AGENDA

Ordinary Council Meeting

Tuesday, 6 May 2025

Date Tuesday, 6 May 2025

Time 2:00 pm

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1757384

Timaru District Council

Notice is hereby given that a meeting of the Ordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 6 May 2025, at 2:00 pm.

Council Members

Mayor Nigel Bowen (Chairperson), Clrs Allan Booth, Peter Burt, Gavin Oliver, Sally Parker, Stu Piddington, Stacey Scott, Scott Shannon, Michelle Pye and Owen Jackson

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.

Nigel Trainor

Chief Executive

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1 Opening Prayer and Waiata

2 Apologies

3 Public Forum

4 Identification of Urgent Business

5 Identification of Matters of a Minor Nature

6 Declaration of Conflicts of Interest

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 1 April 2025

Author: **Jessica Kavanaugh, Team Leader Governance**

Recommendation

That the Minutes of the Council Meeting held on 1 April 2025 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

1. Minutes of the Council Meeting held on 1 April 2025

MINUTES

Ordinary Council Meeting

Tuesday, 1 April 2025

Ref: 1757384

Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 1 April 2025 at 2:00 pm

Present: Mayor Nigel Bowen (Chairperson), Clrs Allan Booth, Peter Burt, Gavin Oliver, Sally Parker, Stu Piddington, Stacey Scott, Scott Shannon, Michelle Pye, Owen Jackson

In Attendance: **Community Board Members:** Michael Thomas (Pleasant Point Community Board), Nicola Nimo (Temuka Community Board)

Officers: Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Stephen Doran (Group Manager Corporate and Communications), Justin Bagust (Chief Information Officer), Nicole Timney (Manager of Property Services and Client Representative), Andrew Dixon (Group Manager Infrastructure), Andrea Rankin (Chief Financial Officer), Elliot Higbee (Legal Services Manager), Bill Steans (Parks & Recreation Manager), Jayson Ellis (Building Control Manager), Tyler Zandrack (Senior Finance Business Partner), Jacky Clarke (Programme Delivery Manager), Brendan Madley (Senior Policy Advisor), Andrew Feary (Property Facilities Officer), Megan Taylor (Executive Operations Coordinator), Maddison Gourlay (Marketing and Communications Advisor), Jessica Kavanaugh (Team Leader Governance), Kirstie Wilson (Operation Coordinator Community Services), Samantha Molyneux (Operations Coordinator Community Services)

Public: Frazer Munro (Timaru District Holdings Limited General Manager), Mark Rogers (Timaru District Holdings Limited Chairperson), Ryan de Joux (Timaru Developments Ltd), Jeremy Talbot (Chairman, South Canterbury Aviation Heritage Centre), Nathan Speir (Partner, Meredith Connell)

1 Opening Prayer

Martin Winterson (Life Church) conducted the opening prayer.

Clr Sally Parker led the waiata.

2 Apologies

No apologies were received.

3 Public Forum

Jeremy Talbot (Chairman, South Canterbury Aviation Heritage Centre) provided a handout to the Councillors regarding the airport hangar ground rentals.

Discussion included the difference between agriculture ground vs the airport and examples from other airports. It is advised by Mayor Nigel Bowen that once an evaluation is received there is a commitment to look into this matter further.

Attachments

1 Jeremy Talbot - Handout for Councillors

Airport Hanger Ground rentals

I am here today to ask this council to rescind the motion passed in February this year setting the base rate for Ground rentals at the Airport at $15/sqm as it has been done using inaccurate and misleading information that I will now outline.

One quote from council staff was that Wanganui was paying $147/sqm for ground rental, this is in fact for a new building used as a flying school and includes the rates and not ground rental.

Others quoted are for the complete hangarage and not just ground rentals.

The airport user group did ask for commercially based leases but unfortunately this isn't what was delivered as I will outline.

I ask, have any councillors actually seen a lease document? let alone understood it.

It started as a 27-page document its now down to a 15 page one.

But it's a very restrictive lease and grants the council the rights of entry and occupation as it sees fit and requires the lessee to get permission to just put a shelf up in the hangar.

This lease is for ground only, not the buildings so it should be a much simpler document of 2 to 3 pages.

How Commercial Leases are done

So, for virtually all commercial and most farm leases, they are based on the capital valve of the asset being leased and from information obtained under the OIA this hasn't happened in this case.

Based on the TDC own valuation the airport land area has a value of around $4m making for a land value of approx. $30k/ha

One property just listed nearby is just under 10ha and has an asking price of $1.1m, but this has a solid materials house and sheds on it with and irrigation plant with land value of $50k/ha

The Airport land is Zoned Rural 1 so on this basis the unimproved value is $35k/ha max as there is land adjacent for sale with irrigation for $38k/ha. Unlike Rural land there are a large number of restrictions which would reduce the land only lease further. Published TDC airport accounts agree with this valuation.

Based on average commercial leases, this would equate to around 20c/sqm for grazing and cropping etc based on a commercial 5 to 6 % return on capital. (the farmers also say they can't make money at these lease prices) Currently agricultural leases on Divan Rd and Falvey Road area are around $1200/ha with irrigation which is a 3% return and around $500 to $600 /ha without irrigation. Single season Potato and Carrot leases are around $3000/ha but these are only 1 in 7 years.

Airport agricultural area is leased at $1200/ha plus irrigation charges, so this might explain why you are always struggling to find lessees as they keep finding better options elsewhere.

Then there is the issue of the access roads etc as this is TDC public access areas this also shouldn't be part of the Hangar ground rental. We can't be expected to pay twice for these services. Apart from the access road and water there are no services apart from a fortnightly rubbish collection so I think that we need to clarify just what we are getting for in our rates. Currently the Heritage Centre which is an Incorporated Society pays over 4 times the rates that other similar operations run. Why ????

It seems that anything at the airport is now charged at 4 times the rate outside of it. Why ?????

So, on a commercial basis TDC supplied services that include the access road and water should be no more $300/hangar

Grass mowing @ 10 times /yr = $300 based on .1hr @$100/hr

The power doesn't belong to TDC but belongs to Alpine energy so shouldn't be part of the valuation.

As an example, the totals for a 12 X 24 site should be based on current commercial valuation methods

Ground rental only @ 23c/sqm $38k@6%	$66.25
Grass mowing and weed control of the grassed area	$300.00 maybe optional ?
Access and water etc	$300.00
Total	$666.25
Gives a cost /sqm	$2.31 including rates
Currently paying	
Ground rental @ $2.50	$720.00
Rates	$580.00
Total	$1300.00
Current cost/sqm	$4.51. including rates

Currently the Heritage centre pays $1100 in rates plus $540 in ground rental totalling $1640.00 or $3.10/sqm

Under the current motion, this would rise to $1620 in ground rentals alone plus current rates bring it to a total of $2720 or $5.03/sqm.

Based on the commercial land valuation this would drop to $124.20 @23c/sqm

Rates reduced to $250 in line with others gives a total of $374.20 or $1.45/sqm

The Heritage centre was also told that our grass would be mown, but this didn't happen requiring the purchase of a mower costing $2k, this is also used to mow around the museum to make it easier for the contractor to mow at our cost.

As a matter of interest, the Ashburton Aviation Museum pays .50c/sqm

So, I would suggest to certain councillors who made statements that the airport users have been free loading for decades are not only inappropriate, but in fact are insulting and deserving of a public apology. I would also ask a board of management be set up to run the airport with 50% made up of users and or hangar owners as there is no one on the current management team with aviation experience.

In light of this information, I ask that your motion to raise the base fee to $15/sqm be rescinded today to allow for a full review of airport leases.

Jeremy Talbot Chairman South Canterbury Aviation Heritage Centre.

4 Identification of Urgent Business

No items of urgent business were received.

5 Identification of Matters of a Minor Nature

The following matters of a Minor Nature were raised:

- Painting of the Caroline Bay tearooms and future painting of the Bay Hall
- An update on the Stadium and Theatre Royal

6 Declaration of Conflicts of Interest

- Clr Stacey Scott declared a conflict of interest in item 8.1 Receipt of Venture Timaru Draft Statement of Intent 2025/26
- Clr Allan Booth declared a conflict of interest in item 8.1 Receipt of Venture Timaru Draft Statement of Intent 2025/26
- Clr Sally Parker declared a conflict of interest in item 8.6 Receipt of Timaru District Holdings Limited Draft Statement of Intent 2025/26

7 Confirmation of Minutes

7.1 Minutes of the Extraordinary Council Meeting held on 4 March 2025

Resolution 2025/32

Moved: Clr Sally Parker
Seconded: Clr Michelle Pye

That the Minutes of the Extraordinary Council Meeting held on 4 March 2025 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

8 Reports

8.1 Receipt of Venture Timaru Draft Statement of Intent 2025/26

The Mayor spoke to the report to provide the Council with a copy of Venture Timaru's draft Statement of Intent for 2025/26 for consideration and feedback.

It is noted the upcoming workshop on the Draft Statement of Intent is to be held on the 15 April 2025.

Resolution 2025/33

Moved: Mayor Nigel Bowen
Seconded: Clr Allan Booth

That Council:

1. Receives the draft Venture Timaru Statement of Intent 2025/26; and

2. Considers the draft Venture Timaru Statement of Intent 2025/26; and
3. Provides feedback to Venture Timaru on its draft Statement of Intent 2025/26

Carried

8.2 Actions Register Update

The purpose of this report is to provide the Council with an update on the status of the action requests raised by councillors at previous Council meetings.

Actions confirmed to be closed:

- Underutilised Assets – Quarterly Report
- Template for Financial Impact

Actions to remain on the register:

- Vertical Infrastructure Maintenance Report

Discussion included State Highway One (Showgrounds) it was advised council is talking to NZTA and encouraging them to formulate their complaint to be able to quantify the negative effects.

It is requested to bring forward a workshop on waste from 17 June 2025 to an earlier date.

Resolution 2025/34

Moved: Mayor Nigel Bowen
Seconded: Clr Stu Piddington

That the Council receives and notes the updates to the Actions Register.

Carried

8.3 Release of Public Excluded Items

The purpose of this report is to provide the Council with an updated status of Public Excluded items released to the public.

Concerns were raised about the time taken to release public excluded information.

Resolution 2025/35

Moved: Clr Stu Piddington
Seconded: Deputy Mayor Scott Shannon

That the Council notes the following public excluded items have been released to the public;

1. Environmental Services - 13.1 Environmental Health Services – Section 17a report 16 April 2024
2. Council - 13.1 Review of Venture Timaru Major Events Funding 7 May 2024
3. Council – Item 13.4 Venture Timaru Limited: Appointment of Deputy Chairperson 07 May 2024
4. Council Item 13.4 Extension of the office of the Commissioner for the District Licensing Committees 1 July 2024

5. Council Item 13.5 Extension of the term of office and the nomination of Timaru District Licensing Committee members 1 July 2024
6. Tenders and Procurement - Item 10.3 Health Monitoring Services 30 July 2024

Carried

8.4 Affixing of the Common Seal

Council considered the report noting the affixing of the Common Seal to an Approval of Warrants of which names have been redacted to protect the privacy of employees.

Resolution 2025/36

Moved: Clr Peter Burt
Seconded: Clr Allan Booth

That the following warrants have been approved by the Chief Executive and are being reported to the Council for noting:

04 March 2025 – Approval of Warrants

07 March 2025 – Approval of Warrants

24 March 2025 – Approval of Warrants

Carried

8.5 Prospective Freedom Camping Bylaw

The Senior Policy Advisor and Parks and Recreation Manager spoke to the report for the Council to receive information about the current freedom camping situation and regulatory tools, and decide whether to proceed with the next steps of pre-consultation and drafting a freedom camping bylaw.

Discussion included how to measure the threshold when action needs to be undertaken. The costs the prospective Freedom Camping Bylaw would require, including the cost of progressing the Bylaw to the next step and enforcement costs if the Bylaw is progressed.

There is clarification on enforcement and payment of fines of the bylaw in other districts.

Motion

Moved: Clr Allan Booth
Seconded: Clr Michelle Pye

That Council direct officers to stop work on developing a bylaw indefinitely.

In Favour: Clrs Allan Booth, Sally Parker and Michelle Pye

Against: Mayor Nigel Bowen, Clrs Peter Burt, Gavin Oliver, Stu Piddington, Stacey Scott, Scott Shannon and Owen Jackson

Lost 3/7

Further discussion included that costs will be monitored internally and if consultation is required this can be joined with other matters that require consultation.

Resolution 2025/37

Moved: Clr Owen Jackson
Seconded: Clr Scott Shannon

That Council:

1. Note the current freedom camping situation in the Timaru District, based on customer request information currently available and front-line officer reports;
2. Note the current freedom camping legislative settings, and regulatory and enforcement tools available to Council;
3. Direct officers to proceed with pre-consultation and the development of a draft bylaw.
4. Delegate authority to the Chair of the Infrastructure Committee and the Group Manager Infrastructure to approve the pre-consultation material seeking public feedback.

In Favour: Mayor Nigel Bowen, Clrs Peter Burt, Gavin Oliver, Stu Piddington, Stacey Scott, Scott Shannon and Owen Jackson

Against: Clrs Allan Booth, Sally Parker and Michelle Pye

Carried 7/3

8.6 Receipt of Timaru District Holdings Limited Draft Statement of Intent 2025/26

The Timaru District Holdings Limited General Manager and Timaru District Holdings Limited Chairperson spoke to the report to provide the Council with a copy of Timaru District Holdings Limited's draft Statement of Intent for 2025/26 for consideration and feedback.

Highlighted is the inclusion of the reference to Timaru District Holdings Limited enterprise risk framework and the challenge to make that a living document.

Questions were raised regarding the dirt at the Showgrounds, it was advised this is still under contract with a deadline of the end of the October 2025. Also, the expressions of interest received for South Stafford Street and four offers were received and it went unconditional yesterday. The background of these properties was clarified.

Resolution 2025/38

Moved: Clr Stu Piddington
Seconded: Clr Michelle Pye

That Council

1. Receives the draft Timaru District Holdings Limited Statement of Intent 2025/26
2. Considers the draft Timaru District Holdings Limited Statement of Intent 2025/26
3. Provides feedback to Timaru District Holdings Limited on its draft Statement of Intent 2025/26

Carried

8.7 Property Acquisition, Management and Disposal Policy - deliberations and adoption

The Group Manager Property and Senior Policy Advisor spoke to the report for the Council to decide on a final version of the Property Acquisition, Management and Disposal Policy. It is intended that this paper is an opportunity for the Council to consider the officer commenting on the feedback received during the targeted consultation, and additional information requested from the December 2024 Council meeting and will facilitate deliberations on the content of the final policy (including changes from the draft policy where deemed appropriate).

Discussion included the scope of the policy, the importance of having the Community Board feedback, other external parties and partners clarified including the use of the Council's Significance and Engagement Policy.

It is highlighted in point 32 "uncommon for any property to be acquired or disposed of outside the Long Term Plan or Annual Plan." That it is possibly uncommon for acquisition but not disposals. The disposal process includes unsolicited offers, and in the disposal process the open market is preferred but there may be exemptions. Also noted is on page 108 where needs to be changed back to where.

Further clarification was sought on criteria 5 of the disposal criteria, it was advised the criteria is a guide which is outlined in point 47.

Resolution 2025/39

Moved: Clr Michelle Pye
Seconded: Deputy Mayor Scott Shannon

That Council:

1. Receive the feedback received and additional information requested on the draft Property Acquisition, Management and Disposal Policy; and
2. Deliberate on the content of the final policy; and
3. Adopt the Property Acquisition, Management and Disposal Policy.

In Favour: Mayor Nigel Bowen, Clrs Peter Burt, Gavin Oliver, Sally Parker, Stu Piddington, Stacey Scott, Scott Shannon, Michelle Pye and Owen Jackson

Against: Clr Allan Booth

Carried 9/1

8.8 Recreation & Sporting Facilities & Community Halls Rentals & Leases Policy review

The Group Manager Property, Parks and Recreation Manager and Senior Policy Advisor spoke to the report to facilitate a discussion about the suitability of the current policy and identify potential amendments to be incorporated into the revised policy. It is noted this does not apply to sports fields.

Discussion included the separation of halls and sporting facilities and the major overhaul that is required for this policy. It is confirmed Clr Stu Piddington be a conjugate to the discussion from a governance level.

Further discussion included how this policy has been adhered to, and if it has worked in the past. It is advised there are a number of legacy leases.

Resolution 2025/40

Moved: Clr Peter Burt
Seconded: Clr Sally Parker

That Council:

1. Receive a verbal update from officers about the Recreation & Sporting Facilities & Community Halls Rentals & Leases Policy; and
2. Provide officers with feedback about the current policy to inform the review.

Carried

8.9 Draft Remuneration Policy

The Acting Group Manager People & Capability and Senior Policy Advisor spoke to the report for or Council to consider the Draft Remuneration Policy and adopt the draft policy for a targeted consultation.

Discussion included the previous use of volunteers, however, it was clarified this policy is for paid employees and excluded volunteers. It is highlighted this policy gives guidance to the Chief Executive rather than placing restrictions.

Resolution 2025/41

Moved: Mayor Nigel Bowen
Seconded: Clr Gavin Oliver

That Council

1. Adopt the "Draft Remuneration Policy" for a targeted consultation.
2. Targeted consultation is undertaken post the current structural consultation

Carried

8.10 Financial Report February 2025

The Chief Financial Officer spoke to the report to outline progress on implementing year one of the 2024-34 Long Term Plan (LTP) and report on the financial results for the period ended 28 February 2025.

Discussion included the debit to income ratio relating to capital expenditure, a number of questions raised were due to timing. It was requested for more clarification on Waste Minimisation capital expenditure and clarified that it is on track to meet targets.

It is requested to get clearer commentary on the actual year to date vs budgeted year to date and the full-year budget vs the forecast when there is a large difference. Discussion included the purchase of land which was unbudgeted.

It is highlighted that the reallocation of budgets needs to go to the chair of each committee.

Further discussion included a shortfall in Downlands, improved levels of service in roading and footpaths and waste minimisation needing further explanation. Community housing and airport overbudget, and the current actual spend on roading and footpaths.

Clarification was sought on the new public toilet at the airport and the location.

Resolution 2025/42

Moved: Clr Allan Booth
Seconded: Clr Michelle Pye

That Council receive and note the summary financial results to 28 February 2025.

Carried

8.11 Finance System Investigation Update

The Chief Information Officer and Chief Financial Officer spoke to the report to provide the Council with an update on the progress of resolving the resolution to investigate an upgrade or new financial system.

Clarification was sought if officers are looking at other financial systems, and how many other big systems are in use at other Councils.

Resolution 2025/43

Moved: Mayor Nigel Bowen
Seconded: Clr Sally Parker

That Council receives and notes the update on the Financial System Investigation.

Carried

8.12 Condition Reports for Major Vertical Assets

The Group Manager Property spoke to the report to update Council on the condition reports for all major vertical assets in the Council's portfolio for the purpose of appropriate allocation of budgets in future Long Term Plan deliberations, and oversight on maintenance spending.

Concerns are raised on the maintenance of assets and maintenance costs. It is highlighted the inclusion of this in the next Long Term Plan 2027/37. It was advised the reason for the lack of funds for the maintenance was due to having to pull back costs over the last two Long Term Plans due to the deficit and minimising the percentage of rate increases.

Discussion included the need for prioritisation and the need to ensure the vertical assets are watertight.

Resolution 2025/44

Moved: Clr Gavin Oliver
Seconded: Clr Michelle Pye

That Council receive and note the attached condition reports for all major buildings in Councils vertical asset portfolio.

Carried

The meeting adjourned at 3.58pm

The meeting reconvened at 4.10pm

Resolution 2025/45

Moved: Mayor Nigel Bowen
Seconded: Clr Peter Burt

That report 12.2 Building Control – Section 17A Review be moved into public except attachment three (Legal Road Map) which will be retained in Public Excluded.

Carried

8.16 Building Control - Section 17A Review

The Group Manager Environmental Services and Building Control Manager spoke to the report to present the findings of the Local Government Act 2002 section 17A review (s17A review) of the Timaru District Council Building Consent Authority (BCA) and its service provision as a Territorial Authority in terms of the Building Activity (TA function). The report seeks to provide advice on how the proposed government reforms may impact BCA's, and identify what options now exist for service provision in this environment, some of which may not have been available for consideration prior to the reform of the building consent system.

Nathan Speir (Partner, Meredith Connell) provided a verbal brief overview. This included thinking about the scale of the function and inclusion of neighbouring Councils and liaising with the Ministry of Business, Innovation and Employment (MBIE). It is highlighted there could be more risk involved in a Council Controlled Trading Organisation (CCTO).

Concerns were raised of the support needed from the Council to keep a Council Controlled Organisation (CCO) sustainable if this function was done by Timaru District Council alone, which highlighted the importance of the inclusion of other councils.

Highlighted was the understanding of the risk involved, and the inefficiencies of the council due to systems, processes and mindsets.

Discussion included the set-up of a CCO as a cooperative rather than a limited liability company to enable the distribution of rebates, the proportionality model, the cost of the systems used in the BCA and the complexities. The ability to improve efficiency and delivery within a CCO model. The requirement for the Council to obtain the accreditation.

There was further discussion on the systems used within the BCA and the improvement of them over the past 10 years. It was advised the system that the Council are currently moving towards allows for virtual borders to be removed. The possible storage of the information within different Councils and the proposed timeline.

Clarification was sought on the risk of building practitioners signing off their own work. It highlights the risk to the private sector moving into this market. The classifications were clarified of what the private sector would be able to sign off.

Discussion was had on the geographic location of partners and the location of where a CCO would undertake the work.

Resolution 2025/46

Moved: Mayor Nigel Bowen

Seconded: Clr Gavin Oliver

That Council:

1. Receive and note the Local Government Act 2002 Section 17A review of the Building Consent Authority and more generally the Building Activity; and
2. Endorse Option One, with a view to move toward creating a Council Controlled Organisation for the purpose of performing Building Consent Authority and Territorial Authority Regulatory functions on behalf of the Timaru District Council by improving in-house efficiency; and
3. Endorse Option Three and direct Council officers to work with prospective Canterbury Councils, as potential members of the Shareholder Group
4. Delegate authority to the Chief Executive to review the Legal Roadmap report in 6 months or less to consider its release to the public.

Carried

8.13 Update - Community Halls

The Group Manager Property and Property Facilities Officer spoke to the report to update the Council on the community halls owned by the Council, the general asset condition of the halls and income received from the public for the use of the halls.

It is highlighted the ability to tie in the Community Halls with maintenance, and the need to know more about the facilities that the Council own. There is clarification on some legacy issues which have Committees noted on titles but it is believed that Council own the land and buildings. It is requested that councillors be advised on the value of the leased halls to private entities.

It is advised the next step is to speak to each committee including the inclusion of this in the next Long Term Plan 2027/37.

The item of Painting of the Caroline Bay tearooms and future painting of the Bay Hall that was raised as a minor nature matter was discussed.

Discussion included the consultation regarding the colours used to paint the tearooms with the tenants. It was advised the colours chosen are to tie in with the sound shell and potential future painting of the Bay Hall and that the colourway used are heritage colours. There was clarification there was no intent to cause disturbance to the tenants, and council officers will discuss this with the tenants.

Resolution 2025/47

Moved: Clr Allan Booth
Seconded: Clr Sally Parker

That Council receives and note the update on ownership of community halls, the general asset condition and income received from the public for the use of the halls.

Carried

8.14 Small Trade Subcontracting Vertical Building Maintenance Review

The Group Manager Property and Executive Operations Coordinator spoke to the report to inform the Council of the intent to proceed with a process system change for the delivery of general maintenance services across Council departments.

The Jira system was discussed and the ability to utilise preferred suppliers. The exclusion of capital expenditure was clarified and the types of work this could include, it was requested as a next addition in this workflow to include capital expenditure.

It was advised a breakdown per unit can be supplied to Councillors. There was a suggestion to improve the financial coding of maintenance.

Resolution 2025/48

Moved: Clr Owen Jackson
Seconded: Clr Gavin Oliver

That Council notes the update and intention of Officers to proceed with a Process System Change review for building maintenance spend across Council operations.

Carried

At 5.35 pm, Clr Gavin Oliver left the meeting.

At 5.38 pm, Clr Peter Burt left the meeting.

8.15 Delivery of Street Sweeping Services

The Group Manager Infrastructure spoke to the report for the Council to consider options around the delivery of street sweeping services in-house.

Discussion included insights into contracting and the ability of contractors to subcontract work out, buying the machinery versus renting the machinery along with other uses for the machinery.

The capacity of the yard at the Botanic Gardens was discussed. It was requested for officers to discuss with Fulton Hogan if they need to hold the contract until 2028, it is clarified it is a 5-year plus 2 year contract.

Resolution 2025/49

Moved: Mayor Nigel Bowen
Seconded: Clr Allan Booth

That Council request officers to talk to the contractor to explore opportunities from 2026 to bring the Street Sweeping in-house.

Carried

9 Consideration of Urgent Business Items

No items of urgent business were received.

10 Consideration of Minor Nature Matters

The following updates were provided;

Aorangi Stadium Update:

The Acting Group Manager Community Services advised Councillors that the Stadium is at a delicate point, with further information coming to light that suggests there is more fill at the site than was anticipated, which is why the design concept has not been settled on. It is confirmed the project is still on track but the need to get the final design that can be delivered on budget.

Theatre Royal Update:

The Acting Group Manager Community Services advised Councillors that the Theatre Royal is at a similar delicate stage and are currently in negotiation with the Architects about keeping the project within budget. It is advised that there will be a paper coming to the council for items that were outside of the budget and that it is too early to go to the public with updates.

11 Public Forum Items Requiring Consideration

There were no public forum items.

12 Resolution to Exclude the Public

Resolution 2025/50

Moved: Mayor Nigel Bowen
Seconded: Clr Owen Jackson

That the public be excluded from the following parts of the proceedings of this meeting, namely,—

12.1 Public Excluded Minutes of the Extraordinary Council Meeting held on 4 March 2025

12.2 Building Control - Section 17A Review

12.3 Property Divestment Quarterly Report

12.4 Southern Water Done Well Progression

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows at 5.53pm:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
12.1 - Public Excluded Minutes of the Extraordinary Council Meeting held on 4 March 2025	Section 48(1) of the Local Government Official Information and Meetings Act 1987.	The public excluded minutes of the meeting held on 4 March 2025 are considered

Matters dealt with in these minutes: **8.1 - Public Excluded Minutes of the Council Meeting held on 4 February 2025** **8.2 - Venture Timaru Limited: Appointment of Chairperson and Director** **8.3 - Earth Quake Prone Building Update**		confidential pursuant to the provisions of the LGOIMA Act of 1987. The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 4 March 2025.
12.2 - Building Control - Section 17A Review	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	To protect commercially sensitive information
12.3 - Property Divestment Quarterly Report	s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	To enable Council to carry out commercial activities To enable Council to carry out commercial or industrial negotiations
12.4 - Southern Water Done Well Progression	s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	To enable Council to carry out commercial or industrial negotiations

Carried

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- "(4)Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof)—
    - (a)shall be available to any member of the public who is present; and
    - (b)shall form part of the minutes of the local authority."

13 Public Excluded Reports

12.1 Public Excluded Minutes of the Extraordinary Council Meeting held on 4 March 2025

8.1 Public Excluded Minutes of the Council Meeting held on 4 February 2025

8.2 Venture Timaru Limited: Appointment of Chairperson and Director

8.3 Earth Quake Prone Building Update

12.2 Building Control - Section 17A Review

12.3 Property Divestment Quarterly Report

12.4 Southern Water Done Well Progression

14 Readmittance of the Public

Resolution 2025/51

Moved: Mayor Nigel Bowen
Seconded: Clr Owen Jackson

That the meeting moves out of Closed Meeting into Open Meeting at 6.24pm.

Carried

The meeting closed at 6.25pm.

.....

Mayor Nigel Bowen

Chairperson

7.2 Minutes of the Extraordinary Council Meeting held on 15 April 2025

Author: **Jessica Kavanaugh, Team Leader Governance**

Recommendation

That the Minutes of the Extraordinary Council Meeting held on 15 April 2025 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

1. Minutes of the Extraordinary Council Meeting held on 15 April 2025

MINUTES

Extraordinary Council Meeting

Tuesday, 15 April 2025

Ref: 1757384

Minutes of Timaru District Council
Extraordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 15 April 2025 at Following the Commercial and Strategy Committee at 1.01pm

Present: Mayor Nigel Bowen (Chairperson), Clrs Allan Booth, Peter Burt, Gavin Oliver, Sally Parker, Stu Piddington, Stacey Scott, Scott Shannon, Michelle Pye, Owen Jackson

In Attendance: Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Stephen Doran (Group Manager Corporate and Communications), Justin Bagust (Chief Information Officer), Nicole Timney (Manager of Property Services and Client Representative), Andrew Dixon (Group Manager Infrastructure), Andrew Lester (Drainage and Water Manager), Alesia Cahill (Executive Support Manager), Amrita Singh (Finance Support Officer), Steph Forde (Corporate and Strategic Planner), Maddison Gourlay (Marketing and Communications Advisor), Jessica Kavanaugh (Team Leader Governance)

The meeting adjourned at 1.02pm

The meeting reconvened at 1.23pm

1 Apologies

No apologies were received.

2 Declaration of Conflicts of Interest

No conflicts of interest were declared.

3 Reports

4.1 Resolution to Include Supplementary Reports

To seek approval to submit the Consultation Report Option – Annual Plan 2025/26 to the Extraordinary Council meeting on the 15 April 2025.

Resolution 2025/43

Moved: Clr Sally Parker
Seconded: Clr Peter Burt

That the Consultation Report Option – Annual Plan 2025/26 be received and considered at the Extraordinary Council meeting on 15 April 2025.

Carried

4.2 Draft Annual Plan 2025/26

The Group Manager Corporate and Communications, Corporate and Strategic Planner and Finance Support Officer spoke to the report to outline the Annual Plan 2025/26 process and related information, provide an overview of the draft financial information and a summary of the proposed

capital and operating work programmes proposed for inclusion in the draft Annual Plan 2025/26, seek Council direction in the level of rates increase and confirm the proposed consultation approach for the Annual Plan 2025/26.

A presentation was provided which included a Prospective Statement of Comprehensive Revenue and Expense of a 12% scenario and 9% scenario, Operating Expenses – Reconciliation of variations to LTP 2025/26, Capital Programme by activity, Movement of capital projects, Roading operational funding options, Rates sample properties for an average 12% and 9% increase and what options are available.

It is confirmed the proposed restructure and subsidies for the Theatre Royal project are not included in the financials.

Discussion included interest rates and hedging and the potential of interest rates rising in the future. The impact building revaluations will have on the financial position in the future due to revaluations not being undertaken since 2005. The subsidies and grants on New Zealand Transport Agency funding and what the Council funding above and beyond those. An explanation was provided on the increases in operating expenses variations. It was clarified for the final adoption to present what moved due to timing/escalation and interest.

Capital Programme was discussed for Roading and Footpaths and Recreation and Leasure.

Clarification was sought on the Aorangi Stadium Equipment and the reasons this has been split from the Aorangi Stadium project, it has been advised this will be moved in together. Further discussion included the project fund additions/reductions for consideration and clarification was sought on these projects.

There was a discussion on the Road Safety promotion including the benefits and contribution from Waimate and Mackenzie. The Christmas decorations and environmental maintenance were also discussed. It was clarified to quantify the cuts from an activity level with a dollar amount, so the community know what those activities are costing, and note any activities that receive funding and the amount. The importance of being clear in the consultation document while remaining high level.

The rates sample properties were discussed and the modelling was clarified. It is requested to include a disclaimer for the modelling, an example of a main street property and to include a percentage of the rate increases broken down to show the different percentages.

The councillors went around the room and provided their level of comfort with the options.

Discussion included the optics to the community noting the operating deficit. The Rangitata Hut fees and charges and costs associated with other schemes. There was confirmation that there is no rating to do with the Theatre at this stage. Depreciation funding was questioned and the difference in funding with the 9% and 12% rates increase and the depreciation rates.

The councillors will provide feedback on the documentation for non-material changes.

The communication plan was also discussed, it was advised this is not the same level as the Long Term Plan and depends on the Councillors availability.

At 2:52 pm, Clr Stu Piddington left the meeting. It is noted Clr Piddington was supportive of the direction of the consultation.

Resolution 2025/44

Moved: Clr Scott Shannon

Seconded: Clr Peter Burt

That Council:

(a) Approves and adopts the information for consultation contained or referred to in this report which provides a basis for the Draft Annual Plan 2025/26 with any amendments made by resolution at this meeting, as per Attachments 1-8 including:

  (i) Proposed Financial Statements and Funding Impact Statement 2025/26 (9%)

  (ii) Proposed Groups of Activities Funding Impact Statements 2025/26 (9%)

  (iii) Proposed Fees and Charges 2025/26

  (iv) Proposed 2025/26 Capital Projects listing

  (v) Proposed 2025/26 other financial information, including Operating Cost Analysis Summary 2025/26 (12%) and sample properties (9%)

(b) Approves and adopts for consultation the Draft Consultation Document outline for the Draft Annual Plan 2025/26 as per Attachment 8.

(c) Authorises the Mayor and Chief Executive to make any non-material changes to the attached to this report for the purposes of consultation.

(d) Confirms the proposed consultation approach for the Draft Annual Plan 2025/26.

Carried

The meeting closed at 2.55pm.

.....

Mayor Nigel Bowen

Chairperson

8 Schedules of Functions Attended

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

Author: **Alesia Cahill, Executive Support Manager**

Authoriser: **Nigel Bowen, Mayor**

Recommendation

That the Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors be received and noted.

Functions Attended by the Mayor for the Period 17 February 2025 to 17 April 2025.

17 February 2025	Meet with Minister Penk via Teams
18 February 2025	Attended Standing Committees meetings
	Attended Council workshops
19 February 2025	Attended Theatre Royal/Museum - Project Steering Group Meeting
	Attended Aorangi Stadium - Project Steering Group Meeting
21 February 2025	Attended Seismic Review Steering Group meeting in Wellington
24 February 2025	Attended monthly meeting with NZTA
25 February 2025	Attended Local Water Done Well Steering Group meeting
	Attended Council Social Housing meeting
	Attended Council workshops
	Attended Rotary meeting
26 February 2025	Attended Meet and Greet with Urban Plus & Site Tour in Wellington
27 February 2025	Attended All-of-local-government meeting
	Attended Canterbury Mayoral Forum meeting with Minister Chris Bishop
28 February 2025	Attended Local Water Done Well meeting
	Attended Rural and Provincial Sector meeting
1 March 2025	Attended Winchester Show
	Opened Multicultural Aoraki Festival
3 March 2025	Attended Audit and Risk Committee meeting
	Attended SADD workshop
	Attended Southern Councils Water Discussion meeting
4 March 2025	Chaired Tenders and Procurement committee
	Chaired People and Performance meeting

	Led Citizenship Ceremony
	Attended Council workshop
	Chaired Council meeting
5 March 2025	Attended South Canterbury Education Network Hui
7 March 2025	Attended regular meeting with Rangitata MP James Meager
	Attended delegate visit at Juice Products New Zealand Limited
9 March 2025	Attended Waitarakao Strategy signing event
10 March 2025	Attended Canterbury Mayoral Forum meeting with Martin Keogh - Regional Deputy Chief Executive Health NZ
11 March 2025	Attended Project Zebra at Timaru South School
	Attended Council Social Housing meeting
	Attended NZTA Proposed - No Stopping Restrictions meeting
	Meet with stakeholder group on the Future of Timaru Santa Parade
12 March 2025	Attended monthly catch up with Venture Timaru
	Attended Youth Initiatives Subcommittee meeting
13 March 2025	Met with Timaru Student Volunteer Army group
	Met with *Friends of CPlay* group
14 March 2025	Attended MTFJ Core Group in Wellington
17 March 2025	Attended Welcome morning tea with Eniwa Exchange Students
	Attended Temuka Community Board meeting
18 March 2025	Attended Local Water Done Well Steering Group meeting
	Attended Council workshop
19 March 2025	Attended Local Water Done Well Steering Group meeting
	Attended Theatre Royal/Museum - Project Steering Group Meeting
	Attended Aorangi Stadium - Project Steering Group Meeting
20 March 2025	Attended and spoke at Mayoral Welcome for International Students
	Attended RPTP 2025-35 Deliberations for RTC Hearings Panel
21 March 2025	Attended YES Spark Tank mentoring session for YES students
22 March 2025	Attended member of the Communities 100 birthday celebration
	Competed in the Community fundraising basketball tournament
24 March 2025	Attended CWMS Zone Committee Review workshop
27 March 2025	Met with Geraldine Stakeholders regarding local pools
28 March 2025	Attending meeting with Minister Shane Jones at Canterbury Regional Summit
31 March 2025	Attended SADD Breakfast

	Attended Local Water Done Well catch-up meeting
1 April 2025	Attended Council workshop
	Chaired Council meeting
	Attended MTFJ update meeting
	Attended meeting with local MPs, James Meager and Miles Anderson
2 April 2025	Attended MTFJ Business Network event
3 April 2025	Completed a site visit to Fonterra
	Attended CCS Disability Action 90th Celebration
4 April 2025	Spoke to OJ on the Breeze for Mayoral Musings
6 April 2025	Attended Official Opening of Trust Aoraki Hockey Centre
	Attended ECO Centre Youth evening
7 April 2025	Attended and spoke at South Canterbury Head student Leadership Day
	Attended Orari Temuka Opihi Pareora Water Zone Committee meeting
	Attended LGNZ zoom with Infometrics' Brad Olsen
8 April 2025	Attended Freight Hub Discussion meeting
	Attended Community Funding Subcommittee meeting
	Attended Tour of Social Housing Units
9 April 2025	Attended SIDE Breakfast with Cameron Bagrie
	Met with International student from Thailand
	Met with South Canterbury Chamber of Commerce representatives
10 April 2025	Attended Zone 5 & 6 Conference in Christchurch
11 April 2025	Attended Zone 5 & 6 Conference in Christchurch
	Attended World in Flames opening at the Museum
14 April 2025	Attended monthly meeting with NZTA
	Attended CWMS Zone Committees Review Workshop
	Attended Temuka Community Board meeting
15 April 2025	Attended Standing Committee meetings
	Chaired Extraordinary Council meeting
	Attended Council workshop
	Attended Pleasant Point Community Board meeting
16 April 2025	Attended Grey Power event at ECO Centre
	Attended Theatre Royal/Museum - Project Steering Group Meeting
	Attended Aorangi Stadium - Project Steering Group Meeting
	Attended Peel Forest Landfill site visit

Attended Geraldine Community Board meeting

In addition to these duties I met with 101 members of the public on issues of concern to them.

Functions Attended by the Deputy Mayor for the Period 17 February 2025 to 17 April 2025.

5 April 2025	Attended and spoke at 30th Anniversary of Te Aitarakihi Marae-ā-Iwi
11 April 2025	Attended ANZAC Commemorative Service at TBHS

Attachments

Nil

8.2 Schedule of Functions Attended by the Chief Executive

Author: **Alana Hobbs, Executive Support Coordinator**

Authoriser: **Nigel Trainor, Chief Executive**

Recommendation

That the Schedule of Functions Attended by the Chief Executive be received and noted.

Functions Attended by the Chief Executive for the Period 17 February 2025 and 17 April 2025.

17 February 2025	Met with Minister Penk via teams
	Attended zoom meeting with South Island Minister James Meager
18 February 2025	Attended Standing Committee meetings
	Attended Council workshop
19 February 2025	Attended Theatre Royal/Museum - Project Steering Group meeting
	Attended Aorangi Stadium - Project Steering Group meeting
24 February 2025	Attended monthly meeting with NZTA
25 February 2025	Attended Local Water Done Well Steering Group meeting
	Attended Council Social Housing meeting
	Attended Council workshop
3 March 2025	Attended Audit and Risk Committee meeting
4 March 2025	Attended Tenders and Procurement Committee meeting
	Attended People and Performance Committee meeting
	Attended Council workshops
	Attended Council meeting
6 March 2025	Attended Timaru Mens Club monthly meeting
6 March 2025	Met with representatives from PwC
7 March 2025	Attended regular meeting with Rangitata MP James Meager
11 March 2025	Attended Council Social Housing meeting
	Met with representatives from Local Government Services Group
12 March 2025	Met with Chief Executive Venture Timaru
18 March 2025	Attended Local Water Done Well Steering Group meeting
	Attended Council workshop
19 March 2025	Attended Local Water Done Well Steering Group meeting
	Attended Theatre Royal/Museum - Project Steering Group Meeting

	Attended Aorangi Stadium - Project Steering Group Meeting
28 March 2025	Attended Minister Shane Jones Canterbury Regional Summit
1 April 2025	Attended Council workshop
	Attended Council meeting
4 April 2025	Met with General Manager Timaru District Holdings Limited
8 April 2025	Attended Social Housing tour
9 April 2025	Met with SC Chamber of Commerce representatives for monthly update
	Attended
10 April 2025	Attended LGNZ Zone 5 and 6 Conference
14 April 2025	Met with General Manager Timaru District Holdings Limited
15 April 2025	Attended Standing Committee meetings
	Attended Extraordinary Council meeting
	Attended Council workshop
16 April 2025	Attended Theatre Royal/Museum - Project Steering Group Meeting
	Attended Aorangi Stadium - Project Steering Group Meeting

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

Attachments

Nil

9 Reports

9.1 Theatre Royal and Museum Project

Author: **Paul Haggath, Team Projects Limited**
Matt Sisson, Property Projects Officer

Authoriser: **Paul Cooper, Group Manager Environmental Services**

Recommendation

1. That Council approves the project to proceed based on the proposed design and construction programme and cost estimates for the theatre, laneway and museum.

2. That Council reaffirms the total approved budget for the combined theatre and museum project, comprising $29.2m for the theatre and $15m for the museum, plus $3m for museum fitout, to be raised through fundraising.

Purpose of Report

1 To seek Council approval to proceed with the Theatre Royal and Museum Redevelopment Project.

2 To update Council on progress and design development since the 31 October 2024 resolutions.

3 To seek approval to progress the design and construction of the theatre and laneway, in line with the concept design report presented in Attachment 1 and the cost breakdown appended as Attachment 3.

4 To seek approval to progress the design and construction of the museum in parallel with the theatre and laneway, to maximise and realise the opportunities and cost benefits of progressing the development as a cohesive precinct that has many common and shared facilities.

5 To reaffirm the conditions attached to the secured Government Ministry of Business Innovation and Employment funding and to assure continued adherence to these conditions.

Assessment of Significance

6 This matter is considered low to medium significance as although there is significant community interest in the project, the preferred option has no additional financial or levels of service impact on existing budgets or performance measures in the Long-Term Plan 2024-34.

Background

7 The Theatre Royal & Museum Redevelopment project for the Timaru District Council includes an upgrade of the Theatre Royal together with the design and construction of a new Museum on the rear of the site facing Barnard Street. The co-location of facilities on one site will

provide opportunities for connections and shared spaces, interaction between the Theatre Royal and the Museum and reinvigoration of the South end of Stafford Street.

8 The upgraded Theatre Royal will provide a modernised, fit for purpose theatre for users and patrons, including upgrade and modernisation of the aging Back of House and Fly system to a standard that allows and enables more local productions and touring entertainment to perform in Timaru.

9 The new Museum will enable public exhibition, education and programme spaces to be moved from the current South Canterbury Museum to new purpose-built facilities.

10 Following the Council's declining of the original proposal for a combined Theatre Royal and Heritage Hub, alternative design concepts were invited from several local architects. Four options were presented to the Council meeting on 31st October 2024, with the NB Architects concept (presented as option 1(b)) being selected as the preferred design solution.

11 Option 1(b) comprises the refurbishment of the theatre plus the construction of a new museum. The Theatre Royal and museum are both serviced by a new public space being "The Laneway" immediately to the north of the museum. The Laneway is a key element to the concept and serves multiple purposes, i.e. service access for vehicles delivering to the stage dock, a public open space and pedestrian precinct connection from Barnard Street to Stafford Street, and safer and more expansive customer access and circulation into the theatre via new additional northern façade entries.

12 The capex estimate tabled for Option 1(b) within the Council Paper "Future Provision for performing arts in Timaru District" was:

Theatre capital cost build	$28,400,000
Theatre capital cost FFE	$800,000
Total Capex Stage One	**$29,200,000**
Museum	$15,000,000
Museum FFE	$3,000,000
Total Capex Stage Museum	**$18,000,000**

13 At the Council Meeting of 31 October 2024, **7.3 Public consultation on future provision for performing arts in Timaru District**. Council approved the project to progress Phase 1 of the chosen option, being the Theatre and Laneway, whilst maintaining an overall budget of $30m.

Resolutions were passed as follows:

Resolution 2024/79

That council delegates to the Chief Executive up to $24M to progress phase 1, whilst maintaining an overall budget of $30M of option 1(b) informed by community consultation up to date.

14 The concept design appended as Attachment 1 has been developed based on Council's resolution to adopt Option1(b). This report seeks Council's endorsement of the expanded concept design, appended as Attachment 1 "Concept Design Report April 25". A

comprehensive cost analysis of retained and new design elements confirms how the project will be delivered within the total approved budget. A summary is appended as Attachment 3.

15 This report seeks confirmation that the total approved budget for the combined theatre and museum project, comprising $29.2m for the theatre (as per Resolution 2024/79) and $15m for the museum, plus $3m FF&E which is being raised through fundraising (as per the presented cost estimate for "Option 1(b)".

16 A master programme – appended as Attachment 2 - has been developed for the delivery of Option 1(b) including Stage 1 (Theatre) and the project remainder, being the Laneway and Museum. The programme identifies 4 specific stages:

(1) Demolition of the Theatre Back of House and Criterion Building

(2) Civil works, utilities and services, and site preparation (including retaining walls and preparation of the museum building platform)

(3) Theatre

(4) Museum

17 Attachment 3 provides a cost estimate including a breakdown of costs by work area, with costs allocated across the theatre and museum budgets. This cost breakdown illustrates that, subject to Council's agreement to the master programme, the project is on target to be delivered within the approved budget.

18 This report seeks Council approval of the Master Programme and sequencing, and recognition of the financial and operational advantages to be gained by progressing the Laneway and Museum design & construction integrally with the Theatre Royal design & construction.

Discussion

19 For the theatre to become operational, demolition of the theatre Back of House and the Criterion Building must be progressed, and the lower section of the Laneway (Area 2a as depicted in Attachment 2 and 3). It is highly recommended that the Laneway is progressed in its entirety (not just the theatre site) as both Laneway areas encompass essential structural and servicing elements for both the theatre and the museum.

20 It is further recommended that design and construction of the museum is undertaken in parallel with the Theatre Royal and Laneway (as per the Master Programme in Attachment 2), to maximise design and construction efficiencies, minimise operational disruption to the theatre, and avoid future re-work and abortive costs. Construction of the museum after the completion of the theatre would significantly increase construction costs and potentially have a negative effect on secured funding and grants.

21 The financial summary in Attachment 3 demonstrates that the project can be delivered to the approved budget. Value Engineering is being pursued as part of the design process to realise the target savings identified. Consideration has been given to further scope reduction options, and these are summarised in Attachment 4. These are not presented as recommended options, as this paper demonstrates that the current approved concept design can be delivered to the approved budget. The current northern extension design (Area 3d) addresses and resolves previous congestion and circulation issues; omitting Area 3d in part or in whole would negate the benefits that this design provides and compromise the project's objectives both to modernise the theatre and to improve audience and performer experience.

22 Note – It should also be noted that any change to the concept and scope would be a departure from the current resolution to adopt Option 1(b).

23 Design team engagements: A competitive tender process has been undertaken to select the design team and preferred suppliers have been confirmed for architectural, structural, civil, MEP (mechanical, electrical and plumbing) and fire services. Value Engineering workshops are to be held with the design team over coming weeks to identify and realise potential savings to architectural, structural, MEP, and specialist theatre systems.

24 Government Funding: MBIE "Shovel ready" funding is still available to the project, and a revised schedule of milestones has been agreed with MBIE to reflect the revised delivery programme. The MBIE funding is contingent on a commitment to construct the museum as well as the theatre, with coinciding completion dates.

25 Operational Plan: The operational plan for the theatre and museum is currently being updated to reflect the current concept design. The assumptions made regarding theatre occupancy levels, and the associated revenues and operating expenses, remain largely unchanged. The revised Operational Plan will also consider wider operating models, including the formation of a Trust to manage the theatre.

Options and Preferred Option

26 **Option 1 (Preferred Option)** -
Approve the project to proceed based on the proposed design and construction programme and cost estimates for the theatre, laneway and museum.

That Council reaffirms the total approved budget for the combined theatre and museum project, comprising $29.2m for the theatre and $15m for the museum, plus $3m for museum fitout, to be raised through fundraising.

27 **Options 2 -**
Proceed based on the proposed design and construction programme for the theatre and Laneway, with construction of the museum deferred until after completion of the theatre. This option would result in increased costs to construction of the museum and will jeopardise secured MBIE funding.

28 **Option 3** -
Proceed based on the proposed design and construction programme for the theatre and lower Laneway only (Area 2a on Attachment 2), with construction of the museum and upper Laneway (Area 2b on Attachment 2) deferred until after completion of the theatre. This option would result in increased costs to construction of both the museum and the upper Laneway (Area 2b on Attachment 2), and a reduced effectiveness of the Laneway as a public space. It will jeopardise secured MBIE funding.

Consultation

29 Several design options were presented to Council in October 2024, with the current option selected as the preferred option, subject to confirmation that it can be delivered within the approved budget.

30 The concept design has been developed to reflect the feedback from stakeholders and User Group in late 2024.

31 A revised resource consent is under preparation to reflect the changes from the previously consented layouts.

Relevant Legislation, Council Policy and Plans

32 Timaru District Council Long Term Plan 2024-34.

Financial and Funding Implications

33 Attachment 3 details current cost estimates and confirms that the project can be delivered to the approved budgets.

Other Considerations

34 There are no additional considerations at this stage.

Attachments

1. **Theatre Royal Council Paper 250506 Appendix 1 - Architectural Concept Design Report**
2. **Theatre Royal Council Paper 250506 Appendix 2 - Master Program**
3. **Theatre Royal Council Paper 250506 Appendix 3 - Financial Summary**
4. **Theatre Royal Council Paper 250506 Appendix 4 - Potential Future Scope Reduction Options**

THEATRE ROYAL REFURBISHMENT
LANEWAY DEVELOPMENT
MUSEUM DEVELOPMENT

CONCEPT DESIGN REPORT - APRIL 25

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Document Control

Document Name :
02140/T167 TTR-SCM ARCHITECTURAL- Concept

Revision : 1

Author : NB Architects & DLA Architects

Checked by: Joshua Newlove

Approved by: Leon Browning

Date Approved: 11/04/2025

1.0 Introduction

THREE DISTINCT PROJECTS

THEATRE ROYAL - HOME TO PERFORMING ARTS.
SOUTH CANTERBURY MUSUEM - OUR PAST AND HERITAGE
LANEWAY - THE CONNECTION THROUGH OUR CBD

AN OPPORTUNITY FOR TIMARU'S CULTURE, PEOPLE AND LANDSCAPE.

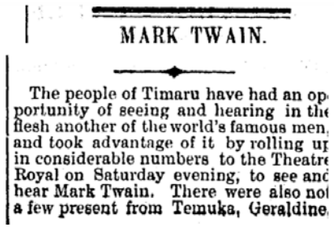
1.1 Theatre Royal - Overview

History & Heritage

The site of the Theatre Royal has been a community gathering place for over 150 years. Richard Turnbull constructed a grain store on the site in 1870, which later became a de facto town hall. The grain store was transformed into the Theatre Royal in 1877 by architect Maurice Duval. The auditorium was rebuilt by architect HE White in 1911, who later designed the St James Theatre in Wellington. The foyer underwent its first renovation in the 1960s and again in 1993, designed by architect Barrie Bracefield.

The Theatre Royal has been a place for our community to gather for generations, a venue for singing, laughter, tears, performances, and applause for over 150 years. Mark Twain reportedly spoke here, and many notable performers such as Mike King, Strassman, and Dave Allen have graced its stage. We have watched our children, grandchildren, and great-grandchildren perform here in musicals, plays, singing recitals, and kapa haka.

Some who started at the Theatre Royal have gone on to become some of the best performers this country has produced; it is a space that belongs to our community. The link to the heritage and history of this venue are immensely important to the community. We believe our role is to add to that story, preserving the heritage while introducing a new chapter to this significant building.



MARK TWAIN.

The people of Timaru have had an op portunity of seeing and hearing in the flesh another of the world's famous men, and took advantage of it by rolling up in considerable numbers to the Theatre Royal on Saturday evening, to see and hear Mark Twain. There were also not a few present from Temuka, Geraldine,

Fig. excerpt from :
Timaru Herald, 11 November 1895, Page 3

Stakeholder Engagement & Current Issues

We met with the theatre user group twice. During these meetings, we were able to establish a brief to bring the Theatre Royal up to a usable standard. Key themes included:

Front of House

- Inadequate space for the number of users
- Lack of appropriate toilet facilities
- Poor acoustics in the ticketing office
- No cloak area for coats, prams, etc.
- Congested bar area, unable to serve as many patrons as required
- Non-compliance of accessibility from Stafford Street
- Steps in the foyer off Stafford Street further congest the space and pose safety risks
- Lack of revenue-generating options

Auditorium

- Poor viewing angles to the stalls
- Inadequate heating and cooling

Stage & Back of House

- Insufficient wing space for safety
- Unsuitable gallery
- Inadequate fly system
- Sloped stage makes it difficult for scenes to be stable and is not used in modern theatre
- Changing rooms not fit for purpose-too small with narrow corridors & spread over 3 floors.
- No suitable green room
- Lack of space for groups of children
- Inadequate scene dock
- Truck access level with the stage is essential
- Accessibility from Back of House (BOH) to Front of House (FOH) and vice versa

The stakeholder engagement was extremely useful. Together with previous work undertaken by council officers and the former design team, we were able to formulate a brief for the design.

Design Rationale

Concept: "The Cliff's Edge"
"The Cliff's Edge" is an innovative theatre extension designed to house vibrant bar areas, drawing inspiration from the striking clay cliffs and volcanic basalt formations of South Canterbury. This contemporary structure artfully merges natural aesthetics with modern materials, creating a dynamic social environment that enhances the theatre experience.

The facade showcases a dramatic interplay of vertical standing seam metal, Corten steel, and concrete panels to create a tactile and visually engaging exterior reminiscent of the rugged cliffs of the South Canterbury coastline. Reflecting the layered geological history of the region.

Inside "The Cliff's Edge," the layout is centred around a spacious, welcoming bar and lounge areas that serves as the heart of the Front of House extension.

"The Cliff's Edge" is more than just an extension of the theatre; it is a celebration of South Canterbury's geological beauty and cultural heritage. By skilfully blending contemporary design with natural inspiration, this venue enriches the community's artistic landscape, providing a unique and memorable space for social connection and cultural engagement.

Truck Access

Truck access was one of the most challenging hurdles to overcome due to the site's topography. We achieved truck access with a shared laneway, minimizing the need for extensive earthworks to bring trucks and vehicles down to ground level. This approach greatly reduces the need for retaining walls, with a maximum height of around 3.8 meters. The truck access will allow for one truck to pull up to the dock, with the possibility of another truck waiting at the top of the laneway. There will also be designated parking for trucks off Barnard Street, allowing them to remain onsite overnight if necessary.

Shared spaces

There is ability to share spaces between the Theatre & the Museum. The plant room and plant can be shared between buildings. Along with the BOH Green room can function as an education space for the museum or a community space for hire.

1.2 Theatre Royal - Form

1.22 Theatre Royal - Form

06

1.23 Theatre Royal - Form

1.24 Theatre Royal - Form

1.25 Theatre Royal - Form

09

1.3 Theatre Royal - Materials

MAIN CLADDING - STANDING SEAM PROFILED METAL

representing the basalt rock formations

SOFFITS

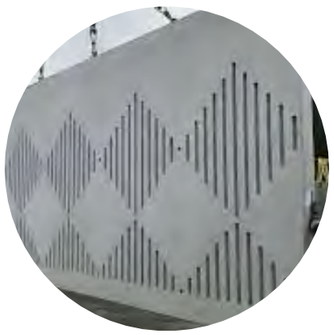
Natural timber products to soffits & ceilings to blur the boundary between the interior & exterior

SECONDARY CLADDING - CORTEN METAL SHEETS

Representing the layers of the earth beneath us. Drawing on the rusted vernacular forms of the marine & rural South Canterbury setting.
Panels laid in a stylised brick pattern to complement the existing brickwork of the Theatre fly tower.

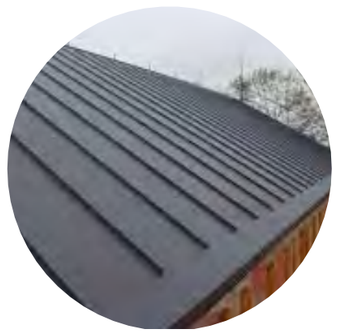
FRONT OF HOUSE ROOFING

Membrane roofing, Consider Warmroof type construction method to allow for superior Insulation and accoustic performance



PRECAST PANELS

Precast panels are utlisied where robust structural walls are required. Cultural & artistic opportunities to have relief patterns cast into the panels to represent our community. Potential for wing extension & scene dock for street art.



