



Council Annual Plan / Budget Meeting

Commencing at 9.00am

on

Monday 18 March 2019

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

Timaru District Council

Notice is hereby given that a meeting of the Timaru District Council to consider the 1 July 2019 to 30 June 2020 Annual Plan and Budget, will be held in the Council Chamber, District Council Building, King George Place, Timaru on Monday 18 March 2019, at 9.00am.

Local Authorities (Members' Interests) Act 1968

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

Bede Carran
Chief Executive

Council Agenda

- | | | |
|----------|-----------|--|
| 1 | | Opening Prayer |
| 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 | 1 | Proposed Annual Plan and Budget for the Period 1 July 2019 to 30 June 2020 |
| 8 | 34 | Environment Canterbury Draft Annual Plan 2019/20 – Timaru District Council Submission |

Timaru District Council
for the Budget Meeting of 18 March 2019

Report for Agenda Item No 7

Prepared by Stephen Halliwell
Acting Group Manager Commercial and Strategy

David Codyre
Chief Financial Officer

Mark Low
Strategy and Corporate Planning Manager

Proposed Annual Plan and Budget for the Period 1 July 2019 to 30 June 2020

Purpose of Report

- 1 To consider the proposed annual plan, draft budget and fees and charges.
- 2 To decide on variations to the budget from the LTP 2019/20 budget.
- 3 To decide on the consultation and engagement requirements (if any) on any variations to the LTP 2019/20 budget.

Background

- 4 A budget for 2019/20 was contained in year 2 of the Long Term Plan (LTP) 2018-2028.
- 5 The Council is required to prepare an Annual Plan for the 2019/20 financial year. The Local Government Act 2002 Section 95 (5) states:
- 6 *"The purpose of an annual plan is to—*
 - a. *contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*
 - b. *identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and*
 - c. *provide integrated decision-making and co-ordination of the resources of the local authority; and*
 - d. *contribute to the accountability of the local authority to the community."*
- 7 Consultation on an Annual Plan is not required unless the differences to the LTP are 'significant' or 'material' or the Council chooses to.

Proposed Annual Plan 2019/20 Overview

- 8 The draft budget proposes that overall rates be less than the adopted LTP 2018-28 Year 2 budget by 2.8%
- 9 The LTP 2018-28 Year 2 budget proposed a rates increases of 7.5%. This was largely because of higher finance and depreciation costs as a result of 46% increase in the LTP capital budget. In adopting the LTP the Council had incorporated increased capital investment in infrastructure, Library roof and the Theatre Royal refurbishment.
- 10 The draft budget represents an overall increase of 4.7% on this year's rates (2018/19).
- 11 The draft budget has an increase in non-rate revenue of \$968,000 and a reduction in total expenses of \$940,000 from the LTP budget.
- 12 Variations to the budget are listed below. These variations arise from changes to items due to new information and events since the adoption of the LTP and new items included for consideration by Council.
- 13 Due to the small number of changes from the LTP it is not proposed to re-debate matters discussed in detail during the LTP 2018-28 process.

New Items

- 14 The draft budget includes new operational and capital items. These are shown in the tables and labelled (NEW).
- 15 Further information on these items can be found in Appendix 1.
- 16 All new items are included in the draft budget.

Operational Variations

- 17 The statement of comprehensive revenue and expense shows the movements discussed above. The major variances are discussed below.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE

	ANNUAL PLAN BUDGET 2018/19 \$'000	LONG TERM PLAN BUDGET 2019/20 \$'000	ANNUAL PLAN BUDGET 2019/20 \$'000	Variance
Revenue				
Rates, excluding targeted water supply rates	50,333	54,025	52,710	4.7% (1,315)
Fees, charges and targeted rates for water supply	17,974	18,536	18,253	(283)
Development and financial contributions	20	20	30	10
Subsidies and grants	8,992	8,565	10,492	1,927
Finance Revenue	2,099	1,782	1,905	123
Other revenue	3,821	5,138	4,328	(810)
Other gains/(losses)	0	0	0	0
Total Revenue	83,240	88,066	87,719	(347)
Expenses				
Personnel costs	17,630	18,027	18,238	211
Operating costs	39,487	39,446	40,928	1,482
Finance costs	5,371	6,329	4,477	(1,852)
Depreciation and amortisation	16,518	17,550	16,769	(781)
Total Expenses	79,007	81,352	80,412	(940)
Total Comprehensive Revenue And Expense	4,233	6,714	7,307	593

Revenue Variances

- 18 Fees and charges revenue has increased by \$259,000 from this year but falls short of the LTP budget by \$283,000. This is a variance of 1.5% to the LTP budget and is not considered significant. In part it reflects that some fees and charges are not practicable to increase every year and lower projected demand for some regulatory services. Proposed Fees and Charges 2019/20 are provided in a separate document.
- 19 Subsidies and grants is significantly up on the LTP budget due to additional NZTA financial assistance subsidy on roading projects, including Coach/Tiplady (75% subsidy) and footpaths, berms and roading maintenance (see expenses variances).
- 20 Finance revenue is up a small amount as reserves for capital projects are reducing slower than planned.
- 21 Other revenue is lower than the LTP budget by \$810,000. This is as a result of rephasing Theatre fundraising to align with the rephased capital spend and Downlands capital contributions in the LTP budget that are collected when the capital project is completed.

Expenses Variances

- 22 Personnel costs are up by \$211,000 to make allowance for the impact of government policy changes to the minimum wage. Staff are managing structure changes within the LTP budgets.

23 Operating expenses are up \$1,482,000 due to the following items:

Budget	Reason	Amount
Public Responsibility	Remuneration Authority requirements, non-discretionary	\$60,000
Insurance Premiums	<p>We have been advised insurance premiums could increase at the lower end of 10-15%, plus or minus 5%. We have budgeted at 7%.</p> <p>Council changed its insurance from indemnity to replacement on some social housing and halls assets.</p>	\$98,000
District Plan Review	<p>A review of the District Plan has proposed a total reduction in the cost over the whole project. A projected underspend in the current year will offset the overspend in the 19/20 year. Primarily as a result of programme changes.</p> <p>Staff have also funded the District Plan Review from debt over 10 years to recognise the benefit the plan provides over time and smooth the rates impact of this large operational project.</p>	\$42,000
Parks Maintenance	See white paper appendix 1.	\$125,000
Pareora Dam (NEW)	See white paper appendix 1.	\$75,000
Highfield - Fit for the Future Plan (NEW)	See white paper appendix 1.	\$150,000
Waste Minimisation. Emissions Trading Scheme Waste Disposal	<ol style="list-style-type: none"> 1. The global cost of Carbon Credits to offset ETS requirements is estimated to cost \$112,000 more. This equates to \$3.00 per bin set GST Inclusive. 2. The increase in waste volumes going to landfill in 2019/20 combined the improved landfilling methodology in the re-use of Cell 2.2 from July 2019 and new leachate control is estimated to cost \$508,000 more. This will be offset to some extent by an extended life of this cell which can be measured after 12 months of 	\$619,000

	operation and additional gate revenue of \$70,000 per annum.	
Footpaths, Berms and Roding Maintenance (NEW)	See white paper appendix 1. This budget is 52% offset by NZTA subsidy (see revenue above)	\$312,000
TOTAL		\$1,481,000

