local Government	General Funding from Central or Local Government	52,000	52,000
		52,000	52,000

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Interest, dividends and other investment revenue	Interest	2,292	3,663
	<b>Total</b>	2,292	3,663

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Other revenue	Insurance reimbursements	38,117	34,409
	<b>Total</b>	38,117	34,409



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	ACC Levy Refund	-	(2,000)
	Administration and overhead costs	5,534	3,452
	Insurance	38,117	34,409
	Repairs & Maintenance	1,116	1,390
	<b>Total</b>	<b>44,768</b>	<b>37,253</b>
Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Depreciation	172,839	173,314
	<b>Total</b>	<b>172,839</b>	<b>173,314</b>



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

**Note 3 : Analysis of Assets and Liabilities**

Asset Item	Analysis	This Year	Last Year
		\$	\$
Bank accounts and cash	Cheque account balance	9,210	8,724
	Savings account balance	298,065	275,248
	<b>Total</b>	<b>307,275</b>	<b>283,972</b>

Asset Item	Analysis	This Year	Last Year
		\$	\$
Debtors and prepayments	GST Receivable	70	-
	Other receivables	52,004	34,409
	Prepayments	1,000	-
	<b>Total</b>	<b>53,074</b>	<b>34,409</b>



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

**Note 3 : Analysis of Assets and Liabilities**

Liability Item	Analysis	This Year	Last Year
		\$	\$
Creditors and accrued expenses	Accrued expenses	5,437	2,947
	GST Payable	-	7,665
	Trade and other payables	535	1,033
	<b>Total</b>	5,972	11,645



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2020

Note 4 : Property, Plant and Equipment

This Year						PPE7 - PPE8	
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount	Current Valuation	Source and Date of Valuation
Buildings	839,622	-	-	172,839	666,783		
<b>Total</b>	<b>839,622</b>	<b>-</b>	<b>-</b>	<b>172,839</b>	<b>666,783</b>		

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Buildings	1,012,936	-	-	173,314	839,622
<b>Total</b>	<b>1,012,936</b>	<b>-</b>	<b>-</b>	<b>173,314</b>	<b>839,622</b>



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

**Note 5: Accumulated Funds**

This Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	3,050,631	(2,047,392)	143,119	1,146,358
Surplus/(Deficit)		(125,198)		(125,198)
Transfer to Reserves		(54,280)	54,280	
Transfer from Reserves		1,116	(1,116)	
Closing Balance	3,050,631	(2,225,754)	196,283	1,021,160

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	3,050,631	(1,875,630)	91,851	1,266,852
Surplus/(Deficit)		(120,494)		(120,494)
Transfer to Reserves		(55,656)	55,656	
Transfer from Reserves		4,388	(4,388)	
Closing Balance	3,050,631	(2,047,392)	143,119	1,146,358

Breakdown of Reserves		Actual This Year	Actual Last Year
Name	Nature and Purpose	\$	\$
Maintenance Reserve	To Fund Maintenance Of Stadium	196,283	143,119
<b>Total</b>		196,283	143,119



**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

**Note 6 : Commitments and Contingencies**

<b>Commitments</b> There are no commitments as at balance date (Last Year - nil).
<b>Contingent Liabilities and Guarantees</b> There are no contingent liabilities or guarantees as at balance date (Last Year - nil).





**Aorangi Stadium Trust**  
**Notes to the Performance Report**  
For the year ended  
30 June 2020

## Notes 7-9

Note 7: Related Party Transactions		This Year	Last Year	This Year	Last Year
		\$	\$	\$	\$
Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	Value of Transactions	Value of Transactions	Amount Outstanding	Amount Outstanding
Services received from Timaru District Council	Cash	1,000	1,000	-	-
Grants received from Timaru District Council	Cash	52,000	52,000	52,000	-
Site fees - Lease	Cash	87	100	87	-
Reimbursement of Insurance Expense by Timaru District Council	Cash	38,117	34,409	-	34,409

## Note 8: Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

## Note 9: COVID 19

The World Health Organisation declared a global pandemic on 11 March 2020 due to the outbreak and spread of COVID-19. Measures to prevent transmission of the virus were gradually introduced in New Zealand including limiting the movement of people. On 25 March 2020, New Zealand moved into Level 4 - Eliminate, requiring all non-essential businesses to close and people instructed to stay at home except for essential activities. This has had an immediate impact on all New Zealand businesses. Management and the board have considered the impact of COVID-19 on relevant balances and disclosures in the financial statements. There is no material impact on the Trust's financial statements for the year ended 30 June 2020 as a result of COVID-19.





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**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF AORANGI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2020**

The Auditor-General is the auditor of Aorangi Stadium Trust (the Trust). The Auditor-General has appointed me, Andrew Hastie, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

**Opinion**

We have audited:

- the financial statements of the Trust on pages 3 to 14, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 2.

In our opinion:

- the financial statements of the Trust on pages 3 to 14:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2020; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) framework; and
- the performance information of the Trust on page 2 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2020

Our audit was completed on 02 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Aorangi Stadium Trust as set out in note 9 to the financial statements.

