



AGENDA

Ordinary Council Meeting Tuesday, 7 December 2021

Date Tuesday, 7 December 2021

Time 3pm

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1466226

Timaru District Council

Notice is hereby given that a meeting of the Ordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 7 December 2021, at 3pm.

Council Members

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

Quorum – no less than 5 members

Local Authorities (Members' Interests) Act 1968

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

Bede Carran

Chief Executive

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

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 21 September 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Council Meeting held on 21 September 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 21 September 2021**



MINUTES

**Ordinary Council Meeting
Tuesday, 21 September 2021**

Ref: 1466226

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 21 September 2021 at 3pm**

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

In Attendance: Bede Carran (Chief Executive), Janene Adams (Geraldine Community Board – via Zoom), Hannah Goddard-Coles (Director Engagement & Culture), Paul Cooper (Group Manager Environmental Services), Symon Leggett (Group Manager Recreation & Cultural Services), Erik Barnes (Acting Group Manager Commercial and Strategy), Andrew Dixon (Group Manager Infrastructure), Nicole Timney (Manager of Property Services and Client Representative), Philip Howe (Museum Director)

1 Opening Prayer

Andrew Bright of Salvation Army offered a prayer for the work of Council. This was followed by the singing of the Council waiata.

An acknowledgement was given from the Mayor of the passing of Ian Bowan former Deputy Mayor, to Chief Executive Bede Carran on the loss of his father and to the South Canterbury District Health Board staff and members affected by the tragic event of last week.

2 Apologies

Motion

Resolution 2021/115

Moved: Cr Richard Lyon
Seconded: Mayor Nigel Bowen

That the apologies of Wayne O'Donnell; Lloyd McMillan & Raewyn Hessel are accepted.

Carried

3 Public Forum

Jason Power of the South Canterbury District Health Board (SCDHB) attended to speak to the Council to update on the South Canterbury District Health Board. Mr Power acknowledged the event of last week and its profound impact on staff & the District Health Board.

The South Canterbury District Health Board is well placed on Covid-19 vaccination programme with 65,000 doses administered to date. Despite the impacts of Covid-19, the Health Board continues to

deliver services to the community with aged services goals continually being met. The Health Board is in a position to grow its services within the community. Non-Government Organisation (NGO) services are set up to provide support services. Rural services are also well established and perform an important support function to the community and SCDHB.

All District Health Boards are being disestablished and as at 1 July 2022 will be reform into a single entity, Health NZ which will still be governed by the Ministry of Health. The Health Board is capitalising on Timaru District's benefits as a place to live as an advantage in recruitment of staff. Their focus is now to prepare for the transition to Health NZ getting systems & processes in place for a smooth transition. Mr Power did not believe the proposed changes to the Health Board will upset the balance between the private and public health care providers in Timaru.

Mr Power was asked about the Covid-19 vaccination rates, to which Mr Power clarified of the 65,000 doses, 40,000 were the first dose. They recently had 10,000 appointments made for doses over a two week period. The focus on vaccinations is protecting the community and giving the right information to enable an informed decision.

The Health Board is undertaking a \$30 million major rebuild programme with the Timaru Hospital with a new entrance foyer and café in its final stages. A new Assessment, Treatment and Rehabilitation Unit is set to open in November. They are in the process of upgrading floors one by one over a 3½ year period and switching the heating system from a coal boiler to an air sourced heat pump system in early December. This switch will involve closing the theatres for four days. Despite a slowdown over lockdown restrictions, all projects are within their respective budgets.

Mr Power reiterated the importance of the relationship between the SCDHB and the Council and expressed his wish for it to continue positively.

4 Identification of Urgent Business

A motion was proposed to remove item 13.3 – Theatre Royal & Heritage Facility Project Option, out of Public Excluded and into the Ordinary Meeting for the reasons of transparency for the public on how the Council came to its decision. Advice from Officers indicated there would be significant risk to the Council's negotiating position should the matter be discussed outside of Public Excluded.

Motion

Resolution 2021/116

Moved: Cr Stu Piddington

Seconded: Cr Gavin Oliver

That item 13.3 be brought out of Public Excluded.

In Favour: Clrs Allan Booth, Gavin Oliver and Stu Piddington

Against: Clrs Nigel Bowen, Peter Burt, Barbara Gilchrist, Richard Lyon, Paddy O'Reilly, Sally Parker and Steve Wills

Lost 3/7

5 Identification of Matters of a Minor Nature

There were no matters of matters of minor nature.

6 Declaration of Conflicts of Interest

There were declarations of conflicts of interest relating to Item 9.1 from the following Councillors:

- Cr Stu Piddington declared a conflict of interest in relation to item 9.1, due to being a member of the Tennis South Canterbury Board.
- Cr Gavin Oliver declared a conflict of interest in relation to item 9.1, due to involvement with the Combined Sports Trust
- Cr Paddy O'Reilly declared a conflict of interest in relation to item 9.1, due to involvement with the Temuka Projects Trust

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 10 August 2021

Resolution 2021/117

Moved: Cr Barbara Gilchrist

Seconded: Cr Steve Wills

That the Minutes of the Council Meeting held on 10 August 2021 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 2021/118

Moved: Mayor Nigel Bowen

Seconded: Cr Paddy O'Reilly

That the report be received and noted.

Carried

8.2 Schedule of Functions Attended by the Chief Executive

Resolution 2021/119

Moved: Cr Gavin Oliver

Seconded: Cr Sally Parker

That the report be received and noted.

Carried

9 Reports

9.1 Stimulus Fund Accountability and Extension Requests Received

The Acting Group Manager Commercial & Strategy presented this report as an overview of projects completed through stimulus fund and requests received for extensions. The Acting Group Manager Commercial and Strategy advised & clarified an update from CPlay who have indicated CPlay is not looking for an extension but wished to acknowledge the relationship and collaboration with Council.

Resolution 2021/120

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

That Council:

1. Receives and notes the Accountability Form from applicants of completed projects from the 2020/21 Timaru District Council Stimulus Fund; and
2. Approves the request for extensions for the noted applicants, including any conditions.

Completed projects.

South Canterbury Car Club Inc. – Levels Raceway Resealing Project

Lions Club of Timaru Suburban – South Canterbury Bike Park Skills

South Canterbury Traction Engine & Transport Museum – New Classic Truck & Vintage Tractor Building

Temuka & Geraldine Agricultural & Pastoral Association – Re-roofing of the main building at the Winchester Domain / Showground

Carried

Motion

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

That the Accountability Forms for completed projects be received.

Fraser Park Community Trust

Motion

Moved: Cr Steve Wills

Seconded: Cr Peter Burt

That the extension requested is approved.

Temuka District Projects Trust**Motion**

Moved: Cr Sally Parker

Seconded: Cr Allan Booth

That the extension requested is approved.

Central South Island Cycle Trails Inc.**Motion**

Moved: Cr Paddy O'Reilly

Seconded: Cr Barbara Gilchrist

That the extension requested is approved.

CPlay Timaru

Noted; extension not requested.

Tennis South Canterbury Inc.**Motion**

Moved: Cr Peter Burt

Seconded: Cr Gavin Oliver

That the extension requested is approved.

Geraldine Combined Sports Inc. (GCS)**Motion**

Moved: Cr Steve Wills

Seconded: Cr Peter Burt

That the extension requested is approved.

9.2 Director and Trustee Appointment Committee Membership

The Acting Group Manager Commercial and Strategy spoke this report for Council to consider a proposal to increase the size of the Director and Trustee Appointment Subcommittee from three to four members and provide the Chair with the delegated authority to appoint a replacement member or members to the Director and Trustee Appointment Subcommittee in the event of a sitting member or members being unavailable.

Resolution 2021/121

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

1. That the Director and Trustee Appointment Committee be increased in membership from three to four members.
2. That Council delegate authority to the Chair to appoint a replacement member or members to the Director and Trustee Appointment Committee in the event of a sitting member or members being unavailable.

Carried

9.3 Tenders and Procurement Committee Delegations

The Acting Group Manager Commercial and Strategy spoke this report to consider a proposal to revise the existing membership and delegations of the Tenders and Procurement Committee to enable all Council Members to be involved in tenders decision-making relating to the Theatre Royal and Heritage Facility project.

Resolution 2021/122

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

1. That the Tenders and Procurement Committee delegations be adjusted as outlined:
 - i. Membership: For carrying out Delegation 2 below, the membership is the Mayor as Chairperson and all Elected Members.
 - ii. Delegation 2: Delegated authority for the Theatre Royale and Heritage Facility Project until the point in time when the main contract is signed, to accept tenders and contracts exceeding \$750,000, and approve changes to the scope of work, cost or the procurement plan, provided the cost remains within Council's overall budget.

Carried

9.4 TDHL Director Skills Matrix

The Acting Group Manager Commercial and Strategy spoke this report to consider a request to confirm, or otherwise, the recommendations from the Directors and Trustees Selection Subcommittee on the skills matrix to be used for the Timaru District Holdings Limited Director position.

Resolution 2021/123

Moved: Cr Steve Wills

Seconded: Cr Peter Burt

That Council approves the Skills Matrix to be used to identify appropriate candidates for the Timaru District Holdings Limited Director position.

Carried

9.5 Reporting of Council Controlled Organisations

The Acting Group Manager Commercial and Strategy spoke this report for Council to consider amending the delegation such that Timaru District Holdings Limited and Venture Timaru report directly to full Council as opposed to the Commercial and Strategy Committee. The Acting Group Manager Commercial and Strategy spoke to Council stating the changing in reporting would make for an effective decision making process.

Resolution 2021/124

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That Council approves that Timaru District Holdings Limited and Venture Timaru report directly to full Council.

Carried

10 Consideration of Urgent Business Items

There were no matters of Urgent Business

11 Consideration of Minor Nature Matters

There were no matters of Minor Nature

12 Public Forum Items Requiring Consideration

There were no matters of Public Forum requiring consideration.

13 Resolution to Exclude the Public

Resolution 2021/125

Moved: Cr Gavin Oliver

Seconded: Cr Barbara Gilchrist

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - New Zealand (Emissions) Units - Options to Acquire	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	Commercial sensitivity

	person who supplied or who is the subject of the information	
13.2 - TDHL Director Reappointment	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
13.3 - Theatre Royal & Heritage Facility Project Option	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)(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)	Commercial sensitivity To enable commercial or industrial negotiations

Carried

Motion

Moved: Cr Steve Wills

Seconded: Cr Peter Burt

That persons to speak to Council on the matters to be discussed in the Public Exclusion may remain for that purpose.

14 Public Excluded Reports

13.1 New Zealand (Emissions) Units - Options to Acquire

13.2 TDHL Director Reappointment

13.3 Theatre Royal & Heritage Facility Project Option

15 Readmittance of the Public

Resolution 2021/126

Moved: Mayor Nigel Bowen

Seconded: Cr Richard Lyon

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

Carried

The meeting closed at 6.09pm.

.....
Mayor Nigel Bowen
Chairperson

Unconfirmed

7.2 Minutes of the Extraordinary Council Meeting held on 28 September 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Council Meeting held on 28 September 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 Council Meeting held on 28 September 2021**



MINUTES

**Extraordinary Council Meeting
Tuesday, 28 September 2021**

Ref: 1466226

**Minutes of Timaru District Council
Extraordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 28 September 2021 at 3.00pm**

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

In Attendance: Anne Lemmens (Pleasant Point Community Board), Ashley Harper (Three Waters Stimulus Advisor), Wayne O'Donnell (Geraldine Community Board), Jan Finlayson (Geraldine Community Board via Zoom), Andrew Dixon (Group Manager Infrastructure), Hannah Goddard-Coles (Director Engagement & Culture), Stephen Doran (Communications Manager); Erik Barnes (Acting Group Manager Commercial & Strategy), Paul Cooper (Group Manager Environmental Services), Bede Carran (Chief Executive), Mark Low (Strategy & Corporate Planning Manager), Symon Leggett (Group Manager Recreational & Cultural Services)

1 Apologies

Apology

Resolution 2021/127

Moved: Mayor Nigel Bowen

Seconded: Cr Paddy O'Reilly

That the apology received from Geraldine Community Board Member Janene Adams be accepted.

Carried

2 Declaration of Conflicts of Interest

There were no Conflicts of Interest.

3 Matters of Urgent Business

3.1 Timaru District Holdings Limited Constitution - Appointment of Chair & Deputy Chair

Cr Stu Piddington requested clarification on a matter tabled in the Council meeting of 21 September 2021 where the issue of shareholder appointing only the Chair of Timaru District Holdings Limited (TDHL) was raised. TDHL's constitution provides for the shareholder to appoint both the Chair and Deputy Chair. The matter tabled is to be discussed at the next Council meeting on 26 October 2021.

3.2 Membership to Local Government New Zealand

Mayor Nigel Bowen raised concern regarding Council's current membership of Local Government New Zealand (LGNZ) due to LGNZ's position and lack of advocacy on the 3 Waters reforms as

proposed by the Government. It was noted that LGNZ had not consulted Council on the Heads of Agreement it reached with the Government, and Council formed the view LGNZ had not advocated sufficiently by a significant margin to fairly represent Council's views as to the reforms.

The general consensus was to support cancellation of Council's membership of LGNZ. The Chief Executive outlined possible ramifications regarding Council's cancellation. However, Council is hopeful that LGNZ will enter into dialogue to address the issues.

Council also considered requesting a paper on the options available, written correspondence in the form of a Letter of Concern to LGNZ and/or a vote of no confidence in the LGNZ leadership. It was decided not to pursue these options.

Resolution 2021/128

Moved: Cr Richard Lyon

Seconded: Cr Steve Wills

That the Timaru District Council withdraws its membership to Local Government New Zealand with details of the withdrawal is delegated to the Mayor to negotiate and finalise.

Carried

5 Reports

5.1 Three Waters Submission

The Water Stimulus Advisor & Acting Group Manager Commercial and Strategy spoke this report on the Government's Three Waters Proposal.

Consideration was given to specific information forming the supporting evidence to the Government's Three Waters Reform. Independent analysis had identified concerns with the Government's evidence.

All correspondence from their constituents to their Elected Members was overwhelmingly against the Government's proposals, with some correspondence raising the requirement of a referendum. The issue of a referendum had been raised in the past but was deemed not feasible due to the time constraints imposed on Councils to complete their submissions.

There was agreement that the Central Government proposal of setting up a Water Authority – Taumata Arowai – was supported in determining water standards and accountability but issues were raised as to water infrastructure and Governance.

Resolution 2021/129

Moved: Cr Peter Burt

Seconded: Cr Sally Parker

1. That Council notes the information outlined in the report on the background and progress of the Government's Three Waters Reform Programme.
2. That Council provides feedback on issues of concern regarding the Three Waters Reform Proposal to enable the development of Council's submission to the Government.
3. That Council resolves that Timaru District Council opposes the New Zealand Government's proposal to establish four water entities and removal of three waters assets and services from local Councils; and that following engagement with the Three Waters Review and the

more recent reform proposals, Council has identified three primary concerns that will form the basis of the submission to the Department of Internal Affairs:

- (a) Loss of local voice, decision-making, and ability to meet local needs and aspirations;
- (b) The evidence on which the proposal is based is flawed; and
- (c) Three water service delivery reform should not take place in the absence of clear regulatory standards, and the framework for financial regulation.

Carried

Motion

Moved: Mayor Nigel Bowen

Seconded: Cr Steve Wills

- 4. That Council resolves that Timaru District Council agrees that the Three Waters sector faces many challenges and that the status quo may not be sustainable at a national level, but believes that changes should be aligned and integrated with other local government reforms (Future for Local Government and Resource Management Act Reform); and supports the establishment of Taumata Arowai and the economic regulator, but believes these entities should be given time to become established and clear regulations identified before any reforms, as proposed by Government, are undertaken.
- 5. That Council delegates authority to the Mayor and Chief Executive to amend and approve the Submission to Government on the Three Waters Reform Proposal.

Carried

The meeting closed at 1605.

.....
Mayor Nigel Bowen

Chairperson

7.3 Minutes of the Council Meeting held on 26 October 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Council Meeting held on 26 October 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 26 October 2021**



MINUTES

**Ordinary Council Meeting
Tuesday, 26 October 2021**

Ref: 1466226

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 26 October 2021 at 3pm**

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

In Attendance: Bede Carran (Chief Executive), Erik Barnes (Acting Group Manager Commercial & Strategy), Andrea McAlister (Acting Director Engagement & Culture), Symon Leggett (Group Manager Recreation & Cultural Services), Paul Cooper (Group Manager Environmental Services), Andrew Dixon (Group Manager Infrastructure), Mark Low (Strategy & Corporate Planning Manager), Nicole Timney (Manager of Property Services & Client Representative), Jason Rivett (Acting Chief Financial Officer), Ann Fitzgerald (Corporate Planner), Nigel Davenport (Chief Executive Venture Timaru)

1 Opening Prayer

Reverend Josh Taylor of St. Johns Anglican Church Highfield offered a prayer for the work of the Council. This was followed by the singing of the Council waiata.

2 Apologies

Apology

Resolution 2021/131

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That the apologies received from Cr Peter Burt, Wayne O'Donnell Chairman of the Geraldine Community Board & Tewera King of Te Runanga o Arowhenua be accepted.

Carried

3 Public Forum

Students from St. Josephs School made three presentations to the Council as a result of a school project. Daniel Eastmead discussed the need for drinking fountains in the Temuka Domain. Ruby McNaught & Kilian Frisby presented results of their investigation of suitable trees in the Temuka Domain to mitigate erosion to help in future flooding events. Hamish Brown presented his ideas in fencing solutions to mitigate the post-flooding cleanup that had been experienced in the latest flooding event. Ideas included laying drains under fencing, secondary net fencing and laying swales to direct floodwater to holding ponds. All presentations were well received, with several ideas to be presented to the Temuka Community Board and Orari Temuka Opihi Pareora Water Zone Committee.

4 Identification of Urgent Business

There were no items of urgent business to be received.

5 Identification of Matters of a Minor Nature

There were no matters of minor nature.

6 Declaration of Conflicts of Interest

Mayor Nigel Bowen declared a conflict of interest in relation to item 8.5 due to a business interest.

7 Schedules of Functions Attended

7.1 Schedule of Functions Attended by the Chief Executive

Resolution 2021/132

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

That the report be received and noted.

Carried

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

Resolution 2021/133

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the report be received and noted.

Carried

8 Reports

8.1 Affixing of the Common Seal

Resolution 2021/134

Moved: Mayor Nigel Bowen

Seconded: Cr Steve Wills

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

23 September 2021 Warrants of Appointment

Carried

8.2 Venture Timaru Annual Report

The Chief Executive of Venture Timaru spoke to the Venture Timaru Annual Report 2020/21.

2020/2021 is the first full year for Venture Timaru as both the Timaru District Economic Development Agency and the District Tourism Agency. Visitor spending has been down on previous years as a result of the global pandemic. However, Timaru's largest visitor market is predominantly from the wider Canterbury region.

Venture Timaru has collaborated with Waitaki District Council, Waimate District Council & MacKenzie District Council in developing a visitors mobile app called ROAM (River, Ocean, Astro & Mountain Loop) as a visitor driving loop to encourage visitors to the lesser known areas of the District.

Several challenges have contributed to the difficulties in attracting business to the district. Most notably the ability of producers being able to shift their product in and out of the region due to the integration of road, rail & sea transport links. Also identified was a lack of large scale subdivisions, such as that have been developed in Lincoln and Rolleston in the Selwyn District. This is seen as a hindrance in attracting new residents to the District, particularly in the 30-40 year olds with young families demographic that often make up "middle-management" in the labour market.

Resolution 2021/135

Moved: Cr Barbara Gilchrist

Seconded: Mayor Nigel Bowen

That the Venture Timaru Annual Report 2020/21 be received and noted.

Carried

8.3 Council Meeting Calendar 2022

The Acting Group Manager Commercial and Strategy and Strategy and Corporate Planning Manager spoke to this report regarding the proposed calendar for 2022.

Resolution 2021/136

Moved: Cr Sally Parker

Seconded: Mayor Nigel Bowen

That the Council meetings calendar for 2022 be adopted.

Carried

8.4 Carry Forward Requests for 2020/2021

The Acting Chief Financial Officer and Acting Commercial and Strategy Group Manager spoke to this report. The purpose of this report is to ensure that funding previously approved in the 2020-21 Annual Plan for capital expenditure forecasted during the financial year remains available in the current financial year. Due to a variety of reasons some expenditure and/or projects remain as work in progress or not commenced at the end of the financial year. This will keep in place the funding required for the capital expenditure and projects to ensure their purchase and/or completion.