Capital Variations

24 Some capital budgets have been rephased to recognise the likely 2018/19 year end result and any constraints on delivery in 2019/20. This has resulted in an increase in the 2019/20 capital budget over the LTP budget of \$15.2M (i.e. Carry Forwards proposed from 2018/19 to 19/20). Total capex in 2019/20 is budgeted at \$69.2M

25 Major variations to the capex budget are:

Budget	Reason	Amount \$M
Recreation & Leisure		
Timaru Library Roof & Associated upgrades	Cfwd	2.2
Aigantighe Art Gallery Building renewals/extension	Cfwd	0.6
Theatre Royal building renewals and flying system	rephasing	-0.6
Temuka Pool Renewals	NEW	0.6
Parks		
Structures	Cfwd	0.2
Transportation		
CBD refresh - district wide	Cfwd	0.5
Roads / Footpaths / Berms etc	NEW financial assistance	0.9
Coach / Tiplady intersection (year 1)	NEW Financial assistance	0.8
Sewer		
New Reticulation	Cfwd	0.8
Talbot St Geraldine siphon upgrade	Cfwd	0.7
Stormwater		

Number 1 Drain at Washdyke Upgrade	Cfwd	0.2
Network renewals	Cfwd	0.3
Water Supply		
Seadown Water Storage	Cfwd	0.4
Te Moana Downs Reticulation	Cfwd	0.6
Te Moana Downs Treatment Upgrade	Cfwd	1.5
Urban Maintenance Generated Renewals	Cfwd	0.1
Urban Fixed Plant & Equipment	Cfwd	1.2
Tmu Pareora Pipeline Renewal	rephasing	-0.4
Tka treated water storage & pumps	Cfwd	1.2
Downlands Water Supply (TDC 82 %)		
Mains, tanks, intake renewals, leak detection	Cfwd	2.1
Te Ngawai infiltration gallery and low lift pumps	Cfwd	0.6
Raw water storage	Cfwd	0.7
Total		\$15.2

Debt

- 26 The statement of financial position below shows a decrease in debt of \$12.9M over the LTP budget. This decrease reflects the rephasing of capital projects and results in interest savings in operating expenses.

STATEMENT OF FINANCIAL POSITION			AS AT 30 JUNE
	ANNUAL PLAN BUDGET 2018/19 \$'000	LONG TERM PLAN BUDGET 2019/20 \$'000	ANNUAL PLAN BUDGET 2019/20 \$'000
Equity			
Retained Earnings	742,766	757,963	782,798
Special Fund Reserves	20,917	12,434	9,964
Total Equity	763,683	770,397	792,763
Current Assets			
Cash & Bank Balances	15,801	12,850	7,784
Short Term Deposits	17,417	9,417	44,216
Receivable & Prepayments	6,218	6,218	6,218
Inventories	72	72	72
Total Current Assets	39,508	28,557	58,290
Non-Current Assets			
Investments	24,439	23,957	2,378
Fixed Assets	839,891	876,433	877,064
Total Non-Current Assets	864,330	900,390	879,442
Total Assets	903,838	928,947	937,732
Current Liabilities			
Payables & Accruals	10,542	10,576	11,908
Current Portion of Term Debt	5,659	6,232	5,933
Total Current Liabilities	16,201	16,808	17,841
Non-Current Liabilities			
Term Debt	113,490	131,248	118,590
Other Term Liabilities	10,463	10,493	8,538
Total Non-Current Liabilities	123,954	141,741	127,128
Total Liabilities	140,155	158,549	144,969
Net Assets	763,683	770,397	792,763

Debt Variance

(\$299)

(\$12,658)

(\$12,957)

Rates

- 27 Rates increase will be in line with the overall 4.7% increase except the Differentiated Annual Waste Management Charge which were forecast to increase at a higher rate in 2019/20 and which has the most significant cost increases, due to the increasing market cost of emissions trading scheme credits.
- 28 A rates summary will be tabled at the meeting and circulated earlier if possible.

Community Board Feedback

- 29 Community Board's have received a high level report identifying matters within their areas.
- a. Temuka Community Board resolved; *"that the Temuka Community Board supports the development of the Temuka Swimming Pool upgrade including a 25m pool suitable for NZ Swimming competitions and a learners pool, and acknowledges the need for ongoing engagement with the pool users once the funding is secured".*
 - b. Pleasant Point Community Board resolved; *"That the Community Board receives the report and note that no consultation is required for any budget items."*
 - c. Geraldine Community Board resolved: *"That the Geraldine Community Board strongly supports the upgrade of the Geraldine – Winchester/Coach/Tiplady Intersection Upgrade."*

Annual Plan Consultation and Engagement

- 30 Council agreed in January that no formal consultation for the 2019/20 Annual Plan takes place unless a significant variation is identified over the next few months.
- 31 Community Board feedback advises that in their opinion there are no matters within their areas that would require further consultation.
- 32 A rates increase less the forecast in the LTP would generally be unlikely to trigger a need to consult, particularly as it is not as a result of service level changes.
- 33 The large movement in the capital programme is as a result of practical matters of planning and resourcing projects. Staff are working to achieve these projects. It would be impracticable to consult on this matter.

Timetable

- 34 The Annual Plan timetable has been prepared to allow for the possibility of formal consultation (if required).
- | | |
|-------------|---|
| 4-6 March | Budget meetings of Community Boards. |
| 18-19 March | Council meets to consider Budget and proposed Annual Plan. |
| 2 April | Council adopts Consultation Document (if required). |
| 11 April | Consultation Opens (if required). |
| 13 May | Consultation Closes (if required). |
| 27 May | Council consideration of any feedback received (if required). |
| 25 June | Council meeting to adopt Annual Plan and Rates Resolution. |
- 35 If formal consultation is not required, an information brochure on the Annual Plan will be distributed district-wide using the same timeframe outlined above.

Assessment of Significance

- 36 The decisions in this report do not breach any consultation and engagement thresholds in the Significance and Engagement Policy, therefore consultation is not required on the variations from the LTP and which are set out in the draft budget.

Policy and Legal Matters

- 37 The Annual Plan is a requirement of the Local Government Act 2002. Council is required to comply with a range of policy, consultation and decision making requirements. Staff will advise the Council as required.

Conclusion

- 38 Apart from a small increase in service levels for footpaths, the draft budget for the Annual Plan's service levels are consistent with the service levels for the activities adopted in the LTP. Rates increases and debt movements are less than forecast and consistent with operational events occurring since the adoption of the LTP.