BACK OF HOUSE ROOFING

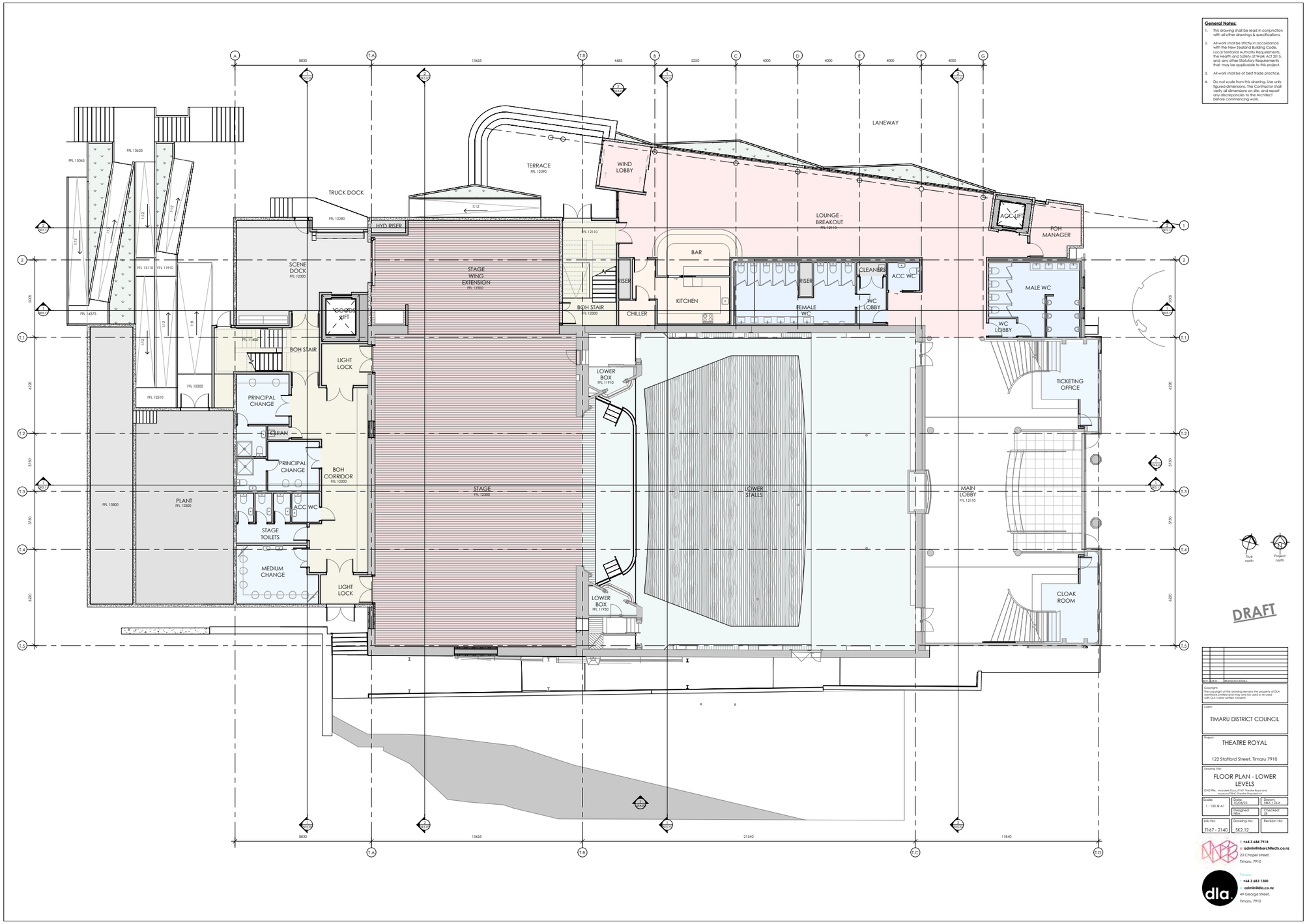
Metal clad roof over trusses to back of house areas cost effective light weight construction method

1.4 Theatre Royal - BIM White Model

A PLACE OF GATHERING FOR THE COMMUNITY FOR OVER 150 YEARS.

PEOPLE WILL SEE OUR HISTOR Y AND OUR SPIRIT EMBEDDED IN THE FABRIC OF THE BUILDING ITSELF; IN THE BEAUTY OF THE AUDITORIUM TO THE SHARED MEMORIES.

WE ARE CONTRIBUTING THE NEXT CHAPTER.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LANEWAY
TERRACE
FFL 12090
WIND LOBBY
TRUCK DOCK
FFL 12280
HYD. RISER
SCENE DOCK
FFL 12300
GOODS LIFT
STAGE WING EXTENSION
FFL 12300
FFL 12110
RISER
BOH STAIR
FFL 12300
CHILLER
KITCHEN
BAR
LOUNGE - BREAKOUT
FFL 12110
RISER
FEMALE WC
CLEANERS
ACC WC
WC LOBBY
ACC LIFT
FOH MANAGER
MALE WC
WC LOBBY
TICKETING OFFICE
FFL 13625
FFL 15065
FFL 13110
FFL 11910
FFL 4375
FFL 11450
BOH STAIR
LIGHT LOCK
FFL 12510
FFL 12300
PRINCIPAL CHANGE
CLEAN
PRINCIPAL CHANGE
BOH CORRIDOR
FFL 12300
ACC WC
STAGE TOILETS
MEDIUM CHANGE
LIGHT LOCK
FFL 13800
PLANT
FFL 12300
STAGE
FFL 12300
LOWER BOX
FFL 11930
LOWER BOX
FFL 11930
LOWER STALLS
MAIN LOBBY
FFL 12110
CLOAK ROOM
8830
13655
21540
11840
3750
6220
3750
3750
6220
3750
DRAFT
True north
Project north
REV. DATE REVISION DETAILS
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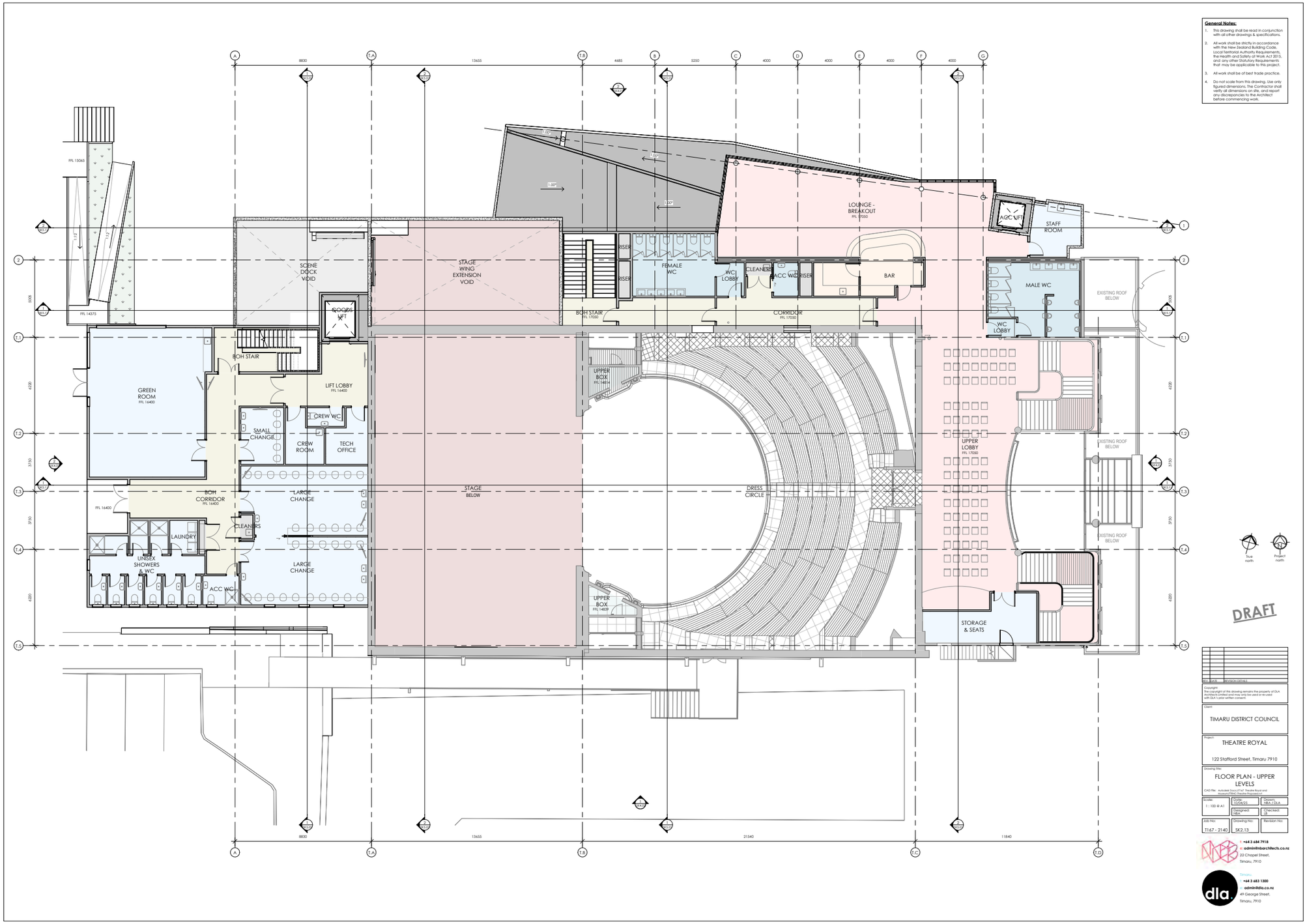
Client:
TIMARU DISTRICT COUNCIL
Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910
Drawing Title:
FLOOR PLAN - LOWER LEVELS
CAD File: Autodesk Docs://TAT Theatre Royal and Auditorium/TRAC Theatre Revised.rvt
Scale: 1 : 100 @ A1
Date: 12/04/25
Drawn: NBA / DLA
Designed: NBA
Checked: LB
Job No: T167 - 2140
Drawing No: SK2.12
Revision No:
P: +64 3 684 7918
E: admin@archtechs.co.nz
22 Chapel Street,
Timaru, 7910
Timaru
P: +64 3 683 1300
E: admin@dla.co.nz
49 George Street,
Timaru, 7910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FFL 15065
FFL 14375
SCENE DOCK VOID
STAGE WING EXTENSION VOID
SCENERY LIFT
BOH STAIR
GREEN ROOM FFL 16400
LIFT LOBBY FFL 16400
CREW WC
SMALL CHANGE
CREW ROOM
TECH OFFICE
BOH CORRIDOR FFL 16400
LARGE CHANGE
CLEANERS
LAUNDRY
UNISEX SHOWERS & WC
ACC WC
STAGE BELOW
RISER
FEMALE WC
WC LOBBY
CLEANERS
ACC WC
WC RISER
BAR
BOH STAIR FFL 17050
CORRIDOR FFL 17050
LOUNGE - BREAKOUT FFL 17050
AGC LIFT
STAFF ROOM
MALE WC
WC LOBBY
EXISTING ROOF BELOW
UPPER BOX FFL 14839
DRESS CIRCLE
UPPER LOBBY FFL 17050
STORAGE & SEATS
8830
13655
4685
5250
4000
21540
11840
DRAFT
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Project
THEATRE ROYAL
122 Stafford Street, Timaru 7910
Drawing Title:
FLOOR PLAN - UPPER LEVELS
Scale: 1 : 100 @ A1
Date: 10/04/25
Drawn: NBA / DLA
Designed: LBA
Checked:
Job No: T167 - 2140
Drawing No: SK2.13
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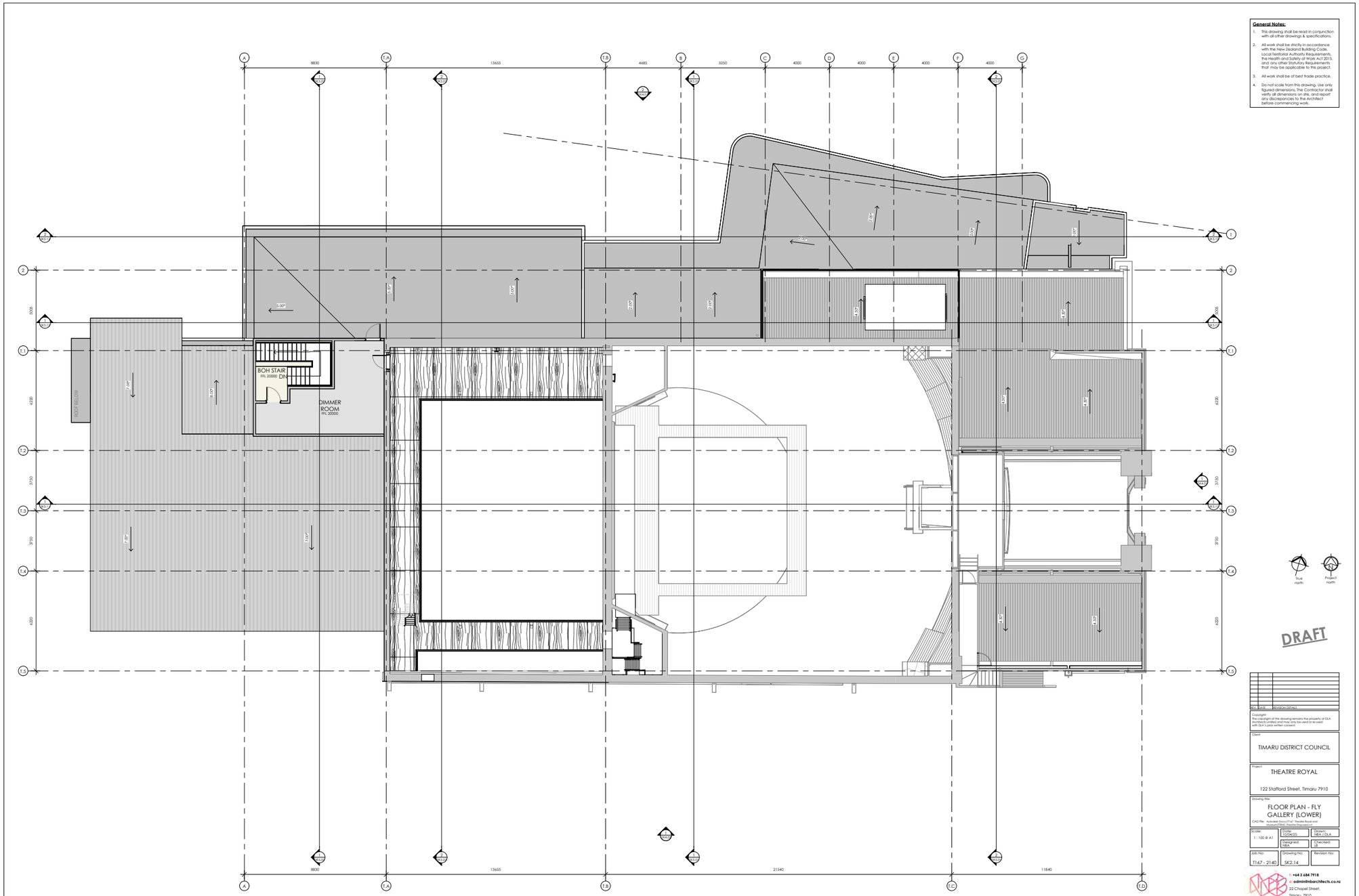
49 George Street, Timaru, 7910



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True north

Project north

DRAFT

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TIMARU DISTRICT COUNCIL

Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing Title:
FLOOR PLAN - FLY GALLERY (LOWER)

CAD File: Archicad Docs\Full Theatre Repair and Restoration\Basic Practice Progressives.pln

Scale:	Date:	Drawn:
1 : 100 @ A1	10/04/25	NBA / DLA
	Designed: NBA	Checked: SB
Job No:	Drawing No:	Revision No:
T167 - 2140	SK2.14	

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E: admin@nbarchitects.co.nz
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E: admin@dla.co.nz
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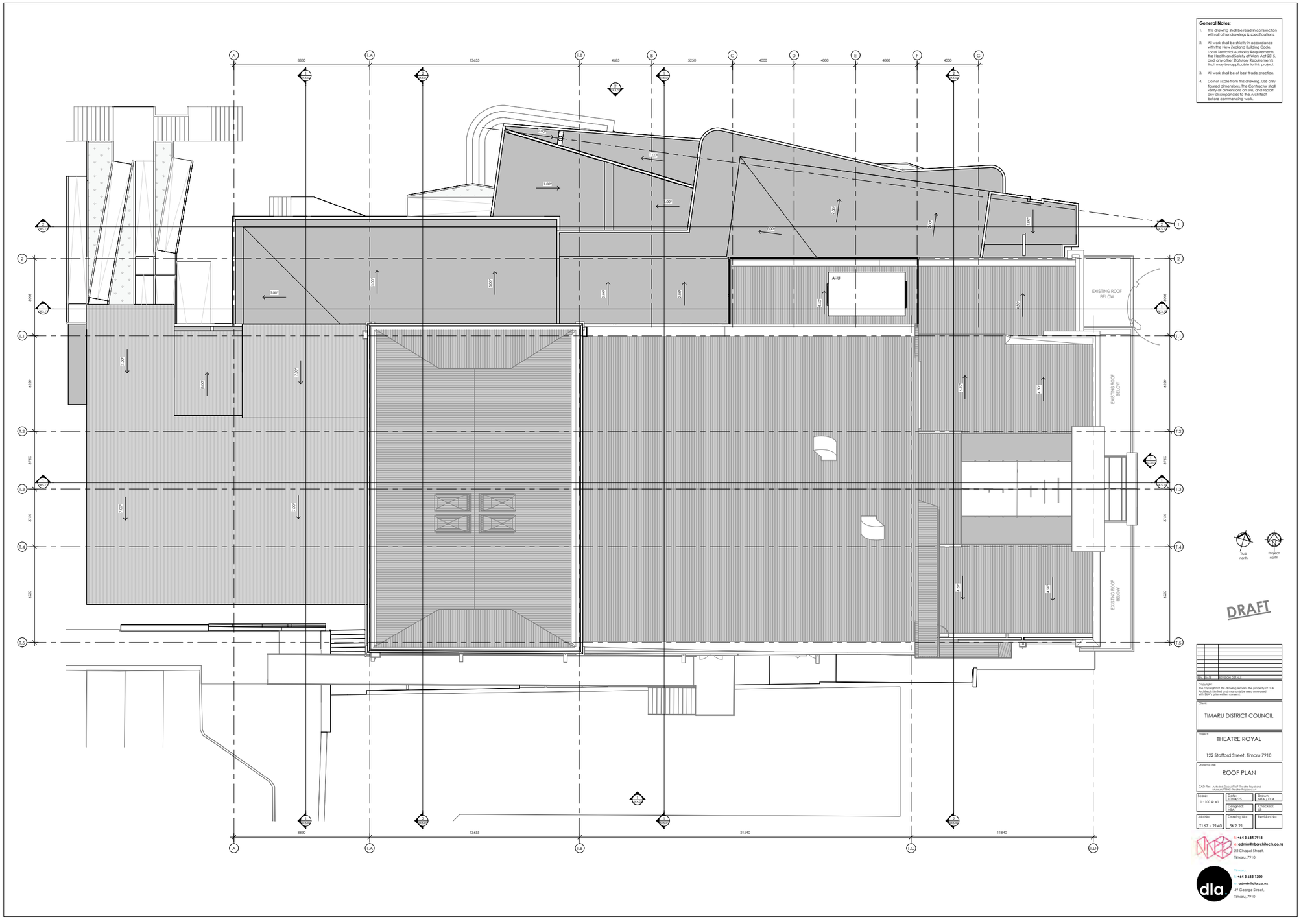

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True north

Project north

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Rev	Date	REVISION DETAILS

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Client:
TIMARU DISTRICT COUNCIL

Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing Title:
ROOF PLAN

CAD file: Autodesk Docs://TAT Theatre Royal and Museum/TRMC Theatre Proposals.rvt

Scale:	Date:	Drawn:
1 : 100 @ A1	10/04/25	NBA / DLA
	Designed: NBA	Checked: LB
Job No:	Drawing No:	Revision No:
T167 - 2140	SK2.21	

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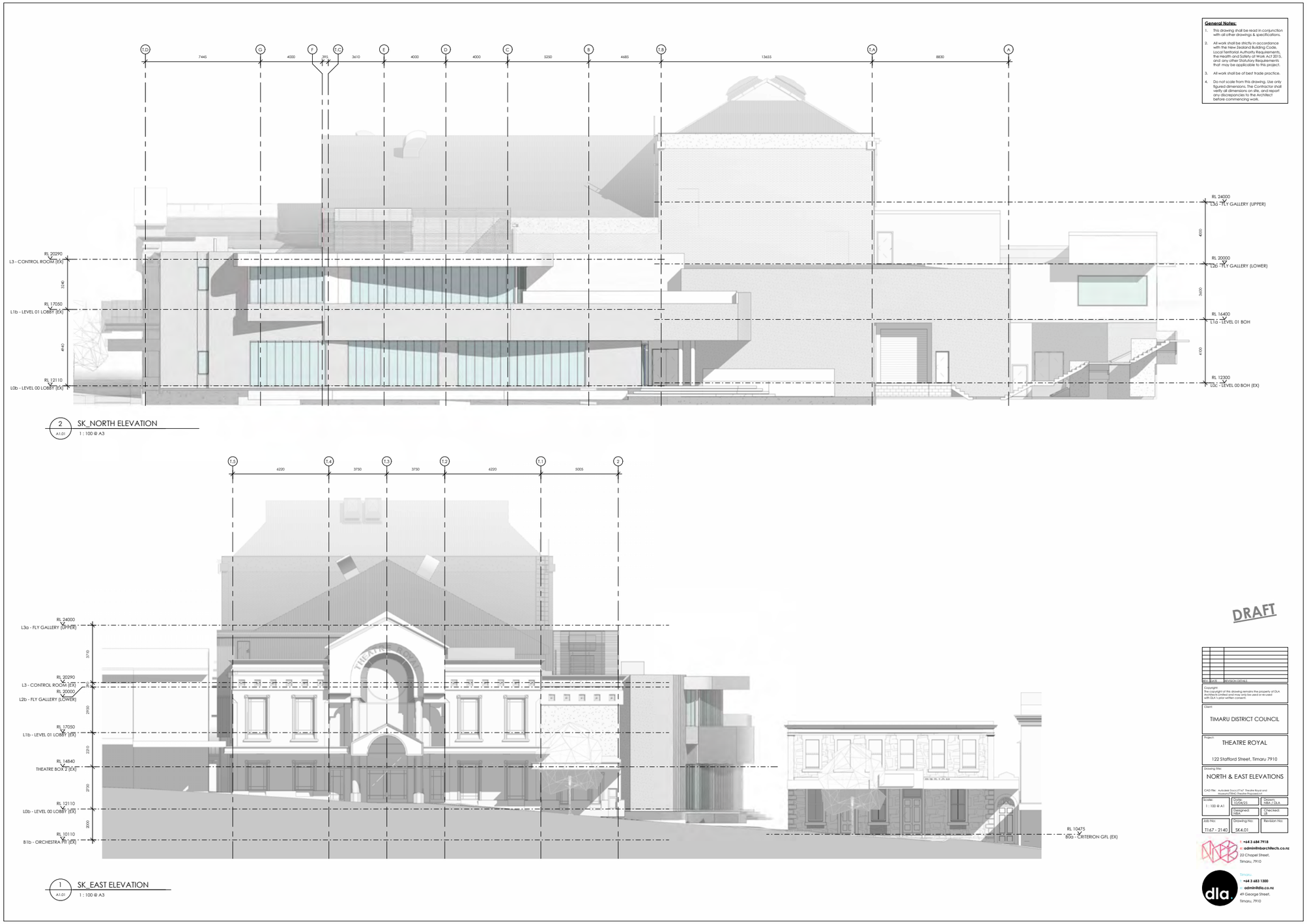
Timaru, 7910


T.D
7445
G
4000
F
395
T.C
3610
E
4000
D
4000
C
5250
B
4685
T.B
13655
T.A
8830
A
RL 24000
L3d - FLY GALLERY (UPPER)
RL 20290
L3 - CONTROL ROOM (EX)
RL 20000
L2c - FLY GALLERY (LOWER)
RL 17050
L1b - LEVEL 01 LOBBY (EX)
RL 16400
L1d - LEVEL 01 BOH
RL 12110
L0b - LEVEL 00 LOBBY (EX)
RL 12300
L0c - LEVEL 00 BOH (EX)
4000
3240
3600
4460
4100
2 SK_NORTH ELEVATION
A1.01
1 : 100 @ A3
T.5
6220
T.4
3750
T.3
3750
T.2
6220
T.1
5005
2
RL 24000
L3a - FLY GALLERY (UPPER)
RL 20290
L3 - CONTROL ROOM (EX)
RL 20000
L2b - FLY GALLERY (LOWER)
RL 17050
L1b - LEVEL 01 LOBBY (EX)
RL 14840
THEATRE BOX 2 (EX)
RL 12110
L0b - LEVEL 00 LOBBY (EX)
RL 10110
B1b - ORCHESTRA PIT (EX)
3710
2950
2250
2730
2500
THEATRE ROYAL
RL 10475
B0a - CRITERION GFL (EX)
1 SK_EAST ELEVATION
A1.01
1 : 100 @ A3
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Project
THEATRE ROYAL
122 Stafford Street, Timaru 7910
Drawing Title:
NORTH & EAST ELEVATIONS
CAD File: Autodesk Docs://T167 Theatre Royal and Museum/TRMC Theatre Proposal.rvt
Scale: 1 : 100 @ A1
Date: 10/04/25
Drawn: MM / DLA
Designed: MM
Checked: LB
Job No: T167 - 2140
Drawing No: SK4.01
Revision No:
T: +64 3 684 7918
e: admin@nbarchitects.co.nz
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Timaru, 7910
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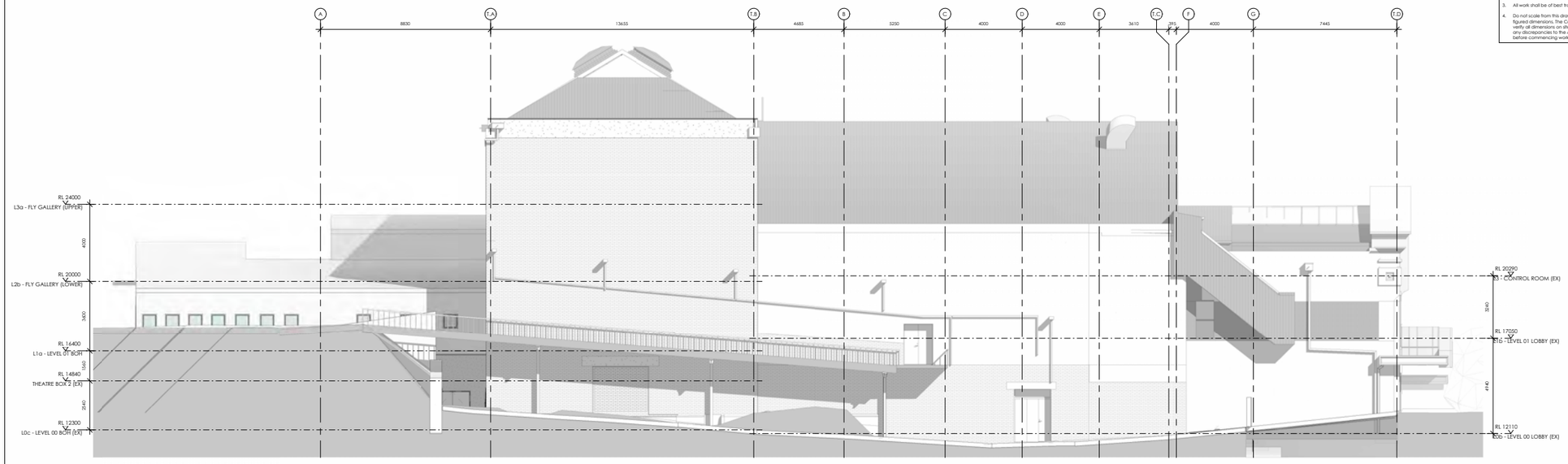
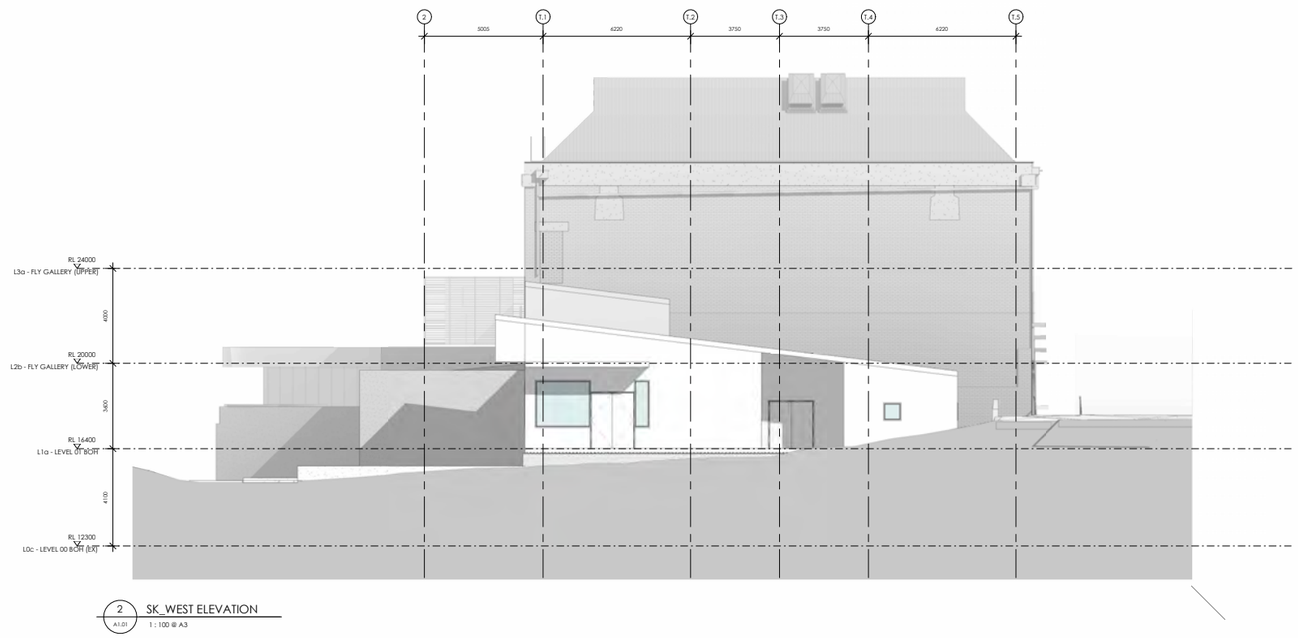


1 A1.01 SK_SOUTH ELEVATION
1 : 100 @ A3



2 A1.01 SK_WEST ELEVATION
1 : 100 @ A3

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Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing title:
SOUTH & WEST ELEVATIONS

CAD file: Autodesk Docs://T167 Theatre Royal and Heritage/MBIE Theatre Redevelopment

Scale:	Date:	Drawn:
1 : 100 @ A1	15/04/25	MBA / DLA
	Designed:	Checked:
	MBA	CB
Job No:	Drawing No:	Revision No:
T167 - 2140	SK4.02	

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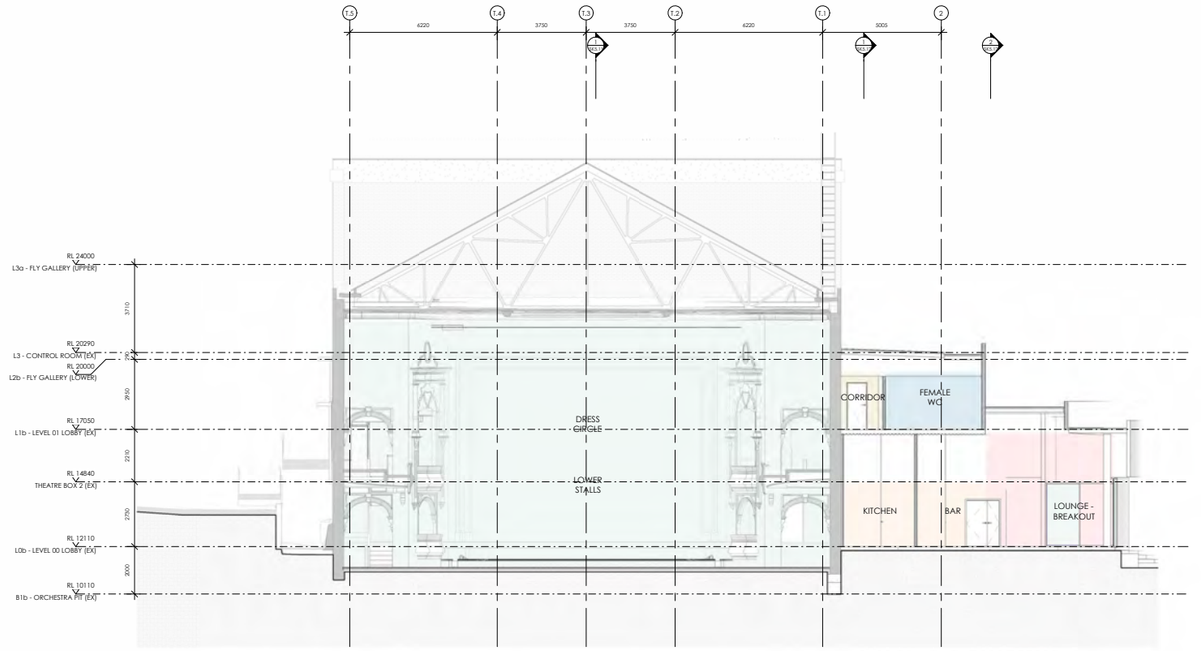
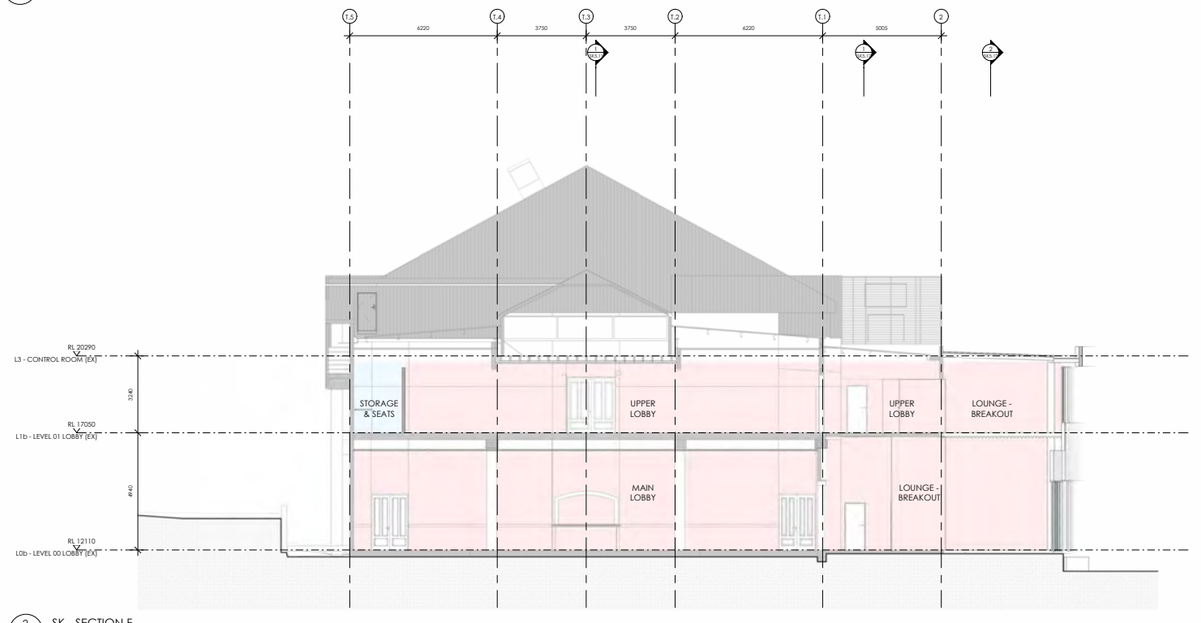


1 SK - SECTION B
A5.11 1 : 100 @ A3



2 SK - SECTION F
A5.11 1 : 100 @ A3

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Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing Title:
OVERALL SECTIONS - CROSS

CAD file: Autodesk Docs://T167 Theatre Royal and Auditorium/TRAC Theatre Proposal.rvt

Scale:	Date:	Drawn:
1 : 100 @ A1	11/04/25	MBA / DLA
	Designed: MBA	Checked: LB
Job No: T167 - 2140	Drawing No: SK5.01	Revision No:

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Timaru
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E: admin@dla.co.nz
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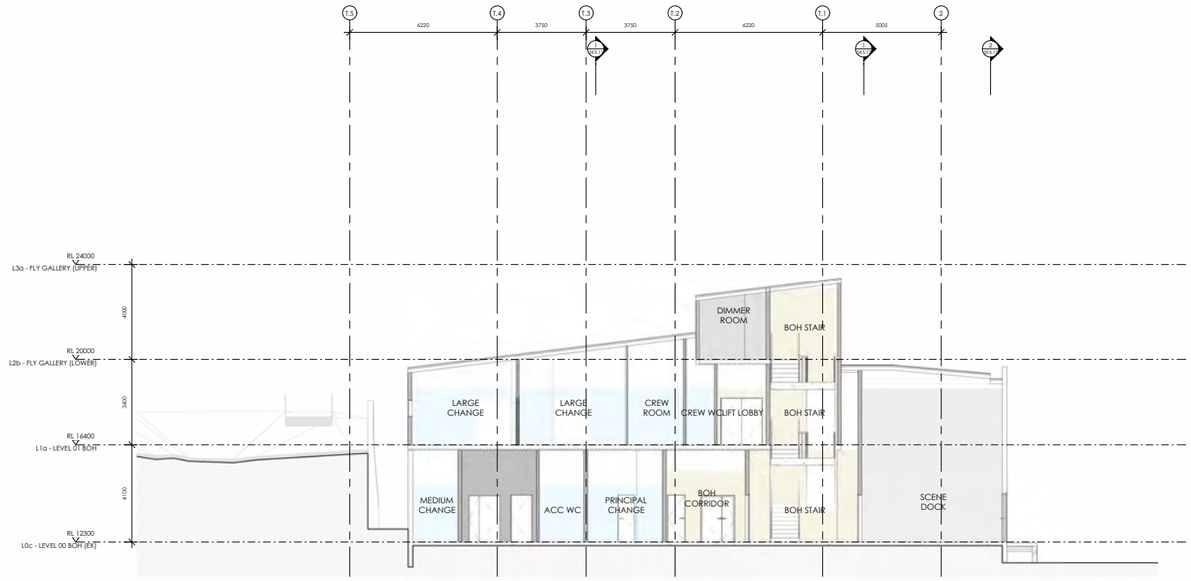

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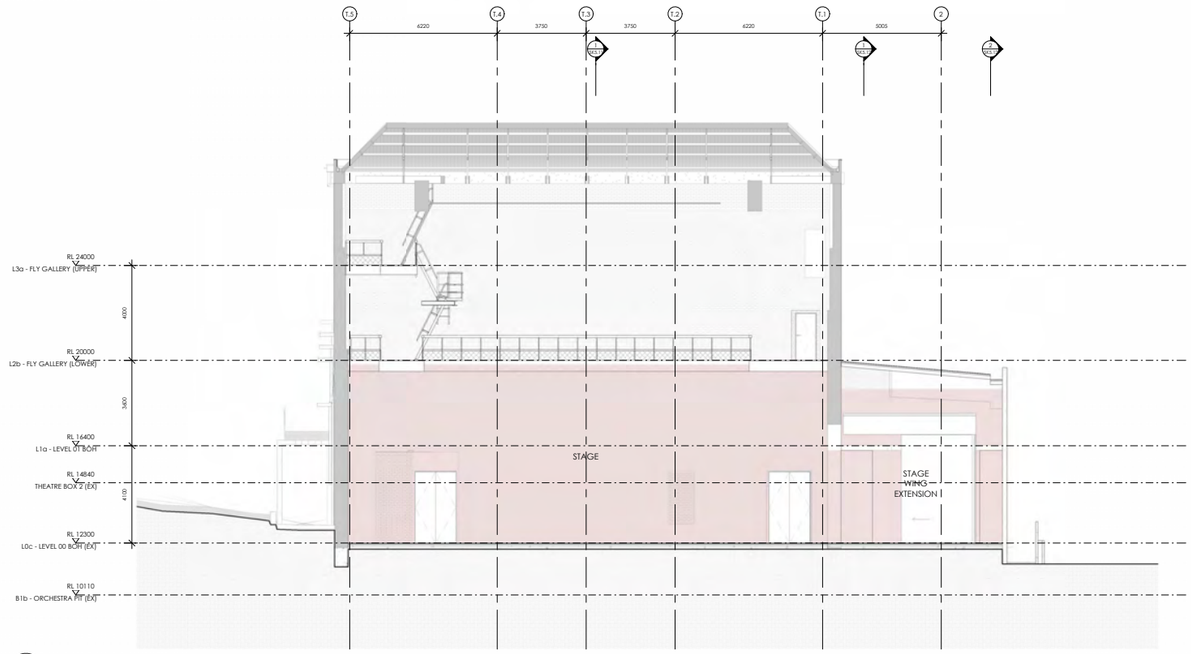

2 A5.11 SK - SECTION TA
1 : 100 @ A3

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TIMARU DISTRICT COUNCIL

Project
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing Title
OVERALL SECTIONS - CROSS

CAD File: Activated from LHC Anchor Board and measured TBWC Check if measurement

Scale:	Date:	Drawn:
1 : 100 @ A1	10/04/25	HBA / DLA
	Designed: HBA	Checked: JB
Job No: T167 - 2140	Drawing No: SK5.02	Revision No:

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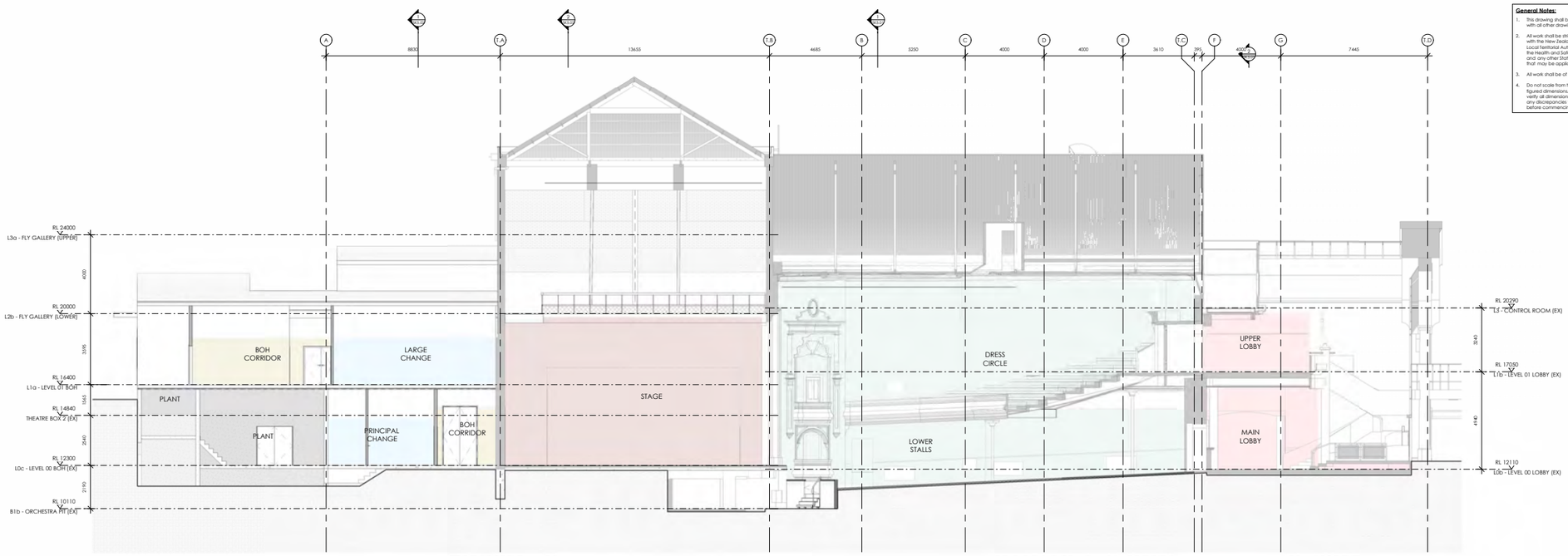
Timaru, 7910



1 / AS.01 SK - SECTION T3
1 : 100 @ A3

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TIMARU DISTRICT COUNCIL

Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing Title:
OVERALL SECTIONS - LONG

CAD file: Autodesk Docs://T167 Theatre Royal and Modern/TRMC Theatre Proposal.rvt

Scale: 1 : 100 @ A1	Date: 10/04/25	Approved: MBA / DLA
	Designed: MBA	Checked: LB
Job No: T167 - 2140	Drawing No: SKS.11	Revision No:

T: +64 3 684 7918
E: admin@dlarchitects.co.nz
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Timaru
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E: admin@dla.co.nz
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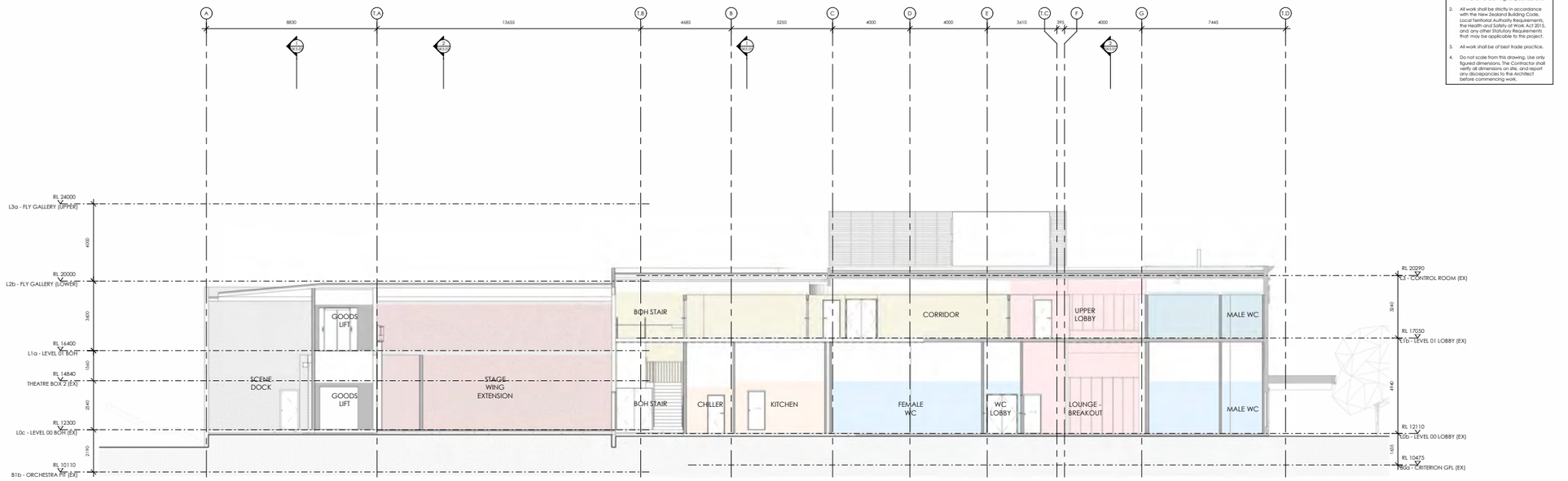

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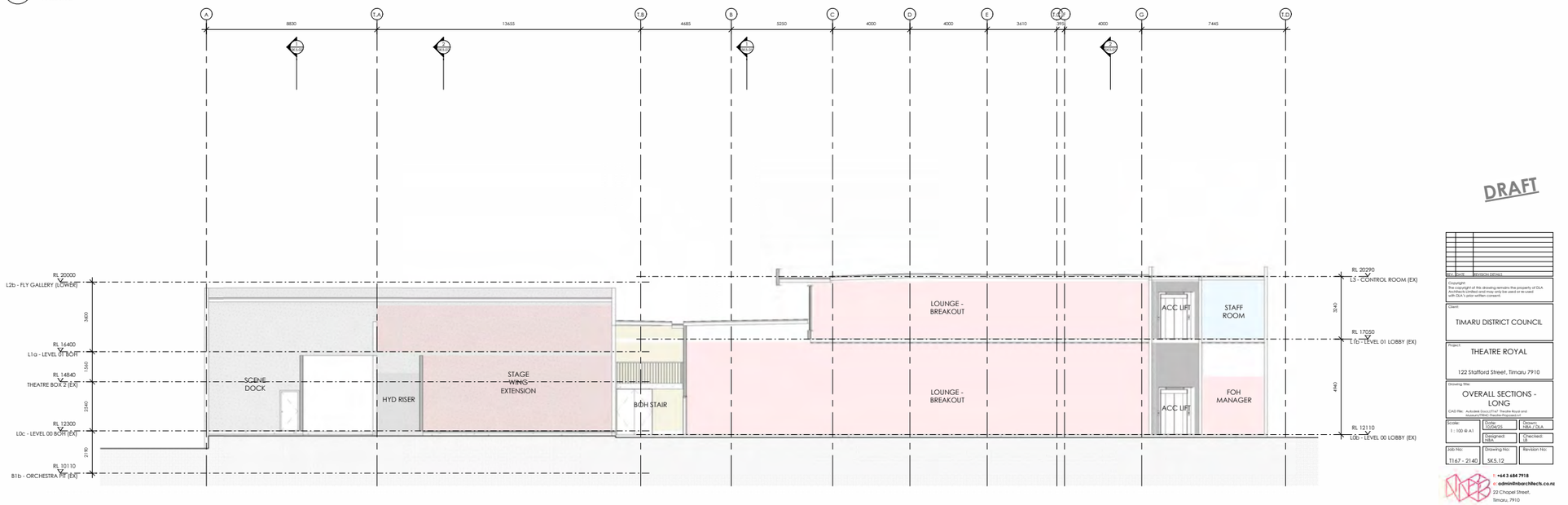

2 A5.01 SK - SECTION T2
1 : 100 @ A3

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Client:
TIMARU DISTRICT COUNCIL

Project:
THEATRE ROYAL
122 Stafford Street, Timaru 7910

Drawing title:
OVERALL SECTIONS - LONG

CAD file: Autodesk Docs://Full Theatre Revit and Models/FINAL Theatre Proposal.rvt

Scale:	Date:	Drawn:
1 : 100 @ A1	10/04/25	MBA / DLA
	Designed:	Checked:
	DLA	JS

Job No:	Drawing No:	Revision No:
T167 - 2140	SK5.12	

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e: admin@nbarchitects.co.nz
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49 George Street,
Timaru, 7910

1.5 Theatre Royal - Metrics

STAGE HOUSE/FLY TOWER

Stage Floor	263
Lower Gallery	90
Upper Gallery	105
Dimmer Room	25
Wing extension	82
TOTAL	565

AUDITORIUM

Stalls	384
Dress Circle	282
Control room	17
Orchestra Pit	35
TOTAL	718

FRONT OF HOUSE - LOWER FLOOR

Foyer (within existing structure)	238
Bar, lounge, lift, kitchen & wind lobby (new build)	171
Managers office (new build)	10
Female & Male toliets (within existing structure)	73
Fire Stair	24
TOTAL	516

FRONT OF HOUSE- UPPER FLOOR

Foyer (within existing structure)	165
Bar, lounge & lift (new build)	107
Female toilets (new build)	37
Male toilets,acessible & kitchen (within existing structure)	59
Fire Stair	24
TOTAL	392

PLANT ROOM - Shared between TR & SCM

Main plant room	45
auxilary plant room / storage	72
TOTAL	117

BACK OF HOUSE - LOWER FLOOR

Changing areas	39
scene dock -includes goods lift	56
Toilet & areas	25
BOH stairway	50
Circulation	60
TOTAL	230

BACK OF HOUSE- UPPER FLOOR

changing areas	85
goods lift	9
Toilet & Shower areas	43
BOH Stairway	21
Technician spaces	19
Greenroom - shared community space with SCM	72
Circulation	62
TOTAL	311

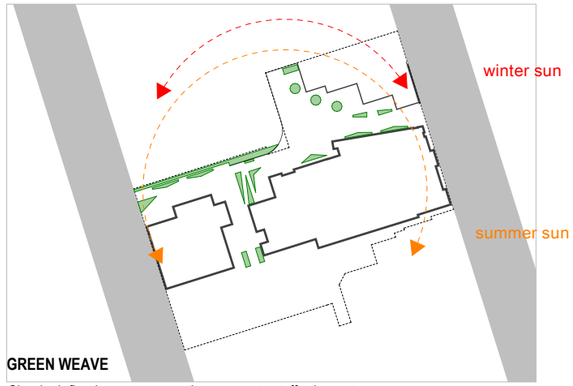
all areas in metres squared and nett areas

2.0 Laneway Development

THE FIRST SETTLERS BUILT THE TOWNSHIP WE KNOW TODAY. BUT BEFORE THAT, IT WAS TE MARU - A PLACE OF SHELTER, USED AS A PLACE TO REST.

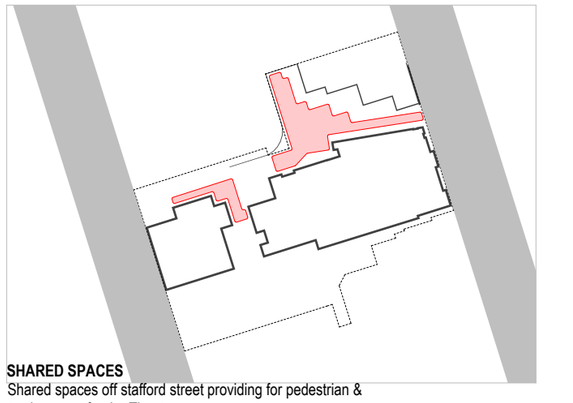
A CONNECTION TO THE WHENUA THROUGH THE URBAN LANDSCAPE, WHERE HISTORY AND CULTURE CAN BE SHARED, EXISTS IN THIS PLACE.

2.1 Laneway - Masterplan



GREEN WEAVE

Clearly defined green spaces that connects stafford street to barnard street. A space that provides for retreat from the roadways

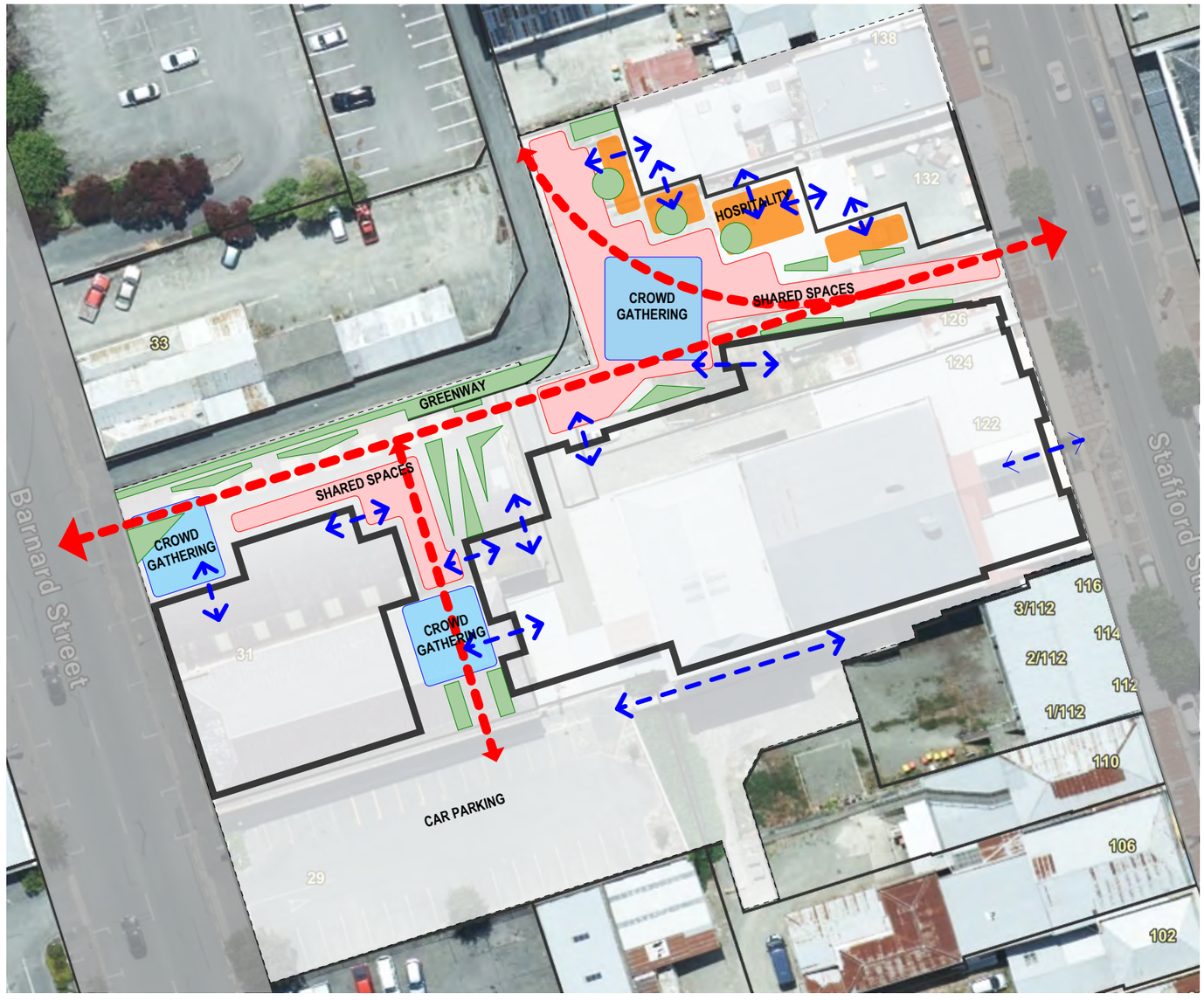


SHARED SPACES

Shared spaces off stafford street providing for pedestrian & truck access for the Theatre.