Resolution 2021/137

Moved: Cr Barbara Gilchrist

Seconded: Cr Steve Wills

That the Council approves \$7,250,413 in capital and \$33,121 in operational carried forward expenditure outlined in this report and that the 2021-22 forecast be amended to reflect this approved expenditure (noting it does not have an impact on rates for the current financial year).

Carried

8.5 Review of Joint Timaru, Mackenzie and Waimate District Councils Local Alcohol Policy

Mayor Nigel Bowen excused himself from the discussion. Cr Steve Wills assumed the chairmanship.

Group Manager Environmental Services spoke to this report. The purpose of this report is to seek a Council decision on the continuation of a Local Alcohol Policy (LAP) for the Timaru District, and if so, confirm that it should remain a Joint LAP with the Mackenzie (MDC) and Waimate (WDC) District Councils, should MDC and WDC wish to maintain this approach.

Resolution 2021/138

Moved: Cr Steve Wills

Seconded: Cr Paddy O'Reilly

That Council confirms a Local Alcohol Policy in the Timaru District is still required and confirms it remain a joint Local Alcohol Policy with the Mackenzie and Waimate District Councils.

Carried

Mayor Nigel Bowen resumed the chairperson.

9 Consideration of Urgent Business Items

There were no items of urgent business to be received.

10 Consideration of Minor Nature Matters

There were no matters of minor nature.

11 Public Forum Items Requiring Consideration

There were no matters of public forum requiring consideration.

12 Resolution to Exclude the Public**Resolution 2021/139**

Moved: Cr Barbara Gilchrist

Seconded: Cr Richard Lyon

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
12.1 - Caroline Bay Soundshell Seating Replacement Project - Contract No. 2490	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

13 Public Excluded Reports

12.1 Caroline Bay Soundshell Seating Replacement Project - Contract No. 2490

14 Readmittance of the Public

Resolution 2021/140

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

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

Carried

The meeting closed at 1618.

.....
Mayor Nigel Bowen
Chairperson

7.4 Minutes of the Extraordinary Council Meeting held on 5 November 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Council Meeting held on 5 November 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 Council Meeting held on 5 November 2021**



MINUTES

Emergency Council Meeting Friday, 5 November 2021

Ref: 1466226

**Minutes of Timaru District Council
Emergency Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Friday, 5 November 2021 at 8.30**

Present: Mayor Nigel Bowen (Chairperson), Cr Allan Booth, Cr Peter Burt, Cr Richard Lyon, Cr Gavin Oliver (via Zoom), Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills (via Zoom)

In Attendance: Andrew Dixon (Group Manager Infrastructure), Hannah Goddard-Coles (Director Engagement & Culture), Nicole Timney (Property Services Manager & Client Representative), Stephen Doran (Communications Manager), Phil Melhopt (Chief Executive of PrimePort), Erik Barnes (Acting Group Manager Commercial & Strategy via Zoom), Paul Cooper (Group Manager Environmental Services via Zoom), Bede Carran (Chief Executive), Mark Low (Strategy & Corporate Planning Manager)

1 Apologies

Resolution 2021/141

Apology

Moved: Mayor Nigel Bowen
Seconded: Cr Allan Booth

That the apology received from Cr Barbara Gilchrist be accepted and leave of absence granted.

Apology

Moved: Mayor Nigel Bowen
Seconded: Cr Richard Lyon

That the apology received from Cr Paddy O'Reilly be accepted and leave of absence granted

Carried

Resolution 2021/142

Moved: Mayor Nigel Bowen
Seconded: Cr Peter Burt

That in accordance with Standing Order 2.16.3, Phil Melhopt of Primeport Timaru may remain after the public has been excluded as Mr. Melhopt has knowledge that will assist the authority.

.Carried

At 8:37 am, Cr Stu Piddington arrived at the meeting.

2 Declaration of Conflicts of Interest

Cr Steve Wills declared a conflict of interest in relation to item 4.1, due to his role with Timaru Primeport. Noted Only as an employee & has no financial interest in the decision

3 Resolution to Exclude the Public

Motion

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
4.1 - Investment in port infrastructure	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)(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)	Commercial sensitivity To enable commercial or industrial negotiations

4 Public Excluded Reports

4.1 Investment in port infrastructure

5 Readmittance of the Public

Motion

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

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

The meeting closed at 9.27am.

.....
Mayor Nigel Bowen
Chairperson

Unconfirmed

7.5 Minutes of the Extraordinary Council Meeting held on 9 November 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Council Meeting held on 9 November 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 Council Meeting held on 9 November 2021**



MINUTES

Extraordinary Council Meeting Tuesday, 9 November 2021

Ref: 1466226

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

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

In Attendance: Bede Carran (Chief Executive), Mark Low (Strategy & Corporate Planning Manager), Hannah Godard-Coles (Director Engagement & Culture) Erik Barnes (Acting Group Manager Commercial & Strategy), Symon Leggett (Group Manager Recreation & Culture), Andrew Dixon (Group Manager Infrastructure), Paul Cooper (Group Manager Environmental Services)

1 Apologies

Apology

Resolution 2021/143

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the apology received from Cr Barbara Gilchrist be accepted and leave of absence granted.

Carried

2 Declaration of Conflicts of Interest

There were no declarations of conflict of interest.

3 Identification of Matters of a Minor Nature

Mayor Nigel Bowen tabled two matters to be discussed as Items of Minor Nature

- i. Engagement with Technical Working Group
- ii. Intended letter to the Prime Minister

4 Resolution to Exclude the Public**Motion**

Moved: Mayor Nigel Bowen

Seconded: Cr Steve Wills

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
4.1 - Legal Advice on Property Matter	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.

5 Public Excluded Reports**5.1 Legal Advice on Property Matter****6 Consideration of Urgent Business Items****7 Readmittance of the Public****Motion**

Moved: Cr Paddy O'Reilly

Seconded: Cr Stu Piddington

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

The meeting closed at 4.15pm.

.....
Mayor Nigel Bowen

Chairperson

7.6 Minutes of the Extraordinary Council Meeting held on 23 November 2021

Author: Andrew Feary, Governance Advisor

Recommendation

That the Minutes of the Extraordinary Council Meeting held on 23 November 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 Council Meeting held on 23 November 2021**



MINUTES

Extraordinary Council Meeting Tuesday, 23 November 2021

Ref: 1466226

**Minutes of Timaru District Council
Extraordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 23 November 2021 following Standing Committees**

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

In Attendance: Bede Carran (Chief Executive), Mark Low (Strategy & Corporate Planning Manager), Andrew Dixon (Group Manager Infrastructure), Paul Cooper (Group Manager Environmental Services), Erik Barnes (Acting Group Manager Commercial & Strategy), Symon Leggett (Group Manager Recreation & Cultural Services)

1 Apologies

There were no apologies.

2 Declaration of Conflicts of Interest

There were no declarations of conflicts of interest.

3 Reports

3.1 Timaru District Holdings Limited Appointment of Proxy

The Acting Group Manager Commercial & Strategy presented the report to appoint a proxy and alternative proxy to attend the Timaru District Holding Limited (TDHL) Annual General Meeting.

In addition, the formal notice of the Annual General Meeting for Timaru District Holdings Limited was tabled.

Resolution 2021/144

Moved: Mayor Nigel Bowen

Seconded: Cr Paddy O'Reilly

That Mayor Nigel Bowen and Cr Paddy O'Reilly are appointed proxy and alternative proxy to represent the Council at the Timaru District Holding Limited Annual General Meeting.

Carried

Resolution 2021/145

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That the formal notice of the Timaru District Holdings Limited Annual General Meeting is received.

.Carried

3.2 Venture Timaru Appointment of Proxy

The Acting Group Manager Commercial & Strategy presented this report to appoint a proxy and alternative proxy to attend the Venture Timaru Annual General Meeting.

Resolution 2021/146

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That Mayor Nigel Bowen and Cr Peter Burt are appointed to represent the Council at the Venture Timaru Annual General Meeting.

Carried

4 Resolution to Exclude the Public

Resolution 2021/147

Moved: Mayor Nigel Bowen

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
1.1 - Appointment of TDHL Director	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
5.1 - Appointment of Deputy Chair: Timaru District Holdings Limited	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

Carried

- 5 Public Excluded Reports**
- 5.1 Appointment of TDHL Director**
- 5.2 Appointment of Deputy Chair: Timaru District Holdings Limited**
- 6 Readmittance of the Public**

Resolution 2021/148

Moved: Mayor Nigel Bowen

Seconded: Cr Steve Wills

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

Carried

The meeting closed at 12.50pm.

.....
Mayor Nigel Bowen
Chairperson

Unconfirmed

8 Schedules of Functions Attended

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

Author: Roma Whyte, Executive Assistant to Mayor

Authoriser: Nigel Bowen, Mayor

Recommendation

That the report be received and noted.

Functions Attended by the Mayor for the Period 15 October 2021 to 23 November 2021.

<i>15 October 2021</i>	Attended Safer Communities Meeting Meeting with Waimakariri Mayor, Waimakariri Chief Executive, Whangarei Mayor, Whangarei Chief Executive and Senior Consultant at BRG Ltd
<i>17 October 2021</i>	Attended Trafalgar Day Ceremony
<i>18 October 2021</i>	Attended Civil Defence Emergency Management Extraordinary Meeting Attended Three Waters Strategy Meeting Meeting with South Canterbury District Health Board and the South Canterbury Mayors and South Canterbury Chief Executives
<i>19 October 2021</i>	Attending Council Workshop
<i>20 October 2021</i>	Meeting with Primeport New Zealand and Venture Timaru Chief Executive
<i>21 October 2021</i>	Meeting with Canterbury Aoraki Area Commander
<i>22 October 2021</i>	Attended Venture Timaru Meeting
<i>26 October 2021</i>	Attended Te Ana Wai Pipeline Construction Blessing Attended Council Meeting Attended Ara Timaru Campus Regional Master Plan
<i>27 October 2021</i>	Attended Age Friendly Steering Group Meeting Meeting with Manager of Citizens Advice Bureau South Canterbury Visited Ti Kouka Kindergarten
<i>28 October 2021</i>	Attended Three Waters Strategy Meeting Attended South Canterbury Young Enterprise Scheme Regional Finals
<i>29 October 2021</i>	Attended Three Waters Strategy Meeting Visited Grantlea Downs Primary School
<i>1 November 2021</i>	Meeting with Maori Professional Development Providers from Kia Tika te Ara

- Meeting with Chairman of Venture Timaru
Attended Three Waters Strategy Meeting
- 2 November 2021* Attended Three Waters Strategy Meeting
Attended Extraordinary Tenders & Procurement Committee Meeting
- 3 November 2021* Meeting with General Manager of Timaru District Holdings Limited
Attended Extraordinary Director & Trustee Appointment Subcommittee
Attended Justice of the Peace Association General Meeting
- 4 November 2021* Attended Safer Communities Meeting
Meeting with Director of Education for Canterbury
- 5 November 2021* Attended Emergency Council Meeting
Attended Canterbury Mayoral Forum Economic Development Group Meeting
- 6 November 2021* Attended the Washdyke to Pleasant Point Bike Trail Opening
- 8 November 2021* Attended Three Waters Strategy Meeting
Meeting with MP for Rangitata
Attended South Island Masters Games Board Meeting
- 9 November 2021* Attended Extraordinary Tenders & Procurement Committee Meeting
Attended Extraordinary Council Meeting
Attended Council Workshops
- 10 November 2021* Attended Three Waters Strategy Meeting
Attended Canterbury Mayoral Forum/Waka Kotahi Meeting
Attended Safer Communities Meetings
- 11 November 2021* Attended Ara Business Breakfast
Attended Armistice Day Service
Attended Three Waters Strategy Meeting
- 13 November 2021* Attended Official New Museum Opening & Club Day
- 15 November 2021* Meeting with Chief Executive Officer of New Zealand Infrastructure Commission
Attended Temuka Community Board Meeting
Attended Three Waters Strategy Meeting
- 16 November 2021* Attended Council Workshops
Attended Fraser Park Community Trust Redevelopment Information Meeting
- 17 November 2021* Meeting with Chair and Chief Executive Venture Timaru District
Attended Age Friendly Launch Question & Answer Meeting

	Attended A D Hally Trust Meeting
	Attended Geraldine Community Board Meeting
<i>18 November 2021</i>	Attended Canterbury Mayoral Forum Working Dinner
<i>19 November 2021</i>	Attended Canterbury Mayoral Forum Meeting
	Attended Civil Defence Emergency Management Group Joint Committee meeting
<i>20 November 2021</i>	Attended Three Waters Strategy Meeting
<i>23 November 2021</i>	Attended Standing Committee Meetings
	Attended Council Meeting

In addition to these duties meetings were also held with various members of the public on issues of concern to them.

Functions Attended by the Deputy Mayor for the Period 15 October 2021 to 23 November 2021.

<i>18 November 2021</i>	Attended CPlay Steering Group Meeting
<i>19 October 2021</i>	Attended Council Workshop
<i>22 October 2021</i>	Attended Venture Timaru Meeting
<i>26 October 2021</i>	Attended Council Meeting
<i>3 November 2021</i>	Attended Aoraki Sports Persons Charitable Trust Meeting
	Attended Extraordinary Director & Trustee Appointment Subcommittee
<i>5 November 2021</i>	Attended Emergency Council Meeting
<i>9 November 2021</i>	Attended Extraordinary Tenders & Procurement Committee Meeting
	Attended Extraordinary Council Meeting
	Attended Council Workshops
<i>11 November 2021</i>	Attended Armistice Day Service
<i>15 November 2021</i>	Attended CPlay Steering Group Meeting
<i>16 November 2021</i>	Attended Council Workshops
	Attended Fraser Park Community Trust Redevelopment Information Meeting
<i>19 November 2021</i>	Attended City Hub Project Steering Group Meeting
<i>23 November 2021</i>	Attended Standing Committee Meetings
	Attended Council Meeting

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 15 October 2021 and 24 November 2021.

<i>15 October 2021</i>	Meeting with Chief Executive of PrimePort Timaru Meeting with Regional Civil Defence Group Controller
<i>18 October 2021</i>	Meeting with representatives of South Canterbury District Health Board Meeting with General Manager Timaru District Holdings Limited
<i>19 October 2021</i>	Attended Council Workshops
<i>20 October 2021</i>	Meeting with Chief Executive of Venture Timaru District and Chief Executive of Primeport Timaru Meeting with General Manager Arowhenua Marae
<i>21 October 2021</i>	Meeting with Canterbury Aoraki Area Commander Meeting with representative of Aoraki Environmental Consultants Limited
<i>26 October 2021</i>	Attended Council Meetings Attended Ara Timaru Campus Regional Master Plan Meeting
<i>27 October 2021</i>	Meeting with Chief Executive Alpine Energy Limited
<i>28 October 2021</i>	Meeting with Chief Executive Venture Timaru District Attended Three Waters Strategy Meeting
<i>29 October 2021</i>	Attended Three Waters Strategy Meeting
<i>1 November 2021</i>	Attended Three Waters Strategy Meeting
<i>2 November 2021</i>	Meeting with Chief Executive Taituara
<i>3 November 2021</i>	Meeting with South Canterbury Regional Manager Environment Canterbury Attended Extraordinary Director & Trustee Appointment Subcommittee Meeting
<i>5 November 2021</i>	Attended Emergency Council Meeting
<i>8 November 2021</i>	Attended Canterbury Chief Executives Forum Attended Civil Defence Emergency Management Coordinating Executive Group Meeting

- 9 November 2021* Meeting with Chief Executive Venture Timaru District
Meeting with General Manager Timaru District Holdings Limited
Attended Extraordinary Tenders and Procurement Committee Meeting
Attended Extraordinary Council Meeting
Attended Council Workshops
- 10 November 2021* Attended Three Waters Strategy Meeting
- 11 November 2021* Attended Ara Business Breakfast
Meeting with representatives of Ara
Chaired Taituara Business Performance Committee Meeting
Attended Three Waters Strategy Meeting
- 12 November 2021* Meeting with General Manager Arowhenua Marae
- 15 November 2021* Attended Three Waters Strategy Meeting
- 16 November 2021* Attended Council Workshops
- 17 November 2021* Meeting with Chair and Chief Executive Venture Timaru District
- 18 November 2021* Attended Canterbury Mayoral Forum Working Dinner
- 19 November 2021* Attended Canterbury Mayoral Forum Meeting
Attended Canterbury Civil Defence Emergency Management Group Joint Committee meeting
- 20 November 2021* Attended Three Waters Strategy Meeting
- 23 November 2021* Attended Standing Committee Meetings
Attended Council Meeting
Attended Rangitata South Irrigation Scheme Meeting

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: Andrew Feary, Governance Advisor

Authoriser: Erik Barnes, Acting Group Manager Commercial and Strategy

Recommendation

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

15 November 2021 Approval of Warrants

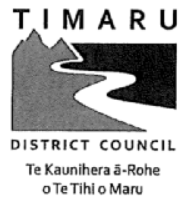
be received and noted.

Purpose

To report the affixing of the Common Seal to Approval of Warrants letter.

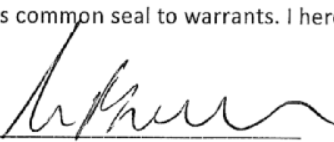
Attachments

1. Approval of Warrants [↓](#) 

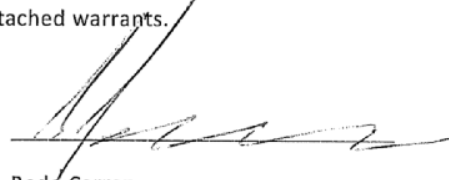


Approval of warrants

I, Bede Carran, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 3.4 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.



Nigel Bowen



Bede Carran

15/11/2021

Date



Name	Organisation/role
[REDACTED]	TDC – Animal Control Officer
[REDACTED]	TDC – Parking Warden
[REDACTED]	TDC – Water Treatment Operator
[REDACTED]	TDC – Water Treatment Operator
[REDACTED]	TDC – Trade Waste Officer
[REDACTED]	TDC – Waste Water Compliance Officer
[REDACTED]	TDC – District Planning Manager
[REDACTED]	First Security – Enforcement Officer
[REDACTED]	First Security – Enforcement Officer
[REDACTED]	Contractor - Environmental Health Officer, Enforcement Officer & Licensing Inspector
[REDACTED]	Contractor - Environmental Health Officer, Enforcement Officer & Licensing Inspector

[REDACTED] #1457108

9.2 Venture Timaru Quarterly Report 1 July to 30 September 2021**Author:** Erik Barnes, Acting Group Manager Commercial and Strategy**Authoriser:** Bede Carran, Chief Executive**Recommendation**

That the Venture Timaru Quarterly Report for the period ending 30 September 2021 be received and noted.

Purpose of Report

- 1 To present the Venture Timaru quarterly report for their Economic Development and Visitor Promotion operations for the quarter to 30th September 2021.

Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy. This is a regular report to the Council on progress of Venture Timaru against its Statement of Intent which is considered by Council annually.

Discussion

- 3 Venture Timaru's Quarterly Report for the period ending 30 September 2021 is attached. This is provided by Venture Timaru to Timaru District Council (as shareholder) pursuant to its Statement of Intent.
- 4 The Chief Executive of Venture Timaru will be in attendance to speak to the report.
- 5 Key highlights include: Scott Base redevelopment; refreshed economic development strategy and new destination management plan; logistics and freight disruptions; enhanced engagement with local industry; and tourism and visitor updates.
- 6 For further information click here <https://www.vtdevelopment.co.nz/about-us/what-we-do>

Attachments

1. **Venture Timaru quarterly report to 30 Sept 2021**  



MEMORANDUM

FROM: Nigel Davenport
TO: Timaru District Mayor and Councillors
SUBJECT: Venture Timaru Operational Update for the three months to 30 Sept 2021
DATE: 15th November 2021

Background

Please find attached an update relating to our Economic Development and Visitor Promotion operations for the quarter to 30th Sept 2021.

Highlights

PRIORITY – Scott Base Redevelopment – Primeport Timaru have led the pitch for Timaru to be the location for this exciting and unique project. Over the last 8-9 months we at VT have been able to evidence to both the preferred contractor Leighs Construction and Antarctica NZ the strong capability and capacity of local supporting subcontractor/trades sector as well as promoting the wide variety of mutually beneficial opportunities in selecting Timaru as the base for the project.

Early November we were thrilled to hear that we had been successful in securing this project which will bring a multitude of benefits and opportunities to the Timaru District and wider South Canterbury area. The team approach led by Primeport and involving TDC, and VT was, we believe, integral in the decision to base the project here.

Over and above some of the more obvious economic, social, and educational opportunities which be all become clearer in the months ahead, the opportunity to establish a relationship with Antarctica NZ will be invaluable. There is also a possibility that other Antarctica based countries may well consider a rebuild of their respective bases ex Timaru as well.