Recommendations

That the Council

- a. Notes the proposed 2019/20 Draft Annual Plan and Budget.**
- b. Considers any Community Board comments.**
- c. Considers any changes to the proposed 2019/20 Draft Annual Plan and Budget.**
- d. Considers the Fees and Charges Schedule. (Separately provided)**
- e. Confirms the proposed engagement approach.**

Appendix 1:

Additional Information for New Items for Proposed Annual Plan 2019/20

Enclosed is supporting information for additional items included or proposed for Proposed Annual Plan 2019/20. These are summarised below:

	Project	Description	Funding Source	Included in Proposed Annual Plan 2019/20	Options
1	Footpath/Berms – Subsidised Roding Additional Funding	Additional funding for footpaths (including NZTA subsidy)	<ul style="list-style-type: none"> \$312,000 (Rates) \$159,000 (NZTA subsidy) 	Yes	<ul style="list-style-type: none"> No change Reduce Remove
2	Highfield Golf Course Fit for the Future Use Plan	Creation of a Fit for the Future plan for Highfield Golf Course	<ul style="list-style-type: none"> \$150,000 (Council, from rates) \$75,000 (3rd Party) 	Yes	<ul style="list-style-type: none"> No change Increase Council share Remove
3	Pareora Dam	Assessment and remedial activity of the Pareora Dam	\$75,000 2018/19 then \$125,000 annually from 2019/20 up to a total of \$500,000 (Rates)	Yes	<ul style="list-style-type: none"> No change Increase annual allocation Remove
4	Parks Operational Budget	Additional operational funding to maintain levels of service	\$125,000 annually from 2019/20 (rates)	Yes	<ul style="list-style-type: none"> No change Increase for more service level Remove for service decline
5	Temuka Pool Upgrade	Additional funding for more extensive pool upgrade	\$600,000 extra. Total project \$1.05M debt funded	Yes	<ul style="list-style-type: none"> No change Remove additional funding
6	Winchester – Geraldine/Coach/Tiplady Road Intersection improvements	Installation of roundabout at intersection	\$2M Capital over 2 years Funded 75% (NZTA Subsidy) 25% (Debt)	Yes	<ul style="list-style-type: none"> No change Remove

Item 1: Footpath/Berms – Subsidised Roading Additional Funding

Unit:	Land Transport
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Recommendation	INCLUDE
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This project has been discussed at previous Standing Committees. A copy of the report for the Infrastructure Committee (16 October 2018) is included.

Minutes – Infrastructure Committee – 16/10/18

2018-21 National Land Transport Programme Funding Allocation

The Committee considered a report by the Land Transport Manager informing the Committee of the outcome of the final funding allocation for the Timaru District financially assisted land transport programme from NZ Transport Agency (NZTA) for the 2018-21 period.

The Committee noted that it was essential to take full advantage of this additional funding to complete works that may otherwise be delayed or not undertaken, even if it could prove to be challenging in engaging sufficient contractors to get the work done.

Proposed Cllr Stevens

Seconded Cllr Parker

- a. "That the following recommendations be referred to the Policy and Development Committee for approval.
- b. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2018-19 financial year.
- c. That for the 2018-19 year:
 - i. The additional available funding be utilised across the footpath activity noting that consultation with the three Community Boards will be required.
 - ii. That an additional TDC allocation of \$470,000 be allocated to road maintenance and renewals.
 - iii. That an additional TDC allocation of \$237,000 be made for LED streetlight conversions.
 - iv. That an additional TDC allocation of \$48,000 be made to cycleways.
- d. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2019/20 and 2020/21 years during the respective Annual Plan processes."

Motion carried

Minutes – Policy and Development Committee – 16/10/18

2018-21 National Land Transport Programme Funding Allocation

Proposed Clr Stevens

Seconded Clr Jack

- a. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2018-19 financial year.
- b. That for the 2018-19 year:
 - i. The additional available funding be utilised across the footpath activity noting that consultation with the three Community Boards will be required.
 - ii. That an additional TDC allocation of \$470,000 be allocated to road maintenance and renewals.
 - iii. That an additional TDC allocation of \$237,000 be made for LED streetlight conversions.
 - iv. That an additional TDC allocation of \$48,000 be made to cycleways.
- c. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2019/20 and 2020/21 years during the respective Annual Plan processes."

Motion carried

Infrastructure Committee
for the Meeting of 16 October 2018

Report for Agenda Item No 10

Prepared by Andrew Dixon
Land Transport Manager

2018 – 21 National Land Transport Programme Funding Allocation

Purpose of Report

1. To inform the Infrastructure Committee of the outcome of the final funding allocation for the Timaru District financially assisted land transport programme from NZ Transport Agency (NZTA) for the 2018-21 three year period.

Background

2. The National Land Transport Programme (NLTP) is a three-year programme of planned activities and a 10-year forecast of revenue and expenditure prepared by the NZ Transport Agency (NZTA) to give effect to the Government Policy Statement on Transport (GPS).
3. The Government's priorities for the land transport system, as outlined in the new GPS, are safety and access. The 2018-21 NLTP therefore includes a greater focus on improving road safety and delivering one complete transport system that embraces and better joins all travel options including public transport, walking and cycling. This includes providing financial assistance for footpaths for the first time.
4. NZTA released the approved 2018-21 NLTP on 31 August 2018. This confirms financial assistance funding to Councils for the three year period 1 July 2018 to 30 June 2021.
5. The initial bid by Timaru District Council (TDC) was required to be submitted in October 2017, prior to the preparation of the 2018 – 2028 Long Term Plan.
6. The NLTP 2018-21 includes financial assistance for all maintenance, renewals, road safety promotion and improvement projects in the Timaru District Council LTP.
7. The final NLTP has substantially approved the initial bid with some limited reduction in funding of road and bridge maintenance and renewals. However, other programme bids being footpaths (maintenance and renewals), road safety promotion and low cost/low risk projects (projects with a cost of less than \$1 million) have been approved and match the initial bid. A summary is included in this report in paragraph 30.

8. The total approved financial assistance allocations for the financial years 2018/19, 2019/20 and 2020/21 are summarised in the following table:

Activity	NZTA Approved (\$'000)			TDC LTP approved budgets (includes internal professional services charges (\$000))		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
Total Expenditure	18,723	17,300	17,527	18,226	17,071	18,633
Total Financial Assistance Revenue	9,734	8,829	9,172	8,256	7,762	8,601
Difference in financial assistance revenue to TDC LTP	+1,478	+1,067	+571			

Note: All figures are GST exclusive.

9. A significant proportion of the additional financial assistance from NZTA is because footpaths are now being financially assisted, resulting from a change in Government policy. The other factor is the approval of a number of low cost-low risk projects that were not anticipated to be approved by NZTA at the time the LTP 2018-28 was developed in late 2017.
10. The additional financial assistance revenue for Timaru District Council is \$1,478,000 for 2018/19, \$1,067,000 for 2019/20 and \$571,000 for 2020/21. However it must be noted that there are a number of projects that have been approved by NZTA that have not been budgeted for in the LTP as they were not eligible for funding in terms of NZTA guidelines at that time. These items are new cycleways (\$100,000) and additional low cost-low risk projects (\$400,000) being road upgrades.
11. It should be noted that NZTA financial assistance is payable at the completion of the projects and actual staff time is allocated as a cost. Funding for additional land transport staff resources was included in the increase in professional services on-costs that have been approved by NZTA. Recruitment will be activated once a policy decision by Council on the increased financial assistance allocation is made.

Options

12. Council has a number of options across a number of sub activities within the overall envelope of additional funding now available, as follows;

13. General

The approved 2018-21 NLTP programme potentially provides Timaru District with approximately \$1.47 million of additional government financial assistance revenue over and above that anticipated in the 2018/19 financial year. This report proposes options for the 2018/19 financial year only. Each key item is identified in paragraphs 14 to 21 below. Future years will be considered during the next Annual Plan process.