CROWD GATHERING & HOSPITALITY

open spaces to allow crowds to gather outside the facilities. Opportunity for developments to open out onto the laneway



PROPOSED SITE PROGRAMME

MASTER PLAN KEY PRINCIPLES

Loved Timaru.
Ko au, ko koe, ko tātou.
Visible & celebrated identity

Everyday Timaru.
He wāhi ora.
It's a lively place

Dynamic Timaru.
Ōhanga taineke.
Resilient local economy

Mobile Timaru.
Te ara āheitanga.
Sustainable & inclusive mobility

Healthy Timaru.
Te taiao hei whakamaru.
Kaitiaki of natural enviroment

24

2.2 Laneway - Materials

Kaitiakitanga
Taking care of people and this place

Sustainability:

Native Plants
Support Biodiversity - native birds, copper butterflies, and pollinators. Visible & celebrated identity using plants that belong in South Canterbury - Kaitiakitanga values.

Re use existing materials
Wharf timber, bluestone blocks and pavers. Reduce waste, reduce embodied energy required for new materials.

Local Materials
Using locally sourced materials (and local labour) we reduce the embodied energy of sourcing from great distances away.

Drinking water fountain
Providing visitors and locals with our fresh clean water reduces consumption and waste of single-use plastic water bottles.

Durability:

Reclaimed Wharf Timbers
Timber elements to be reclaimed wharf timbers working in with Primeport to secure Jarrah or Iron bark timber with long lifespan

Corten Steel
Corten steel used as features to tie into the theatre building

Plant Selection
Plants selected are native to South Canterbury so they thrive and demonstrate our local character.

Hardscape
Locally sourced bluestone pavers and reused stone from the Criterion Hotel site partially used in the laneway.

Mixture of bluestone and concrete pavers that change from mostly bluestone on higher levels and the steps down to mostly concrete at Stafford Street end to tell the story of Mt Horrible larva flow that created our famous bluestone basalt.

reclaimed timber seating

Accessibility:

Steps & Ramps
The design has accessible stair & ramps with consistent gentle gradient so anyone with wheels, e.g. prams, scooters, elderly walking frames and wheelchairs have easy access. Plus Accessible ramps into buildings and through interior spaces where required

Parking
Accessible parks in existing carpark plus provision alongside truck access if required

tree pit guards

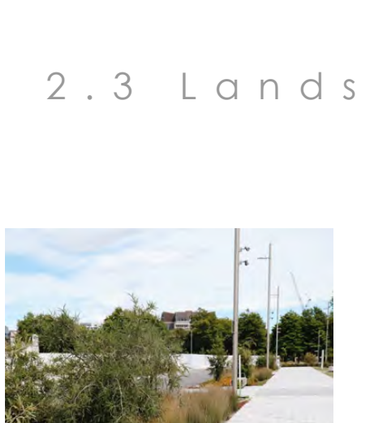
bluestone drinking fountain

reclaimed timber bollards

"E aha te mea nui o te ao? he tangata, he tangata, he tangata. What is the most important thing in the world? it is people, it is people, it is people." - Sir Apirana Ngata.

2.3 Landscape - Plantings

Rain gardens designed to take stormwater from pavement. Native plant species that survive wet and dry and provide habitat for native biodiversity. (Photo: CBD Christchurch by Julia atkinson-Dunn)



Exemplars of unique species that are native to South Canterbury

Environment

Timaru's origin and success (including Maori history) is based on the rich soils and diverse ecosystems from alpine, forests, grasslands, wetlands and coastline. Gardens throughout the laneway are exposed to different slope and sunlight creating perfect opportunities to demonstrate different ecosystems from dryland tussocks to wetlands (rain garden), alpine, basalt and limestone ecologies which will feature some of New Zealand's unique and rare plants.

Trailing and climbing plants to soften vertical hardscape.

Native plant species that thrive next to limestone are some of New Zealand's most rare plant species

3.0 South Canterbury Museum

OUR CULTURE AND IDENTITY COME FROM OUR PAST AND HERITAGE

A PLACE TO REFLECT, EDUCATE AND PRESERVE. TO CELEBRATE AND ENGAGE.
A PLACE TO STRENGTHEN COMMUNITY

3.1 South Canterbury Museum - Overview

Preamble
The design of the Museum building has not yet been undertaken. While there is an understanding of general requirements based on previous design efforts, engagement with key stakeholders is essential to fully understand their needs and to develop a comprehensive design brief for the building.

Implications for the Laneway
The design of the Museum will have a direct impact on the development of the adjacent laneway. Gaining a clear and detailed understanding of the Museum's internal requirements will enable the effective placement of services and infrastructure within the new laneway. This clarity is crucial to ensuring that work on both the laneway and the Theatre can progress without unnecessary delays or rework.

Buildig Services Infrastructure
It is envisaged the cost efficiencies can be gained by the Museum and Theatre sharing building services infrastructure. The main plantroom for the Theatre is located to the centre of the site beneath BOH Changing Facilities. This is an ideal location to share building services with the Museum.

Green Room/ Education Space
The Theatre Greenroom (including toilet facilities) can be shared with the museum as an education space. This space can also be used as a community space for hire.

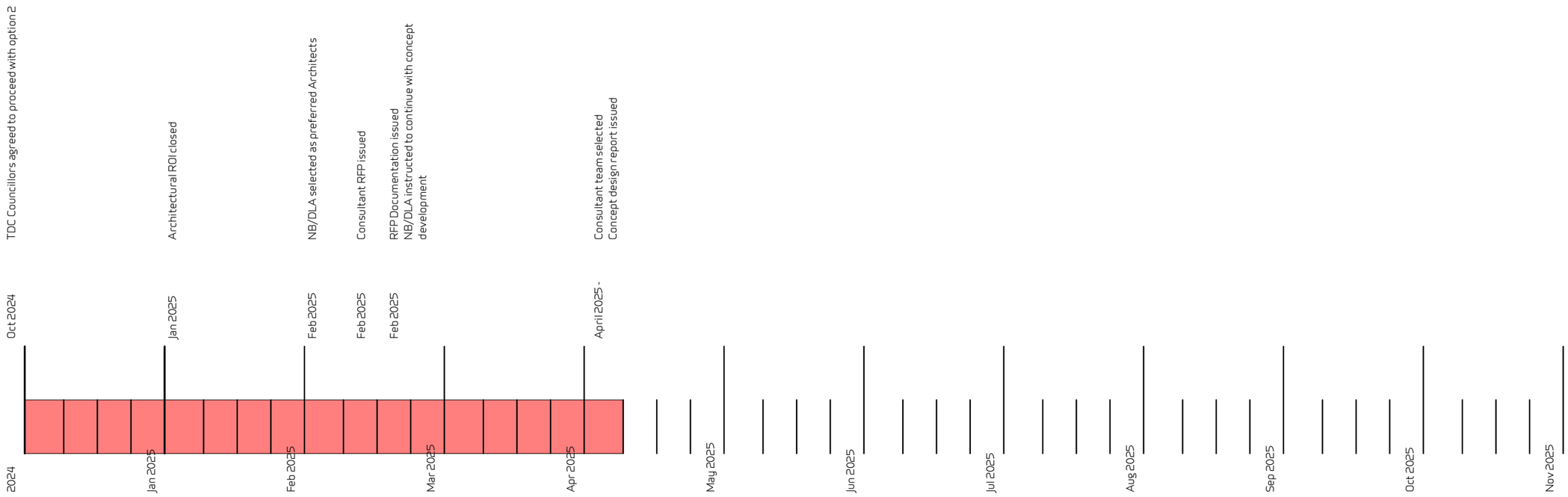
4.0 - Appendix

4.1 Project Progress

NB / DLA PROGRESS

	Project Establishment	Concept	Prelim Design	Developed	Detailed	Construction
Theatre Royal	75%	75%	25%			
Laneway	75%	25%				
Museum						

Notes:
- *Project establishment with consultant team to be undertaken*
- *Prelim BIM Model (white model) ready for issue to consultants for input*
- *Concept design development for laneway to be undertaken after consultation*
- *Concept design for Museum to be undertaken after user group consultation*



CIC Guidelines

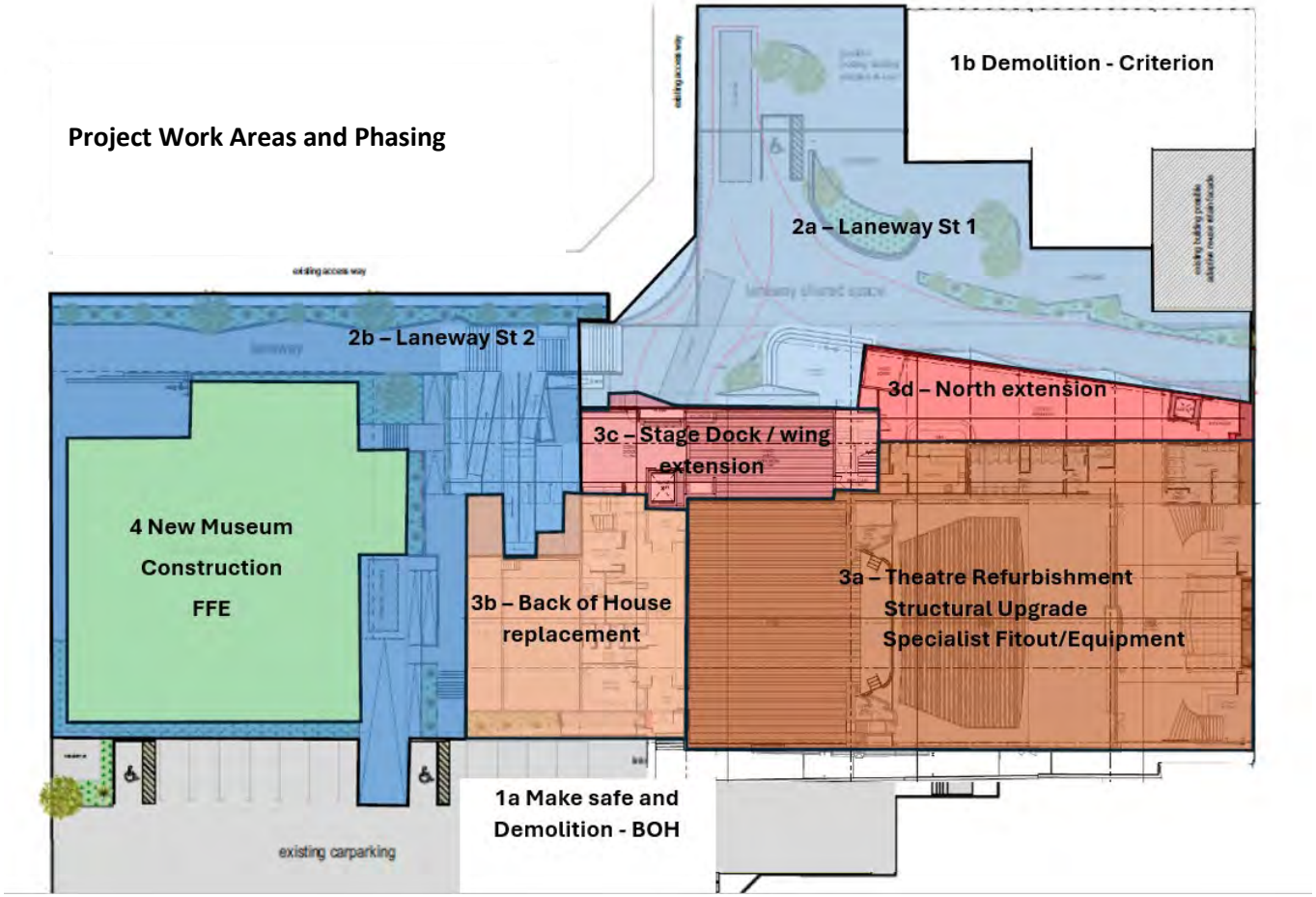
PROJECT ESTABLISHMENT	TR	LW	SCM	
Approvals and Inputs				
Objectives. *Consider sustainability, embodied & operational carbon, social procurement, circular economy and encourage goals, and targets.*	✓	✓		*Considered and will be implemented through the duration of the project as much as feasibly possible*
Guidelines. *Prepare from NZCIC template and issue draft to respective consultants. Invite collaborative affirmation or updated response. Integrate across project team.*	✓	✓	✓	*CIC Guidelines prepared as draft and ready to be issued out to teams*
General				
Value Management. *Develop strategies for the project.*	✓	✓		*Development is ongoing*
Non-Structural Seismic Design. *Confirm responsibility for non-structural seismic design across all disciplines.*	✓			*Will implement with the consultant team*
BIM				
BIM Goals. *Consider BIM goals, objectives and information requirements. e.g., Whole of Life information requirements, digital twin, asset & facilities management and confirm for the project. Refer to NZ BIM Handbook for further information.*	✓	✓	✓	*Undertaken between NB & DLA ready to implement with consultant teams*
BIM Brief. *Finalise, approve, and distribute project Exchange Information Requirements (EIR). Refer to the NZ BIM Handbook for further information.*	✓	✓	✓	*Undertaken between NB & DLA ready to implement with consultant teams*
BIM Response. *Client team/Client BIM Consultant to evaluate Consultant(s) response(s) to the EIR.*	✓	✓	✓	*Bim management plan issued out to PM*
Regulatory Compliance				
Resource Consent. *Consider project requirements.*	✓	✓		*Initial Discussions held with PM & TDC staff. Consideration to the requirements has been undertaken at a design level*
Town Planning and Associated Legislation. *Investigate planning controls, consult with TA as appropriate.*	✓	✓		*Undertaken at a design level, further input from specialist consultants required*
Heritage. *Identify scheduling with TA or Heritage NZ.*	✓	✓		*Initial meeting Undertaken between NB/DLA & Heritage NZ, Project was well recieved*
Management				
Brief. *Prepare, stating objectives, scope and constraints including time and budget.*	✓	✓	✓	*Assistance to PM with RFP briefing documentation to consultants*
Survey. *Identify requirements / commission– topographical, civil, geotechnical, existing building drawings, hazards, as built, hydrological, heritage, etc.*	✓	✓	✓	*Review of existing documentation/Model from previous scheme undertaken in depth. Existing data and condition reports is adequate. Awaiting point cloud information to review.*
Stakeholders and User Groups. *Consider with who and what level of engagement is required.e.g.FM/AM.*	✓			*Undertaken between NB and user groups in Oct 2024, Still to undertake user group meetings with Museum user groups.*
Maori Design Process				
Mana Whenua Involvement. *Hui with local mana whenua to determine level of project involvement and to establish a relationship*				*Not yet implemented. Particular consideration to the laneway spaces*

CONCEPT DESIGN	TR	LW	SCM	
Approvals and Inputs				
Existing Conditions/Materials. *Report existing risks, finalise assessment and actions.*	✓	✓		*There is a wealth of information from the previous scheme that we have reviewed. We are actively looking at ways we can keep the project on budget*
General				
Drawn/Modelled Documentation. *Prepare and issue to others as agreed/required, Identify issues arising.*	✓			*White model in Revit (BIM) has been implemented along with concept design development where more consideration was given to building services*
Specifications and Schedules. *Consider and agree level of specification.*	✓	✓		*Work ongoing, discussion around further cost savings which will affect overall specifications*
BIM				
BIM Execution Plan. *Prepare preliminary BEP. Refer to NZ BIM Handbook for guidance.*	✓	✓	✓	*Issued*
Regulatory Compliance				
Town Planning and Associated Legislation. *Investigate planning controls, consult with TA as appropriate.*	✓	✓		*Undertaken at a design level, further input from specialist consultants required*
Heritage. *Identify scheduling with TA or Heritage NZ.*	✓	✓	✓	*Initial meeting Undertaken between NB/DLA & Heritage NZ, Project was well recieved*
Management				
Design Programme. *Prepare and align with the overall project programme. Include dates and scope of all deliverables, design sequencing and design dependencies.*	✓			*Review with PM , awaiting revision. Work has been progressing to keep on top of programme constraint*
Survey. *Identify requirements / commission– topographical, civil, geotechnical, existing building drawings, hazards, as built, hydrological, heritage, etc.*	✓			*Review of existing documentation/Model from previous scheme undertaken in depth. Existing data and condition reports is adequate. Awaiting point cloud information to review.*
Stakeholders and User Groups. *Consider with who and what level of engagement is required.e.g.FM/AM.*	✓			*Undertaken between NB and user groups in Oct 2024, Still to undertake user group meetings with Museum user groups.*
Architectural Design				
Design Concept. *Prepare architectural bulk and location, including site plan, general arrangement plans, sections and elevations. Review grids and levels.*	✓			*As captured in the drawings for the concept design report*
Accessibility & Facilities for People with Disabilities. *Consider and incorporate requirements.*	✓			*We can achieve accessible access through the building and laneway to applicable standards*
Floor Areas/Schedule of Accommodation. *Schedule/update based on current drawings/model.*	✓			*As captured in the concept design report*
Materials. *Consider concept finishes*	✓	✓		*Finishes and materials for exterior only as captured in the concept design report*
Presentation. *Prepare visualisation's to standard agreed.*	✓	✓		

ATTACHMENT 2 – MASTER PROGRAMME

Current key dates for project delivery are summarised below:

	FY24/25			FY 25/26												FY 26/27											
	Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
	Apr -Jun			Jul-Sep			Oct-Dec			Jan-Mar			Apr-Jun			Jul-Sep			Oct-Dec			Jan-Mar			Apr-Jun		
Design																											
Concepts and Laneway / Civils																											
Design - Theatre																											
Design - Museum																											
Physical Works																											
Demolition																											
Civil works / site prep / Laneway																											
Theatre Construction																											
Museum Construction																											
Museum FFE																											


Project Work Areas and Phasing
1b Demolition - Criterion
2a – Laneway St 1
2b – Laneway St 2
3d – North extension
3c – Stage Dock / wing extension
4 New Museum Construction FFE
3b – Back of House replacement
3a – Theatre Refurbishment Structural Upgrade Specialist Fitout/Equipment
1a Make safe and Demolition - BOH
existing carparking

ATTACHMENT 3

FINANCIAL SUMMARY

1 Project budget has been established and confirmed at $29.2m for the theatre (of which authority of $24m is delegated to the Chief Executive), and $18m for the Museum and all other costs, giving a total project budget of $47.2m. This is inclusive of $6.8m MBIE funding still to be drawn down, and $3m FF&E to be supported by Museum fundraising. (This is as per Option 1(b) presented to Council and selected as the preferred option, at Council Meeting 31 Oct 2024.)

2 Additionally, an unspent insurance sum of $280,730 has been identified for roof repairs. For the purposes of cost estimating, it is assumed that this sum is extra to the approved budget of $29.2m for the theatre, and will be expended on its intended purpose, that is roof repairs.

3 A high-level cost plan has been developed and is summarised as per the illustration and summary table overleaf. Current cost estimate for the theatre refurbishment is $25.8m.

4 Before Value Engineering, against the total approved budget of $29.2m, the available project contingency is $3.4m, or 12%. For a project of this nature, at this stage of development, a contingency of 18 – 20% is recommended.

5 The project team has identified $2.5m of targeted Value Engineering savings, largely through ensuring that elements are not over-specified. This revises the target cost for the theatre to $23.4m, with a contingency of $5.9m, or 20%, which is appropriate for a project of this nature and at this stage of development.

6 Significant areas to be addressed through the design and VE process to realise the VE target include:

- Propping solution for Criterion Building façade to be simplified.
- The structural and seismic upgrade is $3.2m based on the Lewis Bradford structural scheme. Target saving is $500K through simplified structural solutions.
- Specialist Theatre Equipment - previous specifications are high-end and costed at $2.5m. Requires rationalisation to ensure specialist systems are appropriate but not over-specified.
- Mechanical heating and ventilation systems can be simplified, as the requirement is now for theatre refurbishment only, not an extended museum and Heritage Hub.
- Optimise layouts and choice of materials for northern extension to ensure design is kept economical.
- Maximise common facilities between theatre and museum sites (common utilities provision, shared plant space etc.)

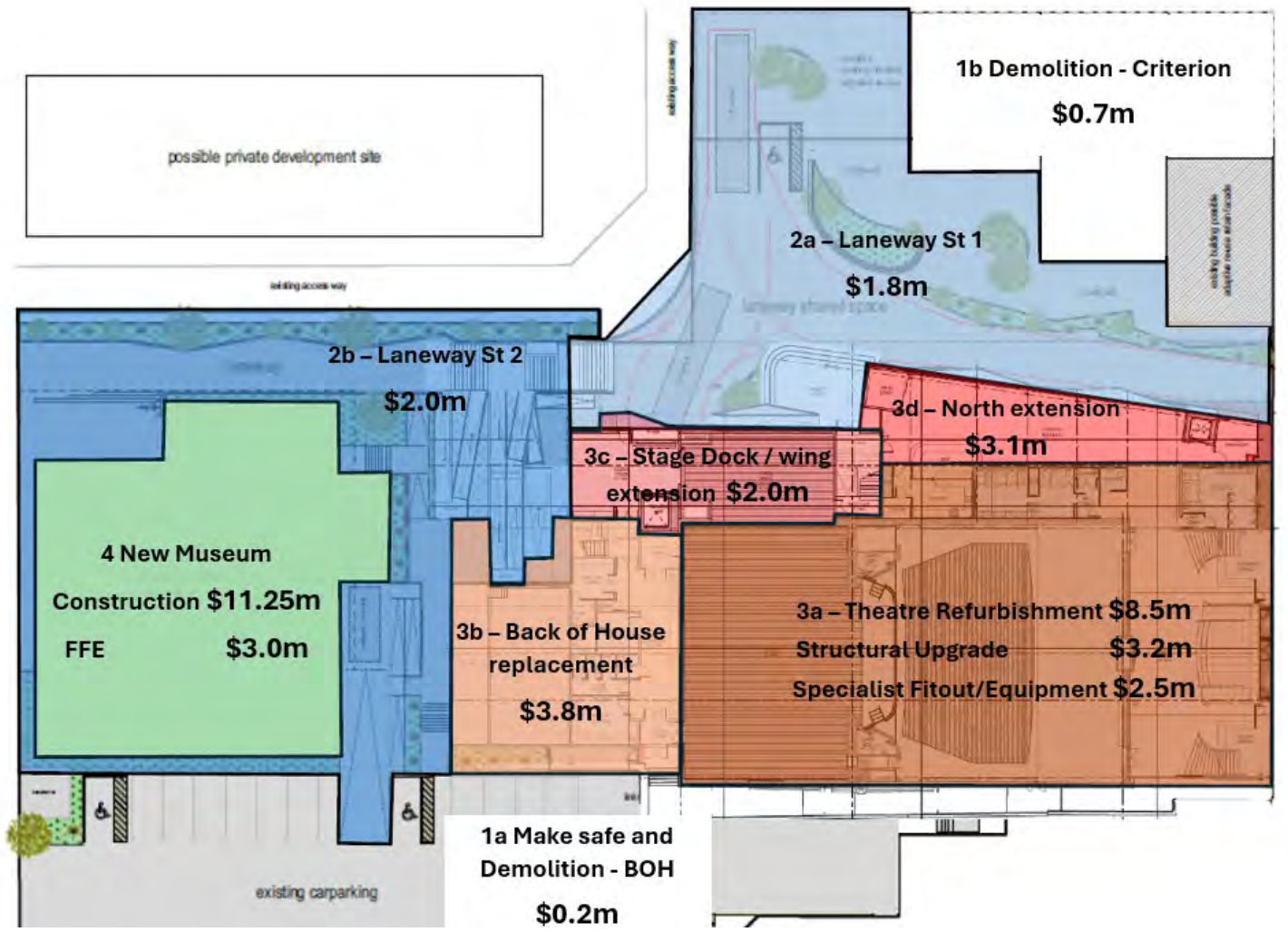
7 The secured funding for the project is summarised below. In parallel with the cost planning and Value Engineering, additional funding streams are being investigated. These are also detailed below and will be pursued in due course as the plan is developed.

Note – the core scope required by the project is not dependent on these additional funding streams, which will be used to offset and reduce the Council's borrowing.

8 It should be noted that the secured MBIE funding relates to the combined delivery of the Theatre Royal refurbishment and the new Museum, and is contingent on a completion date for both projects of the end of 2026. Revised milestones are currently being submitted to MBIE for approval, and are based on concurrent construction of the theatre and museum. A decision to delay the construction of the museum until after the completion of the theatre will jeopardise the secured MBIE funding.

Theatre Royal and Museum - Funding	**Total**
Secured Funding	
Theatre - Approved Budget as per Council Resolution (note: this figure is from the cost estimate for "Option 1(b)" as presented to Council in Oct 24. The Resolution cited a total budget of $30m, but it is assumed this was "rounding" and does not amend the total project cost estimate approved under Option 1(b).)	$29,200,000
Museum – budget as per Option 1(b) adopted by Council Oct 24	$15,000,000
Museum – FFE - to be funded through targeted fundraising	$3,000,000
Insurance claim for theatre roof repairs	$280,730
Total Secured Funding	**$47,480,730**
Anticipated TDC Borrowing	
MBIE funding still to be claimed	-6,800,000
Insurance claim for roof repairs	-$280,730
Museum FFE	-$3,000,000
Total TDC Borrowing (Secured less offsets)	**$37,400,000**
Other potential funding sources	
Theatre Stakeholder Committed Contributions (fundraising)	tbd
Sale of Stafford Street adjacent sites (Chinese Garden, Criterion)	750,000
Sale of old Museum site	750,000
Contributions from other TDC departments for mutually beneficial works (LTU, waters, property team for demo works?)	tbd
Corporate Sponsorship Opportunities	tbd
Targeted sponsorship (i.e. for specific items)	tbd
Lotto grants	tbd
Community Trust grants	tbd
Digital Advertising / Marketing	tbd

Cost Estimate by Work Area (Before Value Engineering Savings)

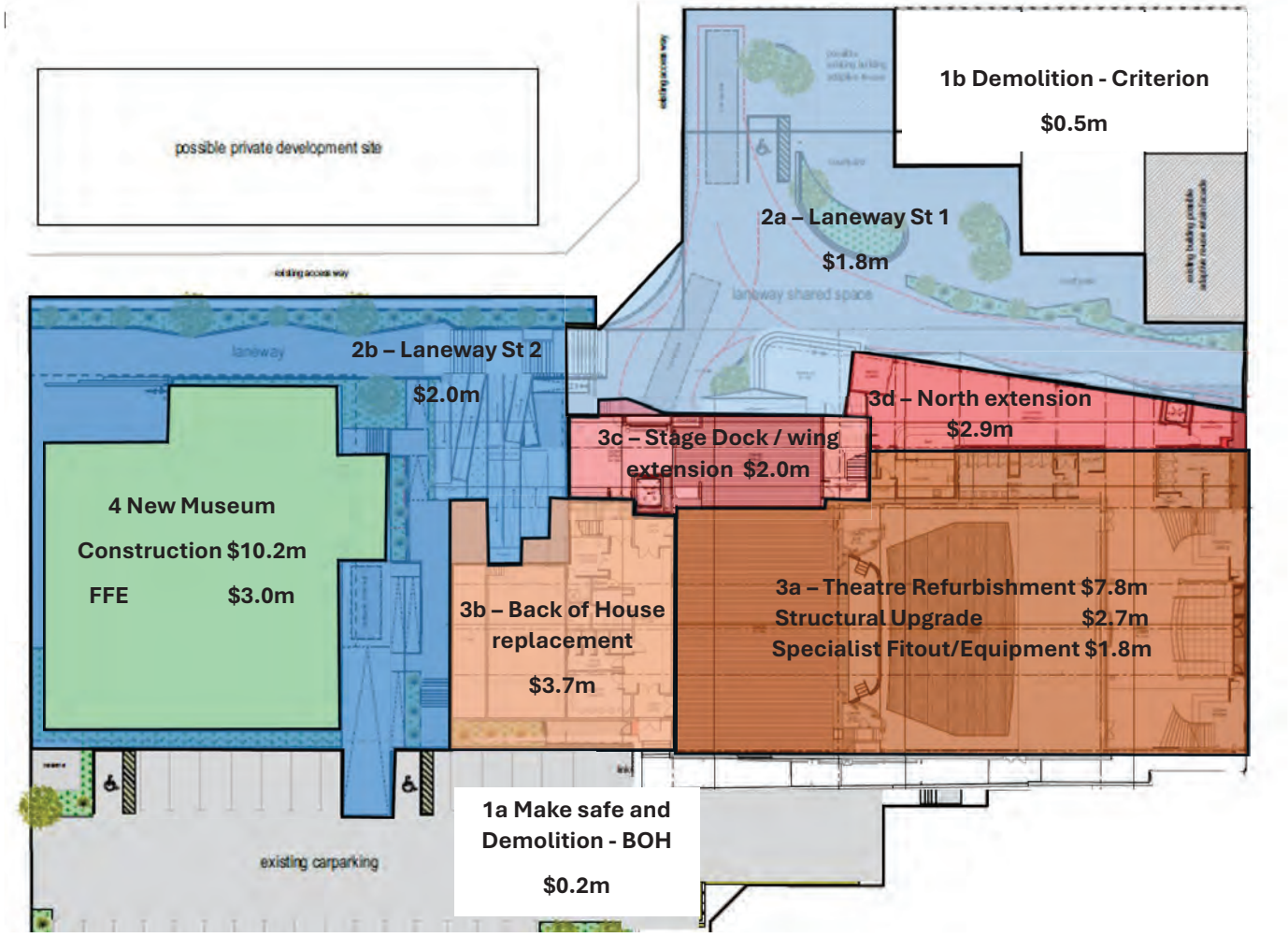


Cost Estimate and Value Engineering Targets

Work Phase	Description	Est cost $m (overall project)	Est cost Theatre	Est cost Museum
Make safe & demolition of Back of House	Make safe (mould and asbestos)	0.2	0.2	
Demolition of Criterion Building,	Demolish Criterion, retain & support Criterion Building facade	0.7	0.7	
Laneway Stage 1 (Lower)	Truck access, utilities & services provision, pedestrian areas, retaining walls	1.8	1.8	
Laneway Stage 2 (Upper)	Museum building platform, retaining walls, ramps, retaining walls,	2.0		2.0
Theatre Refurbishment	Main auditorium and seating , historic features restoration, MEP, fire systems, stage lowering. lobby, toilets, orchestra pit	8.5	8.5	
Structural design and seismic upgrade	Auditorium, fly tower stengthening, new floor slab	3.2	3.2	
Specialist Theatre Equipment	Fly rig, audiovisual, projection, production lighting	2.5	2.5	
Back of House Replacement	Changing rooms, Green Room, BOH toilets plant room (also serves museum),	3.8	3.8	
Stage Dock / Stage Wing extension	Truck dock, Stage wing extensions for stage sets	2.0	2.0	
North Extension	Improved access, egress and circulation areas, toilet improvements, hospo areas,	3.1	3.1	
Museum Construction	Design not yet progressed, estimates are gross inc all fees	11.25		11.25
Museum FF&E	To be raised through targeted fundraising	3.0		3.0
Total		**42.1**	**25.8**	**16.3**
Total Budget (Option 1(b) as per resolution Oct 24)		**47.2**	**29.2**	**18.0**
Contingency		**5.2**	**3.4**	**1.8**
Contingency as a percentage of budget (target 15 -18%)		**11%**	**12%**	**10%**

Value Engineering target areas	Est cost adjustment (Theatre)	Est cost adjustment (Museum)
Simplified support for Criterion façade	-0.20	
Note - additional cost likely if constructed later		0.50
Simplified services design, internal finishes,	-0.75	
Simplified structural solutions	-0.5	
Review specifications and suppliers	-0.7	
Common plant room serves museum also (shared saving if museum constructed in parallel)	-0.1	-0.1
Review materials choices . Possible reduction in size / deletion of first floor extension - could save $1.0m but not recommended at this time - would still require treatment to north wall / façade, and additional laneway finishes	-0.20	
Cost per square metre for museum would increase if not constructed in parallel with theatre, resulting in smaller or lower quality end product)		tbd, >0.5m
Target VE saving	-2.5	-1.0
Target total	**23.4**	**15.3**
Approved Budget	**29.2**	**18.00**
Contingency	**5.9**	**2.8**
Contingency as percentage of budget	**20%**	**15%**

Cost Estimate by Work Area (After Value Engineering Savings)



ATTACHMENT 4
POTENTIAL FUTURE SCOPE REDUCTION OPTIONS
(Not currently required to achieve delivery within budget)

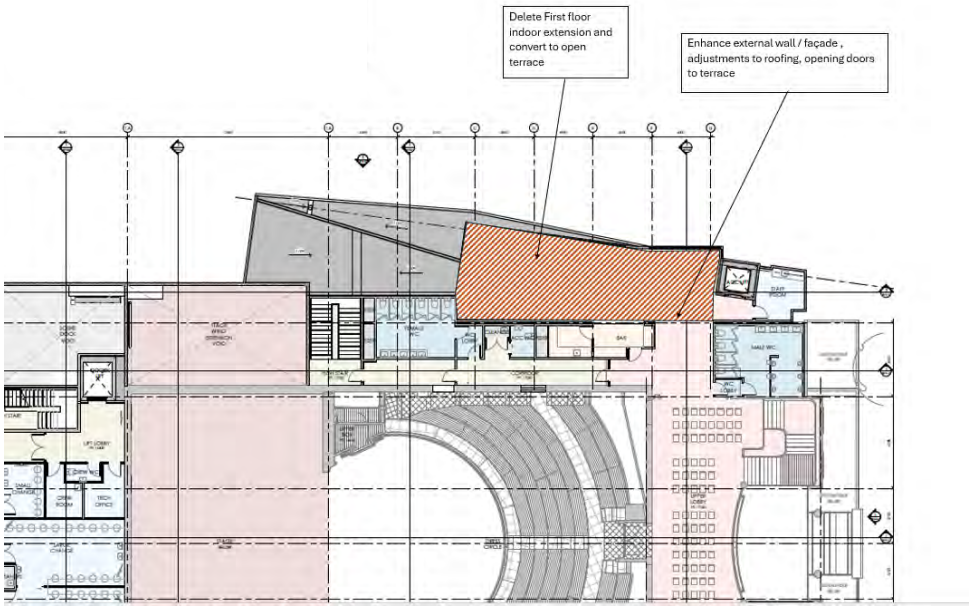
SCOPE REDUCTION OPTION 1

CONVERT UPPER FLOOR LOUNGE AREA TO OPEN TERRACE

POTENTIAL SAVING $400,000

Commentary:

- Does not solve the existing problem with congestion around the wc/bar areas.
- Accessible lift and staffroom need to be linked to theatre lobby or moved elsewhere
- Reduces revenue generating potential of upper floor break out space being hired out as a small conference facility.



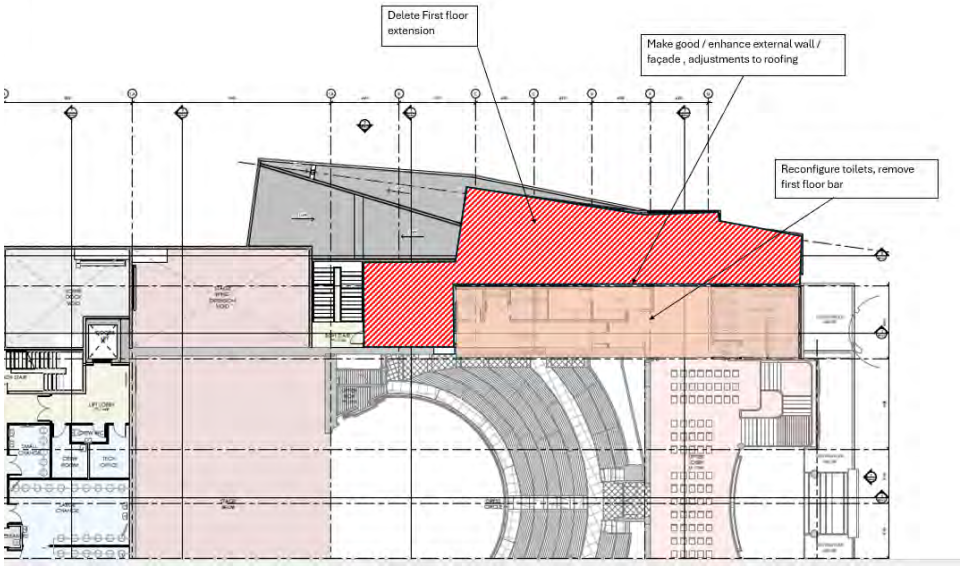
SCOPE REDUCTION OPTION 2

DELETE UPPER FLOOR HOSPITALITY AND TOILET EXTENSION

POTENTIAL SAVING $750,000

Commentary:

- Does not solve the existing problem with congestion around the wc/bar areas.
- Accessible lift and staffroom need to be linked to theatre lobby or moved elsewhere
- Removal of bar increases congestion around bar/ wc facilities downstairs
- Toilet facilities will need to be increased downstairs
- No kitchen facilities – will need to be included elsewhere



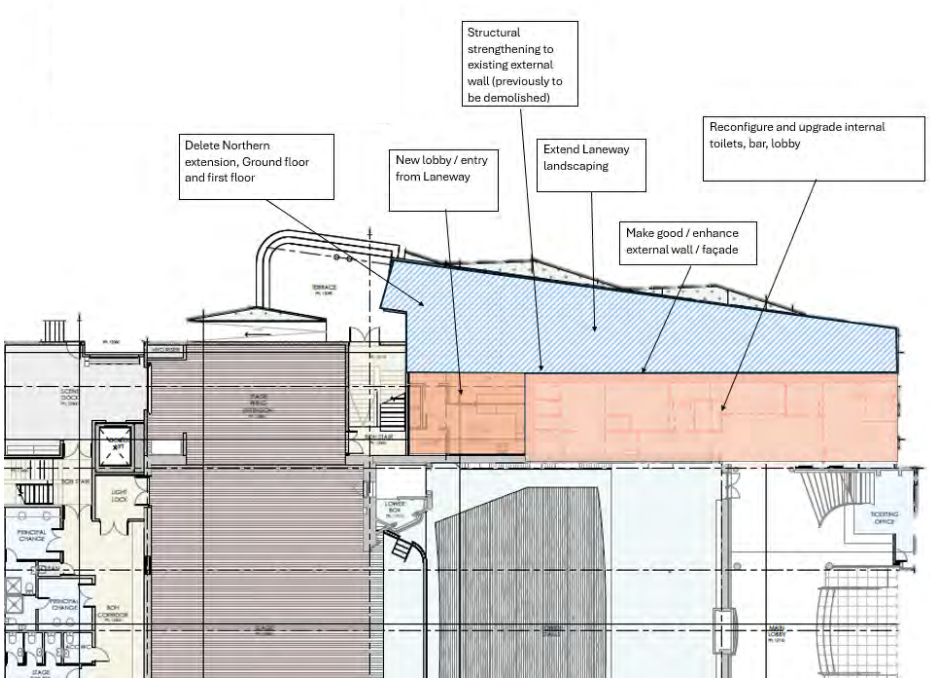
SCOPE REDUCTION OPTION 3

DELETE GROUND FLOOR AND UPPER FLOOR LOUNGE AND TOILET EXTENSION

POTENTIAL SAVING $1,800,000

Commentary:

- Laneway Theatre elevation could become a utilitarian wall of blank concrete tilt slabs with minimal connection to the theatre. The laneway will be less activated and may be seen more as a vehicle service lane. This may affect the laneways perception as a public space which could affect the perceived value of the Criterion Site to private development.
- Smaller lobby entrance and connection to laneway. Less visual connection between laneway and theatre.
- Very congested toilet/ bar facilities. Limited scope to increase toilet numbers. No real improvement to the existing / historic theatre problems.
- Existing internal toilets and lounge / bar will need reconfiguration and upgrade
- No FOH staff office/ facilities
- Lift will need to be accommodated somewhere.
- Reduces revenue generating potential of lobby space being hired out as a separate conference facility.



9.2 Aorangi Stadium Project

Author: **Paul Haggath, Team Projects Limited**
Matt Sisson, Property Projects Officer

Authoriser: **Paul Cooper, Group Manager Environmental Services**

Recommendation

1. That Council accept the negotiated design and price submitted by Thompson Engineering Ltd. (TEL) (April 2025), and that Council approves the formal engagement of TEL under a Design and Build Contract to deliver the Aorangi Stadium upgrade and expansion.
2. That Council agrees to the proposed construction programme and sequencing, which targets completion of the existing stadium upgrade by Dec 2025, and full completion of the project by Apr 2027.

Purpose of Report

1 This report seeks to inform Council of progress since the November meeting and to demonstrate how all the requirements of the Extraordinary Council Meeting of 15 November 2024 resolution have now been achieved, including delivery of the full scope within the approved budget.

2 The report seeks Council endorsement of the negotiated design and scope (refer Attachment 3), comprising the TEL submission of April 2025, plus Timaru District Council (TDC) direct works to be delivered in parallel with the TEL contract, and as identified in the Cost Estimate in Attachment 2.

3 The report seeks approval to engage Thompson Engineering Ltd (TEL) to deliver the revised Aorangi Stadium Redevelopment design. Financial details of the contract are detailed in Attachment 2.

4 The report seeks to inform Council of the proposed construction sequencing and phasing, which shows the existing stadium upgrade to be complete by December 2025, and the full project scope by April 2027.

Assessment of Significance

5 This matter is considered low to medium significance as although there is significant community interest in the project, the preferred option has no additional financial or levels of service impact on existing budgets or performance measures in the Long-Term Plan 2024-34.

Background

6 The Aorangi Stadium Redevelopment project is a strategic initiative by the TDC to enhance the region's sports and community infrastructure. Tenders were invited in late 2024 to explore options to construct a new eight-court indoor facility, and / or upgrade and expand the existing stadium. One tender was received from Thompson Engineering Ltd (TEL) and was considered by Council at an Extraordinary Council Meeting on 15 November 2024.

7 The Extraordinary Council Meeting resolved to broadly accept the tender received from Thompson Engineering Ltd for the construction of a new 8-court stadium, and in addition to explore options to seismically upgrade and retain the existing stadium, all subject to final negotiation with TEL and confirmation that the project can be delivered within the approved project budget of $24.2m. (For a copy of the full resolution, refer to "Background" section of this report).

8 The Extraordinary Council Meeting of 15th November 2024 report **5.1 Aorangi Stadium Redevelopment Stage 1**, resolved the following:

Resolution 2024/78

1. Preferred Option 1 - That the Council accept the tender from Thompson Engineering and Construction Limited for an 8-court design and build new stadium and associated Lump Sum of $23,250,109.70 (Twenty-three million, two hundred and fifty thousand, one hundred and nine dollars and seventy cents) excluding GST, subject to further negotiation and removal of principles scope to achieve a fixed lump sum offer with a final design based on Table 1, Build Option D;
2. That the Chief Executive be delegated authority to approve variations and tender tags within the approved project budget of $24.2m;
3. That the Chief Executive explore options to retain the existing stadium and complete earthquake prone works as required. Funds to be utilised from savings in demolition and reinstatement with courts as per Option 2, and that the principles requirements for the new stadium be reduced to retain the existing stadium, cost of works to stay within the allocated budget for the overall project as agreed;
4. That the awarding of a contract to Thompson Engineering and Construction and retaining of the existing stadium be notified publicly at the conclusion of the meeting, noting that officers are working within the agreed budget as per the Long Term Plan 2024-34;
5. That further consultation is undertaken with users around usage and storage requirements.
6. Council resolves that, notwithstanding Recommendation 4, the report and recommendations remain in public excluded until such time as all commercial negotiations have been completed and a construction contract is awarded.

9 Negotiations with TEL through November and December 2024 identified several exclusions to their tender, particularly related to assumed ground conditions. A further geotechnical investigation was commissioned to address and test the assumptions. The testing confirmed that ground conditions beneath the proposed stadium site (being a historically filled gully) do not support the assumptions made, and that significant ground improvement and foundation works would be needed over and above the price submitted by TEL. The scope of these works has been developed and costed.

10 The tender tags, primarily the ground improvement and foundations and the seismic upgrade, required to the existing stadium was shown to cost significantly more than the cost allocated

for demolishing the existing stadium and would mean that the approved budget would be exceeded.

11 Notification was given re TEL being preferred supplier – this needs to be updated once agreement to proceed is reached.

12 Consultation with stakeholders has been completed and incorporated into the design regarding spatial requirements and storage.

13 To address the issues above, a period of extensive redesign and renegotiation with TEL has taken place, resulting in a revised approach that now achieves all of the Council resolutions.

14 This report confirms that the redesign and negotiation since November 2024 has returned the project to the approved budget of $24.2m and complies with all previous Council resolutions.

15 Approval to enter a full contract with TEL is sought from Council and is required at this time to maintain the programme and completion date of April 2027, ahead of the 2027 netball season.

Discussion

16 Copies of the revised design and layouts are included as Attachment 1.

17 Key features to note, arising from the redesign and negotiation with TEL are as follows:

17.1 The new stadium has been moved south to minimise the impact and intrusion into the football fields

17.2 Ground preparation and foundation upgrades have been designed and costed into the TEL Final Bid price, and the associated tags / exclusions in the TEL tender have been removed

17.3 The northern wing of the existing stadium (which houses the reception, gymnasium and function suite) is earthquake prone and is to be demolished and replaced with a new building that physically links the existing and new stadium. The “Link Building” will house a new reception / BOH offices, changing rooms, gymnasium and function suite.

17.4 The seismic upgrade design for the existing stadium has been rationalised and made more efficient.

17.5 Additional works required to upgrade the existing stadium to achieve 70% NBS have been scoped and included in the contract price.

17.6 The new stadium will be designed to achieve 100% at level IL3, which will make it suitable for the stadium’s previous use as a Disaster Recovery Venue.

17.7 Programme phasing and sequencing: the original intent was to construct the new stadium first and once operational to drop back to the existing stadium upgrade, with a project completion by late 2026 / early 2027.

17.8 The impact of the additional foundation and ground preparation work resulting from the geotechnical investigation has now been fully analysed and would result in a revised completion date of September 2027.

18 To mitigate this delay, and to maintain project completion by April 2027, prior to the 2027 netball season, it is proposed to amend the project phasing as follows:

Phase 1	Utilities diversions (directly by TDC)	June - July 2025
Phase 2	Detailed design and Building Consent	May - September 2025
Phase 3	Upgrade to existing stadium	October - December 2025
Phase 4	Ground preparation and foundations	January - April 2026
Phase 5	Construct Link Building and new stadium	April 2026 - April 2027
Note: The revised sequencing will require the closure of the existing facility for approximately 12 weeks between October - December 2025.		

Options and Preferred Option

19 **Option 1 – (Preferred option)**

That Council accept the negotiated design and price submitted by Thompson Engineering Ltd. (TEL) (April 2025), and that Council approves the formal engagement of TEL under a Design and Build Contract to deliver the Aorangi Stadium upgrade and expansion.

That Council agrees to the proposed construction programme and sequencing, which targets completion of the existing stadium upgrade by Dec 2025, and full completion of the project by Apr 2027.

20 **Option 2**

That Council does not accept the negotiated design and price from TEL and puts the project on hold. This option is not recommended on the basis that design is fully compliant with the requirements of the previous Council resolutions.

Consultation

21 The revised design and layouts as presented in Attachment 1 have been presented to and endorsed by the PCG and PSG meetings, and have been socialised with the User Group, with a very positive reception.

22 The Recreation Facilities Manager has confirmed that operationally the proposed closure between Oct and Dec 2025 is feasible, with only one significant booking (Car Show for one day) during this period.

Relevant Legislation, Council Policy and Plans

23 Timaru District Council Long Term Plan (LTP) 2024-34

Financial and Funding Implications

24 It is confirmed that the project can be delivered within the approved Long-Term Plan (LTP) 2024-2034 Capital Expenditure budget of $24.2million

25 The full financials are detailed in Attachment 2

Other Considerations

26 An update to the operational plan is underway, reflecting the current proposal to keep the existing stadium and add an extra 8 courts. The additional revenue potential by keeping the

existing stadium as well as constructing 8 new courts will offset any additional operating costs and the assumptions of the previous business case remain largely unaffected.

27 Council tendered this project on the open market late last year and only one tender was received submitted by TEL. Council resolved to accept this tender subject to further negotiation. This resolution confirmed TEL as both an existing and preferred supplier for this project. Council's adopted procurement policy states that where there is a preferred supplier, direct negotiation with this supplier is an acceptable procurement option.

Attachments

1. **Aorangi Stadium Council Paper 250424 - Appendix 1 Renders and Layouts**
2. **Aorangi Stadium Council Paper 250424 - Appendix 2 Financial Summary**
3. **Aorangi Stadium Council Paper 250424 - Appendix 3 Project Scope and Exclusions**

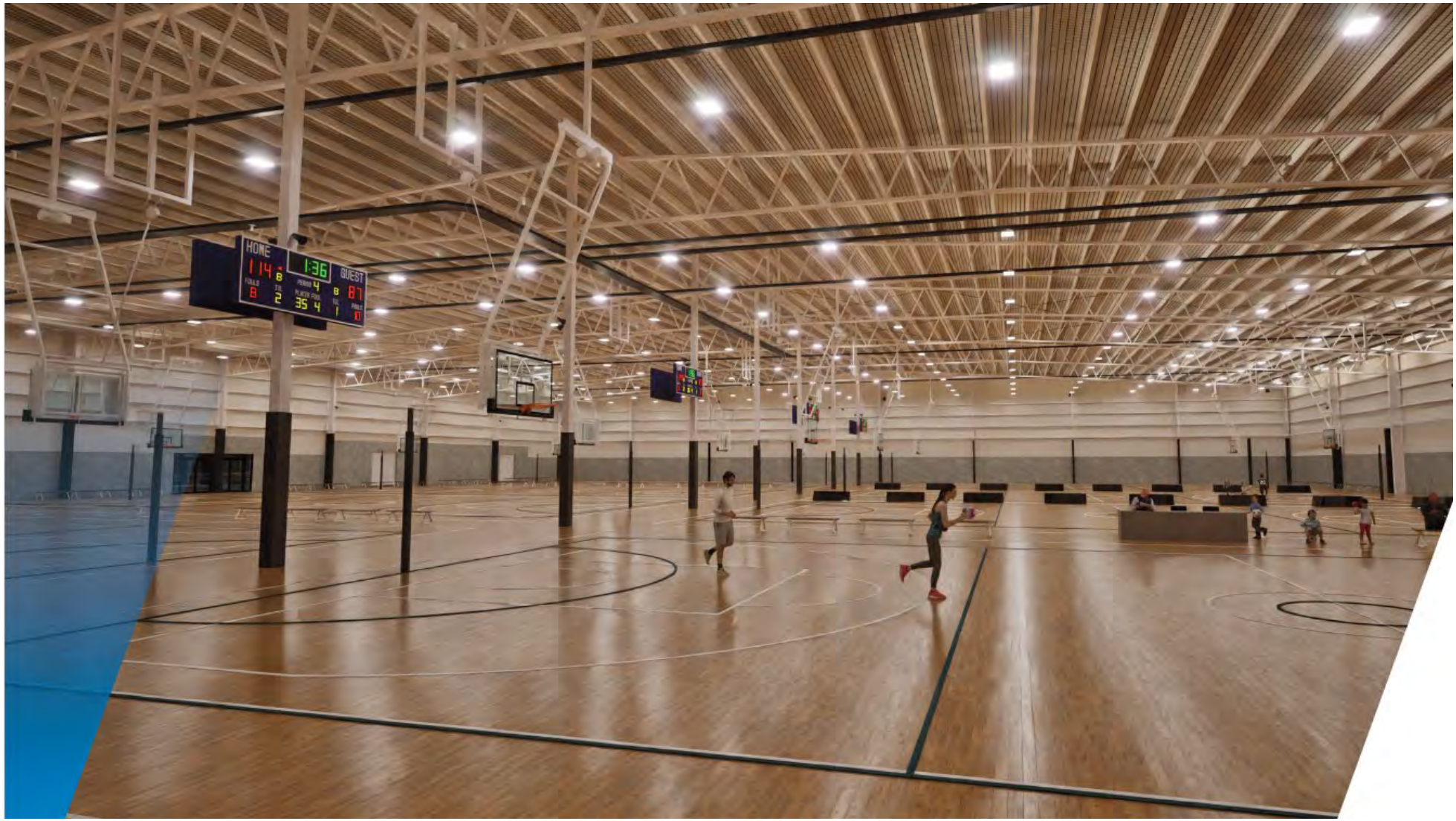
Attachment 1 – Revised design and layouts

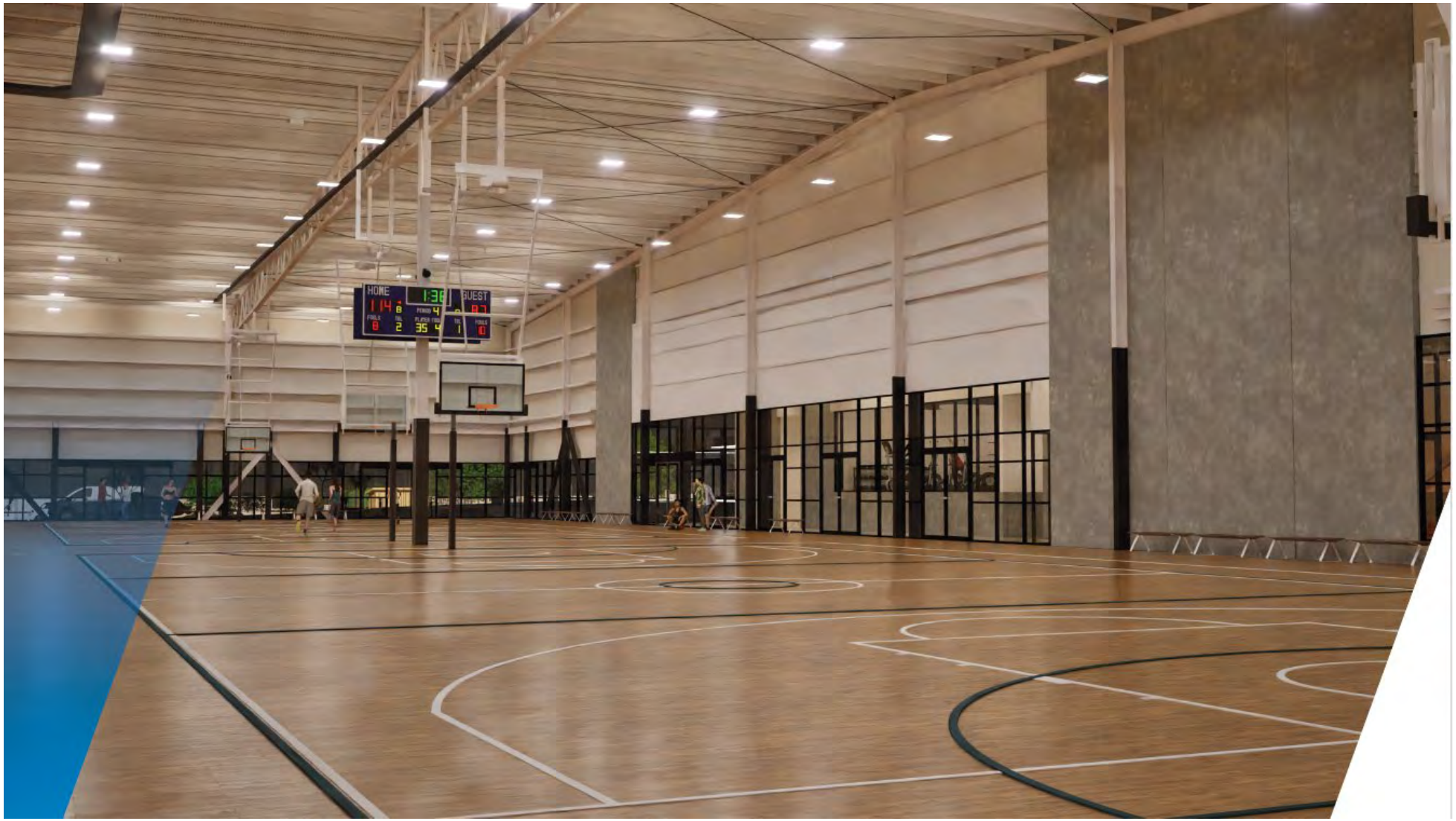
Refer separate file / attachment for design renders and layouts.