Refreshed Economic Development Strategy (EDS) and new Destination Management Plan (DMP) – known as “Project Thrive”, the two draft final documents have been adopted by VT Board at the October Board meeting. An aligning summary document is currently being prepared. Following initial wide stakeholder engagement that helped inform the EDS and DMP, these documents will now be communicated to our wider community over coming months and further feedback sought. Additional funding received from Central Government will fund the implementation of the DMP over coming months.

PRIORITY - Logistics and freight disruptions – the inconsistent supply of containers and disrupted shipping schedules is continuing to impact our food producers and manufacturers affecting production, scheduled capex/R&M, and cost/freight timings to key markets, especially Australia. Noting any cancelled or deferred CAPEX/R&M due to inability to source componentry/machinery will most likely affect production volumes in the coming season as well.

The delays being experienced by NZ for imports and exports are directly related to large numbers of global ships waiting off key ports across China, Singapore, and Los Angeles I the main – up to 200-300 anchored up at any given time. This in turn severely impacts shipping schedules and the timing on NZ visits and ultimately what they have or can carry.



Nationally we have engaged directly with the Ministry of Transport in recent weeks on their developing National Logistics and Supply Chain strategy and stressed to them the urgency of igniting coastal shipping opportunities sooner rather than later. Noting that in the Transport Minister National Transport Policy Statement Sept 2020 set aside \$15m per annum for three years to progress Coastal Shipping investigations and opportunities, Waka Kotahi are calling for expressions of interest to access this funding early 2022. The priorities for this include:

- Support for new and existing services
- Enhanced port infrastructure
- Sector emissions
- Enhancement of intermodal links.

The various shipping and port entities we have been engaging with are well aware of this opportunity and we will continue to work closely with them through this process. To assist with this we are working with industry to collate a database of import/export volumes to help further inform potential coastal shipping opportunities for Timaru.

Enhanced engagement with local industry

- Work continues with the local construction sector and training providers Ara, BCITO, Skills NZ and others to consolidate training and collaboratively deliver **apprenticeship** night and block courses locally.
- The **Sustainable is Attainable** Initiative continuous to develop and following an expansion into the Hawkes Bay, talks are underway with the Nelson area who are keen to align. We are actively representing the local Food Processing and Manufacturing group of businesses in talks with Envirowaste, TDC and others on a variety of “book-end” waste and sustainable energy opportunities.
- Following an initial environmental scan undertaken by Plant & Food on **Horticulture** crops opportunities, a workshop with a range of industry representatives will take place mid-November. This workshop structure to be:
 - Present findings of first report followed by questions and discussion.
 - Whiteboard session – all potential crops – what would we like to grow? “Wish list” structure. Is it biophysically/economically possible, based on the findings of first report?
 - Presentation of options for next steps, including specifications and size of any subsequent project(s); number of Virtual Climate Station Networks (VCSNs) to assess; crop-specific analyses and reporting, potential pilot trials for particular crops (Plant & Food can assist with any subsequent analyses and trials, or bring in other relevant expertise as required).
 - VCSN data are estimates of daily rainfall, potential evapotranspiration, air and vapour pressure, maximum and minimum air temperature, soil temperature, relative humidity, solar radiation, wind speed and soil moisture on a regular (~5km) grid covering the whole of New Zealand.
 - Timeframes for next steps, who needs to be involved etc.,

Aged Friendly Strategy – we continue to be actively involved with this TDC led strategy with our focus now shifting to our priority area of the strategy - Aged Workforce. This will focus on promoting and celebrating local best practice of businesses engaging with and facilitating opportunities for our aged workforce and by doing so encourage others to enhance their own activities and focus on this space.



Tourism and Visitor

Work continues on Central Government tourism funded initiatives and projects as follows:

2020 funded

- Timaru Trails – Work continues to add new trails to the offering, including Temuka, Pleasant Point and Geraldine trails. This is likely to continue through to the end of 2021.
- ROAM.NZ App – App is now live. Promotion will begin in the next month focusing on summer holiday makers, especially those with camper vans and lower North Island market.
- Geraldine Nature and Sculpture Trail – additional funding of \$20k has now been made to Geraldine.nz
- SC Food Heritage Centre – consultant team now working on stakeholder interviews. On target for completion by end of 2021.

2021 funded

- The first work to begin 2021 projects has started with calls for Expressions of Interest for tourism product development contracts. The first two product projects for this will get underway soon – the Tarahaoa project working with Arowhenua to tell the story of Mt Peel and a potential SC Car Museum Mecca working with the SC Car Club.
- Destination Management Plan activation – contractor recently confirmed to work on the first steps, which will be wider community engagement and developing a Net Promoter Score baseline position for Timaru District.
- Engagement has begun early October with the Temuka, Pleasant Point and Geraldine community boards to develop ideas for tourism product development and support in each of the communities.

Events:

- Ongoing uncertainty associated with the current COVID environment are proving very challenging for all event organisers. As a result a number of our key events planned for the traditionally busy summer period are being adversely affected resulting in cancellation or at best deferment.
- Major Events Support Fund – A mix of new and existing events in Timaru District have been allocated a total of \$159,000 in the first distribution of the Major Events Support Fund with the successful recipients being:

○ S C Hospice - Caroline Bay Rock & Hop	\$40,000 (**incl. \$20,000 REF)
○ Geraldine District Promotions - Harcourts Geraldine Festival	\$29,000
○ S C Car Club - Rally South Canterbury	\$25,000
○ 4 & Rotary Promotions - South Island Champs	\$25,000
○ Timaru Golf Club - NZ Women's Interprovincial Golf Tournament	\$20,000
○ Caroline Bay Assn - Caroline Bay Carnival	\$10,000
○ Multicultural Aoraki - Race Relations Day	\$10,000

**** Regional Events Fund – central government funded**

Due to Covid alert level changes, the 4 & Rotary South Island Champs is being postponed until November 2022, Bandquet has been cancelled and the full offering of the Geraldine Festival was not able to take place.

- SCOFF – Date pushed out after lockdown to 24 Sept – 3 Oct. Excellent engagement with 57 eateries registered and 28 food producers. Overwhelmingly positive feedback from the businesses for this festival (see below), especially as the 2021 event comes after another lockdown. Significant media coverage – see below examples of adverts on print and social media. The SCOFF website has updated imagery from this year’s SCOFF specials. [View here.](#)



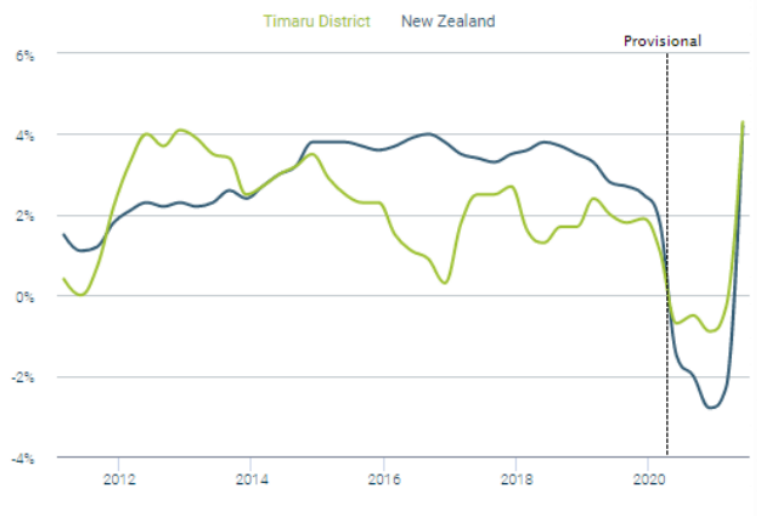
General

- The contract for services for provision of Information Services in Geraldine expires 31ST December with request for expressions of interest publicised 1st Oct. We are currently working through the assessment process.
- Billboards – New entrance billboards now up for Timaru’s northern and southern entrances
- Internal signage at Timaru Airport – This is still a work-in-progress – now expected to be up in Oct.
- Accommodation providers catch up – Successful and positive meeting with Timaru providers. Good feedback on VT’s promotions for the district and the supply of new promotional collateral for guests. Geraldine accommodation providers meeting was cancelled due to lockdown and will be rescheduled following the October holiday period.
- RTONZ – Next meeting rescheduled for 20 October in Wellington (moved from Auckland).

Monitoring Indicators (non-financials) as per 2021/22 Statement of Intent

1. **Gross Domestic Product** – source Infometrics

Gross domestic product growth
Annual average % change



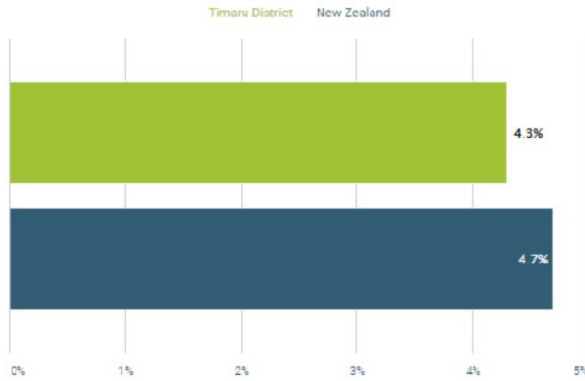
GDP in the Timaru District continues to track at slightly better than NZ 4.3% (4.2%) – as of 30 June as Sept 21 ¼ not available at time of writing this report.



2. **Unemployment Rate** – source *Infometrics*

Unemployment rate

Annual average % change June 2020 - June 2021



≡ Again tracking below NZ average rate but still above traditional 2.8% - 3.5% range recorded over the past 3-5 years, however Jobseeker numbers continue to trend down to pre-covid levels.

3. **Housing Affordability** – source *interest.co.nz*

	Population	House price	Income	Median multiple				
				Jun-21	May-21	Apr-21	Jun-20	Jun-19
New Zealand	5,133,000	820,000	\$97,246	8.43	8.42	8.31	6.71	6.37
Christchurch	394,700	580,000	\$95,317	6.08	6.31	6.21	5.16	4.92
Timaru	48,400	430,000	\$89,052	4.83	4.58	4.95	4.45	3.91
Dunedin	134,100	610,000	\$84,891	7.19	7.51	7.45	6.15	5.42

Based on median household incomes to median house prices, Timaru District remains one of the most affordable places in the country to purchase a house. The issue remains quality of available housing stock in the price and type offered by near neighbours Rolleston, Ashburton etc... new house & land within \$550 - \$850K.



4. **Visitor Spend** - source Marketview

The below graph compares where in District the Visitor spend occurred May – Sept 2021 (dark blue columns) v same period 2020 (light blue columns). Important to note

- total visitor spend for this period was \$58.275m v \$55.971m (+\$2.30m) even with the Aug 21 lockdown.
- Timaru City accounts for 79.2% visitors spend, Geraldine 10.7% and rest of district 10.1%



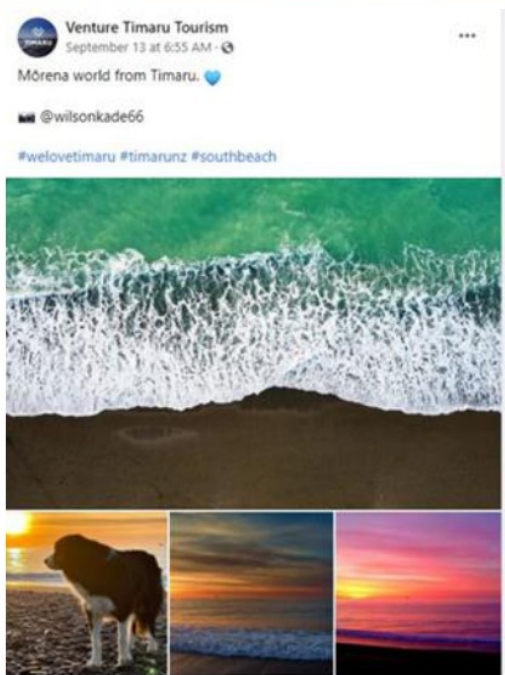
Financials

Venture Timaru Profit & Loss Statement 1 July 2021 - 30 September 2021				
	YTD ACTUAL	FULL YEAR BUDGET finalised June 21	TDC SOI BUDGET submitted 1 Mar 21	Commentary variance of V1 Budget to TDC SOI budget
INCOME				
Economic Development Grant - TDC	\$ 160,020	\$ 640,000	\$ 640,000	
Tourism Grant - TDC	\$ 87,480	\$ 350,000	\$ 350,000	
MyNextMove Contract - ex MSD	\$ 36,249	\$ 154,592	\$ 145,000	<i>inc MSD approved of/fwd unspent prior year</i>
Transport & Logistics Funding - ex Karioa (Provincial Development Unit)	\$ 55,000	\$ 133,000	\$ 150,000	<i>adjusted o/a course cohort #'s firmed</i>
Capability Funding for Special Proj Role - ex Karioa (Provincial Development Unit)	\$ 6,249	\$ 14,580	\$ 25,000	
Reg Apprenticeship Initiative - ex Karioa (Provincial Development Unit)	\$ 327,177	\$ 1,510,227	\$ 1,250,000	<i>adjusted as supported apprenticeship #'s firmed</i>
Major Events Funding - Tourism ex TDC	\$ -	\$ 230,000	\$ 230,000	
STAPP Funding - Tourism ex Central Government	\$ 37,215	\$ 113,102		<i>MBIE approved of/fwd unspent prior year</i>
TSRR Funding - Tourism ex Central Government	\$ 15,570	\$ 700,000		<i>MBIE approved past June 21</i>
Regional Events Funding - Tourism ex Central Government	\$ 60,000	\$ 120,260		<i>MBIE approved of/fwd unspent prior year</i>
Other Income	\$ 8,803	\$ 35,750		
TOTAL INCOME	\$ 793,863	\$ 4,001,511	\$ 2,790,000	
EXPENDITURE				
Economic Development	\$ 68,620	\$ 317,670	\$ 321,349	
Human Resources	\$ 83,076	\$ 314,603	\$ 343,101	
Tourism	\$ 87,220	\$ 379,000	\$ 350,000	
MyNextMove	\$ 28,825	\$ 154,571	\$ 145,000	
Transport & Logistics Panel	\$ 20,790	\$ 133,000	\$ 150,000	
Reg Apprenticeship Initiative	\$ 327,177	\$ 1,510,227	\$ 1,250,000	
Major Events Funding	\$ -	\$ 230,000	\$ 230,000	
STAPP	\$ 37,215	\$ 113,102		
TSRR	\$ 15,570	\$ 700,000		
Regional Events Funding	\$ 25,665	\$ 120,260		
Special Project ex Reserves	\$ 7,190	\$ 57,000		
TOTAL EXPENSES	\$ 701,468	\$ 4,029,933	\$ 2,789,450	
OPERATING SURPLUS/(DEFICIT)	\$ 92,415	-\$ 28,422	\$ 550	

Notes to financials

Important to note when above profit and loss for the 3 month period to 30 Sept 21:

1. our draft budget for the 2021/22 year was submitted as part of our SOI to Council 1 March 2021. Not unexpectedly since that time a variety of our activities and the income and expenses associated with them have firmed up more for the 2021/22 year. Key variances being in the areas of:
 - o Regional Apprenticeship Initiative
 - o STAPP, Regional Events Funding and MyNextMove (unspent funding from 2020/21 years approved to carry forward to current year)
 - o New TSRR Funding \$700,000 approved post 1st July 2021
2. Central government funding is received in advance and expensed over subsequent months with this largely accounting for YTD surplus at \$92,415



Venture Timaru with Student Volunteer Army.
 Published by Abi Goodhew · Paid Partnership ·

If you or anyone you know is unable to get to the supermarket during lockdown and cannot access groceries, the NZ Student Volunteer Army's Grocery Delivery Service is now available in the Timaru District, in partnership with Timaru New World.

Orders can be made for home deliveries by people who are in self-isolation, older people, those living with a disability, solo parents or others who cannot access food.

Please place orders via <https://shop.sva.org.nz/> or call 03 288 1494.

If you would like to register as a volunteer, please visit <https://bit.ly/VolunteerSVA>



SHOP.SVA.ORG.NZ
SVA Grocery Delivery Service
 We're on a mission to help those that can't nip to the supermarket ...

SCOFF
 August 13 at 12:43 PM ·

We love outstanding food in Timaru District.

We grow it, we produce it and we catch it off our coast. We turn our primary produce into innovative artisan products that locals love and visitors are discovering.

Read all about it here: <https://bit.ly/3iFPGg4>



SCOFF
 2h ·

Let your favourite South Canterbury eatery know you're thinking of them...even if you can't go in the door.

On the SOS Business website you can buy a voucher to use later, or simply make a donation to show your support.

It's also the perfect option for gifting without leaving home, especially with Father's Day coming up.

Whatever you choose, it's a great way to show your support for our local businesses.

Head to the SOS Business website and make a difference here: <https://bit.ly/2M3pESN>

#southcanterburymz #scoffsc



Venture Timaru
Published by Abi Goodhew · August 12 at 9:26 AM · 🌐

We're celebrating the success of Geraldine Cheese Company for their impressive haul of 13 medals at the 2021 New Zealand 'Champions of Cheese' Awards!

The boutique cheese factory honours the longstanding tradition of cheese-making in Geraldine, which goes back as far as 1884. Their awards include:

5 Gold medals: Ewe Milk Gouda, Ewe Milk Feta, Parmesan, Aged Deer Gouda & Ewe Milk Parmesan;

3 Silver medals: Pleasant Valley Cheddar, Mesopotamia Blue & Havarti;

5 Bronze medals: Mt. Peel Blue, Geraldine Heritage Cheddar, Goat Milk Havarti, Goat Milk Blue & Goat Milk Parmesan.

We would highly recommend paying them a visit in Geraldine to try some of these Champion Cheeses for yourself!



Celebrating Success
IN THE TIMARU DISTRICT

Venture Timaru Tourism
August 25 at 6:00 PM · 🌐

It's business as usual with the application process for our new Major Events Support Fund regardless of alert levels. Applications are open now and close at 5pm Wednesday 1st September.

We will work with event managers and adhere to relevant COVID-19 Alert Levels, to ensure all events are conducted safely.

Visit our website for full details: <https://bit.ly/3D9qzKV>

Please get in touch via the contact details on our website if you have any questions about funding or the application process.




SCHOOL HOLIDAYS IN TIMARU DISTRICT

Making plans for the school holidays?
Here are some ideas to get you started:

- Take a magical lantern walk in Geraldine
- Inflatable fun at Family Fest in Timaru
- Historic steam trains in Pleasant Point
- Stargazing, waterfall walks, horse treks and seaside fun just to get you started.

Head to we.lovetimaru.nz and start planning.



SCAN HERE TO LEARN MORE

TIMARU
we.lovetimaru.nz

TIMARU | GERALDINE | TEMUKA | PLEASANT POINT | PEEL FOREST

Timaru CBD Group
July 14 at 4:01 PM · 🌐

What an awesome night for our first Matariki Night Market, with the Timaru Artisan Farmers Market! Special thanks to Timaru District Council for support through the Stimulus Events Fund and Venture Timaru ... and everyone else who came along 😊 Keep watching for more fantastic photos to come!




Venture Timaru Tourism
July 10 at 8:39 AM · 🌐

The Matariki events continue tonight with the Matariki Family Festival.

Head to Mountainview High School from 4 - 8pm for stalls, live music and fireworks!

You can buy tickets through iTicket - \$5 for a family of 4.
Or purchase tickets at the gate - gold coin donation per person.

#welovetimaru #timarunz #matariki2021



Sheryl Bradley and 20 others · 3 Comments 7 Shares

Like Comment Share

Most Relevant ▾

Write a comment...

Felicity Bruce
So many amazing events lately! Tmaru is loving it!!
Like · Reply · 2w

Deborah Clemens
Well done Venture Timaru last nights markets/ entertainment where great it was awesome to see so many people out and about enjoying themselves you have something special to build on in coming years. Great work and well organised.
Like · Reply · 2w

ESCAPE THE CROWDS
TIMARU | GERALDINE | TEMUKA | PLEASANT POINT | PEEL FOREST



Book in a seaside escape with great shopping, fantastic eateries, and lots of scenic walking tracks - minus the big crowds - in Timaru District.
Plan your activities at welovetimaru.nz.



SCAN ME

9.3 Timaru District Holdings Ltd Quarterly Report July to September 2021**Author:** Erik Barnes, Acting Group Manager Commercial and Strategy**Authoriser:** Bede Carran, Chief Executive**Recommendation**

That the Timaru District Holdings Limited (TDHL) quarterly report for the period ending 30 September 2021 be received and noted.

Purpose of Report

- 1 To present the TDHL quarterly report for the period ending 30 September 2021.

Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy. This is a regular report to the Council on progress of TDHL against its Statement of Intent which is considered by Council annually.

Discussion

- 3 TDHL provides a quarterly report to Timaru District Council as required by its Statement of Intent. A quarterly report for the period 1 July 2021 to 30 September 2021 has been provided by TDHL and is attached.

Attachments

1. **Timaru District Holdings Limited Quarterly report to Council July to September 2021** [↓](#) 

TIMARU DISTRICT HOLDINGS LIMITED

PO Box 178
Timaru 7940

10 November 2021

The Chief Executive
Timaru District Council
PO Box 522
Timaru 7940

via email: bede.carran@timdc.govt.nz

Dear Bede

Timaru District Holdings Limited –Report for period 1 July to 30 September 2021

Timaru District Holdings Limited (TDHL) is pleased to present this report for the period 1 July 2021 to 30 September 2021.

The financial statements and activity updates below show a strong start for the year, notably due to the dividends received from the associates and the ongoing performance of the property portfolio.

This ensures that TDHL is well positioned to: support Council through the forecast dividend; continue to re-invest in the business through its tenants and key relationships; and continue to maintain manageable debt levels.

Financial Performance

The Timaru District Holdings Limited financial statements as at 30 September 2021 are provided below.

Profit and Loss:

- The year-to-date operating surplus of just over \$2M is well above budget. This is a result of an increased dividend from PrimePort and the timing of dividend payments from Alpine Energy. Full year surplus is likely to be slightly above budget.

Movements in Equity / Statement of Cashflows:

- Not reflected in the year to 30 September 2021 statements is the \$500,000 dividend paid to TDC on 28 October 2021. As per the Statement of Intent, a further \$500,000 is forecast to be paid before 30 June 2022.
- Also not reflected in these statements is the \$1M debt repayment made in November 2021.

Balance Sheet:

- This reflects the increased equity, reduced liabilities and strong position as reported in the 31 August 2021 Annual Unaudited Management Report.

Governance**Timaru District Council**

- Along with TDC, we are awaiting our Audit which is due to commence in mid-November. Once complete this will enable the Annual General Meeting to be held in early December.
- Further workshops with Councillors are anticipated for early 2022 to coincide with the 2022/23 Statement of Intent process.

PrimePort Timaru Limited

- COVID travel restrictions resulted in the planned meeting with Port of Tauranga being postponed with new date options in early 2022 being considered.
- PrimePort's strong 2020/2021 result has been well reported and is reflected in the \$1.25M dividend paid to TDHL in August 2021.
- Due to COVID restrictions, the PrimePort Annual General Meeting was not held with the formalities being completed by written resolutions.
- With the log yard sealing project complete, attention is now turning to the North Mole which is being re-piled and re-decked.

Alpine Energy Limited

- The Alpine AGM was held on 29 July and well attended. Directors heard updates from the Chair on the latest implications of Default Price Path 3 and potential regulatory reform, as well as the strategic considerations around the long term but pending challenges of technological disruption, decarbonisation and climate change.
- The relationship with fellow shareholders continues to strengthen with several productive governance, shareholder and officer meetings in recent months.
- Regular updates continue to be received from AEL, with briefings from the Board scheduled for early December 2021.

Property

- Regular and programmed reviews and renewals are ongoing. It is pleasing to note that the high-level of activity at the Port and demand for businesses to be close to the wharf is typically resulting in high retention through tenants seeking to renew their leases.
- There is also an ongoing steady stream of new enquiries for sites and leases as a result of targeted engagement with prospective tenants.

- Work and reinvestment continues with key tenants, on improvement works such as site upgrades and building enhancements.

Yours sincerely



Ian Fitzgerald
Chairperson

Profit and Loss

Timaru District Holdings Limited
As at 30 September 2021

Account	YTD	YTD Budget	2022 Budget	Full FY2021 Actuals
Trading Income				
Property Operations				
Total Revenue	647,420	712,416	2,849,664	2,944,487
Total Expenses	221,497	206,620	723,980	776,412
Total Trading Income	425,924	505,796	2,125,684	2,168,075
Showgrounds				
Total Expenses	0	34,485	137,940	185,266
Total Showgrounds	0	(34,485)	(137,940)	1,200,006
Gross Profit	425,924	471,311	1,987,744	3,368,081
Holding Company Operations				
Total Revenue	1,958,967	237,070	1,548,280	1,587,302
Total Operating Expenses	170,180	155,631	559,787	530,692
Total Holding Company Operations	1,788,787	81,439	988,493	1,056,611
Finance Costs				
Total Finance Costs	126,259	127,662	495,649	593,521
Operating Surplus (Deficit) Before Taxation	2,088,451	425,088	2,480,588	3,831,171

Movements in Equity

Timaru District Holdings Limited
As at 30 September 2021

Account	Sep 2021
Equity	
Opening Balance	139,022,749
Current Year Earnings	306,945
Total Equity	139,329,694

Statement of Cash Flows

Timaru District Holdings Limited
As at 30 September 2021

Account	Jul-Sep 2021
Operating Activities	
Total Cash from operations	2,738,175
Total Cash disbursed to costs	800,123
Net Cash Flows from Operating Activities	1,938,052
Net Cash Flows	1,938,052
Cash and Cash Equivalents	
Cash and cash equivalents at beginning of period	3,137,368
Cash and cash equivalents at end of period	5,075,420
Net change in cash for period	1,938,052

Balance Sheet

Timaru District Holdings Limited
As at 30 September 2021

Account	30 Sep 2021	30 Sep 2020
Assets		
Total Bank	5,075,420	4,780,874
Total Current Assets	1,681,779	143,676
Non-current Assets		
Investment Properties - Buildings & Other Structures	4,622,000	4,204,000
Investment Properties - Other Assets	38,490,000	43,278,000
Investments - Alpine	83,421,000	75,115,000
Investments - Primeport	33,014,500	30,290,000
Total Non-current Assets	159,547,500	152,887,000
Total Assets	166,304,700	157,811,550
Liabilities		
Current Liabilities		
Total Current Liabilities	1,294,392	1,670,801
Total Non-current Liabilities	25,680,613	33,580,613
Total Liabilities	26,975,006	35,251,414
Net Assets	139,329,694	122,560,136
Equity		
Retained Earnings	108,329,508	91,559,950
Shares	31,000,186	31,000,186
Total Equity	139,329,694	122,560,136

9.4 Aorangi Stadium Trust Financial Reports 2021 audit Letter of Comfort authorisation

Author: John Liddiard, Senior Accountant
Azoora Ali, Chief Financial Officer

Authoriser: Erik Barnes, Acting Group Manager Commercial and Strategy

Recommendation

That Council agree to:

1. providing a letter of comfort to the Trustees of the Aorangi Stadium Trust for potential future financial liabilities; and
2. authorise the Chief Executive of Timaru District Council to provide such a letter.

Purpose of Report

- 1 The purpose of this report is to request the authorisation for a letter of comfort from Council to the Aorangi Stadium Trustees (a letter of comfort is a commitment by Council that it will ensure the Trust is supported to meet any financial obligations associated with the maintenance work programme and is similar to a guarantee).

Assessment of Significance

- 2 The content of this report is assessed as of low significance under the Council's Significance and Engagement Policy. This assessment is based on the assessment criteria with specific focus on impact on the number of people affected, the degree that people may be impacted, community interest, financing and rating impact, impact on strategic assets, and impact on wellbeing.

Background

- 3 Aorangi Stadium Trust ("the Trust") is a Council Controlled Organisation of Timaru District Council ("Council"), currently with four councillors appointed as Trustees (Clrs Burt (chairperson), Booth, Parker and Piddington).
- 4 The Trust owns the Aorangi Stadium (also known as "The Southern Trust Events Centre" or "STEC") and leases it to Council. The Trust's only material sources of income currently are the annual grants from Council, one specifically to cover the cost of insurance (2021: \$39,000; 2020: \$40,000) and the other annual grant to cover other costs, primarily maintenance (\$52,000 per annum).
- 5 During the 2020/21 financial year a building maintenance review of the Stadium was undertaken. This identified a programme of work over a 10 year period and which will be integrated into the redevelopment of the Stadium as set out in Council's Long Term Plan 2021-2031. The programme of work included both internal work relating to the use of the Stadium and external and structural requirements relating to its fabric.
- 6 The Trust accounts for 2020/21 were initially prepared on the basis that the maintenance costs in future years would be accounted for in the year they were incurred.

- 7 The Trust's auditor (Nexia) has requested that consideration be given to providing for the maintenance cost requirements in the financial statements. This will provide better information for readers of the financial statements of the costs associated with the Stadium to ensure it can continue to provide its ongoing level of service to the Community.
- 8 A provision was made relating to the Trust approved budget, prepared as part of the Letter of Intent process, which resulted in a current liability provision of \$257,000 and a non-current liability provision of \$159,000, a total of \$390,000. Liquid assets as at 30 June 2021 totalled \$404,000. Therefore, the maintenance costs provided can be met from existing resources.
- 9 The full 10 year projected costs for external/structural work was assessed as being an additional \$1.055 million, and was not provided for due to the likelihood that:
 - i. during the 10 year period, the ownership and funding arrangements of the Trust would be reviewed and there were potential additional costs likely to be identified due to earthquake requirements which had not yet been finally assessed;
 - ii. to do so immediately would result in a negative equity position within the Trust of approximately \$581,000, which is an internal concern rather than one considered by the auditors but it does potentially give rise to issues of Trustees' liability; and
 - iii. the costs could be materially affected by the proposed redevelopment and they had not been fully determined.

Discussion

Future costs associated with the Trust

- 10 There have been a number of informal discussions previously concerning the future of the Stadium ownership and management, including the possibility that it would be vested with Council and the Trust consequently dissolved.
- 11 At the Statement of Intent review meeting, held on the 23rd February 2021, Trustees requested that Council consider the options for future management, funding and ownership of the stadium. It was anticipated this would be done during the 2021/22 year with a view to reaching a decision to formalise arrangements by the end of the financial year (30 June 2022).
- 12 Subsequent to that meeting an assessment has been done of the Stadium's earthquake rating and potential work and costs relating to that issue. This report is not yet available as it is still in draft format and there is no final reliable estimate available for the costs of this work.
- 13 Nexia suggested that the costs for this work also be provided for in the 2021 accounts. These were not included due to the unavailability of a reliable estimate of these costs. Instead, the assessment has been noted as a significant post-balance date event.
- 14 The additional \$1,055,000 maintenance costs which were not provided for have been identified as a contingent liability, subject to the ownership and funding review.

Accounting Treatment and Auditor Request

- 15 The accounting treatment and related disclosures for the maintenance provision, contingent liability and earthquake assessment have been referred by Nexia to the Office of the Auditor-General's technical team for its review which concurred with the proposed methodology and reporting.
- 16 Nexia has also requested from Council a letter of comfort that Council would support the Trust financially in future periods and that Council accepted that the "internal" (non-structural)

maintenance costs of the stadium were Council's responsibility as the tenant of the building, particularly over the succeeding 12 months.

- 17 Nexia initially proposed that the letter of comfort included specific support for the maintenance and earthquake costs. As there are no final report or costs estimates available, the letter will be more general so as not to explicitly commit Council to any particular course of action regarding the stadium.
- 18 The clause relating to the "internal" maintenance costs identifies the projected future costs as a forecast and that Council would be responsible for any internal maintenance costs incurred.
- 19 There is no immediate impact on the stadium from this decision or on necessary work. However the annual report of the Trust will vary depending on the outcome of this decision.
- 20 The wider issues which do directly affect the stadium and the provision of sporting facilities related to the stadium are reflected in the issues raised relating to the annual report and will require further consideration in the 2022 financial year.

Options and Preferred Option

- 21 **Option 1 – Provide a letter of comfort to the Trust.** The risk related to providing the letter of comfort is that Council is providing explicit and overt financial support to any obligations incurred by the Trust. If the Trustees irrevocably commit the Trust to a financial obligation which the Trust cannot meet then Council would be expected to meet that obligation. It is inherently presumed that the Trustees, while required to act in the best interests of the Trust, would not commit to undue obligations without specific commitments from Council. The primary intention of the letter of comfort therefore is to provide assurance that any agreed program of works committed to by the Trust, particularly relating to obligations incurred to creditors as a consequence of those commitments, are backed by Council and so give creditors confidence they will be paid.
- 22 **Option 2 – Council does not provide a letter of comfort to the Trust.** The risks associated with not providing a letter of comfort relate to the contingent liability being required to be a provision in the accounts and the consequential negative equity. Once this occurred the Auditors would likely contest the assumption that the Trust was a going concern (essentially it is in a position to meet its debts as they fall due in the ordinary course of business). If the Trustees were insistent that it is a going concern the Auditors would likely qualify the Trust's financial statements accordingly. Challenging the assumption the Trust is a going concern would likely have wider implications relating to its status as a registered charity and presumably wider community implications and reputational risk.
- 23 Given the balance of risks and the expectation that wider issues relating to the Stadium be considered in the near future, the preferred option is to provide the letter of comfort from Council to the Trust.

Consultation

- 24 Consultation has taken place with the Auditors of Aorangi Trust Stadium (Nexia).
- 25 Discussion with the Trust's chair has occurred.
- 26 The accounting and disclosures for the maintenance provision; contingent liability and earthquake assessment have been referred by Nexia to the Office of the Auditor-General

technical team for their review which concurred with the proposed methodology and reporting.

Financial and Funding Implications

- 27 There are no immediate financial and funding implications other than those discussed above that may have future implications.

Legislation

- 28 The relationship with and management of Council Controlled Organisations is regulated through the Local Government Act 2002.
- 29 The “going concern” reporting requirements for financial reports is included in the Public Benefit Entity International Public Sector Accounting Standard 1: Presentation of Financial Statements (PBE IPSAS 1).

Attachments

Nil

9.5 Local Alcohol Policy Review Next stages and Formation of Joint Committee

Author: Mark Low, Strategy and Corporate Planning Manager
Ann Fitzgerald, Corporate Planner
Debbie Fortuin, Environmental Compliance Manager

Authoriser: Paul Cooper, Group Manager Environmental Services

Recommendation

That:

1. Council approves entering into an agreement with the Mackenzie District Council and the Waimate District Council under clause 30A of Schedule 7 of the Local Government Act 2002 to establish a Joint Committee in relation to the review of the Joint Local Alcohol Policy.
2. Council approves the Local Alcohol Policy Joint Committee Agreement and Terms of Reference.
3. Council appoints two Councillors to the Local Alcohol Policy Joint Committee.

Purpose of Report

- 1 To outline the next stage of the review of the Local Alcohol Policy (LAP), establish a Joint Committee and nominate two Elected Members to be part of the Joint Committee.

Assessment of Significance

- 2 The purpose of the LAP is to introduce local variations to the controls over the sale and supply of alcohol in addition to what is prescribed by the Sale and Supply of Alcohol Act 2012 (the Act). As such the LAP is of high significance to key stakeholders and the community as a whole, and requires consultation using the Special Consultative Procedure under the Sale and Supply of Alcohol Act 2012.
- 3 The matters raised in this report – the review process, the establishment of a Joint Committee and the appointment of two Timaru District Councillors to the Joint Committee, are of low significance in accordance with Council’s Significance and Engagement Policy.

Background

- 4 At the 26 October 2021 meeting, Council confirmed a LAP in the Timaru District is still required and that it remain a joint LAP with the Mackenzie and Waimate District Councils.
- 5 Both the Mackenzie and Waimate District Councils have also resolved to continue with a joint policy.
- 6 The intention is to review the LAP, consult using the Special Consultative Procedure, and to adhere as closely as possible to the six year review date of 24 March 2022. The legal opinion from Anderson Lloyd dated 30 September 2021 notes that should this review not be completed by 24 March 2022, the current LAP does not lapse until a new LAP is in place.

Discussion

Establishing a Joint Committee to review the Local Alcohol Policy

- 7 With the Mackenzie, Timaru and Waimate District Councils having agreed to continue with a Joint LAP, a Joint Committee now needs to be appointed to review and approve the draft LAP for adoption by the three Councils for consultation under the Special Consultative Procedure, and to hear submissions received on the draft policy.
- 8 The Local Government Act 2002 states that a Joint Committee cannot be appointed unless agreement has been reached with every other local authority that is to appoint members of the committee. The Agreement must specify:
 - the number of members of each local authority
 - how the Chairperson and Deputy Chairperson are to be appointed
 - the Terms of Reference
 - what responsibilities (if any) are to be delegated to the committee by each local authority
 - how the agreement may be varied.
- 9 A draft Agreement and Terms of Reference are attached for consideration.

Appointment of Elected Members to the Joint Committee

- 10 The draft Terms of Reference provides for a total of six members, consisting of two elected members from each of Timaru District Council, Waimate District Council and Mackenzie District Councils.
- 11 Council is required to appoint two Councillors to the Joint LAP Committee.
- 12 Legal advice has been obtained in relation to whether or not the Commissioner or committee members of the District Licensing Committee are able to be members of the joint committee appointed by the three Council's to hear submissions. The advice provided is clear and states "there would be a material legal risk to Council if it appointed elected members from the District Licensing Committee to also be members of the Joint Committee...". The role of the District Licensing Committee is to consider applications under the current LAP.
- 13 It is therefore recommended that the elected members who are appointed to the Joint Committee are not members of the District Licensing Committee and are free from any perceived or actual conflicts of interest in relation to alcohol licensing matters.

Local Alcohol Policy Review Timeframes

- 14 The proposed high level timeframes are:
 - Dec 2021 - Joint Local Alcohol Policy Committee established
 - Dec 2021 - Preliminary community engagement with key stakeholders
 - Late January/Feb 2022 - Joint Committee meets to consider a draft LAP, noting preliminary feedback from key stakeholders, and the requirements of the Act section 78
 - March 2022 - Joint Committee recommends the draft LAP and Statement of Proposal for consultation to the Councils

- April 2022 - Councils adopt the draft LAP Statement of Proposal for consultation
- April/May 2022 - Consultation period
- May/June 2022 - Hearing of submissions
- June 2022 - Councils adopt provisional LAP

Options and Preferred Option

15 Option 1: (preferred option) Council:

- i. Approves the establishment of a Joint Committee to review the Local Alcohol Policy
- ii. Approves the draft Local Alcohol Policy Joint Committee Agreement and Terms of Reference as presented
- iii. Appoints two Councillors to the Joint Committee

This represents the most efficient option to enable the review to progress.

16 Option 2: Council takes the alternative approach of reviewing the LAP independently and then aligns its outcomes with that of the Mackenzie and Waimate District Councils reviews.

Consultation

17 The appointment of a Local Alcohol Policy Joint Committee involves consultation with Mackenzie and Waimate District Councils.

18 The Act (section 79) requires the Councils to use the Special Consultative Procedure to consult with all stakeholders and the wider community and to consider submissions on the draft LAP.

Relevant Legislation, Council Policy and Plans

19 Local Government Act 2002, Schedule 7 Clause 30A – Joint Committees.

20 Sale and Supply of Alcohol Act 2012, particularly Subpart 2 - the requirements for Local Alcohol Policies.

21 The Timaru, Waimate and Mackenzie Joint Local Alcohol Policy.

22 Local Government Act 2002, section 83 - requirements for the Special Consultative Procedure and section 87 which outlines requirements for the SCP used for other processes such as the LAP.

Financial and Funding Implications

23 The costs associated with the formation and operation of the Joint Committee will be drawn from existing budgets.

Attachments

1. **Draft Local Alcohol Policy Joint Committee Agreement and Terms of Reference**  

**AGREEMENT IN RELATION TO JOINT COMMITTEE
LOCAL ALCOHOL POLICY**

Dated this day of 2021

BETWEEN **TIMARU DISTRICT COUNCIL** a territorial authority duly constituted pursuant to the Local Government Act 2002.

AND **WAIMATE DISTRICT COUNCIL** a territorial authority duly constituted pursuant to the Local Government Act 2002.

AND **MACKENZIE DISTRICT COUNCIL** a territorial authority duly constituted pursuant to the Local Government Act 2002.

(collectively referred to as “the Councils”)

BACKGROUND:

- A Section 75 and 76 of the Sale and Supply of Alcohol Act 2012 makes provision for any territorial authority to have a local policy relating to the sale, supply or consumption of alcohol within its district, and for two or more territorial authorities to adopt a single local alcohol policy for their districts (sections 75 and 76).
- B To allow for review of the Joint Local Alcohol Policy 2016 the Councils agree to form a joint standing committee, pursuant to the Local Government Act 2002 (“the Act”), to be known as “The Local Alcohol Policy Joint Standing Committee”.
- E Clause 30A of Schedule 7 of the Act require that an agreement must be entered into by the Councils specifying membership of its joint committee, the election of chairpersons and deputy chairpersons, the terms of reference for the joint committee, the delegated responsibilities and the means of varying the agreement relating to the joint committee. This Agreement sets out each of these matters as required by the Act.