14. Footpaths

Council approved a total expenditure of \$1.37 million in the LTP for the footpath activity. NZTA will now provide financial assistance of \$714,000 for the maintenance and renewals of existing footpaths and for the construction of new footpaths. This means a total of \$2.087 million of funding is now available and Council has some options on how to allocate this full amount. It should be noted that footpaths are funded by Community targeted rates. The appended chart (Attachment 1) shows the options. Option 1 shows the total allocation being the same as the existing with the Timaru District Council share being 48% of the expenditure. The preferred option is option 2, which will increase the level of asset renewals or installation of new footpaths to the full combined budget of \$1.37m. Should this option be preferred by Council then consultation with the three Community Boards will be required. Option 3 is to apply for additional financial assistance from NZTA for the new level of service that would occur under option 2. It should be noted that NZTA has a fixed national allocation for footpaths and any further financial assistance for an increased programme level is unlikely to be approved because the quantum of funding available on a national basis has been fully allocated.

15. Road Maintenance and Renewals

The overall additional revenue could be used to fund an increase in road maintenance and renewals. The deterioration rate of some of our rural roads that are used by a significant number of heavy vehicles is increasing. Road renewals will need to increase in the next few years and there is an opportunity to ramp this up now. An additional \$400,000 per annum for renewals and \$200,000 per annum for road pavement maintenance would greatly assist to maintain the roading network more commensurate with road users expectations. Unfortunately the available funding nationally for road maintenance and renewals is fully subscribed, so it is unlikely that any additional expenditure would gain further financial assistance. This means that extra road maintenance and renewals would be 100% locally funded and from general rates.

16. LED Streetlighting

The timeframe for the enhanced FAR of 85% for LED streetlight replacements has been extended to 2021. Timaru District has replaced a significant portion of the streetlights with LEDs in the two years but the higher wattage, higher standard street lights on major roads (1,217 in number) are yet to be renewed. The estimated cost of these renewals is \$1.58 million. Assuming we are successful in

gaining the enhanced FAR the local share cost would be \$237,000. This is not included in current TDC budgets.

17. Cycleways

Timaru District has previously not qualified for new cycleway funding because of NZTA policies. With the change in government focus our application of \$100,000 has been approved. The local share of \$48,000 is not budgeted at present.

18. Seal Extensions

The additional revenue could be used to fund additional seal extensions. Again this is unlikely to be eligible for further financial assistance and would be entirely at Council's cost. This is not recommended.

19. Road Improvements

There is an option of potentially funding further road improvement projects or bringing forward projects in the LTP. Examples would be rural intersection improvements or the upgrade of Washdyke industrial area roads earlier than initially planned. Given these are local road improvement projects, there is a reasonable likelihood that these additional projects would be eligible for further NZTA financial assistance. Some projects may qualify for an enhanced financial assistance rate (FAR) for improvement projects that are considered high priority in the areas of road safety and access. The Timaru District Council enhanced FAR is 76%.

20. Supporting Infrastructure

There is an option of using the operational increased revenue to fund other streetscape projects. An example of this is road related facilities such as new road side public toilets (Rangitata), information signage, additional street furniture, car park improvements (Cox Street, Geraldine), decorative lighting, road streetscapes including gardens and street trees. Cost estimates are in the range \$100,000 - \$200,000.

21. Hold the additional revenue

A further option is to hold the additional revenue to offset future rates increases. This option could apply to part or all of each year's funding. This is not preferred because the extra NZTA funding should be used to enhance the level of service provided to the Timaru District Community.

22. These options are summarised in paragraph 30.

Identification of Relevant Legislation, Council Policy and Plans

23. The following is applicable:

- Land Transport Management Act 2003
- Government Policy Statement on Land Transport 2018/19 – 2028/29
- National Land Transport Programme 2018-21
- Canterbury Regional Transport Plan 2015-25
- Timaru District Long Term Plan 2018-28.

Assessment of Significance

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

Consultation

25. Consultation with the three Community Boards may be required as footpaths are funded from targeted community rates.

Other Considerations

26. Current staff resourcing is fully committed to the current approved programme. Additional projects will require additional resources both internally and externally to deliver these.

Funding Implications

27. The approved transport funding programme for TDC provides financial assistance revenue exceeding the budget in the LTP 2018-28. For the 2018-19 financial year this additional revenue is \$1.47 million. Approximately half of this is due to footpaths now being financially assisted by government within the new GPS released in September 2018.

Conclusion

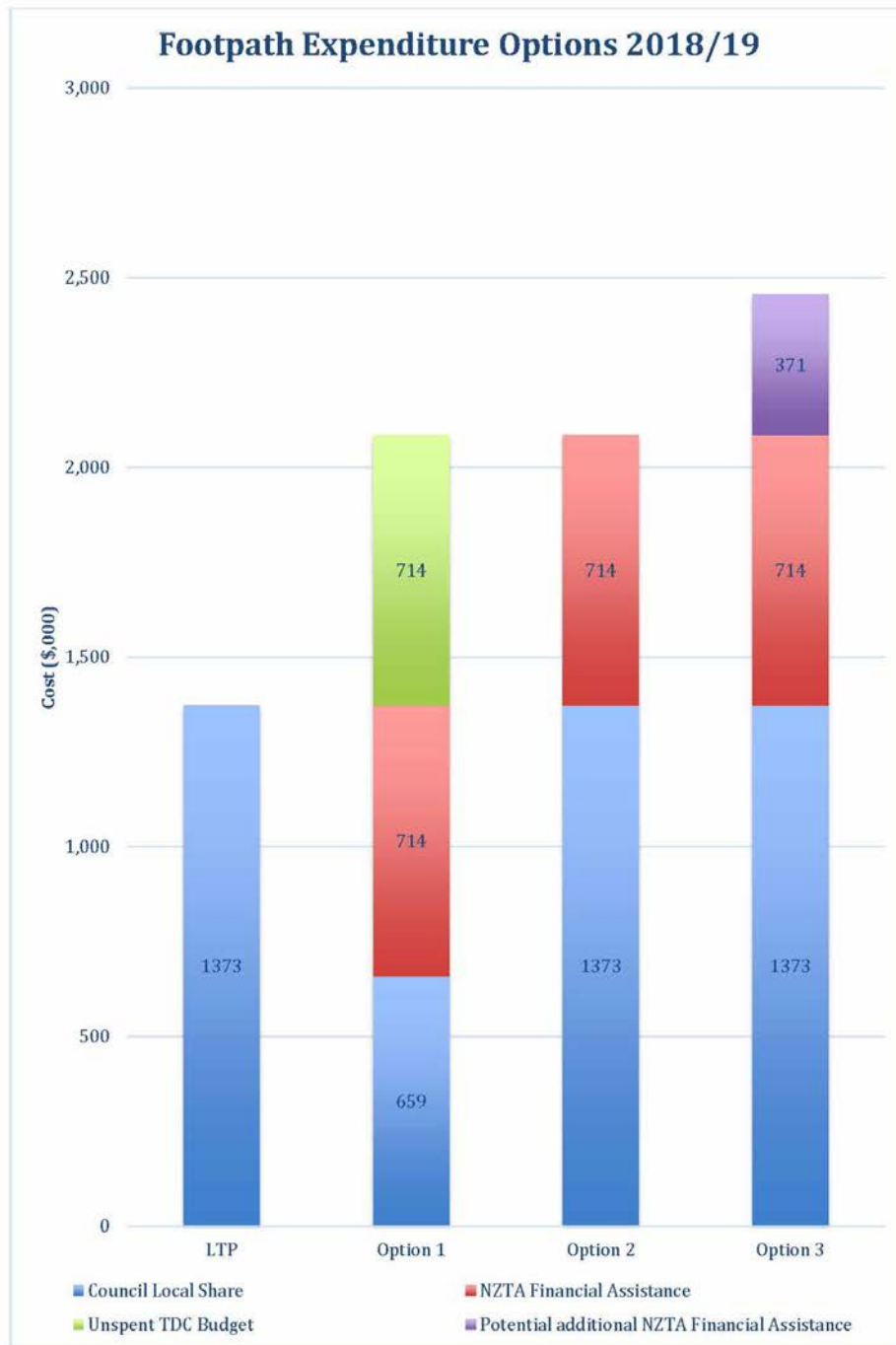
28. The approved NLTP programme for TDC has exceeded our expectation. Most of the initial bid was approved by NZTA resulting in NZTA financial assistance revenue for 2018-19 exceeding the Approved LTP budget by \$1.47m.
29. A significant addition to the NLTP programme is that footpaths are now eligible for NZTA financial assistance. It is recommended that this additional revenue be fully utilised within the footpath activity.
30. Potential options to utilise the increased financial assistance revenue are summarised in the following table. The first four items contain recommendations based on our assessment of Councils position. These sum to \$1.4m which leaves further options for Council of up to \$70,000 in order to fully utilise the additional available revenue.

