



AGENDA

Emergency Council Meeting Friday, 9 April 2021

Date Friday, 9 April 2021

Time 9am

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1415952

Timaru District Council

Notice is hereby given that a meeting of the Extraordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Friday 9 April 2021, at 9am.

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 Apologies**
- 2 Declaration of Conflict of Interest**

3 Reports

3.1 Supporting Information to Long Term Plan 2021-31 Consultation Document

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Authoriser: Bede Carran, Chief Executive

Recommendation

That Council:

1. Adopts the following documents as supporting information for the Long Term Plan 2021-31 Consultation Document:
 - (a) Draft Financial Strategy as presented in Attachment 1 (all attachments under Separate Cover);
 - (b) Draft Infrastructure Strategy as presented in Attachment 2;
 - (c) Significant Forecasting Assumptions as presented in Attachment 3;
 - (d) Draft Revenue and Financing Policy as presented in Attachment 4;
 - (e) Draft Business Improvement District Policy as presented in Attachment 5;
 - (f) Draft Group of Activity Statements as presented in Attachment 6; and
 - (g) Draft Financial Information as presented in Attachment 7.
2. Notes that the following documents have been adopted previously as supporting information to the Long Term Plan 2021-31 Consultation Document:
 - (a) Timaru District Council Strategic Direction, including Community Wellbeing Outcomes;
 - (b) Significance and Engagement Policy;
 - (c) Rates Remission and Postponement Policy;
 - (d) Rates Discount Policy which is proposed to be repealed;
 - (e) Treasury Management Policy; and
 - (f) Draft Fees and Charges 2021/22.
3. Authorises the Chief Executive to make any minor and non-material corrections to the LTP 2021-31 supporting information prior to publication.

Purpose of Report

- 1 The purpose of this report is to present to Council, for adoption, the supporting information for the Long Term Plan 2021-31 (LTP) Consultation Document (CD).
- 2 Some of the documents presented within this report have been previously considered by Council but have been amended to reflect subsequent decisions made by Council and

feedback received by Council's auditors, Audit New Zealand. All material changes to these documents will be discussed in this report.

Assessment of Significance and Engagement

- 3 The Long Term Plan 2021-31, and the strategies, policies and other information that supports this Plan is assess as being of a high degree of significance. Extensive community engagement will be undertaken on the proposed content of the LTP.
- 4 Any significant amendments to existing Council policies and strategies, Council's proposed response to key issues, and significant projects have been highlighted within the CD to ensure the community is able to participate and provide informed feedback on Council's proposed LTP.
- 5 All supporting information discussed in this report with be available to the public during the consultation period (10 April 2021 – 10 May 2021) on Council's website and in hardcopy on request. Feedback and submissions received on the supporting information throughout the consultation period will be presented to Council for consideration as part of the LTP decision-making process.

Background

- 6 The Local Government Act 2002 (LGA) requires all councils to develop a LTP every three years. Council is also required to prepare and adopt a CD, and use the special consultative procedure to provide an effective basis for public participation in Council's decision-making processes relating to the content of the LTP.¹
- 7 The LGA also requires that before adopting the CD, Council must prepare and adopt the information that is relied on by the content of the CD, and necessary to enable the Auditor-General to give a report confirming:
 - 7.1 Whether the CD gives effect to the purpose of the document set out by the LGA; and
 - 7.2 The quality of the information and assumptions underlying the information provided in the CD.
- 8 Over the last twelve months, Council workshops and meetings have guided the development of the CD and the supporting information.

Long Term Plan Audit

- 9 Audit NZ have carried out the first stage of the audit on the Long Term Plan Consultation Document and supporting information. The final part of this stage involves what is called the 'Hot Review' and Opinion Review Committee (ORC), which has been conducted this week. This process has resulted in some refinements to the materials previously provided to Council on 30 March 2021. In summary:
 - 9.1 Financial Strategy - Changes related to Council's assumption around 90% delivery and funding of its capital work programme
 - 9.2 Significant Forecasting Assumptions
 - 9.3 Draft Group of Activity Statements – updated Funding Impact Statements.
 - 9.4 Draft Financial Information - updated Financial and Funding Impact Statements.

¹ Section 83 of the LGA sets out the requirements of the special consultative procedure.

9.5 Accounting policies contained within the Financial Information.

There have been no changes to any of the other Supporting Information.

Financial Strategy

- 10 The Financial Strategy is one of the cornerstones of Council's LTP and is a requirement of the LGA.²
- 11 The purpose of the Financial Strategy is to –
 - 11.1 Facilitate prudent financial management by providing a guide for Council to consider proposals for funding and expenditure against; and
 - 11.2 Provide a context for consultation on Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on Council's services, rates, debt and investments.
- 12 To achieve this purpose, the Financial Strategy must include statements on:
 - 12.1 The factors that are expected to have a significant impact on Council during the next 10 years including; changes in population and land use and the cost of providing for those changes; the expected capital expenditure and other significant factors affecting Council's ability to deliver services and meet additional demands;
 - 12.2 Include a statement of Council's quantified limits on rates increases and borrowings, and an assessment of Council's ability to provide and maintain existing levels of service and meet additional demands within these limits;
 - 12.3 Specify Council's policy on the giving of securities for borrowing; and
 - 12.4 Specify Council's objectives for holding and managing financial investments and equity securities and quantified targets for returns on these investments and securities.
- 13 Council has had a number of workshops on the development of Financial Strategy, with particular consideration to achieving an appropriate balance between rates increases; borrowing limits; and the amount of capital spend required to maintain, and in some instances (particularly community facilities), improve levels of service.
- 14 As a result of these discussions, the Strategy has been drafted to reflect a step change from previous strategies, including an increased debt cap, and an increase in the rate increase limit for year one of the LTP. Council's current Strategy has a debt cap of 150% of operating revenue, and a total rates increase limit of 6% plus inflation.
- 15 Council's Draft Financial Strategy forecasts a total rate increase of 10.5% in 2021/22 and increases of 4.9% each year for the following nine years. While these are the forecast increases, Council's Strategy proposes a limit on total rates increases of 7% for 2022/23 – 2030-31, recognising that unforeseen events may impact Council's finances.³ This means that should Council consider it necessary in future years to increase rates beyond this limit, the community will be consulted on the matter.

² Section 101A LGA.

³ Note: The draft Strategy was discussed again at the 2 March 2021 meeting and Council amended the rate increase limit for 2022-23 – 2030-31 of the Plan, changing from 4.9% plus Local Government Cost Index, to a flat increase limit of 7% across these years.

- 16 The factors that may have a significant impact on the LTP have been well canvassed with Council throughout the development of the Plan, and these have been identified within the Strategy, including:
 - 16.1 Maintaining current levels of service across the core infrastructure services of roading and footpaths; drinking water; stormwater; sewage; and waste management;
 - 16.2 Providing for the future economic wellbeing of our District by ensuring long-term water supply resilience;
 - 16.3 Undertaking an ambitious capital work programme across our community infrastructure to provide high quality, fit-for-purpose community facilities;
 - 16.4 Focusing investment on the rejuvenation of Timaru's CBD; and
 - 16.5 Ensuring Council has the resources to plan effectively for future environmental, legislative, and societal challenges; and
- 17 The Strategy also addresses the challenges Council and our District face including:
 - 17.1 Ageing infrastructure, requiring a large capital renewal programme;
 - 17.2 Increasing operating costs for our activities across the board;
 - 17.3 Increasing regulatory requirements and community expectations;
 - 17.4 The need to maintain infrastructure and services that are resilient to natural disasters and the impacts of climate change⁴;
 - 17.5 Uncertainty around the Government's Three Waters Reform Programme; and
 - 17.6 A reduced dividend from Council's shares (held by TDHL) in Alpine Energy
- 18 At the 2 March Meeting, Council endorsed the draft Financial Strategy on this basis. Following the Audit process, the Strategy has been amended to include the 2020/21 year in all graphs to show more clearly impact of the change in strategy from previous years.
- 19 A summary of the Financial Strategy is included in the CD to support the conversation with the community regarding the effects of Council's proposals on levels of service, rates and debt.
- 20 The Financial Strategy is aligned with, and supports the draft Infrastructure Strategy (discussed below).
- 21 The full draft Financial Strategy for adoption as supporting information to the CD is provided in the Attachments Under Separate Cover– Attachment 1.

Infrastructure Strategy

- 22 In conjunction with the Financial Strategy, the Infrastructure Strategy is a core component of Council's LTP, and a requirement of the LGA.⁵
- 23 The purpose of the Infrastructure Strategy is to –
 - 23.1 Identify significant infrastructure issues for Council over a thirty year period; and
 - 23.2 Identify the principle options for managing these issues and the implications of these options.

⁵ Section 101B LGA.

- 24 To achieve this purpose, the Infrastructure Strategy must outline how Council intends to manage its infrastructure, taking into account the need to –
- 24.1 Renew or replace existing assets; and
 - 24.2 Respond to growth or decline in the demand for services reliant on those assets; and
 - 24.3 Allow for planned increases or decreases in levels of service provided by those assets; and
 - 24.4 Maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
 - 24.5 Provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.
- 25 Council's Strategy addresses the significant issues for infrastructure associated with the following activities of Council – Roading and Footpaths, Water Supply, Sewer, Stormwater and Waste Minimisation.⁶
- 26 The key issues, and any significant decisions associated with these issues in the next 30 years have been identified and addressed in the draft Strategy. A summary is included below:
- (a) *Aging Infrastructure:* Council will continue a programme of work to replace ageing infrastructure to maintain services provided to communities, and undertake regular monitoring and assessment of infrastructure;
Options and Decisions required: Ongoing expenditure profile on replacement of infrastructure, and the best strategy for the renewal of bridges, increasing from 2030-31;
 - (b) *Meeting often increasing standards and compliance,* particularly for drinking water safety, conditions for disposal of sewerage, and methane gas emissions: Council will meet standards through building new, or upgrading infrastructure; renew existing consents and meet new consent conditions; and ongoing monitoring of our success in meeting rules or standards;
Options and Decisions required: The level of expenditure on upgrading key infrastructure to meet standards; and the renewal of major resource consents;
 - (c) *Climate change and infrastructure resilience:* Council will invest in ongoing research and risk assessments (investment level dependant on Council decision through LTP); improve the capacity of existing services provided through existing infrastructure (e.g. stormwater); and use new technology and solutions to meet climate change obligations;
Options and Decisions required: The level of investment in climate change; and a strategy for closed landfills
 - (d) *Managing the impact of growth:* such as the demand on roads from heavy vehicles and future demand for water due to the potential effects of climate change: Council will increase the level of investment on infrastructure where growth pressures are occurring or emerging; implement measures to manage demand; increase investment in water treatment; and monitor growth needs and pressure points.

⁶ While Community Facilities and other infrastructure are not included in the Draft Infrastructure Strategy, there will be significant expenditure requirements for these assets over the next 30 years (e.g. renewals of the Timaru Library and CBay Aquatic Centre). These will be addressed through future Council's LTP processes.

Options and Decisions required: The ongoing level of investment to address growth and demand; replacement for Redruth Landfill; and how to improve water resilience.

- (e) *Matching community expectations:* Council will continue with renewal and upgrading programme for infrastructure; increase footpath maintenance; and implement the City Hub Strategy.

Options and Decisions required: The level of Council investment in the City Hub Strategy,

- 27 Some of these decisions will be made as part of this LTP (eg level of investment in climate change and the City Hub Strategy), following consultation with the community.
- 28 This Strategy anticipates Council will spend more than \$1.5 billion (including inflation) over the next 30 years on roading, three waters and waste minimisation infrastructure.
- 29 At the 2 March 2021 meeting Council discussed these key issues, and the significant capital expenditure projects, options and the future decisions required.
- 30 The full draft Infrastructure Strategy for adoption as supporting information to the CD is provided in the Attachments Under Separate Cover – Attachment 2.

Significant Forecasting Assumptions

- 31 In accordance with schedule 10 (17) of the LGA, the LTP must clearly identify –
- all the significant forecasting assumptions and risks underlying the financial estimates:
 - without limiting the generality of paragraph (a), the following assumptions on which the financial estimates are based:
 - the assumptions of the local authority concerning the life cycle of significant assets; and
 - the assumptions of the local authority concerning sources of funds for the future replacement of significant assets:
 - in any case where significant forecasting assumptions involve a high level of uncertainty,—
 - the fact of that uncertainty; and
 - an estimate of the potential effects of that uncertainty on the financial estimates provided
- 32 Council discussed and confirmed the LTP 2021-31 Significant Forecasting Assumptions at the 15 February 2021 meeting. This set of assumptions included the following:

General Assumptions	Financial Assumptions
• Population Change	• Inflation
• Household Change	• Interest rates on borrowing
• Demographic Change	• Return on investments
• Useful Life of Significant Assets	• Funding Sources
• Joint Venture or Shared Service Arrangements/Council Controlled Organisations	• Credit availability
• Legislative Requirements on Council	• Costs
• Climate Change	• NZ Transport Agency Financial Assistance
• Resource Consents	• Emissions Trading Scheme
• Service Levels	• Revaluation of significant assets
• Demand	• Rating base
• Availability of Contractors and Materials	

• Natural hazards/Natural disasters	
• Earthquakes – Alpine Fault	
• Strategic Assets	
• Council Political Structure	
• Economic, Industry and Employment Growth	
• Impact of Technology Advances	
• Income Levels/Affordability	

- 33 On advice from Audit NZ, four new assumptions have been included; Three Waters Reform; impact of Covid-19; delivery of the capital work programme; and Council's provision for landfill aftercare. Council's assumption on climate change has also been amended. The new assumptions are detailed below:

Assumption	Level of uncertainty	Risk Statement	Risk level	Consequence of variation	Approach to mitigation of risk
<p>Covid-19 Assumption: It is assumed that New Zealand avoids a widespread outbreak of Covid-19 and the Timaru District is at Alert Level 1 for the majority of 2021 and 2022. Stringent border restrictions remain in place until the end of 2021 and a Covid-19 vaccine is widely available in 2021</p>	Medium	Widespread community transmission and significant periods of lockdown lasting into 2022	Medium	<p>Widespread community transmission and ongoing lockdowns would have a significant negative impact on Council and the economic and social wellbeing of our communities.</p> <p>Council would face lost revenue and additional costs due to further lockdowns. The economic impact will increase pressure to reduce rates increases and more application for rates remissions and postponements, and more late payments and non-payments of rates.</p> <p>Council may need to invest more in services that provide economic and community support.</p> <p>Some of Council's activities may not be able to meet expected levels of service.</p> <p>Completing capital works programmes may become more difficult due to lockdown restrictions and disrupted supply chains.</p>	<p>Council will keep a close watching brief on all Covid-19 developments and maintain Business Continuity Plans across all business units.</p> <p>All guidance from the Ministry of Health will be followed to reduce the risk of Covid-19 transmission within Council.</p> <p>Council will continue to work closely with Venture Timaru and other economic and community development groups across the District to ensure our communities are prepared and resilient in the case of further lockdowns or community transmission.</p>
<p>Three Waters Reform Assumption: Timaru District Council will continue to own and directly operate the three waters networks (water supply, sewer and stormwater) for at least the duration of the Long-Term Plan.</p> <p><i>Comment: The Government is proposing to restructure the Three Waters sector with major decisions being made mid-year 2021. While final decisions are yet to be made, the likely outcome of</i></p>	High	Three Waters reform does not follow the government's planned programme and/or the final shape of the reform is significantly different to that expected.	Medium	<p>Transfer of Council's Three Waters assets and activities will have a significant impact on Council finances and operations. For the 2019/20 year, Three Waters services made up a substantial portion of Council's assets and costs and revenues, as follows:</p> <ul style="list-style-type: none"> • Total Operating Costs: \$18.73M (approximately 22% of Council's total costs. There are currently 24.3 FTEs involved with Three Waters delivery). • Value of Three Waters Assets including the Downlands water supply network: \$1,180 Million • Value of Debt to fund three waters activities: \$119 Million 	<p>Council will continue to actively participate in the three waters reform programme.</p> <p>In the meantime, Three Waters services will continue to be provided by Council until a final outcome of the reform process is known. The continued provision of these activities is included in the LTP 2021-31 forecasts, as outlined in the LTP information.</p>

Assumption	Level of uncertainty	Risk Statement	Risk level	Consequence of variation	Approach to mitigation of risk
<i>this reform is the formation of several large 'multi-regional' delivery entities to deliver three water services. On the 11 August 2020, the Timaru District Council signed a Memorandum of Understanding (MoU) with the Government over the proposed 3Waters Reforms. The MoU requires Council to actively engage with Government over the Three Waters Reforms and in return Council received \$6.86m of stimulus funding for projects not included in the 2020/21 Annual Plan. While signing the MOU does not commit Council to the final reforms, the government has agreed that the reforms will be an opt-out approach. This is expected by the end of 2021. It is understood that a comprehensive Nationwide public information and education programme will be carried out in the May to August 2021 timeframe.</i>				If enacted, the activity will no longer existing within Council operations with a corresponding impact on the overall position of TDC, and across the rest of TDC operations (e.g. due to the need to reallocate overhead activities across other Council activities, rating). Council may choose to 'opt out' of the reforms.	
Capital Delivery Assumption: For any given year in the 10-year 2021-31 Long Term Plan period, 90% of the capital work programme will be delivered. The financial model was developed based on this assumption.	High	The delivery of the capital work programme is below 90%.	Medium	If less than 90% is delivered, this may result in the creation of a backlog of capital projects that will delay the completion of other capital projects in the next Annual Plan or LTP period. Potential for increased budget required for capital projects, due to delays in completion. Increased operating expenditure due to increase in the maintenance costs as not all planned renewals are completed. Risk of losing grant / subsidy due to non-delivery and therefore increase in borrowings required to complete the project and finance cost.	Close and regular monitoring and reporting of the work programme internally. Ongoing liaison with the construction sector to ensure resources availability and responsiveness of the market. Renewal plan prepared in a conservative way and based on asset condition and useful life of asset to ensure assets are being replaced before they pose a significant risk of failure.