IT IS HEREBY AGREED:

1. The Councils shall, appoint a joint standing committee to be known as the Local Alcohol Policy Joint Standing Committee (“the Local Alcohol Policy Committee”).
2. Membership of the Local Alcohol Policy Committee shall consist of two (2) elected members from each of Timaru District Council, Waimate District Council and Mackenzie District Councils (making a total of six (6) members).
3. The Local Alcohol Policy Committee shall at its first meeting appoint its chairperson and deputy chairperson by simple majority vote. The term of these appointments is until the end of the 2019-2022 Council term.
4. The Terms of Reference for the Local Alcohol Policy Committee are set out in Schedule 1 hereto. The Councils acknowledge they are bound by the Terms of Reference and will comply with them.
5. The Local Alcohol Policy Committee be delegated responsibility:
 - to develop a draft Local Alcohol Policy
 - to recommend the draft Local Alcohol Policy to the Councils for adoption and public consultation
 - to consider and hear submissions on the draft Local Alcohol Policy
 - to recommend a final Local Alcohol Policy to the Councils for adoption
6. This Agreement (including the Terms of Reference) may be varied by mutual agreement of the Councils at any time with any such mutually agreed variation to be recorded in writing, signed by the Councils and attached to a copy of this Agreement.

Signed on behalf of the)
TIMARU DISTRICT COUNCIL)
 In the presence of:)

Signed on behalf of the)
WAIMATE DISTRICT COUNCIL)
 In the presence of:)

Signed on behalf of the)
MACKENZIE DISTRICT COUNCIL)
 In the presence of:)

Schedule 1TERMS OF REFERENCE

Local Alcohol Policy Joint Standing Committee (“the Local Alcohol Policy Committee”) is a joint committee of the Timaru, Waimate and Mackenzie District Councils (collectively referred to as “the Councils”) established pursuant to the provisions of the Local Government Act 2002 (“the Act”).

PURPOSE:

- to develop a draft Local Alcohol Policy
- to recommend the draft Local Alcohol Policy to the Councils for adoption and public consultation
- to consider and hear submissions on the draft Local Alcohol Policy
- to recommend a final Local Alcohol Policy to the Councils for adoption

To give effect to the purpose of these Terms of Reference the Councils agree:

1. The formation of the Local Alcohol Policy Joint Committee and the means of appointing its member and office holders are set out in clause 1 and 2 of the Agreement in Relation to Joint Committee executed by the Councils.
2. The members of the Local Alcohol Policy Joint Committee may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think appropriate.
3. The Local Alcohol Policy Joint Committee shall supply agendas to their members detailing the business to be brought before that meeting together with relevant attachments which must be sent to every member not less than two clear working days before the day appointed for the meeting.
4. Questions arising at any meeting of the Local Alcohol Policy Joint Committee shall be decided by a majority of votes of those present, each member having only one vote. In the case of an equality of votes, the chairperson shall have a casting vote. If the standing orders of any of the Councils do not provide for the Local Alcohol Policy Joint Committee Chairperson to have a casting vote, each Council shall amend its standing orders accordingly.
5. The quorum necessary for the transaction of business of the Local Alcohol Policy Joint Committee shall consist of four (4) members, with each of the Councils represented.

6. The Local Alcohol Policy Joint Committee shall keep minutes recording:
 - (a) The names of the members present at each meeting; and
 - (b) All resolutions and proceedings from each meeting.

7. The Local Alcohol Policy Joint Committee may provide any advice and develop and recommend any strategies, policies and procedures necessary.

8. All members of the Local Alcohol Policy Joint Committee shall be remunerated by their respective appointing Council, should this be necessary.

9. The Local Alcohol Policy Joint Committee will cease to exist at the end of the 2019-2022 Council term.

9.6 Draft Council Submission - Taking Responsibility for Our Waste Consultation Document

Author: Andrew Dixon, Group Manager Infrastructure
Fabia Fox, Policy Analyst

Authoriser: Erik Barnes, Acting Group Manager Commercial and Strategy

Recommendation

That Council approves the draft submission, with any amendments, to the Ministry for the Environment consultation document – Te kawa i te haepapa para, Taking responsibility for Our Waste.

Purpose of Report

- 1 This report seeks approval for a submission from Timaru District Council on the Ministry for the Environment's (MfE) consultation document 'Te kawa i te haepapa para, Taking Responsibility for Our Waste.'¹
- 2 The key topics in this consultation are a proposed new national waste strategy; and proposed new waste legislation, replacing the Waste Minimisation Act (2008) and Litter Act (1979).

Assessment of Significance and Engagement

- 3 The decision to approve Council's submission to the MfE consultation document is assessed as being of low significance in accordance with Council's Significance and Engagement Policy. The submission has no impact on rates or levels of service, and is consistent with Council's strategic direction and current Waste Management and Minimisation Plan.
- 4 While not highly significant, submitting to the consultation document is an important way for Council to fulfil its role to advocate for the current and future wellbeing of the Timaru Community.
- 5 It is worth highlighting that, if progressed, the proposed new waste strategy and legislation aims to have a significant impact on how waste is managed at a national and local level. Any future changes to Council's waste minimisation levels of service as a result of the proposed legislative and regulatory changes will be made in close consultation with the Timaru District community.
- 6 The community will be informed of Council's submission through the publication of this agenda and resulting minutes. Social and print media may be used to highlight the submission.

Background

- 7 The New Zealand Waste Strategy has the purpose of setting out the Government's long-term priorities for waste minimisation and management in New Zealand. The strategy proposed in this consultation document will replace the current New Zealand Waste Strategy (2010).
- 8 The Waste Minimisation Act (WMA) was introduced in 2008. The purpose of the Act is to encourage waste minimisation and a decrease in waste disposal in order to –

¹ [Te kawa i te haepapa para, Taking Responsibility for our waste](#) – Ministry for the Environment.

- (a) Protect the environment from harm; and
 - (b) Provide environmental, social, economic, and cultural benefits.
- 9 The WMA establishes the responsibilities of territorial authorities in relation to waste management and minimisation including:
- Promoting effective and efficient waste management and minimisation within their district;
 - Adopting a Waste Management and Minimisation Plan (WMMP) which sets out objectives, policies, methods and funding mechanisms.
 - Requiring the collection of waste to be prompt, efficient and regular (where the authority provides waste minimisation and management services); and
 - The ability to make bylaws relating to waste.
- 10 The Litter Act was introduced in 1979. The purpose of this Act is to provide power and duties for litter control.
- 11 MfE has released a consultation document, 'Te kawē i te haepapa para, Taking Responsibility for Our Waste.' Feedback is sought on:
- (a) Proposals for a new national waste strategy to increase national ambition, signal direction, priorities, inspire action across different groups, and guide the use of increased funds generated by the expanded waste disposal levy; and
 - (b) Issues and options for the development of new, and more comprehensive waste legislation to replace the WMA and the Litter Act.

Discussion

- 12 The changes proposed within the consultation document will have implications for the function and operations of Council services. MfE also pose questions and potential options relating to:
- (a) The role of local government in the waste system;
 - (b) The allocation of responsibilities between regional and territorial authorities;
 - (c) The allocation of revenue from the waste levy both between central government and territorial authorities, and across territorial authorities;
 - (d) Licensing of waste operators;
 - (e) New data collection, monitoring and enforcement requirements;
 - (f) 'Duty of care' obligations and product stewardship (including deposit return schemes); and
 - (g) National standards for waste, recycling and resource recovery.
- 13 MfE have identified that the current WMA and Litter Act are insufficient for central government to implement the work programmes envisaged under the proposed new waste strategy. The Ministry suggests that new legislation is needed to provide tools to deliver on this strategy; more clearly and appropriately define responsibilities across the waste sector; ensure waste levy funding is used most effectively; and embed the principles of Te Tiriti o Waitangi.

- 14 The proposed new waste strategy is focused to 2050, and divided into three broad stages. The first stage, to 2030, recognises that New Zealand does not have adequate planning, regulatory tools, infrastructure and equipment, investment, research or community awareness. This stage is therefore focussed on 'catching up' on all of these fronts. The consultation document focuses on the priorities and proposals of this first stage.
- 15 Stage two of the strategy (2030-40) will focus on widespread changes in mindset, systems and behaviour, optimising resource recovery and growing circular systems, and major efforts to remediate and regenerate environments degraded by previous waste management practices. Stage three (2040-50) will embed circular systems so that waste is designed out of production and resource recovery is fully integrated into supply chain models.
- 16 The latter two stages of the strategy will be consulted on in greater detail once the first stage is near completion. MfE describes the later stages broadly, but notes that challenges and unknowns will be encountered and the strategy progresses, so future planning will need to adjust accordingly.
- 17 The strategy will be supported by a series of shorter-term Action and Investment Plans (AIPs) which will set out immediate priorities. These are proposed to cover 2-3 year periods.
- 18 MfE plans to develop the new strategy and legislation with close consideration of:
 - (a) The Ministry of Business, Innovation and Employment's work on a broader and separate circular economy strategy;
 - (b) A long-term waste infrastructure plan to guide investment in resource recovery infrastructure for Aotearoa New Zealand. The plan is due to be finalised at the same time as the Waste Strategy.
 - (c) The work underway on the Natural and Built Environments Bill, particularly in relation to te Oranga o te Taiao, which incorporates the Māori world view of environmental wellbeing.
 - (d) The development and implementation of the first Emissions Reduction Plan and National Climate Change Adaptation Plan; and
 - (e) The Review into the Future for Local Government.
- 19 Morrison Low have prepared a submission to the consultation on behalf of Council – Attachment 1. The submission provides answers to questions that the Ministry for the Environment have set as part of the consultation document.
- 20 The submission broadly supports:
 - (a) A national strategy that provides a framework for infrastructure investment at a national level;
 - (b) The promotion of, and shift to, a circular economy;
 - (c) The proposed strategic vision and targets;
 - (d) The extended role of MfE in monitoring the implementation of the waste strategy at a national level;
 - (e) Central government responsibility for any waste operator licensing system, including the enforcement of such a system; and
 - (f) The application of the majority of the waste levy on core infrastructure, with additional funding for public education.

- 21 The submission seeks:
- (a) A greater emphasis on reducing and reusing waste rather than a strategy of recycling;
 - (b) A greater emphasis on fast tracking core infrastructure at a regional level, with attention paid to the South Island. Get the logistics right to move waste and materials to end markets.
 - (c) Better consistency in waste collection and bylaws between Districts.
 - (d) Greater clarity on the extent of legislative change and consideration for the aspects of the current legislation that are working well;
 - (e) Close consideration of the mechanisms to capture, store and report all waste flows, and industrial and commercial waste in particular;
 - (f) Ensure funding is available and can be responsive to changes resulting from the new strategy and legislation; and
 - (g) Support for local authorities and communities currently bearing the cost of cleaning up hazardous sites.
- 22 Timaru District has been and continues to be very proactive in waste reduction. The four bin kerbside collection is effective at separating recyclable and organic materials. The landfill also prohibits the disposal of large quantities of food and green waste to landfill. These are outcomes sought through the waste strategy.
- 23 Council's draft submission aligns with the vision and guiding principles of the WMMP.
- 24 Council may wish to provide further direction for inclusion in the draft submission.

Options and Preferred Option

- 25 **Option 1: Approve the submission, with or without amendments.** This is the preferred option as it enables Council to provide MfE with feedback on the proposed new waste strategy and legislation as it relates to Council and the Timaru District. The draft submission aligns with Council's Waste Management and Minimisation Plan.
- 26 No disadvantages have been identified with this option.
- 27 **Option 2: Do not provide a submission.** There are no advantages identified with this option. It would result in a missed opportunity for Council to provide feedback on the opportunities and issues identified within the consultation document.

Relevant Legislation, Council Policy and Plans

- 28 Council's vision for waste management and minimisation is: "A sustainable community that is able to reuse, recycle and recover discarded resources and minimise residual waste to landfill, while ensuring protection of public health and the environment."
- 29 Timaru District Waste Management and Minimisation Plan 2018-28: The WMMP outlines the waste services Council provides; the strategic direction and levels of service for the waste minimisation activity; and highlights the key issues facing the activity delivery over ten years of the Plan. The guiding principles of the plan include:
- a) A commitment from Council towards excellence in Waste Minimisation;
 - b) That Council leads by example to promote environmental care through Council's influence; and

c) Utilising waste management of: Reduce, Reuse, Recycle, Recover, Treatment and Disposal.

30 Waste Minimisation Act 2008

31 Litter Act 1979

Financial and Funding Implications

32 There are no financial implications in providing a submission to this consultation document.

Other Considerations

33 Officers will monitor the development of the new waste strategy and legislation and will report to Council on progress and any future consultation opportunities.

34 A submission is also being prepared on behalf of the Canterbury Mayoral forum. Timaru District Council officers have had input into this and it is generally consistent with our proposed submission.

Attachments

1. **Draft Submission to MfE Taking Responsibility for Our Waste Consultation Document** [↓](#) 

Te kawe i te haepapa para

Taking responsibility for our waste

Proposals for a new waste strategy
Issues and options for new waste legislation

Response to Questions

Part 1: Why we need to transform our approach to waste

1 Do you think changes are needed in how Aotearoa New Zealand manages its waste?

The South Canterbury Council have been proactive in introducing new services to improve recycling with a separate kerbside glass bin recently introduced. The three Councils (Timaru, Waimate, and MacKenzie District Councils) have a common four bin kerbside collection system to reduce waste to landfill volumes.

Timaru District Council have been diverting organic from landfill for the past 15 years and continue to promote diversion of organic from landfill. The Redruth Landfill Waste Acceptance Criteria prohibits the disposal of food and green waste to landfill.

We believe more consistency between districts in how waste services are delivered is important. Residents that move between districts get confused around what they can and can't recycling and whether they need to separate organic or not.

Closed landfills and how some hazardous materials are handled also continue to present a real risk to the environment. The cost associated with managing closed landfills and cleaning up contaminated sites can be a significant cost for communities.

We provide comprehensive education programmes and support a local community trust to promote the reduce, reuse message and how to recycle effectively.

In summary some changes to how waste is managed in Aotearoa New Zealand is required.

2 Do you support tackling our waste problems by moving towards a circular economy?

Yes, we support the concept behind the circular economy, but the implications associated with this policy direction are extensive and careful consideration is required. This requires a well thought through legislative and policy framework, to manage risks associated with a change in policy direction. It will take some industries and business time to adjust.

We believe more emphasis is required further up the waste hierarchy to avoid unnecessary resource use and waste by designing waste out in relation to rethink/redesign, reduce, and reuse/repurpose. It appears that most of the focus and infrastructure capacity is still focused on recycling/ compost/ anaerobic digestion, recover, and treat and dispose. We need to rethink material flows and systems to remove waste.

Part 2: Proposed new waste strategy for Aotearoa New Zealand

3 Do you support the proposed vision?

Yes, the vision reflects the change in policy direction and puts further emphasis on the circulate economy principal and minimising waste to landfill.

4 Do you support the six core principles or would you make changes?

Yes, the six core principles are acceptable and aligned with the vision.

5 Do you support the proposed approach of three broad stages between now and 2050, and the suggested timing and priorities for what to focus on at each stage?

In principle, yes although greater emphasis needs to be put on fast tracking regional infrastructure development, to support the diversion and emissions reduction targets. Investment plans need to be developed and co-ordinated at a national and regional level to reduce the duplication of investment. Focus on end processing facilities for glass, fibre, and plastic. The Canterbury and South Canterbury regional has started conversations around infrastructure requirements, but further work needs to be prioritised.

Getting the balance right around levy spend is important. One concern with the three broad stages is too much emphasis on legislative changes, data capture, and education programmes when the priority and expenditure should be focused on core infrastructure that is required to support the different approach to managing waste. Education Programmes are important but need to align with service delivery to be effective. Legislative change may need to be staged and should be focused on the problem areas, such as national licensing scheme and disposal of hazardous waste.

Get the system right first then educate on how to use the system. Don't just invest in sorting facilities but invest in end processing facilities. Think about the logistic involved in moving waste and materials to end markets. Make sure that the right facilities have the capacity required.

6 Looking at the priorities and suggested headline actions for stage one, which do you think are the most important?

The highest priority is investment in core infrastructure if the facilities aren't in place to support the circular economy, then the objectives won't be achieved. The infrastructure needs to support onshore processing, and sustainable markets for the material captured which is also currently lacking in NZ.

A lot of core waste infrastructure is owned by private companies with local and regional facilities owned by local Councils. If we are going to invest more into waste infrastructure, who manages, owns, and operates the facilities needs further consideration. Particularly when government funds are used to develop the facilities. Need to engage with the waste industry, local business, local and central government to refine investment decisions.

Need to right size regional and national infrastructure to support the diversion expectations. Currently most investment is based on local needs with some co-ordination at a regional level. However, there is a lack of national infrastructure investment planning. There is good data to support municipal waste investment but limited data in relation to industry and commercial requirements. If national and regional infrastructure is going to be developed it makes sense to be able to service most waste streams.

While getting good data to support investment decisions is important, this should not delay investment planning by material stream.

7 What else should we be doing in stage one?

Get the system right first then educate on how to use the system is an important first step. Think about the logistic involved in moving waste and materials to end markets. Make sure that the right facilities have the capacity required.

Currently most end processing facilities are located in Auckland or North Island which makes it expensive to transport diverted material from South Island and more remote districts. What

facilities should be located in Christchurch or South Island? Logistic can be streamlined to support central processing. Need good national investment plan (that considers logistic) to support regional investment decisions.

Canterbury has been diverting organic from landfill for a long time. Having consistent kerbside collections for all TA's will help to support consistent diversion across NZ.

Agriculture organic material also needs to be a focus to remove organic from landfill particularly options to deal with biosecurity waste with limited alternatives.

In terms of emission reduction from landfills, the Canterbury Councils have been investing in better technology (gas collection, flares) at active landfills to reduce emissions. However, dealing with the risks posed by closed landfills is more of a problem to reduce the harmful effects. There is also limited funds available to remediate closed landfills.

8 What are the barriers or roadblocks to achieving the stage one actions, and how can we address them?

Access to funding, increasing costs of infrastructure (high inflation) and current business uncertainty associated with Covid pandemic (supply chain uncertainty and delays). Most infrastructure projects are experiencing delays and cost increases due to Covid.

Ensuring most of the population and industry are aware of the benefits and implications of the circular economy, and how a change in waste systems will work. Understanding the level of funding available to support both capital and on-going operational costs. This is in part providing sufficient advance notice that change is coming so industry can start to plan and invest to support the changed system. Need the majority of people to be on-board with the changes proposed to support the introduction of new systems.

9 Do the strategic targets listed in Table 1 focus on the right areas?

Broadly the right areas are covered however, the percentage targets aren't very meaningful in terms of what it means for individual districts, households, and businesses. What is the base figure used to calculate the percentage reduction? Clarity on the method of calculation, what is included and excluded from the numbers. This needs to be clear so that everyone being measured is being measured the same way. A lot of waste is not fully report. It might be more meaningful to understand average waste per household and set a target for waste reduction and diversion per household. Likewise understand the baseline waste for public sector / government organisations to set specific reduction targets per organisation that are more meaningful.

Reduction targets will only be achieved when the systems and infrastructure is in place and a standardised approach to what materials are collected is in place.

Business and industry generate large waste volumes as the economy grows so working with industry is still important to set industry specific waste reduction targets. New infrastructure needs to be sized to cater for both residential and commercial waste. Councils can provide facilities for residential material that can be used by businesses to encourage increased diversion.

10 Where in the suggested ranges do you think each target should sit, to strike a good balance between ambition and achievability?

I think more work is required to create more meaningful targets as stated above. Understanding the baseline for local government, central government and industry then setting realistic and achievable targets.

Part 3: Developing more comprehensive legislation on waste: issues and options

It is unclear from the information provided the extent of legislative change proposed and therefore the timeframe required to change the current legislative framework. There needs to be careful consideration of the implications associated with the changes. What will the changes mean in terms of enforcement and resourcing? Which agencies will be required to enforce new requirements? What problem is the change seeking to address? Numerous current legislations are mentioned is the intention to amend the current legislation or to completely change the whole legislative framework for waste? While some aspects associated with licensing and hazardous waste disposal are a good idea to address, other aspects of the current legislation are working well and don't need to be changed.