Option	TDC share \$'000	Likely NZTA Share \$'000	Total Estimated Cost \$'000
Increase in new and renewals of footpaths. This is recommended.	714	0	714
Increase in road maintenance and renewals expenditure. \$400,000 is recommended.	600	0	600
LED streetlight replacements on major roads. This is recommended.	237	1,343	1,580 Over two years
New Cycleways. This recommended.	48	52	100
Increase in Council funded road seal extensions. This is not recommended.	600	0	600
Intersection upgrades	288	312	600
Additional streetscape projects	To be costed	0	To be costed
Hold part or all of the additional financial assistance revenue in each year. This is not preferred.	Up to 1,470		Up to 1,470

Recommendations

- a. That the following recommendations be referred to the Policy and Development Committee for approval.
- b. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2018-19 financial year.
- c. That for the 2018-19 year:
 - i. The additional available funding be utilised across the footpath activity noting that consultation with the three Community Boards will be required.
 - ii. That an additional TDC allocation of \$400,000 be allocated to road maintenance and renewals.
 - iii. That an additional TDC allocation of \$237,000 be made for LED streetlight conversions.
 - iv. That an additional TDC allocation of \$48,000 be made to cycleways.
- d. That Council considers the implications and options of the additional NZTA financial assistance funding for the 2018-21 National Land Transport Programme as it relates to the 2019/20 and 2020/21 years during the respective Annual Plan processes.

Attachment 1



Item 2: Highfield Golf Course Fit For Future Use Plan - Request for Additional Budget

Unit: Parks and Recreation

Recommendation INCLUDE

What is the decision required?

To approve the additional budget item listed below:

Expense type	One off / ongoing	Financial year/s expenditure relates to	Total cost (GST excl)	Cost Centre / Code
Capex	One off	2019/20	\$225,000	Parks

What is the issue?

There is an oversupply of golf courses and golf clubs in South Canterbury. Representatives of three golf clubs have approached the Mayor and subsequently staff to create a golf hub at Highfield by redesigning the course to produce a 9-hole course and driving range.

Stormwater retention for the Waimataitai catchment is also a concern.

Background information

Other attempts to remedy the oversupply of golf courses have been unsuccessful. The fact that three clubs have initiated a discussion and formally agree to work together to form a golf hub using a reduced area for golf is an opportunity to use the balance of land for other purposes.

An 18 hole course at Levels and a 9 hole course at Highfield together with a driving range are proposed.

The golf hub is designed to grow junior participation and establish a professional coach at Highfield.

The current lease to the Highfield Golf Club expires in 2020 providing an opportunity to initiate change.

Council has an opportunity to take control of the process by producing a Master Plan with could include stormwater retention dams, better walking and cycling access as well as a better golfing experience.

What will be achieved through this additional budget?

The course would occupy less land leaving room for stormwater retention dams, walking and cycling routes and perhaps other land uses.

A better golfing experience would result and would cater more for juniors and casual players as well as regular golfers.

There will be less risk of flooding to the Ashbury area and better walking and cycling linkages.

What alternate options have been explored?

Attempts have been made to rationalise golf courses in the past without success. Without council's input a coordinated approach may not be achieved.

An option exists to seek funding from users of the golf course to the value of \$50,000 with Council contributing \$175,000.

What consultation has been undertaken with relevant stakeholders / advisors that support this additional expenditure?

Golf NZ, a course designer and former professional player, along with representatives of three clubs have been consulted. Internal consultation with infrastructure and property staff has also occurred. All support the approach.

Risk Analysis

Redesigning the course gives the opportunity to reduce risks to property and the environment by mitigating flooding with a retention dam, overcoming sewer spills by making improvements to the sewer and improving environmental management of the course. It will also lessen the risk of Council having to maintain all the land in the future.

The risk of golf clubs failing is also reduced by this proposal.

Cost Savings / Additional Cost justification /Additional Revenue generation

By retaining a lessee for part of the land and releasing value from some of the land by repurposing it will reduce long-term costs.

How will long-term costs/revenue be affected by this additional item/project?

There will be some additional land maintenance required by Council but this will be less than if the project doesn't proceed.

Recommendation

It is recommended that the budget for the expenditure outlined above be confirmed at a total cost of \$225,000 with \$50,000 of this being contributed by other parties.

Item 3: Pareora Dam

Unit: Parks and Recreation

Recommendation INCLUDE

What is the decision required?

To approve the additional budget item /s listed below:

Expense type	One off / ongoing	Financial year/s expenditure relates to	Total cost (GST excl)	Cost Centre / Code
Operational	One off	2019/20	\$75,000	
Operational	One off	2020/21 to 2023/24	\$425,000	

What is the issue?

The Lower Pareora Dam is a popular swimming hole and is becoming more unsafe with the dam's deterioration.

Background information

This situation became apparent with an inspection of the dam. It was found to be undermined and the concrete continues to deteriorate.

What will be achieved through this additional budget?

Amendments to the dam or removal of the structure will reduce or remove the risk to swimmers and likely provide environmental benefits also.

What alternate options have been explored?

Because of the isolated location it is not possible to exclude people from the area. Repairs to the dam are expected to be difficult, costly and short lived.

What consultation has been undertaken with relevant stakeholders / advisors that support this additional expenditure?