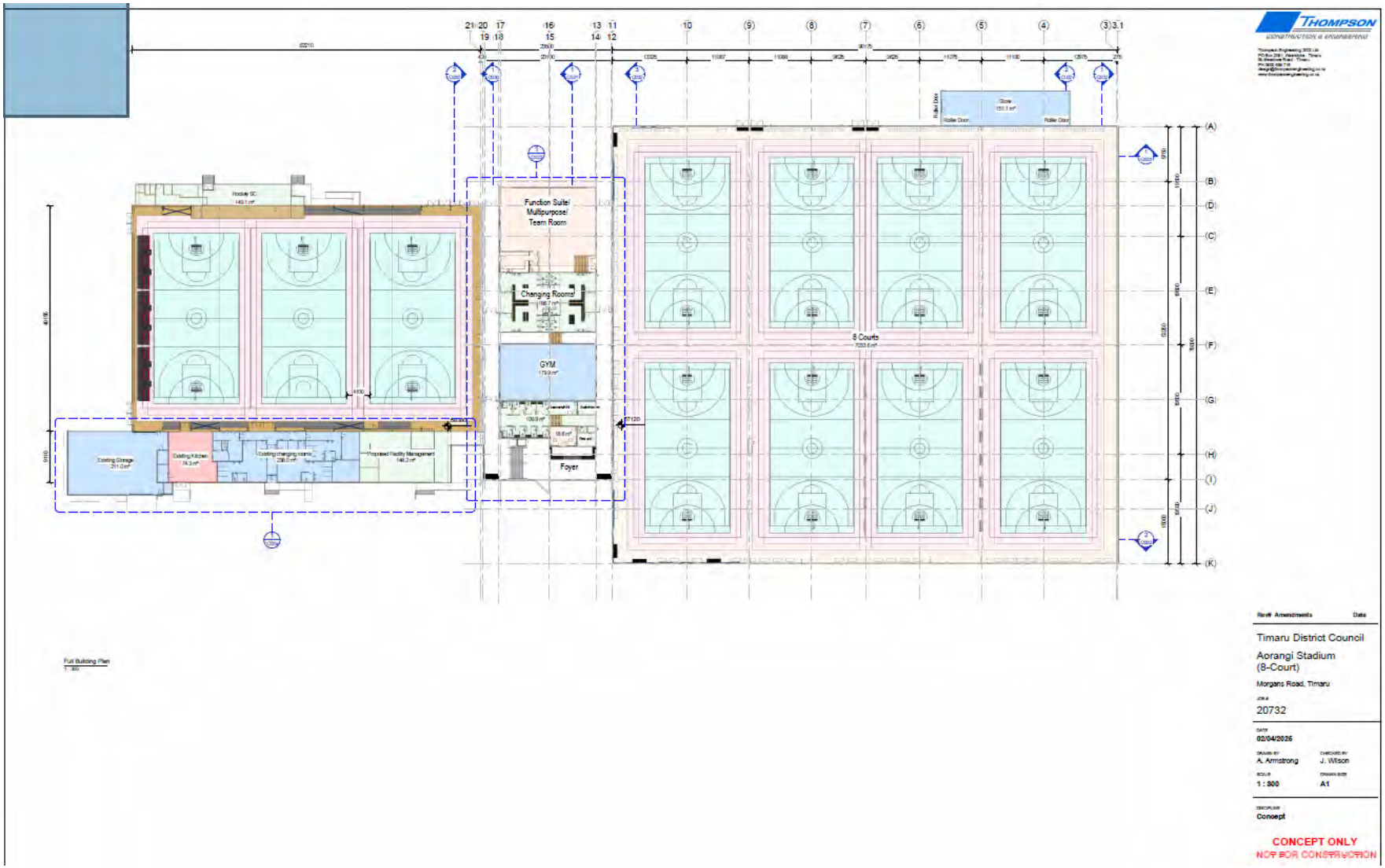
Aorangi Stadium
8 Court
AN ARTIST IMPRESSION BY THOMPSON
THOMPSON

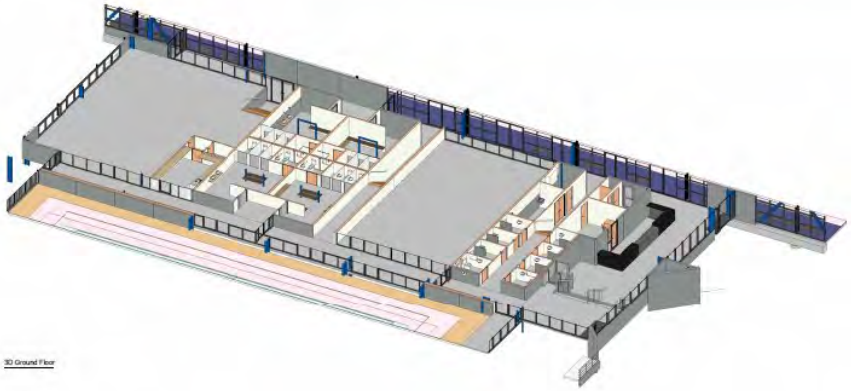
Morgans Road
Robbin Street
Athletics Track
Lawn Bowls
Football Training
Football Training
Netball Pavilion
Existing Netball Courts
Proposed 8-Court Stadium
Proposed New
Existing Carpark
Mountain View Road
Proposed Connection
Emergency Generator
1x Hockey Turf (Existing)
Cricket/ Soccer
Existing Stadium
1x Hockey Turf (Existing)
Sprinkler Room
Morgans Road
Existing Carpark
Orbell Street

Morgans Road
Robson Street
Athletics Track
Lawn Bowls
Football Training
Football Training
Netball Pavilion
Existing Netball Courts
System 2
Existing Carpark
Proposed Connection
New trench
Mountain View Road
Orlbell Soccer
1x Hockey Turf (Existing)
System 1
1x Hockey Turf (Existing)
Booster pumps
Morgans Road
Existing Carpark
Orlbell Street


HOME
1:36
GUEST


HOME
GUEST


Function Suite/
Multipurpose/
Team Room
Changing Rooms
GYM
Foyer
8 Courts
Timaru District Council
Aorangi Stadium
(8-Court)
Morgans Road, Timaru
20732
02/04/2025
A. Armstrong
J. Wilson
1 : 500
A1
Concept
CONCEPT ONLY
NOT FOR CONSTRUCTION



THOMPSON
construction & engineering

FLOOR COVERINGS
Concrete
Carpet tiles (commercial)
Vinyl - commercial (non slip in wet areas)

Ref# Amendments Date

Timaru District Council

Aorangi Stadium (8-Court)

Morgans Road, Timaru

JOB # 20732

DATE 02/04/2026

DRAWN BY A. Armstrong

CHECKED BY J. Wilson

SCALE As Indicated

DRAWING SIZE A1

DISCIPLINE Concept

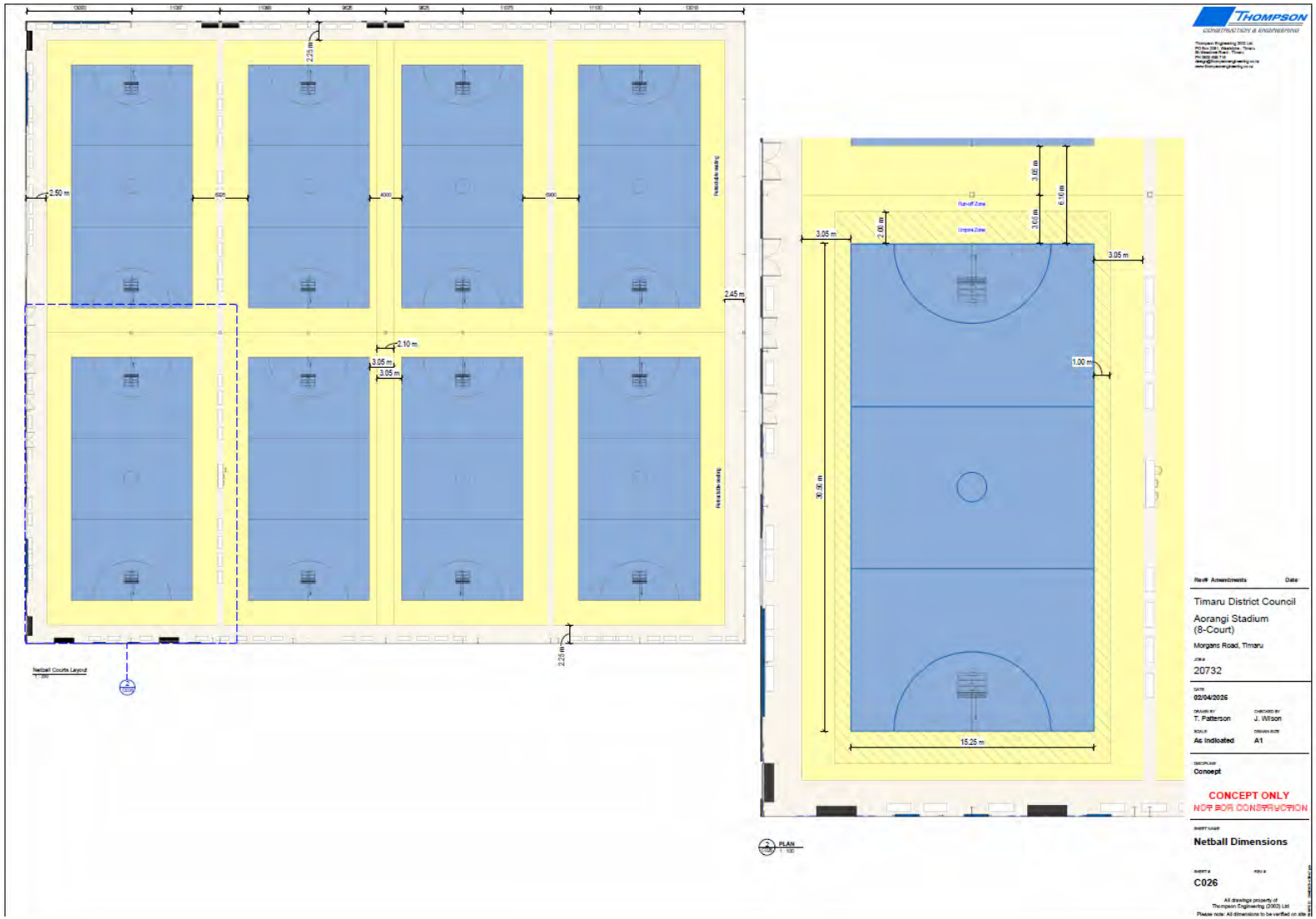
CONCEPT ONLY
NOT FOR CONSTRUCTION

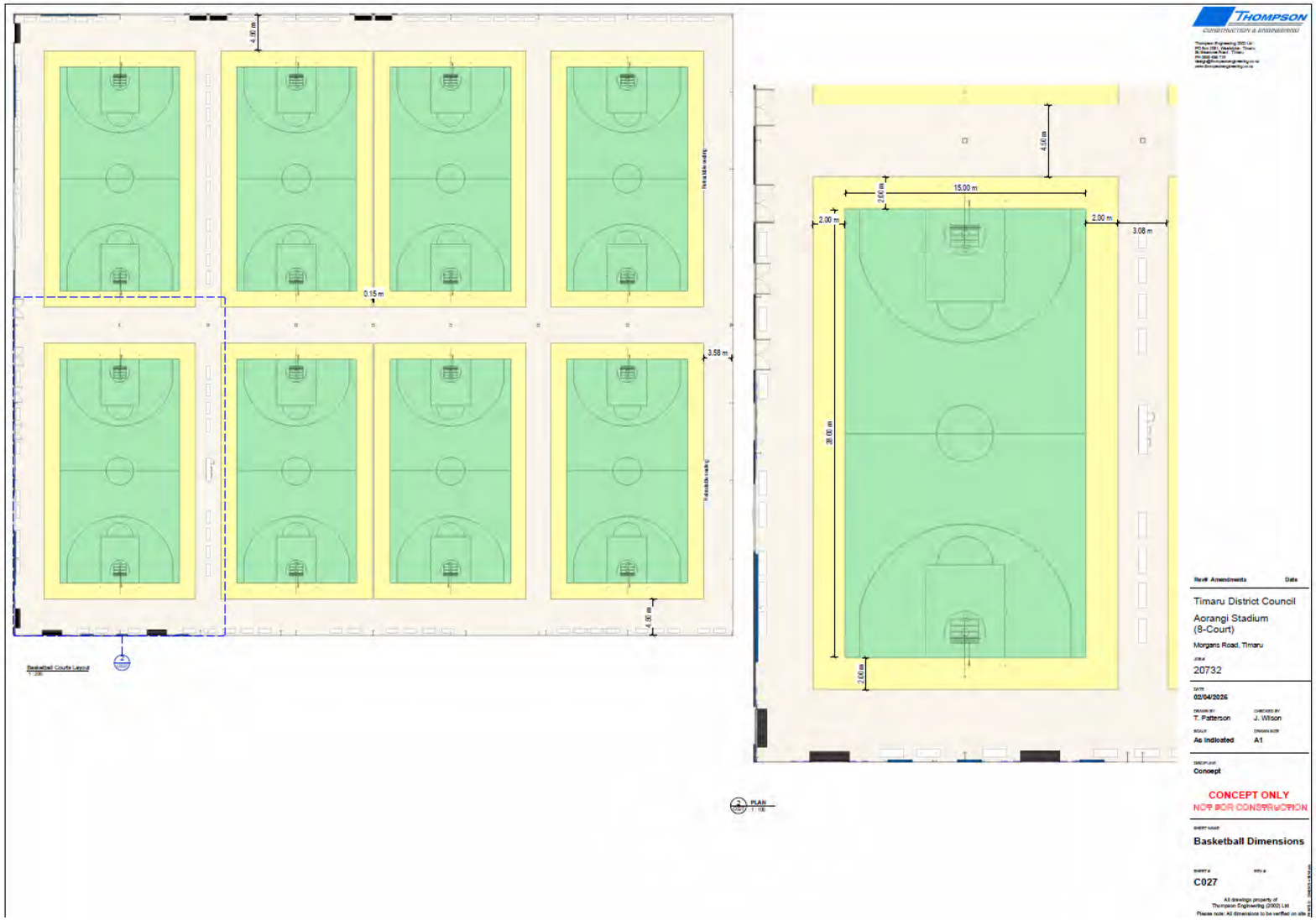
SHEET NAME Ground Floor

SHEET # C023

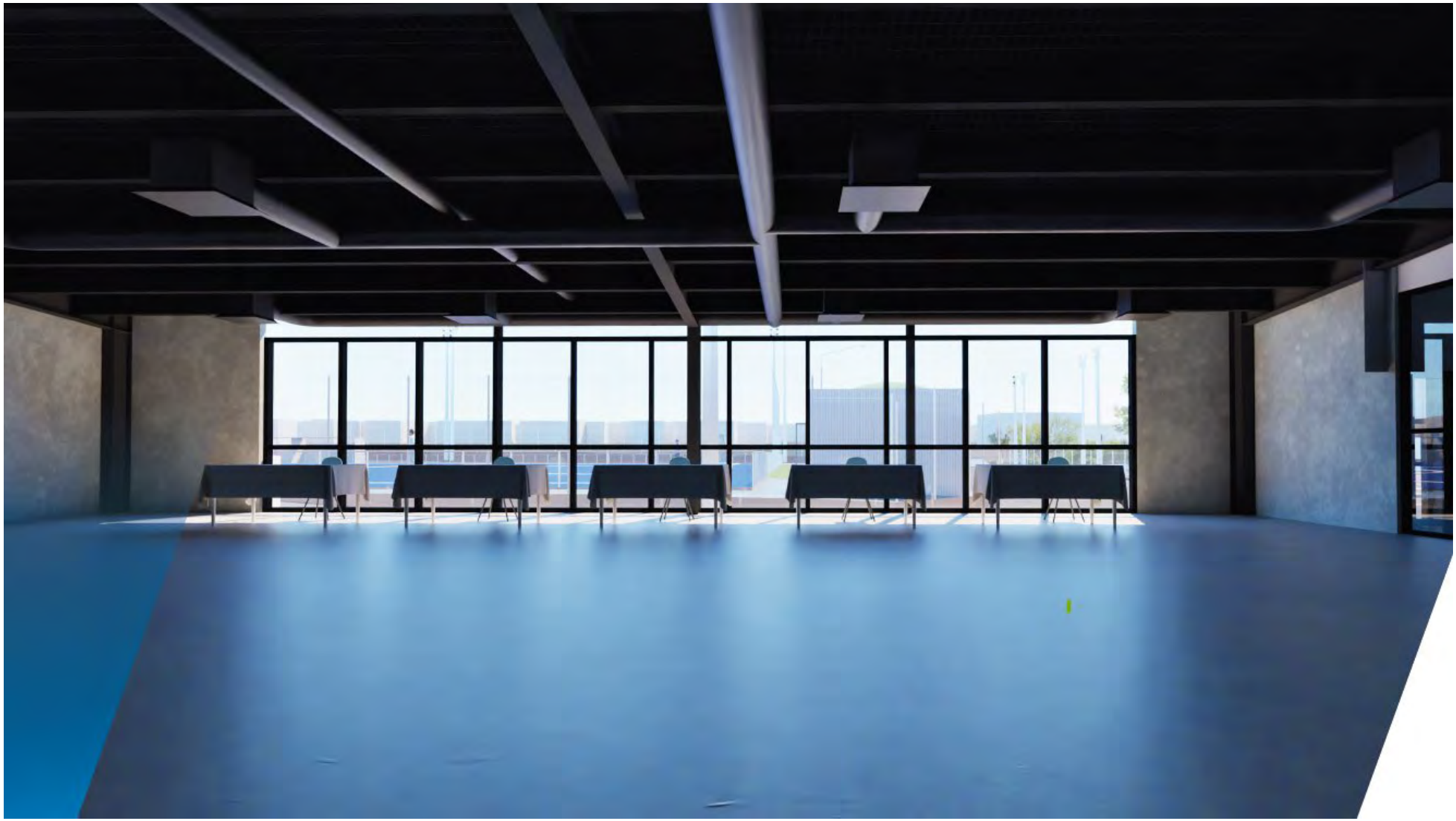
REV #

All drawings property of Thompson Engineering (2002) Ltd
Please note: All dimensions to be verified on site


THOMPSON
CONSTRUCTION & ENGINEERING
Timaru District Council
Aorangi Stadium
(8-Court)
Morgans Road, Timaru
20732
02/04/2026
T. Patterson
J. Wilson
As indicated
A1
Concept
CONCEPT ONLY
NOT FOR CONSTRUCTION
Netball Dimensions
C026
Netball Courts Layout
PLAN
Run-off Zone
Umpire Zone
15.25 m
30.50 m
3.05 m
1.00 m
2.10 m
2.45 m
2.50 m


THOMPSON
CONSTRUCTION & ENGINEERING
4.00 m
0.15 m
3.58 m
4.00 m
Basketball Courts Layout
1 : 100
4.00 m
15.00 m
2.00 m
2.00 m
3.08 m
28.00 m
2.00 m
2 PLAN
1 : 100
Rev# Amendments Date
Timaru District Council
Aorangi Stadium
(8-Court)
Morgans Road, Timaru
JOB #
20732
DATE
02/04/2026
DRAWN BY
T. Patterson
CHECKED BY
J. Wilson
SCALE
As indicated
DRAWING SIZE
A1
DRAWING STAGE
Concept
CONCEPT ONLY
NOT FOR CONSTRUCTION
SHEET NAME
Basketball Dimensions
SHEET #
C027
REV #
All drawings property of
Thompson Engineering (2003) Ltd
Please note: All dimensions to be verified on site

sports
gear



Aorangi Stadium
8 Court
AN ARTIST IMPRESSION BY THOMPSON
THOMPSON

Attachment 2 – Financial Summary

1 The approved budget is $24,200,000.

2 Additional to the approved $24.2m budget, there exists a legacy funding transfer from Aoraki Stadium Trust to TDC of $567,659, giving a total available project budget of $24,767,659.

3 The original TEL bid for, and 8 court stadium was $23,250,109.70, but excluded ground risk, TDC direct costs, contingencies and necessary ancillary works. It assumed demolition of the existing stadium and replacement with one extra outdoor grass pitch.

4 Options to retain and seismically upgrade the existing stadium rather than demolish it were explored as required by Council resolution and costed at around $3m, which was significantly in excess of the demolition allowance of $532k.

5 The total project cost estimate based on TEL bid, ground risk exclusions, retention and strengthening of existing stadium, fees and contingencies, was circa $29.5m.

6 Following extensive redesign and value engineering, the total project estimate has been reduced to $24,767,337, based on:

- a Design and Build contract with TEL, agreed for a lump sum not exceeding $22,694,337, inclusive of ground risk and seismic strengthening / upgrade of the existing stadium.
- Additional costs to be borne directly and managed by TDC, total estimate $1,073,000.
- $1,000,000 project contingency allowance

7 The cost estimate is as below.

Aorangi Stadium - Cost Plan - Apr 2025	Estimate Total	Approved budget
Business Case	inc	
Planning	inc	
Consents and Approvals (inc land and legal)	$ 50,000	
Professional Services	$483,000	
Construction		
Thompsons Engineering Ltd	$22,694,337	
TDC direct works (Hockey Room upgrade, roof repairs, civil works and service diversions)	$320,000	
Closeout (inc operational readiness, handover, as builts)	inc	
Project Management (internal costs)	$220,000	
Contingency	$1,000,000	
Approved TDC Capital Budget		$24,200,000
Legacy Aoraki Trust Funding available		$567,659
Totals	**$24,767,337**	**$24,767,659**
Funding Delta		+$322

#1756294

Financial and Funding Implications

8 It is confirmed that the project can be delivered within the approved Long Term Plan (LTP) 2024-2034 Capital Expenditure budget of $24.2million

9 In addition to the approved $24.2m budget, there exists a legacy funding transfer of $567,659 from Aorangi Trust to TDC (to be utilised to fund heating and lighting upgrades to existing stadium).

10 The facility is budgeted to operate at a break-even level after Council provided rates funding. A business case and operational plan was produced in June 2023, which indicated an annual operating cost of $576,000

11 An update to the business case is underway, reflecting the current proposal to keep the existing stadium and add an extra 8 courts. This indicates a potential annual rates contribution of $50,000 - $60,000 will be required to achieve break even, which equates to approximately $2.15 to $2.58 annual rate contribution per rating unit.

#1756294

Attachment 3 – Project Scope and exclusions

Aorangi Stadium Redevelopment - Design Brief

Purpose

This document supersedes the Functional Design Brief issued as Appendix D (Detailed Scope Brief) as part of the original Request for Proposal and addresses the Council resolution of 14th November 2024 as detailed below.

Background and Council Resolution

Following a tender and tender review process, the Timaru District Council passed a resolution on 14th November 2024 on the direction of the Aorangi Stadium Redevelopment project, which can be summarised as:

1. Design and Build contract for new stadium, subject to further negotiation and removal (value engineering) of Principal's scope to achieve a fixed lump sum offer within the approved project budget.

Design to be based on

- New stadium building to incorporate:
  - 8 court main sportshall
  - Changing facilities
  - No requirement for new sports office hub (to be accommodated within existing facility if possible)
  - No requirement for new gymnasium (to be retained / accommodated within existing facility)
- Retention of existing stadium including
  - seismic strengthening / repair
  - new roof.
  - Retention of gymnasium within existing facility
  - Accommodation of office space for Sports organisations

2. Explore options to retain the existing stadium and complete earthquake prone works as required. (was excluded from proposal received from Thompson Engineering Ltd.)

3. Principal's Requirements for the new stadium be reduced to retain the existing stadium, cost of works to stay within the allocated budget for the overall project.

Functional Brief

The Council resolution directs that the existing facility be retained and upgraded, alongside the construction of a new 8 Court facility.

Operationally it would be inefficient to have two independent facilities; operational considerations determine that a single / common reception / foyer and management suite would be more workable than trying to manage two separate facilities.

In order to achieve operational efficiency, and to comply with the requirements of the Council resolution, the new 8 Court facility should be linked to the existing facility via a "Link Building" which incorporates / abuts to the existing north wing.

The South Wing facilities proposed by TEL in their proposal (i.e. entrance / reception, function room and changing amenities) as well as the existing gymnasium, are to be accommodated within the Link Building. It has been determined that the Link Building structure (south wall) design can incorporate the increased structural stability required by the existing stadium, giving increased efficiency to the seismic strengthening solution, minimising disruption to the existing facility and optimising the use of space and common areas.

Structure - Current and Required NBS Rating

The existing sportshall has an NBS rating of 50%.

The hockey changing rooms and offices on the western side of the existing building has a NBS rating of 15%.

The northern wing of the existing building, which accommodates the gymnasium and a first floor function suite, has a NBS rating of 15%.

The gymnasium has temporary props installed to increase its NBS rating to a usable level, which allows its ongoing use. The first floor function suite is usable but only for restricted use – i.e. can be used for meetings, but not for functions that impose dynamic live loads such as dancing.

All existing areas to be retained must be upgraded to achieve a minimum 67% NBS rating to IL3.

The new stadium facility and Link Building shall be designed to 100% NBS at IL3, commensurate with its use as a Disaster Recovery Venue.

Roof Repairs – to be done directly by TDC

The condition of the existing sportshall roof is to be assessed and an appropriate level of remediation and/or replacement included allowed for, commensurate with the condition and remaining lifespan of the rest of the existing facility.

Reception and Circulation

The design shall provide for a single entrance point and reception / foyer to the facility, with the flexibility to allow simultaneous events / usage in existing and new facility - i.e. splitable to allow separate entrances to be created within the foyer area.

Consideration to circulation into and through the facility to readily service and access all indoor courts and outdoor playing fields.

Changing Facilities

Interchangeable (gender neutral) change facilities for individuals and teams.

Building Façade

The new sportshall building is to be a combination of glazed façade, precast concrete panels and coloursteel cladding, as per TEL proposal.

Link Building to be similar materials with substantially glass façade, replacing the existing entrance structure and portico with a modern design, compatible with new sportshall design.

Consideration to be given to low-level cosmetic treatment of existing building eastern façade to give compatibility with the new structures. The design and colour palette for the new stadium shall consider its integration with the existing stadium facility.

Consideration to be given to facilities mix and sports to be played in each of the existing and new facility – e.g. high impact ball sports (Futsal, indoor hockey, volleyball) may be restricted to courts with no glazed façade.

Traffic Circulation and Car Park

Current traffic routes around the park include a roadway immediately north of the existing facility, i.e. beneath the footprint of the proposed Link Building.

The design should consider and account for amendments to traffic circulation and car park access to close this roadway and to ensure sufficient traffic circulation and access to all facilities within the sports park campus.

Utilities

The roadway immediately north of the existing facility houses live utilities including a concrete wastewater sewer and stormwater drain. The design should consider and account for diversion and / or protection of existing utility services to accommodate the construction of the Link Building.

The Principal has undertaken a CCTV survey of the stormwater and wastewater pipes and will provide a condition survey to assist in the determination of needs.

NOTE – utility replacement to be done directly by TDC, but design must coordinate with the TDC services replacements.

Mains Power / Transformer

The design shall consider the capacity of the existing transformer and power supply and include any necessary upgrade to accommodate the maximum demand of the combined existing and new facility. Note – Alpine Energy have indicated a current load of 90 A, with a potential capacity of 690 A without the requirement for a major upgrade.

Uninterrupted Power Supply (UPS)

Servicing and / or upgrade of existing back-up generator for essential power supplies to new stadium when being used as a Disaster Recovery Venue, or via solar panels and battery storage.

NOTE – generator to be procured directly by TDC.

Audio / Visual

Appropriate Public Address and sound system for music and announcements . To be zoned / separable to service e part or all of the facility.

IT / wifi

Public wifi coverage, plus broadcast capability for live-streaming of events.

Hard wired IT provisions to all offices, health and wellness centre, function suites, reception area and specialist equipment (e.g. scoreboards, shot clocks)

Security

Access control to restricted areas including but not limited to changing areas, offices, function suites.

CCTV coverage to all external perimeter areas, common area and reception / foyer.

Alarms to external perimeter doors.

Access control, security alarm and CCTV connected to Timaru District Council security network, compatible systems and components.

NAME	DESCRIPTION	SIZE / NO.	PRIORITY		TO BE LOCATED IN		STANDARD TO BE COMPLIED WITH
			ESSENTIAL	DESIRABLE	EXISTING BUILDING	NEW BUILDING	
EXISTING STADIUM							
Structural Strengthening	Sportshall – upgrade from current 50% NBS to minimum 67% for IL3		✓		✓		Min 67% NBS IL3
	Hockey offices and changing rooms (western side) upgrade from 15% NBS to minimum 67%. For IL3 – to be done by others		n/a		✓		Min 67% NBS IL3
	Northern expansion – houses GF gymnasium, 1F function suite, kitchen, bar – upgrade from 15% NBS to minimum 67% for IL3.		✓		✓		Min 67% NBS IL3
Exhibition Space	Exhibition Space for shows, car shows, conventions.	load capacity (existing)	n/a		✓		
Sports Floor	Retain existing floor. Re-coating and re-marking of existing 3 courts to be done as part of routine maintenance regime. No significant work expected under this contract.		n/a		✓		
External Facade	Improve eastern façade aesthetics to better match new entrance and new building – minimal cosmetic changes			✓	✓		
Roof Repairs	Assess condition and repair roof if needed (if less than 8 years residual life) - NOTE – to be done by TDC external to main contract		✓		✓		
Management / Admin Offices	Back of House offices for 3 management personnel.		✓		✓		
Change Areas	Low level refurbishment to existing change areas if and as required - NOTE – currently excluded from scope		n/a	n/a	n/a		
Bleacher Seating – main hall	Update and replace existing pull-out bleachers with facility - NOTE – to be procured by TDC external to main contract	minimum 800, max 1000 seats		✓	✓		
Lighting – main hall	Diffused natural light and LED illumination - NOTE – to be procured by TDC external to main contract	Minimum 400 lux	✓		✓		
Heating System – main hall	Change existing gas-powered heaters to electrical (e.g. Fusion Modulair)			✓	✓		
Accessibility	All spaces to be accessible.		✓		✓		

LINK BUILDING (old to new connection)							
Structure	New structure to be designed to provide stabilisation to existing northern wall. Seismically separated from new stadium structure.		✓		✓		Min 100% NBS IL3
Front of House/Reception & Core Management	The front entrance and hub of the facility – Connects existing and new facility.						Sports NZ Facilities Guide
	• Aesthetically attractive façade and entry, linking old and new buildings (double height glass façade preferred)		✓			✓	
	• Specialist joinery Reception Desk for 3 people. To accommodate computers, screens, POS		✓			✓	
	• Comprises foyer and common areas, access to ground floor change rooms and toilet block, upper floor facilities, elevators, gymnasium		✓			✓	
	• Must be sized to accommodate appropriate numbers of people passing through.		✓			✓	
	• Flexible, to allow simultaneous events / usage in existing and new facility i.e. splitable to allow separate entrances to be created.		✓			✓	
	• Public toilets, with possible separate external entry to toilets only for users of outside eastern pitches			✓		✓	
Change Areas	• Minimum 4 team changing spaces, with individual changing booths and showers, 2 fully accessible for normal and sports wheelchairs, gender neutral flexibility		✓			✓	Sports NZ Facilities Guide
	• Incorporation of changing spaces with gender neutral flexibility			✓		✓	
	• Referees and Officials changing suite			✓		✓	
	• independent unisex, accessible toilets.		✓			✓	
	• External entry to designated toilets and change rooms for outside stadium operating hours. (Possible reconfiguration of WCs serving gymnasium		✓			✓	
Health & Fitness Area	Health and Fitness Centre. Current size 35m x 14m.= = 490 sqm. Requires minimum 180 sqm. Access to changing facilities of "member" quality	Minimum 180 sqm	✓		✓		

Multi-Use rooms & Function Venue	A multi-use space for functions, meetings, workshops, and recreation spaces. Designed for ease of access into existing and new stadium, and external hockey turfs. Can also provide elevated viewing platform into sports courts.		✓		✓		
Cafeteria / vending machines	Area for vending machines and services for future coffee kiosk.			✓		✓	
Sports Administration Area "Sports House"	Refurbish existing offices used by Sport Canterbury - NOTE – to be done by TDC external to main contract			✓		✓	
Heating and Ventilation	• Appropriate insulation, heating and air ventilation. Options for heating in all rooms.		✓			✓	
NEW INDOOR STADIUM							
Structure	New structure to be designed to 100% NBS for IL3		✓			✓	100% NBS IL3
8x full size Indoor Courts	Sports Flooring – sprung or semi-sprung sports floor to semi-professional specification.	loading capacity tbc					Sports NZ Facilities Guide
	Netball x 8	30.5 X 15.25m	✓			✓	
	Basketball x 8	28.0 X 15.05m	✓			✓	
	Futsal (may be accommodated in existing stadium)	Min 25 x 16m Max 42 x 25m	✓		✓		
	Volleyball(may be accommodated in existing stadium)	18 x 9m	✓			✓	
	Badminton	13.4 x 6.1m X4 courts per Netball court	✓			✓	
	Table Tennis	2.74 x 1.525m X16 tables per netball court	✓		✓		
	Indoor Hockey (may be accommodated in existing stadium)						
Lighting – main hall	Diffused natural light and LED illumination. 800 – 1000 lux	Minimum 800 lux	✓			✓	
Heating and Ventilation – main hall	Appropriate, sustainable, efficient and responsible heating and ventilation. Consideration to be given to utilising passive ventilation. Modulair Units or similar.		✓			✓	
Bleacher Seating	Retractable bleacher seating - NOTE – to be procured by TDC external to main contract	300 persons		✓		✓	

Spectator Area	Appropriate courtside spectator spatial provision, with sufficient court spacing and sideline space for separate players and spectator areas		✓			✓	
Storage	Storage for hockey, indoor stadium users, nets, hoops, mats. To be sufficient height for stored equipment. Roller doors for ease of use and access. Minimum 150 sqm (exc bleacher seat storage if needed.)	Minimum 150 sqm	✓			✓	
Dividing Curtains	Draper Ridge retractable, electrically powered divider curtains, between groups of courts to allow flexibility and separation						
	• New Stadium	2	✓			✓	
	• Existing Stadium			✓	✓		
Sports Equipment	• Basketball Hoops – roof mounted, retractable	2 x 8	✓			✓	
	• Scoreboards and Shot Clocks – HMI or similar, with cage protection	8	✓			✓	
	• Netball hoops	2 x 8	✓			✓	
	• Badminton nets	8	✓			✓	
	• Volleyball nets – existing	0		✓	✓		
	• Indoor hockey goals	2		✓	✓		

ROOM DATA SHEETS

Summary Sheet	Space: Indoor Courts (New)		
Floor Area:	TBC	Estimated Dimensions	Refer to table below
Core Function	Indoor Sports		
Occupancy - Days	7 days	Occupancy - Times	TBC after consideration of operating model
Staff Numbers	TBC	Occupancy	Ball sports predominantly
Flooring	Quality Sprung Wooden Floor	Roof height	8.3m (Netball)
Lighting	Natural and artificial.	Ventilation	Natural and mechanical.
Relationship to other areas	Direct connection to main entrance doors / foyer. Access to public toilets which will also have external access. Access to back of house / administration facilities. Connection to secure storage spaces for tenant codes. Good connections to car parking (especially for the elderly and parents). Safe exiting spaces for staff and visitors. Good connection to internal and external space that can be used for catering set up for large events (marquee style kitchen area servicing main court area for" pack in – pack out" sit down and of community welfare functions). Appropriate public address and sound system for music and announcements. Wifi (to cater for sport and other events). Broadcast capability for live streaming Cleaner cupboard adjacent Space for spectator seating around perimeter of eight courts Space for retractable seating. Depth 2.5m when closed. Electronic scoreboards across each court.		

Architectural Requirements	Acoustic treatment – ability for multiple activities to occur on adjacent courts. Mechanical dividers/screens – ability to split area into two sets of two, plus one set of four functional courts for different uses. Allow for cross ventilation. Environmentally Sustainable Design. Appropriate lighting – natural (diffused and LED.400 (training to 1000 (competition) lux. Glazing – glazing to avoid sun strike on courts. Overhead diffused natural light during daylight to minimise energy costs. Provision for motorised retractable seating for 800-1000 spectators – the ability for this to be easily minimised, or partially used, depending on demand.		
Mechanical Services	Temperature control	Electrical Services	Lighting considered, includes LED.
Communications	Wifi and livestream capability	Plumbing Services	Access to drinking fountains, away from playing surfaces
Fixed Equipment	Retractable seating Mechanical divider screens	Furniture and Fittings.	Retractable seating Scoreboards/Officials & Player Benches Score benches Backboards / Netball hoops Anchor plates for volleyball, gymnastics etc. for competition events
Special Conditions	Easy access to services (HVAC, lighting) for ongoing maintenance.		

Summary Sheet	Change Areas		
Floor Area:	TBC	Dimensions	TBC
Core Function	Changing before and after activities/events		
Occupancy - Days	7 days	Occupancy - Times	Core hours of H&F and after hours for outdoor sports
Staff Numbers	TBC	Occupancy	Public o ıted space
Flooring	Nonslip Vinyl	Roof height	Normal
Lighting	Natural and artificial.	Ventilation	Natural and mechanical.
Relationship to other areas	Accessible from reception foyer and outdoor areas One of the spaces can be allocated as a separate family change area that can be used as an officials change area for tournaments/events. This will be determined in further design phases. Ideally there would be 4 * 45m^2 change rooms and a 20m^2 room that had either additional public toilets and/or officials change area.		
Mechanical Services	Temperature control	Electrical Services	Lighting considered includes LED
Communications	tbc	Plumbing Services	tbc
Fixed Equipment	tbc	Furniture and Fittings.	tbc
Special Conditions	Accessible		

Summary Sheet	Health and Fitness Area		
Floor Area:	Minimum 180m^2 (Excludes change facilities)	Dimensions	TBC
Core Function	Health and Wellbeing		
Occupancy - Days	7 days	Occupancy - Times	Operates from 5:30am – 10:00pm with swipe card access
Staff Numbers	TBC	Occupancy	Exclusive occupancy
Lighting	Natural and artificial.	Ventilation	Natural and mechanical.
Relationship to other areas	Set away from indoor courts as a "member only" operation. Controlled access (most likely through electronic swipe card entry) Flow between various H&F functions. Acoustically separate from other main users. To be developed overlooking larger indoor spaces. Made up of a combination of these areas to a minimum of 180m$^{2.}$		
Mechanical Services	Temperature control	Electrical Services	Lighting considered includes LED Group exercise area to include lighting options
Communications	Wifi Audio-Visual activities	Plumbing Services	Drinking fountains Kitchenette
Fixed Equipment		Furniture and Fittings.	H&F equipment (weights, cardio equipment, spin bikes etc.)
Special Conditions	Access to change rooms to be of a higher specification than the communal indoor court change areas. • Cubicles • Showers		• Toilets • Hand basins • Mirrors • Hand Dryers

Summary Sheet	Front of house / Reception and Core Management		
Floor Area:	tbc	Dimensions	TBC
Core Function	Welcome and Directional area with visitor seating		
Occupancy - Days	7 days	Occupancy - Times	Core operating hours
Staff Numbers	TBC	Occupancy	Exclusive occupancy
Flooring	Standard	Roof height	Standard
Lighting	Natural and artificial.	Ventilation	Natural and mechanical.
Relationship to other areas	Front of house – critical welcoming area and place where various activity users and spectators are channelled to the correct spaces. Space for groups to congregate before and after activity sessions and shelter from weather. Line of sight to some key activity areas (Indoor courts) Next to Core Management office and Sports Offices		
Architectural Requirements	Office set up with front counter – accessible for all and able to sell sports items behind counter area.		
Mechanical Services	Temperature control	Electrical Services	Lighting considered includes LED
Communications	Wifi Audi-Visual activities for promotion of activities in venue	Plumbing Services	Plumbed in drinking fountains.
Fixed Equipment	Potential for control gates/swipe card technology	Furniture and Fittings.	Reception counter (section lowered for all users)

Summary Sheet	Multi-Use Room and Function Venue		
Floor Area:	Minimum 250m^2	Dimensions	TBC
Core Function	Programmable, multi-use spaces including meetings, functions, workshops, and recreation programmes		
Occupancy - Days	7 days	Occupancy - Times	Core hours of Venue
Staff Numbers	TBC	Occupancy	Hired/Leased space
Flooring	Generally carpeted	Roof height	Normal
Lighting	Natural and artificial.	Ventilation	Natural and mechanical.
Relationship to other areas	Separate area/s that need to provide flexibility in use of other key areas, including indoor courts. Envisage the ability to divide 200m^2 space into one 100m^2 and two 50m^2 spaces via operable walls.		
Architectural Requirements	Good acoustics and views to sports courts. Kitchenette for tea/coffee making facilities, could double as a bar.		
Mechanical Services	Temperature control	Electrical Services	Lighting considered includes LED
Communications	Will require Audio/Visual fit out	Plumbing Services	
Fixed Equipment	Dividable walls Kitchenette	Furniture and Fittings.	Tables / Chairs etc.

Summary Sheet	Storage		
Floor Area:	370 m^2 (including existing storage)	Dimensions	Various areas TBD in design phase
Core Function	Secure storage of equipment away from public		
Occupancy - Days	7 days	Occupancy - Times	Core facility hours plus after hours
Staff Numbers	N/A	Occupancy	Leased space
Flooring	Concrete	Roof height	Needs to be tall enough for portable Basketball hoops to be stored upright (min. 3.5m)
Lighting	Artificial	Ventilation	Natural and mechanical.
Relationship to other areas	Each major sport user to have some secure storage space (Basketball, Gymnastics and Netball in particular). Off main hall for Basketball/Netball and other sports. Includes provision for cleaning equipment. Indoor and outdoor connectivity (drive up and unload from outside).		
Architectural Requirements	Secure, separate areas. The ability for overflow storage to use adjacent storage spaces if they are under used (therefore connecting doorways)		
Mechanical Services	Temperature control	Electrical Services	Lighting considered includes LED
Communications		Plumbing Services	
Fixed Equipment		Furniture and Fittings.	Fit out by tenants
Special Conditions	Access from exterior of building for loading unloading heavy equipment. does not impede the flow of the venue and remains safe when not overseen. External door needs to be minimum of 3.2 m wide by 3.5 m high.		

Value Engineering Exclusions

Description	Comments
Main Stadium	
Omit retractable bleacher seating	To be funded from elsewhere. Alternative options found for circa $250 - $300k
Structural upgrade to support solar panels	Commercial deal with supplier to be investigated
Solar Panels	Commercial deal with supplier to be investigated
2 x Portable basketball units	Deleted, to be funded from elsewhere or re-use existing
Back up Generator	Purchased and funded through Civil Defence Funding –
Screening to air handling units on new roof	Visual / aesthetic enhancement
Infrastructure upgrades	
Water harvesting tanks	No clear use for these – hockey turfs have own supply
External Hard Landscaping	
Fence and Sliding security gate	May be reintroduced if budget allows at later date
Exposed aggregate to hard landscaping	Also liaise with parks – may be able to supply planting
Existing Stadium	
LED light replacement	Done through existing stadium OPEX
Architectural upgrades to existing store (precast cladding)	Aesthetic treatment only
Paint Existing Acoustic Panels	May be reintroduced if budget allows at later date
Repaint existing Sport Canterbury office	May be reintroduced if budget allows at later date
Replace flooring Sport Canterbury offices	May be reintroduced if budget allows at later date
T&G walls existing - remove	May be reintroduced if budget allows at later date
Paint External brickwork black	May be reintroduced if budget allows at later date
Screening to package units on existing roof	Visual / aesthetic enhancement

9.3 Local Water Done Well - Selection of Preferred Option for Consultation

Author: **Stephen Doran, Group Manager Corporate and Communications**
Andrew Lester, Drainage and Water Manager

Authoriser: **Andrew Dixon, Group Manager Infrastructure**

Recommendation

That the Council:

1. Notes the resolution of 4 March 2025 to agree to rely on the alternative requirements for decision-making and consultation set out in sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024 in accordance with section 58(a)(i).
2. Notes the attached options analysis paper and modelling attached to this report.
3. Agrees to take a Joint Council Controlled Water Services Organisation, with Mackenzie District Council and Waimate District Council as the preferred option for public consultation from 15 May 2025.
4. Agrees to provide information on alternative options of an individual Council Controlled Water Services Organisation and a 'ring fenced' in-house model.
5. Notes the Draft Consultation document attached under separate cover and delegates to the chair Infrastructure Committee and Mayor for final sign off.
6. Notes that the final decision on the approach taken as part of the production of the Water Services Plan will be made by council following public consultation.

Purpose of Report

1 To select the preferred option for water services delivery to public consultation in accordance with the relevant sections of the Local Government (Water Services Preliminary Arrangements) Act 2024.

Assessment of Significance

2 Changes to Council's water services delivery model is considered significant in regards to community interest, impact on Councils capability and capacity, cost to council and impact on ratepayers and potential changes to the control of a Strategic Asset.

3 The Significance and Engagement Policies of the Group of Councils and the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Bill 3, require the water services delivery model options to be presented for community engagement and feedback.

4 It is intended that there will be a degree of coordination of consultation across the three councils, but each council will be running its own consultation process.

5 Outcomes of each consultation process will be presented back to each Council to inform their decision making and whether to proceed with the preferred delivery model. A summary of the consultation would also be included in the WSDP.

Background

6 The Water Services Preliminary Arrangements Act 2024, enacted on 2 September 2024, sets out the new requirements for water services delivery in New Zealand and requires councils to submit a Water Services Delivery Plan (WSDP) to the Department of Internal Affairs (DIA) by 3 September 2025. Each WSDP must define a financially sustainable delivery model with 10 years of financial information and undergo public consultation before formal adoption. The Government has introduced financial arrangements allowing CCOs to borrow up to 500% of their water revenue from the Local Government Funding Agency (LGFA).

7 On 10 December 2024, the Local Government (Water Services) Bill (Bill 3) was introduced to Parliament. The Bill sets out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework and is expected to be enacted in June 2025.

8 Timaru District Council has been investigating various models to present for implementation, including an in-house model, a standalone CCO and a multi-council CCO with similar councils.

9 This developed further when the council was invited to investigate the options under the Southern Water Done Well collaboration with four southern provincial councils. Further investigation of this plan showed that the Timaru District and its water users would benefit more from collaborating with its immediate neighbour councils.

10 A formal project group of representatives from Mackenzie, Timaru and Waimate District council has been formed to investigate the option of a joint CCO for water provision.

11 Martin Jenkins Consultants were engaged to develop the options assessment presented to in this report.

12 The options assessment considered in-house delivery, and two permutations of the joint WSO opportunity (being the 4 and 3 council options).

13 The options assessment has a 10-year outlook (FY34) but will comment on the longer-term challenges and opportunities beyond FY34.

13.1 For the joint opportunity, the financial component of the analysis will be based on our prior work.

13.2 The in-house option assessment will be based on the 10-year data supplied for whole of council as follows:

(1) Timaru: DIA template information - 23 December 2024, TDC Infrastructure Strategy 2024-2054.

(2) Mackenzie DC - data from the in-house model - 22 January 2025

(3) Waimate DC - data supplied 16 October 2024.

14 The consultation materials will take a ten-year view, but will include suggestions on how to frame the longer-term position.

Discussion

15 Mayors and Chief Executives of the Group of Councils are engaged to define what a Joint CCO would look like and how it compares against the other practicable options, such as leaving water services in house or setting up a standalone Council CCO.

16 Currently work is being undertaken to model the water delivery model to present a clear picture of the pros and cons of each option to the public as part of the formal consultation.

17 This includes work on:

17.1 External review of Council Asset Management Plans and associated Long Term Budgets to test and align planning and costing assumptions.

17.2 The effect of the recently written Draft wastewater standards. These may mean future investment requirements can be reduced. Potential impact of these to be assessed for each Council.

17.3 Joint CCO design and updating modelling to reflect design options.

17.4 Seeking DIA and Water Services Authority - Taumata Arowai review of financial modelling and option analysis.

18 The Water Services Preliminary Arrangements Act 2024, provides an alternative consultation requirements and decision-making pathway to that provided via the Local Government Act 2002 (Alternative Consultation and Decision-Making Requirements).

19 Councils are required to adopt the Alternative Consultation and Decision-Making Requirements when considering the preferred model or arrangement for delivering water services in its WSDP. These requirements are summarised as -

19.1 Must consult once but may consult further if certain conditions are met

19.2 Make the following information publicly available:

19.2.1 Proposed model or arrangement (with explanation and reasons for the proposal)

19.2.2 Analysis of reasonably practicable options

19.2.3 How proceeding (or not) with the proposal would affect council rates, debt, water charges and levels of service

20 Council Resolved on 4 March 2025 to agree to rely on these alternative requirements for decision making. This means there is no need to consult further on required amendments to the Long-Term Plan to give effect to the water services delivery model if Council has already consulted on a proposed model and is satisfied that the community has a good understanding of its implications and that the Council understands the community's views. All other relevant LGA 2002 requirements still apply (e.g. principles of consultation).

21 The Alternative Consultation and Decision-Making Requirements include consideration of the following:

21.1 Impact of the Joint Water Services CCO on the communities in the joint service area (as well as the impact on the authority's district)

21.2 Views of people in the joint service area (as well as the views of people in the authority's communities)

21.3 View of other territorial authorities who are parties or potential parties to the Joint Water Services CCO Arrangement.

Options and Preferred Option

22 An options analysis and modelling paper is attached to this document to aid with decision making. Council needs to decide on a preferred option to take out to public consultation on May 15.

23 The options, including the recommended option are as follows:

24 **Option 1** – Continue to deliver water services 'in-house' – under this option, we would continue to deliver water services through Council, with the changes necessary to meet new legislative requirements. We would set up a dedicated internal water services unit, with some changes to the way these services are governed and managed to ensure compliance with ring-fencing and other regulatory requirements.

25 **Option 2** – TDC would establish its own council-controlled water services organisation. The WSO would be responsible for the day-to-day operations, maintenance, planning for future water needs and repaying any water-related debt. TDC would be the sole shareholder under this model.

26 **Option 3 (Preferred)** – Jointly establish a new water services organisation, with other councils – under this option, we would work with some of our neighbouring councils to establish a new council-controlled water services organisation. This option has several variants depending on which councils wish to partner with us. In this consultation document, we would like to hear your views on two potential combinations:

26.1 A four-council option, together with Mackenzie, Waimate and Waitaki districts.

26.2 A three-council option, together with Mackenzie and Waimate districts.

27 There is some variation between these two sub-options, but if we are to join one of these organisations, we will look further at the option that best meets the needs of our community. This would include looking at our common interests and priorities for water services, geographic similarities, the level of influence we would have, and what water services could cost our community.

28 While we believe these three options will satisfy the requirements of Local Water Done Well for financially sustainable water services, the option we consider will best meet the needs of our community into the future is Option 3.

Consultation

29 Consultation with the public on this issue is set out in the Local Government (Water Services Preliminary Arrangements) Act 2024 alternative consultation requirements.

30 A draft consultation document will be attached to this report under separate cover.

Relevant Legislation, Council Policy and Plans

31 The Local Government (Water Services Preliminary Arrangements) Act places statutory requirements on the Councils that are required to be complied with. If a territorial authority struggles to comply with the requirements for a compliant WSDP, the Act provides for the Minister to appoint either of two new roles:

31.1 Crown facilitators, who may work with Councils to assist, advise, or amend draft WSDPs and;

31.2 Crown water services specialists, who may prepare, direct, or adopt a WSDP in accordance with their notice of appointment.

32 In addition, the Act provides that a person who contravenes an obligation to disclose information can be fined up to $500,000 or, in the case of an entity, $5 million.

Financial and Funding Implications

33 While the financial and funding implications for the wider decision and project are significant, the direct cost of this decision of a preferred option to take out to consultation is minor. The council is required under the legislation to take a preferred option to the public, so the direct consultation costs outside of the project are likely to be less than $5,000 as we will be using our standard and cost effective methodology.

Other Considerations

34 Timaru District Council Infrastructure Strategy 2024-2054

35 Timaru District Council Long Term Plan 2024 - 2034

Attachments

1. **TDC Options Analysis with SC Modelling**
2. **Draft Local Water Done Well TDC Consultation Document (under separate cover)**

Local Water Done Well – high level options assessment

Timaru District Council

30 April 2025

Commercial in Confidence

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Preface

This report has been prepared for Timaru District Council by MartinJenkins (Martin, Jenkins & Associates Ltd).

For over 30 years MartinJenkins has been a trusted adviser to clients in the government, private, and non-profit sectors in Aotearoa New Zealand and internationally. Our services include organisational performance, employment relations, financial and economic analysis, economic development, research and evaluation, data analytics, engagement, and public policy and regulatory systems.

We are recognised as experts in the business of government. We have worked for a wide range of public-sector organisations from both central and local government, and we also advise business and non-profit clients on engaging with government.

Kei te āwhina mātau ki te whakapai ake i a Aotearoa. We are a values-based organisation, driven by a clear purpose of helping make Aotearoa New Zealand a better place. Our firm is made up of people who are highly motivated to serve the New Zealand public, and to work on projects that make a difference.

Established in 1993, we are a privately owned New Zealand limited liability company, with offices in Wellington and Auckland. Our firm is governed by a Board made up of Executive Partners and Independent Directors. Our Independent Directors are Sophia Gunn and Chair David Prentice. Our Executive Partners are Sarah Baddeley, Nick Carlaw, Allana Coulon, Nick Davis, and Richard Tait. Michael Mills is also a non-shareholding Partner of our firm.

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Executive summary

Executive summary

This report presents a high-level assessment of water service delivery options for the Timaru District Council (TDC), in response to Local Water Done Well (LWDW).

LWDW introduces new legislative requirements and higher expectations for councils to ensure their water services are sustainable and compliant over the long term.

This assessment identifies two main options (and relevant variations) available to the Council:

- *delivering water services internally,*
- *establishing a standalone Water Services Organisation (WSO), and*
- *a joint WSO.*

This report is intended to support TDC's decision-making as it prepares to consult with the community on its proposed future arrangements for water service delivery in May 2025.

Like many councils, TDC faces a range of challenges including historic under investment, ageing infrastructure, growing pressure from regulatory changes, and longer-term investment and operational challenges. TDC is planning to invest heavily over the next decade and intends to make significant use of debt capacity to do so.

TDC also faces some unique needs and challenges. It has strong manufacturing and industrial sectors, which accounts for around 50% of usage/supply but also creates some environmental challenges to manage. Around 60% of drinking water supply comes from two rivers, but volumes are restricted during periods of drought or low river flow, which creates some resilience challenges.

Growth remains less of a challenge, with the District expected to grow at around 0.5-0.8% per year. However, TDC has an ageing population which may create longer-term affordability challenges as water revenues increase.

Over the next 10 years TDC is expecting to invest around $330 million across water services, and close to $1 billion over the next 30 years.

In responding to the government's LWDW policy and considering the future challenges, the Council has sought an assessment of alternative future delivery options for water services, including comparing an in-house water services business unit with a collaborative approach involving establishment of a joint WSO with neighbouring councils.

A wide range of considerations are relevant when making decisions about future delivery arrangements of water services. The council will need to balance a range of factors and make a series of judgements to determine which option will best provide for Timaru District's future needs.

This high-level options assessment finds that in-house delivery of water services, a standalone WSO and a joint WSO are all viable options for the council:

- On the one hand, establishing a standalone or joint WSO would unlock greater financial capacity for TDC and would help to reduce price increases for consumers compared to delivering water services in-house. It would also provide access to specialist expertise for water services which would help to safeguard water quality and reliability, particularly in the face of changing regulatory standards and future resilience needs. A joint WSO is expected to provide greater capacity and capability, and better long-term value for money for ratepayers.
- However, establishing a joint WSO may raise concerns about the degree of local control and influence over water services.

Council will likely have additional judgments, and this report is intended to support the Council to make those judgments, informed by analysis of the available options.

Background

Recap of Local Water Done Well

Key elements of Local Water Done Well

The Government's LWDW policy will significantly change the operating environment for water services in New Zealand.

New regulatory requirements, coupled with new structural and financing tools, is expected to lead to significant changes in service provision over time, including the adoption of new service delivery models.

WATER SERVICES DELIVERY PLANS

Plans need to show how councils will meet water quality and infrastructure rules, while being financially sustainable.

Plans need to include asset and financial information, investment required and proposed service delivery arrangements.

FINANCIAL SUSTAINABILITY

Water Services Delivery Plans need to show that:

- water revenue is sufficient to cover maintenance, financing costs and depreciation
- planned capital investment is sufficient to meet regulatory requirements and provide for growth, and
- available financing does not constrain investment required to support service delivery.

NEW STRUCTURAL AND FINANCING TOOLS

New legislation will provide for a range of structural and financing tools, including a new type of council-owned water organisation. Financing changes announced by the Local Government Funding Agency will enable new water organisations to increase borrowing beyond existing council debt limits.