Embedding a long-term, strategic approach to reducing waste

11 Do you think new legislation should require the government to have a waste strategy and periodically update it?

Yes, a government waste strategy is a good idea that provides the framework for infrastructure investment at a national level. The waste strategy and associated investment plan should link into other national core infrastructure plans used in the roads, three waters, power and housing sectors (National Infrastructure Plan). Each core infrastructure sector has a national infrastructure strategy and framework linked to key outcomes and investment needs. Waste needs to develop a similar framework and plans.

12 How often should a strategy be reviewed?

Other national infrastructure agencies have a planning timeframe of 10 to 30 years, reviewed every three to five years to update and reflect any key industry changes. The waste strategy should align to both Council 10-year planning horizon and central government planning horizon.

13 How strongly should the strategy (and supporting action and investment plans) influence local authority plans and actions?

There should be a strong link and alignment between the national strategy and local authority plans to ensure investment is not duplicated. To achieve national waste reduction goals the local authority plans need to align with central government plans and targets, hence the benefit of a national waste strategy.

14 What public reporting on waste by central and local government would you like to see?

Reporting of Municipal waste volumes, diversion rates and against annual plan performance measures is already in place for most local authorities. This reporting should be linked to central government reporting requirements, with consistency between them on what is measured and how. Central government agencies are starting to develop report frameworks against emission reduction and waste reduction and diversion so should align with an agreed reporting framework that is applied to local government. However, there is currently limited reporting against industry and commercial waste flows. This is the biggest report gap that needs to be addressed.

In addition it is important to consider where the reporting information and data will be stored, recorded, and used. So careful consideration is required on how that data can be easily captured and reported.

15 Do you agree with the suggested functions for central government agencies?

The functions outline for the central government agency seem to make sense and align to the development of a waste strategy and annual investment plan. If a licensing system is going to be implemented, it makes sense that this should be managed centrally by a government agency as most

local authorities struggle to enforce such systems. Waste operators would prefer to only have to register through one system.

It makes sense that if national infrastructure is going to be developed that a central government agency manages that infrastructure, as per other central government agencies like Waka Kotahi and Transpower.

16 What central government agencies would you like to see carry out these functions?

Believe that the Ministry for the Environment needs to continue as the led agency for waste from a policy and strategy perspective.

Change may be required if central government owned assets. If it is determined that the best way to secure funding investment in core national infrastructure is for central government to own the asset, then a separate agency may be required. In a similar way to how NZTA and the Ministry of Transport have been set up to work.

Due to the cost associated and timeline required to set up another agency or entity to manage waste the costs and benefits need careful consideration. What additional functions are required can these be accommodated within MfE with additional resourcing or is the best solution an additional agency?

17 How should independent, expert advice on waste be provided to the government?

WasteMinz and the board already provides good oversight and expert independent advice to MfE and this should continue with MfE being the lead organisation on waste policy and strategy. WasteMinz has good industry support with its current structure. However, funding under Covid is challenging for WasteMinz. Consultation needs to continue with the waste sector (private waste companies) and local authorities. This process is a good start on wider engagement with the sector.

18 How could the legislation provide for Māori participation in the new advice and decision-making systems for waste?

Waste impacts all sectors of the community, so all sectors need to be consulted and engaged with regarding strategy and planning. It may be useful to reflect on the consultation process used for the three waters reform (what has and has not worked). When all parts of the community are affected by the change, they all need to be consulted and engaged with.

19 What are your views on local government roles in the waste system, in particular the balance between local and regional? Who should be responsible for planning, service delivery, regulatory activities like licensing, and enforcement of the different obligations created?

Service delivery is a core responsibility of local government as is local and regional planning to ensure the services are affordable and meet the local community requirements. Local enforcement of bylaws that support the delivery of services is also a core requirement of local government. Activities like licensing and enforcement are best handled by central government where a national system can be implemented as most waste operators provide services across New Zealand not just within one region. Most local authorities struggle to resource licensing and enforcement schemes.

National infrastructure planning should be the responsibility of central government within input from regional and local authorities so the regional and local plans can align with a national waste strategy and plan.

South Canterbury has been collaborating on the provision of regional infrastructure (facilities for sorting & baling recycling and glass, local processing of organic and refuse disposal) with common collection system. This collaboration is working well with a governance structure in place to support on-going regional collaboration. Each Council has its own contract, bylaw, WMMP and education

campaign which is aligned using a common framework. The Canterbury Joint Waste Committee also supports wider Canterbury collaboration between local councils and regional authority on waste infrastructure requirements and waste minimisation schemes.

Putting responsibility at the heart of the new system

20 Do you see benefit in adapting the United Kingdom's duty-of-care model for Aotearoa New Zealand's waste legislation, supported by appropriate offences and penalties?

A review of other legislative frameworks can be useful to inform changes to legislation, but New Zealand should adopt a model that reflects our requirements, population size and distant to commodity markets and reliance on imported goods.

21 Do you support strengthening obligations around litter by creating an individual 'duty of care' to dispose of waste appropriately?

Yes, cost associate with remediation of disposal sites, litter collections and illegal dumping can be significant. It's not clear how a 'duty of care' approach would work in practice. It can be difficult to enforce litter and illegal dumping issues however, the key is to ensure there is strong enforcement.

22 What else could we do so that litter is taken more seriously as a form of pollution?

Need people to change their attitude around litter and encourage people to take out what they bring in (limit the number of litter bins). The enviro schools zero waste scheme encourages this practice as there are now no litter bins in these schools. Need to rethink fast food packaging. However, behaviour change is not easy, so a careful balance is required. Need to ensure that communication targets the range of cultures and languages in NZ. This is a combination of education and enforcement. National education campaigns supported by local enforcement.

23 Do you support a nationwide licensing regime for the waste sector?

Yes, if managed centrally and linked to better data collection around waste flows and appropriate disposal of waste materials and diversion. Licensing is best managed at a national level not local level. Most waste operators would prefer one central licensing scheme where only one license is required that having to register under multiple schemes managed at a regional level. Licensing is the best way to achieve better data on waste volumes and waste flows from the private sector.

24 Should the new legislation include a power to require a tracing system to be developed for some or all types of waste?

Hazardous waste disposal is a concern so a system that ensures this material is managed appropriately and safely could be beneficial. Not sure how the tracing system would work in practice and what materials it would apply to. Need to ensure that the tracing system doesn't create a complex data management issue. Getting an understanding around waste & material flows is important to inform investment decision making. Need to ensure all waste and material diversion facilities have a weigh bridge to record tonnage in, at least.

25 What aspects of the proposals for regulating the waste sector could be extended to apply to hazardous waste?

There are already regulations in place to manage hazardous waste handling. Any extension could apply to other products that are also hazardous such as batteries. The regulations need to focus on the safe disposal and management of hazardous materials.

Councils and communities are starting to be left with the responsibility to fund the clean-up of past bad disposal practice. Need to ensure sufficient facilities are available to safely manage the potential volume of hazardous waste, particularly from industry.

Chain of custody associated with hazardous waste is important to ensure safe handling and disposal and determining who pays for the disposal. However, need to make sure any system is not too expensive resulting in material bypassing the safe disposal system and creating a worse environmental and public health outcome.

Improving legislative support for product stewardship schemes

26 Should the new legislation keep an option for accreditation of voluntary product stewardship schemes?

Yes, accreditation of voluntary product stewardship schemes is a good idea supported by industry to provide consumer confidence and ensure appropriate handling of the materials captured by the schemes. There could be a staged approach and criteria for priority products as to when a mandatory product stewardship scheme is implemented.

27 How could the accreditation process for new product stewardship schemes be strengthened?

The benefit of product stewardship schemes is that priority problematic waste is managed by the generator as opposed to passing the problem onto the waste industry and councils. So, strengthening and enforcing the framework and guidelines associated with the product stewardship schemes is a good strategy, with clear and consistent certification and accreditation.

28 How else could we improve the regulatory framework for product stewardship?

Product stewardship needs to link strongly with circular economy principals and regulation associated with imports and exports and packaging.

Enhancing regulatory tools to encourage change

29 What improvements could be made to the existing regulatory powers under section 23 of the Waste Management Act 2008?

It's not clear what the concern is with the current provisions of section 23 of the Waste Management Act. However, the regulatory powers under section 23 don't necessarily need to be changed. It may just be that MfE needs to continue to enforce the current provisions. There is good understanding and research about what material types create harmful effects on the environment and this is ongoing. So enforcement and restrictions on the import of these material types is the key as our knowledge improves.

30 What new regulatory powers for products and materials would be useful to help Aotearoa move towards a circular economy?

Some restrictions on materials imported into NZ, packaging used would be the best way to support a move towards a circular economy. Encouraging or enforcing the use of materials that are easily recycled or composted would be a good start. This would make Council services easier to manage.

31 Would you like to see a right to return packaging to the relevant business?

Yes, we support the principle of producers managing the waste they produce regardless of it being packaging or other waste. However, it may be difficult to enforce this concept in practice.

32 Would you like to see more legal requirements to support products lasting longer and being able to be repaired?

Yes, in principle products should last longer and be able to be repaired so they can continue to be used or reused. However, this may be difficult to enforce.

33 Is there a need to strengthen and make better use of import and export controls to support waste minimisation and circular economy goals? For example, should we look at ways to prohibit exports of materials like low-value plastics?

Yes, making use of import and export controls is a good idea in principle to support circular economy goals. This could make it easier for Councils to manage the services provided for recycling and organic.

Ensuring the waste levy is used to best effect

34 What types of activities should potentially be subject to a levy? Should the levy be able to be imposed on final disposal activities other than landfills (such as waste to energy)?

There is no easy answer to this question and a staged change may be the best solution. Currently the main form of final disposal in NZ is landfill. There is significant cost associated with setting up and operating waste to energy plants so adding additional costs such as a levy may impact the viability. It may not be the right time to change the levy until other infrastructure is in place to support improved diversion and treatment of waste. The environmental impacts associated with any waste handling and final disposal facility need to be carefully managed. Any other diversion, processing or waste to energy facility will be more expensive than landfill disposal. We need waste handling facilities that can handle the volumes generated.

35 What factors should be considered when setting levy rates?

The levy should reflect the funding requirements and be set at a level to incentivise use of diversion facilities over disposal facilities. At this stage there is not a clear understanding of the investment needs at a regional and national level. When the Annual Investment Plan is prepared there will be a better understanding of funding requirements and impact of revenue generated from the levy.

36 How could the rules on collection and payment of the waste levy be improved?

The current rules are not clear around what materials the levy applies to and how to interpret the reporting requirements. Particularly around hardfill, clean fill, managed fill, cover material, and diverted material. Better guidelines and interpretation of the rules is required to assist those reporting on tonnage and calculating levy payments.

Some clearer guidelines in terms of whether ETS & levy will apply to closed landfill remediation will be helpful. This will affect solutions in dealing with contaminated soils and at risk closed landfills. While the preference is to incentivise diversion from landfill and insitu remediation, there may be cases where exceptions should apply.

Council would like to suggest that additional charges for Councils and communities to bear when they are trying to clean up hazardous sites is not helpful. Most Councils are now facing significant unplanned remediation costs associated with these sites with limited access to central government funding. These projects are primarily aiming at reducing the harmful effects on the environment and from a regulatory and funding perspective should be supported by central government not hindered.

37 What should waste levy revenue be able to be spent on?

It should primarily be spent on core infrastructure requirements that assist waste diversion from landfill for both capital investment cost and ongoing operating costs. Some should be spent on dealing with the growing liability associated with managing closed landfills that present a real hazard to the environment.

38 How should revenue from the waste levy be allocated to best reflect the roles and responsibilities of the different layers of government in relation to waste, and to maximise effectiveness?

As the total revenue received from the levy will significantly increase, the current allocation method will need to be reviewed. The majority should be spent on the core infrastructure required, nationally and regionally allocated where there is a clear lack of infrastructure to support diversion. The infrastructure requirements should be clearly articulated in a national investment plan that is linked to regional plans and local authority plans. There needs to be a clear linkage between service delivery requirements and funding requirements. Other government agency models should be reviewed in this regard, such as funding allocated by Ministry of Transport & NZTA.

A proportion should be spent on education, with education campaigns aligned between national messaging and local messaging that match service delivery. A portion spent at national level and a portion at local authority level. The current difficulty with national messaging is that each region and local authority has a different recycling system making national messaging difficult.

Dealing with closed landfills and contamination sites is a growing problem so a proportion available to fund remediation cost is also important.

Enforcement costs should be largely self-funded and not require waste levy funds.

39 How should waste levy revenue be allocated between territorial authorities?

Waste levy focus should be on regional infrastructure requirements which can meet the needs of more than one territorial authority. Funding aligned to a clear investment plan.

Improving compliance, monitoring and enforcement

40 Which elements of compliance, monitoring and enforcement should be the responsibility of which parts of government (central government, regional councils, territorial authorities) under new waste legislation?

Any licensing scheme should be the responsibility of central government as most waste operators have a national business. Regional Councils should as they currently do regulate the environmental impacts associated with waste handling and disposal, closed landfill management. They should support the development of appropriate regional waste handling facilities to support diversion and safe management of hazardous waste. Territorial authorities should enforce local litter, illegal dumping by-laws as they currently do. Ensure that local services are delivered consistently and feed into regional facilities. Whoever is responsible needs to be properly funded for the role they are responsible for to be effective. The funding coming from a combination of rates, licensing and enforcement cost, and levy.

41 The need for enforcement work will increase under the new legislation. How should it be funded?

Revenue is currently generated from rates, licensing, enforcement cost and levy. Where possible enforcement should be self-funded based on a combination of enforcement fees and charges, the licensing charges set to register as a waste handling operator or facility. The charges should fund the system to manage the licensing system and enforce the system. In some cases, rates are used to support enforcement. These funding sources should be used prior to any Levy funding so that the majority of levy funds is used for infrastructure investment and operation not legislative change or licensing.

42 What expanded investigation powers, offences and penalties should be included in new waste legislation?

It is difficult to comment on this in terms of what the expanded investigation powers may include. However, in principle the powers and penalties need to align to actual cost associated with the offence. The biggest risk to the environment is when hazardous waste is not dealt with appropriately or material is disposed of inappropriately. So where possible it needs to cover the cost to remediate which will vary significantly depending on the offence.

43 What regulatory or other changes would help better manage inappropriate disposal of materials (that is, littering and fly-tipping)?

Some consistency in Territory Authority by-laws and associated fees and charges for littering and illegal dumping would be useful. Again, the charges should reflect the actual cost to clean-up the material dumped which will vary based on volume and how hazardous the material is. It can be hard to identify the offender to collect charges or prosecute but when enforced can help to change behaviour. National education campaigns to help with behaviour change. For some Territory Authorities better funding of local enforcement.

Draft

9.7 Annual Plan 2020/21 Four Month Performance Report to 31 October 2021

Author: Ann Fitzgerald, Corporate Planner
Lili Delwaide, Programme Delivery Manager
Mark Low, Strategy and Corporate Planning Manager
Azoora Ali, Chief Financial Officer

Authoriser: Erik Barnes, Acting Group Manager Commercial and Strategy

Recommendations

1. That Council receive and note the report with particular attention to:
 - (a) The key performance indicators progress report to 31 October 2021 be received and noted.
 - (b) The Annual Report 2021/22 work programme progress report to 31 October 2021.
 - (c) That the financial position as at 31 October 2021 be received and noted.
2. That Council adopt a quarterly reporting cycle.

Purpose of Report

- 1 The purpose of this report is to outline progress on implementing the Annual Plan 2021/22 (Year One of the 2021-31 Long Term Plan). This includes the work programme, key performance indicators and the financial results for the four month period ended 31 October 2021. The report also includes a request to change our reporting cycle to a three monthly reporting cycle.

Assessment of Significance

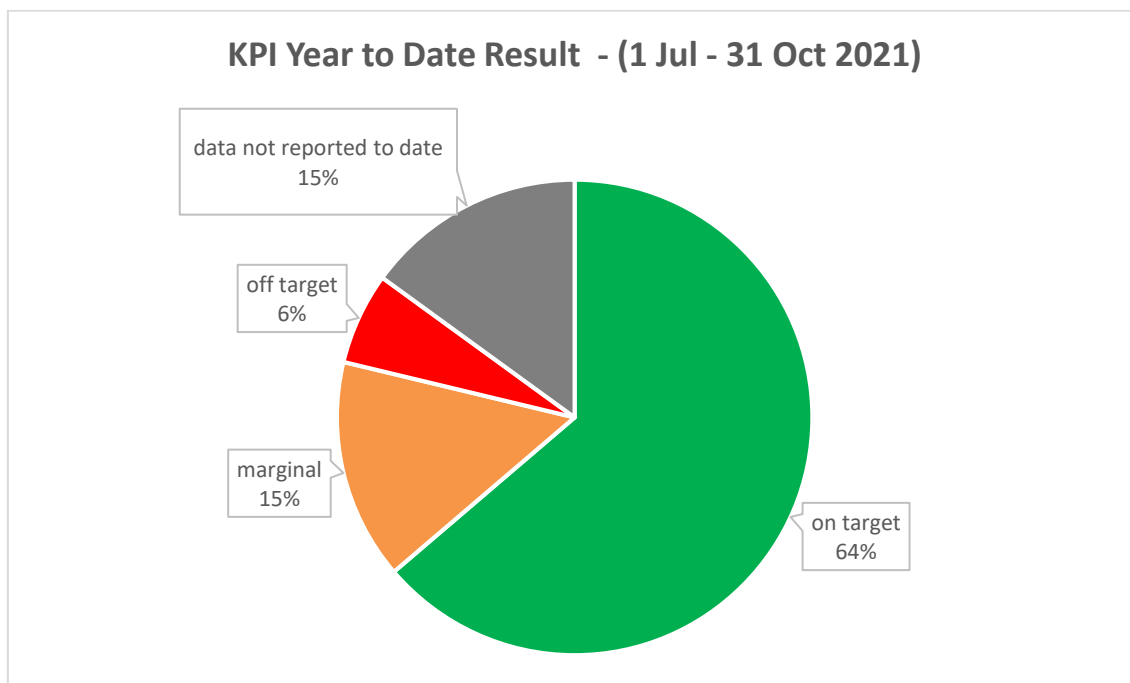
- 2 This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. It is a regular report to Council to report on Council's activities during the current financial year.

Discussion

- 3 Council's Annual Plan four month reporting cycle requires reporting of key performance indicators, capital work programme, and financial results to Council for the periods 1 July – 30 October, 1 November – 28 February, and an annual report for the 12 month period ended 30 June each year.

Key Performance Indicators Results

- 4 The Key Performance Measures (KPIs) for 2021/22 were set in the Long Term Plan 2021-31.
- 5 In general, the KPIs are tracking satisfactorily at the four month point. It is noted that data for a number of the measures (15%) was not reported this period. The majority of these are in the Water Supply and Stormwater activities. Data will be available for the next reporting period.



Note: results excludes annual and biennial measures

- 6 Of the 6% of measures that are off target, most are expected to improve during the remainder of the year. Measures off target relate to emergency management presentations, Building Warrant of Fitness audits, agenda items in public excluded, road safety awareness, residents cycling, recycling contamination levels and water loss.
- 7 A number of the targets that are off target or marginally off target have been affected by various reasons as resourcing constraints and COVID-19 Level 2 status (e.g. Museum and Library service users, and visitors to CBay). At this four month point in the year, no major areas of concern have been reported by Activity Managers.
- 8 Activity Highlights during the period included:
 - i. Safer Communities: Implementation of the Safer Communities Strategy has commenced with the employment of a Safer Communities Coordinator. Early work has included the Age Friendly initiative in conjunction with Venture Timaru and a range of community stakeholders.
 - ii. Annual Report: Good progress is being made with the Annual Report 2020/21 audit.
 - iii. Roading:
 - A successful initial implementation of both the Road Maintenance and Resurfacing Contracts.
 - Waka Kotahi are currently reviewing a number of planned structural repairs required on bridges and have
 - Due to favourable weather in September the resurfacing programme was able to start three weeks earlier than originally planned.
 - iv. Swimming Pools:
 - All summer pools ready for opening on time with no major issues, although recruiting additional staff for the summer period is challenging.