Assumption	Level of uncertainty	Risk Statement	Risk level	Consequence of variation	Approach to mitigation of risk
					<p>Include renewals as part of maintenance and renewals contracts to mitigate risk of non-delivery for renewals programme.</p> <p>Resourcing has been allocated for all large projects with dedicated managers overseeing key projects.</p> <p>Ongoing monitoring and re-forecast of project delivery if required.</p> <p>External project support where required.</p>
<p>Landfill Aftercare Provision: Council has budgeted \$270,000 per annum to monitor and undertaken any remedial work required on its closed landfills. It is assumed no significant restoration work is required on its closed landfills beyond what has been budgeted and provided for. In respect of Redruth Landfill, which has an estimated life of 28 years, Council assumes that there has been no material changes to the assessments for Redruth's post closure costs since it was last reviewed in September 2011. Redruth is a consented and managed landfill with active monitoring of all cells.</p>	Medium	Landfill restoration work is required earlier than planned or higher than budgeted	Low	Landfill restoration work being required earlier than planned could result in a higher funding requirement earlier than anticipated.	<p>Council reviews the basis for the provision it makes for these costs on an annual basis.</p> <p>Active monitoring of landfill cells to enable ongoing landfill aftercare post closure.</p> <p>Review of possible impacts on closed landfills via climate change work in next three years.</p>

- 34 The climate change assumption has been amended to detail specific impacts on Council activities and services including:
- 34.1 Three water services – this includes security of water supply issues, water shortages reduction in water quality, increased wastewater overflows from heavy rainfall, and flood protection assets not working;
 - 34.2 The transportation network – disruption from sea-level rise or flooding and landslides leading to increased maintenance costs;
 - 34.3 Coastal infrastructure and property – sea-level rise causing coastal erosion that will put property and assets at risk, and some places might become uninsurable; and
 - 34.4 Biodiversity and pest management – changes in type and distribution of pest species.
- 35 These assumptions have been built into Council’s Financial and Infrastructure Strategies and Activity Management Plans.
- 36 The amended Significant Forecasting Assumptions for adoption as supporting information to the CD are provided, with changes marked in red, in the Attachments Under Separate Cover – Attachment 3.

Revenue and Financing Policy

- 37 In accordance with section 102 of the LGA, Council must, in order to provide predictability and certainty about sources and levels of funding, adopt a Revenue and Financing Policy.⁷
- 38 This policy must set out how operating and capital expenditure will be funded; and the sources of those funds.
- 39 Council has undertaken a full review of the Revenue and Financing Policy in workshops in December 2020 and January 2021. The proposals made to amend the Policy were discussed at the 15 February 2021 Council Meeting, including:
- 39.1 A change to the funding of footpaths, moving from being funded through the targeted Community Works and Services Rate, to district-wide rating through the General Rate and Uniform Annual General Charge (UAGC). This change is discussed further in the report on the Revenue and Financing Policy – Statement of Proposal in this agenda.
 - 39.2 Changes to improve the transparency of funding for different activities of Council including separating District Planning and District Planning Administration; and Waste Collection and Waste Management, recognising the distinct funding mechanism of each activity.
 - 39.3 The inclusion of Climate Change as an activity of Council, and the removal of Safer Communities
- 40 Council adopted the draft Revenue and Financing Policy inclusive of these amendments at this meeting and agreed to consult on the footpath funding amendments to the Policy as part of the Long Term Plan (LTP) consultation process. The other amendments to the Policy were not

⁷ Section 102 also requires Council adopts a Liability Management Policy, an Investment Policy (Council has combined these two policies into a Treasury Management Policy), a policy on development or financial contributions and a policy on the remission and postponement of Māori freehold land. Council may also adopt a rates remission and/or a rates postponement policy.

considered material or of high significance in accordance with Council's Significance and Engagement Policy.

- 41 As part of the audit process, further amendments have been made to the policy relating to the funding of operational expenditure for some activities. These are marked in red in the attached policy, and include:
- Airport: increasing the proportion of rates funding for operating expenditure to 50-70% (from 20-30%) to reflect previous year's actuals and proposed revenue and expenditure budgets in the LTP.
 - Cemeteries: increasing the proportion of rates funding for operating expenditure to 30-60% (from 30-40%) to reflect previous year's actuals and proposed revenue and expenditure budgets in the LTP.
 - Theatre Royal: Increasing the proportion of user charges funding for operational expenditure to 0-20% (from 0-10%) to proposed revenue and expenditure budgets once the Theatre Royal upgrade has been completed.
 - Waste Management: Increasing the proportion of user charges funding for operational expenditure to 60-100% (from 50-60%) to reflect previous year's actuals and proposed revenue and expenditure budgets in the LTP.
- 42 At the 16 March meeting, Council approved a further amendment to the Policy, allowing for the annual increase in the Uniform Annual General Charge to be within a 5% margin of the general rate increase in any given year, rather than the same overall percentage increase as the previous policy stated. This amendment is marked in red in the Policy.
- 43 Commentary relating to the proposed significant amendment to the footpath funding has been included in the draft CD, and the full Statement of Proposal and draft policy will be available on Council's website and in hardcopy on request during the consultation period (10 April 2021 – 10 May 2021).
- 44 The amended draft Revenue and Financing Policy for adoption as supporting information to the CD is provided, with changes marked in red Attachments Under Separate Cover – Attachment 4.

Business Improvement District Policy

- 45 At the 9 February 2021 meeting, Council discussed a proposal to establish a Business Improvement District (BID) targeted rate and were presented with a draft BID Policy. This stated purpose of this draft Policy is to –
- 45.1 Provide guidance for prospective and established BID programmes and explain the requirements and responsibilities of the Timaru District Council BID programme
- 46 The draft Policy does not establish a targeted rate, but rather sets out framework for Council and potential BID Associations to operate under including –
- Roles and responsibilities of relevant parties;
 - Objectives that a BID programme must meet;
 - Processes required to establish a BID programme;
 - General operation requirements of a BID programme;
 - Monitoring and reporting of performance of a BID Programme.

- 47 The Policy was drafted after initial engagement with the Timaru Central Business District (CBD) Group.
- 48 At this meeting Council resolved to:
- 48.1 Confirm its request for Council Officers to develop a Business Improvement District (BID) Policy for Council's consideration, following engagement with members of the Central Business District;
- 48.2 Instructs Council Officers to commence a consultation on the draft Business Improvement District (BID) Policy to be included with the Long Term Plan process in April/May, and incorporating any changes requested by Council.⁸
- 49 A summary of Council's proposal to introduce the BID Policy has been included in the draft CD, and the draft BID Policy will be available on Council's LTP website for consideration.
- 50 Council must now adopt the draft BID Policy as supporting information to the CD.
- 51 The draft BID Policy for adoption as supporting information to the CD is provided in the Attachments Under Separate Cover – Attachment 5.

Group of Activity Statements

- 52 Draft Group of Activity Statements have been prepared in accordance with the requirements of the LGA for each of the following Groups of Activities⁹:
1. Democracy
 2. Community Support
 3. Environmental Services
 4. Recreation and Leisure
 5. Roading and Footpaths
 6. Sewer
 7. Stormwater
 8. Waste Minimisation
 9. Water Supply.
- 53 Each Group of Activity Statement details the following –
- What we do: Summarises the service Council delivers to the community;
 - Why we do it: Outlines why Council provides the service, including legislative requirements and the activity's contribution to Council's vision and wellbeing outcomes for the district;
 - How we pay for it: Shows the rating and funding mechanisms used to pay for the cost of providing the service

⁸ These amendments included setting a 10% lid on increases or decreases compared to the previous year to any targeted rate set; capital value rather than land value being used in any targeted rate assessments; and that a BID ballot would require a majority of votes from the eligible voting register, rather than voting participants being in favour of the proposition, rather than the alternative of a determined percentage of voting returns from eligible voters

⁹ Part 1, Schedule 10 details the specific requirements for Group of Activity Statements.

- Our Priorities: Summarises the priorities for the activity
 - What you can expect from us: Includes levels of service and how Council measures them
 - Our Projects: Lists the capital projects for next 10 years
 - Funding Impact Statement: Provides details on the expected costs and funding of the service.
- 54 The significant negative effects caused by some activities have been identified, as required by the LGA, and Council's actions to mitigate these effects are provided.
- 55 These statements support the CD by providing a greater level of detail of Council plans across all activities for the next ten years.
- 56 The draft Group of Activity Statements for adoption as supporting information to the CD is provided in the Attachments Under Separate Cover – Attachment 6.

Financial Information

- 57 These statement in this section and disclosures are required by Schedule 10 of the LGA.
- 58 Council has prepared Draft 2021-31 prospective financial statements including Funding Impact Statements in support of the CD and proposed LTP including –
- Statement of comprehensive revenue and expense,
 - Statement of movements in equity;
 - Statement of movements in retained earnings;
 - Statement of financial position;
 - Statement of cashflows;
 - Funding impact statement
- 59 The above financial statements are prepared in accordance with generally accepted accounting policies and in compliance with LGA regulations. These statements reflect the decisions made at Council's draft 2021-31 Long-Term Plan Council Meeting on 15 February 2021 and any items raised by Audit New Zealand to date.
- 60 The financial statements reconcile to the capital programme in the Infrastructure Strategy, Financial Strategy targets and limits.
- 61 Draft 2021-31 Long-Term Plan disclosure statements have been prepared in adherence to the Local Government (Financial Reporting and Prudence) Regulations.
- 61.1 The disclosure statements prescribe how every council shall measure and disclose certain key financial metrics. The intent of these regulations is to develop a set of consistently calculated and therefore comparable information on which to assess and benchmark the financial performance of councils across the country.
- 62 Draft 2021-31 Long-Term Accounting Policies for the prospective financial statements have been prepared under Public Benefit Entity Accounting Standards, which are based on International Public Sector Accounting Standards (IPSAS). Timaru District Council is a Public Benefit Entity (PBE) and is required to apply Tier 1 PBE Accounting Standards with effect from 1 July 2014. The policies for measurement and presentation of property, plant and equipment (PPE), other than the 3 Waters and revalued roading assets, continue to be

measured at cost price. It is not proposed to change this policy during the term of the Plan unless Council resolves to complete a revaluation to fair value.

- 63 The draft Financial Information for adoption as supporting information to the CD is provided in the Attachments Under Separate Cover – Attachment 7

Community Wellbeing Outcomes

- 64 Community Outcomes are defined by the LGA as –

“the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future”¹⁰

- 65 Council’s LTP must describe the community outcomes for the District.¹¹ Council must link its provision of activities and the financial management of these activities to the community outcomes.

- 66 Council undertook a review of its strategic direction in 2020 and engaged with Community Boards, and the wider public to refine and confirm the draft vision, values, and community wellbeing outcomes.

- 67 At the 15 February 2021 Meeting, Council adopted this Strategic Direction and it has been incorporated into the development of the LTP.

- Council’s Vision: Where people, place and business prosper within a healthy, adaptable and regenerative environment.
- Council’s Values: Inclusive Leadership; Cultural Caretakers; Transition Navigators.
- Community Wellbeing Outcomes Council is aiming to achieve are:
 - Connected citizens;
 - An enhanced lifestyle;
 - A sustainable environment;
 - A diverse economy; and
 - Resilient infrastructure.

- 68 Council has identified specific focus areas which sit below each of these outcomes and broadly align with Council’s activities. These focus areas will guide the prioritisation of the LTP work programme, as Council works to achieve the wellbeing outcomes for the District.

Policies

- 69 As part of the development of the LTP, Council has already reviewed and adopted as supporting information to the CD the following policies:

69.1 Significance and Engagement Policy (15 February 2021 Council Meeting)

69.2 Rates Remission and Postponement Policy (2 March 2021 Council Meeting)

69.3 Rates Discount Policy – (2 March 2021 Council Meeting). The proposal to repeal this policy has been included in the CD.

¹⁰ Section 5, LGA.

¹¹ Part 1, Schedule 10.

69.4 Treasury Management Policy (16 March 2021 Council Meeting).

Fees and Charges

- 70 Fees and Charges make up approximately 22% of Council's revenue each year, as determined by the Revenue and Financing Policy.
- 71 Following a review as part of the development of the LTP, a number of amendments were recommended to the Fees and Charges for the current year including:
- 71.1 Phasing out of Library overdue fines;
 - 71.2 Increase in Resource Management, Building Control and LIM fees to bring into line with actual costs and similar Canterbury councils;
 - 71.3 Animal Control increase to meet actual costs;
 - 71.4 Social Housing rent increase to ensure activity is self-funding in line with Revenue and Financing Policy;
 - 71.5 Downlands Water Supply – new fee connection has a significant increase to reflect the cost of providing for growth in the upgrading of the Water Scheme.
 - 71.6 Waste Minimisation Transfer Station fees increase for rubbish.
- 72 Council adopted the draft Fees and Charges for inclusion as supporting information to the LTP at the 16 March 2021 Meeting.

Options and Preferred Option








- 73 **Option 1 (Preferred Option):** Council can adopt the following documents as supporting information to the CD:
- (a) Draft Financial Strategy
 - (b) Draft Infrastructure Strategy
 - (c) Amended Significant Forecasting Assumptions
 - (d) Amended Draft Revenue and Financing Policy
 - (e) Draft Business Improvement District Policy
 - (f) Draft Group of Activity Statements; and
 - (g) Draft Financial Information
- 74 This option supports compliance with the requirements of the LGA – that before adopting the CD, Council must prepare and adopt the information that is relied on by the content of the CD.
- 75 **Option 2:** Council may wish to make amendments to any of the documents presented for adoption. There is risk associated with this option. Any material changes that impact on the Consultation Document will require further approval from Audit and will delay the adoption of the Consultation Document.

Financial and Funding Implications

- 76 The financial implications of adopting this supporting information are outlined via the various documents.

- 77 The plan remains draft until Council has undertaken community consultation. After having considered all community feedback received, Council will make final decisions on the LTP in June. The financial and funding implications of these documents will be finally confirmed at that point.

Attachments

1. **Final Draft Financial Strategy 2021-31 (under separate cover)** 
2. **Final Draft Infrastructure Strategy 2021-51 (under separate cover)** 
3. **Draft Significant Forecasting Assumptions 2021-31 (under separate cover)** 
4. **Draft Revenue and Financing Policy (under separate cover)** 
5. **Draft Business Improvement District Policy (under separate cover)** 
6. **Draft Group of Activities Statements 2021-31 (under separate cover)** 
7. **Draft Financial Information 2021-2031 (under separate cover)** 

3.2 Revenue and Financing Policy Amendment - Consultation Document

Author: Fabia Fox, Policy Analyst
Azoorah Ali, Chief Financial Officer

Authoriser: Bede Carran, Chief Executive

Recommendation

1. That Council adopts the Revenue and Financing Policy Amendment Consultation Document.
2. That Council agrees to undertake the consultation in accordance with section 82 of the Local Government Act to seek feedback from the community on the proposed amendment to footpath funding within the Revenue and Financing Policy.
3. Authorises the Chief Executive to make any minor and non-material corrections to the Revenue and Financing Policy Consultation materials prior to publication.

Purpose of Report

- 1 To present Council with the Revenue and Financing Policy Amendment Consultation Document for adoption and detail the consultation process in accordance with section 82 of the Local Government Act 2002 (LGA).

Assessment of Significance and Engagement

- 2 The Revenue and Financing Policy is a key Council policy, providing the framework for the funding of Council activities. Changes to the policy can have a significant impact, particularly on how the liability for funding Council activities is apportioned to different parts of the community.
- 3 The proposed amendment to footpath funding within the Revenue and Financing Policy has been assessed as being of medium to high significance due to the number of ratepayers impacted, and the financial implications of the amendment. Other amendments to the Policy have been assessed as of low significance.
- 4 The Local Government Act 2002 (LGA) allows Council to amend the Policy following public consultation.¹² The proposed amendments to the Policy, and the rationale and impact of these amendments will be included in a consultation that will run concurrently to the LTP consultation. The key changes will also be detailed in the LTP Consultation Document and as part of the supporting information to the Consultation Document. The feedback received will help inform Council's decision-making when the policy is presented for final adoption prior to the adoption of the Long Term Plan 2021-31 in June 2021.

¹² Section 102 of the LGA states that an amended policy can be adopted at any time after consulting on the proposed amendments in accordance with section 82 of the LGA.