NEW REGULATION

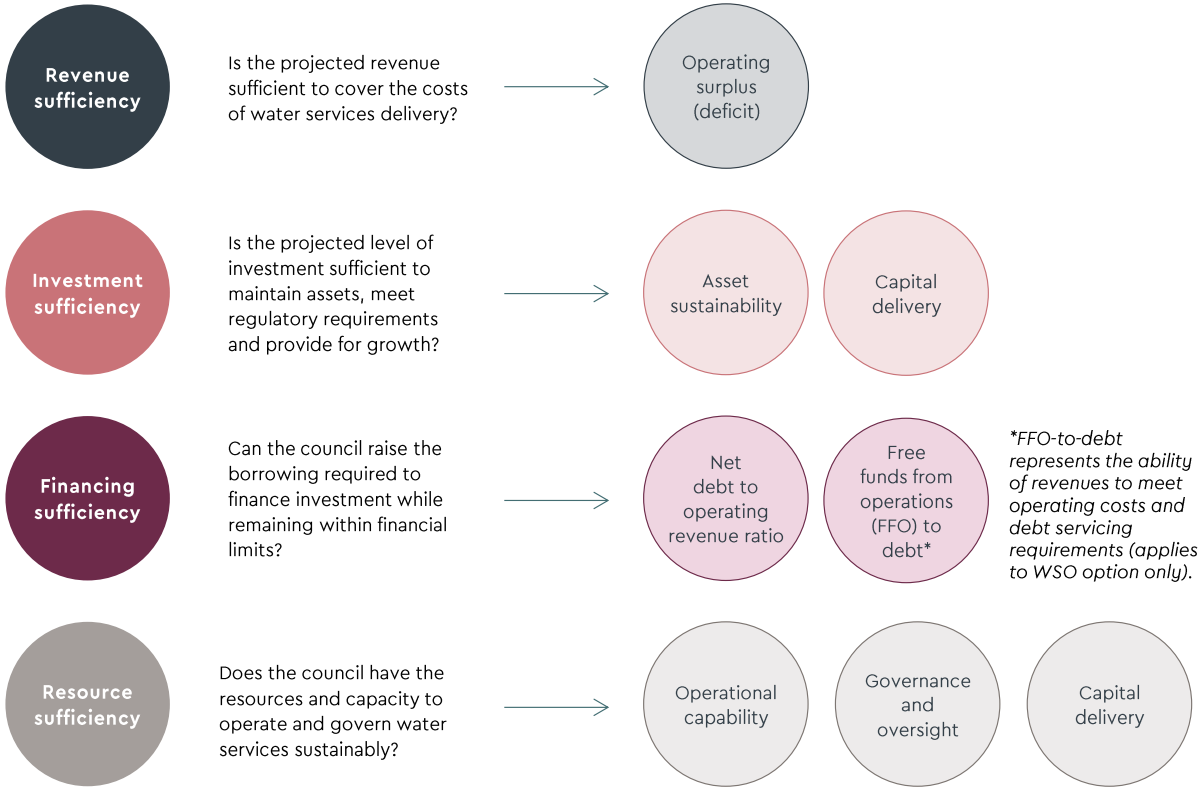
Legislation will set out long-term requirements for financial sustainability and provide for economic regulation. This will include requirements for councils to ring-fence their water services from other council activities and will include new information disclosure and reporting requirements.

Financial sustainability requirements

A primary focus of LWDW is requiring councils to demonstrate how their water services will be financially sustainable.

Under the Local Government (Water Services Preliminary Arrangements Act) 2024, a local authority is required to include in its Water Services Delivery Plan an explanation of how it proposes to achieve financially sustainable delivery of water services by 30 June 2028.

Under LWDW, financial sustainability is assessed through three tests (revenue, investment and financing sufficiency). In addition, we have considered resource sufficiency as part of our assessment.



A range of service delivery models are available

Several service delivery models are available to local authorities under LWDW, including a new class of statutory WSOs, which may be owned by local authorities and/or consumer trusts.

	1	2	3	4	5
SERVICE DELIVERY MODEL	Internal Business Unit	Council WSO	Multi-council WSO	Council / Trust	Trust
GOVERNANCE	Council	Independent			
OWNERSHIP	Council				Community
BORROWING	Council (LGFA) 280% debt to revenue*	LGFA FFO to debt – 8-12% **			Commercial
REQUIREMENTS	Subject to economic, environmental, and water quality regulation				
	Must act consistently with statutory objectives				
	Subject to restrictions against privatisation				
	Financial sustainability				
	New planning and accountability framework, and standalone financial statements				
		Current council staff / elected members can't be appointed to boards			
		Water organisations must be companies			
		Limited to the provision of water services			
		Board appointments must be competency based			

** Water activities can be leveraged more highly, but must be managed within overall council debt limits, being 280% debt to revenue.*

*** Free funds from operations (FFO) to debt to is the credit metric that the LGFA will assess a WSO against. Prior LGFA guidance suggest 500% debt to revenue is a comparator metric.*

Options available

to Timaru District Council

The full suite of options were considered

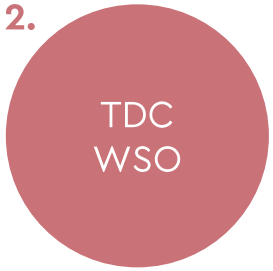
	Internal water services unit or division	Single council-owned Water Services Organisation	Multi-council-owned Water Services Organisation	Mix council/consumer trust-owned Water Services Organisation	Consumer trust-owned Water Services Organisation
Ownership	Council-owned (internal division)	100% owned by the Council	Owned by the Council plus others	Part-owned by the Council, part-owned by trust	100% owned by trust
Governance	Council oversight (option of independent committee)	Council-appointed committee (Council officers and elected members cannot be on Board)	Shareholder Council	Shareholder Council (trust and council)	Trustees appoint the Board
Accountability	Water-focused annual reports and financial statements	Reports to owners quarterly, prepares audited annual report, acts consistent with statutory objectives	Reports to owners quarterly, prepares audited annual report, acts consistent with statutory objectives	Reports to owners quarterly, prepares audited annual report, acts consistent with statutory objectives	Reports to owners quarterly, prepares audited annual report, acts consistent with statutory objectives
Borrowing	Council borrows within its overall Local Government Funding Agency (LGFA) limit of up to 280% debt to revenue	Borrow via LGFA, with different financial ratios to Council, enabling greater borrowing, with Council support	Borrow via LGFA, with different financial ratios to Council, enabling greater borrowing, with Council support	Independent, likely via banks (more expensive)	Independent, likely via banks (more expensive)
Planning	Council prepares a Water Services Strategy, fully integrated with overall Council strategy and budgeting	Water organisation prepares its own Water Services Strategy, guided by a council-issued Statement of Expectations	Multi-council shareholders jointly issue a Statement of Expectations; the Water Services Organisation prepares a Water Services Strategy	Shareholders (councils and trust) issue combined expectations; Water Services Organisation prepares its strategy to meet both councils and trust goals	Trustees issue a Statement of Expectations, with the Water Services Organisation preparing a strategic plan aligned with community goals
Operations	Integrated with Council operations	New independent Water Services Organisation	New independent Water Services Organisation	Mixed ownership; some community involvement	Full independence from Council
	1 **Considered** Feasible and minimal change.	2 **Considered** Financially viable and has some direct control benefits.	3 **Considered** Financially viable and offers scale benefit. 3a 3b Two variations of this option are canvassed	**Discounted** Cannot access borrowing from LGFA and complexity of trust ownership structure.	**Discounted** Cannot access borrowing from LGFA and complexity of trust ownership structure.

Three options available

Stand-alone options

TDC would deliver water services within Council through an internal water services unit, with changes necessary to meet new legislative and regulatory changes.

- Fully responsible for all day-to-day operations, maintenance, planning for future water needs, and repaying any water-related debt.
- The Council retains full control over water services decisions, but this may be more limited in future due to water services coming within the scope of economic regulation by the Commerce Commission.
- To help meet new requirements, TDC may set up a dedicated water services delivery unit within the Council.



TDC would establish its own council-controlled water services organisation. The WSO would be responsible for the day-to-day operations, maintenance, planning for future water needs, and repaying any water-related debt.

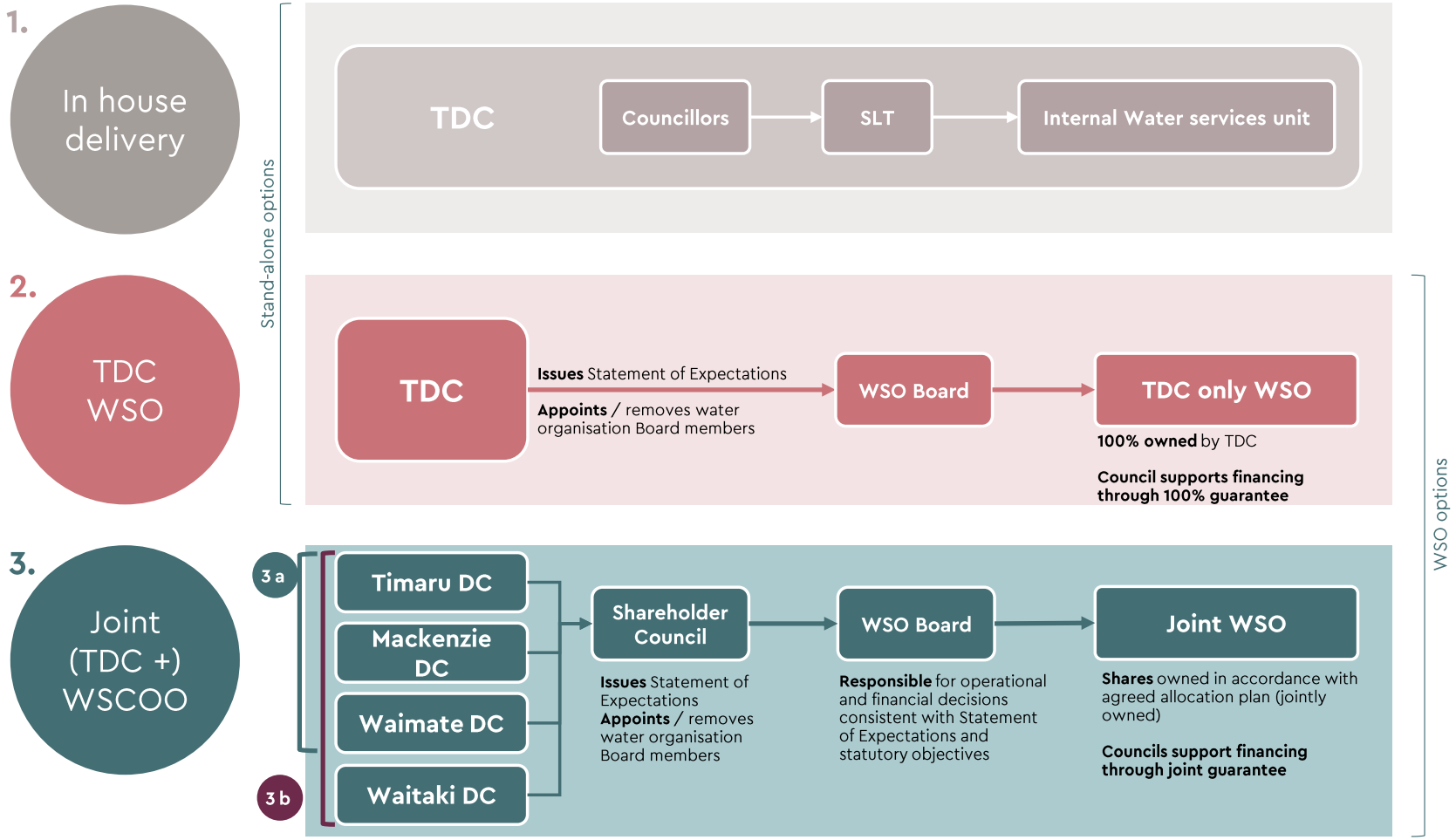
- TDC would be the sole shareholder, meaning the financial flexibility of removing water debt may not be as significant as a joint WSO as the Council would likely need to provide a full guarantee of the WSO debt, with potential implications for the Council's credit rating.

TDC would join in the establishment of a new council-controlled water services organisation with its neighbours Waimate District Council and Mackenzie District Council

- The joint WSO would handle water services across all participating districts and take on each council's water-related debt, and assets.
- A professional board of directors, appointed by the councils, would run the organisation from day to day.
- TDC, with other councils, can guide the board through a Statement of Expectations and retain influence over some key decisions alongside other councils.
- Additional financial flexibility for council, as a result of removing water debt from balance sheet.

WSO options

Three options available for consultation



Options assessment framework

Key judgements to inform assessment

High-level comparative assessments have been undertaken for three possible service delivery models against a series of financial and non-financial considerations.

The South Canterbury Joint Water Services Organisation Report (MartinJenkins, March 2025) has also supported this assessment and can be found in Appendix A.

Comparative assessment against strategic objectives

We have used a set of strategic objectives, based on LWDW legislation and policy to provide a comparative assessment for each option.

The objectives can be broadly placed into two categories:

- effective and affordable delivery, and
- community needs.

Comparative financial assessment

There are several key financial metrics which options were assessed against:

- investment and revenue sufficiency
- average cost per connection
- debt position of the council, with and without water services delivery, and
- future level of efficiencies.

Additional considerations

This includes key risks, a comparative overview of ownership, decision making and accountability structures.

Comparative assessment

Strategic objectives

Strategic objectives

Strategic objective	Key elements
Efficient and financially sustainable delivery of water services for the Timaru community, now and into the future	• **Financial sustainability**, a requirement under the new legislation including **revenue sufficiency, financing sufficiency,** and **resource sufficiency.** • **Ring-fencing**: Councils will be required to prepare separate financial statements for each water activity group, and for water services as a whole.
Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery	• **Support integrated planning and decision-making** around water network planning, including addressing **low growth, industrial use and an aging population.** • **Coordination with wider district and infrastructure planning** to align water services planning effectively and efficiently. • **Appropriate levels of service**, including how these are reflected in differential charges, ensuring equitable access.
Affordable fit for purpose service to consumers and communities that meets the needs, and expectations of the Timaru community	• **Affordability** – the projected increase in water charges is affordable for the community. • **Strength of mechanisms for local voice and influence provided** for in the model for example, customer engagement regarding service levels, investment and prices. • **Act in best interests of present and future consumers and communities**. • **Fit for purpose** – delivering only what is necessary to meet the specific needs of the community, without excess (that is, value-for-money).
Remaining council operations are viable and continue to deliver on community's expectations	• The Council needs to be able to sustainably deliver its core services and meet communities' expectations.
Water services **are resilient to natural hazards and climate change**	• Investment sufficiency to **meet current and future resilience needs and enable effective response to emergencies from natural hazards.** • **Support alignment and coordination with Environment Canterbury flood protection functions**. • Appropriate level of financial capacity to respond to unexpected shocks.
Protects and promotes public health and the environment – meeting regulatory requirements	• **Investment sufficiency**: Councils undertake the investment they need to maintain existing assets, meet regulatory requirements, and provide for seasonal demands, consistent with current asset management plans including: – maintaining compliance with drinking water standards – maintaining good standards of environmental protection, and – anticipating and planning for meeting national standards and resource consent requirements.
Responsibilities to hapū and iwi are met	• Giving effect to **Council's responsibilities arising from Treaty settlements**. • Strength of processes and mechanisms for **engaging with hapū and iwi to ensure meaningful participation** in water services decision-making and delivery.

Comparative assessment against strategic objectives

Effective and affordable delivery (slide 1 of 3)

	1. In-house delivery	2. TDC only WSO	3. Joint WSO
	Creation of dedicated ring-fenced water services unit within TDC.	TDC establishes its own WSO.	TDC er wers with other councils to establish a joint WSO (two possible variations)
Efficient and financially sustainable delivery of water services for the Timaru community, now and into the future	▪ Council data indicates it would meet the financial sustainability tests, provided investment is sufficient to meet compliance requirements. However, the Council is expected to be debt constrained under this option. *Note, we have not independently reviewed investment adequacy to meet regulatory requirements.* ▪ Significant investment is required over the next 30-years, with projections showing over $930 million of capex is required. Investment beyond FY34 is anticipated to put further pressure on affordability of water services.	▪ Minor efficiencies may be able to be achieved, but are expected to be materially less than could be achieved through a joint WSO. ▪ There is a stronger ability to leverage council shared services, mitigating the risk of stranded costs compared to option 3. ▪ Greater financial capacity to meet investment needs as it is not constrained by wider council borrowing levels.	▪ Scale efficiencies would provide financial benefits to consumers in the long run. Extent of efficiencies may depend on the number and mix of participating councils. ▪ Greater scale may improve ability to attract scarce resources compared to option 1 and 2. ▪ Greater financial capacity to meet investment needs as it is not constrained by wider council borrowing. ▪ Investment decisions would be made by the WSO across multiple districts.
Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery	▪ Greatest level of integration. ▪ Retains existing interface between spatial and water infrastructure planning and maintenance. Staff involved in these functions all housed within Council. ▪ Limited-to-no change to current practices.	▪ Strong level of integration. ▪ Ability to retain existing interface between spatial and water infrastructure planning. ▪ Limited-to-no change to current practices.	▪ Creates need for formal information sharing and collaboration between TDC and WSO to coordinate planning and investment (including for compliance, resilience and growth) across multiple shareholder councils. This will require more sophisticated investment prioritisation and delivery approaches. ▪ Different councils may have different drivers such as growth, rural needs, and seasonal demands that would need to balanced across a WSO. This challenge is expected to be manageable within the WSO.

Legend: *Red text denotes possible risk* | *Does not meet objective(s)* | *Consistent with objective but has some risks* | *Moderate alignment to objective(s)* | *Strong alignment to objective(s)*

Comparative assessment against strategic objectives

Effective and affordable delivery (slide 2 of 3)

	1. In-house delivery	2. TDC only WSO	3. Joint WSO
	Creation of dedicated ring-fenced water services unit within TDC.	TDC establishes its own WSO.	TDC partners with other councils to establish a joint WSO (two possible variations)
Affordable fit for purpose service to consumers and communities that meets the needs, and expectations of the Timaru community	▪ Projections indicate average connection costs would remain within 2.5% of median household income (an indicative benchmark) within the next 10 years (excluding trade waste revenues paid by commercial customers). ▪ There is potential risk to this if Council needs to invest further, noting that debt is forecast to reach 236% debt-to-revenue in FY29, against an internal borrowing limit or 250%. by FY29 at 236%. This will constrain its ability to invest unless revenue increases.	▪ Optimisation of capital structure leading to greater ability to spread cost of investment across generations and leads to a small improvement in affordability, relative to option 1. ▪ Efficiencies under this option, while limited, would support improved affordability in the long run (beyond 2035).	▪ Depending on WSO pricing outcomes, affordability is expected to improve relative to internal water services delivery, particularly in the longer-term as greater efficiencies are realised. ▪ A WSO would need to be able to respond to diverse needs of a broader consumer base spanning urban, rural and industrial customers. Its greater financial strength means it is likely to be better placed to meet these competing needs.
Remaining Council operations are viable and continue to deliver on community's expectations	▪ Least impact on current council operations and staff. ▪ Water revenues would be ring-fenced. ▪ Use of council's available debt headroom for water investment is expected to significantly constrain TDC's ability to invest in non-water activities and or deal with unexpected shocks. ▪ Water debt is forecast to comprise 44% of Council debt in FY25, and 45% in FY34.	▪ Minor impact on council staff. ▪ The Council would be in a stronger financial position as water services (including associated debt obligations, revenue and expenditure) become the responsibility of a WSO. ▪ Council will need to guarantee the WSO debt, which *may* have implications for the Council's credit rating but would not affect access to finance through LGFA (based on current LGFA guidance).	▪ The Council would be in a stronger financial position as water services (including associated debt obligations, revenue and expenditure) become the responsibility of a WSO. ▪ Potentially greater impact on Council operations due to personnel transition, and risk of stranded overheads. ▪ Council will need to guarantee some of the WSO debt (along with other councils). This *may* have implications for the Council's credit rating but would not affect access to finance through LGFA (based on current LGFA guidance). ▪ Some transition impacts and costs would be expected in the short term, and an appropriate (phased) transition plan would need to be in place to minimise impact to Council and staff.

Legend: *Red text denotes possible risk* | *Does not meet objective(s)* | *Consistent with objective but has some risks* | *Moderate alignment to objective(s)* | *Strong alignment to objective(s)*

Comparative assessment against strategic objectives

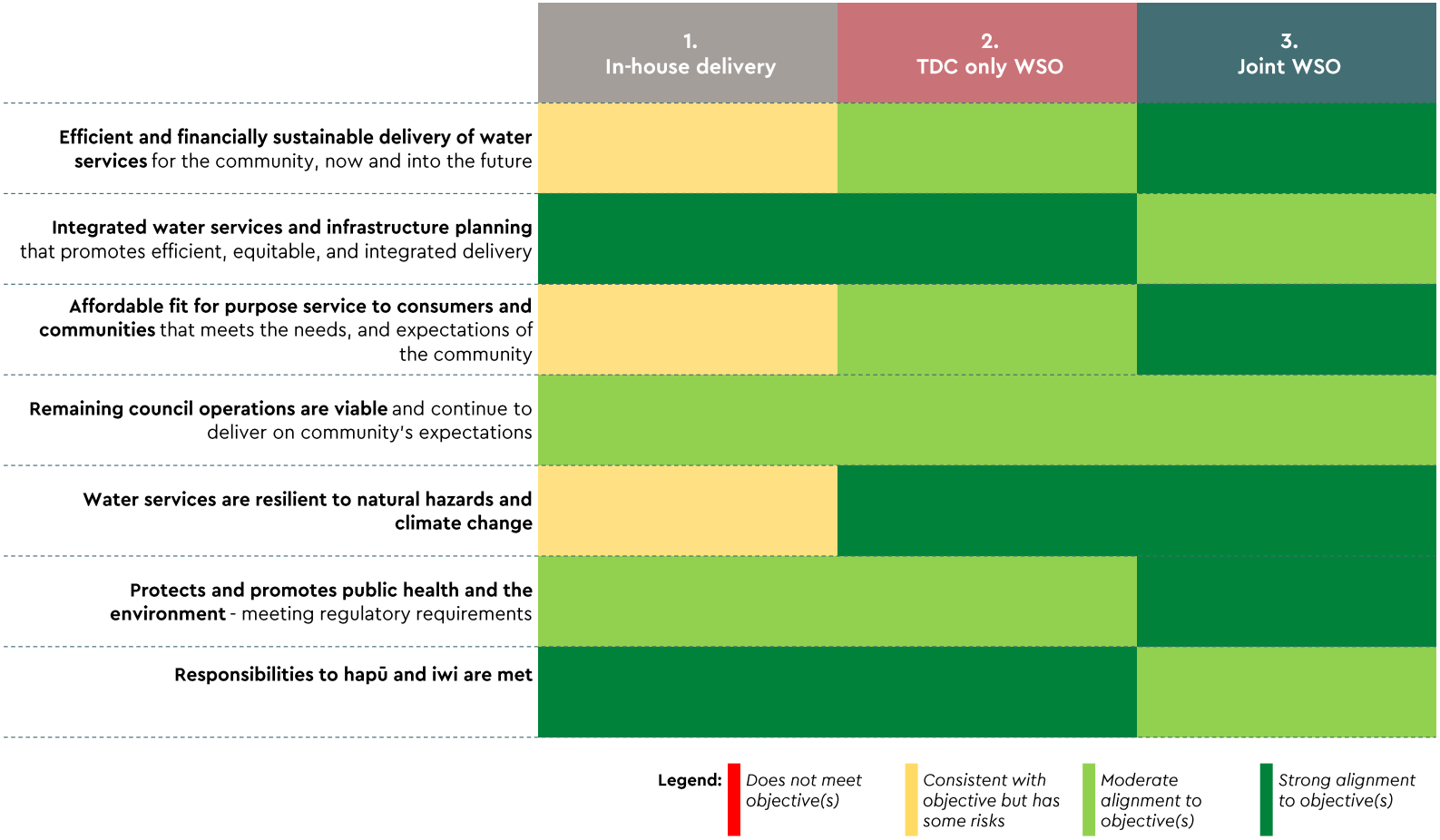
Community needs (slide 3 of 3)

	1. In-house delivery	2. TDC only WSO	3. Joint WSO
	Creation of dedicated ring-fenced water services unit within TDC.	TDC establishes its own WSO.	TDC partners with other councils to establish a joint WSO (two possible variations)
Water services are resilient to natural hazard, seismic risk and climate change	▪ Council's water infrastructure may be more exposed to longer-term challenges from climate change and hazards for water services, with these challenges expected to grow in the coming decades, particularly with the Council's forecast debt position.	▪ Greater debt capacity may make it possible to enhance investment in climate and seismic resilience in the longer term.	▪ Greater debt capacity may make it possible to accelerate investment in infrastructure resilience, thereby mitigating longer-term risks. ▪ Enables coordinated approach to climate and natural hazard planning across a wider service area.
Protects and promotes public health and the environment – meeting regulatory requirements	▪ Council has a number of consents expiring over the next 10-20 years, which may require additional expenditure to meet regulatory requirements. ▪ Infrastructure resilience-related investments and reactive infrastructure upgrades over the long term would present affordability challenges.	▪ Stronger financial ability to invest in future resilience needs, and meet changing regulatory requirements when renewing consents.	▪ Greater ability to meet investment needs and regulatory requirements. ▪ Potential for better coordination across districts to meet regulatory requirements which may reduce investment burden.
Responsibilities to hapū and iwi are met*	▪ Ability to make use of existing relationships and channels for engagement and partnership.	▪ Ability to make use of existing relationships and channels for engagement and partnership.	▪ New relationships would need to be built requiring new engagement mechanisms with hapū and iwi.

*Iwi should be specifically consulted on implications as part of consultation process

Legend: *Red text denotes possible risk* | *Does not meet objective(s)* | *Consistent with objective but has some risks* | *Moderate alignment to objective(s)* | *Strong alignment to objective(s)*

Summary assessment against strategic objectives



Comparative assessment

Key financial metrics

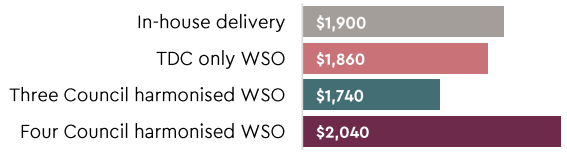
Comparative assessment of key financial metrics*

** Further information on the financial assessment of the joint WSO options can be found in Appendix A.*

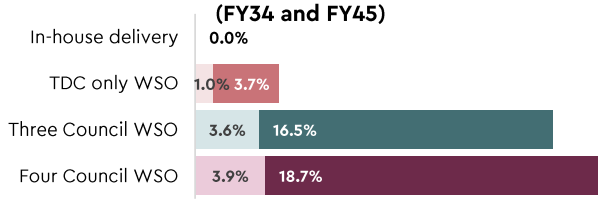
	1. In-house delivery	2. TDC only WSO	3a. Three Council Water Services Organisation	3b. Four Council Water Services Organisation
	Creation of dedicated ring-fenced water services unit within TDC.	TDC establishes its own WSO.	Partner with Waimate and Mackenzie District Councils	Partner with Wamate, Mackenzie, and Waitaki District Councils
Average cost per connection FY34 ($ today)	**~$1,900 p.a.**** FY25 cost is around ~$1,500 per connection *Includes rural connections. Excludes commercial supply and trade waste revenue.*	**~$1,860**** *Includes rural connections. Excludes commercial supply and trade waste revenue.*	**~$1,740** (price harmonised) **~$1,670** (non-harmonised) *Includes rural connections. Excludes TDC's commercial supply and trade waste revenue.*	**~$2,040** (price harmonised) **~$1,640** (non-harmonised) *Includes rural connections. Excludes TDC's commercial supply and trade waste revenue.*
Efficiencies	Limited efficiencies are likely to be realised. Some small efficiencies may be possible through shared services arrangements.	$0.6 million cumulative opex efficiencies between FY30 and FY34. Cumulative opex efficiencies reach 3.7% p.a. in FY45. $0.9 million cumulative capex efficiencies between FY30 and FY34 Cumulative capex efficiencies reach 4.4% p.a. in FY45.	$2.1 million cumulative opex efficiencies between FY31 and FY34. Cumulative opex efficiencies reach 16.5% p.a. in FY45. $7.2 million cumulative capex efficiencies between FY28 and FY34 Cumulative capex efficiencies reach 12.7% p.a. in FY42.	$2.3 million cumulative opex efficiencies between FY31 and FY34. Cumulative opex efficiencies reach 18.7% p.a. in FY45. $8.0 million cumulative capex efficiencies between FY28 and FY34 Cumulative capex efficiencies reach 13.1% p.a. in FY42.
Council financial position (FY34)	Including water services, Council debt-to-revenue ratio (including three waters) is expected to be 184% in FY34 and sees a peak debt-to-revenue ratio of 236% in FY29.	When water services revenues and debt are removed from the Council, the Council's net external position would peak at 184% in FY29 and be around 135% in FY34. In FY30, the Council would have additional debt headroom of around $48 million when compared to retaining water services in-house. Council debt-to-revenue ratio of 135% in FY34. A peak debt-to-revenue ratio of 184% in FY29.		

*** Incorporates additional costs to meet LWDW, but does not account for any costs associated with an internal water services unit.*

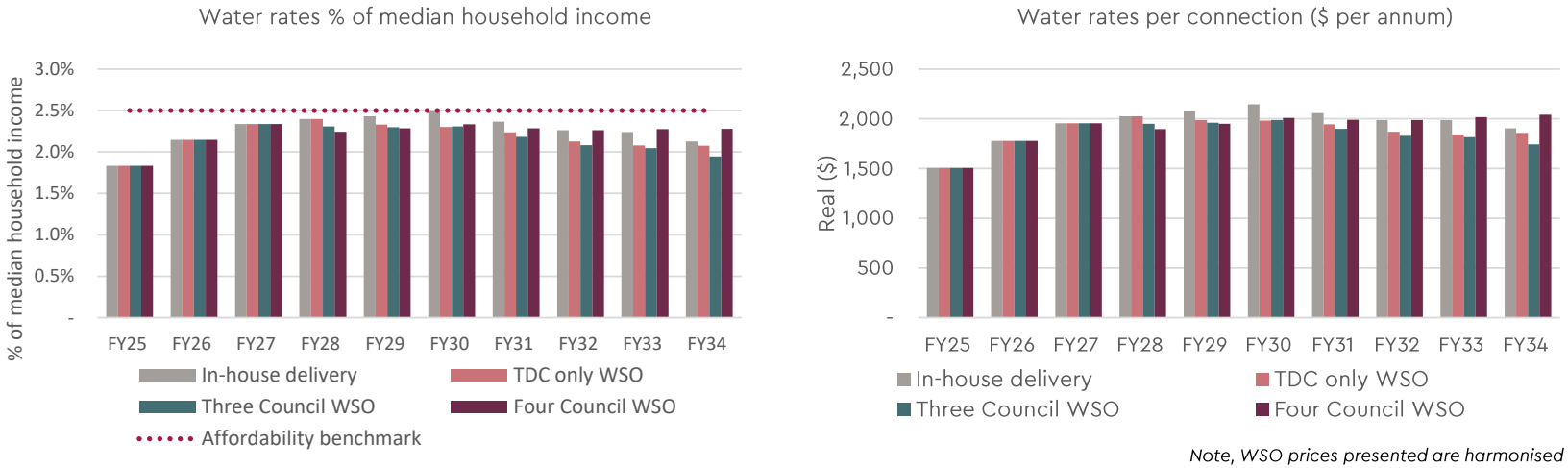
Average cost per connection – FY34 ($real)



Approximate peak opex efficiencies (FY34 and FY45)



Forecast affordability



Note, WSO prices presented are harmonised

Anticipated water rates

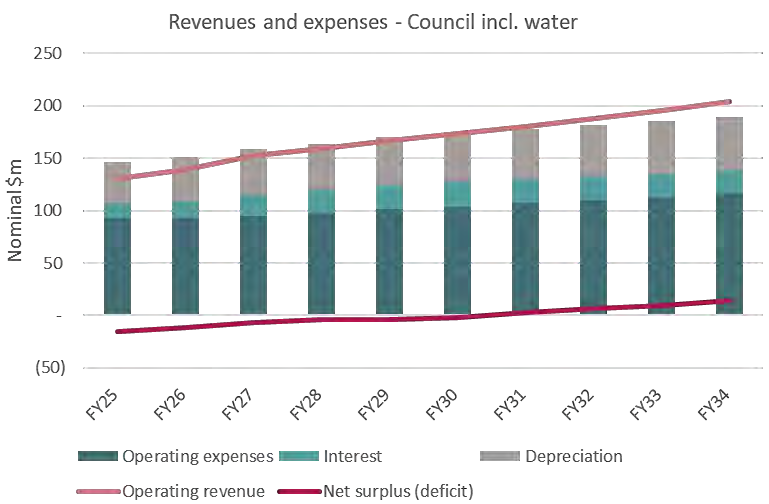
- Water rates per connection are expected to remain within indicative affordability benchmarks throughout the LTP period under current arrangements.
- There are differences between rural and urban connection costs, with rural connections generally carrying a higher cost, however rural connections typically have a higher volume of consumption and differing uses.

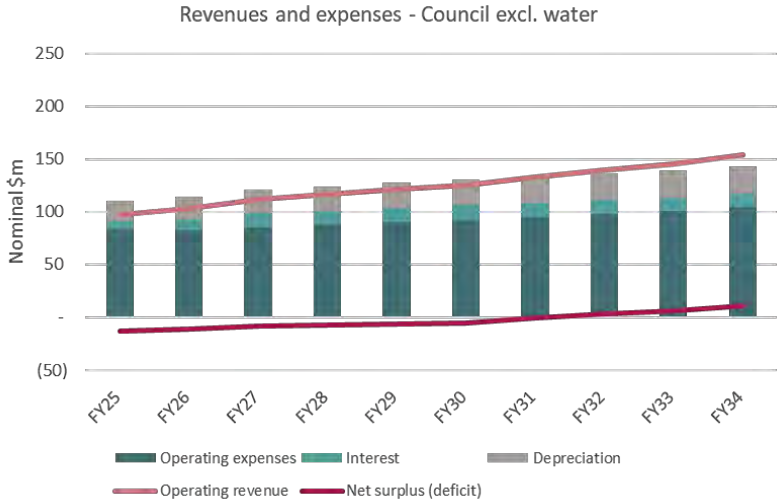
Implications of a joint WSO

- Affordability is expected to improve under option 3a (harmonised) WSO by an average of around $150 (in today's dollars) per connection per year by FY34, with further efficiencies expected under a joint WSO option beyond FY34.

Note, revenues collected under industrial metered supply and trade waste agreements have been excluded for the purposes of reporting water rates per connection and affordability metrics. This revenue was included in all other WSO financial projections.

Forecast revenues and expenses (Council)





Operating surpluses/deficits

- Council is forecasting to run operating deficits until FY30 when including water, and FY31 if water services are excluded.
- Operating deficits comprise 1% of revenues when water services are included ($32.4 million). Excluding water services, ten-year cumulative operating deficits total 3% of revenue ($13.2 million).

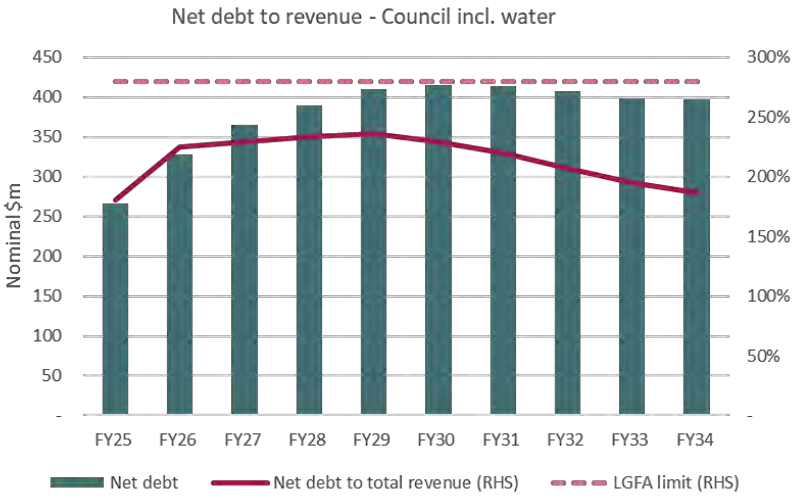
Revenues

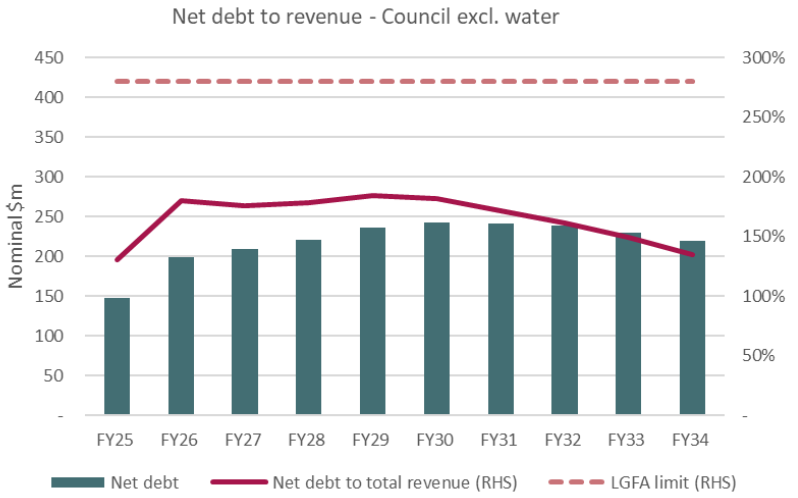
- Water revenues are forecast to comprise roughly 29% of Council revenues over the LTP period.
- When including water services, revenues are projected to increase by $73.8 million by FY34 (from $130 million in FY25 to $203.8 million). This compares to projections that Council revenues would increase by $56.7 million (from $97.3 million to $154.0 million) if water was excluded.

Expenses

- Excluding water services would reduce operating expenses by a cumulative $110 million over the LTP period when compared to including water services.

Forecast borrowing (Council)





Borrowing

- Including water services, Council debt is forecast to reach a peak of $415 million in FY30, before decreasing to $397 million in FY34.
- Council excluding water services is forecast to have $242 million of net debt in FY30, and $219 million of net debt in FY34. Excluding water services reduces Council debt by $178 million by FY34.

Note, there is approximately $28 million of debt attributed to Timaru District Holdings Limited (TDHL) which has been excluded from this analysis, along with the revenue provided by TDHL, as per direction from Council.

Debt to revenue

- As Council is rated, Council has a debt to revenue limit with the LGFA of 280%.
- When Council includes water services, total Council debt is forecast to reach 236% in FY29, before decreasing to 187% in FY34. This compares to a peak of 184% if water services are excluded.
- With water services debt and revenue excluded, forecasts for FY29 (peak borrowing) indicate that Council is expected to have around $124 million of headroom against the LGFA limit of 280% debt-to-revenue. This compares to around $77 million of debt headroom if water services are included.

Additional considerations

Water Services Organisation

Specific implementation considerations – WSO

There are risks associated with WSO options but in general a WSO is less likely to be prone to problems if it is set up appropriately and subject to regulation. There are mechanisms to facilitate this in legislation, and through the establishment process.

GOVERNANCE FAILURE

- Appointing Board members that, individually or collectively, do not have the skills and experience required to effectively set the strategy and performance targets, and monitor management's performance against that strategy.
- Ineffective scrutiny of performance and/or failure to act on performance issues, whether through councils' ownership control mechanisms (that is, Board appointments) or ministerial or regulator oversight.

1

INSUFFICIENT BALANCE SHEET

- There is a risk that the transfer of assets, liabilities, revenues and costs to a new WSO may result in it having low credit quality and/or unable to adequately fund the level of ongoing investment required (limited headroom for new investment).
- This risk is not inherent to the WSO model but attention still needs to be paid to how the new entities are structured financially, including the amount of debt and revenues that are transferred to it.

3

STRATEGIC CAPABILITY AND WORKFORCE

2

- Strategic capability to support any structural change and set up any new arrangements for success in a timely manner.
- The ability to attract and retain a high-quality management team and a qualified workforce is a key determinant of success. This risk is not inherent to a WSO model and also exists with in-house delivery.

LACK OF ALIGNMENT OF SHAREHOLDERS' INTERESTS

4

- In a multi-council ownership situation if different councils have different interests or priorities, then the Board and management of the entity can be pulled in different directions.
- The legislative requirement for a single Statement of Performance Expectations aims to mitigate this, as do other legislative protections.
- Shareholder agreements will also influence this.

Comparing mechanisms for planning, control and influence

	In-house delivery (via internal water services unit)	Water Services Organisation	*Ordinary Council-Controlled Organisation (not available)*
Ownership structure	100% Council-owned as a business unit or division within the organisation. No new organisation is established.	Ownership arrangements and rights set out in a constitution and/or shareholder agreement, subject to compliance with the legislation.	*Controlled, directly or indirectly, by 50% or more of the votes of directors, trustees or managers.*
Governance arrangements	Internal water services unit responsible to the elected members, with other usual council governance oversight. This could be supplemented with a technical advisory group if required and an additional cost.	Shareholding councils can appoint and remove directors. A constitution would govern composition of the Board, process and requirements. Shareholder council provides governance oversight and a forum to meet, discuss, and coordinate on relevant issues. Shareholder Council will strive to make all decisions by consensus.	*Governors appointed by controlling councils.*
Strategy	Councils will need to prepare a water services strategy.	A WSO must prepare and adopt a water services strategy, consistent with the Statement of Expectations (SOE) issued by the shareholder Council. WSO Board prepares water services strategy and consults shareholding councils.	*CCO must prepare and adopt statement of intent. Shareholders may direct changes to statement of intent.*
Direction setting	Set by the Council, through various strategies and planning documents, including the Long-Term Plan.	The shareholder Council would issue a Statement of Expectations, guided by ownership rights set out in a constitution or shareholders' agreement. The WSO must give effect to this.	*Owners may prepare a Statement of Expectations, however these are non-binding.*
Accountability	Accountable to the public through usual local democracy practices. Water services annual report – including new financial statements on water supply, wastewater and stormwater – will be completed to enhance current requirements. The Council will face new accountabilities to the economic regulator, and water services regulator for prices, and quality of service as well as consumers directly.	WSO must give effect to the Statement of Expectations, provided it is consistent with the Act. WSO Board is accountable to Council shareholders and reports regularly on performance (shareholders are accountable to community). WSO required to give effect to Statement of Expectations and meet statutory requirements. WSO prepares annual report, including financial statements, and information on performance and other matters outlined in water services strategy. The WSO will also be accountable to the economic regulator, and water services regulator, as well as consumers directly.	*Ordinary CCOs are not typically subject to economic regulation or sector specific regulation (an exception being airports).* *Accountability arrangements are broadly similar but the level of specificity for WSOs is more prescriptively set out in legislation and tailored to the delivery of water services.*
Community engagement	Consistent with the Local Government Act engagement requirements.	WSO may engage with the community, and shareholders. Shareholders can prescribe requirements through founding documents and accountability instruments.	*CCO may engage with the community and shareholders.*

Key risks and mitigations

Option	Risk	Possible mitigation
1. Internal water services unit 2. Standalone WSO	• Resource competition with other WSOs – staff, contractors and delivery. For example, when tendering for investment, or attracting staff with the right skills and experience.	• Difficult to mitigate. Option to engage a third-party or WSO for service delivery, or leverage expertise through secondments to TDC.
	• Option 1 only: The smaller operational scale and lower debt ceiling may limit flexibility to respond to broader challenges or shocks (for example, maintaining assets, making climate investments to improve resilience, or responding to an extreme weather event).	• Appropriate treasury and financial policies.
3. Joint Water Services Organisation	• Limited direct control or influence over investment decisions and pricing outcomes.* **Note, all water service providers (including councils) will be subject to economic regulation, as well as environmental and water quality regulation which may direct investment and prices.*	• Shareholder Council appoint and remove directors. • Ability to provide direction through the Statement of Expectations.
	• Transition risks, such as stranded overheads, or reduced internal capacity to deliver other council services as a result of staff moving to a WSO.	• May be addressed through careful negotiation of transition arrangements with potential partners to ensure council functions are protected alongside appropriate management of stranded costs. This includes ensuring the WSO compensates Council for any services provided through transition period (e.g., collecting revenue on their behalf, accommodating staff).
	• Higher costs to TDC communities due to pricing decisions, or efficiencies not being realised.	• May be addressed through negotiation. TDC has a strong starting position which would help to ensure that benefits are captured for the community. • Economic regulation will help to drive efficiencies. • WSO structure, including independent governance, will support strong asset management and procurement practices.

Summary assessment

Summary assessment

	1. Internal water services unit	2. Standalone WSO	3. Joint WSO
Choose option if	**Council wants least change to status quo**, is confident it can meet new LWDW requirements in the short and long term and is willing to retain operational and financial responsibility for water services. **Council wants to preserve future option value** including the potential to join a regional / sub-regional WSO in future, though this may be more complex and costly, and less certain than moving in the short term.	**Council wants to isolate water services debt and revenue** but is comfortable that efficiencies are unlikely to be realised. Any financial benefits to consumers arise from an optimised capital structure. **Council wants to preserve future option value** including the potential to join a regional / sub-regional WSO in future, though this may be more complex and costly, and less certain than moving in the short term.	**Council wishes to capture efficiencies** from being a part of a larger organisation to enable more investment and/or lower prices, while more effectively managing risks. Council wishes to minimise potential future transition costs and risks, by partnering in the near term (2-3 years) if it were to consider a future 'on-ramp' to join with neighbouring councils.
Key advantages	**Local decision-making:** The Council, familiar with local conditions, would decide on services and investments. **Seamless integration:** Water services can be easily coordinated with our other responsibilities (such as district planning and transport). **Community accountability:** Communication remains straightforward, with TDC continuing to engage directly with residents on water issues. **Familiar structure:** Day-to-day operations remain largely as they are now, which can help minimise transition costs.	**Lower prices:** Around $40 per connection lower than an internal water services unit in FY34. This is driven by optimising the capital structure. This means that prices would continue to increase beyond FY34 at a rate faster than a joint WSO as there is a more limited ability to achieve efficiencies. **Local decision-making:** The Council, familiar with local conditions, would decide on services and investments. **Simpler integration:** Water services can be easily coordinated with our other responsibilities (such as district planning and transport), more so than with a joint WSO. **Additional borrowing capacity** for the Council and water services.	**Lower prices and long-term savings**: around $160 per connection lower than an internal water services unit, and $40 lower than a standalone WSO in FY34. By combining resources (such as maintenance services) across multiple councils, having a bigger investment need, the organisation can drive down costs over time. This gap would widen over time due to efficiencies. **Specialist oversight**: A professional, expert board can make informed decisions and respond quickly to service needs. **Efficient borrowing**: The organisation can borrow at similar rates. **Greater financial flexibility for the Council**: With water debt removed from its books, the Council can redirect its financial capacity to other priorities as needed.
Key disadvantages	**Higher prices**: Likely to be more expensive – potentially costing customers an extra $160 per year more than a joint WSO by FY34. **Limited opportunity for efficiencies**: TDC would not see any of the benefits that might come from partnering with other councils, potentially raising our long-term operating costs. **Lesser ability to respond to shocks**: By utilising Council's debt headroom for water services, your ability to respond to shocks or borrow for non-water purposes is more limited. **Competition for staff and contractors**	**Limited efficiencies**: Efficiencies are likely limited, resulting in higher costs to consumers. This becomes more pronounced in the longer term as efficiencies are unlikely to be fully realised for 15 years. **Complexity and potential duplication of resources** within TDC, and the region. A WSO would be independent and require its own board and management. This would add costs which are not shared with other communities. There is potential for other WSOs in the region, which would lead to duplication, and some transition challenges if you were to partners in the future.	**Less local control:** TDC would share decision-making and control with other councils. **Transition challenges:** Establishing the organisation is a large task, and coordinating the transition of water services, staff and debt may be complex. **Stranded costs:** Some costs that are currently shared with water services may not be able to be transferred to the organisation.

Wellington T +64 4 499 6130
Level 1, City Chambers, Cnr Johnston and Featherston Streets, Wellington 6011, PO Box 5256, Wellington 6140, New Zealand
Auckland T +64 9 915 1360
Level 16, 41 Shortland Street, Auckland 1010, New Zealand
info@martinjenkins.co.nz **martinjenkins.co.nz**

Appendix A

Joint Water Services Organisation – Financial assessment

Joint Water Services Organisation

South Canterbury region

23 April 2025

Preface

This report has been prepared for Timaru, Mackenzie, Waimate and Waitaki District Councils by MartinJenkins.

For over 30 years MartinJenkins has been a trusted adviser to clients in the government, private, and non-profit sectors in Aotearoa New Zealand and internationally. Our services include organisational performance, employment relations, financial and economic analysis, economic development, research and evaluation, data analytics, engagement, and public policy and regulatory systems.

We are recognised as experts in the business of government. We have worked for a wide range of public-sector organisations from both central and local government, and we also advise business and non-profit clients on engaging with government.

Kei te āwhina mātau ki te whakapai ake i a Aotearoa. We are a values-based organisation, driven by a clear purpose of helping make Aotearoa New Zealand a better place. Our firm is made up of people who are highly motivated to serve the New Zealand public, and to work on projects that make a difference.

Established in 1993, we are a privately owned New Zealand limited liability company, with offices in Wellington and Auckland. Our firm is governed by a Board made up of Executive Partners and Independent Directors. Our Independent Directors are Sophia Gunn and Chair David Prentice. Our Executive Partners are Sarah Baddeley, Nick Carlaw, Allana Coulon, Nick Davis, and Richard Tait. Michael Mills is a non-shareholding Partner of our firm.

Disclaimer

This report has been prepared solely for the purposes stated in it. It should not be relied on for any other purpose.

No part of this report should be reproduced, distributed, or communicated to any third party, unless we explicitly consent to this in advance. We do not accept any liability if this report is used for some other purpose for which it was not intended, nor any liability to any third party in respect of this report.

Information provided by the client or others for this assignment has not been independently verified or audited. Information supplied has been subject to change.

Any financial projections included in this document (including budgets or forecasts) are prospective financial information. Those projections are based on information provided by the client and on assumptions about future events and management action that are outside our control and that may or may not occur.

We have made reasonable efforts to ensure that the information contained in this report was up to date as at the time the report was published. That information may become out of date quickly, including as a result of events that are outside our control.

MartinJenkins, and its directors, officers, employees, agents, consultants, and advisers, will not have any liability arising from or otherwise in connection with this report (or any omissions from it), whether in contract, tort (including for negligence, breach of statutory duty, or otherwise), or any other form of legal liability (except for any liability that by law may not be excluded). The client irrevocably waives all claims against them in connection with any such liability.

This Disclaimer supplements and does not replace the Terms and Conditions of our engagement contained in the Engagement Letter for this assignment.

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01. Introduction and purpose

Introduction and purpose

Timaru, Mackenzie, Waimate and Waitaki District Councils engaged MartinJenkins to undertake a high-level financial assessment of a potential Joint Water Services Council Controlled Organisation (WSCCO).

To inform the preparation of Water Services Delivery Plans required by the Local Government (Water Services Preliminary Arrangements) Act 2024, participating councils wish to understand the potential financial implications of a joint WSCCO option.

Local Water Done Well requires councils to demonstrate the delivery of water services is financially sustainable

The Government's Local Water Done Well (LWDW) policy means councils across New Zealand need to assess whether their water services delivery arrangements are, and will continue to be, financially sustainable over the medium- to longer-term.

Councils also need to consider whether existing service delivery arrangements will continue to meet community expectations regarding levels of service, achieve compliance with future regulatory requirements, while remaining affordable for their communities.

Future legislation is expected to require that councils demonstrate their water services can stand on their own two feet. This means that:

- rates and water charges are ring-fenced and only used to pay the costs of water services
- rates and water charges generate sufficient revenue to fully-fund operating and financing costs over the medium-term, and
- investment to maintain and renew assets, to meet regulatory requirements, and provide for growth can be funded and financed on a sustainable basis.

A WSCCO potentially offers additional financial benefits compared to in-house delivery options

A WSCCO has the ability to borrow from LGFA at higher gearing ratios than councils, while doing so at similar interest rates to councils. The potential economies of scale from amalgamating assets and service delivery, ability to optimise capital structure, alongside professional governance and management, mean there are likely to be operating and capital efficiencies relative to in-house delivery options.

This report assesses how a joint WSCCO could benefit participating councils and their communities, collectively and individually, through efficiencies and more efficient capital structures

It presents findings for a joint WSCCO comprising all participating councils under one possible scenario, targeting a capital structure based on the midpoint of LGFA's indicative primary lending covenant (i.e. the funds from operations (FFO) to debt ratio). It provides an indicative assessment of costs to consumers if prices were to be harmonised.

We have relied on council inputs and an agreed set of assumptions

In undertaking this analysis, we have relied on information provided by the participating councils and used assumptions agreed upon by them (refer Appendix A). These assumptions guide the scope of potential outcomes and inform our overall findings regarding the financial viability of the proposed joint WSCCO model. Any changes to these underlying assumptions could have a material impact on the outcomes presented in this report.

The methodology and process undertaken to conduct this modelling and analysis is included in Appendix A.

Limitations

This is a point-in-time, indicative assessment of stylised WSCCO scenarios to inform decision making.

This analysis represents a snapshot in time, based on the data, assumptions and information available at the date of this report. As circumstances, policies and council data evolve, this assessment, in whole or part, may become out of date and warrant re-evaluation.

We have relied on council-provided information and have not verified its accuracy.

The modelling outputs are dependent on the accuracy and completeness of information provided by participating councils. Any errors, omissions or inconsistencies in that information may affect the reliability of the findings, and have not been independently verified by us.

Scope of analysis is limited to indicative financial implications only.

Work focuses on the potential structure and outcomes of a joint water services council-controlled organisation. It does not examine potential flow-on effects for other parts of the councils' operations and delivery arrangements, nor does it evaluate the underlying capital delivery programme. It is high-level, indicative analysis and does not constitute a detailed business case nor provide information sufficient to support implementation planning.

The outputs should be considered representative rather than exhaustive.

The purpose of this modelling is to provide a representative analysis based on current assumptions. It is not an exhaustive analysis or a detailed operational review. Users of this report should exercise caution when extrapolating the results beyond the specific scenarios modelled.

Ongoing changes and updates.

Given the dynamic nature of legislative frameworks, council priorities and data quality, the inputs underpinning this analysis may change over time. Readers should refer to the most recent information and seek updated modelling if circumstances change.

Use of sensitive information

This report relies on the provision of information that may be commercially sensitive, the disclosure of which may prejudice commercial positions or negotiations, or inhibit the future supply of such information. It is recommended that participating councils are consulted prior to the disclosure of any information or findings in this report.

02. Individual Council 10-year water services outlook

Framework for financial sustainability assessment

DIA guidance sets out key financial principles that underpin the requirement for financial sustainability.

Under LWDW, the expectation is that operating revenues pay for operating costs with capital investment funded by capital sources (for example, borrowing and development contributions).

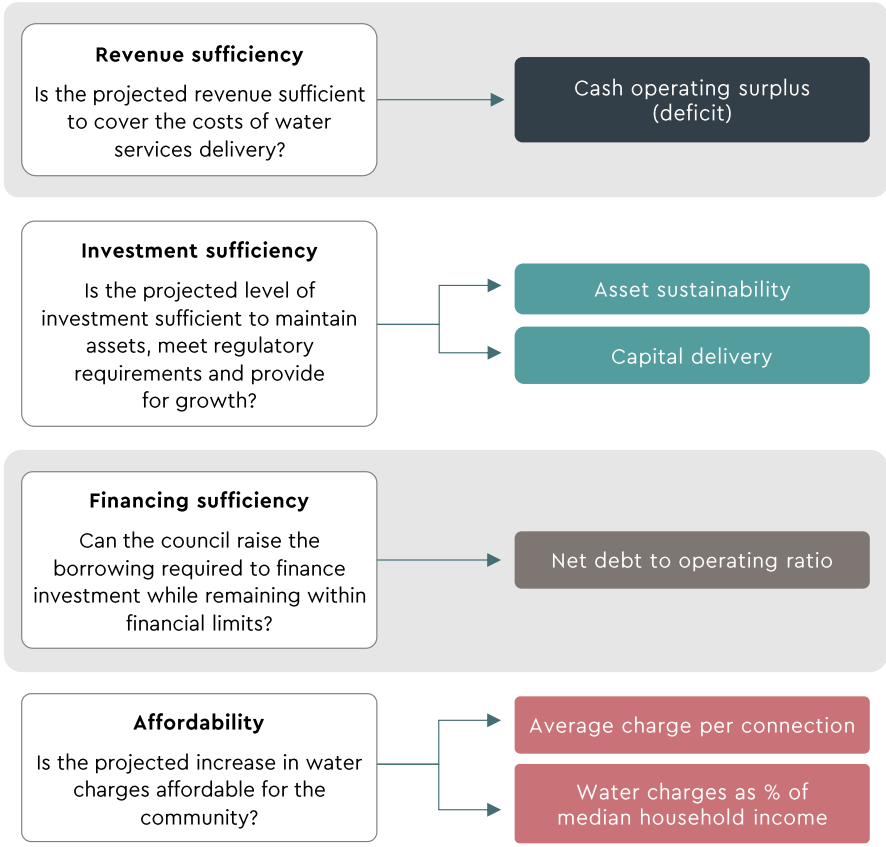
With the exception of affordability, the measures on the right are used to test against the financial sustainability requirements under LWDW.

We applied these measures to the data provided to us by the participating councils to create a comparable and consistent baseline for each council.

The purpose of doing so was to create a shared understanding between the councils of their individual ability to meet the financial sustainability requirements under the new legislation and their starting financial positions before analysing a combined entity.

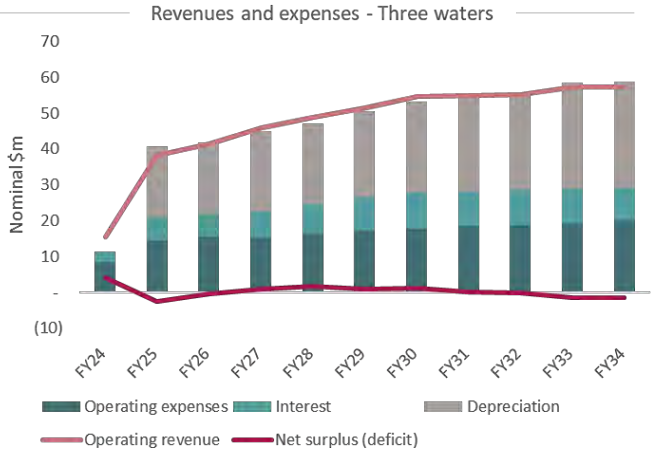
For the purposes of this analysis, we have assumed that each council's supplied capital expenditure projections will be sufficient to meet drinking water quality assurance rules, and wastewater discharge standards and resource consent requirements.