Two engineers, legal advice, archaeologist, Heritage New Zealand, Environment Canterbury and Waimate District Council have all been consulted with more parties to be consulted.

Risk Analysis

If we are able to remove the dam the risk will also be removed or lowered considerably.

Cost Savings / Additional Cost justification /Additional Revenue generation

If the dam is removed future costs will be avoided. It is expected that a more precise estimate of costs will be able to be determined once further work has been undertaken. At present best estimates are set out below.

How will long term costs/revenue be affected by this additional item/project?

Not applicable

Recommendation

It is recommended that the budget for 2019/20 be \$75,000.

Item 4: Parks Operational Budget

Unit: Parks and Recreation

Recommendation INCLUDE

What is the decision required?

To approve the additional budget item listed below:

Expense type	One off / ongoing	Financial year/s expenditure relates to	Total cost (GST excl)	Cost Centre / Code
Opex	Ongoing	2019/20 – 2028/29	\$125,000	3230.510.401
OR for increased service levels			\$250,000	

What is the issue?

The current budget levels are constraining our ability and those of our contractors to maintain levels of service.

Background information

Over the years funding has not kept pace with increasing costs while expectations and demands have progressively increased. This has progressed to the stage that we are now ranked second lowest in the country, of participating Councils, for funding parks operations as a percentage of total Council operating expenditure (Yardstick Benchmarking 2018).

Two or three times in Council Committee meetings there have been informal requests by Councillors for officers to apply for more funding this year.

Contractors report the cost of fuel, climatic conditions (e.g. a longer growing season), ability to attract and retain appropriate staff at a time of low unemployment and regulatory costs, including health and safety costs, as the main drivers of considerable increases in contract costs.

Currently there is no budget for weather related events, coastal erosion and climate change. Recent experience has highlighted the increasing costs of mitigating and responding to these issues. With the exception of the 21 July 2017 rainfall event, this has been funded from the operational budget to the detriment of other work.

What will be achieved through this additional budget?

The District will appear better presented and more welcoming to visitors. Those enjoying sporting and recreation in our parks will have a better experience and residents can be more proud of the community they live in.

Contractors will be able to ensure their businesses are better resourced and more sustainable allowing a better response to requests for service.

What alternate options have been explored?

To deliver the level of service required the best option is to increase funding. The required ongoing investment in machinery and training staff will then be more achievable for contractors, meaning they will be better resourced to meet customers' needs. Other options will likely lower the service level and don't appear sustainable. Therefore they have been ruled out.

What consultation has been undertaken with relevant stakeholders / advisors that support this additional expenditure?

No recent consultation has been initiated, although there has been a long history of support for increased funding for the parks and recreation activity from several groups and individuals including submissions to annual and long term plan hearings.

Risk Analysis

The largest risk is that we will be unable to maintain existing service levels and the presentation of the District with all the negativities that will ensue. This could include failing to attract sports tournaments, events and adversely effecting promotional branding. Complaints may increase and customer satisfaction with Council decline, with the District becoming less desirable to live, work and play in.

Cost Savings / Additional Cost justification /Additional Revenue generation

Previous cost savings approaches have contributed to this situation and no more are favoured. Any revenue generated is primarily likely to be indirect. That is it will likely contribute to a slightly more prosperous community offering an improved quality of life, but not necessarily generate further significant revenue for this activity.

How will long term costs/revenue be affected by this additional item/project?

There will be a one-time increase in expenditure that will be maintained in future years.

Recommendation

It is recommended that the additional budget for the expenditure outlined above be confirmed at a total cost of \$125,000.

Item 5: Temuka Pool Upgrade

Unit:	Recreational Facilities
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Recommendation	INCLUDE
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What is the decision required?

To approve the additional budget item listed below:

Expense type	One off / ongoing	Financial year/s expenditure relates to	Total cost (GST excl)	Cost Centre / Code
CapEx	One-off	2019/20	\$600,000	3780.7733.700

What is the issue?

The Temuka Pool will turn 49 years old in November this year. In 2014/15 when new heating was installed at Temuka, funds were also put aside for a new filtration plant to be installed in the 2018/19 financial year, with the possibility of upgrading other aspects of the pool as well.

During the last 12 months various options and costs have been investigated for this upgrade. The three options considered by the Temuka Community Board were:

- a permeable bulkhead separating the existing 30.5m pool into a 25m lane pool and learners pool i.e. one body of water;
- a permanent bulkhead separating two bodies of water into a 25m lane pool and learners pool; and
- installing a new approximately 12m x 6m learners pool.

All options included new filtration systems.

Option 1 was discounted by our consultant, as having one body of water for two separate pools no longer meets the New Zealand Standard (NZS 4441:2008).

All costs received for each of the above options were above the \$470,000 GST exclusive budget currently allocated.

During investigations into these options, contractors also expressed some concern as to the quality of the concrete surrounding the pool and the age of the pool and its pipework.

The below option was presented to the Community Development Committee on 27 November 2018.

- A separate 25m pool and learners pool, but using RenovAction technology by Myrtha. Essentially this uses the existing pool as a shell and a whole new pool is dropped within the existing structure, with the addition of adding ramp access and accessible stairs to both pools.

Cost: Approximately \$1,050,000 GST exclusive.

The Community Development Committee then passed the below recommendations:

- That the Community Development Committee supports the request from the Temuka Community Board and recommends to the Policy and Development Committee that additional funding be allocated to upgrade the Temuka Pool to a higher specification than the current budget allows for.
- If approved that the current funding is carried forward to 2019/20 Financial Year to allow time for tendering and construction.
- That the Temuka Community Board undertakes to lead any community fundraising efforts if any additional funding is required.

Background information

As above. Temuka Pool is an aging facility and this will enable us to significantly extend its lifespan. There is considerable stakeholder interest in providing a community aquatic facility that will last well into the future.

What will be achieved through this additional budget?

This will give the Temuka Pool a complete upgrade and extend the life of the pool another 25-30 years.

What alternate options have been explored?

The alternate is to just upgrade the filtration system but there is no guarantee the other parts of the pool will last.

What consultation has been undertaken with relevant stakeholders / advisors that support this additional expenditure?

Consultation has been made with the Temuka Community Board and external experts.

Risk Analysis

The risk of just doing a filtration upgrade is that the pool itself and associated pipework may not last a significant period of time. Therefore we could end up with a brand new filtration system and not have a pool to use it in.

Cost Savings / Additional Cost justification /Additional Revenue generation

Additional budget item with no option for savings.

How will long-term costs/revenue be affected by this additional item/project?

Long term costs and revenue of the facility will remain the same with the possibility of increased patronage of 'new' facility.

Recommendation

It is recommended that the budget for the expenditure outlined above be confirmed at a total cost of \$600,000 in addition to carrying forward the CapEx already put aside in the current 2018/19 budget.

Item 6: Winchester – Geraldine/Coach/Tiplady Road Intersection improvement

Unit:	Land Transport
Recommendation	INCLUDE

This project has been discussed at Standing Committees. A copy of the report for the Infrastructure Committee (12 March 2019) is included.