- Successfully navigated Covid regulations to keep all recreation facilities operating (albeit at reduced levels) once we came out of lockdown in September.

v. Parks:

- The new carpark in Temuka Domain has been completed
- The garden at Aigantighe Art Gallery has been replanted
- Improving access to tracks and parks for people of all abilities is continuing.

vi. Libraries, Museum and Art Gallery:

- Creative ways of providing services to the community despite COVID-19 restrictions have been well received by residents.

vii. Waste Minimisation:

- The transition to the new contractor EnviroWaste at the start of this financial year was smooth with no disruption to the levels of service to the community.
- The rollout of the glass blue bin has helped to reduce the contamination in the yellow bins; however more improvements can be made.
- Peel Forest Closed Landfill - mitigating works within the Rangitata River have commenced

Financial Results

Actuals Vs Budget

- 9 The financial results up to the period ending 31 October 2021 and Quarter 1 forecast 2021/22 are attached.
- 10 The variance analysis by activity for the period ending 31 October 2021 are also attached in the document "Council Performance Activity Variance Analysis – October 2021".
- 11 Council achieved an operating surplus of \$6.9 million for the period ending 31 October 2021. This is a favourable variance to budget by \$4.7 million.
- 12 Total Operating Revenue was \$36 million which is \$1.3 million higher than forecasted revenue.
- 13 Total operating expenditure of \$28.8 million (comprising personnel costs, operating costs, finance costs and depreciation costs), which is \$3.4 million lower than the budgeted operating expenditure to 31 October 2021.
- 14 Total capital expenditure of \$16.9 million was incurred compared to \$25 million budgeted. Noting that the budget was 1/12th for phasing at the time of the report. Since this time a forecast has been undertaken including capital phasing.

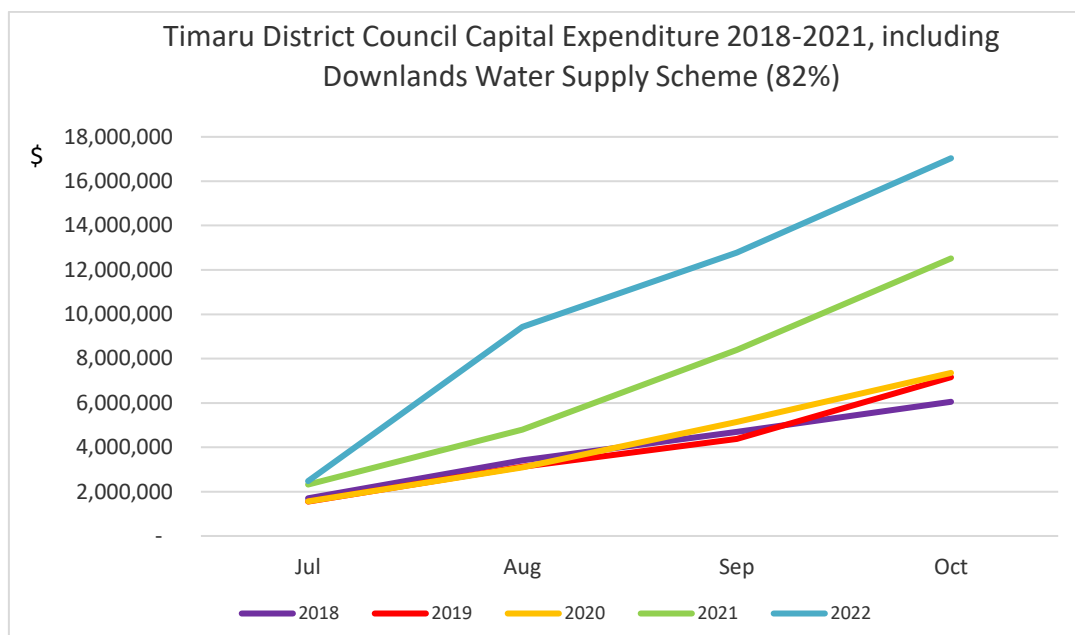
Actuals Vs Forecast

- 15 A high level forecast was undertaken during November. A detailed update to this forecast will be undertaken during the Annual Plan compilation in December and reviewed accordingly to reflect changes to overhead budget lines. The current operating surplus from the forecast is projected at \$4.6 million for the period ending 31 October 2021. This is an unfavourable variance to budget by \$1.7 million.
- 16 Total capital expenditure forecast is \$92 million against a budget of \$75.6 million. This is an increase of \$16.9 million.

- 17 The full year financial results up to the year ending 2021/22 are attached in the Financial Statements to this report in the column for “Full year forecast”.
- 18 The variance analysis by activity for the year ending 2021/22 are also attached in the document “Council Performance Activity Variance Analysis – October 2021”.
- 19 The detailed variances to this are in the attachments to this report.

Capital Work Programme

- 20 Timaru District Council’s Long Term Plan 2021-31 has a capital expenditure programme comprising of 105 projects and amounting to a value of \$84.12 million for 2021/22 financial year (including Downlands Water Supply Scheme at 82%).
- 21 An assumption of 90% capital delivery was used during the 2021-31 Long Term Plan resulting in a capital budget of \$75.6 million.
- 22 As of 31 October 2021, the total capital expenditure was \$17.89 million comprising of \$12.23 million for TDC and \$5.66 million for the Downlands Water Supply scheme (100%).
- 23 This capital expenditure represents a significant increase compare to the previous years with a total capital expenditure as at 31 October of respectively \$12.86 million and \$7.41 million for 2021 and 2020, as shown in the graph below.



- 24 Several large projects are currently in the construction phase, in progress or are planned to be completed by the end of the financial year. Those projects include:
 - i. The renewal of the Pareora Pipeline (\$2.9 million spent as of 31 October 2021, annual budget of \$10 million).
 - ii. The renewal of Downlands Water Supply Scheme Watermain (\$2.96 million spent as of 31 October 2021, annual budget of \$7.06 million).
 - iii. Demolition works at the Theatre Royal and Heritage Facility (\$420,000)
 - iv. The development of Temuka Domain (\$250,000)
 - v. Te Moana Water Treatment Plant Upgrade (\$567,000)
 - vi. Washdyke Water Network Resilience Improvement Section 1 (\$880,000)

- vii. Urban Sewermain Renewals and Upgrades (\$693,000 spent as at 31 October 2021, annual budget of \$1.5 million).
 - viii. The Te Ana Wai Water Treatment Plant Upgrade and pipelines (\$7.5 million)
 - ix. Evans Street, Timaru Three waters renewals (\$2.6 million)
 - x. Road resurfacing (\$18.5 million)
 - xi. Airport runway restructuring (\$2.0 million)
- 25 Ongoing non-construction projects include:
- i. Books and resources purchase for the libraries (\$112,000 spent as of 31 October 2021, annual budget of \$387,000)
 - ii. Playground equipment and undersurfacing (\$84,000 spent as of 31 October 2021, annual budget of \$250,000)
 - iii. Network Flow Monitoring in Temuka and Geraldine (\$17,000)
 - iv. Washdyke Roothing Improvement Design (\$165,000)

All the above listed projects are on-track for completion at the end of the year.

Procurement Update

- 26 Procurement of several projects was initiated during the first quarter of the year including:
- i. Contract 2509 Claremont Water Treatment Plant Chemical Building
 - ii. Contract 2490 Caroline Bay Soundshell Seating Replacement Project
 - iii. Contract 2545 City Hub Professional Services Urban Design
 - iv. Contract 2473 Pleasant Valley Watermain Upgrade
 - v. Contract 2551 Redruth Landfill Cell 3.5
 - vi. Contract 2467 Earl Road Watermain Renewal
- 27 In addition, procurement documents for several large projects including the Theatre Royal and Heritage Facility Development were finalised during the period.

Risks

- 28 Despite the promising delivery results of the first quarter of the year, there are currently several risks to the capital work programme including:
- i. COVID-19: The disruptions caused by COVID-19 are multiple and will continue to pose a risk to the delivery of our capital work programme. In particular, supply issues have been reported and increase and variability of freight cost are already impacting the delivery of our work programme. As we move to the COVID-19 Traffic Light system, we may also experience workforce constraint.
 - ii. Market Saturation: Insights from the market reveal that our local contractors are extremely busy at present. Going forward, we may need to consider allowing for longer construction period to ensure sufficient participation from the market and / or to reduce the financial impact of this constraint.
 - iii. Emergency Works: As a consequence of the flooding events that impacting our district in May 2021, a lot of emergency work, in particular within our roading network, has been carried-out in the first weeks of the financial year. As a result, the delivery of our

capital work programme for those activities is planned to considerably ramp-up in the coming weeks and months and any future weather events may impede our ability to deliver the entire work programme.

Reporting Cycle

Council currently reports on a four-month cycle as per a resolution passed by Council on 12 February 2019. Officers consider that moving to a quarterly reporting cycle (every three months) would better meet Council's needs and provide more regular and timely reporting.

This reporting cycle would mean reports would be provided to Council on progress against Council's work programme and financial progress for the end of September, December and March, with the twelve month report doubling as the Annual Report.

Options

The following options are available:

- i. Option 1: Report to Council quarterly (*preferred option*)
- ii. Option 2: Maintain the current reporting cycle every four months.
- iii. Option 3: Determine some other reporting cycle

Legislation

Local Government Act 2002

Attachments

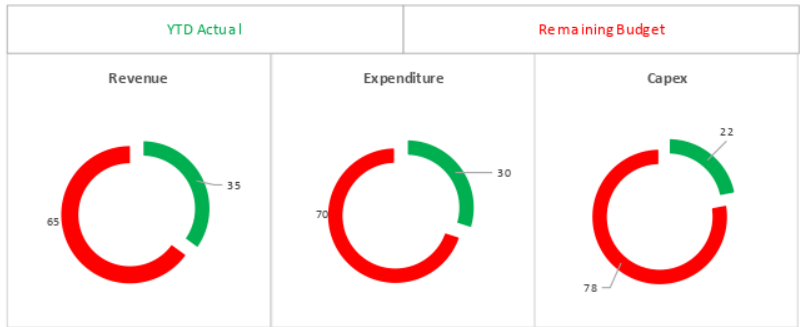
1. Council Financial Statements - October 2021 [↓](#) 
2. Council Performance Variance Analysis - October 2021 [↓](#) 

Council Financial Statements

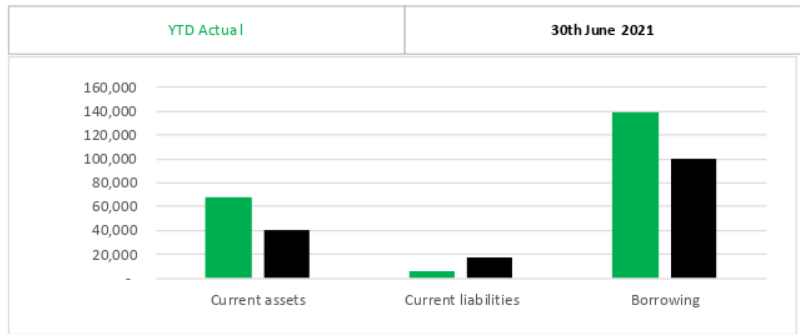
Council Performance

**COUNCIL PERFORMANCE
as at 31 Oct 2021**

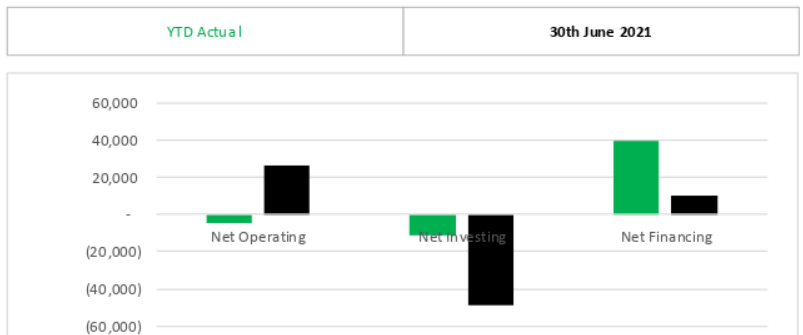
YTD Actual % of FY Budget



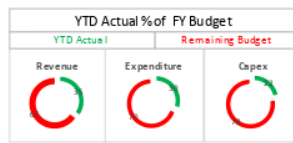
Financial Position - Balances



Cashflow - Movements



Council Financial Statements

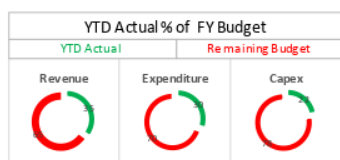


COUNCIL PERFORMANCE
as at 31 Oct 2021

	Year to Date			Full year Forecast \$000's	YTD Actual % of FY Forecast	Full year Budget \$000's	YTD Actual % of FY Budget	Variance Full Year Budget to Forecast \$000's
	Actual \$000's	Budget \$000's	Variance Budget \$000's					
Operating Revenue								
Rates revenue	21,066	20,556	510	61,667	34%	61,667	34%	-
Subsidies and grants	5,006	5,325	(319)	17,860	28%	18,481	27%	(621)
Fees & charges	5,541	5,640	(99)	16,353	34%	16,920	33%	(567)
Other revenue	3,368	2,177	1,191	3,943	85%	4,026	84%	(83)
Finance revenue	159	241	(82)	692	23%	723	22%	(31)
Dividend revenue	500	347	153	1,040	48%	1,040	48%	-
Other gains	-	10	(10)	32	0%	29	0%	3
Total Operating Revenue	35,640	34,296	1,344	101,587	35%	102,886	35%	(1,299)
Operating Expenditure								
Personnel costs	6,565	7,958	1,393	24,418	27%	23,875	27%	543
Depreciation expense	8,125	8,181	56	24,543	33%	24,543	33%	-
Finance costs	917	1,127	210	2,835	32%	3,381	27%	(546)
Other expenses	13,179	14,897	1,718	45,133	29%	44,690	29%	443
Total Operating Expenditure	28,786	32,163	3,377	96,929	30%	96,489	30%	440
Operating Surplus/(Deficit)	6,854	2,133	4,721	4,658		6,397		(1,739)
Capital Expenditure								
Community Support	219	1,419	1,200	4,750	5%	4,258	5%	492
Corporate Support	487	850	363	2,471	20%	2,550	19%	(79)
District Planning and Environmental Services	-	12	12	28	0%	35	0%	(7)
Recreation & Leisure	2,052	5,081	3,029	13,628	15%	15,242	13%	(1,614)
Roading and Footpaths	1,924	5,632	3,708	18,944	10%	16,896	11%	2,048
Sewer	910	1,191	281	4,249	21%	3,573	25%	676
Stormwater	247	775	528	2,572	10%	2,326	11%	246
Waste Minimisation	863	1,853	990	5,576	15%	5,559	16%	17
Water Supplies	10,233	11,192	959	37,384	27%	33,576	30%	3,808
10% reduction in capital expenditure projects	-	2,791	(2,791)	-	0%	(8,372)	0%	8,372
Total Capital Expenditure	16,935	25,214	8,279	89,602	19%	75,643	22%	13,959

Council Financial Statements

Council Performance – by Activity



COUNCIL PERFORMANCE - Activity
as at 31 Oct 2021

	Year to Date			Full year Forecast \$000's	YTD Actual % of FY Forecast	Full year Budget \$000's	YTD Actual % of FY Budget	Variance Budget to Forecast \$000's
	Actual \$000's	Budget \$000's	Variance Budget \$000's					
Operating Revenue								
Community Support	2,409	2,074	335	6,223	39%	6,223	39%	-
Corporate Support	1,610	(200)	1,810	(640)	-252%	(600)	-268%	(40)
Democracy	1,705	1,699	6	5,096	33%	5,096	33%	-
District Planning and Environmental Services	2,312	1,948	364	5,809	40%	5,845	40%	(36)
Recreation & Leisure	9,369	8,987	382	24,246	39%	26,961	35%	(2,715)
Roading and Footpaths	7,043	8,535	(1,492)	27,088	26%	25,606	28%	1,482
Sewer	3,004	3,120	(116)	9,359	32%	9,359	32%	-
Stormwater	1,336	1,246	90	3,737	36%	3,737	36%	-
Waste Minimisation	2,412	2,842	(430)	8,527	28%	8,527	28%	-
Water Supplies	4,441	4,044	397	12,142	37%	12,132	37%	10
Total Operating Revenue	35,641	34,295	1,346	101,587	35%	102,886	35%	(1,299)
Operating Expenditure								
Community Support	2,135	2,096	(39)	6,348	34%	6,288	34%	60
Corporate Support	354	1,108	754	2,801	13%	3,323	11%	(522)
Democracy	1,411	1,699	288	5,155	27%	5,096	28%	59
District Planning and Environmental Services	2,071	2,325	254	7,220	29%	6,974	30%	246
Recreation & Leisure	5,884	6,512	628	19,753	30%	19,536	30%	217
Roading and Footpaths	7,882	7,320	(562)	22,193	36%	21,960	36%	233
Sewer	2,896	3,120	224	9,398	31%	9,359	31%	39
Stormwater	887	1,246	359	3,744	24%	3,737	24%	7
Waste Minimisation	2,110	2,842	732	8,554	25%	8,527	25%	27
Water Supplies	3,156	3,896	740	11,763	27%	11,689	27%	74
Total Operating Expenditure	28,786	32,164	3,378	96,929	30%	96,489	30%	440
Operating Surplus/(Deficit)	6,855	2,131	4,724	4,658		6,397		(1,739)
Capital Expenditure								
Community Support	219	1,419	1,200	4,750	5%	4,258	5%	492
Corporate Support	487	152	(335)	2,471	20%	2,550	19%	(79)
District Planning and Environmental Services	-	12	12	28	0%	35	0%	(7)
Recreation & Leisure	2,052	5,081	3,029	13,628	15%	15,242	13%	(1,614)
Roading and Footpaths	1,924	5,632	3,708	18,944	10%	16,896	11%	2,048
Sewer	910	1,191	281	4,249	21%	3,573	25%	676
Stormwater	247	775	528	2,572	10%	2,326	11%	246
Waste Minimisation	863	1,853	990	5,576	15%	5,559	16%	17
Water Supplies	10,233	11,192	959	40,338	25%	33,576	30%	6,762
10% reduction in capital expenditure projects	-	(2,093)	(2,093)	-	0%	(8,372)	0%	8,372
Total Capital Expenditure	16,935	25,214	8,279	92,556	18%	75,643	22%	16,913

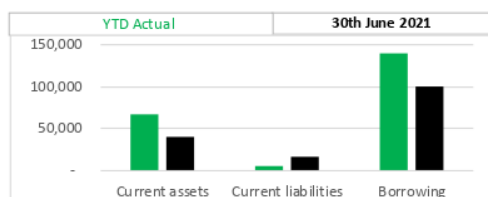
Council Financial Statements



**Statement of Cashflow
as at 31 Oct 2021**

	YTD Actual \$000's	30th June 2021 Actual \$000's
OPERATING ACTIVITIES		
Rates	15,770	53,492
Other revenue received	6,323	41,536
Interest received	159	1,056
Dividends received	500	2,022
Payments to suppliers and employees	(26,208)	(68,728)
Finance costs	(917)	(2,937)
Net operating activities	(4,373)	26,441
INVESTING ACTIVITIES		
Reduction of term investment	5,882	12,108
Proceeds from sale of property, plant and equipment	7	389
Purchase of property, plant and equipment	(16,993)	(61,069)
Net investing activities	(11,104)	(48,572)
FINANCING ACTIVITIES		
Drawdown / (repayment) of borrowings	39,500	10,000
Net financing activities	39,500	10,000
Cash movement	24,023	(12,131)
Opening Balance 1st July	4,107	16,238
Closing Bank Balance	28,130	4,107

Council Financial Statements



**FINANCIAL POSITION
as at 31 Oct 2021**

YTD Actual \$000's	30th June 2021 Actual \$000's
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ASSETS

Current assets		
Cash and deposits	28,129	4,107
Debtors and other receivables	22,562	9,902
Inventories	32	8
Other financial assets	17,215	25,967
Total current assets	67,938	39,984
Non_current assets		
Property plant & equipment	1,391,655	1,388,037
Intangible assets	5,130	5,329
Forestry	1,420	1,420
Investment property	1,739	1,739
Investment in associates	31,260	31,260
Investment in cco's & other similar	26,271	22,833
Other financial assets	51	51
Total non_current assets	1,457,526	1,450,669
Total assets	1,525,464	1,490,653

LIABILITIES

Current liabilities		
Trade and other payable	3,938	15,483
Employee benefit liabilities	2,045	2,045
Total current liabilities	5,983	17,528
Non_current liabilities		
Provisions	12,731	12,731
Employee benefit liabilities	458	458
Non current borrowing	138,984	99,484
Total non_current liabilities	152,173	112,673
Total liabilities	158,156	130,201
Net Assets	1,367,308	1,360,452

EQUITY

Retained earnings	801,858	795,004
Special funds	26,298	26,298
Separate funds	13,071	13,071
Asset revaluation	526,081	526,081
Total equity	-	1,367,308

Council Performance Variance Analysis

As at 31 October 2021

Variances greater than \$100,000 are explained below.

F (favourable variance) means that either actual revenue is greater than forecast or actual expenditure is less than forecast.

U (unfavourable variance) is when actual revenue is less than forecast or actual expenditure is greater than forecast.

Downlands Water is reported at 82% (TDC's shareholding in the scheme) in these financial reports.