We have not undertaken an independent review of investment sufficiency as part of this analysis.

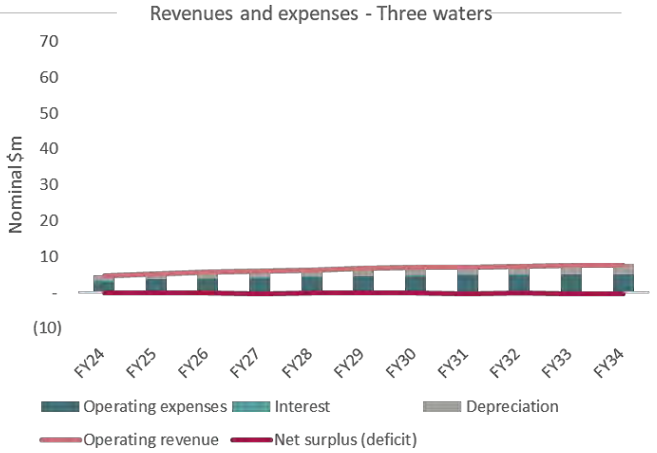


Operating revenue and expenditure

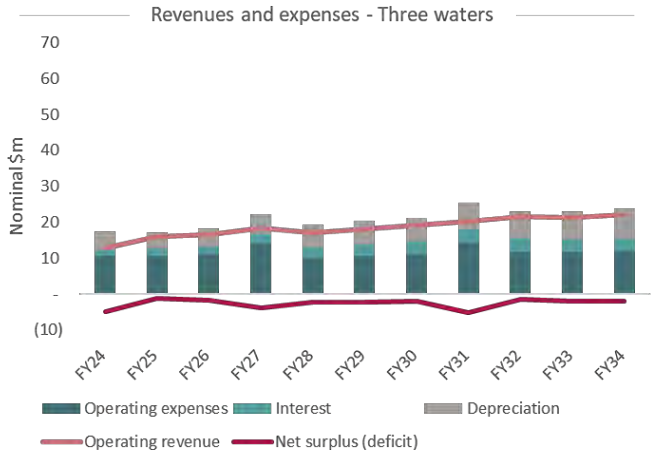
Timaru



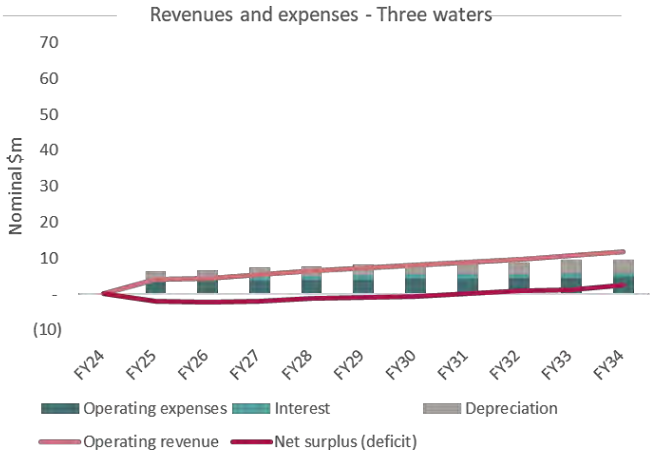
Waimate



Waitaki

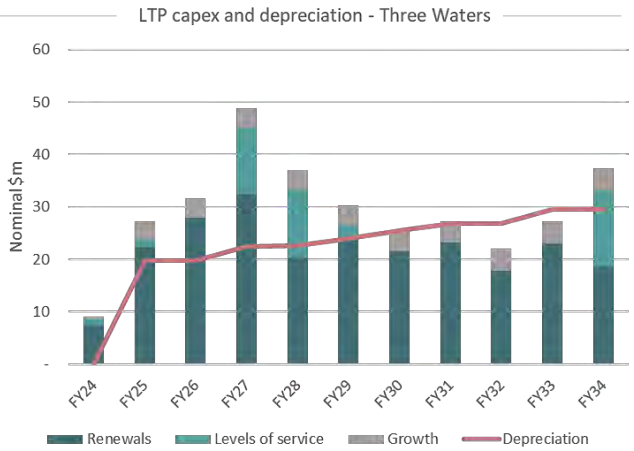


Mackenzie

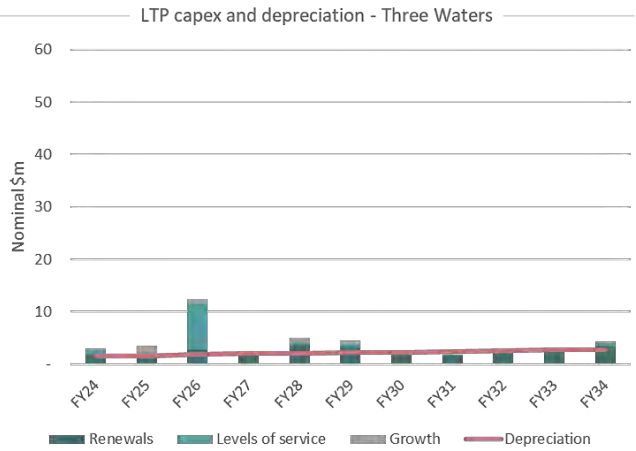


Capital expenditure

Timaru



Waimate



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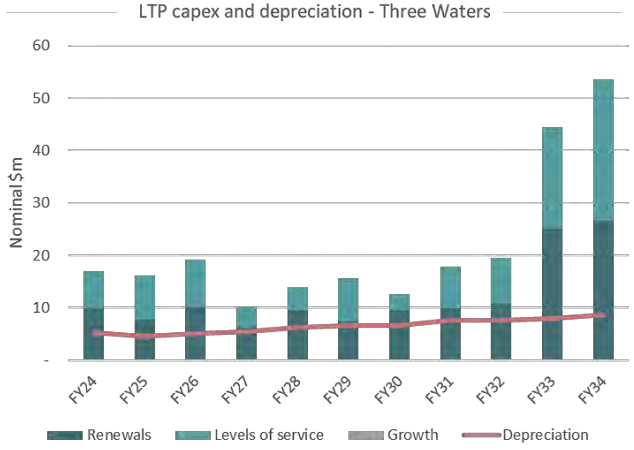
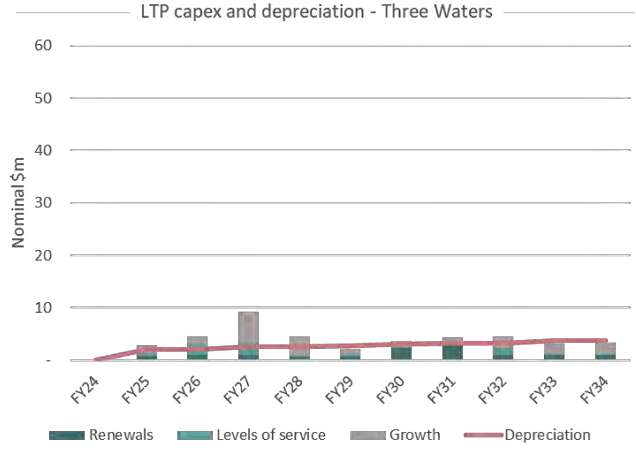
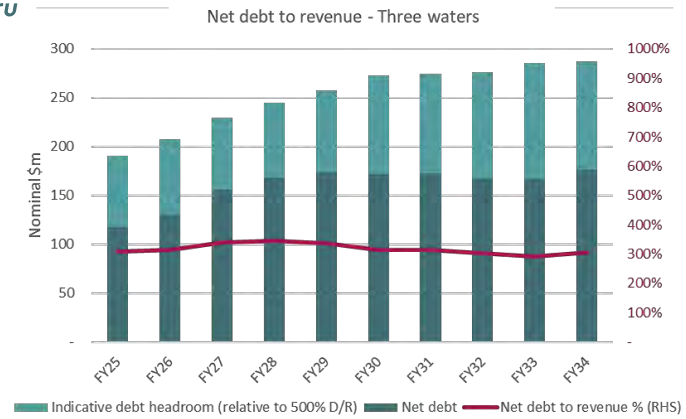


Mackenzie

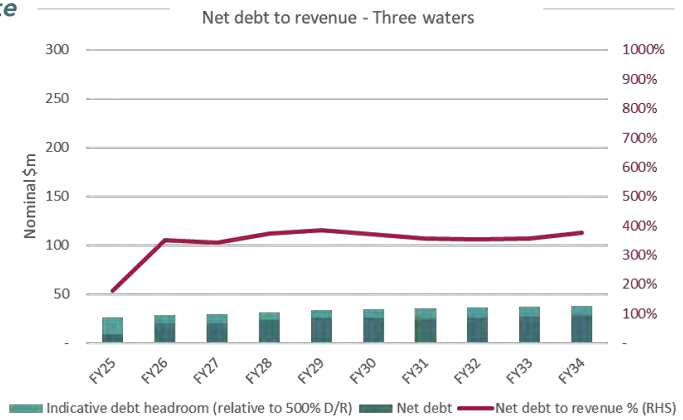


Borrowing

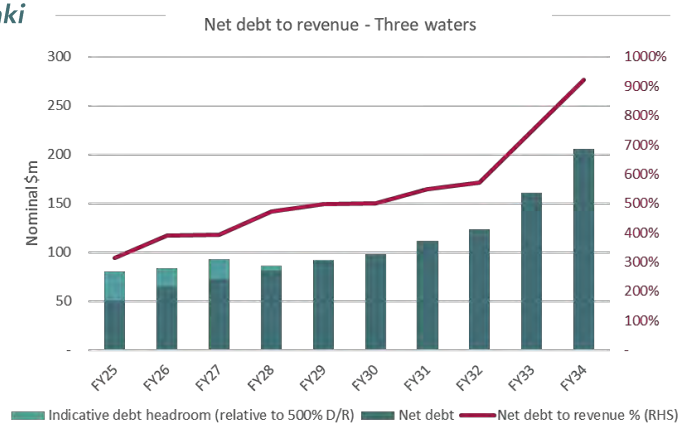
Timaru



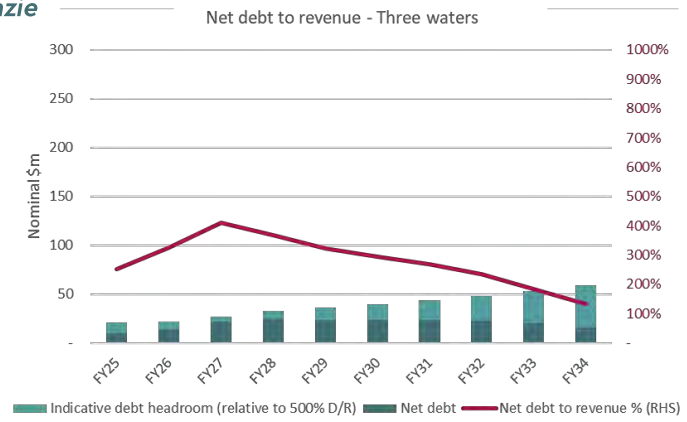
Waimate



Waitaki

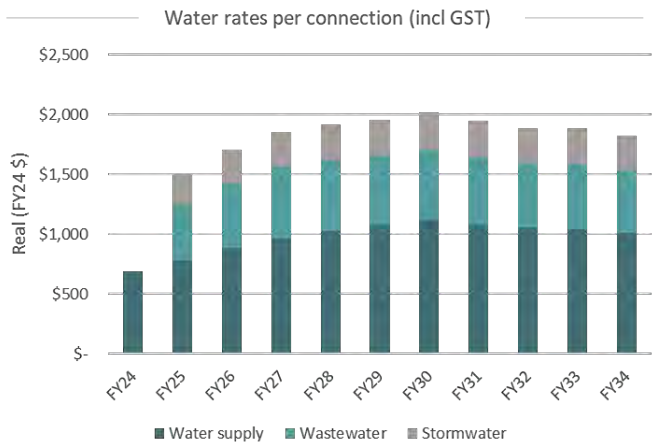


Mackenzie



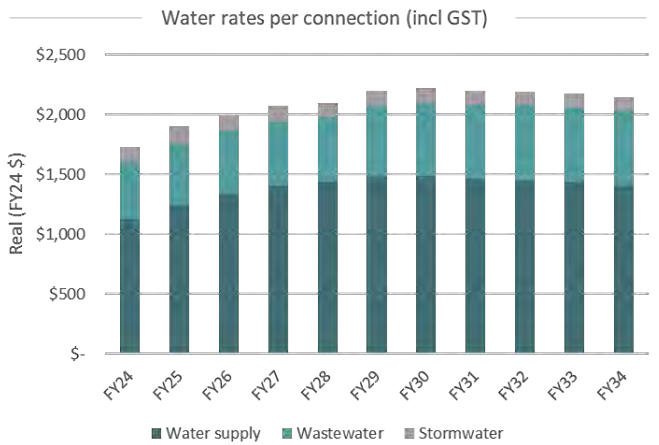
Water revenues per connection

Timaru*

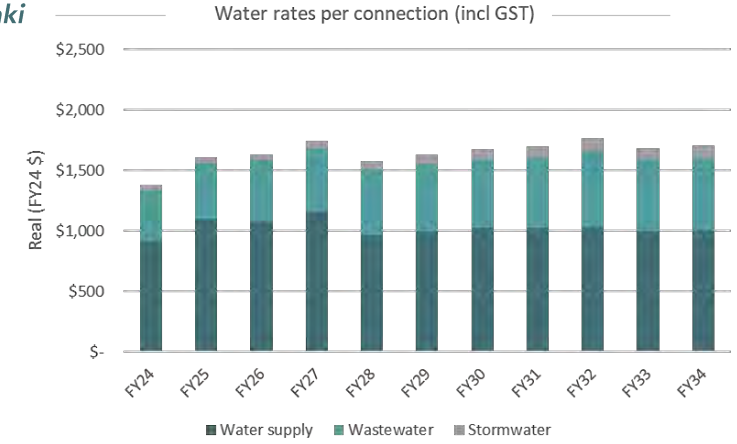


* Note, Timaru's water rates per connection excludes revenues collected under industrial metered supply and trade waste agreements.

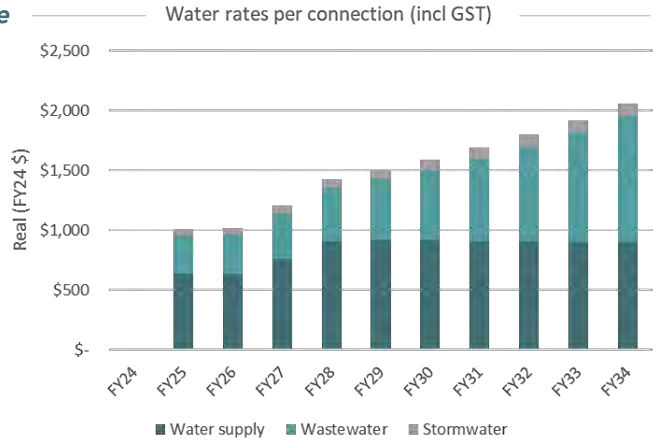
Waimate



Waitaki



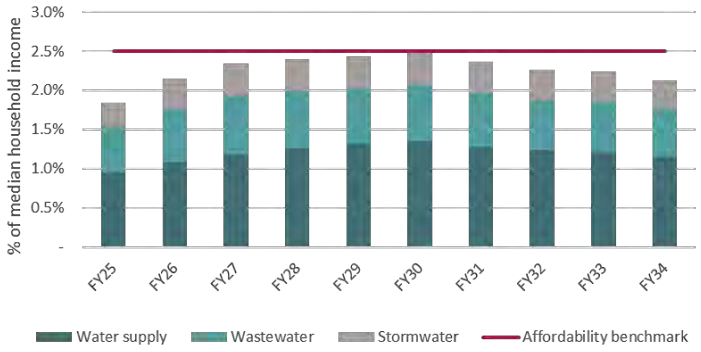
Mackenzie



Affordability

*Timaru**

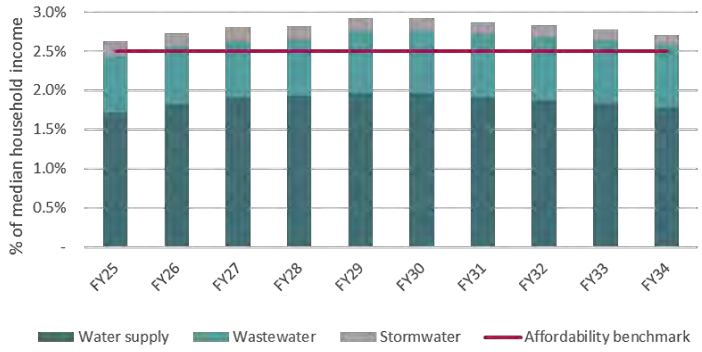
Water rates per connection (incl GST)
(% of median household income)



* Note, Timaru's water rates per connection excludes revenues collected under industrial metered supply and trade waste agreements.

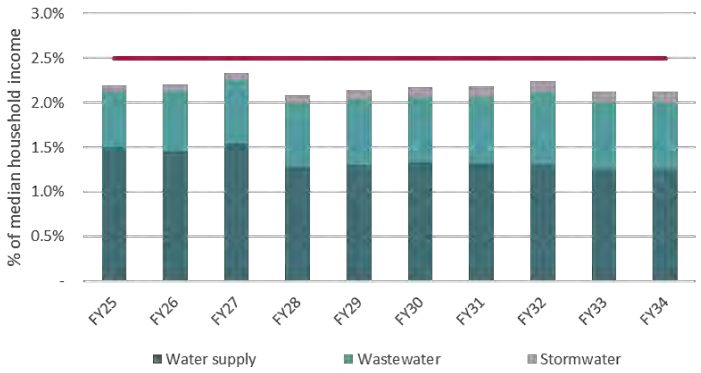
Waimate

Water rates per connection (incl GST)
(% of median household income)



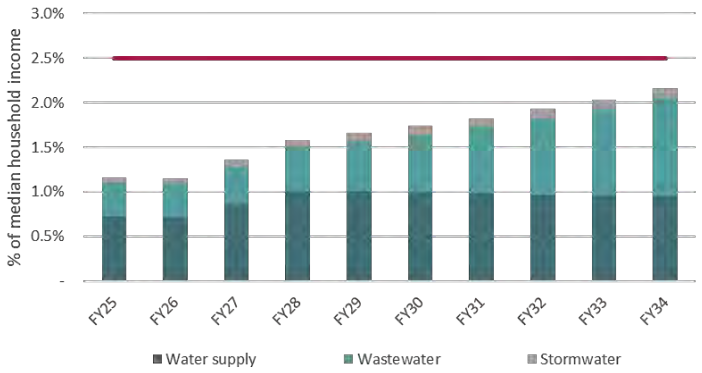
Waitaki

Water rates per connection (incl GST)
(% of median household income)



Mackenzie

Water rates per connection (incl GST)
(% of median household income)



03. Scenario overview

+ Target capital structure and key assumptions

The modelled scenario

Two potential WSCCO scenarios have been modelled involving:

1. **All four councils: Timaru, Mackenzie, Waimate, and Waitaki District Councils** – this scenario is the primary focus of this report
2. **Three councils: Timaru, Waimate, and Mackenzie Councils only** – this scenario is included in an Addendum to this report

An aggregated comparison is used to compare the modelled WSCCO with a simple aggregation of each council's projections (the simple aggregation excludes capital and operating expenditure efficiencies and other WSCCO-specific assumptions).

The modelled scenario uses additional borrowing capacity and efficiencies to lower prices while maintaining currently planned levels of investment.

It does this by:

- Combining starting assets and debt positions and projected opex, capex and revenue (including development contributions) for each council.
- Adjusts these projections for one-off establishment costs (assumed to be debt funded initially with recovery through water revenues over time) and additional ongoing operating costs.
- Incorporating agreed efficiency improvements from changes to governance and management, economies of scale and benefits of economic regulation.
- Assumes LGFA's indicative borrowing terms for WSCCOs

The results are used to demonstrate the potential savings and affordability benefits of the combined WSCCO model.

By targeting an efficient capital structure, the WSCCO is assumed to optimise revenues, expenditures and debt that meet prudent credit criteria and anticipated LGFA lending covenants.

This creates opportunities to:

- increase investment while maintaining current price levels, or
- maintain investment while lowering price levels, or
- a combination of these scenarios.

LGFA has set an expectation that the FFO to debt ratio falls between 8% and 12% depending on individual circumstances for the WSCCO. See the following page for more detail. The model targets FFO to debt of 10%, the mid-point of LGFA's indicated range.

DIA guidance on capital structure

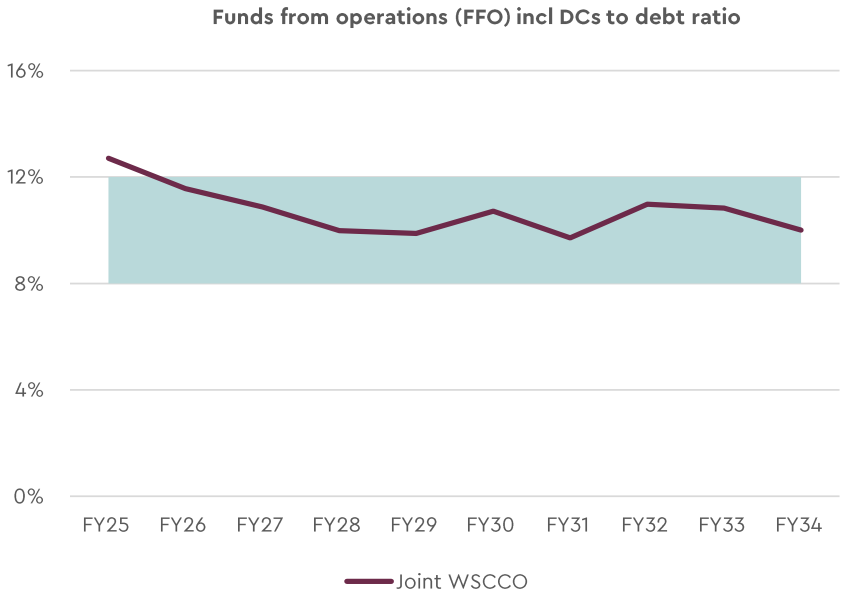
DIA guidance indicates it is inefficient to fund investment in long-lived infrastructure primarily through operating revenues. Under the LWDW framework, capital investment is expected to be funded through capital sources (i.e., borrowing and development contributions), while operating revenues must be sufficient to maintain debt repayments and ensure debt remains within LGFA lending limits* for WSCCOs.

The FFO to debt ratio is a way to assess the ability for revenues (including development contributions in certain circumstances) to meet operating costs and debt servicing requirements.

The joint WSCCO scenario targets a FFO-to-debt ratio of 10%, the mid-point of the range indicated by the LGFA*, resulting in:

- Higher average level of gearing of water activities.
- Lower long-term increases in water charges compared to in-house service delivery options.
- Increased levels of investment.

**The LGFA has signalled a minimum 'FFO-to-debt' ratio of between 8% and 12%. If LGFA approved a lower FFO-to-debt ratio for the WSCCO, then this would further increase the additional investment or further reduce prices relative to the modelled scenario.*



Model assumptions and adjustments to council projections

The assumptions used in our model were agreed by representatives of participating councils at the following meetings/workshops:

- 12th February 2025: Waimate, Waitaki and Timaru CEOs
- 17th February 2025: Mackenzie Mayor and CEO
- 28th February 2025: Waimate, Timaru and Mackenzie Mayors, Waitaki and Mackenzie CEOs.

Further detail underpinning these assumptions in included in Appendices A and C.

Establishment assumptions

- The WSCCO will include all three waters.
- Price harmonisation would be phased in from year three of the entity's establishment, achieving full price harmonisation by FY34.
- The WSCCO would be established on 1 July 2027.
- It would cost $10 million to establish, with the assumption that these costs would be capitalised (increasing borrowing) and recovered through water revenues over time.

Cost assumptions

- Operating efficiencies have only been applied to core operating costs. No efficiencies have been applied to financing or depreciation costs.
- $1.5 million per annum of additional operating costs as a provision for additional management costs, board fees, audit etc.
- $458,000 additional regulatory costs associated with anticipated levies from Taumata Arowai and the Commerce Commission.

Operating expenditure efficiencies

- FY28-FY30 – 0.0% per annum, cumulative
- FY31-FY34 – 1.0% per annum, cumulative
- FY35-FY44 - 1.5% per annum, cumulative

Capital expenditure efficiencies

- FY28-FY42 – 1.0% per annum

Adjustments to projections

Finance costs:

- Funding Impact Statements received from Waitaki Council implied an average financing rate of 3.4% p.a. for the 10 year period. An adjustment totalling $21.0 million over the FY26-FY34 years was added to raise the effective interest rate to 5.3%, in line with LGFA's long term base rate plus margin.

Overheads:

- Data supplied by Timaru Council showed that internal overheads equated to an average 13% of operating revenue over the 10-year period. Additional overheads totalling $20.5 million were added over the FY26-FY34 years to raise this to 17%, the sector average.
- Data supplied by Waitaki Council showed that internal overheads equated to an average 14% of operating revenue over the 10 year period. Additional overheads totalling $5.6 million were added over the FY26-FY34 years to raise this to 17%, the sector average.

Revenue:

- Required revenue for Waitaki Council was increased by a total of $26.6 million over the FY26-FY34 period to account for the additional expenditure detailed above.
- Required revenue for Timaru Council was increased by a total of $20.5 million over the FY26-FY34 period to account for the additional expenditure detailed above.
- In addition, for Timaru District, we excluded revenues collected under industrial metered supply and trade waste agreements for the purposes of reporting water rates per connection and affordability metrics. This revenue was included in all other WSCCO financial projections.

04. Key findings – Four Council scenario

Four council scenario - Timaru, Mackenzie, Waimate, and Waitaki District Councils.

Key findings – Four council scenario

A joint WSCCO could support financially sustainable water services while reducing the average annual cost to consumers by up to $30 by FY34.

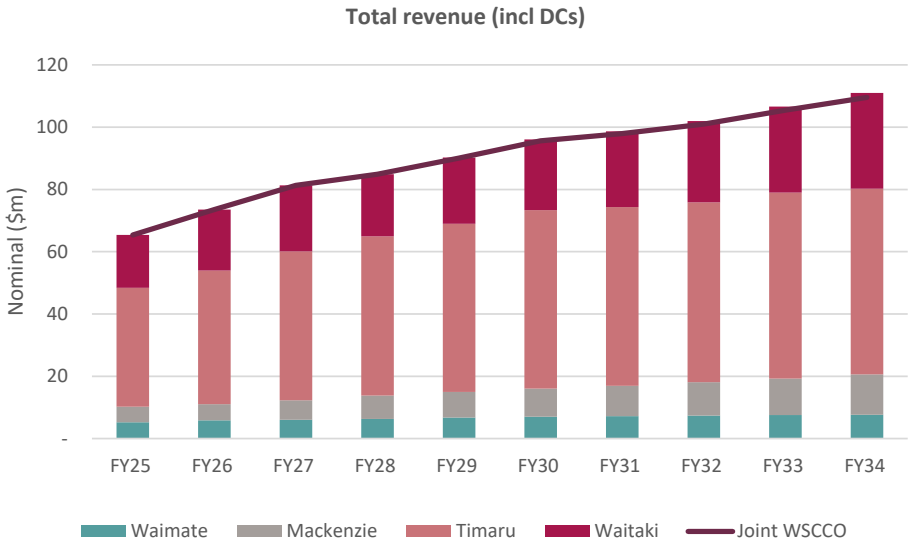
This means a joint WSCCO could deliver water services at a marginally lower cost to consumers than the aggregated councils under current operating models and capital structures.

A joint WSCCO could achieve:

- Operating efficiencies of up to $1.7 million in annual savings by FY34 and peak at 18.7% by FY45.
- Capital efficiencies will generate $6.7 million in annual savings by FY34 and peak at 13.1% by FY42.
- The current investment profile could be delivered for around $19 million less between entity establishment in FY28 and FY34.

This arises from using a more efficient capital structure and financial flexibility which provides:

- Immediate access to increased borrowing.
- Ability to Increase investment capacity.
- Ability to spread the costs of financing assets over their useful lives.



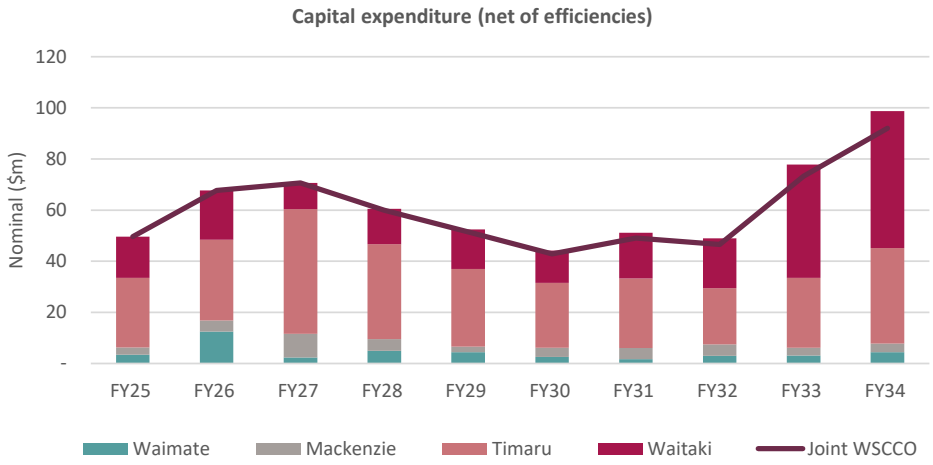
Scenario	Cost per connection (FY25, Real FY24 $)	Cost per connection (FY34, Real FY24 $)	Total capex (FY25-FY34, $m nominal)	FFO-to-debt, incl. DCs (FY34)
Joint WSCCO	$1,570	$2,040	$603	10%
Aggregated comparison	$1,570	$2,070	$622	11%

Infrastructure investment

The four councils plan to invest $622 million in water infrastructure over the next ten years.

By optimising the capital structure and achieving modest efficiencies, the joint WSCCO could potentially deliver the same investment for $18.6 million less than current council arrangements by FY34.

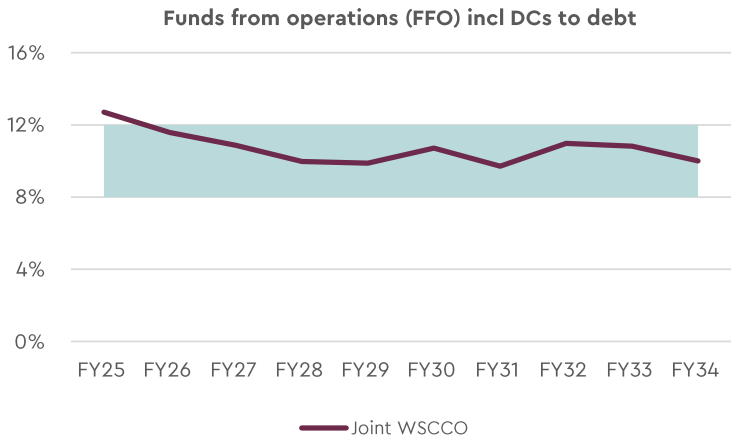
As efficiencies are phased in slowly and are permanent, benefits would continue to accumulate beyond FY34.

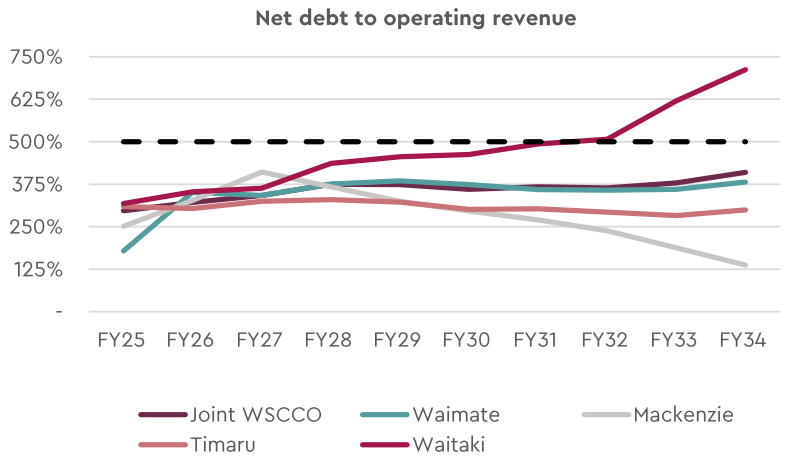


Scenario	Joint WSCCO	Aggregated comparison	Cumulative capex efficiencies
Total capex (FY25-FY34, $m)	$603.0	$621.6	$18.6

Capex efficiency	Cumulative efficiency (FY34)	Peak efficiency (FY42)
1.0% p.a.	6.8%	13.1%

Debt sustainability





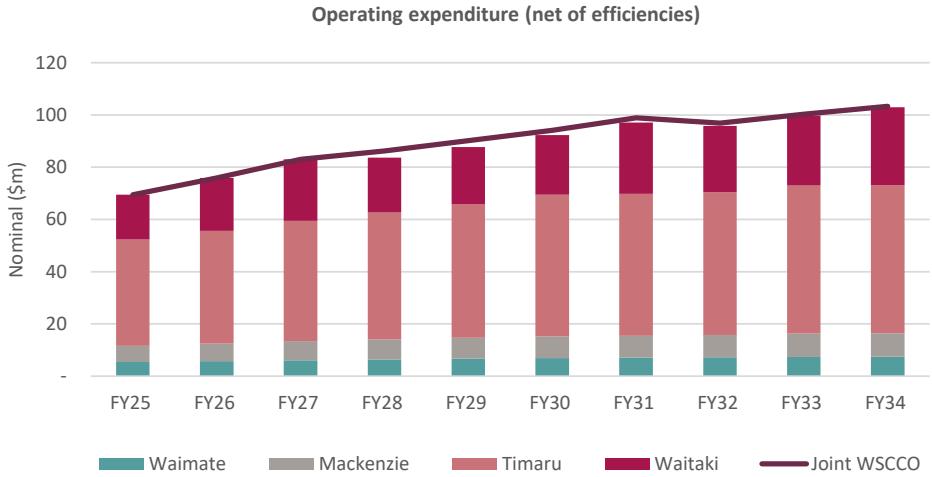
The joint WSCCO is modelled to reach the target FFO to debt ratio of 10% in FY34, when price harmonisation amongst the four councils occurs, and will then remain at that level into the future. The joint WSCCO remains within DIA's recommended FFO to debt ratio band of 8-12% over the whole period.

Net debt to operating revenue is not a metric the LGFA is considering for WSCCOs and is only presented here to illustrate that participating councils have different debt trajectories.

Projected operating expenditure

The costs associated with operating a joint WSCCO are forecast to exceed the costs to operate the aggregated comparison over the ten-year forecast period by a total $10.4 million.

Cumulative efficiencies total $4.5 million by FY34 and are $1.2 million in FY34 alone. Efficiency gains will continue to increase over time and will begin to exceed incremental costs from FY34 onwards.



As agreed with the councils, the scenario assumes no efficiencies for the first three years following entity establishment, then 1% per annum for four years, before increasing to 1.5% from FY35.

Peak efficiency is forecast to be 18.7% in FY45.

Scenario	Joint WSCCO	Aggregated comparison	Cumulative opex efficiencies
Total opex (FY25-FY34, $m)	$898.1	$887.7	$4.5

Opex efficiency (FY31-FY34)	Opex efficiency (FY35-FY45)	Cumulative efficiency (FY34)	Peak efficiency (FY45)
1.0% p.a.	1.5% p.a.	3.9%	18.7%

Projected revenue requirements

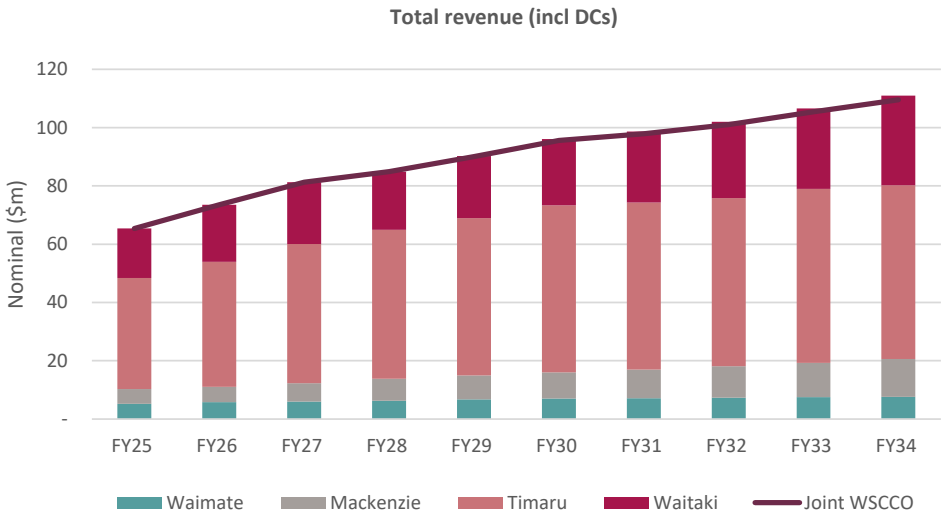
Under LWDW, the expectation is that operating revenues pay for operating costs with capital investment funded by capital sources.

This means charges for water services (operating revenue) should be set to recover all cash operating expenses plus a minimum FFO to debt requirement of 10% (as outlined in Section 3).

This approach ensures an appropriate approach to setting water charges while maintaining borrowing at a prudent level.

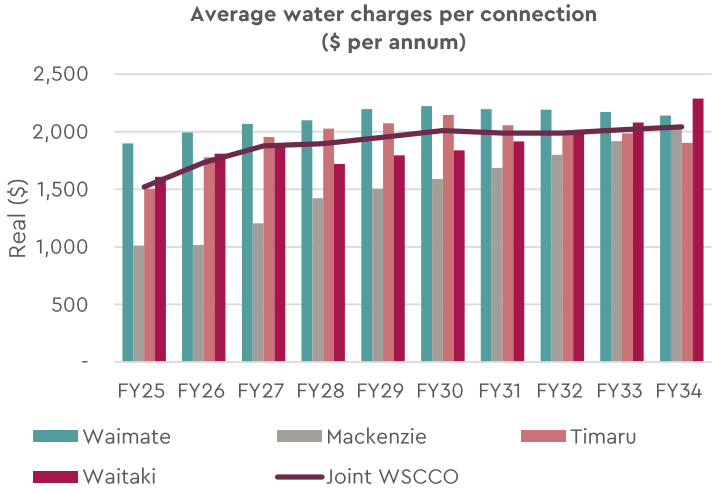
Based on this approach, water revenues can be reduced by $4.9 million over the FY34 forecast period.

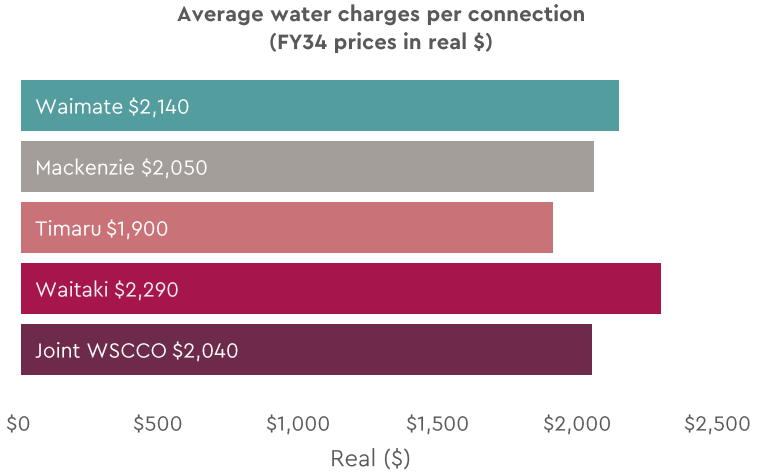
The ability to increase borrowing makes this possible despite the joint WSCCO being more expensive to operate over the FY34 forecast period than the aggregated comparison.



Scenario	Joint WSCCO	Aggregated comparison	Cumulative reduction
Total revenue, incl DCs (FY25-FY34, $m)	$904.7	$909.6	$4.9
FFO : Debt (FY34)	10%	11%	

WSCCO price harmonisation





Price harmonisation means that the joint WSCCO would operate a consistent tariff structure across the region served by the entity (i.e. like for like consumers would pay a like for like price irrespective of their location in the service area). This assumption enables the councils to understand the relative affordability for consumers under a joint WSCCO if prices are harmonised, noting there is no requirement for prices to be harmonised under LWDW.

Based on the price harmonisation assumption:

- By FY34, average water charges per connection in a price harmonised joint WSCCO are expected to be lower than three of the four councils are currently projecting.
- Under current council arrangements, water charges per connection are projected to range from $1,900 to $2,290 per connection annually (in today's terms).
- A joint WSCCO could achieve a charge as low as $2,040 per connection on a harmonised basis by FY34.

Note, we excluded the revenues collected by Timaru District Council under industrial metered supply and trade waste agreements due to their distortive impact on average cost per connection.

05. Key findings – Three council scenario

Three council scenario - Timaru, Mackenzie, and Waimate District Councils

Key findings – Three council scenario

A joint WSCCO, consisting of Timaru, Mackenzie and Waimate District Councils, could support financially sustainable water services while reducing the average annual cost to consumers by up to $240 by FY34.

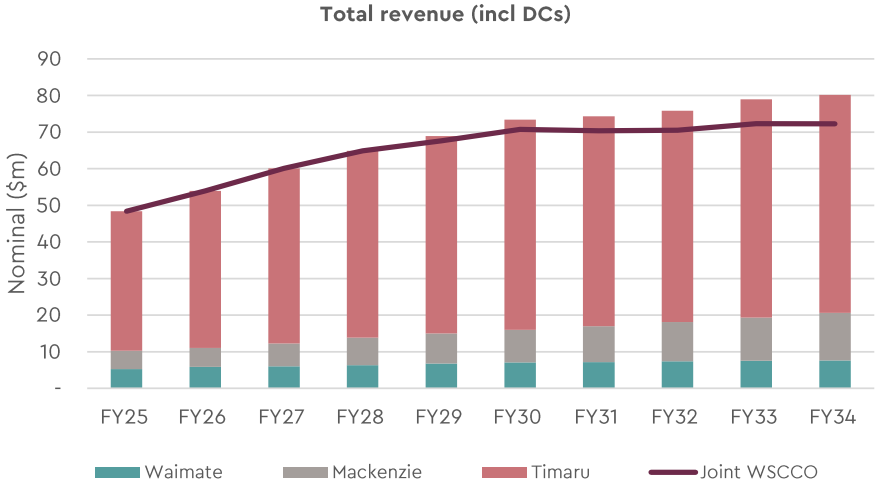
This means a joint WSCCO could deliver water services at a lower cost to consumers than the combined councils under current operating models and capital structures.

A joint WSCCO could achieve:

- Operating efficiencies - $1.2 million in annual savings by FY34 and peak at 16.5% by FY45.
- Capital efficiencies - $2.8 million in annual savings by FY34 and peak at 12.7% by FY42.
- The current investment profile could be delivered for around $8.9 million less between entity establishment and FY34.

This arises from using a more efficient capital structure and financial flexibility which provides:

- Immediate access to increased borrowing.
- Ability to Increase investment capacity.
- Ability to spread the costs of financing assets over their useful lives.



Scenario	Average cost per connection (FY25, Real FY24 $)	Average cost per connection (FY34, Real FY24 $)	Total capex (FY25-FY34, $m nominal)	FFO-to-debt, incl. DCs (FY34)
Joint WSCCO	$1,480	$1,740	$390	10%
Aggregated comparison	$1,480	$1,980	$399	17%
• **Waimate DC**	$1,899	$2,140	$42.4	8%
• **Mackenzie DC**	$1,012	$2,050	$42.2	44%
• **Timaru DC**	$1,505	$1,900	$314.2	16%

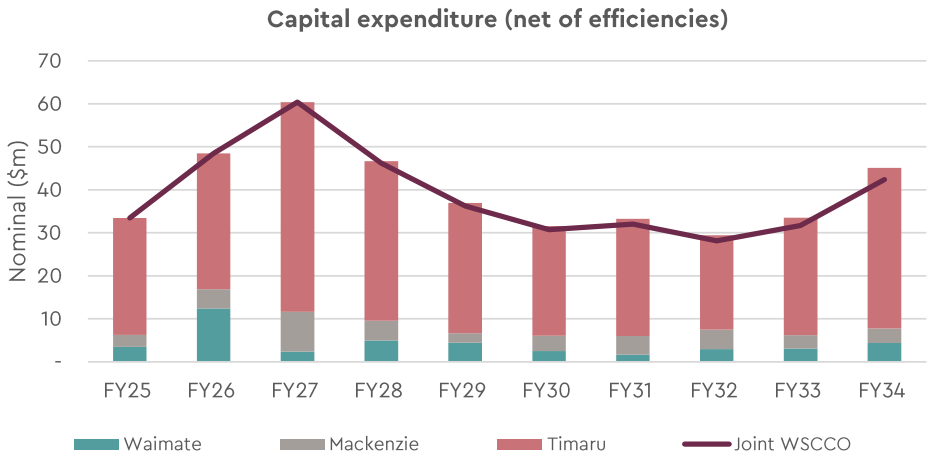
Infrastructure investment – three council model

The three councils plan to invest $398.8 million in water infrastructure over the next ten years.

By optimising the capital structure and achieving modest efficiencies, the joint WSCCO could generate annual capital efficiencies of $2.8 million by FY34.

This would enable the delivery of the same investment for $9.0 million less than current council arrangements by FY34, while also lowering costs for consumers.

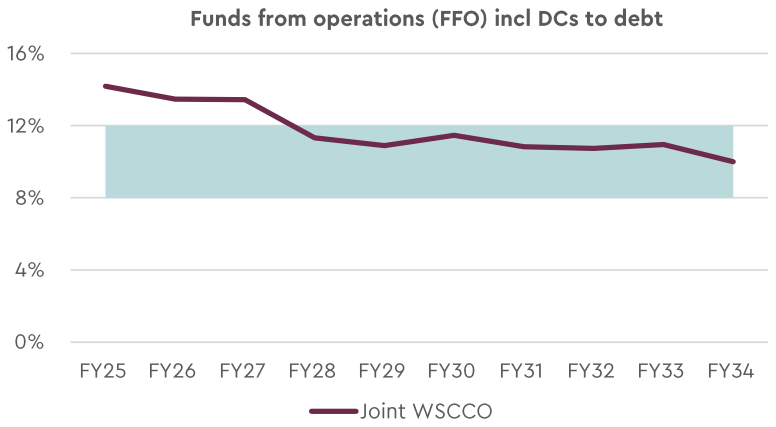
As efficiencies are phased in over time and are permanent, benefits would be larger and continue to accumulate beyond FY34.



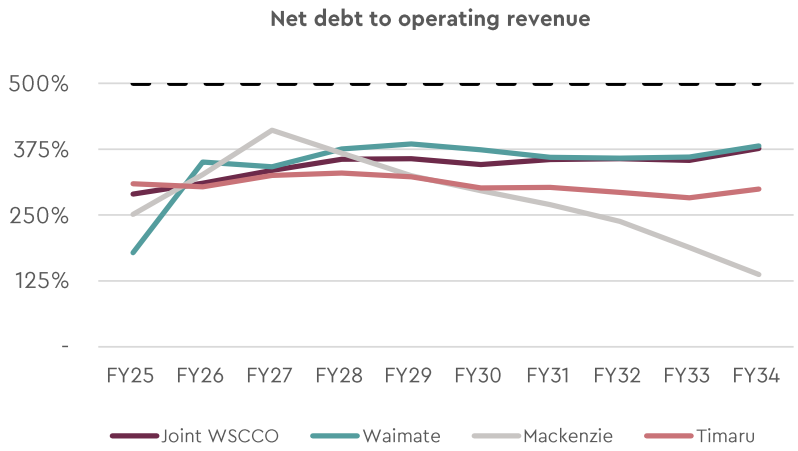
Scenario	Joint WSCCO	Aggregated comparison	Cumulative capex efficiencies
Total capex (FY25-FY34, $m)	$389.8	$398.8	$9.0

Capex efficiency	Cumulative efficiency (FY34)	Peak efficiency (FY42)
0.9%	6.1%	12.7%

Debt sustainability - three council model



The joint WSCCO is modelled to reach the target FFO to debt ratio of 10% in FY34, when price harmonisation amongst the three councils occurs, and will then remain at that level into the future. The joint WSCCO remains within DIA's recommended FFO to debt ratio band of 8-12% over the whole period.

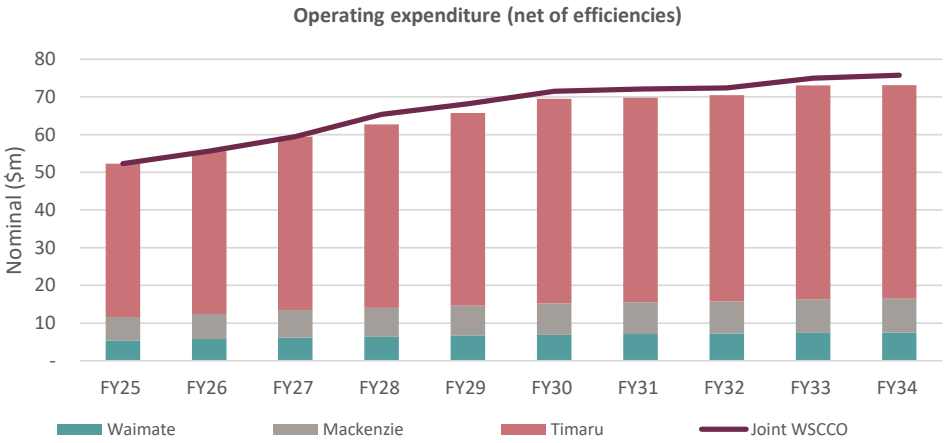


Net debt to operating revenue is not a metric the LGFA is considering for WSCCOs, and is only presented to show the greater gearing levels that the WSCCO could have when compared to some of the individual councils in later years due to targeting a FFO to debt ratio.

Projected operating expenditure - three council model

The costs associated with operating a joint WSCCO are forecast to exceed the costs to operate the aggregated comparison over the ten-year forecast period by a total $2.6 million.

However, efficiency gains will continue to increase over time, reversing this post FY34.



As agreed with participating councils, the scenario assumes no efficiencies for the first three years following entity establishment, then 0.9% per annum for four years, before increasing to 1.3% from FY35.

Peak efficiency is forecast to be 16.5% in FY45.

Scenario	Joint WSCCO	Aggregated comparison	Cumulative opex efficiencies
Total opex (FY25-FY34, $m)	$667.6	$651.7	$2.9

Opex efficiency (FY31-FY34)	Opex efficiency (FY35-FY45)	Cumulative efficiency (FY34)	Peak efficiency (FY45)
0.9% p.a.	1.3% p.a.	3.6%	16.5%

Projected revenues - three council model

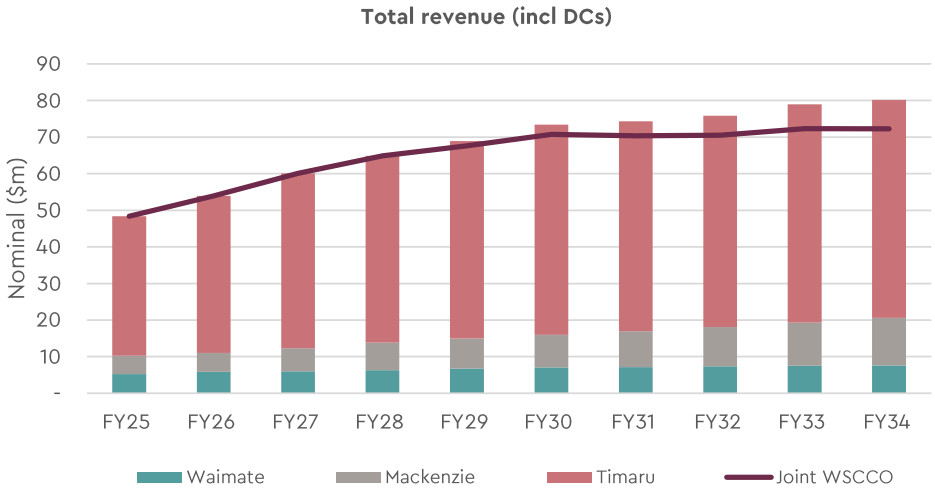
Under LWDW, the expectation is that operating revenues pay for operating costs with capital investment funded by capital sources.

This means charges for water services (operating revenue) should be set to recover all cash operating expenses plus a minimum FFO to debt requirement of 10% (as outlined in Section 3).

This approach ensures an appropriate approach to setting water charges while maintaining borrowing at a prudent level.

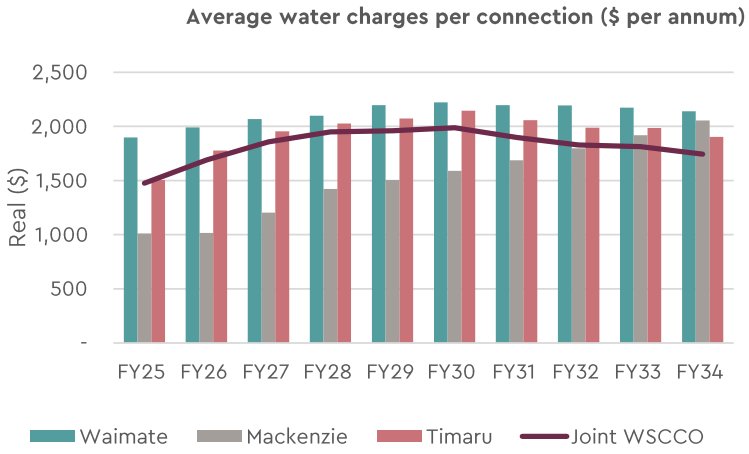
Based on this approach, water charges can be reduced by $27.9 million over the FY34 forecast period.

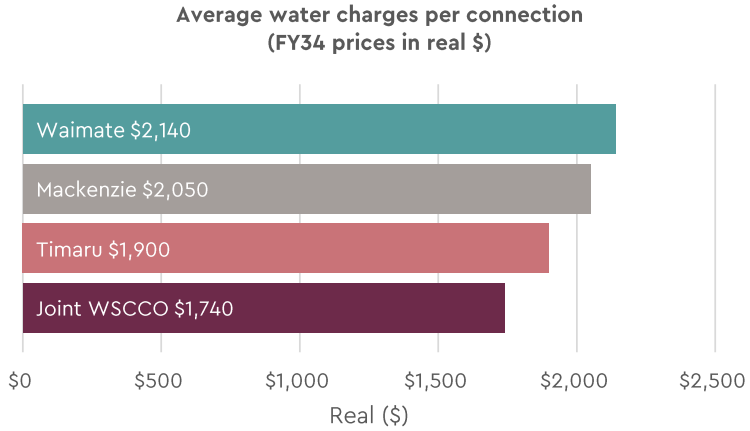
The ability to increase borrowing makes this possible despite the joint WSCCO being more expensive to operate over the FY34 forecast period than the aggregated comparison.



Scenario	Joint WSCCO	Aggregated comparison	Cumulative reduction
Total revenue, incl DCs (FY25-FY34, $m)	$651.0	$678.9	$27.9
FFO : Debt (FY34)	10%	17%	

WSCCO price harmonisation - three council model





Price harmonisation means that the joint WSCCO would operate a consistent tariff structure across the region served by the entity (i.e. like for like consumers would pay a like for like price irrespective of their location in the region). This assumption enables the councils to understand the relative affordability for consumers under a joint WSCCO with price harmonisation, noting there is no requirement for prices to be harmonised under LWDW.

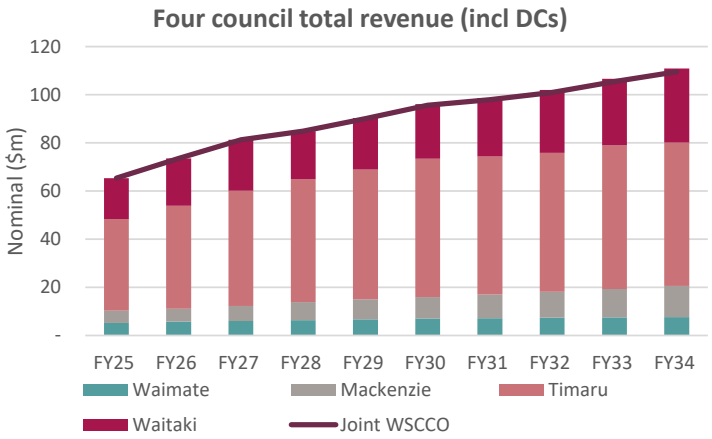
- By FY34, average water charges per connection in a price harmonised joint WSCCO are expected to be lower than all three councils are currently projecting.
- Under current council arrangements, water charges per connection are projected to range from $1,900 to $2,140 per connection annually (in today's terms).
- A joint WSCCO could achieve a charge as low as $1,740 per connection on a harmonised basis by FY34.