Infrastructure Committee
for the Meeting of 12 March 2019

Report for Agenda Item No 9

Prepared by Andrew Dixon
Land Transport Manager

Geraldine-Winchester/Coach/Tiplady Roads intersection upgrade

Purpose of Report

1. To consider the approval and funding of a proposed upgrade of the intersection of Winchester-Geraldine, Coach and Tiplady Roads (aerial map attached).

Background

2. A key strategic outcome in the Government Policy Statement of Transport (GPS) is improving road safety. To encourage safety improvements on local roads NZTA will fund selected projects on a Targeted Enhanced Financial Assistance Rate (TEFAR) basis that will provide 75% financial assistance.
3. The intersection of Winchester-Geraldine, Coach and Tiplady Roads as shown in the attached map, has been considered a safety issue for a number of years. This is reflected by a high vehicle crash history in the last 10 years where there have been eight injury crashes with three of them serious injuries. An assessment of the Canterbury region intersections by the NZ Transport Agency (NZTA) has identified this intersection as a regional safety priority.
4. The Coach/Tiplady Roads route is used by motorists and heavy vehicles travelling from Christchurch to Queenstown. The number of overseas based drivers has reduced slightly with the recent change in the Google Maps navigation system that now routes these drivers through Geraldine on State Highway 79. The number of heavy vehicles has increased significantly in the last ten years (20 per day to over 200 per day).
5. A number of measures to improve the safety of this intersection have been implemented. These include active "Stop Ahead" signage, other traffic signage improved road markings and road surfacing.
6. NZTA have assessed the intersection and recommend that a large rural round-a-bout be installed that will create a much improved road safety environment. The total cost is estimated to be in the order of \$2m, including design fees. The current road reserve land is sufficient for a round-a-bout so there are minimal, if any, land issues involved.

7. NZTA have indicated that this project would be supported for TEFAR funding and is seeking a commitment from Timaru District Council to fund the local share.

Options

8. The options are –
- Option 1 – Decline to support the recommended project and decline the 75% NZTA financial assistance TEFAR funding and not proceed with the proposed intersection improvements.
 - Option 2 – Confirm Council's commitment to the intersection upgrade and funding of the 25% local share. This is a capital cost.
 - Option 3 – Install some low cost measures such as improved road signage, rumble strips and potential speed restrictions.

Identification of Relevant Legislation, Council Policy and Plans

9. The following documents are applicable:
- Land Transport Management Act 2003
 - Government Policy Statement on Transport 2018-28
 - Canterbury Regional Land Transport Plan 2015-25
 - Timaru District Long Term Plan 2018-28

Assessment of Significance

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

Consultation

11. If supported consultation and communication with landowners, stakeholders, road users and Community Board will commence.

Other Considerations

12. To be eligible for NZTA funding this project must be identified in the Canterbury Land Transport programme. It is currently not included but a variation request will be submitted for consideration by the Regional Transport Committee at their next meeting in April 2019.

Funding Implications

13. This initiative has reached the stage where it has been provisionally approved by NZTA with a Financial Assistance Rate (FAR) of 75%. The normal FAR for TDC is 52%. We would need to meet the other (local) 25% (\$500,000) which could reasonably be funded by loan as the work will benefit future road users.

14. The project is currently not funded in the LTP or included in the Canterbury Regional Transport Plan. Variations will be sought if the project is supported and local share funding is allocated.

Conclusion

15. The safety of the Winchester-Geraldine/Coach/Tiplady Roads intersection has been a concern and the crash statistics support improvements. We have been progressing with low cost measures such as improving signage and road markings to improve safety.
16. The intersection has been identified as a Canterbury Regional priority, one of only a few on local roads.
17. NZTA have indicated support for the upgrading of this intersection to a rural round-a-bout to significantly improve road safety at the intersection. This is a significant cost in the order of \$2 million. NZTA enhanced 75% financial assistance funding criteria requires that eligible approved projects must be completed by June 2021.

Recommendations

- a **That the Infrastructure Committee support the new road safety project, Winchester-Geraldine/Coad/Tiplady intersection upgrade for an estimated cost of \$2.0 million subject to NZTA financial assistance of 75% of the project cost.**
- b **That this project be included in the 2019/20 Annual Plan.**

Timaru District Council
for the Meeting of 18 March 2019

Report for Agenda Item No 8

Prepared by Fabia Fox
Policy Analyst

Environment Canterbury Draft Annual Plan 2019/20 – Timaru District Council Submission

Purpose of Report

3. The purpose of this report is to present a draft submission to the Environment Canterbury Annual Plan 2019/20 for Council approval.

Background

4. Environment Canterbury has prepared a draft Annual Plan in accordance with section 95 of the Local Government Act 2002 (LGA).
5. Local authorities are not required to undertake consultation as prescribed by the LGA if the proposed annual plan does not include significant or material differences from the content of the long term plan for the financial year to which the proposed annual plan relates (LGA section 95 (2A)).
6. The commentary accompanying the draft Annual Plan states that, while it largely aligns with year two of the Long Term Plan 2018-28, it does propose a number of smaller changes, and invites feedback on these changes and the draft Annual Plan.
7. The draft Annual Plan and supporting information can be found at [Environment Canterbury – Annual Plan 2019/20](#).
8. The proposed changes presented in the draft Annual Plan represent a total rates revenue increase of 8.9% (approximately \$8.9 million). This compares to a 5.1% increase noted for year two of the Long Term Plan 2018-28.
9. Examples of the proposed 2019/20 rates for the sample Timaru District properties provided in the draft Annual Plan are:

Property Location	CV of property	2019/20 rate	2018/19 rate	Movement in \$ terms
Timaru – Rural	\$2,310,000	1065.34	968.79	96.55 (9.96%)
Timaru – Urban City	\$320,000	215.73	191.05	24.69 (12.92%)

Timaru – Urban Temuka	\$285,000	214.13	190.61	23.53
Timaru – Urban Geraldine	\$310,000	205.70	189.40	16.31 (8.61%)
Timaru – Urban Pleasant Point	\$355,000	315.49	301.88	13.61 (4.36%)

10. The proposed changes detailed in the summary information are:
 - a. An increase in funding for public transport to improve the frequency of the service in some areas. This would be funded mainly from a targeted Christchurch urban rate and would be supported by funding from New Zealand Transport Agency.
 - b. An increase in funding for freshwater management, pest control and biodiversity.
 - c. A reduction in total rates revenue for air quality work, to off-set some of the proposed increase, as the programme has been progressing well with air quality in the region improving year-on-year. Monitoring work will remain to ensure this improvement continues.
 - d. Minor amendments to the Fees and Charges Policy to ensure charges are at a level that recovers actual or reasonable costs.
 - e. Amendments to the Revenue and Financing Policy, changing the land value/land area split for the Regional Targeted Pest management from a 50:50, to an 80:20 split, and introducing a new pest-free Banks Peninsula targeted rate.
11. There are a number of other issues of interest to Council arising from the draft Annual Plan and projects scheduled for 2019/20 including:
 - a. A proposal to introduce a demand responsive public transport system in urban Timaru.
 - b. Additional resourcing for significant zone-based projects for freshwater management and biodiversity.
 - c. A reduction in the budget for the Coastal Environment and Hazard work stream, and silence around the review of the Regional Coastal Environment Plan which was scheduled for 2019/20 in the Long Term Plan.
12. The draft submission focuses on the issues which most directly impact Timaru District Council and the Timaru District.