Nexia Christchurch Limited and any other Nexia member firms operating within New Zealand under the Nexia New Zealand trade name are member firms of the "Nexia International" network. Member firms of the Nexia International network are independently operated. Nexia International Limited does not deliver services in its own name or otherwise.



**Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Trustees for the financial statements and the performance information**

The Board of Trustees is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparing the performance information for the Trust.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Trustees is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees's responsibilities arise from the Local Government Act 2002.

**Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.



As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Independence**

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in black ink, appearing to read "Andrew Hastie".

**Andrew Hastie**  
Nexia Audit Christchurch  
On behalf of the Auditor-General  
Christchurch, New Zealand

**7.3 Timaru District Holdings Limited - Quarterly Report - 30 September 2020****Author:** Donna Cross, Group Manager Commercial and Strategy**Authoriser:** Bede Carran, Chief Executive**Recommendation**

That the Timaru District Holdings Limited (TDHL) quarterly report be received and noted.

**Purpose of Report**

- 1 To present to the Commercial and strategy Committee, on behalf of Council as shareholder, the TDHL quarterly report for the period 1 July to 30 September 2020.

**Assessment of Significance**

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

**Discussion**

- 3 TDHL provides a quarterly report to Timaru District Council (through the Committee) as required by its Statement of Intent. A quarterly report for the period 1 July to 30 September 2020 has been provided by TDHL and is attached.

**Attachments**

1. **Letter - TDHL Quarterly Report - 30 September 2020**  
2. **TDHL Quarterly Report - 30 September 2020**  

**TIMARU DISTRICT HOLDINGS LIMITED**

PO Box 178  
Timaru 7940

11 November 2020

The Chief Executive  
Timaru District Council  
PO Box 522  
Timaru 7940

via email at [bede.carran@timdc.govt.nz](mailto:bede.carran@timdc.govt.nz)

Dear Bede

**TDHL – Quarterly Report for period 1 July to 30 September 2020**

Timaru District Holdings Limited (TDHL) is pleased to present this report for the period 1 July to 30 September 2020.

**Financial Situation**

The Timaru District Holdings Limited financial statements for the quarter ending 30 September 2020 are attached for your information.

The first quarter surplus of \$335,605 is above budget of \$114,856. This is a result of the budget anticipating a zero dividend from Alpine, whereas a \$235,570 dividend was received on 30 Sept 2020.

The full year surplus forecast of just under \$3M excluding property revaluation and share of Associate surpluses is expected.

The investment properties continue to perform well and are supported by favourable recent rent review and lease negotiations.

Not reflected in these statements but of note is that PrimePort paid a dividend of \$850,000 on 30 Oct 2020. This will show in the next set of financial statements

Financing costs are forecast to be lower than budget thanks to lower interest rates.

**Dividends**

TDHL paid a cash dividend of \$500,000 to Council on 30 September 2020. This is the first dividend of the 2020/21 financial year during which a total dividend of \$2 million is forecast to be paid.

**Debt repayment**

TDHL did not make any debt repayments during the quarter. Financial modelling is progressing to evaluate the impacts of various scenarios this financial year to determine debt repayment levels in light the cash reserve policy.

**Governance**

## Timaru District Holdings Limited

- The updated Constitution as approved by Council in July 2020 has been registered with the Companies Office.
- The Director appoint process for two external Directors and a Elected Member Director has been completed. These appointments take effect from the Annual General Meeting.
- Mayor Nigel Bowen will step down as a Director of TDHL effective from the AGM. The Board wish to acknowledge and thank Nigel for his contribution, valuable insight and knowledge during his term on the Board
- Look forward, TDHL anticipate engagement with Council over the Letter of Expectation and Statement of Intent early in 2021 once the new Directors are fully settled in.

## PrimePort Timaru Limited

- The PrimePort Annual General Meeting was held on 23 September 2020. It was well attended by shareholders and Councillors.
- PrimePort Chairman Roger Gower and Chief Executive Phil Melhopt outlined the company's strong performance as well as their future investment and renewal program.
- The company subsequently announced a dividend of \$850,000.

## Alpine Energy Limited

- The Alpine Energy Annual General Meeting was held on 27 August 2020. It was well attended by shareholders and Councillors.
- Alpine Directors and Executive presented the years activities and announced a strong profit.
- Long-time Chairman, Steve Thompson retired with Warren McNabb elected as the new Chairman.
- A governance meet and greet between the AEL and TDHL Boards is planned for late November as well as an introductory share information session.

**Property**

Work on rent reviews, tenant management and lease renewals is ongoing to ensure the portfolio is kept optimised and current.

The Showgrounds Agreement for Sale and Purchase is still in the conditional phase with the purchaser having made application for resource consent and awaiting a decision from Council.