Note, we excluded the revenues collected by Timaru District Council under industrial metered supply and trade waste agreements due to their distortive impact on average cost per connection.

Based on the price harmonisation assumption:

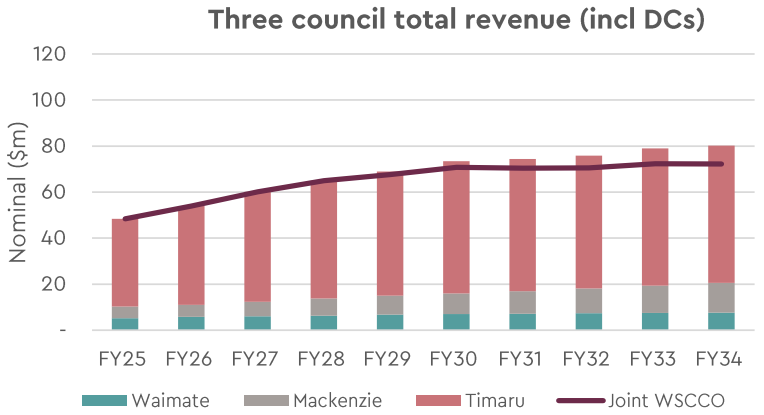
06. Comparison – Four and three council WSCCO

Summary findings



A joint WSCCO could support financially sustainable water services while **reducing the average annual cost to consumers by up to $30 by FY34.**

This means a joint WSCCO could deliver water services at a marginally lower cost to consumers than the aggregated councils under current operating models and capital structures.

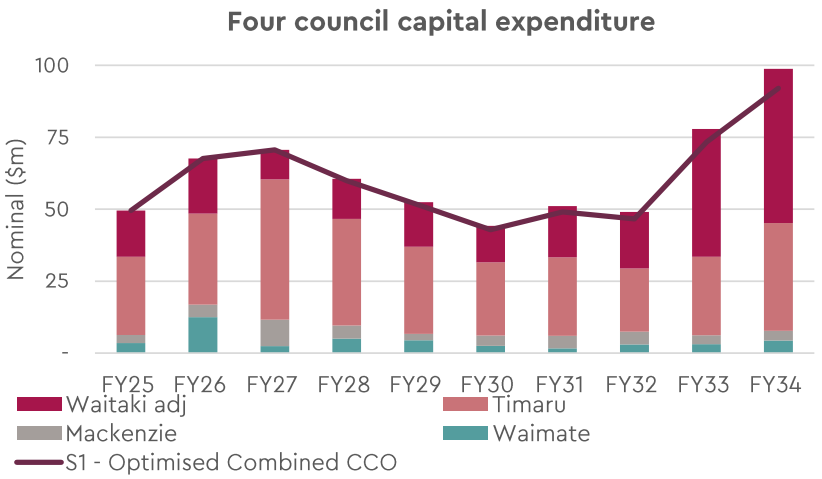


A joint WSCCO, consisting of Timaru, Mackenzie and Waimate District Councils, could support financially sustainable water services while **reducing the average annual cost to consumers by up to $240 by FY34.**

This means a joint WSCCO could deliver water services at a lower cost to consumers than the combined councils under current operating models and capital structures.

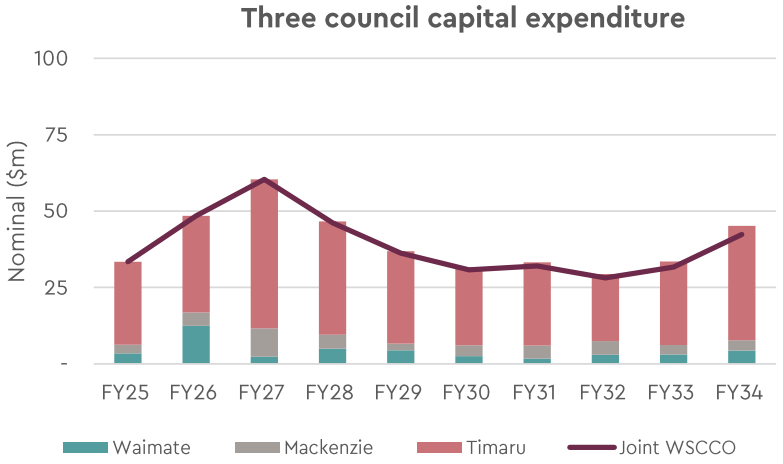
Capital expenditure

Investment sufficiency



Capex efficiency	Cumulative efficiency (FY34)	Peak efficiency (FY42)
1.0% p.a.	6.8%	14.0%

The four Councils expect to invest $622 million over the 10 year period. By optimising the capital structure and realising modest capital efficiencies, this capital programme is expected to be able to be **delivered for $19 million less**, at $603 million.

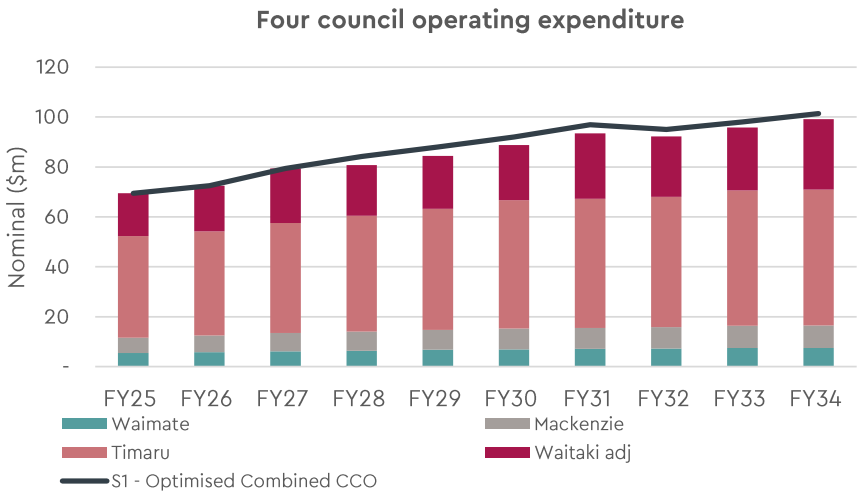


Capex efficiency	Cumulative efficiency (FY34)	Peak efficiency (FY42)
0.9% p.a.	6.1%	12.7%

The three councils plan to invest $399 million over the 10 year period. By optimising the capital structure and realising modest efficiencies, this capital programme is expected to be able to be **delivered for $9.0 million less**, at $390 million.

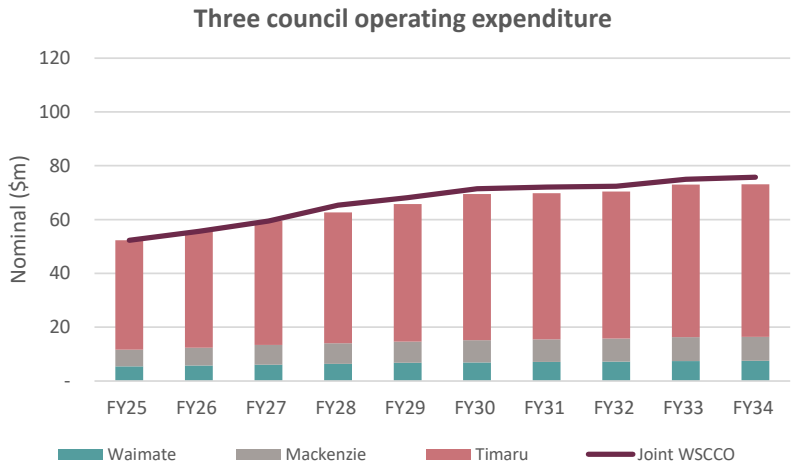
Operating expenditures

Revenue sufficiency



Opex efficiency (FY31-FY34)	Opex efficiency (FY35-FY45)	Cumulative efficiency (FY34)	Peak efficiency (FY45)
1.0% p.a.	1.5% p.a.	3.9%	18.7%

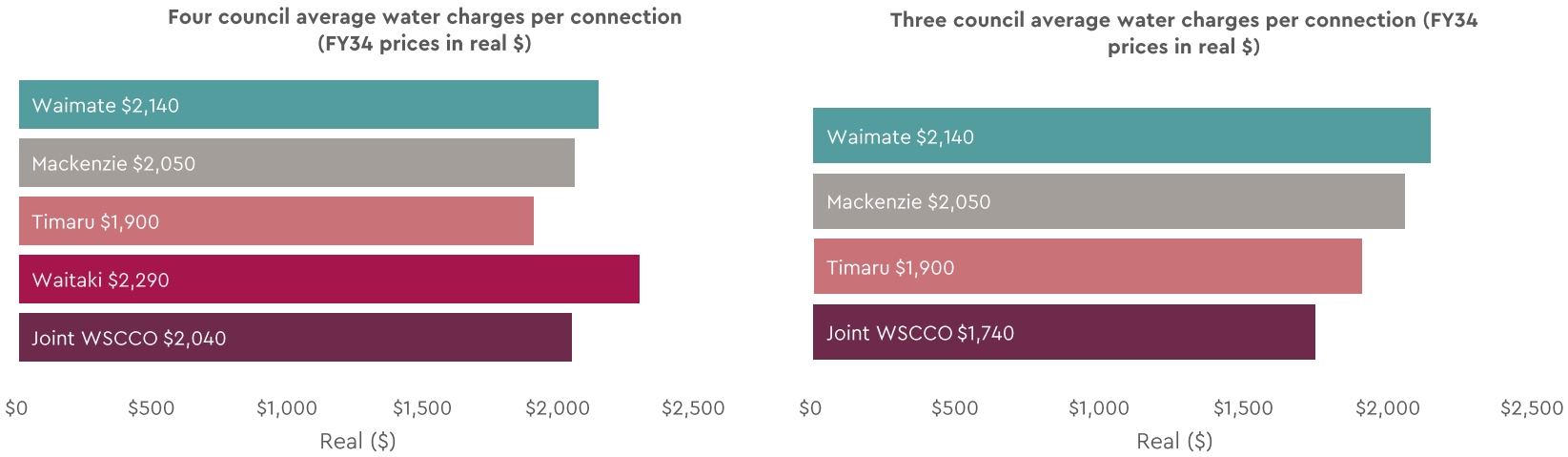
Operating efficiencies totalling $1.7 million (3.9%) are achieved in FY34, **matching the forecast additional costs from establishing a combined WSCCO.** Despite these efficiencies, the combined CCO would still incur greater costs in FY34 than the baseline combined, due to higher debt balances.



Opex efficiency (FY31-FY34)	Opex efficiency (FY35-FY45)	Cumulative efficiency (FY34)	Peak efficiency (FY45)
0.9% p.a.	1.3% p.a.	3.6%	16.5%

Operating efficiencies totalling $1.2 million are achieved in FY34 (or 3.6%). Despite these efficiencies, the combined CCO would still incur greater costs in FY34 than the baseline combined due to both additional costs associated with operating the entity and greater finance costs arising from higher debt levels.

Comparison of water charges



Note, we excluded revenues collected by Timaru District under industrial metered supply and trade waste agreements due to their distortive impact on average cost per connection.

By FY34, average water charges per connection in a price harmonised joint WSCCO are expected to be **lower than three of the four councils** are currently projecting.

By FY34, average water charges per connection in a price harmonised joint WSCCO are expected to be **lower than all three councils** are currently projecting.

Wellington T +64 4 499 6130
Level 1, City Chambers, Cnr Johnston and Featherston Streets, Wellington 6011, PO Box 5256, Wellington 6140, New Zealand
Auckland T +64 9 915 1360
Level 16, 41 Shortland Street, Auckland 1010, New Zealand
info@martinjenkins.co.nz **martinjenkins.co.nz**

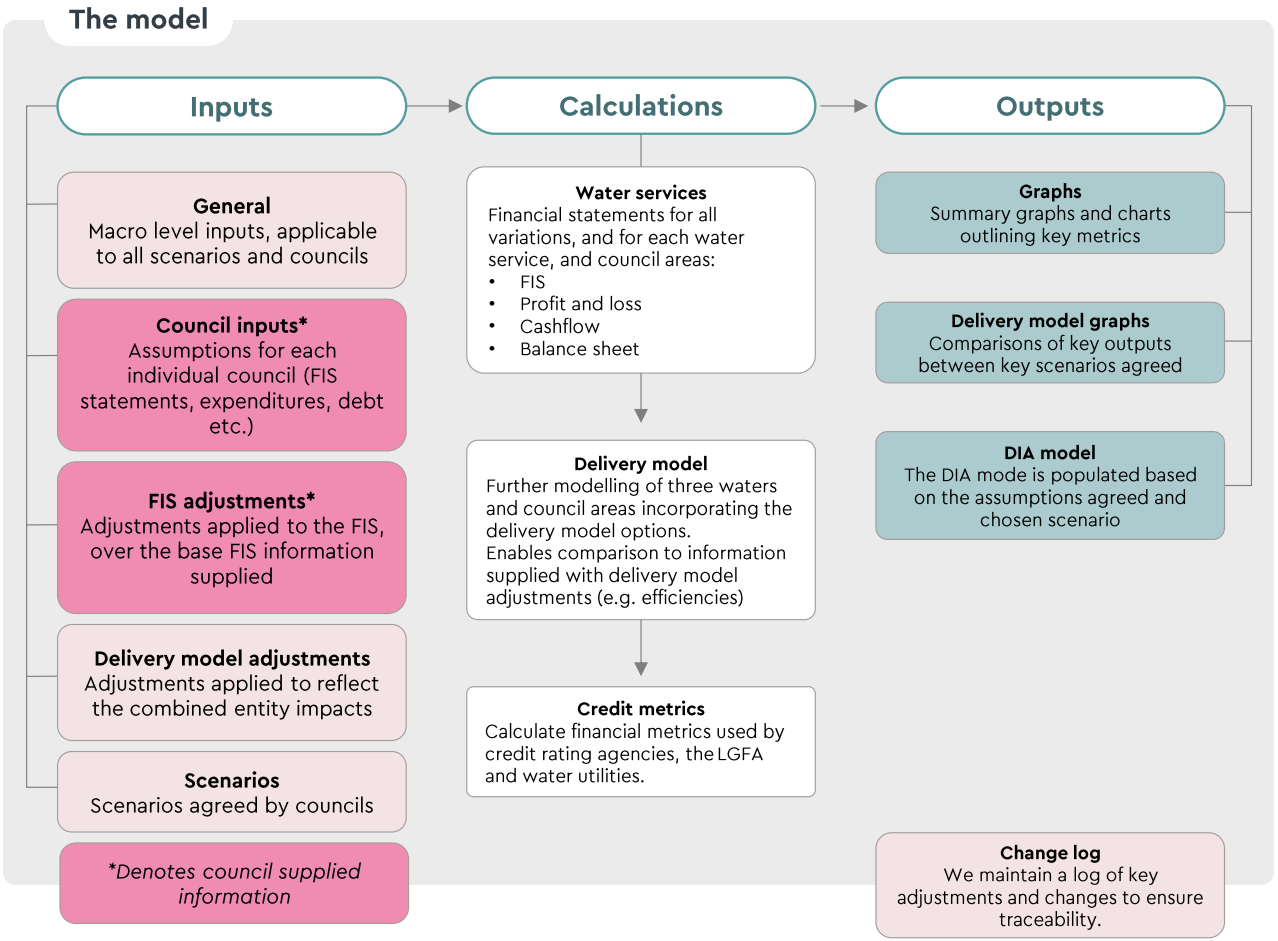
Appendix A: Approach to modelling and assumptions

Approach to modelling

The model builds on the Department of Internal Affairs Water Service Delivery Plan financial template in the following ways:

- Ability to solve for certain capital structures, financial ratios, revenue profiles and other key metrics. Testing and comparison of multiple scenarios.
- Incorporates efficiency assumptions for both capital and operating expenditure based on international benchmarks and scale of the proposed entity.
- Allows for estimated establishment costs.
- Models several key assumptions, based on evidence or information supplied by councils.

The usefulness of the model's outputs is dependent on the robustness of inputs and assumptions. We have relied on information supplied by councils, with adjustments documented in the assumptions.



Base assumptions

The following table provides further detail on the assumptions set out on page 19 of the report. The breakdown of efficiency assumptions is outlined on the following page.

Assumption	Commentary	Basis of assumption / source
Financing	LGFA has indicated that for multi-council WSCCOs the borrowing margin would be based on the weighted average borrowing margin of the participating councils. Default weighting will be based on ownership structure per LGFA guidance.	LGFA
Inflation	Each council will have created their Funding Impact Statements with potentially different inflation rates. We rely on nominal inputs and do not attempt to normalise. We will present nominal and real figures for capital and operating spend.	BERL LGCI
Governance costs	WSCCOs will have a board of directors. We have assumed that the board will be comprised of 5 members, with the following assumptions: • Chair = $108,000 pa • Other board members = $54,000 pa • Meeting costs = $10,000 pa	Watercare Services Limited (base)
Management costs	• CEO = $400,000 pa • CFO = $300,000 pa • Other management costs are assumed to be captured within existing opex figures	Relative to council salaries
Establishment costs (one-off)	Establishment costs are assumed to be: • $10 million for four council entity scenarios • $9 million for three council entity scenarios This covers transition activities, including legal, commercial and other due diligence, and fit out of premises and basic IT hardware. IT investment may not be fully captured. *The model is not sensitive to this assumption.*	*Note: We assume that operating costs associated with establishment will be capitalised.*
Levies	Commerce Commission (estimated $110,000) and Taumata Arowai (estimated $349,000) levies have been included in all scenarios.	Commerce Commission and Taumata Arowai + population statistics

Efficiency assumptions

Composition	Four councils: Timaru + Waitaki + Mackenzie + Waimate	Three councils: Timaru + Mackenzie + Waimate
Characteristics		
No. of councils	4	3
Population (2023 census)	84,255	60,873
Decided assumptions		
Opex efficiencies per annum	1.0% from FY31-FY34, then 1.5% from FY34-FY45	0.9% from FY31-FY34, then 1.3% from FY34-FY45
Capex efficiencies per annum	1.0% from FY28-FY42	0.9% from FY28-FY42
The above four-council efficiencies reflect decisions by Council officials on realistic efficiency assumptions that could be applied to support financial assessment of alternative options. The assumptions for the three-council entity have been reduced commensurately given the smaller population base. The assumption should be applied on a compound (diminishing rate) basis. Note the above estimates apply after adding incremental establishment or operating costs.		

Main adjustments to data provided

Timaru District Council

Adjustments to operating expenditure to align with the assumptions detailed on slide 18, with an increase in charges (revenue) to ensure a balanced Funding Impact Statement:

- Internal overheads totalled 13% of operating revenue over the 10 year period. Additional overheads totalling $20.5 million were added over the FY26-FY34 years to raise this to 17%.
- We excluded revenues collected by Timaru District Council under industrial metered supply and trade waste agreements for the purposes of reporting water rates per connection and affordability metrics. This revenue was included in all other WSCCO projections.

Waitaki District Council

Adjustments to operating expenditure to align with the assumptions detailed on slide 18, with an increase in charges (revenue) to ensure a balanced Funding Impact Statement:

- Finance costs provided on the Funding Impact Statements averaged 3.4% p.a. for the 10 year period. Additional finance costs totalling $21.0 million were added over the FY26-FY34 years to raise the interest rate to 5.3%.
- Internal overheads totalled 14% of operating revenue over the 10 year period. Additional overheads totalling $5.6 million were added over the FY26-FY34 years to raise this to 17%.

Waimate District Council

No adjustments were made to the data supplied.

Mackenzie District Council

No adjustments were made to the data supplied.

Appendix B: Additional information on efficiencies

We have had to make assumptions regarding the policy and regulatory environment (including economic regulation) and quality of governance and management given their critical impact on potential realisable efficiency gains

What efficiencies are gained by moving to professional Boards but with sole council ownership?

International water reform has tended to involve a combination of legislative reform, improved quality and economic regulation, corporatisation and professionalisation of governance, aggregation or amalgamation of service delivery and, in some cases, privatisation. As a result, it is very difficult to disentangle the impact of any one element from other changes.

We consider corporatisation and professional Boards provide an opportunity to improve governance and management when supported by appropriate institutional and regulatory frameworks. Professional Boards alone, as demonstrated by entities like Wellington Water Limited, are insufficient to drive high-performance and improved efficiency. A key differentiator is having Boards empowered with integrated oversight of investment, pricing, and financing decisions, and subject to economic regulation. This alignment of decision-making responsibilities with asset stewardship creates stronger incentives for effective and efficient operations than a professional Board operating with limited decision-making scope.

The assumption of improved governance and strategic focus is reflected in all scenarios being analysed. However, evidence clearly suggests that stronger corporate governance alone is insufficient to realise significant efficiency benefits without being coupled with clear strategic priorities, a service delivery model that provides appropriate incentives for the Board, and a strong-form of economic regulation.

We have assessed efficiency on the basis that corporate structure, council performance and clear policy priorities are not compromising factors.

We have had to make assumptions regarding the policy and regulatory environment (including economic regulation) and quality of governance and management given their critical impact on potential realisable efficiency gains

The role of the economic regulator is yet to be determined, and this may have an impact on efficiency realisation.

Separate WSCCOs can expect more focused attention from future regulators, with structural separation supporting greater transparency and accountability for delivery. However, given the costs of customised, entity-specific regulation, this is likely to be reserved for a small subset of the largest entities.

A key question is the extent of attention a WSCCO will get under the future economic regulatory regime, and the degree of customisation to the entity's particular circumstances. This is an unknown as there is limited information currently on the approach the Commerce Commission will take, and the threshold for when they will move from an Information Disclosure regime to stronger forms of regulation (for example, price-quality regulation). However, we know that Watercare will be subject to a price-quality path from 1 July 2025 under an interim regulatory scheme and is expected to transition to price-quality regulation under the enduring regulatory framework.

There are two plausible scenarios here:

1. Most water services providers (including inhouse council business units) are subject to information disclosure-only, with only the largest metropolitan WSCCOs subject to a stronger form of regulation.
2. All inhouse council business units are subject to ID-only, with all independent WSCCOs subject to some form of stronger regulation (see for example the PREMO model in Victoria).

Evidence base to support efficiency assumptions

Significant improvements in efficiency have been achieved in overseas jurisdictions that have pursued reform of a similar nature to that proposed in New Zealand. For example:

Productivity Commission

In Australia, the Productivity Commission found that service delivery reform has helped to improve efficiency and deliver significant benefits for water users and communities.
National Water Reform - Draft Report (pc.gov.au)

Frontier Economics

In its review of the experience with water services aggregation in Australia, Great Britain, Ireland and New Zealand (Auckland) finds that there is "strong and consistent evidence" that reforms have led to significant improvements in productivity and efficiency.

Review of experience with aggregation in the water sector (dia.govt.nz)

Water Industry Commission for Scotland (WICS)

WICS reports that Scottish Water has been able to reduce its operating costs by over 50% since reform, while improving levels of service to customers and absorbing the new operating costs associated with its investment programme.

WICS Supporting Material 2 - scope for efficiency (dia.govt.nz)

FarrierSwier

In its review of WICS methodology, FarrierSwier commented on the potential that exists for efficiency gains from amalgamating water services in New Zealand and notes significant improvements are possible through aggregation and associated reforms, including improving the ability to attract and retain skilled management and staff, more effective procurement functions, asset level optimisation and reduction in corporate overheads and duplicative functions.

Farrierswier - Three Waters Reform Programme - Review of WICS methodology and assumptions underpinning economic analysis of aggregation - 2 May 2021 (dia.govt.nz)

In an independent review of the Essential Services Commission's PREMO regulatory model in Victoria, Australia, FarrierSwier found that water companies set efficiency targets through its 2018 Price Review ranging from 1.0% p.a. to 2.7% p.a. (averaging 1.8% p.a. across 15 regulated water authorities). While all but two companies delivered reductions in controllable opex per connection, the actual opex savings reported were lower than the target (ranging from 2.2% to -0.2% and average 0.9% p.a.).

Victoria's water sector: The PREMO model for economic regulation

UK Water Trade Association

A report for the United Kingdom Water Trade Association found that reform of the water industry in England resulted in annual productivity growth of 2.1% or 64% over 24 years when adjusted for service quality improvements.

Water-UK-Frontier-Productivity.pdf

The Victorian model is a strong example of driving greater focus on customer, driving cost efficiencies and reducing customer bills

In the mid-1990s, Victoria's water industry underwent significant restructuring. The provision of water services was largely corporatised, so that over 80 water providers became 20. This reform had an impact on the price consumers pay for water, as well as the terms of service delivery. As part of the restructuring process (in conjunction with the privatisation of the energy industry), the Kennett Government established the Office of the Regulator-General, which later became the Essential Services Commission (ESC). On 1 January 2004, the ESC became the economic regulator for all water businesses in Victoria.

In the State of Victoria in Australia, the Essential Services Commission makes individual price determinations using its PREMO framework for four metropolitan water businesses (South East Water, Yarra Valley Water, Greater Western Water, Melbourne Water) and 11 regional urban water authorities (Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water, Gippsland Water, Goulburn Valley Water, Lower Murray Water (urban), North East Water, South Gippsland Water, Wannon Water and Westernport Water). These entities range in size, from 20,000 customers (Westernport Water) to 2 million customers (Yarra Valley Water).

There is strong evidence that regulation under the PREMO regime, combined with well governed and managed water businesses, led to a much greater focus on their customers and improved customer outcomes (see two independent reviews by FarrierSwier of the PREMO model on the Essential Service Commission's website). Under the PREMO framework, water businesses are required by the regulator to commit to a range of customer outcomes and associated performance measures and targets as part of their price submissions.

The PREMO model in Victoria has been effective in incentivising water businesses to pursue cost efficiencies and minimise prices for customers. Water businesses' opex efficiency improvement targets averaged 1.3% in the 2023 price review. This is lower than the 1.8% average opex efficiency hurdle in the 2018 price review, but higher than the standard 1.0% rate the commission applied prior to the introduction of PREMO.

The lower efficiency hurdles in the 2023 price reviews reflects the view that Victorian water businesses are now operating close to the 'efficient frontier' following years of regulation.

Analysis of Victorian utilities demonstrates potential deliverable efficiencies may improve with scale

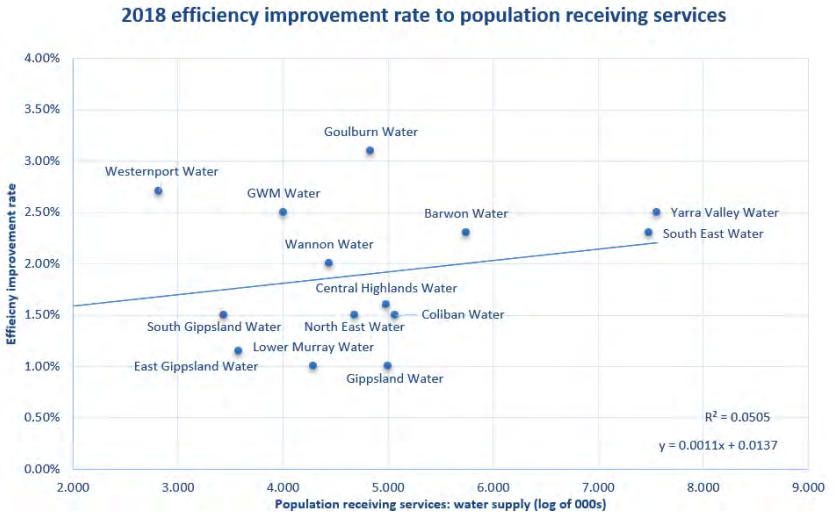
While actual performance data across Victorian utilities is limited and inconsistent (discussed overleaf), analysis of regulatory efficiency targets (hurdles) provides valuable insights into the relationship between scale and expected improvements.

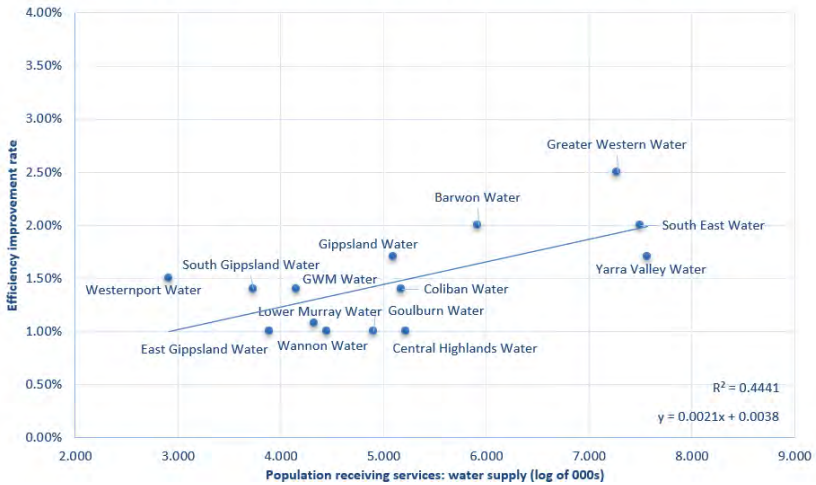
We have analysed the efficiency improvement hurdle imposed by or agreed with the Essential Services Commission in Victoria for each of the price reviews in 2018 and 2023 against scale (measured by population served).

The analysis highlights a clear relationship in the 2023 price review where larger entities were set a higher efficiency improvement hurdle for the ensuing five years. Larger entities were set efficiency hurdles of 1.5–2.5% per annum despite already being regulated for over 15 years.

The relationship in the 2018 price review is less clear (largely driven by a number of smaller entities with efficiency improvement hurdles of 2.5–3.0%), reflective of a greater weighting on industry-wide catch-up efficiency. The larger entities in this price review were still set efficiency targets of approximately 2.5% per annum for the ensuing 5 years. We also note that most entities serving 200,000 or less population (5.3 on X-axis) were set targets of 1–1.5% in both price reviews.

Source: Essential Services Commission, Victoria Water Price Reviews 2018 and 2023





The Australian national performance report does not measure efficiency, however average operating expenditure per property can be analysed

This analysis captures all Australian water utilities however does not track actual efficiency improvement and as such is only intended to be used for verification rather than in determining the efficiency opportunity purposes. We note that inferences from this data should be undertaken with caution given the limited sample size in each category (shown below graph) and the numerous factors influencing operating costs per property. External variables such as geographic dispersion, water sources, treatment requirements, growth impacts and infrastructure delivery methods make comparisons challenging (despite averaging approach).

Operating costs vary significantly by utility size

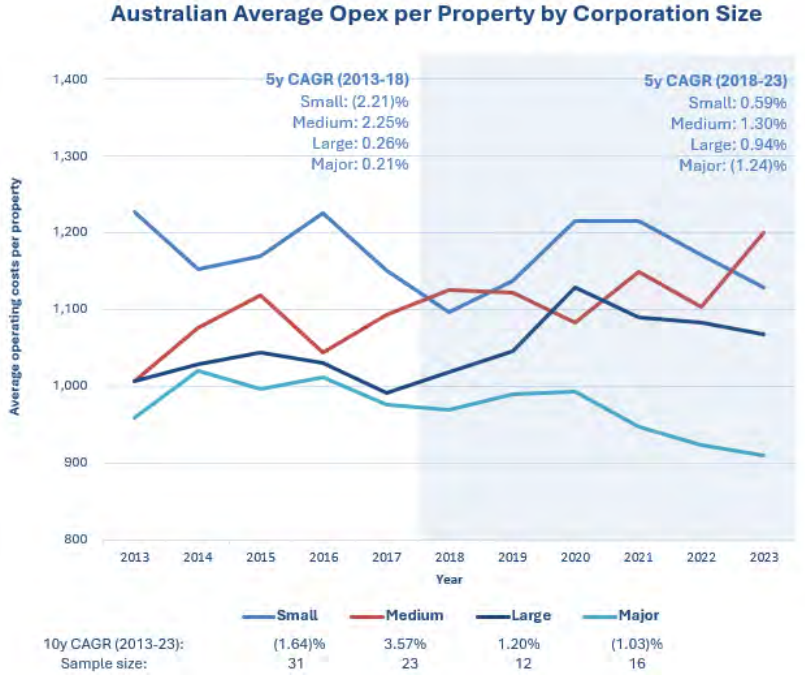
Major utilities (100,000 plus connections) consistently demonstrate the lowest operating costs per property (around $900–1,000) likely partly due to economies of scale as well as higher density.

10-year horizon highlights benefit of scale

Major utilities annualised growth over the period 2013–2023 outperformed large and medium utilities by 2.2% and 4.6% respectively. Small utilities average operating cost per property reduced by more than the major utilities however off a substantially higher base.

Dataset highlights variability over time

We note there are limited differences between medium, larger and major utility cost per property changes in the first five-year period (2013–2018) with all of the differential occurring in the second five-year period (2018–2023). The small utility dataset shows an irregular pattern over time.



Source: Urban NPR Dataset 2023
Note: four outliers with extreme operating costs per property have been removed from the Small utility group dataset.
Note: CAGR stands for 'Compound Annual Growth Rate', which is the cumulative average annual growth rate over the period.

Small	Medium	Large	Major
Less than 20,000 connected properties	Between 20,000 and 50,000 connections	Between 50,000 and 100,000 connections	Over 100,000 connections

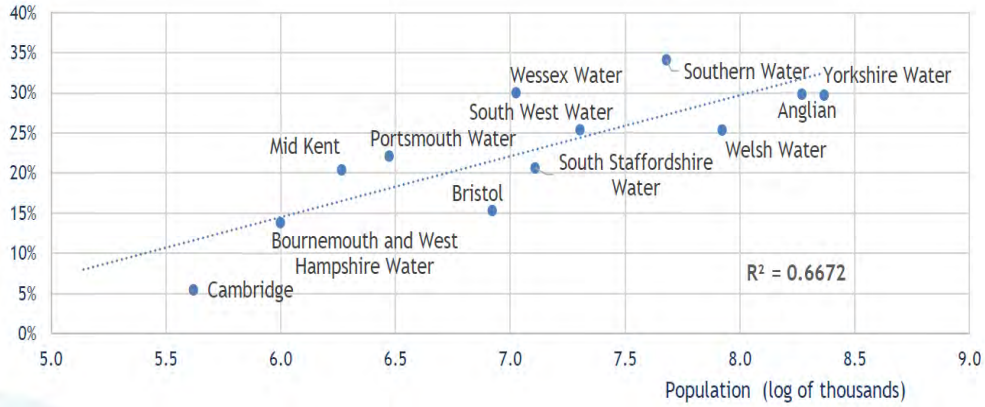
WICS compared efficiency for different scale UK water utilities following corporatisation, and used this to inform estimates for NZ councils

Water Industry Commission for Scotland (WICS) undertook analysis of the observed operating efficiency improvement for the different UK entities over a six-year period commencing with corporatisation (between 1994 and 1996) relative to the population served. In terms of quantifying the gains, the evidence indicates a non-linear relationship between scale (measured as population size or number of connections) and potential efficiency (see graph below). The WICS models are based on models developed by Ofwat and have been in use for 20+ years in England, Wales and Scotland.

There are diminishing returns to scale, with maximum scale reached with a connected customer base of 600,000-800,000. For councils below 60-70,000 population there is minimal scope for efficiency gains. This is consistent with management theory, whereby small entities are unable to achieve high levels of asset management maturity, procurement gains etc. WICS utilised the below to estimate efficiency gains for different scales of entity. WICS reduced the potential efficiency gains by a factor of 5 for scenarios where economic regulation, strong corporate governance and clear policy objectives were considered not present.

The table shows the estimated potential efficiency improvement (%) that each NZ council could achieve relative to Watercare (i.e., New Zealand's most efficient water company), based on the observed efficiency improvements of similar-sized UK water utilities in their first 6 years following corporatisation.

WICS calculated improvement in efficiency (over 6-year period following corporatisation) for UK water utilities and assessed catch-up potential for NZ



Council Area	LGNZ classification	Population served (thous)	Log of population	Assessed catch-up based on observed experience
Auckland	Metro	1,758	7.47	100%
Christchurch	Metro	385	5.95	55.1%
Wellington City	Metro	223	5.41	38.9%
Hamilton	Metro	162	5.09	29.6%
Tauranga	Metro	143	4.97	25.9%
Dunedin	Metro	121	4.80	21.0%
Palmerston North	Metro	89	4.49	11.8%
New Plymouth	Provincial	64	4.16	2.0%
Hastings	Provincial	64	4.15	1.9%
Upper Hutt	Metro	63	4.14	1.6%
Rotorua Lakes	Provincial	62	4.13	1.3%
All other Councils		<60	4.1	0%

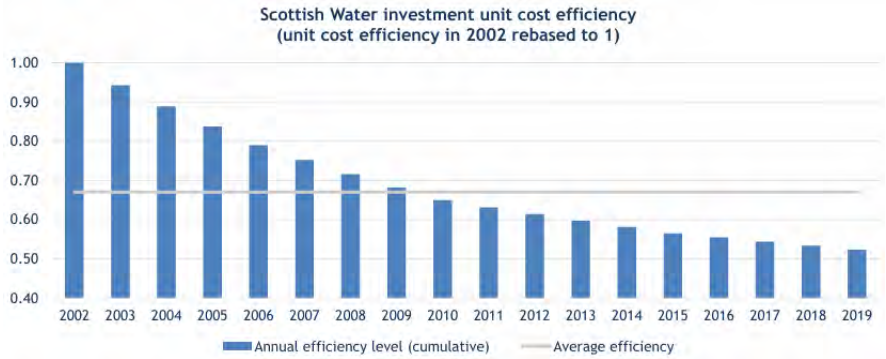
Source: Water Industry Commission for Scotland

The capital efficiency evidence base is less robust due to information scarcity. WICS utilised the capital efficiency achieved in Scotland reforms to estimate potential efficiency deliverable in NZ

There is limited international information readily available that enables a robust estimate of the potential capital efficiency gains possible from water reform in New Zealand. This reflects a lack of investment unit cost efficiency reporting which is necessary to ensure capital efficiency can be identified (as opposed to capital expenditure deferral or other driving factors).

WICS are the economic regulator for Scottish Water under a detailed and comprehensive economic regulation model. As such WICS have a detailed understanding of the Scottish Water investment unit cost efficiency over time. This information is presented below and highlights that as a result of reform, Scottish Water achieved approximately 45-50% lower capital expenditure unit costs between 2002-2019. WICS also noted that Scottish Water had recently committed to achieving further 0.75% real improvements in capital expenditure unit costs annually until 2040 suggesting significant further long-term efficiency gains were possible.

WICS considered that under the previous NZ water reform model (including necessary scale, professionalisation of Boards/governance and strong-form economic regulation) that NZ entities could achieve similar improvements. WICS worked closely with Watercare (and other councils) to understand potential differences between NZ and Scotland that would limit the potential capital efficiency achievable and edit efficiency targets to account for these differences.



Source: Water Industry Commission for Scotland

FarrierSwier in reviewing the WICS approach noted that:

- While this represents a reasonable starting point the analysis suffers from several limitations, including that Scottish Water's experience could differ markedly from what may be achievable in New Zealand.
- The top-down efficiency assumption was also not adjusted to account for differences between Scotland and New Zealand in key expenditure drivers, potential for asset optimisation and any other driving factors.
- Without such adjustments or comparison to other case studies, it is hard to say whether the Scottish Water experience is a reasonable guide for what is achievable in New Zealand.

As such we believe it is prudent to use a significantly more conservative capital efficiency assumption (relative to WICS) and vary this less with increasing scale.

Wellington T +64 4 499 6130
Level 1, City Chambers, Cnr Johnston and Featherston Streets, Wellington 6011, PO Box 5256, Wellington 6140, New Zealand
Auckland T +64 9 915 1360
Level 16, 41 Shortland Street, Auckland 1010, New Zealand
info@martinjenkins.co.nz **martinjenkins.co.nz**

9.4 Affixing of the Common Seal

Author: **Jessica Kavanaugh, Team Leader Governance**

Authoriser: **Stephen Doran, Group Manager Corporate and Communications**

Recommendation

That the following warrants have been approved by the Chief Executive and are being reported to the Council for noting:

02 April 2025 – Approval of Warrants

02 April 2025 – Approval of Warrants

02 April 2025 – Approval of Warrants

08 April 2025 – Approval of Warrants

Purpose

1 To report the Chief Executive has approved the Warrant of Appointments and is reporting that as required under the delegation manual (Clause 3.4.5).

2 To note the names have been redacted for the privacy of the employees. Council authorise the signing and sealing of these documents.

Attachments

1. **Execution of Warrants - 02.04.25**
2. **Execution of Warrants - 02.04.25**
3. **Execution of Warrants - 02.04.25**
4. **Execution of Warrants - 08.04.25**

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

Approval of warrants

I, Nigel Trainor, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 3.4 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

THE COMMON SEAL OF THE TIMARU DISTRICT COUNCIL
PROCLAIMED 1989

Nigel Bowen

Nigel Trainor

2/4/2025

Date

Name	Title	Unit
[redacted]	Environmental Health Officer, Enforcement Officer and Licensing Inspector	Environmental Services

#1750920

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

Approval of warrants

I, Nigel Trainor, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 3.4 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

THE COMMON SEAL OF THE TIMARU DISTRICT COUNCIL PROCLAIMED 1989

Nigel Bowen Nigel Trainor

2/4/2025

Date

Name	Title	Unit
[redacted]	Food Verifier, Environmental Health Support Officer	Environmental Services

#1748968

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

Approval of warrants

I, Nigel Trainor, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 3.4 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

THE COMMON SEAL OF THE TIMARU DISTRICT COUNCIL PROCLAIMED 1989

Nigel Bowen Nigel Trainor

2/4/2025

Date

Name	Title	Unit
[redacted]	Enforcement Officer	First Security

#1750260

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

Approval of warrants

I, Nigel Trainor, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 3.4 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

THE COMMON SEAL OF THE TIMARU DISTRICT COUNCIL
PROCLAIMED 1989

Nigel Bowen

Nigel Trainor

8/4/2025

Date

Name	Title	Unit
[redacted]	Engineer - Morphum Environmental	Water and Drainage

#1751687

9.5 Release of Public Excluded Items

Author: **Jessica Kavanaugh, Team Leader Governance**

Authoriser: **Stephen Doran, Group Manager Corporate and Communications**

Recommendation

That the Council notes the following public excluded items have been released to the public;

1. Council – Item 13.3 Recommendation from Extraordinary Directors and Trustees Appointment Subcommittee meeting 28 November 2023
2. Council Workshop - LTP Presentation Draft Budget 30 January 2024
3. Council – Item 5.1 Agreement for Sale and Purchase of Meadows Road Properties 19 March 2024

Purpose of Report

1 The purpose of this report is to provide the Council with an updated status of Public Excluded items released to the public.

Assessment of Significance

2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

Discussion

3 The following items have been released to the public and are available on the Timaru District Council website under the following links;

- Council - Item 13.3 Recommendation from Extraordinary Directors and Trustees Appointment Subcommittee meeting 28 November 2023

  https://www.timaru.govt.nz/council/council-and-committee-meetings/meeting-dates-calendar/council/2023/council-28.11.23

- Council Workshop – LTP Presentation Draft Budget 30 January 2024

  https://www.timaru.govt.nz/council/council-and-committee-meetings/meeting-dates-calendar/public-workshops/2024/workshop-30.01.24

- Council – Item 5.1 Agreement for Sale and Purchase of Meadows Road Properties 19 March 2024

  https://www.timaru.govt.nz/council/council-and-committee-meetings/meeting-dates-calendar/council/2024/extraordinary-council-19.03.24

Attachments

Nil

9.6 Actions Register Update

Author: **Jessica Kavanaugh, Team Leader Governance**

Authoriser: **Stephen Doran, Group Manager Corporate and Communications**

Recommendation

That the Council receives and notes the updates to the Actions Register.

Purpose of Report

1 The purpose of this report is to provide Council with an update on the status of the action requests raised by councillors at previous Council meetings.

Assessment of Significance

2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

Discussion

3 The actions register is a record of actions requested by Councillors. It includes a status and comments section to update the Council on the progress of each item.

4 There are currently 10 items on the actions register.

5 Four items are marked as ongoing.

6 Four items are marked as completed and are proposed to be marked as removed at the next meeting.

7 Two are marked as removed and to be taken off the list at the next meeting.

Attachments

1. Council Actions Required ⇩

Information Requested from Councillors (Council)

Key ■ = Completed, for removal ■ = 60+ Days ■ = 90+ Days ■ = Removed

Information Requested	Budget Reallocation Trial				
Date Raised:	17 October 2023			**Status:**	Complete
Issue Owner	Chief Financial Officer	**Due Date:**	When presented	**Completed Date:**	April 2025

Background:
The Councillors requested that a trial is to commence that includes officers work to advise the Chair of the relevant committee when budget reallocation occurs which is each Group Managers responsibility and provide an update to the Commercial and Strategy Committee in the Financial Report. This trial will be reviewed in March.

Update: This has been implemented in the Monthly Financial Update to the Commercial and Strategy Committee for September 2023 and will continue to feature in these reports until a review of the trial in March 2024.

July 2024 Update: Budget reallocation will be continued on a trial basis pending a further review.

September 2024 Update: This will remain on here until such time it is used for a report at which time we will review layout for approval for on going use.

January 2025 Update: A formal process for this is still being developed. GMs will continue to bring papers to council when required.

04 February 2025 Council Meeting: This action was requested and agreed to be presented at the 18 February 2025 Commercial and Strategy Meeting.

Update: A verbal update was given at the 18 February Commercial and Strategy Meeting. The new Senior Finance Business Partner will look at implementing a process with managers after understanding the organisation through the Annual Plan process.

March 2025: There is no further update for March 2025.

May 2025: This has been added on to the Funding and Financial Implications template within Council Decision making reports. This can now be closed off.

#1595414

Information Requested	Investigate Subcontracting Across Council				
Date Raised:	12 December 2023			**Status:**	Complete
Issue Owner	Group Manager Infrastructure	**Due Date:**		**Completed Date:**	01/04/2025

Background:
The Councillors requested a report on sub-contracting across council where sub-contracting is occurring with the consideration to if these services can be delivered in – house.

Examples include – Street sweeping, rubbish collection.

March 2024 Update: The Infrastructure Group is looking at alternative ways of carrying out various services, starting with the s17a review of Parks. Some of the identified opportunities will be included within the report on underutilised assets.

May 2024 Update: Direction has now been received on Parks and Recreation services. Review of Public Place Waste Disposal is being carried out – seeking direction if there are other areas Councillors would like reviewed.

July 2024 Update: Officers met on 23 May to discuss potential efficiencies in the delivery of services across different groups. These included the use of in-house servicesacross groups or consolidation of individual contracts within groups to take a Council wide approach. Examples are use of in-house parks resources for Council property grounds maintenance, consolidation of public refuse bins collection to gain economies of scale, or consolidation of cleaning services into a Council wide contract rather than contracts in individual groups. The outcome is to initiate the development of a 5 year delivery plan for services that can be delivered in house or packaged in a different way to ensure the best community outcomes.

August 2024 Update: Request for a road map to come back to Council.

September 2024 Update: The first business case (street sweeping) is being finalised for the group to review. This template will then be used for the other services that have been identified as there being potential opportunity for review. The list so far includes General Cleaning, Building Maintenance, Graffiti, Gardening, Commercial Waste, Public Place Waste and Security. The purpose of having a 5 year plan is around looking at contracts that may not be due to expire for some time but to have a plan for when they do expire.

#1595414

October 2024 Update: The Street Sweeping business case has been completed with a recommendation to retain the status quo cont racting this out. Business cases are currently being prepared for cleaning and electrical services. This will be a ongoing project over several months as we work through various services. Is Council seeking continued updates or comfortable that this piece of work is being managed and can be removed from the acti ons register.

December 2024 Update: Further investigation is underway connected to the action below "Investigate Small Trades' and a report will be brought to Council on 4th February.

February 2025 Update: A review is currently being carried out around public place waste and how this service is delivered.

04 February 2025 Council Meeting: This action was requested and agreed to be presented at the 04 March 2025 Council Meeting. This action is now linked to the "Investigate Small Trades" and will be tabled at the 4 March 2025 meeting

March 2025 Update: Currently working through implications for existing contract if street sweeping were to be brought in-house. Current contractual arrangement not due to expire till June 2028.

March 2025 Council Meeting: It was advised this report was deffered until the 01 April 2025.

April 2025 Update: The street sweeping report will be presented at the 1 April Council meeting.

May 2025: This report was presented and it is recommended that this action is now closed.

Information Requested	Investigate Small Trades				
Date Raised:	12 December 2023			**Status:**	Ongoing
Issue Owner	~~Group Manager Property~~ CFO, Procurement Lead	**Due Date:**	4th February 2025	**Completed Date:**	

Background:
The Councillors requested a report on Trades: investigate the value of small trades outside of large contracts with the consideration to these being offered in-house. With an analysis of both procurement and spend on invoices under $10k.

- Are we getting competitive pricing with a preferred supplier.
- Do we get to a level whereby in-house provision of the particular trade could be the better way forward.

Update: Investigation is in progress and will return to council once complete.

#1595414

September 2024 Update: This is underway, working on electricians, plumbers, cleaners as a starting point.

December 2024 Update: Further investigation is underway connected to the action above 'Investigate Suncontracting Across Coun cil' and a report will be brought to Council on 4th February.

January 2025 Update: Work has been completed and a business case being developed with outcome of investigation. This will come to Council for the 4th March 2025 meeting. Maintenance (Incl Building, Plumbing, Electrical and Painting) is now considered complete.

February 2025 Update: A report on Plumbing, Electrical, Building and Painting requires further investigation for options post internal review and is anticipated to be presented with the other papers concerning maintenance at the next meeting. A report on cleaning will return to Council after further investigation. At a later date.

March 2025/April 2025: The investigation into small trades maintenance has highlighted that this is a process systems change. This will be managed via Councils JIRA system, all maintenance requests centralised and triaged across preferred contractor lists. Paper outlines next steps with an organisational review of contractors leading to a preferred contractors list. As noted the new process will allow the corrections to coding that is required, linked to PO's with the ability to better track requests and control maintenance spend across all departments.

May 2025 – Following the Council meeting 1 April 2025 a JIRA system will be implemented across Council in early May once all Tier 3 Mana gers have been able to input in to how the system will work for them and confirmed list of suppliers for their building maintenance works. This part of the investigate small trades is now considered closed and further reporting will be via the CFO and the Procurement Lead as they investigate further trade s across Council operations.

~~**Information Requested**~~	~~Underutilised Assets – Quarterly Report~~				
~~**Date Raised:**~~	~~12 December 2023~~			~~**Status:**~~	~~Completed~~
~~**Issue Owner**~~	~~Group Manager Property~~	~~**Due Date:**~~	~~10 December 2024~~	~~**Completed Date:**~~	~~January 2025~~

Background:
The Councillors requested an investigation on assets that are not being utilised that could be sold. For example small pieces of land.

Update:
A property list has been sent to the Programme Delivery Manager for Infrastructure to check off and add or delete any properties, as well as note if they are available for possible sale/divestment. Manager of Property Services and Client Representative is working on the vertical property list. This should be tabled at the next meeting.

#1595414

March 2024 Update: Work is continuing on this to present to Council for consideration.

26 March 2024: The Councillors agreed to merge this action with the following: Background: Clr Michelle Pye requested a review of all “non core” assets to determine if we are getting a commercial return on them or if they would be better sold.
Update: Working through this action as part of the Underutilised assets action. This portion is under investigation and will return to council once completed.

May 2024 Update: The report on underutilised assets is being presented to the May Council meeting.

July 2024 Update: Next report going to the 13 August Council meeting for an update and next group of properties for review.

July 2024 Update: Requested is for a clearer process moving forward, including, information of advertising the assets, and assets put back on the table for discussion. This Action will be subject further discussion between CE and Officers.

August 2024 Update: Request for an update to be presented at the 17 September Council meeting

October 2024 Update: Development of a draft property divestment policy which will be presented to Counil in December alongside an update on progress of sale of assets as agreed in prior Council resolutions.

December 2024 Update: Draft Divestment of Property Policy being presented to Council for consideration at December 10th Council Meeting. Suggest removal from Register with agreed quarterly reports on underutilised assets to be presented to Council starting March 2025.

January 2025 Update: Recommend that this action can be removed, a report will come to Council each quarter with updates on divestment of properties and assets in general.

04 February 2025 Council Meeting: This action was requested to remain on the action register until the Divestment of Property Policy is finalised and a firm understanding from Councillors of what the Council own.

11 February 2025 – Divestment of Assets will now take the form of a quarterly report to Council with an update of assets for sale, proposed assets for confirmation and resolution. Next report will be 1 April 2025.

March 2025/April 2025: This is now a quarterly report on the internal list of regular reports. This action could be closed out.

#1595414

~~**Information Requested**~~	~~Template for Financial Impact~~				
~~**Date Raised:**~~	~~12 December 2023~~			~~**Status:**~~	~~Complate~~
~~**Issue Owner**~~	~~Chief Financial Officer~~	~~**Due Date:**~~	~~When presented~~	~~**Completed Date:**~~	~~17 March 2025~~

Background:
The Councillors requested a template for financial impact when there is a recommendation to do something, rate or loan funded, ongoing costs, expiry of Capital projects.

Update: This is a work in progress and will be developed over time when needed. This action can now be closed out as this will be an on-going activity.

September 2024 Update: This will remain on here until such time it is used for a report. At this time we will review layout for approval for on going use.

January 2025: No further update. Financial considerations section is a mandatory sections in the new agenda management tool.

February 2025: Further work has gone into development of a template for the Financial and Funding Implications section of the decision making report. Once internal feedback has been collated and reviewed, this will be circulated to Councillors for initial feedback.

March 2025: A template has been circulated to Councillors for feedback. This has been implemented into the decision making report template and will be live for the May meeting. Officers believe this action to be complete and can now be removed from the actions register. This can be reviewed in future if further information is deemed to be required.

Information Requested	Vertical Infrastructure Maintenance Report (Quarterly)				
Date Raised:	22 October 2024			**Status:**	Ongoing
Issue Owner:	Chief Executive/ ~~GM Property~~ / CFO	**Due Date:**	4 February 2025	**Completed Date:**	20/03/2025

Background: Councillors requested quarterly reporting on the status of Council owned vertical infrastructure, including community facilities, to allow for oversight on the sufficiency of budget allocated to operating costs.

December 2024 Update: Report on progress will be presented to Council on 4th February 2025.

January 2025 Update: The report is in draft pending discussion internally and will be reported on at the 4th March 2025 meeting.

#1595414

February 2025 Update: Officers are still waiting on information to be able to provide an accurate report to Council. It is anticipated to have this work ready to present at the 1 April meeting. March 2025/April 2025: This information is included in the quarterly financials that come to Council. This action is also linked with the work that has been completed on Small trades and is being investigated to streamline and update an internal process for a procure to pay system that works with a preferred contractor list available in the Esker system. All requests for maintenance will go via a JIRA request and triaged so that only the preferred contractor list can be utilised, the correct coding is allocated to the request and department budgets. A procure to pay system will then allow for better auditing of the invoice as it tracks back through the financial system before payment is released. This action could be closed out. 01 April 2025: Council Meeting update: it was confirmed this action remain open. May 2025 – Further reporting on this issue will be via the CFO in quarterly reports as normal that are brought to Council.

Information Requested	Report on Parking				
Date Raised:	04 February 2025			**Status:**	Complete
Issue Owner:	Group Manager Infrastructure	**Due Date:**		**Completed Date:**	6 May 2025
Background: Councillors requested a paper on what the Timaru District Council are paying for the deck above Kathmandu. March 2025 Update: Report is currently being prepared to present to Councillors. April 2025 Update: This report is currently being prepared. May 2025 Update: A report on this matter is included in the Council agenda for the meeting on 6 May 2025.					

#1595414

Information Requested	NZTA to speak at Council Meeting				
Date Raised:	04 February 2025			**Status:**	
Issue Owner:	Group Manager Infrastructure	**Due Date:**		**Completed Date:**	

Background: Councillors requested that NZTA speak to the Council regarding issues on Statehighway one (Showgrounds)

March 2025 Update: Invitation is being extended to NZTA to speak with Council

March 2025: Council Meeting 04 March 2025 it was advised The Mayor and Chief Executive have a quarterly update from the New Zealand Transport Agency. The Mayor expressed no advantage of coming to speak at a Council Meeting as the Council Officers are working closely to get a resolution. However, the action is to remains on the action register.

April 2025 Update: Work is continuing to resolve issues on State Highway 1 (showgrounds)

May 2025 Update: A meeting has been scheduled for the 15 May 2025 between NZTA (Regional Manager – Central & Lower South Island and Acting Director Regional Relationships) with Elected Members and the Chief Executive.

Information Requested	Investigate Financial System				
Date Raised:	04 February 2025			**Status:**	In Progress
Issue Owner:	Chief Information Officer	**Due Date:**	04 March 2025	**Completed Date:**	

Background: Councillors requested as part of Council resolution 2025/8 that officers "Investigate an upgrade or new financial system and report back to the Council at the 04 March 2025 Council Meeting with an estimated cost and timeframes in order for this amount to be included in the Annual Plan 25/26." This was not included in the March action register.

April 2025: Investigation is underway. An update report on progress to date has been prepared for the 1 April meeting.

May 2025: CFO and CIO visited the Palmerston North team to discuss their financial system upgrade, they had some excellent insights and looked to have solved quite a few of the issues we currently have. Officers are fine tuning our requirements based off this information and putting together a workplan with costings, which we will bring back to council.