Background

- 5 In accordance with section 103 of the LGA Council must, in order to provide predictability and certainty about sources and levels of funding, adopt a number of funding and financial policies, including a Revenue and Financing Policy.
- 6 As part of the development of the LTP, Council has reviewed the Revenue and Financing Policy. The Policy was last reviewed in 2018. This review included an analysis of how the funding needs for each of Council's activities is best met from the revenue sources Council determines to be appropriate.
- 7 At the 15 February 2021 meeting Council discussed a number of proposed amendments to the policy including:
 - 7.1 A change to the funding of footpaths, moving from being funded through the targeted Community Works and Services Rate, to district-wide rating through the General Rate and Uniform Annual General Charge (UAGC).
 - 7.2 Changes to improve the transparency of funding for different activities of Council including separating District Planning and District Planning Administration; and Waste Collection and Waste Management, recognising the distinct funding mechanism of each activity.
 - 7.3 The inclusion of Climate Change as an activity of Council, and the removal of Safer Communities
- 8 Council adopted the draft Revenue and Financing Policy inclusive of these amendments at this meeting and agreed to consult on the footpath funding amendments to the Policy as part of the Long Term Plan (LTP) consultation process. The other amendments to the Policy were not considered material or of high significance in accordance with Council's Significance and Engagement Policy.
- 9 The legislative process for amending this Policy while consulting on a LTP requires Council undertake a concurrent consultation to ensure legislative requirements are met.¹³
- 10 The proposed Revenue and Financing Policy has been presented to Council for adoption as supporting information to the LTP Consultation Document due to a number of amendments following adoption at the 15 February 2021 Council Meeting. The Policy is included as Attachment 4 under Separate Cover.

Discussion

- 11 A Consultation Document for the proposed footpath funding amendment to the Revenue and Financing Policy has been prepared– see Attachment 1.
- 12 In accordance with section 82 of the LGA, any consultation that Council undertakes must comply with the principles of consultation, including that anyone who may be affected by, or have an interest in the proposed amendment to the policy should be:
 - (a) Provided with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those people; and

¹³ Taituarā (formerly Society of Local Government Managers – SOGLM) recommend that any amendments to Revenue and Financing Policies during LTP processes undergo a separate consultation concurrently to the LTP consultation as the legislative requirements for consultation on each are different.

- (b) Encouraged to present their views:
 - (c) Given clear information about the purpose of the consultation and the scope of the decisions Council will undertake following the feedback:
 - (d) Provided with a reasonable opportunity to present those views to Council in a way that is appropriate to their preferences and needs.
- 13 By undertaking this consultation concurrently with the LTP process, the requirements of section 82 will be met.
- 14 Section 82A of the LGA sets out the information requirements for consultation in this format. Council must make the following publically available:
- (a) The proposal and the reasons for the proposal; and
 - (b) An analysis of the reasonably practicable options; and
 - (c) A draft of the amended policy including the details of the proposed change.
- 15 The draft Consultation Document sets out the proposed amendment to the footpath funding mechanism set out in the Revenue and Financing Policy.
- 16 Under the current policy, footpath replacement and maintenance is funded through the targeted Community Works and Services Rate based on land value of the rating unit, which is recovered from each community in which the service is provided (Geraldine, Rural, Temuka and Timaru).
- 17 This policy reflects the previous situation where footpaths did not attract financial assistance from Waka Kotahi (New Zealand Transport Agency - NZTA). Council had determined that each community (through budgeting processes with Council and Community Boards) should set the level of funding for the replacement and maintenance of footpaths.
- 18 At an operational level, every three years all footpaths in the District are condition rated, and replacement and maintenance needs are assessed on a quality and use basis. The current funding mechanisms however, limits the amount of work planned and carried out across the separate communities based on budget, rather than the condition rating of the footpaths. This has meant that in some instances, smaller outlying townships are receiving a lower level of service due to limited funding, and this would likely continue under the current policy if the proposed amendment is not implemented.
- 19 In 2018 Waka Kotahi amended the National Land Transport Programme to co-fund footpath replacement and maintenance. This has allowed Council to increase the amount spent on footpaths across the District as a whole, as a result of the contribution from Waka Kotahi.
- 20 As a result of this change, officers are now recommending an amendment to the Revenue and Financing Policy to fund footpaths in the same manner as all roading work that attracts the Waka Kotahi funding assistance, that is, at a district-wide level through the General Rate (70%) and Uniform Annual General Charge (30%). Officers believe that this will provide an opportunity to gain greater efficiencies through appropriate scheduling of maintenance work across the District's whole footpath network.
- 21 The impact of this funding change is that the cost for all footpath maintenance and development will be spread across the whole district. The resulting increase in some rural rates will be matched by an increase in footpath replacement and maintenance in coming years, to lift the quality of these footpaths to match those in larger urban areas across the district.

- 22 As detailed above, the alternative option, to maintain the status quo, will result in ongoing budgetary constraints for footpath maintenance and development and a lower level of service in smaller townships.

Options and Preferred Option

- 23 **Option 1 (Preferred option):** Adopt the Revenue and Financing Policy Amendment Consultation Document with or without amendments. This options allows Council to undertake consultation on the proposed amendment to footpath funding mechanism and supports the review process undertaken by Council.
- 24 **Option 2:** Council may choose to not undertake consultation on the proposed amendment to the footpath funding mechanism. This option is not preferred, as it would not provide the community with an opportunity to provide feedback on the proposed amendment.

Consultation

- 25 The Revenue and Financing Policy Amendment Consultation Document will be available for public feedback concurrently to the LTP Consultation Document. A summary of the proposed changes have been included in the LTP Consultation Document and the full CD and draft policy will be available on Council's website, and in hard copy on request.
- 26 The public will be able to submit feedback on the proposed changes through the same submission platform as the LTP Consultation and will be able to speak at a Council Hearing on their submission.
- 27 The consultation will be advertised widely in conjunction with the broader LTP Consultation.

Relevant Legislation, Council Policy and Plans

- 28 Local Government Act 2002: The legislative consultation requirements relating to amending the Revenue and Financing Policy have been detailed above.
- 29 Draft Long Term Plan: Council's draft LTP and Consultation Document has been prepared on the basis that the Revenue and Financing Policy is amended as proposed. The financials detailed in Council's draft Consultation Document include footpath maintenance and development being funded as a district-wide rate.

Financial and Funding Implications

- 30 The proposed amendment to the Revenue and Financing Policy will result in the cost of all footpaths being spread across the whole District. This will mean an initial increase in rates for the areas currently charged the Rural Community Works and Services Rate, and a decrease in rates for those charged the Geraldine, Temuka and Timaru Community Works and Services Rate. This increase in rates for those in the rural areas will be matched by an increase in footpath replacement and maintenance in coming years, to lift the quality of these footpaths to match those in larger urban areas.
- 31 The Consultation Document includes a table that shows the impact of the proposed amendments to sample properties across the District.

Attachments

1. **Revenue and Financing Policy Amendment Consultation Document**  



Have your say on Timaru District Council's Revenue and Financing Policy

Timaru District Council is proposing to change the way we fund footpaths across the District.

What is the Revenue and Financing Policy?

This Policy sets out how we fund all our activities, including the different methods of funding we'll use, such as general rates, targeted rates, fees and charges.

The Policy isn't about how much we intend to spend, but about how we intend to spread the cost of each service across the District and across different groups of ratepayers. It also sets out our rationale for why we fund these services in this way. For example, our rationale for funding our Animal Control services mainly from dog registration fees is because the owners of dogs create the need for Council to monitor and control stray and aggressive animals.

The Policy is reviewed every three years, in line with the development of our Long Term Plan.

Why the proposed change?

The main change Council is proposing is the way we fund footpaths across the District.

Under the current Policy, footpath replacement and maintenance is funded through a targeted rate based on the land value of each rating unit. There is a targeted rate set for each of the following areas; Geraldine, Temuka, Timaru, and Rural areas (including Pleasant Point).

This Policy was set because previously, Council did not receive any funding assistance from Waka Kotahi (New Zealand Transport Agency) for footpaths. It was decided that each community should set the level of funding for footpaths in their area. This was done through the Long Term Plan and Annual Plan budgeting process with Council and Community Boards.

In 2018 Waka Kotahi began providing co-funding for footpaths. This has allowed Council to increase the amount spent across the District as a whole.

Because of this change, Council now believes that it is more appropriate to fund footpaths in the same way we fund all roading work that attracts co-funding from Waka Kotahi, that is, at a District-wide level through the General Rate (70%) and the Uniform Annual General Charge (30%).

At an operational level, every three years all footpaths in the District are condition rated, and replacement and maintenance needs are assessed on a quality and use basis. Our current Policy however, limits the amount of work planned and carried out across the different communities based on the budget set, rather than the condition rating of the footpaths. This has meant that in some instances, smaller townships are receiving a lower level of service for footpaths, due to limited funding. This would likely continue if we do not amend this Policy.

What is the impact of the proposed change?

This change will mean that the cost of all footpaths will be spread across the whole District.

This will mean an initial increase in rates for the areas currently charged the Rural Community Works and Services Rate, and a decrease in rates for those charged the Geraldine, Temuka and Timaru Community Works and Services Rate.

This increase in rates for those in the rural areas will be matched by an increase in footpath replacement and maintenance in coming years, to lift the quality of these footpaths to match those in larger urban areas.

The proposed changes to footpath funding have been included in the draft budgets for Council's Long term Plan.

This table shows the rates impact of the proposed amendment on sample properties across the District for 2021/22

	Residential (Sample)				Primary (Sample)			Commercial /Industrial
	Geraldine	Pleasant Point	Temuka	Timaru	Rural*	Timaru*	Rural*	
Land Value	\$192,500	\$139,400	\$139,400	\$200,000	\$606,800	992,500	2,191,200	\$239,300
General Rates (including UAGC) (\$)	1375.21	1233.92	1233.92	1395.17	1944.79	2474.66	4763.00	3629.00
Targeted Rates (\$)	1236.30	960.67	1180.61	1178.53	29.04	1042.43	110.00	1222.63
Total Rates with policy change (\$)	2611.52	2194.59	2414.53	2573.70	1973.83	3517.09	4873.00	4851.63
Total Rates without policy change (\$)	2646.92	2126.72	2492.21	2636.43	1872.84	4027.94	462.89	4738.60
Rates impact of change	-35.40	67.88	-77.69	-62.73	100.99	-510.86	251.11	113.03

*Properties listed are examples. Actual rates charged will vary according to where you live, the services you receive, the property category you belong to and the land value of your property. *Do not include rates for water, sewer or waste minimisation

This proposed change isn't about how much Council is planning to spend on our footpaths, but rather how we spread the cost across the District.

Other Options?

The other option available is to keep the status quo for the funding of footpaths.

This would mean we would have the ongoing problem of not having enough budget to address footpath quality issues in some of our smaller townships. This is not Council's preferred option.

The Policy

For a full copy of the proposed Policy, and a copy of Council's current Policy visit thrivingtogether.co.nz/revenueandfinancing, email thriving@timdc.govt.nz, or call into a Service Centre in Timaru, Geraldine or Temuka.

Timaru District Council's Revenue and Financing Policy



How do you have your say?

We would like to hear your feedback on this proposed change to our policy. You can provide your feedback through any of the ways outlined below.

Submissions close 10 May 2020.

Have your say online

Visit thrivingtogether.co.nz/revenueandfinancing to complete an online submission.



Email us

Send your feedback to thriving@timdc.govt.nz



Fill out the feedback opposite or write us a letter and send it to:

Revenue and Financing Policy Submission
Timaru District Council
Freepost 95136
PO Box 522
Timaru 7940



Speak to someone about this Policy change.

As part of our Long Term Plan consultation, the Mayor and Councillors will be out and about across the District to discuss our plans, including this change to the Revenue and Financing Policy. For a full list of events across the District see our website

thrivingtogether.co.nz

Council will be holding a hearing for anyone who wishes to address Council on this proposed change to the Revenue and Financing Policy. If you would like to speak at the Council hearing please let us know in your submission form or email us at thriving@timdc.govt.nz. We will contact you with details and dates for the hearing closer to the time.

Make sure you also have your say on our Long Term Plan 2021-31

Visit thrivingtogether.co.nz for all the details.

Privacy Statement

All submissions (including name and contact details) will be included in public documents, at Council offices and Libraries/Service Centres and on Council's website. Personal information will be used for submission administration purposes such as contacting you if you want to speak at the Council hearing. All information is held by Council, and you have the right to access and correct personal information.

Your details

Your submission must include your name, and a postal or email address. If you want to speak to Council on your submission, please include a phone number we can contact you on.

First name:

Surname:

Organisation (if applicable):

Phone (landline or mobile):

Email address:*

Postal address:*

Do you want to speak about your submission at a Council Hearing?



Yes



No

If you do not indicate, we will assume you do not wish to speak

Your feedback

Do you agree with our plans to change the way we fund our footpaths?

Please tick one.



YES



NO

Something else? Tell us why:

Remember your submission will be included in public documents, including your contact details (unless you tell us you would prefer this not to happen).

*We require your email address and/or your physical postal address.

3.3 Thriving Together - Long Term Plan 2021-31 Consultation Document

Author: Mark Low, Strategy and Corporate Planning Manager
Ann Fitzgerald, Corporate Planner
Fabia Fox, Policy Analyst
Azoora Ali, Chief Financial Officer

Authoriser: Bede Carran, Chief Executive

Recommendation

1. That Council receives the Audit Opinion on the Consultation Document for the Long Term Plan 2021-31
2. That Council adopts the Consultation Document, including the Audit Opinion, for the Long Term Plan 2021-31
3. That Council notes the community engagement approach for the Long Term Plan 2021-31
4. Authorises the Chief Executive to make any minor and non-material corrections to the LTP 2021-31 consultation document and community engagement materials prior to publication.

Purpose of Report

- 1 To note the Audit Opinion on the Consultation Document for the Long Term Plan 2021-31.
- 2 To present the Consultation Document for the Long Term Plan 2021-31 for adoption.
- 3 To inform the Council of the community engagement approach for the Long Term Plan 2021-31.

Assessment of Significance

- 4 The Consultation Document forms a central part of Council's engagement with the community on the Long Term Plan 2021-31, and in this respect is highly significant. Accordingly extensive community engagement is planned.
- 5 There is a statutory requirement to consult on the proposals in the Long Term Plan in accordance with section 93A of the Local Government Act, using the special consultative procedure. This includes requirements to make information about what Council is proposing in the Long Term Plan widely available, provide a period of not less than month for the public to make their views known to Council, and to provide an opportunity for people to present their views to Council.

Background

- 6 Preparation of the Long Term Plan 2021-31 has been underway for approximately 18 months and has involved Elected Members and staff in:
 - 6.1 the process of establishing Council's Strategic Direction *Timaru District Thriving Together*;
 - 6.2 discussing key issues facing the district and options to address these;
 - 6.3 preparing draft Infrastructure and Financial Strategies;

- 6.4 establishing key forecasting assumptions;
 - 6.5 reviewing a range of key policies, including the Revenue and Financing Policy;
 - 6.6 considering and prioritising the draft 10 year budget, including key projects and rates impact
- 7 The Consultation Document is the key mechanism through which Council presents the proposed key elements of the Long Term Plan to the community for their consideration.
- 8 The key information that underpins the Consultation Document - referred to as 'Supporting Information' must also be adopted by Council. This is the subject of a separate report to Council.

Long Term Plan Audit

- 9 Audit NZ have carried out the first stage of the audit on the Long Term Plan Consultation Document and supporting information. The final part of this stage involves what is called the 'Hot Review' and Opinion Review Committee (ORC), which has been conducted this week. This process has resulted in some refinements to the materials previously provided to Council on 30 March 2021, in particular emphasising the assumption to deliver and fund 90% of our planned capital work programme in any 12 month period and over the 10 year Plan period. An overview of changes to Supporting Information has been included in the Supporting Information Report. Changes made to the Consultation Document are outlined below:
- Changes related to Council's assumption around 90% delivery and funding of its capital work programme – Financial Strategy section
 - Minor changes to wording e.g. Art Gallery explanation of future operating costs
 - Additional explanation relating to rating changes
 - Additional rating property examples
 - Change in consultation timeframes
 - Increased size to 28 pages
- 10 Due to some delays in the process, the timing for the community engagement has been slightly adjusted. Pending today's adoption, consultation will open tomorrow, Saturday 10 April and close on Monday 10 May.
- 11 All information will initially be available via the Consultation website. The print version of the Consultation Document will be distributed via the April 15 edition of *The Courier* community newspaper. This still meets our legislative requirement of 'not less than 1 month' for views on the LTP (i.e. submissions) to be provided to Council. The rest of the LTP timetable will remain as previously outlined.

Consultation Document

- 12 The Local Government Act S93 sets out the content to be included in the Consultation Document, which must be concise and presented in an easily understood way. It is also required to be distributed as widely as possible. The focus is on presenting and explaining key issues and options for community feedback and providing an outline of the matters proposed for inclusion in the long-term plan.
- 13 The Consultation Document presents four key issues and options for addressing these. In addition to indicating views on these options, the community is also encouraged to provide

feedback to Council on other matters in the Consultation Document, such as the Infrastructure Strategy, Financial Strategy and the rates implications of proposed Long Term Plan.