Yours sincerely



Ian Fitzgerald

Chairperson



## Profit and Loss

Timaru District Holdings Limited  
For the month ended 30 September 2020

Account	YTD Actuals	YTD Budget	Prior YTD Actual	Full Year Forecast	Full Year Budget	Full Year FY20 Actual
<b>Trading Income</b>						
<b>Property Operations</b>						
Total Revenue	698,012	678,492	779,194	2,733,488	2,713,968	2,687,667
Total Expenses	203,332	198,500	234,263	732,832	728,000	657,909
Total Property Operations	494,680	479,992	544,931	2,000,656	1,985,968	2,029,758
<b>Total Trading Income</b>	<b>494,680</b>	<b>479,992</b>	<b>544,931</b>	<b>2,000,656</b>	<b>1,985,968</b>	<b>2,029,758</b>
<b>Showgrounds</b>						
<b>Expenses</b>						
Total Expenses	118,959	86,750	0	379,209	347,000	0
<b>Total Showgrounds</b>	<b>(118,959)</b>	<b>(86,750)</b>	<b>0</b>	<b>(379,209)</b>	<b>(347,000)</b>	<b>0</b>
<b>Gross Profit</b>	<b>375,721</b>	<b>393,242</b>	<b>544,931</b>	<b>1,621,447</b>	<b>1,638,968</b>	<b>2,029,758</b>
<b>Holding Company Operations</b>						
<b>Revenue</b>						
Total Revenue	237,049	13,959	2,586	934,426	711,336	5,599,577
<b>Operating Expenses</b>						
Total Operating Expenses	74,481	76,996	55,058	319,569	322,084	295,514
<b>Total Holding Company Operations</b>	<b>162,568</b>	<b>(63,037)</b>	<b>(52,472)</b>	<b>614,857</b>	<b>389,252</b>	<b>5,304,063</b>
<b>Finance Costs</b>						
Total Finance Costs	202,684	215,349	330,631	842,398	855,063	1,006,126
<b>Operating Surplus (Deficit) Before Tax</b>	<b>335,605</b>	<b>114,856</b>	<b>161,829</b>	<b>1,393,906</b>	<b>1,173,157</b>	<b>6,327,695</b>
<b>Other Gains</b>						
Total Other Gains	0	0	0	1,604,000	1,604,000	8,030,470
<b>Net Profit</b>	<b>335,605</b>	<b>114,856</b>	<b>161,829</b>	<b>2,997,906</b>	<b>2,777,157</b>	<b>14,358,165</b>

## Movements in Equity

Timaru District Holdings Limited  
For the 3 months ended 30 September 2020

<u>Account</u>	<u>Jul-Sep 2020</u>
<b>Equity</b>	
Opening Balance	122,695,970
Current Year Earnings	335,605
Equity Dividends Paid - Ordinary Shareholders	(500,000)
<b>Total Equity</b>	<b>122,531,575</b>

## Statement of Cash Flows

Timaru District Holdings Limited  
For the 3 months ended 30 September 2020

<u>Account</u>	<u>Jul-Sep 2020</u>
<b>Operating Activities</b>	
<b>Cash was provided from:</b>	
Rentals	660,560
Interest received	1,480
Dividends Received from Associates	2,120,127
<b>Total Cash was provided from:</b>	<b>2,782,167</b>
<b>Cash was disbursed to:</b>	
Payments to suppliers and employees	556,934
Interest Payments	112,007
<b>Total Cash was disbursed to:</b>	<b>668,941</b>
<b>Net Cash Flows from Operating Activities</b>	<b>2,113,226</b>
<b>Net Cash Flows</b>	<b>2,113,226</b>
<b>Cash and Cash Equivalents</b>	
Cash and cash equivalents at beginning of period	2,167,648
Cash and cash equivalents at end of period	4,280,874
<b>Net change in cash for period</b>	<b>2,113,226</b>

## Balance Sheet

Timaru District Holdings Limited  
As at 30 September 2020

Account	30 Sep 2020	30 Sep 2019
<b>Assets</b>		
<b>Bank</b>		
BNZ 00 Account	259,340	(485,650)
BNZ 23 Account	3,521,534	0
Term Deposit - BNZ at Call	1,000,000	2,331,000
<b>Total Bank</b>	<b>4,780,874</b>	<b>1,845,350</b>
<b>Current Assets</b>		
Accounts Receivable	109,762	222,116
<b>Total Current Assets</b>	<b>109,762</b>	<b>222,116</b>
<b>Non-current Assets</b>		
Investment Properties - Buildings & Other Structures	4,204,000	4,180,000
Investment Properties - Other Assets	43,278,000	41,310,000
Investments - Alpine	75,115,000	70,650,156
Investments - Primeport	30,290,000	28,598,750
<b>Total Non-current Assets</b>	<b>152,887,000</b>	<b>144,738,906</b>
<b>Total Assets</b>	<b>157,777,636</b>	<b>146,806,372</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	77,527	209,436
Accrued Interest	151,129	0
Intercompany Payable - TDC	752,700	706,826
Dividends Payable	500,000	0
GST Payable (Receivable)	(10,954)	20,503
Derivative Financial Instruments - Short Term Provisions	195,459	292,906
Taxation	(414)	0
<b>Total Current Liabilities</b>	<b>1,665,447</b>	<b>1,229,672</b>
<b>Non-current Liabilities</b>		
Derivative Financial Instruments - Long Term Provisions	0	146,453
Development Loan No 1 2002 - Non Current Loan Principal	11,400,000	12,900,000
Intercompany Loan	22,180,613	22,180,613
<b>Total Non-current Liabilities</b>	<b>33,580,613</b>	<b>35,227,066</b>
<b>Total Liabilities</b>	<b>35,246,061</b>	<b>36,456,738</b>
<b>Net Assets</b>	<b>122,531,575</b>	<b>110,349,634</b>
<b>Equity</b>		
Retained Earnings	91,531,390	79,349,449
Shares	31,000,186	31,000,186
<b>Total Equity</b>	<b>122,531,575</b>	<b>110,349,634</b>