1. Overview of Report

This report is broken into two sections.

1. Section 2 covers YTD Variance actuals 2021/22 to budget 2021/22.
2. Section 3 covers full year forecast 2021/22 to full year budget variance 2021/22.

The year to date budgeted operating expenditure in this report is based on phasing of 4/12 of the full year budgeted costs to represent the 4 month period from July – October 2021.

The full year forecast presented is a draft version for consultation purposes. This is a high level forecast undertaken during November. A detailed update of this forecast will be undertaken during the Annual Plan compilation in December and reviewed accordingly to reflect changes to overhead budget lines.

2. YTD Variance Actuals 2021/22 to Budget 2021/22

Variance analysis for year to date actuals against the year to date budget is presented below.

Council Performance (Actuals 2021/22 to Budget 2021/22)

Operating Revenue – Council Performance

Rates revenue - \$510,000 F

Reason for variance

- Dowlands rates has a favourable timing difference of \$540,100. This includes prior year's rates received during July 2021 as well as September and October rates not yet received which were accrued.

Subsidies and grants - \$319,000 U*Reason for variance*

- Rooding operating expenditure grants and subsidies are \$451,000 below budget year to date.
- An MBIE provincial development grant for the Theatre Royal of \$2,778,000 has been received, with Theatre Royal grants budgeted at \$2,456,000 year to date.

Other revenue - \$1,191,000 F*Reason for variance*

- Three waters grant received of \$1,712,000, against a budget of \$50,000 year to date.
- Forestry – Sutherlands plantation standing timber sales of \$338,000 exceeds the year to date budget of \$41,000 due to increased prices as a result of a shortage of timber.
- Rooding capital expenditure grants and subsidies are \$530,000 below budget year to date.
- Footpath capital expenditure grants and subsidies are \$279,000 below budget year to date.

Dividend revenue - \$153,000 F*Reason for variance*

- TDHL dividends received of \$500,000, against a budget of \$347,000 year to date.

Operating Expenditure – Council Performance (Actuals 2021/22 to Budget 2021/22)**Personnel costs - \$1,393,000 F***Reason for variance*

- Salaries and wages were \$1,393,000 below budget overall, including building control, drainage and water and LTU employee costs below budget between \$110,000 to \$125,000.
- There are a number of vacancies that are presently being recruited for which has resulted in the above favourable reduction.
- All other business units have less than a \$100,000 variance year to date.

Finance costs - \$210,000 F*Reason for variance*

- Interest on external borrowings were \$210,000 less than budget. This is a result due to a number of activities not requiring borrowings for projects. These are either presently due to commence or not fully completed in the previous financial year and therefore carried forward.

Other expenses - \$1,718,000 F*Reason for variance*

Significant variances are as follows with further detail provided in the Council Performance by Activity analysis:

- Democracy - \$116,000 F

- Recreation and leisure - \$476,000 F
- Roothing and footpaths - \$733,000 U
- Stormwater - \$185,000 F
- Waste Minimisation - \$597,000 F
- Water Supplies - \$124,000 F

The remaining favourable variance consists of many smaller variances to budget.

Council Performance – by Activity (Actuals 2021/22 to Budget 2021/22)

Operating Revenue

Community support - \$335,000 F

Reason for variance

- Lease properties and social housing leases are above budget by \$262,722 year to date. This is a timing difference.

Corporate support - \$1,810,000 F

Reason for variance

- Three waters grant received of \$1,712,368, against a budget of \$50,000 year to date.
- TDHL dividends received of \$500,000, against a budget of \$347,000 year to date.

District planning and environmental services - \$364,000 F

Reason for variance

- Animal Control – Income from dog registration fees and charges are higher than budget by \$252,000 year to date. This is a timing difference.
- Building Control – Statutory fees and charges are higher than budget by \$127,000 year to date.

Recreation and leisure - \$382,000 F

Reason for variance

- An MBIE provincial development grant for the Theatre Royal of \$2,778,000 has been received, with Theatre Royal grants budgeted at \$2,456,000 year to date.
- Forestry – Sutherlands plantation standing timber sales of \$338,000 exceeds the year to date budget of \$41,000 due to increased prices as a result of a shortage of timber.
- These favourable variances were offset by a combination of many smaller variances.

Roothing and Footpaths - \$1,492,000 U

Reason for variance

- Roothing operating expenditure grants and subsidies are \$451,000 below budget year to date, and rooothing capital expenditure grants and subsidies are \$530,000 below budget year to date.

- Footpath capital expenditure grants and subsidies are \$279,000 below budget year to date.

Sewer - \$116,000 U*Reason for variance*

- Sewer user fees and charges are \$168,000 below budget year to date.

Waste minimisation - \$430,000 U*Reason for variance*

- Income from landfill fees and charges are \$474,000 below budget as a result of lower than budgeted tonnage of waste received at the landfill.

Water supplies - \$397,000 F*Reason for variance*

- Downlands rates revenue has a favourable variance of \$540,000 year to date which is offset by reimbursements sitting in operating expenditure.

Operating Expenditure (Actuals 2021/22 to Budget 2021/22)**Corporate support - \$754,000 F***Reason for variance*

- Salaries and wages were \$205,000 below budget within this activity.
- IT digitalisation and back scanning is \$167,000 below budget.
- The remaining favourable variance relates to a combination many smaller variances.

Democracy - \$288,000 F*Reason for variance*

- An \$116,000 favourable variance from internal charges has been recognised year to date.

District planning and environmental services - \$254,000 F*Reason for variance*

- Personnel costs are \$186,376 lower than budgeted year to date.

Recreation and leisure - \$628,000 F*Reason for variance*

- \$196,000 lower than budgeted personnel costs and \$476,000 lower than budgeted parks ground maintenance contractors year to date.
- These favourable variances were offset by a \$231,000 unfavourable variance from internal charges year to date.

Roading and Footpaths - \$562,000 U*Reason for variance*

- Subsidised roading maintenance is \$733,000 above budget year to date.

Sewer - \$224,000 F*Reason for variance*

- Sewer treatment pump station maintenance was budgeted at \$209,000 year to date, actual cost incurred to date is \$13,000.

Stormwater - \$359,000 F

Reason for variance

- Timaru stormwater maintenance consultant costs were budgeted at \$185,070 with \$nil spent year to date.

Waste minimisation - \$732,000 F*Reason for variance*

- Kerb side collection costs are \$597,000 below budget year to date.

Water supplies - \$740,000 F*Reason for variance*

- Urban water chemicals are \$124,000 below budget.
- The remaining favourable variance relates to a combination many smaller variances.

Capital Expenditure (Actuals 2021/22 to Budget 2021/22)

The year to date budgeted capital expenditure in this report is based on phasing of 4/12 of the full year budgeted costs to represent the 4 month period from July – October 2021.

However, as the actual spend of capital expenditure deviates from a standard monthly amount due to timing of project start and completion dates no variance analysis is provided against budget. The year to date variance analysis against forecast is included in the next section.

3. Variance Full Year Forecast 2021/22 to Full Year Budget 2021/22

Variance analysis for forecast 2021/22 actuals full year budget to date budget is presented below.

Council Performance (Forecast 2021/22 to Budget 2021/22)

Operating Revenue – Council Performance

Subsidies and grants - \$621,000 U

Reason for variance

- Subsidised Rooding - Emergency funding for flooding has increased by \$1,700,000.
- Theatre Royal - Grants have reduced by \$2,358,000 in line with a decrease in capital expenditure forecasted up to June 2021. The grant will be received when the cost is incurred within the 2023 financial year.

Fees & charges - \$567,000 U

Reason for variance

- Parking Enforcement - Parking infringements and fines reduced by \$100,000. This reduction is due to COVID exemptions on WOF's, Rego's and training downtime expected due to new staff.
 - Car parking fees reduced by \$121,000 due to no meter charges during level 2 and 3 since August 2021.
- CBAY - Reductions in users fees and charges due to COVID impacts for:
 - CBAY Aquatics \$140,000;
 - CBAY Fitness \$175,000 and;
 - CBAY Swim School \$100,000.

Operating Expenditure (Forecast 2021/22 to Budget 2021/22)

Personnel costs - \$543,000 U

Reason for variance

- Risk and Assurance – Salary increases of \$392,083 due to three additional staff and one position recently approved by SLT and through the restructure process in June being recruited not reflected in the original budget.

Finance costs - \$546,000 F

Reason for variance

- A \$546,000 reduction in finance costs due to delayed timing of expenditure resulting in less debt required compared to budget and lower interest rates secured.

Other expenses - \$443,000 U*Reason for variance*

- Financial Services Unit - \$250,000 additional professional services costs due to current recruitment backlog, LTP, AP and Annual Report delivery.
- Parking Facilities - \$120,000 additional contractor costs relating to waterblasting and waterproofing of the Sofia Street carpark.

Council Performance – by Activity (Forecast 2021/22 to Budget 2021/22)**Operating Revenue****Recreation & leisure - \$2,715,000 U***Reason for variance*

- Theatre Royal grants have reduced by \$2,358,000 in line with a decrease in capital expenditure forecasted up to June 2021. The grant will be received when the cost is incurred within the 2023 financial year.
- CBAY - Reductions in users fees and charges due to COVID impacts for:
 - CBAY Aquatics \$140,000;
 - CBAY Fitness \$175,000 and;
 - CBAY Swim School \$100,000

Roading & footpaths- \$1,482,000 F*Reason for variance*

- Subsidised Roothing - Emergency funding for flooding has increased by \$1,700,000.
- Parking Enforcement - Parking infringements and fines reduced by \$100,000. This reduction is due to COVID exemptions on WOF's, Rego's and training downtime expected due to new staff.
 - Car parking fees reduced by \$121,000 due to no meter charges during level 2 and 3 since August 2021.

Operating Expenditure**Corporate support - \$522,000 F***Reason for variance*

- Internal charge reimbursement have had a favourable variance by \$721,000 as a result of changes in funding and other changes in costs.
- Finance Costs reduced by \$546,000 due to delayed timing of expenditure resulting in less debt required compared to budget and lower interest rates secured.
- Additional professional services costs and recruitment costs increases offsetting the favourable variances above related to Risk and Assurance and financial services unit of \$642,083.

District planning & environmental services - \$246,000 U*Reason for variance*

- Internal charges have increased by \$100,000 as a result of changes in funding and other changes in costs.

Recreation & leisure - \$217,000 U*Reason for variance*

- Internal charges have increased by \$250,000 as a result of changes in funding and other changes in costs.

Roading & footpaths - \$233,000 U*Reason for variance*

- Parking Facilities - \$120,000 additional contractor costs relating to waterblasting and waterproofing of the Sofia Street carpark.
- Internal charges have increased by \$116,000 as a result of changes in funding and other changes in costs.

Capital Expenditure**Community support - \$492,000 U***Reason for variance*

- Carry forwards from 2021 of \$505k have been added to forecast.

Recreation & leisure - \$1,614,000 F*Reason for variance*

- Carry forwards from 2021 of \$2,2mil have been added to forecast.
- Carry forwards of \$114k reduction for Museum (Compliant Roof Safety System). This planned expenditure relates to general work not specifically compliant roof safety system.
- Temuka Swimming Pools - \$116k reduction for project completed lower than budget.
- Theatre Royal and Heritage Facility Development - \$3.4m reduction. The total forecast expenditure for 2021/22 is \$5m and total budget is \$8.4m.
- South Canterbury Gym sports had an increase of \$150k. There was no budget for 2021/22.

Roading & footpaths - \$2,048,000 U*Reason for variance*

- Carry forwards from 2021 of \$372k have been added to forecast.
- Parking (other capital works) had an increase of \$280k for repairs that are required for Sophia Street Car park.
- Subsidisable roading increase for emergency work were \$1.4m being 72%. Farm Road Bridge has been identified as having loss of life and needing full

replacement. In addition, extensive work is required on Winchester Hanging Rock Bridge.

Sewer - \$676,000 U

Reason for variance

- Carry forwards from 2021 of \$526k have been added to forecast.

Stormwater - \$246,000 U

Reason for variance

- Carry forwards from 2021 of \$255k have been added to forecast.

Water supplies - \$6,762,000 U

Reason for variance

- Carry forwards from 2021 of \$3.3mil have been added to forecast.
- Te Ana Wai Water Treatment Plant (Downlands – 100%) had an increase of \$149k.
- Urban Water Washdyke Watermain Networks Improvements had an increase of \$266k for project funded over two years. LTP year 2 included \$3.1m.

9.8 Downlands Agreement Commencement Date**Author:** Ashley Harper, Three Waters Stimulus Advisor**Authoriser:** Andrew Dixon, Group Manager Infrastructure**Recommendation**

1. That the Timaru District Council approves the commencement date for the new Downlands Joint Committee Agreement as 1 July 2020.

Purpose of Report

- 1 The purpose of this report is to seek approval of an amended commencement date for the new Downlands Joint Committee Agreement in order to satisfy audit requirements associated with international accounting standards.

Assessment of Significance

- 2 This matter is considered of low significance in terms of the Significance and Engagement policy because it involves the determination of a new commencement date for a new agreement which has no impact on the water services being delivered.

Background

- 3 On the 20th July 2021 Council, via the Infrastructure Committee, approved a new agreement for the governance and management of the Downlands Water Scheme. Following legal and accounting advice it was agreed that the commencement date of the new agreement would be the 1st of July 2021. The recently signed documents specify this date.

Discussion

- 4 Audit New Zealand have now raised a consequential issue relating to the preparation of the Timaru District Council 2020/21 Annual Report. The accounting treatment of the use of Downlands Reserve Funds for the 2020/21 year is probably satisfactory. However a cleaner and simpler solution is to make the new agreement applicable from 1 July 2020.
- 5 Audit New Zealand has indicated that this date will meet audit requirements.
- 6 The Waimate and Mackenzie District Councils meet on the 14th of December 2021 and this report will be presented to each Council for their consideration. Staff of each Council have indicated that they will recommend approval.

Options and Preferred Option

- 7 The options are to approve the proposed new commencement date, which is preferred, or to determine an alternative commencement date.

Consultation

- 8 The Audit and Risk Committee, staff at the Mackenzie and Waimate District Councils, legal advisers and accounting advisers have all been consulted on this matter.

Relevant Legislation, Council Policy and Plans

- 9 Compliance with international accounting standards and the auditing of the Timaru District Council 2020/21 Annual report are the statutory obligations that relate to this matter.

Financial and Funding Implications

- 10 In itself, setting a commencement date that meets audit requirements has no funding implications, however, setting a different date could potentially have implications for the accounting treatment of the Downlands Water Scheme and for the adoption of the Annual Report by each of the three shareholding District Councils.

Other Considerations

- 11 There are no other considerations in this matter.

Attachments

Nil

9.9 Government 3Waters Reforms-Economic Regulation.**Author: Ashley Harper, Three Waters Stimulus Advisor****Authoriser: Andrew Dixon, Group Manager Infrastructure****Recommendation**

That the Mayor and the Chief Executive be delegated authority to approve a submission to the Government's discussion paper "*Economic Regulation and Consumer Protection for Three Waters Services in New Zealand*".

Purpose of Report

- 1 The Government has issued a discussion paper Economic Regulation and Consumer Protection for Three Waters Services in New Zealand² with submissions closing on the 20 December 2021. This deadline is between Council meetings and therefore a suitable delegated authority is required for a submission to be approved and submitted on time.

Assessment of Significance

- 2 The Government's 3Waters Reforms are of high significance.
- 3 The decision to approve Council's submission to the discussion paper is assessed as being of low significance in accordance with Council's Significance and Engagement Policy as a submission on a discussion paper does not directly affect the delivery of the service.
- 4 While not highly significant, submitting to the discussion paper is an important way for Council to fulfil its role to advocate for the current and future wellbeing of the Timaru Community.

Background

- 5 In late October 2021 the Government announced that participation in the 3Waters reforms would be via an 'all in' approach.
- 6 At the same time the above discussion paper was issued, containing a submission template addressing the 46 questions within the discussion paper.
- 7 Economic regulation was anticipated with the reforms and the discussion paper canvasses a wide range of issues including consumer protection matters.
- 8 Given the technical content of the discussion paper specialist consultants, Castalia, have been engaged to evaluate the paper, write a commentary and prepare a draft submission for consideration.
- 9 It is understood that Castalia are working for a number of Territorial Local Authorities.
- 10 Taitaurā (formerly the Society of Local Government Managers) and the Canterbury Mayoral Forum are also preparing submissions.

Discussion

- 11 Within the overarching objectives of the Three Waters Reform, the discussion paper states

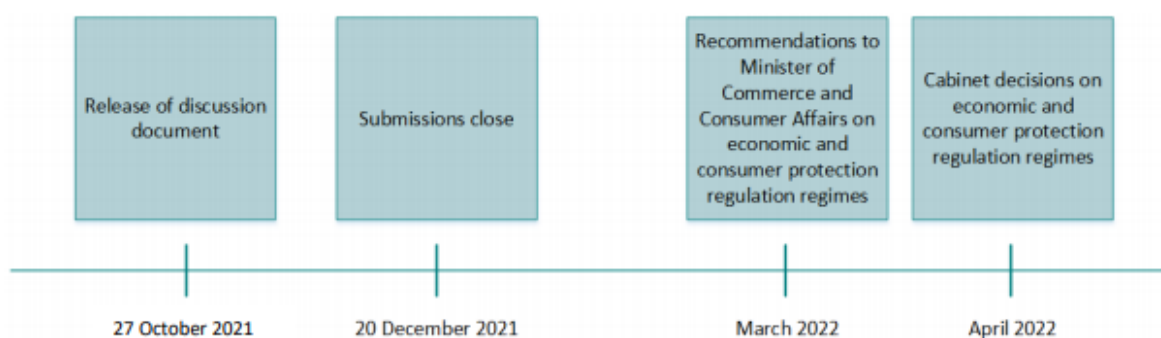
² [Economic Regulation and Consumer Protection for Three Waters Services in New Zealand: Discussion Paper](#)

“we consider that the economic and consumer protection regulation regimes should:

- i. Have the promotion of consumer interests as the paramount objective
- ii. Promote the delivery of efficient, effective, and innovative three waters infrastructure consistent with the paramount consumer interests objective
- iii. Deliver approaches to regulation that are consumer centric, transparent, predictable, timely, and sufficiently flexible to promote durability over time
- iv. Provide appropriate levels of regulatory accountability and independence while ensuring that the broader three waters regulator system, that includes agencies like Taumata Arowai, is strategically and operationally coherent and delivers the Government objectives.”

- 12 Submissions close on 20 December 2021 with advice due to be provided to the Minister of Commerce and Consumer Affairs and Cabinet in the first half of 2022 as per the timeline set out in the discussion paper.

Figure 2 – consultation and policy timeline



Options and Preferred Option

- 13 The preferred option is to make an approved submission by the 20 December deadline. Making a submission does not contradict with Councils opposition to the proposed reforms, but given the announced mandatory participation then Council should have its voice heard.
- 14 The alternative option, which is not preferred, is to not make a submission.

Consultation

- 15 The Chief Executive has held discussions with other Chief Executives and there is a combined willingness to have Castalia prepare a comprehensive and robust draft submission for consideration and to share the costs of this work.

Relevant Legislation, Council Policy and Plans

- 16 The bespoke legislation facilitating the proposed 3Waters Reforms is due to be introduced to parliament in December 2021. The proposed legislation will generate its own submission process and timeframes.

Financial and Funding Implications

- 17 There are no financial obligations from making a submission. The cost of preparing the submission will be met from existing budgets.

Other Considerations

18 There are no other considerations associated with this matter at this time.

Attachments

Nil

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 21 September 2021**
- 13.2 Public Excluded Minutes of the Council Meeting held on 26 October 2021**
- 13.3 Public Excluded Minutes of the Extraordinary Council Meeting held on 5 November 2021**
- 13.4 Public Excluded Minutes of the Extraordinary Council Meeting held on 9 November 2021**
- 13.5 Public Excluded Minutes of the Extraordinary Council Meeting held on 23 November 2021**
- 13.6 Timaru District Holdings Limited: Appointment of chairperson and deputy chairperson**

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 21 September 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)(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>To protect a person’s privacy</p> <p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>
13.2 - Public Excluded Minutes of the Council Meeting held on 26 October 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 Council Meeting held on 5 November 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	<p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>

	<p>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>13.4 - Public Excluded Minutes of the Extraordinary Council Meeting held on 9 November 2021</p>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p>	<p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p>
<p>13.5 - Public Excluded Minutes of the Extraordinary Council Meeting held on 23 November 2021</p>	<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>To protect a person's privacy</p>
<p>13.6 - Timaru District Holdings Limited: Appointment of chairperson and deputy chairperson</p>	<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>To protect a person's privacy</p>