- 14 Audit New Zealand commenced their audit of the draft Consultation Document on 22 February.
- 15 The Consultation Document adopted by Council must include an audit opinion prior to adoption.
- 16 Pending adoption, the consultation period will opens on 10 April 2021 and closes on 10 May 2021. A hearing to consider community feedback is scheduled for Monday 31 May – Wednesday 2 June (days as required).

Community Engagement Tools

- 17 The *Timaru District Thriving Together* brand will be used heavily during the consultation period. The Mayor and Councillors will provide the ‘face’ of the LTP consultation process. The LTP consultation process represents the most significant consultation during a Council term.
- 18 Individual Councillors are “sponsors” for selected topics in the Consultation Document, and will promote discussion around the proposals through presence at events, short videos on sponsor topics, speaking at a range of community organisation meetings, and hosting community drop-in sessions.
- 19 The scheduled Mayoral Drop in sessions during April will also be promoted as an opportunity to chat with the Mayor about matters in the Consultation Document.
- 20 The Consultation Document is a key tool for the LTP consultation. This will be distributed to residents via The Courier community newspaper on 15 April and will be available on the Thriving Together website from 10 April 2021.
- 21 A specific website has been prepared focused on the LTP 2021-31 consultation – www.thrivingtogether.co.nz. This will present information in a user-friendly way, enable making of online submissions, include all information in the Consultation Document, a range of supporting information, Councillor videos and other information.
- 22 The four week consultation period, and the range of engagement initiatives will be themed according to the four key issues:
 - Week 1 – Climate Change
 - Week 2 – Aigantighe Art Gallery
 - Week 3 – Aorangi Park
 - Week 4 Timaru City Hub
- 23 A wide range of engagement initiatives are planned. The key initiatives include:
 - Stands– where Councillors will have a presence at Farmers Markets, Strathallan Corner, Aorangi Park, Aigantighe Art Gallery and any other opportunities that arise
 - Meetings – where Councillors have been invited to address groups or organisations
 - Social media promotion
 - Weekly promotion in the Courier with feature pages per key issue
 - Other media promotion including the Timaru Herald, Radio advertising, Stuff wraparound

- Promotion on MyWay buses
- Prominent displays and information at key Council venues
- A youth focused competition is to encourage youth input - entrants to choose one of the '4 Big Issues' in the Consultation Document and answer the following questions:
- Why do you think this issue is the most important?
- How should the Timaru District Council help solve this issue?
- Entrants are invited to submit their entry in any creative form – be it an essay, a song, a piece of artwork, a video. Prizes will be offered for winning entries and will include presentation of the entry at the Long Term Plan hearing.

In addition, a “Big Issue” themed colouring competition will be promoted online and through Council’s community facilities. Prizes will be offered for winning entries.

Options and Preferred Option

- 24 Adopt the draft Consultation Document for the 2021-31 Long Term Plan as presented and approved by Audit New Zealand (preferred option.)
- 25 Adopt the draft Consultation Document for the 2021-31 Long Term Plan with amendments, noting that any amendments may require audit approval. This will put the Consultation Document planned release date at risk.

Relevant Legislation, Council Policy and Plans

- 26 Local Government Act 2002, sections 82, 83 and 93
- 27 Council’s Significance and Engagement Policy, under which this matter is highly significant.

Financial and Funding Implications

- 28 There are no significant financial implications with approving and adopting this Consultation Document. Funding for preparation of the Consultation Document and the associated community engagement is provided in the approved Council budget.

Other Considerations

- 29 There are no other considerations.

Attachments

1. TDC Consultation Document Final - 8.4.21  



Together we can thrive

Timaru District Long Term Plan 2021-31
Consultation Document

INSIDE Climate change, Aigantighe Gallery, Aorangi Park and Stadium, City Hub

Tell us
what you think



Timaru District
thrivingtogether.co.nz

**10 April - 10 May
2021**

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There's a lot more info
in this document and
background online at
thrivingtogether.co.nz

2

thriving

We can thrive

Kia Ora Koutou

About this time last year, NZ was in lockdown, battling an invisible enemy which has changed our world. In New Zealand, we have been one of the few countries where life has continued fairly normally. It hasn't, however come without its challenges, and this is far from the only challenge we are facing. This Plan represents our proposal to address these challenges and enable the Timaru District to thrive together.

Council is often talked about as a business. We are actually over twenty businesses in one, all of different scale and delivering different services to you, our residents and ratepayers. Each of these businesses is subject to numerous impacts – from community expectations, changes in government legislation, district growth and an ever-changing world around us.

For Timaru District to thrive together:

- **We need to start thinking and acting seriously** on climate change, and the impact it may have on our district in the future. Read more on page 4.
- **There are decisions needed** on some big issues, including future development of the Aigantighe Art Gallery, Aorangi Park and Stadium and the regeneration of central Timaru. Read more on pages 6-11.
- **There are ongoing challenges** to address for our infrastructure – all that stuff unseen but critical to what makes a community. Read more on page 12.

- **We need to keep investing** in our community. This means keeping up with key renewals, such as resurfacing roads and replacing pipes. There are also several important proposed projects to keep our communities vibrant and great places to live, work and play. Read more page on 14.

- **We need to address financial challenges**, and chart a pathway forward. Read more on page 16.

- **It will cost.** A large part of our funding comes from rates, and the total amount of rates we need to collect is proposed to rise 10.5% in 2021/22 and 4.9% every year after that until 2030/31. Refer to pages 16-21.

Most importantly, we need your input. Read on, visit thrivingtogether.co.nz and let us know your views.

Our plan is unashamedly ambitious and innovative. To deliver on this, we'll need money, people and action.

Tell us
what you think

10 April - 10 May
2021

These proposals come with a cost. We recognise that this cost is higher than past Long Term Plans. Let us know what you think. Do you agree? Do you disagree? What suggestions do you have?

Nigel Bowen
Mayor
Koromatu

Bede Carran
Chief Executive
Kaiwhakahaere



**Thriving Together
Youth Competition
With prizes!**

For more info, tips and T&Cs
[thrivingtogether.co.nz/
competition](http://thrivingtogether.co.nz/competition)



together

What's this all about?

LTP stands for Long-Term Plan. It sets our vision for the future and what we'll do as a Council to make it happen.

While it's a 10-year plan, we review it every three years. Our work and world are constantly changing and we need to ensure our planning is up to date and based on the best information available.

It's one of our most important conversations with our community and covers a lot of topics, all of which can't be detailed here, so if you're interested check out thrivingtogether.co.nz – to dig into more detail.

What this document is all about is **getting your views**. So, take the opportunity!

Here's how it all works

Community Consultation
April 10 to May 10

Council Hearings
May 31- June 2

Plan adopted
June 29

Plan in place
1 July

Submissions close 5pm, Monday May 10 2021

What are we here for?

Over the last year, we've been doing a bit of self-reflection.

This has involved Council, Community Boards and your input in considering what's important, what we are facing in the future and what we should focus on.

As a sector, local government is facing some significant change and challenge. Our work is not just about the now, or about everyone who lives in Timaru District at the moment. It needs to consider how those future challenges might impact our district and our services, both now and in the future.

This includes pondering the impact on you, your children, their children; all our current and future residents, as not only are they users of these services, but they will also contribute towards paying for them.

As a Council, we are legislatively charged with improving Community Wellbeing. Sounds a bit of a buzzword, but essentially it is about making our place, a better place.

Council have embarked on a new strategic direction, including a vision, values, community wellbeing outcomes and some key focus areas. This LTP is about how we start to deliver on this strategic direction. It doesn't have all the answers, but builds on what we know and charts how we might get there.

Have we got the balance about right? Is there anything missing? Should we target any other areas?

Let us know what you think.

Our Vision

Where people, place and business prosper within a healthy, adaptable and regenerative environment.

Our Values

- Inclusive Leadership
- Cultural Caretakers
- Transition Navigators

Community Wellbeing Outcomes

To promote our district's social, economic, environmental and cultural wellbeing, Council is focused on:

- Connected Citizens
- Sustainable Environment
- Resilient Infrastructure
- Enhanced Lifestyle
- Diverse Economy

How do you have your say?

This is important.

We want feedback from as many people in our community as possible, formal and informal.

Please give us your input through whatever channel is easiest for you, here are some options...

Visit our website

thrivingtogether.co.nz

then fill out the Have Your Say form



Fill out our feedback form on page 27 and send it back to us



Talk to your elected members or staff at the events we have planned



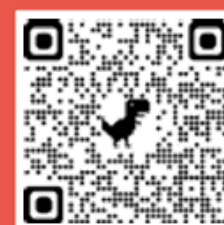
Email your views to thriving@timdc.govt.nz



Send us a message on facebook [facebook.com/TimaruDC](https://www.facebook.com/TimaruDC)

OR Get creative...

We invite you to submit your answers in any creative form – it could be an essay, a video, a song or even a piece of artwork! The only rule here is that your entry must be able to be delivered to Timaru District Council offices, or emailed to us.



Scan the QR code to go directly to our online submission page

survive together

Climate Change – Preparing for the challenge – How much should Council do?

Where are we at?

2017
Canterbury Mayoral Forum set up the Canterbury Climate Change Working Group.

2018
Council became a signatory to the Local Government New Zealand Climate Change Declaration.

2019
Work began on the Canterbury Climate Change Risk Assessment.

2020
Climate Change Response Act 2002 amended to set emission reduction targets for NZ.

2020
Council received an updated Coastal Erosion and Coastal Inundation Assessment to inform us of coastal risks heightened by climate change.

2020
Council undertook first reporting to the Ministry for the Environment on risks and effect of climate change to Council.

2021 on...
What next for Climate Change?
Help us decide.

4

The challenge

In the Timaru District, climate change will have a variety of impacts; from higher sea levels to more intense rainfall, warmer temperatures and droughts potentially changing what food and crops we can grow. We are already seeing some of these effects through increased frequency of flooding and coastal erosion. Some of these impacts may be positive, (e.g. warmer winters, a longer crop growing season), but other impacts will challenge how we currently live.

We are starting to gather information about the impact of climate change locally to factor into our planning and consider any future action. We recognise we need a much stronger base of information to determine the impact on our communities and Council's assets, and a clear strategy to guide potential solutions. This might involve some hard decisions.

Will we have to retreat from some areas?

Where should we grow?

How will it impact our economy?

What will this cost?

How will we meet our carbon emissions obligations?

There are also increasing legislative requirements on local authorities to report climate change related information such as our planning for impacts, and managing risks.

In the future, it is expected that Council will act and show leadership on climate change. This is, in part driven by the national climate change and zero carbon programme, but also recognises that the effects of climate change will be felt in a very local way. Our local environment, assets and communities will be impacted. We will need to show progress on reducing emissions and to demonstrate steps that are being taken to work with the community, and provide local education on climate change effects, impacts and opportunities for reducing our district's carbon footprint. Working with climate change affected communities to plan for any adaptation or mitigation needed as a result of climate change will also be required.

Scan the QR code to go directly to the website for more information on climate change



"Climate change affects our health, our environment and ultimately, our way of life.

I think Council has a responsibility to lead our community in making changes to turn the tide, reducing emissions where we must, offsetting where we should, and providing clear guidance that supports national and global efforts. The longer we wait, the bigger the job we leave for our children and grandchildren. I'm not ok with that.

We want everyone in our district to be "Thriving Together" and you're as much a part of 'everyone' as we are, so please get involved and tell us what's important to you."

Barbara Gilchrist
Timaru Ward Councillor



What are the options?

OPTION 1 Do the minimum

This option would mean we do not allocate dedicated funding or resource to focus on adapting to climate change, or mitigating the impacts of climate change.

Under this option very little progress will be made on planning for climate change to ensure that our community remains resilient. Council will not be able to respond over the 10 years of the LTP to climate change affected communities, questions and requests for direction and engagement on how to adapt and mitigate the effects of climate change.

\$0

Additional on rates

\$0

Additional debt

Our preferred option

OPTION 2 Do more

This option allows sufficient funding to dedicate resource to make some progress in the area of climate change.

This would include the development of a Climate Change Strategy within the first three years of the LTP, focusing on:

- **Adaptation:** investing in research to better understand the climate change risks to Council's services and infrastructure, and planning for how Council can respond to these risks.
- **Mitigation:** establishing Council's carbon footprint, and beginning work to reduce emissions from the services we provide our community.
- Work with Iwi and other stakeholders on climate change outcomes.

This option would also provide for a small amount of community engagement, working across the District with communities and businesses to lead and support climate change resilience efforts.

This option will also provide us with enough resource to meet new legislative reporting requirements and to collaborate with the Canterbury Mayoral Forum Climate Change workstream.

\$3.6M

Additional new funding (average of \$360K per annum) funded by rates.

OPTION 3 Do even more

We could increase the amount of funding dedicated to climate change.

This would allow us to accelerate and increase the work outlined in **Option 2** as below:

- Undertake more modelling of the impacts on specific Council services, and extend this work to at risk communities, looking at options to adapt or mitigate the effects;
- Accelerate the reduction in Council emissions;
- More work with Iwi and stakeholders;
- Actively engage with our community to adapt to climate change, and reduce emissions across the District;
- Dedicate resources to working proactively with climate change affected communities and industries to plan for any adaptation needed.

\$5.9M

Additional new funding (\$585K per annum), funded by rates

< Note: any funding needed for remedial work on Council's assets or services due to damage caused by climate change will need to be met through existing budgets or unplanned expenditure >



createtogether

Aigantighe Art Gallery Redevelopment – What's the best option?

Where are we at?

1905

Aigantighe house built by Grant family

1956

Grant family donate Aigantighe house to the people of Timaru and the Aigantighe Art Gallery opened with a collection donated by the Grant family and the South Canterbury Arts Society

1978 & 1995

Extensions added to Aigantighe House Gallery to cater for growing community needs and expanding art collection.

2017

House Gallery closed following assessment as a very high seismic risk (ie earthquake prone).

2018

Council included \$600K in the LTP budget for earthquake strengthening of the House Gallery

2019-20

Council undertook further investigations into options for strengthening the House Gallery and improving storage and exhibition space for the whole facility

2020

Council agreed to proceed with the project to strengthen the House Gallery and to consult with the public on options for improving the 1978 and 1995 extensions.

2021 on...

What next for Aigantighe Art Gallery? Help us decide.

6

The challenge

Council is considering how best to secure the Aigantighe Art Gallery as the home of art in South Canterbury. This key community facility is in need of upgrading and we want to take the opportunity to plan for a facility that will be used for generations to come.

Currently, the Art Gallery buildings on the Wai-iti Road site include the historic Homestead, known as the House Gallery and the adjoining extensions. Decisions have already been made to earthquake strengthen and restore the historic House Gallery. \$3.7M has been included in the budget for 2021/22 and 2022/23 for this project and preparation work is underway.

The redevelopment options we are considering now focus on the adjacent Art Gallery Extension buildings. These buildings include the main gallery space, collection storage, an additional storeroom and the staff offices. We have identified some issues with both buildings including:

- A lack of storage and conservation space for the growing art collection;
- Restrictive exhibition space;
- Limited disability access;
- Limited education space;
- Public toilets not meeting current building standards;
- Limited temperature and humidity control;
- Roof strengthening work required.



"Our collection at Aigantighe is the fifth most valuable in the country, it's important that we do the right thing by the people who've gifted these artworks to the community and maintain them to the highest standards."

Through our shows like Artarama, our young people get the excitement of creating something that goes on display for people to appreciate."

Allan Booth

Timaru Ward Councillor



How much space do we need into the future for our Art Gallery – Is the current footprint sufficient?

Increasingly our community facilities like the Art Gallery, Museum and Libraries are being used as community focal points. At the Aigantighe we currently host small concerts and theatrical performances in the established grounds adjacent to the buildings, and provide school holiday activities with an "art" focus.

When the new Heritage Centre on Stafford Street is completed, it will be the site for large touring exhibitions that we cannot currently host.

If we want to continue or expand the types of activities provided at Aigantighe, as well as having sufficient space to house a growing art collection and to showcase the work of local and visiting artists, we need to provide for this in our redevelopment planning.



What are the options?

Our preferred option

OPTION 1 **Construct** Construct a new facility on the current site

This option will align with the strengthening of the House Gallery and will ensure all our Aigantighe facilities are fit-for-purpose.

Planned to start in 2023/24, this option will see:

- Demolition of the 1978 and 1998 extension.
- Construction of a modern, purpose-built Art Gallery on the existing Wai-iti Road site.
- Links with the historic House Gallery and garden maintained.
- All current storage issues resolved and no need for off-site storage.
- Our art collection protected with temperature and humidity control.
- Greater ability to improve our services with space for educational programmes and exhibitions.
- Improved public amenities and office space.

If we don't demolish the extensions, we have a couple of other options, both including the need for off-site storage.

We will need to undertake further investigations to determine the best off-site storage option and final costs.

\$9.9M Debt funded

Council will seek funding assistance through grants and donations for this option. Any funding assistance received will reduce the amount Council needs to borrow for this project.

\$2.9M

Additional operating costs from 2023/24 (Year 3) to 2030/31 (Year 10) funded by rates.*

*These include interest, depreciation and other costs (e.g. additional staff).