#### 7.4 Overview of 2020/2021 Capital Work Programme - Dashboard

**Author:** Ashley Harper, Senior Programme Delivery Manager  
Lili Delwaide, Programme Delivery Manager

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

##### **Recommendation**

That this report be received and noted.

##### **Purpose of Report**

- 1 The purpose of this report is to provide the Committee with an overview of the 2020/2021 capital work programme and an update on its current status.

##### **Assessment of Significance**



- 2 This matter is not significant according to the Significance and Engagement policy.

##### **Discussion**

- 3 The attached dashboard provides an overview of the 2020/2021 capital work programme for Timaru District Council, including the capital expenditure planned on behalf of the Downlands Water Supply Joint Standing Committee (included in the dashboard at 100%).
- 4 Council's annual plan for 2020/21 comprises a capital expenditure programme valued at \$58.9m for Timaru District Council. Additionally, Timaru District Council is undertaking an additional \$25.3m of capital work on behalf of the Downlands Water Supply Joint Standing Committee. The combined total is \$84.2m.
- 5 The additional capital work undertaken under the 3Waters Stimulus Package valued at \$6.86m and comprising 14 projects is not included in this version of the dashboard.
- 6 The dashboard includes an assessment of the current status of the 140 projects planned for 2020/21. The status, on-target, at-risk or off-target, is an assessment of the likelihood of the project being delivered in its entirety by June 30, 2020.
- 7 As indicated in the report, some construction projects have been assessed as conditional, contingent or subject to external dependencies at the start of the year. Most of those projects continue to be at-risk but some have now been re-assessed as "on target" for completion by year end.
- 8 On the other hand, some projects assessed as highly-feasible are assessed as at-risk until such time they are sufficiently progressed to ensure completion by year-end. Those include the Downlands Water Treatment Plant and Raw Water Reservoir as a result of a consenting delay which is now almost resolved and construction ready to commence. More information is available on the Downlands Scheme Upgrade Project Progress Report November 2020.
- 9 The dashboard also includes an update on the financials at the end of September 2020 and on the current opportunities on the market as well as on the financial commitments made since July 1<sup>st</sup>.

- 10 The next issue of the dashboard will be presented to the Commercial and Strategy Standing Committee meeting on February 2, 2021. In addition, the four month report is intended to be presented to the Council meeting scheduled on December 15, 2020, covering detailed non-financial performance (Project status and performance indicators) and financial performance.

**Attachments**

1. **Dashboard 2020/21 November 2020**  

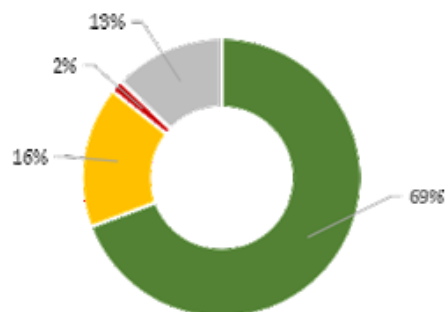
## Timaru District Council 2020/2021 Capital Work Programme November 2020

**Number of Projects: 140**

**Total Value: \$84.23m incl. \$58.9m TDC + \$25.3m for Downlands**

### Projects Progress Status

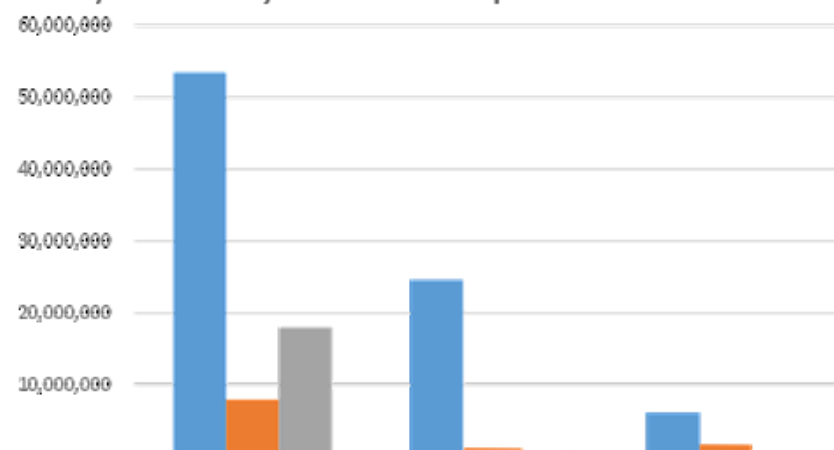
■ on-target ■ at-risk ■ off-target ■ contingency