Options

13. The options are –
 - Option 1 – Approve the submission as presented; or
 - Option 2 – Amend the submission to include additional feedback or reflect other views.

Identification of Relevant Legislation, Council Policy and Plans

- Local Government Act 2002
- Regional Public Transport Plan 2018-28
- Canterbury Water Management Strategy
- Orari Temuka Opihi Pareora Zone Implementation Programme
- Timaru District Plan
- Resource Management Act 1991
- Regional Coastal Environment Plan

Assessment of Significance

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

Consultation

15. No consultation has or will be undertaken.

Other Considerations

16. Submissions close 5pm, Tuesday 19 March 2019.

Funding Implications

17. While there are no funding implications relating directly to the submission, it is worth noting that there is no current budget to commission the coastal science work necessary to update coastal hazard information required for the current Timaru District Plan review.

Conclusion

18. Environment Canterbury is seeking feedback on its draft Annual Plan 2019/20. A submission has been prepared offering feedback on areas of specific interest to Timaru District Council and the Timaru District, including Timaru public transport, freshwater management and biodiversity, and coastal hazards.

Recommendations

That Council approves the submission to Environment Canterbury's draft Annual Plan 2019/20

DRAFT

19 March 2019

The Chair
Environment Canterbury
PO Box 345
Christchurch 8140

Dear Steve

Timaru District Council Submission to Environment Canterbury Draft Annual Plan 2019/20

Thank you for the opportunity to comment on the Environment Canterbury draft Annual Plan 2019/20.

The Timaru District Council does not wish to speak to its submission.

We offer the following specific comments for the Council's consideration:

1) Transport and Urban Development

Council supports Environment Canterbury's plan for Transport and Urban Development in 2019/20. We support the current investigation of a demand responsive public transport system for urban Timaru to ultimately replace our scheduled bus service. We appreciate the partnership approach to this change and the opportunity to work with Environment Canterbury and the New Zealand Transport Agency (NZTA) on this project.

We consider that this innovative approach to public transport is of national significance in regard to providing greater public transport opportunities to smaller communities. We believe it appropriate that Environment Canterbury seek further funding from NZTA to assist with the implementation of this system and Timaru District Council confirms support for this approach.

In carrying out this work, it is important Environment Canterbury recognises equally the needs of those current customers who are transport disadvantaged, with growing public transport patronage. We urge you to ensure that throughout this transition of service provision you continue to provide a reliable and quality public transport service to these customers.

Decision sought:

- *That Council's support for Environment Canterbury's pursuit for additional funding for the implementation demand responsive transport system in Timaru from NZTA is noted.*
- *That a robust transition plan is developed ensuring throughout the change to a demand responsive public transport system the needs of all customers, particularly those who are transport disadvantaged, continue to be met.*

2) Freshwater Management and Biodiversity

The Council acknowledges the ongoing work in improving freshwater management undertaken by Environment Canterbury and the successes and progress generated through the Canterbury Water Management Strategy (CWMS) and water zone committees. We acknowledge the ambitious work of the 'Fit for the Future' review of the CWMS and look forward to the final report in May 2019. It is essential that the implementation of the revised CWMS goals is appropriately supported through leadership, resources and funding over the lifetime of the Strategy.

We support the Plan's provision of additional resourcing within zones to enable the implementation of significant zone-based projects. Council would like to particularly highlight the importance of Environment Canterbury's leadership and ongoing support for the improvement of Waitarakao/Washdyke Lagoon and Otipua-Saltwater Creek as part of zone and regional implementation programmes.

We support the collaborative and enabling approach Environment Canterbury is taking for the biodiversity and biosecurity portfolio through the Immediate Steps biodiversity fund. We look forward to working with Environment Canterbury on the Orari Temuka Opihi Pareora Zone Implementation Programme addendum recommendations to achieve local and regional freshwater management and biodiversity goals.

Decision sought

- *That support for the Freshwater Management and Biodiversity programmes undertaken by Environment Canterbury is noted.*
- *That the improvement of Waitarakao/Washdyke Lagoon and Otipua-Saltwater Creek continues to be supported as part of zone and regional implementation programmes.*

3) Hazards, Risk and Resilience

Council notes and supports the priority focus areas of flood protection and control infrastructure to protect lives and assets; working with partner organisations and communities to better identify and manage risks; and, where possible, taking steps to eliminate or reduce the impact of risk. Council also supports the climate change integration work programme and looks forward to working with Environment Canterbury to improve our understanding of the risks climate change poses to the Canterbury region.

Council is concerned that, in spite of these priorities, there is a proposed reduction in the 2019/20 budget for the Coastal Environment and Hazard work stream from the Long Term Plan (LTP) 2019/20 budget. Further, the draft Annual Plan is silent on the review of the Regional Coastal Environment Plan (RCEP), which was scheduled in the LTP to be initiated in 2019/20. This work is of critical importance to the development of district plans across Canterbury, and a legislative requirement under the Resource Management Act 1991.¹

We would like to highlight that the review procedure of the RCEP states that reviews should be undertaken at a shorter interval than the legislatively required 10 years to:

1. ensure that the Regional Coastal Environment Plan reflects change and greater knowledge about the management of the coastal environment; and

¹ Section 79 (1), Resource Management Act, 1991.

2. align the Regional Coastal Environment Plan with legislative change and other Regional and District Plans.²

In spite of this, Environment Canterbury informally advised Timaru District Council in 2018 that the baseline information which informs both coastal erosion and inundation lines is out of date and updates to this information will not be available until 2020. We see this as problematic as the ability to update seawater inundation lines in the Timaru District Plan (currently under review) relies on, at least in part, Environment Canterbury's baseline information and the location of the updated coastal erosion lines. In order to meet our legislative responsibilities to review of the Timaru District Plan and provide accurate hazard information, Council cannot rely on this out-of-date information about coastal hazards.

The RCEP, and the coastal science work which sits behind it, should be central to Environment Canterbury's climate change integration work programme and the Hazards, Risk and Resilience portfolio. Council seeks assurances that this review will not be delayed further.

Decisions sought:

- *That the review of the Regional Coastal Environment Plan is initiated in Year 2 (2019/20) and drafted and consulted on in Year 3 (2020/21) as detailed in the Long Term Plan.*
- *That Environment Canterbury expedites work on the coastal hazard baseline information, particularly the coastal erosion lines and inundation lines. This information needs to be appropriate for a District Plan Review and provided before June 2020.*

4) Regional Leadership and Collaborative efforts

Timaru District Council acknowledges and values highly the ongoing work of Environment Canterbury in facilitating collaboration across the region on a range of work programmes and projects. Ongoing support for the regional forums and technical working groups is essential for strong regional advocacy and advancing economic and social development throughout Canterbury.

Decisions sought:

- *That support for the regional leadership role undertaken by Environment Canterbury is noted.*

Council looks forward to continuing to work closely with Environment Canterbury in 2019/20.

Yours sincerely

Damon Odey
Mayor

² "11.3 Review Procedure", Regional Coastal Environment Plan, 2005 (2012 amendment), Environment Canterbury, 11-161.