OPTION 2 **Maintain**

Maintain current buildings and develop off-site storage

This option will resolve our storage issues, but our other challenges with the current buildings will largely remain.

Current Buildings

- Short term solution given the condition of these buildings and their expected lifespan of 8-10 years
- Some remedial work on roof and strengthening will still be required
- Public toilets will remain under code
- Lack of temperature and humidity control will remain a challenge.

Off-site storage options

- Purpose built collection storage facility – \$2.5-3M
- Off-site lease – \$850-\$950K including fit out for art storage
- Retro-fit an existing Council building – \$800-900K including fit-out for art storage.

\$850K-\$3.3M

Debt funded

Council will seek funding assistance through grants and donations for this option. Any funding assistance received will reduce the amount Council needs to borrow for this project.

\$1.6M

Estimated additional operating costs from 2023/24 (Year 3) to 2030/31 (Year 10) funded by rates. These costs relate to the ongoing maintenance required for the existing buildings, interest and depreciation for the off-site storage.

OPTION 3 **Partial refurbishment**

Partial refurbishment of current buildings and develop off-site storage.

This option will provide a limited upgrade of the public amenities and workspaces; and will resolve the current storage issues. This option will not address the limited exhibition space in the current buildings.

Current Buildings

- Upgrade public toilets to bring them up to code
- Refresh some workspaces
- Upgrade ventilation system
- Undertake strengthening work and roof upgrade
- There will be no upgrade or extension to the exhibition space.

Off-site storage options

These options are the same as in Option 1 above.

\$1.8-\$2.2M

For refurbishment

+ \$850K-\$3M

For off-site storage, debt funded.

Council will seek funding assistance through grants and donations for this option. Any funding assistance received will reduce the amount Council needs to borrow for this project.

\$2.4M

Estimated additional operating costs from 2023/24 (Year 3) to 2030/31 (Year 10) funded by rates. The increased operating costs relate to the maintenance required to existing buildings, interest and depreciation for the offsite storage.

Council would also like feedback on a 4th option, the construction of a completely new Art Gallery. At this stage we have not undertaken any investigations into the costs of this option.

OPTION 4 **New gallery**

Construct a new Art Gallery on a site near the Theatre Royal/Heritage Hub including spaces for education, creativity, collection storage and exhibition space.

- This would place a new purpose-built Art Gallery closer to the cultural and heritage hub at the south end of Stafford Street
- The historic House Gallery would continue to be earthquake strengthened and would remain open as a public facility
- There would be no need for a separate off site storage facility.

\$11.2-\$14.7M

Debt funded

Council will seek funding assistance through grants and donations for this option. Any funding assistance received will reduce the amount Council needs to borrow for this project.

\$4.4M

Estimated additional operating costs from 2023/24 (Year 3) to 2030/31 (Year 10) funded by rates. Increased operating costs relating to the running of a separate Art Gallery including staff costs, maintenance, interest and depreciation.



Scan the QR code to go directly to the website for more information on Aigantighe Gallery

7

playtogether

Developing Aorangi Park and the Stadium – When should we do this?

Where are we at?

- 1950s**
Aorangi Park established
- 1970-80s**
Majority of sports facility development occurred at Aorangi Park
- 1973**
Stadium built, for a cost of \$282K
- 1997**
Major redevelopment of Stadium
- 2008**
Council develops Aorangi Master Plan to guide future development of the Park
- 2018**
South Canterbury Spaces and Places Strategy recommends review of Master Plan
- 2020**
Aorangi Park Master Plan reviewed
- 2021 on...**
What next for Aorangi Park?
Help us decide.

8

The challenges

Aorangi Park is recognised as a locally and regionally significant sports hub. It is the home of several regional facilities for sports, including netball, basketball, volleyball, hockey and cricket. It is also a well utilised neighbourhood park. The Stadium (Southern Trust Event Centre) is the beating heart of the park.

The review of the Aorangi Park Master Plan, following consultation with key stakeholders, has identified a number of key considerations and challenges, including:

- During traditional peak times (after school and evenings), the Stadium is often at full capacity, particularly for basketball, and its use for sporting competitions could be interrupted for events
- The desire for Netball South Canterbury to deliver its full senior competition indoors
- The need to replace the hockey turf (located west of the Stadium) within the next three years
- Requirements for pavilion facilities for cricket
- Poor quality training fields and lighting for football



“The development of the Aorangi Park Stadium will deliver a sports and recreation space more in tune with what the community needs and allow for growth over the next 25 years.

It will mean more regional and national events can be held in the District, helping our economy.

Your views are important to help focus Council's thinking – you might have better ideas!”

Stu Piddington
Timaru Ward Councillor

Moving forward

The revised Master Plan, adopted by Council in February, envisages the next 25 years for the Park and recommends six key facility developments.

Stage 1

1. Indoor court extension
2. Development of a 'Sports House' model for shared space within the Stadium
3. Re-location of the western hockey turf (to allow for court extension)

Stage 2

4. Realignment of netball courts (with provision for future canopy cover for two to four courts)
5. Increase in quality for football fields
6. Reconfiguration of Aorangi Pavilion to a multi-purpose clubroom

In adopting the Master Plan, Council has committed to addressing all challenges identified, and undertaking both Stage 1 and Stage 2 over the next 25 years.

The Master Plan is necessarily high level, and has provided an outline of what we are trying to achieve at Aorangi Park. Comprehensive planning is now needed for what the facilities will look and feel like and a business case for how Council, and other users will operate at the facilities.

Council is keen to address the current challenges at Aorangi Park. We cannot wait 25 years to ensure that we have quality, fit-for-purpose recreational facilities for our community. But we recognise this is a large and costly project. We are seeking your views on when the development of Aorangi Park is best undertaken.

Council has received some rough order costs to undertake Stage One of the Master Plan.



What are the options?

Our preferred option

OPTION 1 **Start 2024**

Undertake development in 2024-26 (Years 4-6 of the LTP)

Detailed planning will begin in 2023/24 with the goal of beginning construction in 2024/25 and completing the development in 2026/27

This development would include:

- A proposed 3 court extension to the stadium
- Addition of a Sports House within the Stadium to accommodate current and future users of the Event Centre.
- Relocation of the western hockey turf
- Road, carpark and public outdoor space reconfiguration.

\$23.4M

Estimated cost debt funded

\$4.3M

Estimated additional \$4.3M operating cost from 2024/25 (Year 4) to 2030-31 (Year 10) funded by rates.*

*Operating costs cover interest and depreciation only. Additional marginal operating costs (e.g. staffing, electricity) from operating a larger facility are not included and are expected to be covered by increased revenue from fees/hireage.

OPTION 2 **Delay 10+**

Delay the development 10+ years

This option would mean that Stage One of the Aorangi Master Plan, including the court extension to the Stadium, would not be undertaken in the next ten years.

This option would not resolve the issues identified in the Master Plan, including the current capacity issues at the Stadium.

The renewal of the hockey turf in the existing location within the next three years may limit future development options for the Stadium.

\$0

Additional debt

\$0

Additional on rates

OPTION 3 **Start 2023**

Undertake the development in 2023-25 (Years 3-5 of the LTP)

This option would see us fast-track the development of Aorangi Park and the Stadium, moving construction forward to 2023/24-2024/25.

This option would see the capacity issues at the stadium resolved sooner.

This time frame would be challenging and Council would need to employ additional staff to manage the project. It would also reduce planning and consultation timeframes, and would bring Council very close to our debt limit.

\$23.4M

Estimated cost debt funded

\$5.9M

Estimated additional operating costs from 2022/23 (Year 2) to 2030/31 (Year 10) funded by rates.* The additional costs for this option include project management to accelerate the delivery of this project.

*Operating costs cover interest, depreciation and additional project management resources only. Additional marginal operating costs (e.g. staffing, electricity) from operating a larger facility are not included and are expected to be covered by increased revenue from fees/hireage.



Scan the QR code to go directly to the website for more information on Aorangi Park and the Stadium



gather together

A vibrant Timaru City Hub – What is Council's role in the regeneration?

Where are we at?

2015-2018

Previous LTPs identified a need for Council to support the regeneration of our District Town Centres. We included \$680,000 in the budget for CBD upgrades.

2018-2020

We have done a fair bit of work on refreshing the town centres – included roading, footpath, seating, bins and signage upgrades for Geraldine, Pleasant Point, Temuka and Timaru.

2019

Council started work on a City Hub Strategy.

2019-2020

Engagement including business owners, investors, tenants and stakeholders passionate about the Timaru City Hub regeneration.

2020

COVID-19 struck! and brought huge challenges for our retail and hospitality sectors.

2020

Wider community engagement, "Buy Local" Initiative established for COVID-19 recovery to support South Canterbury businesses.

2021 on...

What next for Timaru City Hub? Help us decide.

The opportunity

This proposed regeneration has the potential to impact our community across all four well-beings (social, economic, cultural and environmental) by improving the inner-city user experience including retail options, eateries, spaces to gather, places to live, events and entertainment, and improved community connection.

We've received a lot of really interesting feedback and ideas from the immediate CBD community. Now it's time for the District to think about what is the right scope, scale and timing to get things moving in the Timaru CBD, and what role the Council should play in making it happen.

Our challenge and opportunity

2020 raised community awareness of the economic challenges faced by the retail and hospitality industries. However, COVID-19 is only one piece of the puzzle. Other challenges – such as trends in online shopping, building earthquake standards and rising operating costs – have and will continue to put pressure on town centres throughout New Zealand.

Our vision is to recreate a vibrant and sustainable city centre that will meet the diverse needs of our residents for the next 30 – 50 years. This vision will embrace Caroline Bay and the Carnival, the Bay Hill, Stafford Street, the Landing Services Building, Te Ana Rock Art Museum, the new South Stafford Street Heritage Precinct and everything in between.

We already have a seaside inner city rich in heritage and culture. How can we build on what we have in ways that provide more of what our residents and visitors want from their inner-city area and lifestyle?

What's planned?

We have a vision for a living, working and vibrant inner-city area with a strong identity that links Caroline Bay through to the new Heritage Hub at the south end of Stafford Street, creating points of interest along the way.

In the short term we anticipate small-scale changes, such as more pedestrian friendly areas or gathering spaces. In the longer term we want to help refocus the area from a largely transactional retail and hospitality precinct to a more holistic living, working and gathering place.

We will continue to engage with residents and visitors to distil and to implement specific projects which will create a real lifestyle and cultural destination. These projects could include:

- a mix of public spaces;
- "greening" the city;
- anchor "destination locations" such as a unique playground;
- great public art;
- narratives about our history;
- improvements to the nature and frequency of community events, festivals and markets;
- opportunities for more people to live where they work and play in the revitalised city centre

Who are the players?

We believe that the changes Council can lead will support a more positive investment climate for necessary building improvements to help create a vibrant, sustainable city centre that looks and feels like the heart of our thriving District.

However, while Council has a role to play with planning and infrastructure, this sort of change depends on community support, and leadership and investment from the private sector.

"Please share your ideas on how we can future proof our CBD."

How can we ensure vitality? Improve linkage to Caroline Bay and our port? Should we have more green spaces? Cars in or cars out?

This is an open canvas, share your vision with us."

Sally Parker

Timaru Ward Councillor



Scan the QR code to go directly to the website for more information on Timaru City Hub





What are the options?

OPTION 1 Facilitate

Council has a facilitation role in the Timaru City Centre Regeneration

Council's role would include:

- Encouraging community and private sector investment
- Minor roading changes, such as wider footpaths and/or changes to parking to create improved public gathering space
- Some beautification, maintenance, and support for small scale activities to create a vibe in the city centre such as upgraded lighting and a refresh of the green spaces.

This option provides a short-term cosmetic refresh to the city centre but no significant infrastructure or public space changes. Under this option the benefits of this strategy are expected to take 20 years to be fully realised and will require significant investment from external parties.

\$8.5M

Debt funded

\$4M

Additional operating costs from 2022/23 (Year 2) to 2030/31 (Year 10) funded by rates. These costs relate to interest, depreciation and other costs.

There is a need for greater private investment for this option to succeed

Our preferred option

OPTION 2 Enable

Council has an enabling role in the Timaru City Centre Regeneration

Council's role would include:

- Leading a significant works programme (with the community and private sector) to change the look and feel of inner-city public spaces to improve inner city lifestyles
- Assisting with the creation of focal points and public gathering places around the George Street/ Bay Hill area and at Strathallan Corner
- Supporting the scaling up of existing events such as the Caroline Bay Carnival and Food Festivals to regional level events

This option requires Council investment in changes to public spaces, art and culture features, and improved linkages from Caroline Bay and through the city centre. While more expensive to implement, the benefits will be sustainable and enduring. Under this option benefits of this strategy are expected to take 15+ years to be fully realised. A further \$10M of work is planned for 2031-41.

\$31.9M Debt funded

\$15.2M

Additional operating costs from 2022/23 (Year 2) to 2030/31 (Year 10) funded by rates. These costs relate to interest, depreciation and other costs.

OPTION 3 Transform

Council has a transformation role in the Timaru City Centre Regeneration

Council's role would include:

- Leading the works programme identified in Option 2 but with a greater scope requiring additional investment.
- Potential property acquisitions and partnerships with private investors to create a new heart at Strathallan Corner
- Changed transport patterns in Stafford Street, such as one way traffic and pedestrianising some streets
- Improved infrastructure so that local, regional and national events could be hosted in the CBD

This option provides the opportunity for the most significant change, but requires considerable commitment and investment from Council and the private sector. Under this option benefits of this strategy are expected to take 10+ years to be fully realised.

\$85M Debt funded

\$40.5M

Additional operating costs from 2022/23 (Year 2) to 2030/31 (Year 10). These costs relate to interest, depreciation and other costs.

What we've heard from the community and stakeholders so far

Ideas have been collected from a core group of CBD stakeholders. Local ideas have focused on the parking, accessibility, experience, facilities and vibrancy.



Keeping the

Roading and Footpaths, Waste Minimisation, Sewer, Stormwater and Water Supply (together called the Three Waters)

Infrastructure Strategy

Infrastructure is a critical part of what Council delivers to the community. It is essential to our District's economy, businesses and every individual who uses it. As part of this LTP we've reviewed our Infrastructure Strategy, which outlines the coming challenges and big decisions associated with our infrastructure. This Strategy covers the big five – Roding and Footpaths, Waste Minimisation, Sewer, Stormwater and Water Supply (together called the Three Waters). Refer to page 17 for our funding approach for the first ten years.

"As a Council we have a duty to ensure that the District's infrastructure is well maintained and reliable, and that our residents can use it with confidence."

We should all have a say in what happens in our district and what we spend our rates on."

Paddy O'Reilly
Pleasant Point – Temuka Ward Councillor



Key Issues for our Infrastructure

The following summarises the key issues facing the big five and how we're looking to address these, including some decisions, both current and future that might be required.



Ageing Infrastructure

Unfortunately, nothing lasts forever! Some of our infrastructure is brand new, while some has been in the ground for decades.

Council aims to ensure that assets are replaced at the best possible time. We have good information about many assets and their expected lives. However, many assets are ageing and will need replacement over the next 30 years. And sometimes assets fail unexpectedly. There are also 'bulges' of infrastructure work that need to occur (e.g. a lot of bridges were built in the 1940s and 1950s, which means replacement will occur around the same time). This is mainly an issue for Roding and Footpaths and the Three Waters.

How this will be addressed

- A continued programme of work to replace ageing infrastructure to maintain services provided to communities
- Regular monitoring and condition assessment of infrastructure (e.g. putting cameras down pipes to determine their condition)

Big decisions needed

- Best strategy for the renewal of the future bridge renewal 'bulge', increasing from Year 10.



Standards and Compliance

Delivering services provided by Council infrastructure must meet a multitude of standards, rules and consents, like any other industry.

Examples include meeting standards for providing safe drinking water and meeting conditions for disposal of sewerage or for methane gas emissions from Redruth landfill. All of the big five are subject to these standards and rules, and they are critically important. They help contribute to a healthier environment, safer community and resilient infrastructure.

Council does not have a choice in meeting the conditions of any consents, and must renew consents before they run out, which can often lead to stricter conditions being applied from legislation, regional plans, new resource consent conditions and community expectations for how these services are delivered. This means additional cost, such as more people to monitor how well we are doing, or to build these assets to a higher standard.

How this will be addressed

- Meeting standards through building new or upgraded infrastructure (e.g. Upgrading water treatment plants and processes, Landfill gas management)
- Renewal of existing consents (e.g. wastewater discharge consent)
- Meeting new consent conditions
- Ongoing monitoring of our success in meeting rules or standards

Big decisions needed

- Level of expenditure on upgrading key infrastructure to meet standards
- Renewal of major resource consents



Scan the QR code to go directly to the website for more information on our Infrastructure Strategy

Big 5 working



Climate change and infrastructure resilience

Climate change will impact our infrastructure in a variety of ways.

While we don't know the full extent of the impact yet, initial research and work is giving some clear indications. Effects could include the need to better protect key infrastructure from coastal inundation and sea level rise, building better water treatment capacity or approaches to mitigate the risk of flooding exposing closed landfills. We will likely have to respond in three ways – improve the resilience of our existing key assets, consider new ways of addressing issues and meet our broader climate change obligations.