### Capital work programme and construction works

Construction	Others (e.g. purchase of books, LED lighting, cemetery site purchase)	Total capital work programme (TDC + Downlands at 100%)
\$78.1M	\$6.1M	\$84.3M
91 projects	49 projects	140 projects

### Feasibility and Delivery – Financials – September 2020



### Contracts Let since July 1<sup>st</sup>, 2020 (of a value > \$400,000)

Contract	Project	Value	% Completion
2438	Arowhenua Road Rehab and Bridge Upgrade	770,000	100
2419	Road resurfacing	3,000,000	30
2184	Road Maintenance - renewals	2,300,000	40
2447	Road Rehabilitation - Talbot St, Geraldine	457,940	15
2461	Te Ana Wai River Intake Works (in-river works)	418,269	100
2460	Te Ana Wai Water Treatment Plant Design and Build	4,118,100	10
2444	Orbell Street Watermain and Sewermain Renewal	553,953	0
2338	Te Ana Wai Stage 1 Pipeline Variation	777,000	0
2462	Social Housing Ventilation Compliance	500,000	20
2303	Saltwater Creek Sewer Renewal	462,273	0
2447	Talbot St Sewer Renewal	666,132	0
2468	Pareora Pipeline Section 1	5,695,381	0
TOTALS		<b>19,719,048</b>	

### Tender opportunities currently advertised (as of 6 November 2020)

Contract	Project	Closing Date
2448	Te Ana Wai Trunk Main Upgrade – WTP to Cave.	10/12/2020
2470	Pareora Pipeline Section 3	22/01/2021
2459	Orari Back Road Seal extension	26/11/2020
2456	Fraser Street Stormwater Main Upgrade	12/11/2020
2376	Richard Pearse Drive Watermain Renewal	19/11/2020
2485	Te Ana Wai River Intake Upgrade – Out of River works	3/12/2020



## 7.5 Progress Report: Theatre Royal and Heritage Facility Development and Social Housing Ventilation Compliance projects

**Author:** Lili Delwaide, Programme Delivery Manager  
Ashley Harper, Senior Programme Delivery Manager

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

### Recommendation

That this report be received and noted.

### Purpose of Report

- 1 The purpose of this report is to inform the Committee on the progress of the two key property projects: the Theatre Royal and Heritage Facility Development project and the Social Housing Ventilation Compliance project.

### Assessment of Significance

- 2 This matter is not significant in terms of the Significance and Engagement Policy.

### Discussion

- 3 Progress reports are attached for the Theatre Royal and Heritage Facility Development and for the Social Housing Ventilation Compliance projects.
- 4 The 2020/21 approved budgets for the above projects are:
  - 4.1 \$5.2m for the Theatre Royal and Heritage Facility Development project;
  - 4.2 \$740,000 for the Social Housing Ventilation Compliance project.
- 5 The attached progress reports cover all aspects of the project up until the 31<sup>st</sup> of October, 2020 except for the financials that cover the month of September 2020 only.
- 6 The progress reports include an overview of the project and their context as well as a detailed update on latest programme and current status.

### Attachments

1. **Theatre Royal and Heritage Facility Development Progress Report November 2020** [↓](#) 
2. **Social Housing Ventilation Compliance Progress Report November 2020** [↓](#) 

# KEY PROJECT

## Theatre Royal and Heritage Facility Development

Progress report – Issue 3 – November 2020



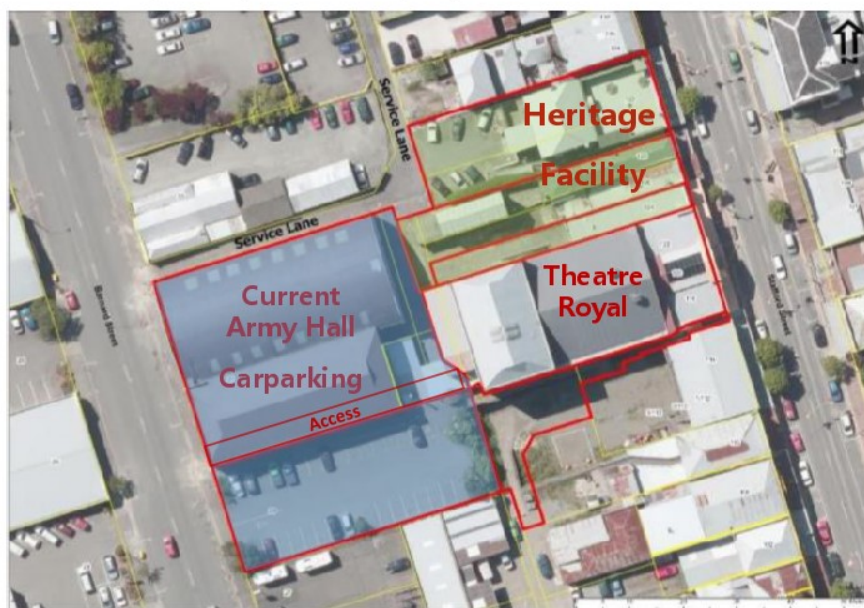
### OVERVIEW

This project combines the upgrade of the Theatre Royal with the development of a new Heritage Facility, key projects under our Long Term Plan.