How this will be addressed

- Ongoing research and risk assessment, depending on the level of Council investment
- Improving the capacity of existing services provided through existing infrastructure (e.g. better water treatment of turbid (ie silt-laden) water)
- Use of technology and new solutions
- Installation of new technology to meet climate change obligations (e.g. landfill gas management)

Big decisions needed

- Level of investment in climate change
- Closed landfills strategy



Meeting the impact of growth

When planning for future infrastructure, we need to consider how growth might impact.

Growth can come in many forms, including changes in population or the number of households, economic growth leading to increases in demand for Council services or growth stemming from particular factors (e.g. an increase in heavy traffic). While Timaru District hasn't experienced the exponential growth of other locations (e.g. Selwyn District), growth has always been fairly steady, and we need to ensure we respond and prepare where needed.

Particular growth pressures are being experienced in certain areas such as roading, with increased pressure from heavy traffic (i.e. trucks and farm machinery on the roads). Increases in landfill waste have stemmed from strong district economic growth and increased recycling contamination through the COVID-19 period. While there is plenty of water available now, we need to maximise its availability to meet future demand and address the potential effects of climate change.

How this will be addressed

- Increasing level of investment on infrastructure where growth pressures are occurring or emerging (e.g. increased expenditure on strengthening and resurfacing roads and bridge replacements)
- Implementing measures to manage demand (e.g. water metering)
- Increasing investment in water treatment for urban Timaru to enable any water quantity or quality issues are addressed
- Monitoring growth needs and pressure points

Big decisions needed

- Ongoing level of investment to address growth issues
- Replacement for Redruth Landfill (depending on remaining landfill life between 2043-46) at an estimated cost of \$55M)
- Approaches to improving our water resilience (e.g. water metering, water treatment upgrades)



Matching community expectations

Much of what we are discussing is about matching community expectations.

We want smooth and safe roads and footpaths, potable water to drink and good facilities. We also want certainty that our actions don't harm the environment and that ultimately environmental outcomes are improving. We also want a great place to live, with a healthy economy that promotes good business opportunities. The challenge faced by Council is how to meet all these expectations and ensure our infrastructure is up to speed, all within a reasonable and affordable cost.

A lot of this is business as usual, replacing and upgrading assets as needed. Sometimes, projects require a significant investment over an extended timeframe, such as that promoted through the City Hub.

How this will be addressed

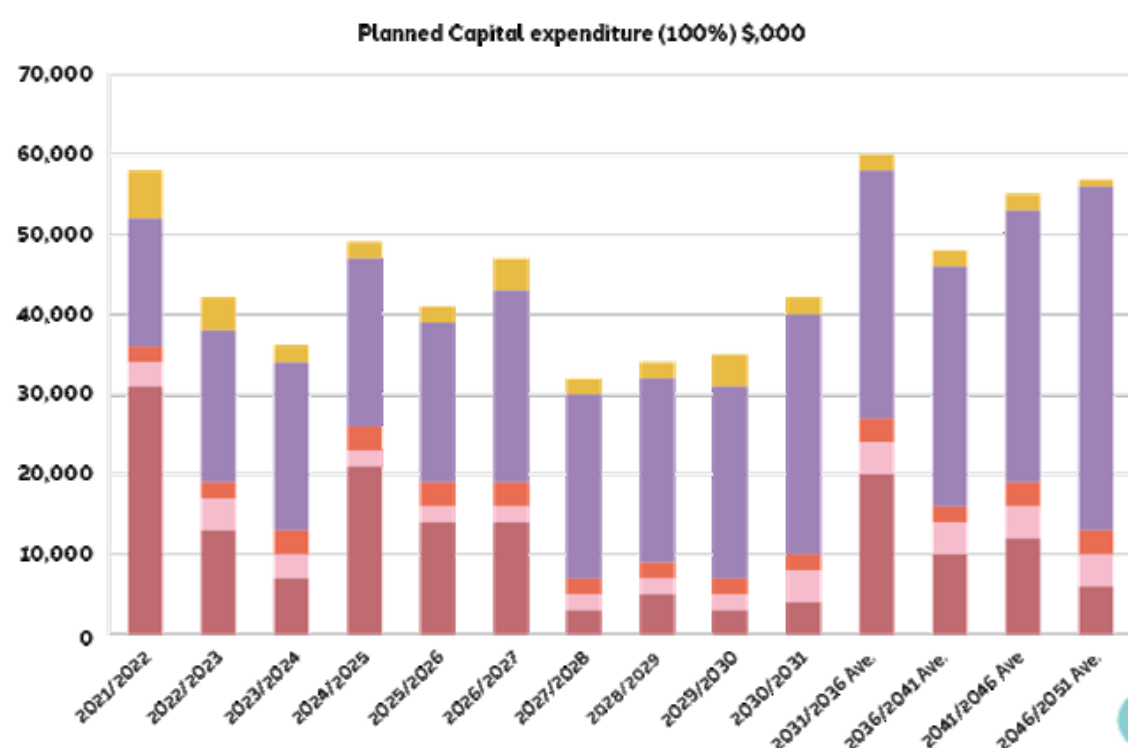
- Ongoing renewal and upgrading programme for infrastructure
- Increases in footpath maintenance
- City Hub Strategy implementation

Big decisions needed

- Level of City Hub investment and Council role

The Infrastructure Strategy includes more detail on the big five, the challenges they face and potential future solutions. Over the next thirty years, we anticipate spending over \$1.529B on projects like those listed above.

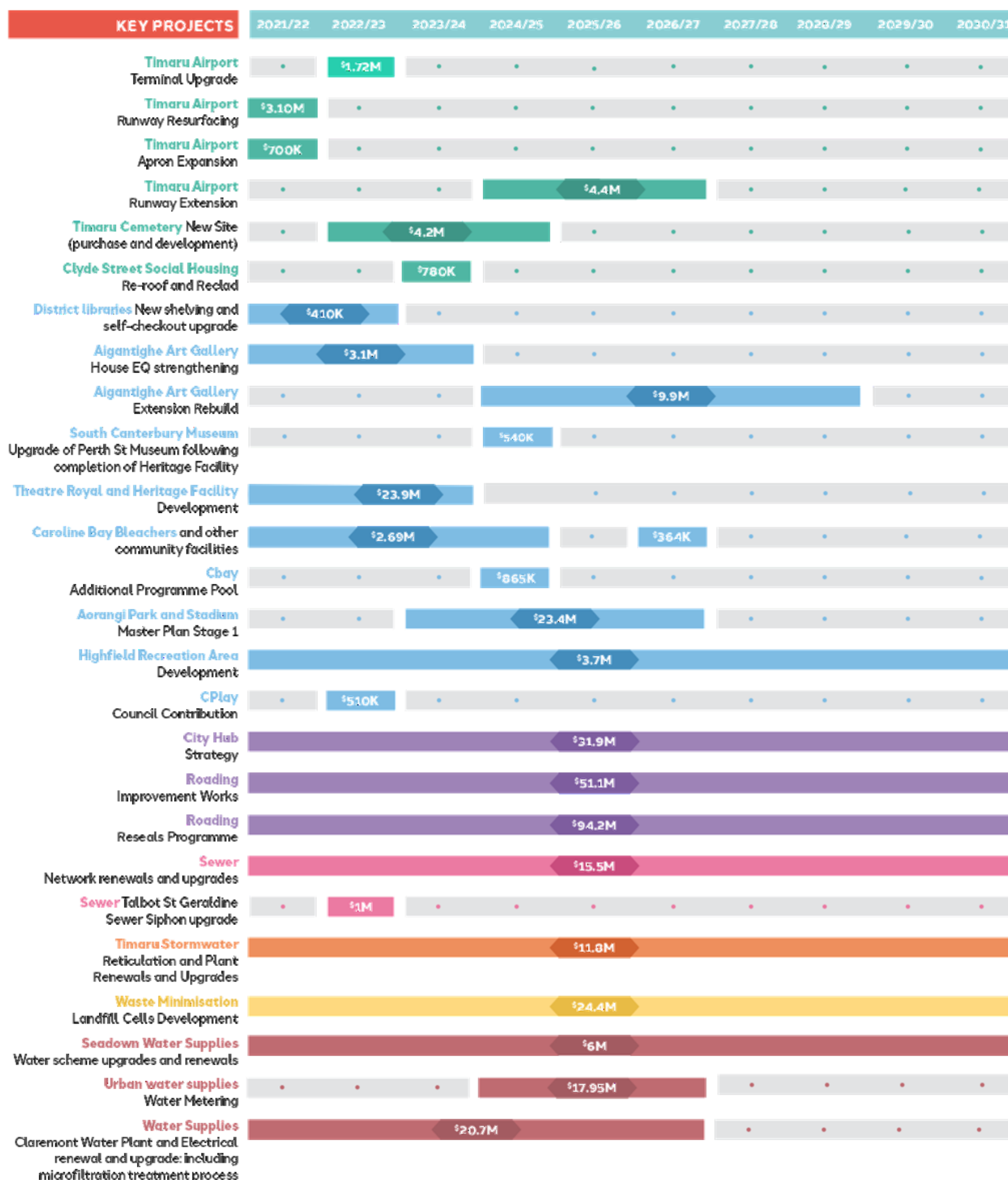
The graph gives an overview of this expenditure on the big five over the next 30 years.



What's ahead? KEY PROJECTS 2021-2031

A summary of some of the key projects we have planned over the next 10 years.

You can find more detail in the LTP Supporting Information at thrivingtogether.co.nz



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Note: As outlined on page 22 of this document, it is assumed Council will achieve 90% of its planned annual capital works programme in any 12 month period and across the ten year LTP. The above diagram shows selected projects, their full cost and expected years of delivery. External risks associated with the work programme such as consenting, stakeholder engagement or design issues and construction sector capacity may impact those key projects and therefore, the timing for delivery may expand beyond the planned timeframe.



Timaru Airport

Things are taking off at the airport, so we have budgeted \$3.1M to resurface the airport runway in Year One, and another \$4.4M in Years 4-6 to extend the runway to accommodate larger planes



Highfield Recreation Area

In 2020 we asked for your thoughts on how this area should be redeveloped – a park, a park and golf course, a park and some residential subdivision. We're now working through the best options and \$3.7M has been budgeted over the next 10 years for this redevelopment



“Council has planned an ambitious capital work programme over the next ten years.

This investment is in core infrastructure renewals, like water and sewer pipes, roading, footpaths, landfills, and some of our key community facilities.

None of this work is going to get any cheaper – now's the time, let's get on with it.”

Gavin Oliver
Geraldine Ward Councillor





Balancing the

Financial strategy

Our Financial Strategy for the 2021-31 LTP will leverage our strong financial position to meet the challenges we face over the next ten years, to continue to maintain current levels of service; enhance our community facilities; and regenerate the Timaru CBD.

This is a step-change for our Financial Strategy and will mean an increase in both debt and rates, but in getting the balance right we can achieve our goals of:

- Maintaining long-term financial resilience;
- Providing high-quality infrastructure and facilities;
- Ensuring our services are affordable and meet the wellbeing needs of our community.

Thriving Together

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

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

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

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



Scan the QR code to go directly to the website for more information on our Financial Strategy

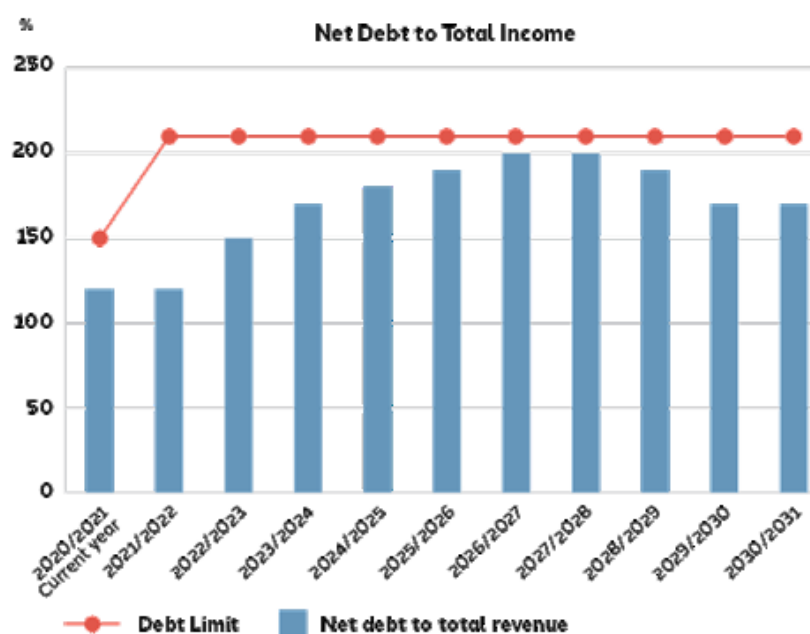
Debt

Our large capital works programme means that our debt will increase from \$120M to \$279M across the life of the Plan.

As a result, we have to lift our debt limit. This is a change from our previous strategies where our debt limit was set at 150% of revenue, but Council believes lifting the debt limit is essential to the delivery of our Plan and to meet our community wellbeing outcomes. Using our debt wisely also ensures that future users of new and upgraded assets will contribute appropriately.

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

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



A step-change

For the past two LTPs Council has taken a conservative, business as usual approach to the Financial Strategy.

This approach has placed Council in a strong financial position with relatively low debt. But we also recognise that we have not rated to the full extent planned for in these previous LTPs. In 2020/21, for example, Council decided to reduce the total amount of rates collected by \$2.99M, recognising the impact of COVID-19 on our community.

This is where the step change comes in...

We recognise that to continue to meet levels of service we have agreed with our community, to improve our community infrastructure (specifically the Theatre Royal and Heritage Hub,

Aigantighe Art Gallery and Aorangi Park) and meet other additional demands, we need to increase our debt, and increase our rates revenue. We will balance this step change with financial prudence, and ensure fairness between current and future ratepayers.

Recognising the risks of delivery of large number of complex projects, Council is making an assumption that it will fund and deliver 90% of its planned capital work over the life of the plan.



budget

The financial balancing act

We need to ensure that operational costs – from paying the power bill, to paying our staff – are covered by operational revenue, such as rates, fees and charges.

This is called a 'Balanced Budget'. If we can't achieve this, we have to borrow to cover these costs. This means that current ratepayers are not paying the full share, and future ratepayers will have to meet those costs, and the interest. We don't believe this is fair, prudent, or sustainable.

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

- Increasing staff costs to meet the evolving demands of local government;
- Increasing the amount we fund to replace our infrastructure assets, like roads and water networks (also referred to as funding depreciation); and
- Increased operating expenses due to inflation, the cost of carbon credits, and higher compliance standards in areas like water and sewer.

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

Growth and Land Use Changes

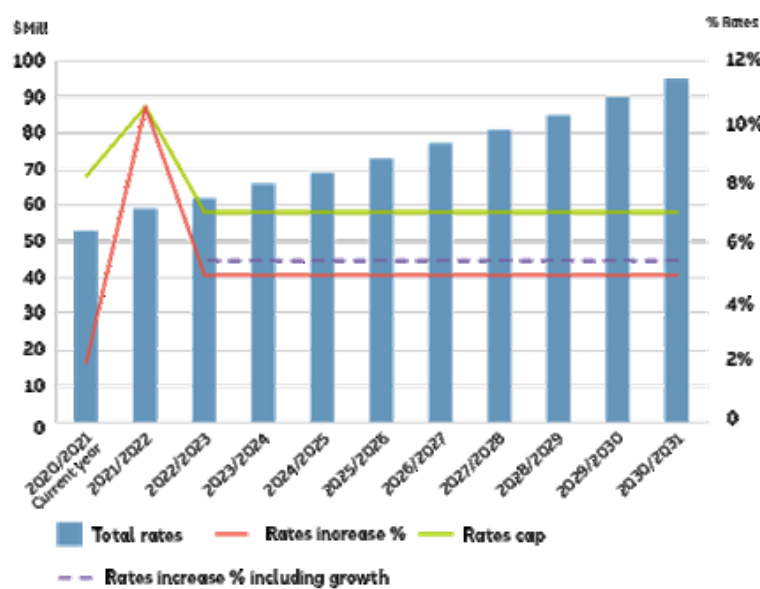
Population and household growth in the Timaru District is relatively steady.

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

Rates

Council has set a rate increase limit of 10.5% in 2021/22 and 7% in the following years.

While we don't plan to reach this limit, and are forecasting that the increase will remain at 4.9% from 2022/23 onwards, it does allow some flexibility if inflation-related costs change across the life of the plan. The graph below shows the total rate increases and the rate increase limit across the ten years.



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

These rates increases also form part of the balancing act. If we were to collect less rates it would reduce how much we can borrow, remembering how much we can borrow is a ratio of how much revenue we collect. This would mean that some of the projects we have planned would need to be deferred, redesigned or not completed.