This project/development will:

- Provide a fit-for-purpose facility for local and touring performing arts and other shows within an exciting heritage theatre, and for the exhibition and education component of the South Canterbury Museum and touring heritage exhibitions. The facility will also be utilised by Aigantighe Art Gallery for touring shows, to complement the Wai-iti Road gallery.
- Improve the vibrancy of the CBD and be a catalyst for the redevelopment of the south end of Stafford Street.
- Address significant deficiencies with current facilities, and create a multi-purpose facility that the community can be proud of.
- Create jobs during and after construction, make Timaru a more dynamic and attractive place to live, work and visit - and deliver improved economic, social, cultural, educational, recreational and entertainment outcomes for our region and community.

The Theatre Royal will benefit from a new back of house, upgraded stage house, new theatrical flying system, upgraded auditorium (new seating and floor) an improved front of house, and improved access. The Heritage Facility will provide exhibition and education space and cover 1335-1400sqm. Synergies between the Theatre and Heritage Centre will be optimised, with shared space, facilities and services between the two.



### PROJECT TEAM

**Project Sponsor:** Donna Cross – **Architect:** Architectus - **Client Representative and Theatre Lead:** Nicole Timney - **Museum Lead:** Philip Howe - **Project Manager:** Rubix

**\$23.8M**

Total 2018-2028 LTP Budget

**\$5.2M**

2020/21 Budget

**Current Status:**  
Procurement and design



# KEY PROJECT

## Theatre Royal and Heritage Facility Development

Progress report – Issue 3 – November 2020



### PROJECT PROGRESS

- The application to the Crown Infrastructure Partners (CIP) Shovel Ready Fund was successful. TDC has – in principle – been awarded up to \$11.6M for the project. We are in the process of finalising the funding agreement with the Provincial Development Unit of the Ministry of Business, Innovation and Employment.
- The architectural team is nearing completion of pre-design and following investigation of the design brief, site and project documents, and public engagement, have provided a return brief (currently being reviewed prior to being referred to Council for approval).
- RFP evaluations have been completed for the engineering disciplines, including structural, civil and geotechnical; building services (mechanical and hydraulics, electrical and ancillary, vertical transportation, environmentally sustainable design, fire engineering), as well as resource consent planning and cost management services, with all appointments expected to be concluded by the end of November. An archaeological advisor has been appointed to the project.
- A plan for the decommissioning works is being prepared, with decommissioning anticipated to be carried out between December 2020 and April 2021.
- With the project now in the design phase, the project will be governed by a Project Control Group subject to limits on delegated authority. The Theatre Royal and Heritage Facility Elected Member Reference Group is intended to sit alongside the Project Control Group to provide guidance on design and any additional fundraising. Key decisions such as approval of the design and appointment of the main contractor are reserved to Council.

### INDICATIVE PROJECT TIMELINE

	2020					2021												2022	2023
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Jan	September
Pre-design and stakeholder engagement	■	■	■																
Stage 1 works: complete decommissioning						■	■	■	■										
Planning/investigation continues (design team)		■	■	■															
Concept design		■	■	■															
Preliminary design						■	■	■	■										
Developed design									■	■	■	■							
Detailed design												■	■	■	■				
Tendering – Stage 2 works									■	■	■								
Stage 2 works – construction (Enabling Works)												■	■	■	■	■			
Tendering – Stage 3 works															■	■	■	■	
Stage 3 works - construction (Main Construction)																		■	■
Completion																			■

### PROJECT FINANCIALS

The combined total capital cost of the project is \$23.8m.

This project is to be funded by loan, reserves and external funding.

The 2020/21 budget is \$5.2m. The expenditure to October 2020 was \$79,985.14.

### PROJECT RISKS

*(requiring active management)*

COVID-19 - Alert Levels and restrictions resulting in project delays or increased costs. Impact of COVID-19 on the efficiency and effectiveness of the early design phase, stakeholder consultation, and initial site investigation progress by the design team.

Brownfields development – site or building complexities resulting in project delays or increased costs.

Appointment of consultants for structural, buildings, cost manager and planner and appointment of consultants originally scheduled for October 2020. Appointments to be confirmed and finalised November 2020. Overall construction milestones remain achievable.