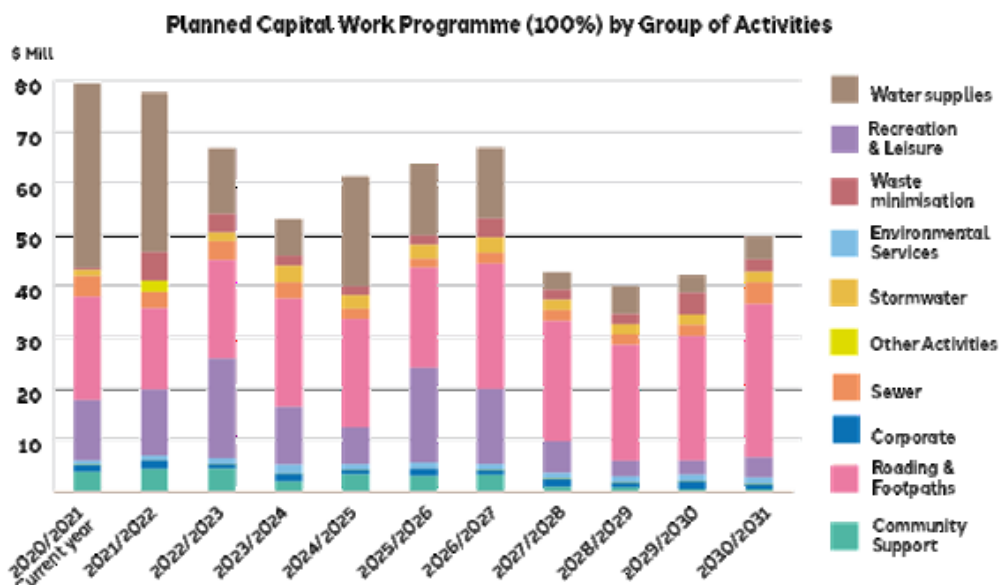
Capital Spending

Council has planned a capital works programme of \$566 million over the next ten years.

All project costs shown within this document are the full estimated projects cost, including inflation.

This is a significant increase on prior LTPs. The majority of this investment is in core infrastructure renewals and upgrades, like water and sewer pipes, roads and footpaths, and our landfill, and will ensure Council can continue to maintain and improve our levels of service, based on its Activity Management Plans.

Council also recognises how important our community facilities, like the Aigantighe Art Gallery, the Theatre Royal and South Canterbury Museum, and Aorangi Stadium, are to supporting community wellbeing. This Strategy enables Council to fund the upgrades and development of these facilities over the next ten years, and enhance the lifestyles of our communities. The graph below shows how our Planned capital expenditure (100%) across our groups of activities.

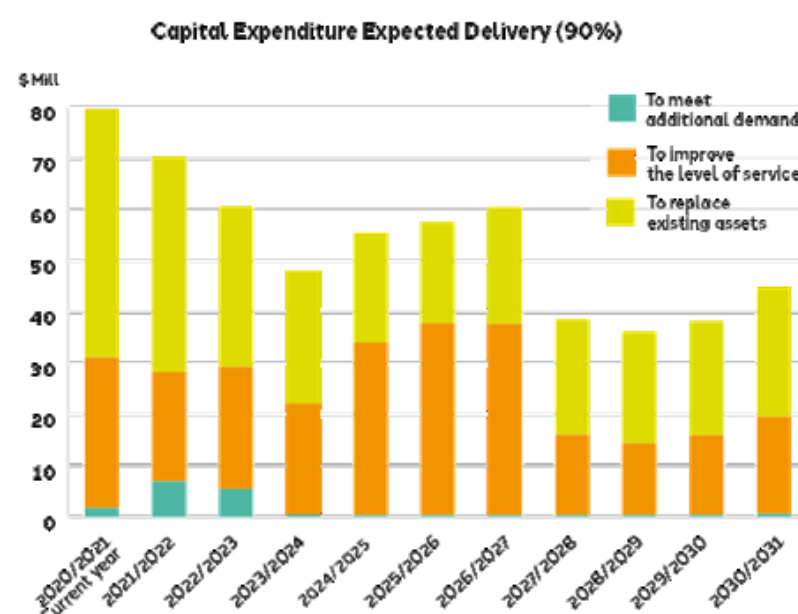


90% Delivery Assumption

The planned capital work programme is an ambitious work programme. A critical element to help deliver this programme is the change in our delivery model. The 'head start' project initiative is a change from the 'do it all in one year' as has been past practice. For example, we are awarding construction work contracts over multiple years and designing projects and awarding construction work contracts in the previous financial year for immediate start in the year allocated.

Despite this we recognise that risks outside of Council's control can impact on our ability to deliver some projects, regardless of the size of our capital work programme. For example, this includes the availability of contractors, disruption to supply chains, legislative change, resource consent delays and further project investigations that expose unknown issues. To reflect those external risks, it is assumed that Council will deliver and fund 90% of its planned capital works programme in any 12-month period and over the 10 year plan period (see Page 22). Council believes it is not fair to rate for more than it reasonably expects to deliver. Projects planned but not delivered in any one year are deferred to future years or re-prioritised (e.g. where an asset like a bridge is going to last longer or new technology provides a better solution), potentially beyond this LTP period.

The graph below shows how much we expect to spend on replacing assets, improving levels of service, and meeting additional demand, based on the 90% delivery assumption. As demonstrated in our Activity Management Plans, our assets are being enhanced over the 10-year period, which enables the levels of service to be maintained at 90% expected delivery.



However, the emergence of something like COVID-19 has taught us that the best laid plans can change in an instant. In the event our capital delivery programme is disrupted, we will continue to maintain existing levels of service. However, there may be circumstances where projects need to be deferred or re-prioritised. You can read more on the challenge of uncertainty for delivery of our capital work programme on page 22 and in our LTP Assumptions.

This document is based on an overall increase of 10.5% in the amount of money Council collects in rates. This does not mean every property will get that increase.

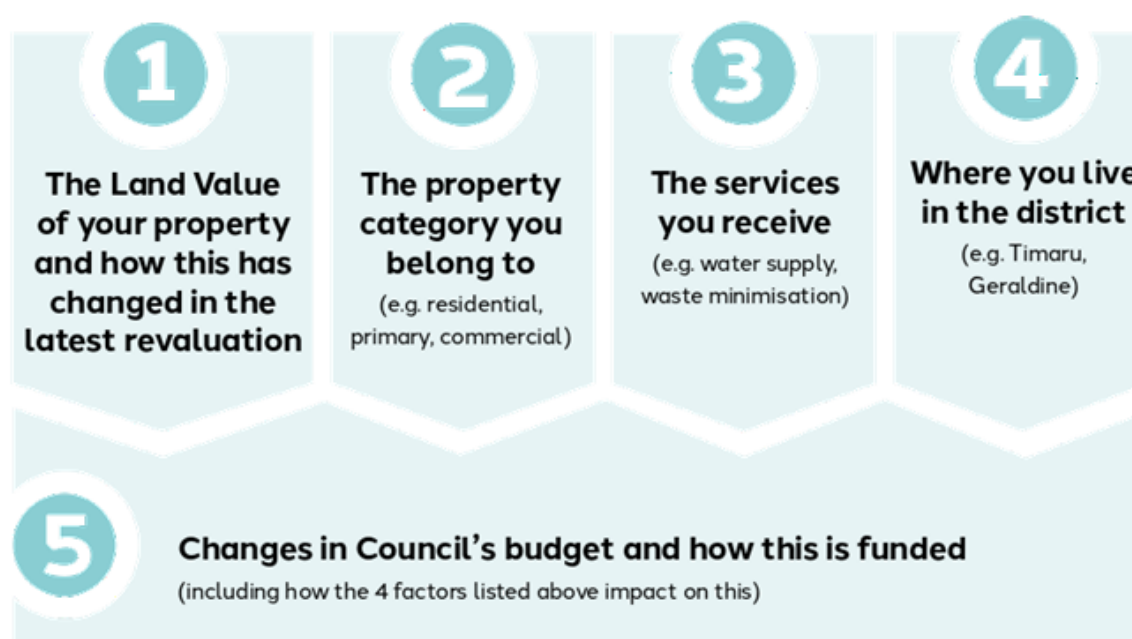
Some will pay more, others less.

Scan the QR code to go directly to the website for more information on rates



What's happening

Your 2021/22 rates bill will change based on five factors:



So what changes are proposed for rates?

The biggest proposed change is to the General Rate.

This rate is used to fund a lot of services that benefit the community generally such as maintaining parks and roading. This is charged based on the land value of your property and adjusted through differentials.

The overall General Rate is proposed to increase from \$17.7M to \$21.1M or by about \$4.4M, to cover:

- Increased expenditure on Roading – Impact: approx. \$1.5M
- A reduction in what we receive from dividends (i.e. Alpine Energy – previously used to subsidise rates) – Impact: approx. \$1M
- A change in how we pay for footpaths expenditure (see our Revenue and Financing Policy change) – Impact: approx. \$500,000
- Other increases to the cost of running Council (e.g. minimum wage increases, new positions, increase in carbon credits) or changes to funding of Council services – Impact: approx. \$1.4M

Other rates

Other rates are also proposed to change under the plan.

- Uniform Annual General Charge (UAGC) – this is a flat charge that all ratepayers pay covering a bucket of Council Services that benefit the community. Under the Plan this is proposed to increase to \$863.
- Community Services Works and Services rate – this will reduce due to the Footpath funding change, as detailed on page 24 and on our website.
- Targeted Rates changes – these are specific rates applied to particular services (e.g. Water Supply, Sewer and Waste Minimisation), and apply where an individual property gets this service. These will increase under the Plan for Water Supply, but reduce for Sewer and Waste Minimisation.

to your rates?

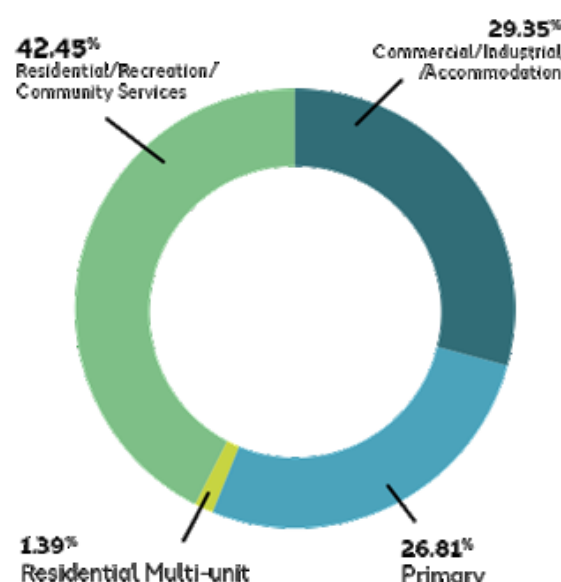


What are Differentials and how do they impact?

Differentials are used to fairly allocate the overall General Rate to different property categories. Council's policy is to ensure each broad property category (e.g. residential) pays about the same overall proportion of the General Rate every time a property revaluation occurs. The Council believes the current split of the General rate 'pie' is fair (see the pie graph).

Every three years, district properties are revalued by Quotable Value NZ. Depending on the overall results of the District revaluation this can affect how much a property will pay towards the General Rate.

While each individual property will be different, the three yearly revaluation has meant changes in the overall value of property categories (e.g. residential).



For example, under the 2020 revaluation rural properties have generally declined in value, while residential properties have increased in value. To reflect the current Differential split, Council needs to adjust the differentials and is proposing to again do this for this LTP (see the table).

	Differential (Current)	Differential (Proposed)	% General rate Pie
Commercial/Industrial/Accommodation	4.00	4.35	29.35%
Primary	0.50	0.67	26.81%
Residential Multi-Unit	2.00	1.93	13.9%
Residential/Recreation/Community Services	1.00	1.00	42.45%

So how does all this impact your rates?

Rates are complex, and every ratepayer is different. Due to the factors listed above, it is difficult to make a meaningful comparison with previous years. Below are some examples of proposed rates that would apply if our Long Term Plan went through unchanged, taking in to account the new property revaluations.

RESIDENTIAL

Land Value (2017)	\$122,500	\$152,500	\$182,500
Total Rates 2020/21	\$2,309	\$2,450	\$2,590
Land Value (2020)	\$146,400	\$192,500	\$213,800
General Rates (incl. UAGC)	\$1,252	\$1,375	\$1,432
Targeted Rates	\$1,169	\$1,237	\$1,268
Total Proposed rates 2021/22	\$2,421	\$2,612	\$2,700
\$ change	\$112.17	\$162.17	\$109.74
% change	5%	7%	4%

Land Value (2017)	\$87,500	\$107,500	\$127,500
Total Rates 2020/21	\$1,971	\$2,024	\$2,077
Land Value (2020)	\$119,700	\$139,400	\$169,100
General Rates (incl. UAGC)	\$1,181	\$1,234	\$1,313
Targeted Rates	\$960	\$961	\$962
Total Proposed rates 2021/22	\$2,141	\$2,195	\$2,275
\$ change	\$170.48	\$170.67	\$197.95
% change	9%	8%	10%

Land Value (2017)	\$87,500	\$107,500	\$127,500
Total Rates 2020/21	\$2,178	\$2,279	\$2,380
Land Value (2020)	\$119,700	\$139,400	\$169,100
General Rates (incl. UAGC)	\$1,181	\$1,234	\$1,313
Targeted Rates	\$1,149	\$1,181	\$1,230
Total Proposed rates 2021/22	\$2,330	\$2,415	\$2,542
\$ change	\$151.68	\$135.39	\$162.10
% change	7%	6%	7%

Land Value (2017)	\$117,500	\$147,500	\$202,500
Total Rates 2020/21	\$2,176	\$2,289	\$2,496
Land Value (2020)	\$152,200	\$200,000	\$240,900
General Rates (incl. UAGC)	\$1,268	\$1,395	\$1,504
Targeted Rates	\$1,124	\$1,179	\$1,226
Total Proposed rates 2021/22	\$2,392	\$2,574	\$2,730
\$ change	\$215.75	\$284.77	\$233.25
% change	10%	12%	9%

Proposed rates changes for multi-residential, commercial/industrial/accommodation and rural are on the following page

What's happening to your rates?

MULTI-RESIDENTIAL



Land Value (2017)	\$152,500
Total Rates 2020/21	\$2,703
Land Value (2020)	\$199,300
General Rates (incl. UAGC)	\$1,885
Targeted Rates	\$1,178
Total Proposed rates 2021/22	\$3,063
\$ change	\$360.55
% change	13%

COMMERCIAL/INDUSTRIAL/
ACCOMMODATION

Land Value (2017)	\$125,000	\$212,500	\$442,500
Total Rates 2020/21	\$3,177	\$4,187	\$6,844
Land Value (2020)	\$152,300	\$239,300	\$534,700
General Rates (incl. UAGC)	\$2,622	\$3,627	\$7,039
Targeted Rates	\$1,124	\$1,124	\$1,564
Total Proposed rates 2021/22	\$3,746	\$4,851	\$8,603
\$ change	\$569.30	\$663.58	\$1,758.66
% change	18%	16%	26%

PRIMARY



Timaru			
Land Value (2017)	\$372,500	\$522,500	\$992,500
Total Rates 2020/21	\$1,576	\$1,947	\$3,107
Land Value (2020)	\$374,200	\$537,500	\$905,700
General Rates (incl. UAGC)	\$1,529	\$1,820	\$2,475
Targeted Rates	\$430	\$618	\$1,042
Total Proposed rates 2021/22	\$1,959	\$2,438	\$3,517
\$ change	\$383.33	\$491.30	\$409.23
% change	24%	25%	13%



Geraldine	
Land Value (2017)	\$2,022,500
Total Rates 2020/21	\$7,495
Land Value (2020)	\$1,982,100
General Rates (incl. UAGC)	\$4,391
Targeted Rates	\$2,919
Total Proposed rates 2021/22	\$7,310
\$ change	-\$165.00
% change	-2%



Pleasant Point	
Land Value (2017)	\$2,282,500
Total Rates 2020/21	\$3,765
Land Value (2020)	\$2,191,200
General Rates (incl. UAGC)	\$4,763
Targeted Rates	\$110
Total Proposed rates 2021/22	\$4,878
\$ change	\$1,112.70
% change	30%



Rural		
Land Value (2017)	\$652,500	\$2,022,500
Total Rates 2020/21	\$1,543	\$3,744
Land Value (2020)	\$606,800	\$2,191,200
General Rates (incl. UAGC)	\$1,943	\$4,763
Targeted Rates	\$30	\$110
Total Proposed rates 2021/22	\$1,973	\$4,873
\$ change	\$430.04	\$1,112.70
% change	28%	30%

Scan the QR code to go directly to the website
for more information on rates



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Peter Burt
Timaru Ward Councillor





Are rates good value for money?

Despite all these changes, rates are still good value.



A Timaru residential property with a land value of \$200,000 will pay \$2,574 in rates under the plan or **\$49.50 per week**.