# KEY PROJECT

## Social Housing Ventilation Compliance

Progress report – Issue 3 – November 2020

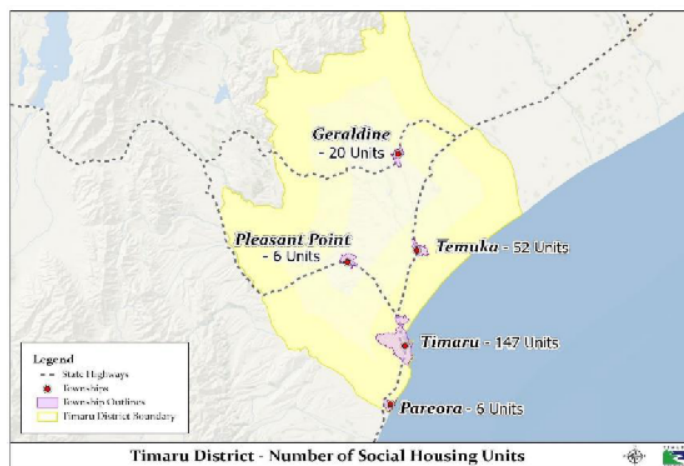


### OVERVIEW

Timaru District Council currently owns and manages 231 social housing units. The Residential Tenancies (Healthy Homes Standards) Regulations 2019 requires all tenanted houses to be ventilated. In this context, the 2020/2021 Annual Plan includes a budget of \$740,000 to install bathroom fans and rangehoods in TDC social housing units. At the end of this project, all 231 social housing units will be equipped with both a bathroom fan and a rangehood.

### PROJECT UPDATE

- Installation for Tranche 1 has started in Timaru, Temuka and Pleasant Point.
- All work has been allocated and installation for Tranche 2 is planned to start in February 2021.
- There is a long lead time to order the bathroom fans due to high demand. Procurement of the bathroom fans cannot be accelerated as the requirements are different between each unit.
- The project is still on track for completion by June 30, 2021.



- All tenants have been informed of the project and will receive at least 48 hours notice before work starts in their unit.
- A Health and Safety briefing has been organised on site at the start of each contract and with each contractor.

### PROJECT TIMELINE



### PROJECT TEAM

**Project Sponsor:** Donna Cross **Project Manager:** Phillipa Steans

**\$740k**

Total 2020/21 Annual Plan Budget

All work has been allocated between the 5 suppliers.

Installation of Tranche 1 is nearly completed.

## 7.6 Long Term Plan 2021-31 - Strategic Direction Engagement

**Author:** Mark Low, Strategy and Corporate Planning Manager

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

### Recommendation

That the Committee endorse the LTP 2021-31 strategic direction engagement process as outlined.

### Purpose of Report

- 1 The purpose of this report is to update the Council on an upcoming engagement on the Long Term Plan (LTP) 2021-31 strategic direction.

### Assessment of Significance

- 2 This matter is considered to be of medium significance under the Council's Significance and Engagement Policy. The engagement represents the first public opportunity to be involved in the LTP 2021-31 process. Further opportunity will be provided via the formal LTP engagement in April 2021.

### Background

- 3 The Council is working on preparation of the LTP 2021-31, with work underway for several months.
- 4 As part of that preparation, the Council has reviewed its Strategic Direction. This has involved workshops and a combined Community Board Workshop. A new Strategic Direction has been prepared, including a Vision, Community Wellbeing Outcomes and Focus areas.

### Discussion

- 5 Under the Local Government Act 2002 (LGA), the purpose of local government is to "(b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future." (LGA S10). Part of the purpose of an LTP "is to describe the community outcomes of the local authority's district" (LGA S93:6b). The Groups of Activities within the LTP must explain why the Council is involved in these activities 'including the community outcomes to which the group of activities primarily contributes'. They must also outline how any activity within each group might have a significant negative effect on the social, economic, environmental, or cultural well-being of the local community (LGA: Sch10:2).
- 6 The Strategic Direction is important to setting this context, the areas for Council focus and its priorities. Due to the broad range of activities the Council is involved in and its wide contribution across all areas of the community, its Strategic Direction is inevitably broad. The LTP will identify how the Council will invest in each of these areas and where its priorities will sit.
- 7 The engagement is intended as a 'light' engagement, given restricted timeframes, time of the year and a number of other Council consultations that have been undertaken recently. Its purpose is to test the Strategic Direction with the community, ensure the Council is on track and identify anything missing.

- 8 The Long Term Plan 2021-31 process is being branded 'Thriving Together'. The main tool to be used for this initial engagement will be a custom-built website [www.thrivingtogether.co.nz](http://www.thrivingtogether.co.nz), giving opportunity for feedback on the strategic direction as outlined above. In addition, displays and feedback opportunities will be available at key Council facilities, with drop-in opportunities available to discuss with Elected Members and staff. Feedback will be promoted via newspaper, Facebook and stakeholder e-mail. Elected Members have been asked for comment and a summary video of comments will be provided on the webpage. It is intended for the engagement to run from Thursday 26 November to Friday 11 December. Elements of the consultation will be available at the meeting.

### Options and Preferred Option

- 9 The advantages and disadvantages of conducting this engagement are outlined below:

Advantages	Disadvantages
Provides the first opportunity for the public to engage in the LTP 2021-31 process.	Consultation fatigue, as a result of a number of recent engagements
Enables Council to test the draft Strategic Direction and ensure it is on track.	Cost and time involved
Feedback will also help inform Council in identifying where priorities should sit.	
Helps introduce the LTP 2021-31 process and branding to the community in preparation for ongoing engagement.	

- 10 The options are to:
- 10.1 Endorse the engagement as outlined (preferred option); or
  - 10.2 Amend the engagement process as outlined; or
  - 10.3 Not continue with the engagement.