Consider what this property will pay for rates, compared with other common household expenses**:



\$33.70
PHONE
& INTERNET



\$47
HOUSEHOLD
ENERGY



\$46.10
CLOTHING &
FOOTWEAR



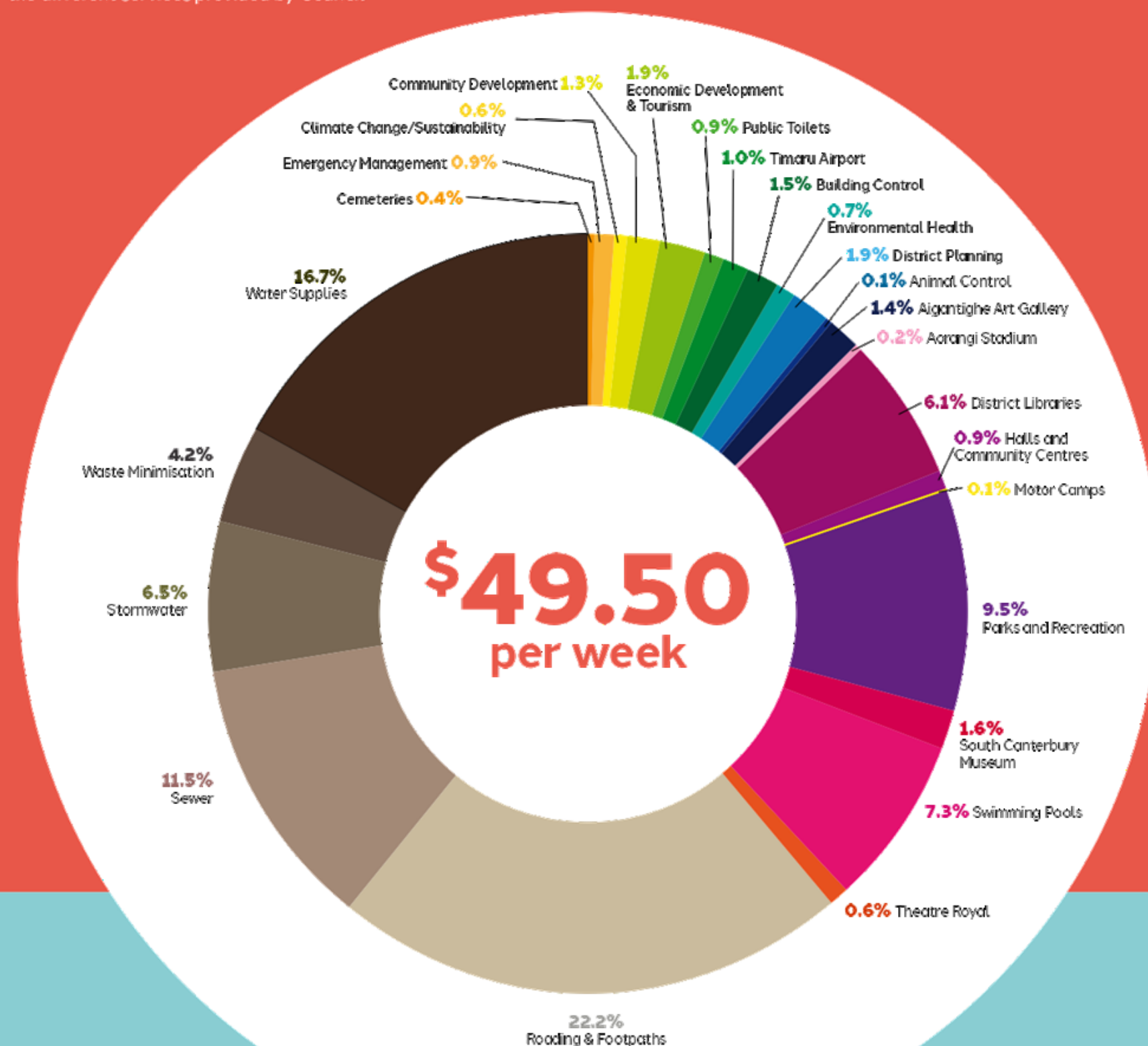
\$74.60
TRANSPORT



\$236
FOOD

What do your rates go towards?

For this weekly cost, this property pays the following towards the different services provided by Council



**Source: Figures based on the Statistics NZ Household Economic Survey 2019 – Average weekly household expenditure for Canterbury region

While our LTP is focused on addressing many of the challenges facing Council and our District, including Climate Change, improving our community facilities and regenerating Timaru CBD, we are also facing other uncertainties, particularly the Three Waters Reform and the lasting impacts of COVID-19.

Scan the QR code to go directly to the website for more information about our Long Term Plan



22

The challenge

Three Waters Reform

In July 2020, the Government announced its three waters reform, a three-year programme to change the way drinking water, sewer and stormwater are delivered, to improve public health, environmental and economic outcomes.

At the same time, the Government offered a multi-million-dollar stimulus funding package, to maintain and improve three waters infrastructure across New Zealand. Council signed a Memorandum of Understanding (MoU) with the Government and received \$6.8M of the stimulus funding. By signing this MoU we agreed to participate in the exploration of future service delivery options for the three waters services and to collaborate with agencies involved in the reform.

In April/May 2021 the Government is expected to make decisions about the reform. Council will then need to decide whether to opt out of the proposed new service delivery model. There is still a lot of information to come out about what these reforms mean for the Timaru District before this decision will be made.

While a lot of uncertainty remains around this reform, in the meantime our communities still need good quality water, sewer and stormwater services, so we are continuing to plan to maintain, deliver and improve these services. Read our Significant Forecasting Assumptions for more information.

For more information visit www.dia.govt.nz/three-waters-reform-programme

Project Delivery

The proposed capital work programme represents a significant increase compared to the 2018-28 Long Term Plan.

Delivering the capital work programme is dependent on both internal (e.g. resourcing, capacity and planning) and external factors (e.g. construction sector resources, supply chain, regulatory requirements).

Various measures have been implemented internally to gradually increase the internal capacity to manage and deliver this capital work programme. This includes implementation of a Programme Delivery Function, longer planning for large projects, and a consistent approach to resourcing. Despite these measures, the proposed programme remains significant and the complexity of some projects and risks of timing slippage cannot be excluded.

Assumption

To recognise these risks, the budget has been prepared on the assumption that 90% of the proposed work programme will be delivered and funded.

Council's Activity Management Plans include the programme of work that TDC would ideally like to complete to achieve desired levels of service. TDC recognises that there are challenges to the full delivery of this programme so its financial forecasts are based on delivering 90% of the total programme. As shown in the graph on page 17, a large portion of Council's spend is on improving the levels of service. This enables existing levels of service to be maintained through ongoing re-prioritisation and re-phasing of the capital programme.

Mitigation

To ensure that 90% of the planned work programme is delivered every year, TDC has put in place various mitigation strategies that include, but are not limited to:

- Close and regular monitoring and reporting of the work programme internally.
- Ongoing liaison with the construction sector to ensure resources availability and responsiveness of the market.
- Resourcing allocation for all large projects with dedicated managers overseeing key projects.
- Ongoing monitoring and re-prioritisation of projects if required.



of uncertainty

COVID-19

COVID-19 has been the undisputed champion of uncertainty for the past year.

A devastating global pandemic, nation-wide and regional lockdowns, border closures and economic disruption. This is likely to continue until the vaccines have been fully rolled out. Even then, COVID still threatens to push us into a global recession, over which we have little control.

However, so far the Timaru District has weathered the storm relatively well thanks to the strength of our primary and manufacturing sectors, and not being reliant on international tourism. We will continue to work closely with Venture Timaru and other economic and community development groups to ensure our community remains resilient in case of any further lockdowns, or a major economic downturn.

Read our Significant Forecasting Assumptions for more information.



“As Councillors we are your representatives.

There's a diverse range of issues that impact on our district and we need to hear your views on what you think is important. Together let's make the district the best it can be. Be part of the decision making process for future generations.”

Steve Wills
Timaru Ward Councillor

Other matters

“We’re proposing changes to the Rates Discount Policy, the Revenue and Financing Policy and some of our fees and charges – have a read and tell us what you think.

It is important that Council and community aspirations are closely aligned – we need to hear your voice.”

Richard Lyon
Pleasant Point-Temuka Ward Councillor



24

Business Improvements District (BID) Policy

Council is proposing to introduce a “Business Improvement District (BID) Policy”.

A BID is a form of partnership between Council and an entity that represents a specific business community (geographically defined) to fund and carry out an agreed programme that will enhance the business district beyond that undertaken directly by Council. A BID programme may fund things such as additional street enhancements, marketing and promotion, or events.

Having a BID Policy in place provides a framework for groups within a certain business area, to apply for a BID to receive funding (collected as a Targeted Rate from commercial ratepayers within the relevant BID area) to carry out this agreed programme.

A proposed BID typically requires 25% initial support for the applicant group to establish a BID entity, then a 25% voter return with 51% of the returned votes in

favour of the BID to proceed – with consultation being led by the BID entity or proposer. This is a guideline only and Council is not bound to approve any BID, nor does the existence of a BID Policy require the local business community to establish a BID.

If Council adopts a BID Policy, and if the local business community should successfully apply to establish a BID, then commercial ratepayers within the BID District would need to pay the agreed Targeted Rate, which may be apportioned between those ratepayers on a capital value or flat rate basis (or a hybrid between those options).

Council is not expecting an application to establish a BID immediately, i.e. no new Targeted Rate for a BID is proposed for Year 1 of the 2021-31 Long Term Plan. Subject to a BID application being received, Council may consider the introduction of a BID in future years of the LTP. Comments on the BID Policy are welcome.

For more detail see thrivingtogether.co.nz

Revenue and Financing Policy – Footpath Funding proposal

Council is proposing to change how we fund footpaths and this will have an impact on rates across the District.

As this is a change to our Revenue and Financing Policy we need to consult with our community and get feedback before we confirm this change.

The impact of this change is that the cost for all footpaths will be spread across the whole District. The resulting increase in rural rates will be matched by an increase in footpath replacement and maintenance in coming years, to lift the quality of these footpaths to match those in larger urban areas across the District.

The proposed changes under the Revenue and Financing Policy have been included in the draft budgets for this LTP and are represented through the ratings examples provided.

For more information on this policy change and the rest of the Revenue and Financing Policy, and to provide feedback see Council’s website or contact Council for a copy of the Consultation Document.



Audit Opinion

Development and Financial Contributions

Council is proposing to implement a Development Contributions Policy (DCP), with work to occur during Year 1 of the LTP 2021-31 aligned with the District Plan review.

Consultation will potentially occur alongside the Draft Annual Plan 2022/23, and will require a LTP amendment. In the interim, the Financial Contributions Policy provisions in the District Plan will remain.

The government recently announced a full reform of the Resource Management Act. The final shape of future funding mechanisms that may be available to Council are unknown at this time.

Dropping the Rates Discount Policy

Council is proposing to repeal the current Rates Discount Policy.

Currently, Council provides a discount of 2.5% if rates are paid in full on the first instalment. Council recognises that not all ratepayers are in a position to pay their rates in full. Council believes it would be more equitable to repeal this policy. Tell us what you think.

Changes to fees and charges

While a large portion of our funding comes from rates, some funding comes from fees and charges for various services.

Every year these are reviewed to ensure they still meet the cost of providing the services they help to fund. There's a range of fee increases proposed across our activities. In some cases, fee increases are higher due to a need to ensure these services are not being subsidised unfairly by ratepayers not using the relevant services.

The most significant changes proposed are for activities like waste minimisation, water supply, social housing, service consents for infrastructure, building control, fishing hut leases, district planning and cemetery fees. For more detail see Council's website.



Scan the QR code to go directly to the website for more information about our Long Term Plan

decide together

Time for your say. This is your chance to give us your thoughts. Tell us what you support or what you don't support.

How do you have your say?

This is important.

We want feedback from as many people in our community as possible, formal and informal.

Please give us your input through whatever channel is easiest for you, here are some options...

Visit our website

thrivingtogether.co.nz

then fill out the Have Your Say form



Fill out the feedback form opposite and send it back to us



talk to your elected members or staff at the events we have planned



email your views to thriving@timdc.govt.nz



send us a message on facebook facebook.com/TimaruDC

OR Get creative...

We invite you to submit your answers in any creative form – it could be an essay, a video, a song or even a piece of artwork! The only rule here is that your entry must be able to be delivered to Timaru District Council offices, or emailed to us.

Talk to the decision-makers – your elected representatives

Have a chat or contact one of your elected representatives. Details below:

Nigel Bowen Mayor 027 622 1111 nigel.bowen@timdc.govt.nz

Steve Wills Deputy Mayor 027 621 8404 steve.wills@timdc.govt.nz

Allan Booth Councillor – Timaru Ward 029 239 3487 allan.booth@timdc.govt.nz

Barbara Gilchrist Councillor – Timaru Ward 021 334 052 barbara.gilchrist@timdc.govt.nz

Richard Lyon Councillor Pleasant Point – Temuka Ward 027 669 9890 richard.lyon@timdc.govt.nz

Gavin Oliver Councillor – Geraldine Ward 022 371 0679 gavin.oliver@timdc.govt.nz

Paddy O'Reilly Councillor Pleasant Point – Temuka Ward 027 441 6725 paddy.oreilly@timdc.govt.nz

Sally Parker Councillor – Timaru Ward 0274 555 237 sally.parker@timdc.govt.nz

Stu Piddington Councillor – Timaru Ward 0274 378 896 stu.piddington@timdc.govt.nz

Peter Burt Councillor – Timaru Ward 027 688 2013 peter.burt@timdc.govt.nz

Long Term Plan Chat

Councillors are going to be out and about across the District talking to you about our Plan and the key issues. Come on down to one of these events. Follow us on Facebook and Instagram to keep up to date with all the LTP news.

TEMUKA

Monday, 12 April, 10am-12pm, Temuka Service Centre

Saturday, 24 April 9am-12pm, Temuka Farmers Market

GERALDINE

Monday, 12 April, 1pm-3pm, Geraldine Service Centre

Thursday, 15 April, 6pm-8pm, Geraldine Library

Saturday, 24 April 9am-12pm, Geraldine Farmers Market

TIMARU

Tuesday, 13 April, 10am-12pm, Timaru Library

Tuesday, 20 April 1pm-3pm, Strathallan Corner

Sunday, 25 April 1pm-3pm, Aigantighe Art Gallery

Saturday, 1 May 9am-12pm, Timaru Farmers Market

Friday, 7 May 6pm-8pm, The Stadium, Aorangi Park

Saturday, 8 May 1-3pm, Caroline Bay (near playground and bike skills park), Timaru

PLEASANT POINT

Tuesday, 13 April, 5pm, Pleasant Point Supermarket

TIMELINE

Thursday
10 April

Submissions open

Monday
10 May

5pm Submissions close

Monday
31 May

to **Wednesday**
2 June

LTP Hearings (days as required)

Tuesday
29 June

Any changes made and LTP adopted by Council



Scan the QR code to go directly to our online submission page



Timaru District Long Term Plan 2021-31 Consultation Document



Your details

Your submission must include your name, and a postal or email address. If you want to speak to Council on your submission, please include a phone number so we can contact you.

Remember your submission will be included in public documents, including your contact details (unless you tell us you would prefer this not to happen).

First name:

Surname:

Organisation (if applicable):

Phone (landline or mobile):

Email address:*

Postal address:*

Do you want to speak about your submission at a Council Hearing?

☐ Yes ☐ No

If you do not indicate, we will assume you do not wish to speak

*we require your email address and/or your physical postal address.

Your views

Give us your views below. Attach extra pages if there isn't enough space.

survivetogether

Pg 4

Climate Change – Preparing for the challenge – How much should Council Do?

Please tick one.

- ☐ **OPTION 1: Do the minimum**
- ☐ **OPTION 2: Do more**
- ☐ **OPTION 3: Do even more**

Something else? Tell us why:

createtogether

Pg 6

Aigantighe Art Gallery Redevelopment –

What's the best option? Please tick one.

- ☐ **OPTION 1: Construct a new facility on the current site.**
- ☐ **OPTION 2: Maintain the current buildings and develop off-site storage**
- ☐ **OPTION 3: Partial refurbishment of the current buildings and develop off-site storage**
- ☐ **OPTION 4: Construct a new Art Gallery on a site near the Theatre Royal**

Something else? Tell us why:

Continued on the next page...

27

Your views

playtogether

Pg 8

Developing Aorangi Park and the Stadium
– when should we do this?

- ☐ **OPTION 1: Undertake the development in 2024-2026**
(Year 4-6 of the LTP)
- ☐ **OPTION 2 Delay the development for 10+ years.**
- ☐ **OPTION 3: Undertake the development in 2023-2025**
(Years 3 and 4 of LTP)

Something else? Tell us why:

gathertogether

Pg 10

A vibrant Timaru City Hub – What should
Council's role be in the regeneration?

- ☐ **OPTION 1: Facilitate. Council has a Facilitation role in**
Timaru city centre regeneration
- ☐ **OPTION 2: Enable. Council has an Enabling role in Timaru**
city centre regeneration
- ☐ **OPTION 3: Transform. Council has a Transformation role in**
Timaru city centre regeneration

Something else? Tell us why:

Other Feedback

Your thoughts on anything else are welcome.
Please outline below.

How to return this form

- 1 Complete **Your details** and **Your views** sections
- 2 Cut form out along the dashed line.
- 3 Return the completed form to the Timaru District Council main office, or our service centres in Temuka and Geraldine.

Return via FreePost

You can put your form in an envelope and address to:

FreePost Authority Number 95136
LTP 2021-31 Submission
Timaru District Council
PO Box 522
TIMARU 7940



Privacy Statement

All submissions (including name and contact details) will be included in public documents, at Council offices and Libraries/Service Centres and on Council's website. Personal information will be used for submission administration purposes such as contacting you if you want to speak at the Council hearing. All information is held by Council, and you have the right to access and correct personal information.