### Consultation

- 11 This is the first opportunity for the wider community to engage with the LTP 2021-31 process. A further report will be provided relating to the formal LTP 2021-31 consultation early next year.

### Relevant Legislation, Council Policy and Plans

- 12 Local Government Act 2002
- 13 Long Term Plan 2018-28

### Financial and Funding Implications

- 14 Funding has been budgeted for as part of the LTP 2021-31 budget.

### Other Considerations

- 15 There are no other relevant considerations.

### Attachments

1. **Long Term Plan 2021-31 Strategic Direction community engagement plan**  

# Project Communications Plan – LTP 2021-31 Strategic Direction



## 1 - Project Information

**1.1 Name of Project:** Long Term Plan 2021-31 Strategic Direction engagement

**1.2 Project Lead:** Strategy Unit

**1.3 Project Goals:**

- To test the Strategic Direction, Community Wellbeing Outcomes and Focus Areas with the community
- To refine the Focus Areas
- To capture ideas to activate the strategic direction for consideration for inclusion in the LTP

## 2 - Stakeholders

**2.1 External Stakeholders / Project Partners / Affected Parties**

- Residents and Ratepayers
- Key Timaru district agencies
- Local businesses
- Iwi and other Maori organisations
- Community Groups
- Neighbouring Local Authorities
- Government agencies
- Council CCO's

**2.2 Internal Stakeholders**

- Elected Members
- Chief Executive
- Group Managers
- Unit Managers
- Strategy and Corporate Planning Unit
- Finance Team
- Customer Services / After Hours Service – during engagement period

## 3 - Messaging

**3.1 Key Message – Primary** (*this is the single most important thing, the majority of the audience needs to know*)

Council have prepared a Strategic Direction to help guide the LTP 2021-31. Feedback is sought on the Strategic Direction to ensure Council is on track and it reflects what the community see as important for Council to contribute to, and where Council's priorities might sit.

### **3.2 Messages – Secondary** *(Supplemental things to support the key message)*

This is the first opportunity to contribute to the LTP 2021-31 process and introduction of the LTP brand – Thriving Together.

## **4 – Project Control**

### **4.1 Deadline and Important Milestones:**

Consultation Dates – 26 November to 11 December

### **4.2 Budget:** *[is there budget for advertising / material creation?]*

Budget for the engagement is in the main LTP/Annual Plan budget 3020-359-603

### **4.3 Statutory Obligations**

This is not a statutory consultation (i.e. Special Consultative Procedure), but is being undertaken as an early engagement on the LTP 2021-31, as outlined above. This is a 'light' consultation, and the LTP will be formally consulted on under the LGA in April 2021.

## **5 – Risk Mitigation**

### **5.1 Project Risks and mitigations:** *[issues that carry reputational risk such as cost/time over runs, environmental/social issues and are there any steps we can take to mitigate them?]*

<b>Risk</b>	<b>Description</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Score</b>	<b>Mitigation if Happens</b>
Lack of public input	Can sometimes be challenging to get good engagement on matters of this nature	2	2	4	Continued promotion and encouragement with easy feedback opportunity. Future opportunity for feedback.
Public Disapproval	Major public/stakeholder disapproval	1	4	4	Understand areas where disapproval and revise strategic direction if required.
Confusion with District Plan	People may be confused with the recent District Plan consultation and roles of the different plans	3	2	6	Opportunity to explain the difference between District Plan and LTP and interrelationships. Timing unavoidable.

Risk	Description	Likelihood	Consequence	Score	Mitigation if Happens
Consultation Fatigue	Recent consultations lead to lack of engagement	3	2	6	Encourage involvement and signal future opportunities.

## 5.2 Project Opportunities *[what good news is there in here? Is it first in NZ, innovative, amazing?]*

The engagement is an opportunity to introduce the LTP process and branding to the community in preparation for the formal LTP consultation in 2021.

## 6. Actions

### 6.1. Action Plan *[What we're going to do, through what channel]*

Technique	Reason for Technique	Target Group
Website with online feedback opportunity	<ul style="list-style-type: none"> <li>• Easy and equitable</li> <li>• Enables detailed input</li> </ul>	Community and stakeholders
Displays at key Council facilities (with Drop-in opportunities)	<ul style="list-style-type: none"> <li>• Opportunity for detailed discussions</li> <li>• Opportunity for people without a computer</li> <li>• Opportunity to inform and explain the Council approach</li> </ul>	Public
Promotion via Facebook, newspaper, email etc.	<ul style="list-style-type: none"> <li>• Opportunity to raise awareness, inform and explain</li> </ul>	Community and Stakeholders

### 6.2 What does Communications Success look like? *[What do you want the public/stakeholders to think and understand?]*

The community and stakeholders have a good understanding of the proposed Strategic Direction and exposure to the LTP 2020/21 process and brand.

**8 Consideration of Urgent Business Items**

**9 Consideration of Minor Nature Matters**



**10 Exclusion of the Public****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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Plain English Reason</b>
<b>11.1 - Proposed Social Housing Trial</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy

**11 Public Excluded Reports**

**11.1 Proposed Social Housing Trial**

**12      Readmittance of the Public**