#1595414

Information Requested	Workshop on Waste				
Date Raised:	04 March 2025			**Status:**	On Going
Issue Owner:	Group Manager Infrastructure	**Due Date:**		**Completed Date:**	
Background: Councillors requested as part of Tenders and Procurement Committee a workshop on waste to further their understanding of the business activity and fees and charges. April 2025 Update: A workshop has been scheduled to present this information on 17 June 2025. 01 April 2025: Council Update: It was requested to move this workshop date forward. May 2025 Update: A Workshop will be presented to the Councillors on the 06 May 2025.					

#1595414

9.7 Broughs Gully - Proposed Revocation of Local Purpose Reserve (Road) Status

Author: **Susannah Ratahi, Land Transport Manager**
William Ching, Infrastructure Planner

Authoriser: **Andrew Dixon, Group Manager Infrastructure**

Recommendation

1. That the Council resolve to seek revocation of the reservation status of the relevant land parcels identified within and adjacent to the Broughs Gully Subdivision, in accordance with Section 24(1)(b) of the Reserves Act 1977.
2. Approves in principle, subject to reserve revocation approval, a land exchange with the adjoining private land which will facilitate sufficient and appropriate vehicle access for the subdivision proposal in accordance with the Broughs Gully Outline Development Plan.

Purpose of Report

1 The purpose of the report is to obtain a resolution from the Council, in accordance with Section 24(1)(b) of the Reserves Act 1977, to seek revocation of the reservation status of the land parcels identified within and adjacent to the Broughs Gully Subdivision, in order to enable a land exchange with the developer which will facilitate sufficient and appropriate vehicle access for the same subdivision.

Assessment of Significance

2 This matter is deemed to be of low significance under the Council's Significance and Engagement Policy as the impact on strategic assets, the number of people affected and the impact on well-being or on Council's financial position under this proposal is low.

Background

3 The revocation of reservation process falling under Section 24(1)(b) of the Reserves Act 1977 (Reserves Act) is approved by the Minister of Conservation and, at s 24(2) requires public notification before any reservation is revoked. Therefore, the community will have the opportunity to have input as part of the statutory process recommended to be followed.

4 The Land Requirement Plan (Attachment 1) depicts the subject area, including the two parcels of land, which is currently part of the Council Local Purpose Reserve (Road). The unformed local purpose reserve(road) at the end of Tasman Street has been used by the surrounding properties to graze animals.

5 The land was acquired by council from past subdivision and have been held as a Local Purpose Reserve (Road) without being vested as road reserve. This was from a historical subdivision prior to the Broughs Gully Outline Development Plan.

Discussion

6 The proposal will allow for more efficient use of the land to allow future residential development and roading access in accordance with the Broughs Gully Outline Development Plan.

7 There is a prescribed process under the Reserves Act 1977 to achieve a revocation of reserve. This includes obtaining consent from both Council and Commissioner. There is a one month public notification period under the legislation and is publicly notified through the Gazette.

8 The Reserves Act 1977 process is outlined as follows:

8.1 Pass a resolution for the revocation of the status including setting out the relevant reasons as to why the reservation is to be revoked.

8.2 Notify the Commissioner in writing and seek consent for the revocation of the reservation for the reasons stated in the resolution.

8.3 Once Commissioner consent is obtained, the Minister may by notice in the Gazette revoke the reservation of the whole of the land as reserve

8.4 However, before any reservation is revoked under s24(1) of the Reserves Act, the requirements set out in s24(2)(b) and (c) being notification to public and adjoining land owners together with consideration of any objections need to be complied with where applicable.

9 In this instance, it is Council and Broughs Gully Development Ltd, who are the affected adjoining owners. Neither party has advised objections to the proposed process. Given there are no effects to public or private access and that landowner consent is given then Ministerial approval is expected to be obtained.

10 It is proposed that should the revocation of reserve be approved the former local purpose reserve(road) land would be amalgamated with the adjacent land parcels, owned by Broughs Gully Development Ltd.

11 The land will be swapped with the adjoining owner with a net gain of 425m2 to council. The only cost to council will be of legal fees in exchange of land.

12 As part of Subdivision consent 101.2024.1.1(Attachment 2) that has been approved by Council, the proposed road layout for the affected parcels needs the revocation of reserves to comply with the approved plan.

Options and Preferred Option

13 There are two options available.

14 Option 1 - the preferred option, and option support is to support the commencement of the revocation of reserves, and subject to the successful completion of statutory process, the disposal and amalgamation of the land with the adjoining land. This will create surety for the land owner and enable the future development of the land.

15 Option 2 - is to maintain status quo. This will restrict future residential development of this land, potentially increasing cost and would not be compliant with the Broughs Gully Outline Development Plan.

Consultation

16 Consultation has occurred with Broughs Gully Development Ltd, as the directly affected adjoining landowner.

17 Public consultation was completed on the Broughs Gully Outline Development Plan prior to adoption that realigned the future road layout.

18 Under the Reserves Act 1977 there is a requirement to publicly notify as part of the revocation process.

Relevant Legislation, Council Policy and Plans

19 Reserves Act 1977

20 District Plan & Broughs Gully Outline Development Plan

Financial and Funding Implications

21 The costs associated with the road stopping process are low and can be funded within existing approved budgets.

Other Considerations

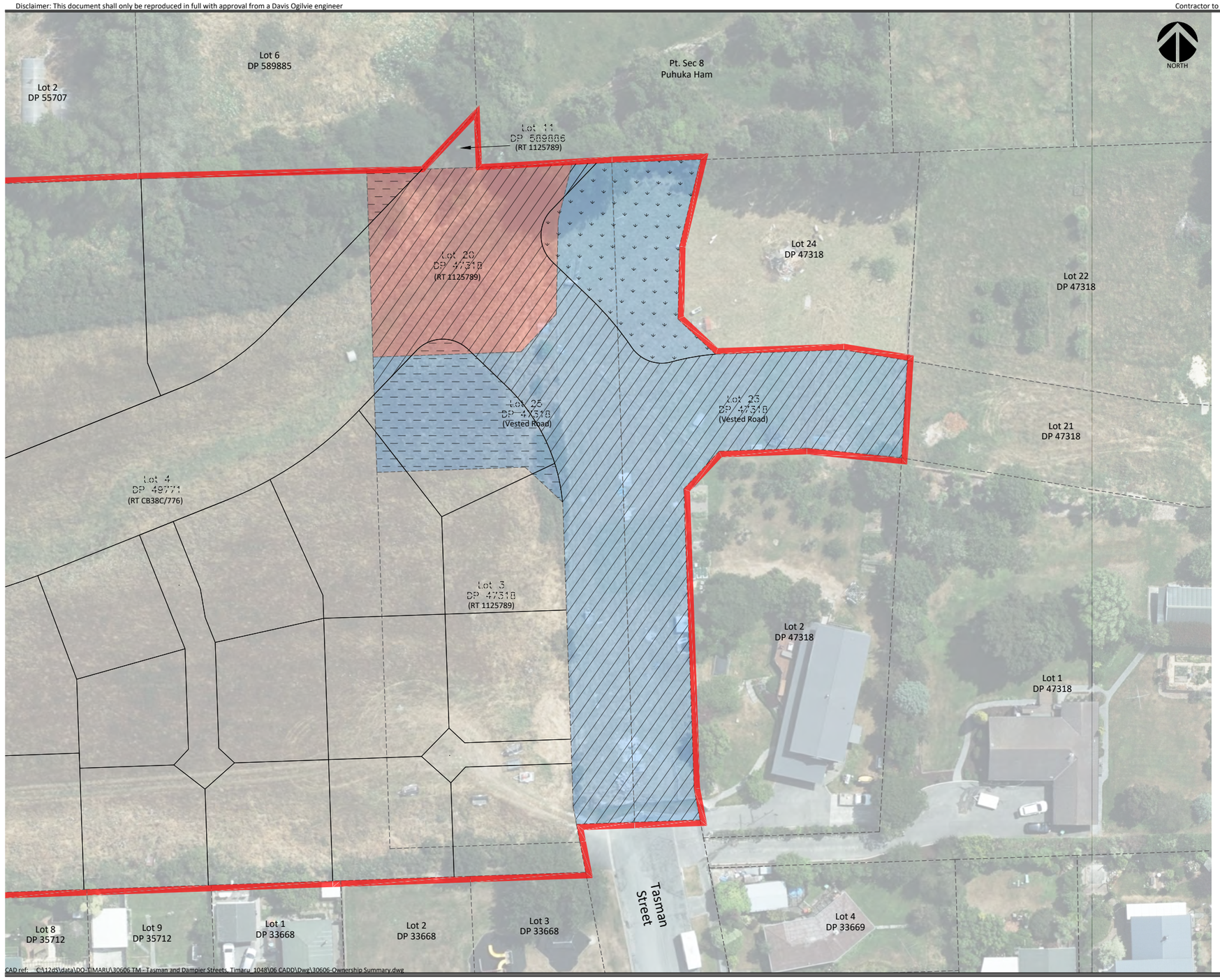
22 Following reserves status revocation, the land is proposed to be amalgamated with the adjoining freehold titles of Broughs Gully Developments Ltd.

Attachments

1. **Broughs Gully Subdivision Proposed Land Exchange** ⇩
2. **101.2024.1.1 - Decision Final - 5 Stages subdivision Tasman Street Oceanview Timaru Broughs Gully Development Ltd** ⇩

Disclaimer: This document shall only be reproduced in full with approval from a Davis Ogilvie engineer

Contractor to locate all existing services & verify all dimensions before commencing work



Issue	Date	Reason	Approved
A	11-23	For Discussion Only	GPM

NORTH

Notes

Owners:	Broughs Gully Development Limited, Timaru District Council
Applicant:	Broughs Gully Development Limited
Address:	End of Tasman Street, Timaru
Appellation:	Lots 20, 23 & 25 DP 47618
RT References:	RT 1125789 (Lot 20 DP 47618)
Total Area:	0.4378 ha

- All dimensions in metres unless shown otherwise;
- Existing boundaries adopted from LINZ online database;
- Aerial Photography: Sourced from LINZ Database https://data.linz.govt.nz/layer/ timaru-0075-urban-aerial- photos-2012-2013/ under Creative Commons Attribution 4.0 International;
- Horizontal Datum: NZGD2000 NZTM;
- This plan has been prepared for the sole purpose of obtaining subdivision consent pursuant to Section 88 of the Resource Management Act 1991;
- Use of this plan for other purposes or its reproduction in part or full is not permitted without the prior consent of Davis Ogilvie (Aoraki) Ltd;

Key

- Existing Broughs Gully Development Ltd Land
- Existing TDC Road
- Proposed Broughs Gully Development Ltd Land
- Proposed TDC Road
- Proposed TDC Local Purpose Reserve
- Proposed Boundaries
- Existing Boundaries
- Development Boundary

Existing Areas	
Description	**Area (m^2)**
TDC Road Reserve	3437
Broughs Gully Development Ltd Land	940
Total	4377

Proposed Areas	
Description	**Area (m^2)**
TDC Reserves	3862
TDC Road Reserve	3280
TDC Local Purpose Reserve	582
Broughs Gully Development Ltd Land	515
Total	4377

FOR DISCUSSION ONLY

CAD ref: C:\12ds\data\DO-TIMARU\30606 TM - Tasman and Dampier Streets, Timaru_1048\06 CADD\Dwg\30606-Ownership Summary.dwg

DAVIS OGILVIE
Davis Ogilvie (Aoraki) & Partners Ltd
Engineers - Surveyors - Planners
14 The Terrace, Timaru 7940
P.O. Box 359 Timaru, NZ
Ph. 03 688 8350 / 0800 888 350
Also - Nelson, Christchurch, Greymouth

PROPOSED OWNERSHIP CHANGES OVER LOTS 20, 23 & 25 DP 47318

BROUGHS GULLY DEVELOPMENT LIMITED OWNERSHIP SUMMARY

Design	Drawn	QA check	dwg	Issue
RL	RL/LHR	GPM	OS01	A
Scale @ A1	Date	File		
1:300	11-23	30606		

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

18 July 2024

Richard McEwan
Broughs Gully Developments Limited
C/o Davis Ogilvie (Aoraki) Limited
12 The Terrace
Timaru 7910
liam@do.nz

Dear Liam,

Subdivision and Land Use Consent No. 101/102.2024.1.1
5 stage subdivision and land use consent to create 59 residential allotments, 3 allotments to be vested as road and 2 local purpose reserves.
Tasman and Dampier Streets, and Mueller Drive.

I advise that resource consent was **GRANTED** for **Subdivision and Land Use Consent No. 101/102.2024.1.1** under delegated authority by Timaru District Council on 18 July 2024.

Please find attached with this letter:

- The decision and any conditions of consent;
- any approved plan; and
- the officers report or 'planning assessment'.

An invoice for the additional fees payable for the processing of the resource consent will be issued separately.

In accordance with Sections 357A and 357B of the Resource Management Act (RMA) 1991, you have the right to object to any of the attached conditions of consent or the additional administrative charges. An objection must be lodged with Council within 15 working days of receiving the decision.

If you have any queries on this matter please contact me at the details listed below.

Yours faithfully,

JVanBiljon

Jackie van Biljon
Planning Administration Officer
Email: jackie.vanbiljon@timdc.govt.nz

101.2024.1.1

Decision of Timaru District Council

Subdivision and Land Use Consent No. 101/102.2024.1.1

Acting under the delegated authority from Timaru District Council, I have considered the subject application at Tasman and Dampier Streets, and Mueller Drive for subdivision to create 59 residential allotments, 3 road allotments and 2 local purpose reserves from 4 existing Records of Title and one Local Purpose Reserve (road) and determined:

A. That the application is processed on a **non-notified** basis in accordance with Sections 95A – 95G of the Resource Management Act 1991.

B. That land use and subdivision consent **is granted** pursuant to Sections 104, 104B, and 108 and 220 of the Resource Management Act 1991, for the reasons contained in the officer's report subject to conditions (listed below).

PART A - LAND USE CONSENT CONDITIONS

General Conditions

1. The development shall proceed in general accordance with the information submitted for the application (Council reference 101.2024.1.1) including the following:

    i. Report prepared by Liam Rees of Davis Ogilvie (Aoraki) Limited entitled Application for Subdivision and Land Use Consent, dated December 2023 and referenced TM30606.

    And the Council approved plans prepared by Davis Ogilvie (Aoraki) Limited entitled SC01 and SC02 A, dated 12/23 and referenced 30606.

Earthworks and Construction Period

2. During the construction period, noise shall comply with NZS 6803:1999 for Construction Noise.

3. At least 10 days prior to commencement of works, the Contractor shall submit a Construction Management Plan to Timaru District Council's Team Leader for Engineering for approval. The Construction Management Plan shall also be provided to the abutting landowners prior to commencement of works. The Construction Management Plan shall address traffic management, erosion and sediment control, the use and storage of hazardous substances, construction noise, and any other matter deemed relevant. The Construction Management Plan shall be implemented by the Contractor prior to the commencement of construction for the full construction period.

Accidental Discovery Protocol

4. Should an accidental discovery of any archaeological material (including oven stones, charcoal, shell middens, ditches, banks and pits, building foundations, artefacts of Māori and Non-Māori origin or human burials) occur during the undertaking of any earthworks:

    a. Earthmoving operations in the affected area shall cease immediately, and the affected area shall be secured to ensure the archaeological material is left undisturbed;

    b. Heritage New Zealand Pouhere Taonga and Te Rūnanga o Arowhenua shall be advised of the disturbance and provided access to the affected area to enable appropriate procedures and tikanga to be undertaken;

    c. If the material is confirmed by Heritage New Zealand Pouhere Taonga as being archaeological, under the terms of the Heritage New Zealand Taonga Act 2014, an archaeological assessment shall be carried out by a qualified archaeologist, and if appropriate, an archaeological authority shall be obtained from Heritage New Zealand Pouhere Taonga before earthworks resume;

    d. If there is evidence of burials or human (kōiwi tangata) having been uncovered, the New Zealand Police shall be contacted immediately;

    e. Such earthworks shall not recommence until an archaeological assessment has been made, all archaeological material has been dealt with appropriately, and approval to recommence has been given by Heritage New Zealand Pouhere Taonga, and if human remains are involved, the New Zealand Police.

Works Conclusion

5. The consent holder shall on completion of the works:

   a. All disturbed areas shall be stabilised and/or revegetated; and

   b. All spoil and other waste materials from the works shall be removed at least 50 metres from the ephemeral channel on the site.

6. The Council shall be notified within five working days after the completion of the works associated with each stage of the subdivision approved by Council under reference 101.2024.1.1

PART B - SUBDIVISION CONSENT CONDITIONS

All Stages

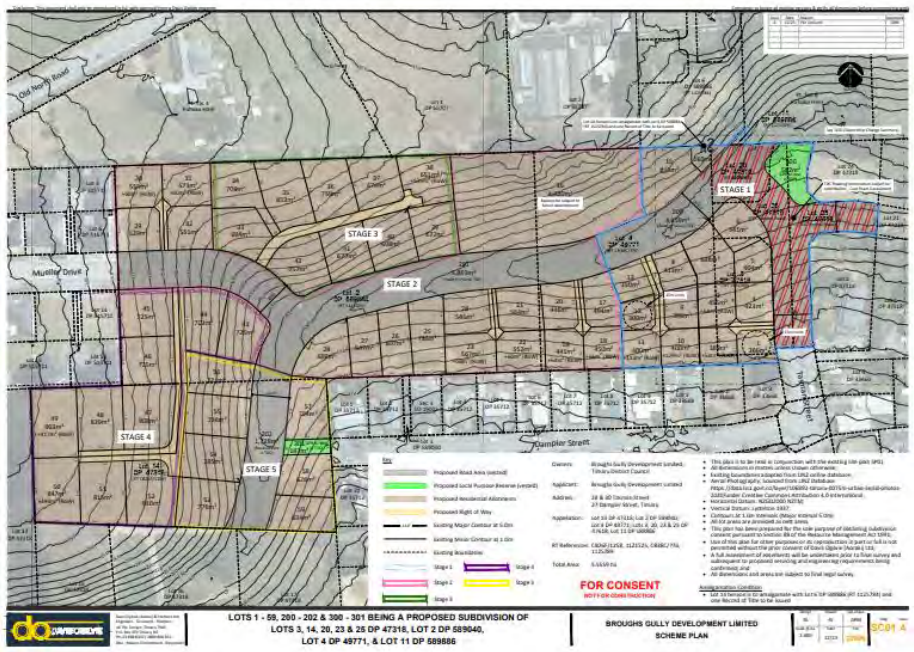
General Conditions

1. The subdivision shall proceed in accordance with the information submitted for the application (Council reference 101.2024.1.1) including the following:

    ii. Application Report prepared by Davis Ogilvie (Aoraki) Limited entitled Subdivision and Land Use Application, dated December 2023 and referenced TM30606.
    iii. Further Information response prepared by Liam Rees, dated 28 February 2024.

    And the Council approved plans prepared by Davis Ogilvie (Aoraki) Limited entitled SC01 and SC02 A, dated 12/23 and referenced 30606.

Survey Plan (s223 of the RMA Conditions)



Natural Hazards

2. All fill placed as part of the subdivision development or under building footprints must be placed in accordance with NZS4431:2022.

3. Deep uncontrolled fill, backfilled test pits or soft areas within the foundation excavations or beneath civil infrastructure or engineered fill will require remediation by engineered filling in accordance with NZS4431:2022.

4. The following retaining walls will require specific engineering design either at the subdivision design stage or building consent stage:
   - Retaining walls over 1.5m high.
   - Walls supporting sloping at or greater than 1V:5H or supporting any other surcharge loads including but not limited to vehicle loads or building loads.
   - Walls located on land with a toe slope at or greater than 1V:5H

5. Overland flow paths must be identified on the engineering design plans and agreed to as part of the subdivision engineering design and approval process.

Engineering Design

6. The infrastructure required to service the proposed subdivision for Water Supply, Wastewater Disposal, Stormwater Disposal and Roading access shall be designed in accordance with the Timaru District Council Infrastructure Design Standards and accepted by Timaru District Council under an Application for Engineering Design Acceptance.

7. The infrastructure required to service the proposed subdivision for Water Supply, Wastewater Disposal, Stormwater Disposal and Roading access shall be constructed in accordance with the Engineering Design Acceptance approved under Condition 7and the approved Plans and Specifications.

Financial Contribution

8. That prior to an Application for Engineering Design for the Extension of Tasman Street, the Consent Holder and Timaru District Council shall enter into a cost share arrangement up to a Council contribution of $191,673 + GST, indexed from November 2017, or otherwise agreed. *Clarification note: This is to be a credit for Applicant for works completed to extend Tasman Street. This includes the intersections with Roads 1 and 3, as shown on the Broughs Gully ODP, up to and including the associated kerb returns.*

Stage 1: Lots 1 – 15, 200 & 300

Easements

9. The consent holder shall attach to the application for section 224(c) certification correspondence from a suitably qualified person stating that all services for Lots 1 – 15, that pass over or through any other lot have been disconnected or are protected by an appropriate easement.

10. Proposed easements shall be duly granted and reserved.

Amalgamation

11. That Lot 14 be amalgamated with Lot 6 DP 589886 (RT 1125784) and held in common ownership, and one Record of Title be issued (LINZ reference: 1893734).

Water Supply

12. That Lots 1 – 13 & 15 shall be connected to the Timaru District Council water supply network via a new independent connection. Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Wastewater Disposal

13. That Lots 1 – 13 & 15 shall be connected to the Timaru District Council sewer network with a lateral installed to at least 1m inside the boundary of the lot.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Stormwater Disposal and Land Drainage

14. Lots 1 – 13 & 15 shall be connected to Timaru District Council's stormwater disposal network, designed and constructed to comply with Timaru District Council requirements specific to this development. The laterals shall extend to at least 1m inside the boundary of the lots.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Land Transport

15. The consent holder shall form and seal the crossings servicing Lots 1 – 13 & 15 in accordance with the approved scheme plan, to comply with the standard drop crossing design G103, unless otherwise approved by Council.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

16. That the right-of-way servicing Lots 2, 3 and 9 - 12 shall be formed, sealed and drained in accordance with the Timaru District Council Infrastructure Design Standard and the Accepted Engineering Design approved under Condition 7. A Schedule 1B certificate is to be provided at the time that a 224c certificate is applied for.

17. Lot 200 shall be vested in Timaru District Council for Roading, with documentation to be prepared by applicants' legal representative prior to section 224(c) certification.

Financial Contribution

18. Prior to certification pursuant to section 224(c) of the Act, the consent holder shall pay to Council a financial contribution towards open space and recreation of $6,000 for Lots 1 – 13 & 15 (being $500 per allotment created for residential purposes in accordance with Rule 6.5.2.2(1) of the Timaru District Plan).

19. A financial contribution toward the Broughs Gully Sewer Catchment for Lots 1 – 13 and Lot 15 shall be paid to Timaru District Council. The financial contribution shall be $13,333.00 per connection, calculated based on the following formula:

    = ($13,333.33 x 14 Lots) x (PPI at Payment / PPI at Nov 2017) + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

    *Note: The Broughs Gully Sewer Catchment financial contribution scheme estimated construction costs for the trunk infrastructure at the time of Plan Change 21. For Records of Title involved, these construction costs were estimated at **$331,233.00** (PPI from November 2017). This cost will be distributed across the 5 Stages evenly and deducted from the contribution total prior to adjustment for Producer price Indexation.*

20. A financial contribution for the Broughs Gully Stormwater Management System for the area Stage 1 shall be paid to Timaru District Council in accordance with the following formula or as otherwise agreed upon by both parties:

    = ($69,665.23 x ''PPI at quarter of payment'' / ''PPI at Nov-2017'') + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Other

21. That Lot 300 be vested in Timaru District Council as a Local Purpose Reserve, with documentation to be presented by applicants' legal representative prior to section 224(c) certification.

Stage 2: Lots 16 – 32 and 201

Easements

22. The consent holder shall attach to the application for section 224(c) certification correspondence from a suitably qualified person stating that all services for Lots 16 – 32 that pass over or through any other lot have been disconnected or are protected by an appropriate easement.

23. Proposed easements shall be duly granted and reserved.

Water Supply

24. That Lots 17 – 28 shall be connected to the Timaru District Council water supply network via a new independent connection. Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

Advice Note: Evidence should be in the form of engineering clearance of engineering design.

25. That Lots 29 – 32 shall be connected to the Timaru District Council water supply network via a new independent.

Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Wastewater Disposal

26. That Lots 17 – 32 shall be connected to the Timaru District Council sewer network with a lateral installed to at least 1m inside the boundary of the lot.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Stormwater Disposal and Land Drainage

27. Lots 17 – 32, shall be connected to Timaru District Councils stormwater disposal network, designed and constructed to comply with Timaru District Council requirements specific to this development. The laterals shall extend to at least 1m inside the boundary of the lots.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Land Transport

28. The consent holder shall form and seal the crossings servicing Lots 17 – 32 in accordance with the approved scheme plan, to comply with the standard drop crossing design G103, unless otherwise approved by Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council engineering design.

29. That the right-of-way servicing Lots 18, 19, 22, 23, 30 and 31 shall be formed, sealed and drained in accordance with the Timaru District Council Infrastructure Design Standard and the Accepted Engineering Design approved under Condition 7. A Schedule 1B certificate is to be provided at the time that a 224c certificate is applied for.

30. Lot 201 shall be vested in Timaru District Council for Roading. With documentation to be prepared by applicants' legal representative prior to Section 224(c) certification.

Financial Contribution

31. Prior to certification pursuant to section 224(c) of the Act, the consent holder shall pay to Council a financial contribution towards open space and recreation of $7,500 for Lots 17 – 32 (being $500 per allotment created for residential purposes in accordance with Rule 6.5.2.2(1) of the Timaru District Plan).

32. A financial contribution toward the Broughs Gully Sewer Catchment for Lots 17 - 32 shall be paid to Timaru District Council. The financial contribution shall be $13,333.00 per connection, calculated based on the following formula:

    = ($13,333.33 x 16 Lots) x (PPI at Payment / PPI at Nov 2017) + GST

Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

*Note: The Broughs Gully Sewer Catchment financial contribution scheme estimated construction costs for the trunk infrastructure at the time of Plan Change 21. For Records of Title involved, these construction costs were estimated at **$331,233.00** (PPI from November 2017). This cost will be distributed across the 5 Stages evenly and deducted from the contribution total prior to adjustment for Producer price Indexation.*

33. A financial contribution for the Broughs Gully Stormwater Management System for the area Stage 2 shall be paid to Timaru District Council in accordance with the following formula or as otherwise agreed upon by both parties:

    = ($79,576.95 x ''PPI at quarter of payment'' / ''PPI at Nov-2017'') + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Stage 3: Lots 33 – 42

Easements

34. The consent holder shall attach to the application for section 224(c) certification correspondence from a suitably qualified person stating that all services for Lots 33 – 42 that pass over or through any other lot have been disconnected or are protected by an appropriate easement.

35. Proposed easements shall be duly granted and reserved.

Water Supply

36. That Lots 33 – 42 shall be connected to the Timaru District Council water supply network via a new independent connection. Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council engineering design.

Wastewater Disposal

37. That Lots 33 – 42 shall be connected to the Timaru District Council sewer network with a lateral installed to at least 1m inside the boundary of the lot.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council engineering design.

Stormwater disposal and land drainage

38. Lots 33 – 42 shall be connected to Timaru District Council's stormwater disposal network, designed and constructed to comply with Timaru District Council requirements specific to this development. The laterals shall extend to at least 1m inside the boundary of the lots.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council engineering design.

Land transport

39. The consent holder shall form and seal the crossing servicing Lots 33 – 42 in accordance with the approved scheme plan, to comply with the standard drop crossing design G103, unless otherwise approved by Council.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

40. That the right-of-way servicing Lots 34 – 38 shall be formed, sealed and drained in accordance with the Timaru District Council Infrastructure Design Standard and the Accepted Engineering Design approved under Condition 7. A Schedule 1B certificate is to be provided at the time that a 224c certificate is applied for.

Financial Contribution

41. Prior to certification pursuant to section 224(c) of the Act, the consent holder shall pay to Council a financial contribution towards open space and recreation of $5,000 for Lots 33 – 42 (being $500 per allotment created for residential purposes in accordance with Rule 6.5.2.2(1) of the Timaru District Plan).

42. A financial contribution toward the Broughs Gully Sewer Catchment for Lots 33 – 42 shall be paid to Timaru District Council. The financial contribution shall be $13,333.00 per connection, calculated based on the following formula:

    = ($13,333.33 x 10 Lots) x (PPI at Payment / PPI at Nov 2017) + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

    *Note: The Broughs Gully Sewer Catchment financial contribution scheme estimated construction costs for the trunk infrastructure at the time of Plan Change 21. For Records of Title involved, these construction costs were estimated at **$331,233.00** (PPI from November 2017). This cost will be distributed across the 5 Stages evenly and deducted from the contribution total prior to adjustment for Producer price Indexation.*

43. A financial contribution for the Broughs Gully Stormwater Management System for the area Stage 3 shall be paid to Timaru District Council in accordance with the following formula or as otherwise agreed upon by both parties:

    = ($49,558.60 x ''PPI at quarter of payment'' / ''PPI at Nov-2017'') + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Stage 4: Lots 43 – 52

Easements

44. The consent holder shall attach to the application for section 224(c) certification correspondence from a suitably qualified person stating that all services for Lots 43 – 52 that pass over or through any other lot have been disconnected or are protected by an appropriate easement.

45. Proposed easements shall be duly granted and reserved.

Water supply

46. That Lots 43 – 52 shall be connected to the Timaru District Council water supply network via a new independent connection. Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Wastewater disposal

47. That Lots 43 – 52 shall be connected to the Timaru District Council sewer network with a lateral installed to at least 1m inside the boundary of the lot.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Stormwater disposal and land drainage

48. Lots 43 – 52 shall be connected to Timaru District Council's stormwater disposal network, designed and constructed to comply with Timaru District Council requirements specific to this development. The laterals shall extend to at least 1m inside the boundary of the lots.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Land transport

49. The consent holder shall form and seal the crossing servicing Lots 43 – 52 in accordance with the approved scheme plan, to comply with the standard drop crossing design G103, unless otherwise approved by Council.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Financial Contribution

50. Prior to certification pursuant to section 224(c) of the Act, the consent holder shall pay to Council a financial contribution towards open space and recreation of $4,500 for Lots 43 – 52 (being $500 per allotment for residential purposes in accordance with Rule 6.5.2.2(1) of the Timaru District Plan).

51. A financial contribution toward the Broughs Gully Sewer Catchment for Lots 43 – 52 shall be paid to Timaru District Council. The financial contribution shall be $13,333.00 per connection, calculated based on the following formula:

= ($13,333.33 x 10 Lots) x (PPI at Payment / PPI at Nov 2017) + GST

Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

*Note: The Broughs Gully Sewer Catchment financial contribution scheme estimated construction costs for the trunk infrastructure at the time of Plan Change 21. For Records of Title involved, these construction costs were estimated at **$331,233.00** (PPI from November 2017). This cost will be distributed across the 5 Stages evenly and deducted from the contribution total prior to adjustment for Producer price Indexation.*

52. A financial contribution for the Broughs Gully Stormwater Management System for the area Stage 4 shall be paid to Timaru District Council in accordance with the following formula or as otherwise agreed upon by both parties:

    = (49,558.60 x ''PPI at quarter of payment'' / ''PPI at Nov-2017'') + GST

    Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Stage 5: Lots 53 – 59, 202 and 301

Easements

53. The consent holder shall attach to the application for section 224(c) certification correspondence from a suitably qualified person stating that all services for Lots 53 – 59 that pass over or through any other lot have been disconnected or are protected by an appropriate easement.

54. Proposed easements shall be duly granted and reserved.

Water Supply

55. That Lots 53 – 59 shall be connected to the Timaru District Council water supply network via a new independent connection. Each connection shall extend at least 1m inside the boundary of the lot and be designed and constructed to meet the requirements of the Timaru District Council.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Wastewater disposal

56. That Lots 53 – 59 shall be connected to the Timaru District Council sewer network with a lateral installed to at least 1m inside the boundary of the lot.

    Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Stormwater disposal & land drainage

57. Lots 53 – 59 shall be connected to a Timaru District Council's stormwater disposal network, designed and constructed to comply with Timaru District Council requirements specific to this development. The laterals shall extend to at least 1m inside the boundary of the lots.

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

Land transport

58. The consent holder shall form and seal the crossing servicing Lots 53 – 59 in accordance with the approved scheme plan, to comply with the standard drop crossing design G103, unless otherwise approved by Council

Advice Note: Evidence should be in the form of engineering clearance of a Timaru District Council accepted engineering design.

59. Lot 202 shall be vested in Timaru District Council for Roading. With documentation to be prepared by applicants' legal representative prior to section 224(c) certification.

Financial Contribution

60. Prior to certification pursuant to section 224(c) of the Act, the consent holder shall pay to Council a financial contribution towards open space and recreation of $3,500 for Lots 53 – 59 (being $500 per allotment created for residential purposes in accordance with Rule 6.5.2.2(1) of the Timaru District Plan).

61. A financial contribution toward the Broughs Gully Sewer Catchment for Lots 53 – 59 shall be paid to Timaru District Council. The financial contribution shall be $13,333.00 per connection, calculated based on the following formula:

= ($13,333.33 x 7 Lots) x (PPI at Payment / PPI at Nov 2017) + GST

Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Note: The Broughs Gully Sewer Catchment financial contribution scheme estimated construction costs for the trunk infrastructure at the time of Plan Change 21. For Records of Title involved, these construction costs were estimated at ***$331,233.00*** *(PPI from November 2017). This cost will be distributed across the 5 Stages evenly and deducted from the contribution total prior to adjustment for Producer price Indexation.*

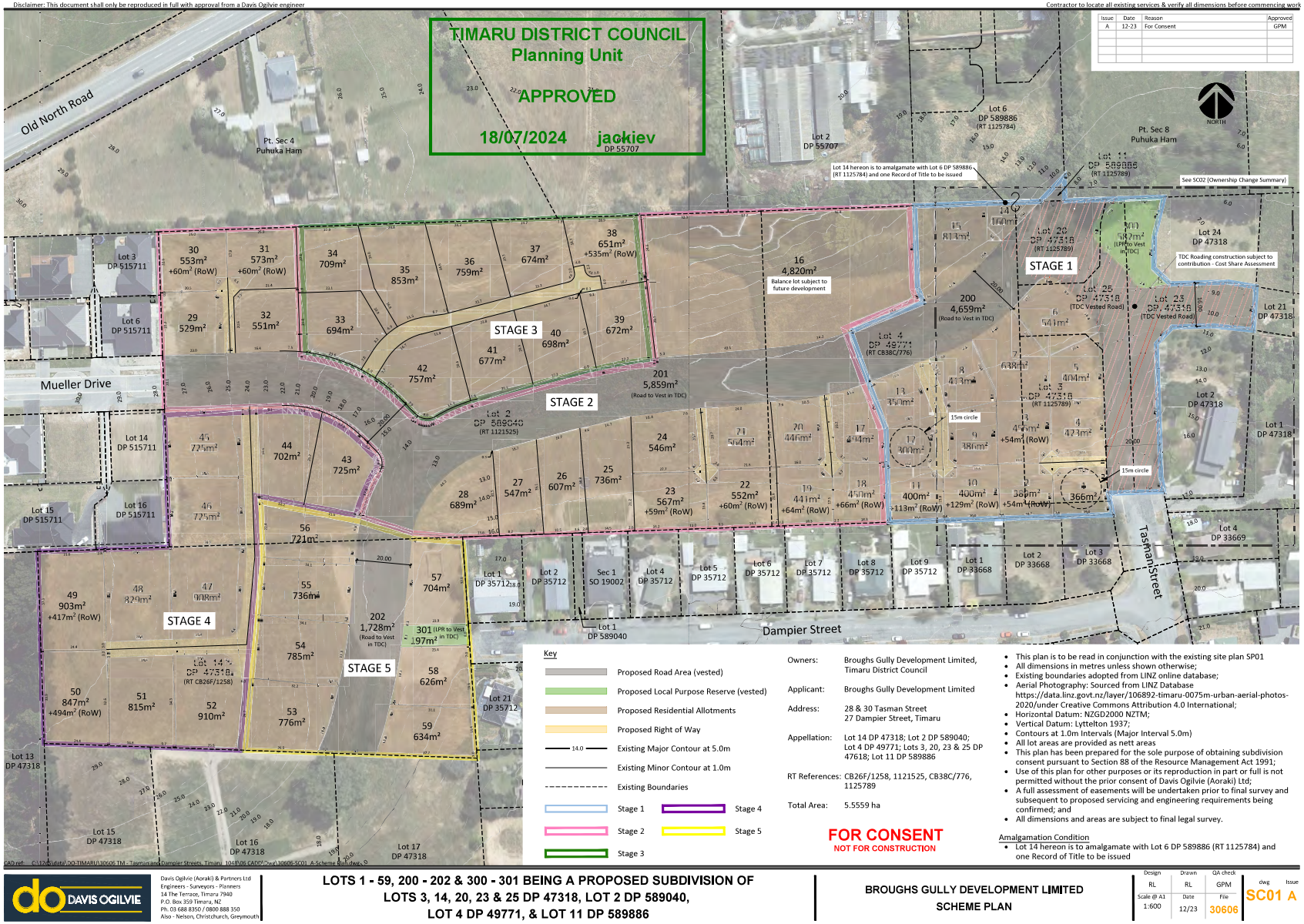
62. A financial contribution for the Broughs Gully Stormwater Management System for the area Stage 5 shall be paid to Timaru District Council in accordance with the following formula or as otherwise agreed upon by both parties:

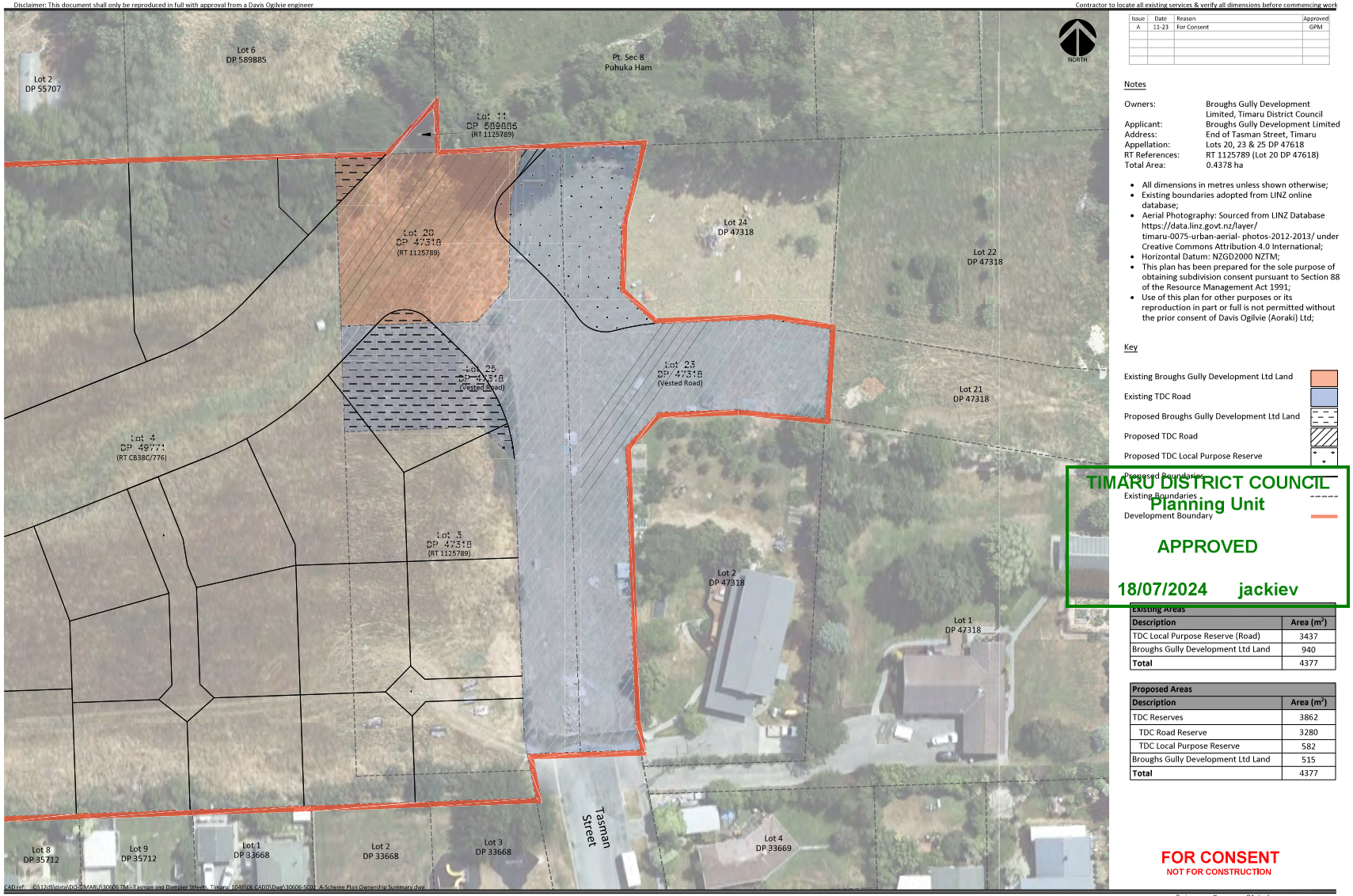
= ($34,832.62 x ''PPI at quarter of payment'' / ''PPI at Nov-2017'') + GST

Note: PPI = Statistics NZ; Producers Price Index; Outputs; Construction.

Other

63. That Lot 301 be vested in Timaru District Council as a Local Purpose Reserve, with documentation to be presented by applicants' legal representative prior to section 224(c) certification.


Disclaimer: This document shall only be reproduced in full with approval from a Davis Ogilvie engineer
Contractor to locate all existing services & verify all dimensions before commencing work
TIMARU DISTRICT COUNCIL
Planning Unit
APPROVED
18/07/2024 jackiev
Issue Date Reason Approved
A 12-23 For Consent GPM
Old North Road
Mueller Drive
Dampier Street
Tasman Street
Pt. Sec 4 Puhuka Ham
Pt. Sec 8 Puhuka Ham
Lot 2 DP 55707
Lot 6 DP 589886 (RT 1125784)
Lot 11 DP 589886 (RT 1125789)
Lot 14 hereon is to amalgamate with Lot 6 DP 589886 (RT 1125784) and one Record of Title to be issued
See SC02 (Ownership Change Summary)
STAGE 1
STAGE 2
STAGE 3
STAGE 4
STAGE 5
Balance lot subject to future development
TDC Roading construction subject to contribution - Cost Share Assessment
15m circle
Key
Proposed Road Area (vested)
Proposed Local Purpose Reserve (vested)
Proposed Residential Allotments
Proposed Right of Way
Existing Major Contour at 5.0m
Existing Minor Contour at 1.0m
Existing Boundaries
Stage 1
Stage 2
Stage 3
Stage 4
Stage 5
Owners: Broughs Gully Development Limited, Timaru District Council
Applicant: Broughs Gully Development Limited
Address: 28 & 30 Tasman Street 27 Dampier Street, Timaru
Appellation: Lot 14 DP 47318; Lot 2 DP 589040; Lot 4 DP 49771; Lots 3, 20, 23 & 25 DP 47618; Lot 11 DP 589886
RT References: CB26F/1258, 1121525, CB38C/776, 1125789
Total Area: 5.5559 ha
FOR CONSENT
NOT FOR CONSTRUCTION
This plan is to be read in conjunction with the existing site plan SP01
All dimensions in metres unless shown otherwise;
Existing boundaries adopted from LINZ online database;
Aerial Photography: Sourced from LINZ Database https://data.linz.govt.nz/layer/106892-timaru-0075m-urban-aerial-photos-2020/under Creative Commons Attribution 4.0 International;
Horizontal Datum: NZGD2000 NZTM;
Vertical Datum: Lyttelton 1937;
Contours at 1.0m Intervals (Major Interval 5.0m)
All lot areas are provided as nett areas
This plan has been prepared for the sole purpose of obtaining subdivision consent pursuant to Section 88 of the Resource Management Act 1991;
Use of this plan for other purposes or its reproduction in part or full is not permitted without the prior consent of Davis Ogilvie (Aoraki) Ltd;
A full assessment of easements will be undertaken prior to final survey and subsequent to proposed servicing and engineering requirements being confirmed; and
All dimensions and areas are subject to final legal survey.
Amalgamation Condition
Lot 14 hereon is to amalgamate with Lot 6 DP 589886 (RT 1125784) and one Record of Title to be issued
DAVIS OGILVIE
Davis Ogilvie (Aoraki) & Partners Ltd
Engineers - Surveyors - Planners
14 The Terrace, Timaru 7940
P.O. Box 359 Timaru, NZ
Ph. 03 688 8350 / 0800 888 350
Also - Nelson, Christchurch, Greymouth
LOTS 1 - 59, 200 - 202 & 300 - 301 BEING A PROPOSED SUBDIVISION OF
LOTS 3, 14, 20, 23 & 25 DP 47318, LOT 2 DP 589040,
LOT 4 DP 49771, & LOT 11 DP 589886
BROUGHS GULLY DEVELOPMENT LIMITED
SCHEME PLAN
Design RL Drawn RL QA check GPM
Scale @ A1 1:600 Date 12/23 File 30606
dwg SC01 Issue A


Disclaimer: This document shall only be reproduced in full with approval from a Davis Ogilvie engineer
Contractor to locate all existing services & verify all dimensions before commencing work
Lot 6 DP 589885
Pt. Sec 8 Puhuka Ham
Lot 2 DP 55707
Lot 11 DP 589886 (RT 1125789)
Lot 20 DP 47318 (RT 1125789)
Lot 24 DP 47318
Lot 22 DP 47318
Lot 25 DP 47318 (Vested Road)
Lot 23 DP 47318 (Vested Road)
Lot 21 DP 47318
Lot 4 DP 49771 (RT CB38C/776)
Lot 3 DP 47318 (RT 1125789)
Lot 2 DP 47318
Lot 1 DP 47318
Tasman Street
Lot 8 DP 35712
Lot 9 DP 35712
Lot 1 DP 33668
Lot 2 DP 33668
Lot 3 DP 33668
Lot 4 DP 33669
NORTH
Issue | Date | Reason | Approved
A | 11-23 | For Consent | GPM
Notes
Owners: Broughs Gully Development Limited, Timaru District Council
Applicant: Broughs Gully Development Limited
Address: End of Tasman Street, Timaru
Appellation: Lots 20, 23 & 25 DP 47618
RT References: RT 1125789 (Lot 20 DP 47618)
Total Area: 0.4378 ha
All dimensions in metres unless shown otherwise;
Existing boundaries adopted from LINZ online database;
Aerial Photography: Sourced from LINZ Database https://data.linz.govt.nz/layer/ timaru-0075-urban-aerial- photos-2012-2013/ under Creative Commons Attribution 4.0 International;
Horizontal Datum: NZGD2000 NZTM;
This plan has been prepared for the sole purpose of obtaining subdivision consent pursuant to Section 88 of the Resource Management Act 1991;
Use of this plan for other purposes or its reproduction in part or full is not permitted without the prior consent of Davis Ogilvie (Aoraki) Ltd;
Key
Existing Broughs Gully Development Ltd Land
Existing TDC Road
Proposed Broughs Gully Development Ltd Land
Proposed TDC Road
Proposed TDC Local Purpose Reserve
Proposed Boundaries
Existing Boundaries
Development Boundary
TIMARU DISTRICT COUNCIL
Planning Unit
APPROVED
18/07/2024 jackiev
Existing Areas
Description | Area (m²)
TDC Local Purpose Reserve (Road) | 3437
Broughs Gully Development Ltd Land | 940
Total | 4377
Proposed Areas
Description | Area (m²)
TDC Reserves | 3862
TDC Road Reserve | 3280
TDC Local Purpose Reserve | 582
Broughs Gully Development Ltd Land | 515
Total | 4377
FOR CONSENT
NOT FOR CONSTRUCTION
DAVIS OGILVIE
Davis Ogilvie (Aoraki) & Partners Ltd
Engineers - Surveyors - Planners
14 The Terrace, Timaru 7940
P.O. Box 359 Timaru, NZ
Ph. 03 688 8350 / 0800 888 350
Also - Nelson, Christchurch, Greymouth
LOTS 1 - 59, 200 - 202 & 300 - 301 BEING A PROPOSED SUBDIVISION OF LOTS 3, 14, 20, 23 & 25 DP 47318, LOT 2 DP 589040, LOT 4 DP 49771, & LOT 11 DP 589886
BROUGHS GULLY DEVELOPMENT LIMITED
OWNERSHIP CHANGES OVER LOTS 20, 23 & 25 DP 47318
Design RL | Drawn RL/LHR | QA check GPM
Scale @ A1 1:300 | Date 12-23 | File 30606
dwg SC02 | Issue A

ADVICE NOTES - GENERAL

Commencement

This resource consent commences on the date the decision was notified, or on such later date as stated in the consent, unless an appeal or an objection has been lodged, at which time the consent commences when this has been decided or withdrawn, or in the case of an appeal to the Environment Court on such later date as the Court may state in its decision.

Right of Objection

If you do not agree with any of the conditions of this consent, you have a right to object to the condition under section 357A of the Resource Management Act. Notice of any objection must be in writing, set out the reasons for the objection, and be lodged with the Timaru District Council within 15 working days of receipt of this decision.

You may, when making an objection, under section 357A(1)(f) or (g), request that the objection be considered by a hearings commissioner(s), who is not a member of the consent authority.

Subsequent Right of Appeal to the Environment Court

Any person who has made an objection under section 357A of the Act may appeal to the Environment Court against the decision on the objection pursuant to section 358 of the Act.

Notice of such an appeal must be in the prescribed form, state the reasons for the appeal and be lodged with the Environment Court (PO Box 2069, Christchurch 8013) within 15 working days after the decision on the objection being notified to that person, or within such further time as the Environment Court may allow.

Appeal Direct to the Environment Court

If you do not agree with the decision, an alternative to a section 357A objection, or if section 357A does not apply, is to appeal the decision under section 120 of the Act to the Environment Court.

However, there is no right of appeal under this section against the whole or any part of a decision of a consent authority to the extent that the decision relates to 1 or more of the following, but no other, activities:

(a) a boundary activity, unless the boundary activity is a non-complying activity:
(b) a subdivision, unless the subdivision is a non-complying activity:
(c) a residential activity as defined in section 95A(6), unless the residential activity is a non-complying activity.

A person who made a submission on the application or review of consent conditions may appeal only in respect of a matter raised in the person's submission (excluding any part of the submission that is struck out under section 41D).

The notice of appeal shall be in the prescribed form; state the reason for the appeal and the relief sought; state any matters required by the regulations; and be lodged with the Environment Court (PO Box 2069, Christchurch 8013) within 15 working days notice of the decision being received. Notice of the appeal must also be served on Timaru District Council within 15 working days within the same period. Notice of the appeal must also be served on any person who made a submission in relation to the application within 5 working days of the notice being lodged with the Environment Court. If you are in any doubt about the correct procedures, you should seek legal advice.

Minor Correction of Resource Consents

Section 133A of the Act provides the consent authority may at its discretion issue an amended consent that corrects minor mistakes or defects in the consent within 20 working days of the grant. If you consider that the consent contains a minor mistake or defect you may advise the Timaru District Council of the same.

Lapsing of Consents
Pursuant to section 125 of the Act, a land use consent is deemed to have lapsed if not given effect within five years from the date of commencement. In the case of a subdivision consent, it will be deemed to have lapsed if the survey plan is not deposited in accordance with section 224 of the Act within five years of commencement. An application can be made to extend the period after which consent would have lapsed pursuant to Section 125 (1A) (b) but the application must be received before it has lapsed.

Change or Cancellation of Conditions
An application to change or cancel a condition of this consent can be made under section 127 of the Act.

Review of Consent
A consent authority may, in accordance with section 129 of the Act, serve notice on a consent holder of its intention to review the conditions of a resource consent.

Monitoring of Consent
Pursuant to section 35 of the Act, the local authority shall monitor the exercise of this resource consent. Should all the conditions of consent be complied with, a single monitoring visit will occur and therefore no further monitoring charges will be incurred. However, should conditions of consent not be met, further monitoring will be required which will generate additional costs as outlined above. Please note that some consents will require periodic or on-going monitoring and therefore despite compliance, monitoring will occur and costs will be charged for that monitoring.

Charges
Charges, set in accordance with section 36 of the Act, shall be paid to the Timaru District Council for the carrying out of its functions in relation to the administration and monitoring of resource consents and for carrying out its functions under section 35 of the Act.

Other Consents May Be Required
This resource consent authorises the Land Use or Subdivision applied for only. The consent does not give the consent holder the right to:

- Use, subdivide or develop land that contravenes a rule in the District Plan other than that which has been consented to by way of the subject application, or that which has already been legally established.
- Conduct any activity that requires resource consent from Environment Canterbury (ECan). You are advised to contact ECan to ascertain if consent is required for the proposed development.
- Authorise building or utility services construction work that requires separate consent/approval.

Conditions of Consent
It is the consent holder's responsibility to comply with any conditions imposed on this resource consents prior to and during (as applicable) exercising these resource consents.

ADVICE NOTES – LAND USE SPECIFIC

- Under Section 125 of the RMA, these resource consents will lapse in five years, unless given effect to within that time.

- In accordance with Section 127(1) of the RMA, the consent holder may apply to the consent authority for a change or cancellation of any condition of these consents.

ADVICE NOTES – SUBDIVISION SPECIFIC

- Unless otherwise stated, all the conditions of consent described above are to be complied with prior to Section 224.

- In accordance with TDC Bylaws, Clause 1003.1, no person shall drive or operate any vehicle over any footpath or berm other than at a specifically designed and constructed vehicle crossing.

- In accordance with TDC Bylaws, Clause 1004.1, any proposed new vehicle access to a private property or any modification to any such existing vehicle access shall require specific approval by Council.

- In accordance with TDC Bylaws, Clause 1502.1, every person who proposes to:
  (a) Draw water from the Water Network Infrastructure; or
  (b) Discharge sewage to the Sewer Network Infrastructure; or
  (c) Discharge stormwater to the Stormwater Network Infrastructure; or
  (d) Discharge to the sewer network infrastructure any trade waste (either continuously, intermittently or temporarily); or
  (e) Vary the characteristics of a consent or approval to discharge that has previously been granted; or
  (f) Vary the conditions of consent or approval that has previously been granted; or
  (g) Vary the location of the point of supply or discharge that has previously been granted; or
  (h) Significantly change the method or means of pre-treatment for discharge under an existing consent; or
  (i) Disconnect from any network infrastructure service;
  Shall complete an application on an approved form for the supply of such service, together with payment of any prescribed changes. The applicant shall provide all of the details required by Council.

- In accordance with TDC Bylaws, Chapter 15, Clause 1515.4, no person shall carry out excavation work in a road reserve or public place without approval from Council.

- In accordance with TDC Bylaws, Clause 1505.3, no person shall carry out excavation work in a road reserve or public place without approval from Council.

- In accordance with the Performance Standards for Stormwater from the Timaru District Plan, Section 6.5.3.3, stormwater attenuation for up to a 5 year rain event must be provided onsite.

Hamish Barrell
Planning Manager
e: hamish.barrell@timdc.govt.nz

Date: 18 July 2024

Notification Decision

With regard to notification, the officers report considered the application in respect to the steps prescribed by sections 95A-95E of the RMA and recommended that the application be processed on a non-notified basis because:

- The proposed activity will have or is likely to have adverse effects on the environment that are no more than minor.
- There is no rule, or National Environmental Standard that requires public or limited notification of the application.
- The applicant did not request public notification of the application.
- No permitted baseline applies.
- There is no relevant statutory acknowledgment.
- Effects on the parties who have provided written approval have been disregarded
- The activity will NOT have adverse effects that are minor or more than minor on any person(s) or order holders(s)
- There are no special circumstances that exist in relation to the application.
- No further information was requested or report commissioned in relation to the application to which the applicant refused to provide or did not provide within the given deadline.

Having reviewed the recommendation, I concur with that assessment.

Acting under the delegated authority from Council, it was decided, pursuant to sections 95A-95D of the Resource Management Act 1991 that the application be processed on a non-notified basis.

Hamish Barrell
Planning Manager
e: hamish.barrell@timdc.govt.nz

Date: 18 July 2024

OFFICERS REPORT ON A RESOURCE CONSENT APPLICATION
(s95A and 95B and s104 and 104B)
OF THE RESOURCE MANAGEMENT ACT 1991

Consent No:	101/102.2024.1.1
Applicant:	Broughs Gully Developments Limited
Application:	Application under section 88 of the Resource Management Act 1991 to undertake subdivision to create 59 residential allotments, three road allotments and two local purpose reserves.
Location:	Tasman and Dampier Streets, and Mueller Drive, Broughs Gully
Legal Description:	Lot 2 Deposited Plan 589040 held in Record of Title 1121525; and Lot 4 Deposited Plan 49771 held in Record of Title CB38C/776; and Lot 11 Deposited Plan 589886 and Lot 3, 20 Deposited Plan 47318 held in Record of Title 1125789; and Lots 21 23 25 Deposited Plan 47318 – Road Reserve; and Lot 14 Deposited Plan 47318 held in Record of Title CB26F/1258.
Features:	Operative District Plan: Residential 1 - Broughs Gully Outline Development Plan Proposed District Plan: General Residential Zone - Broughs Gully Development Area - Wahi Tupuna - Flood Assessment Area
Activity Status:	Discretionary Activity
Lodgement date	3 January 2024

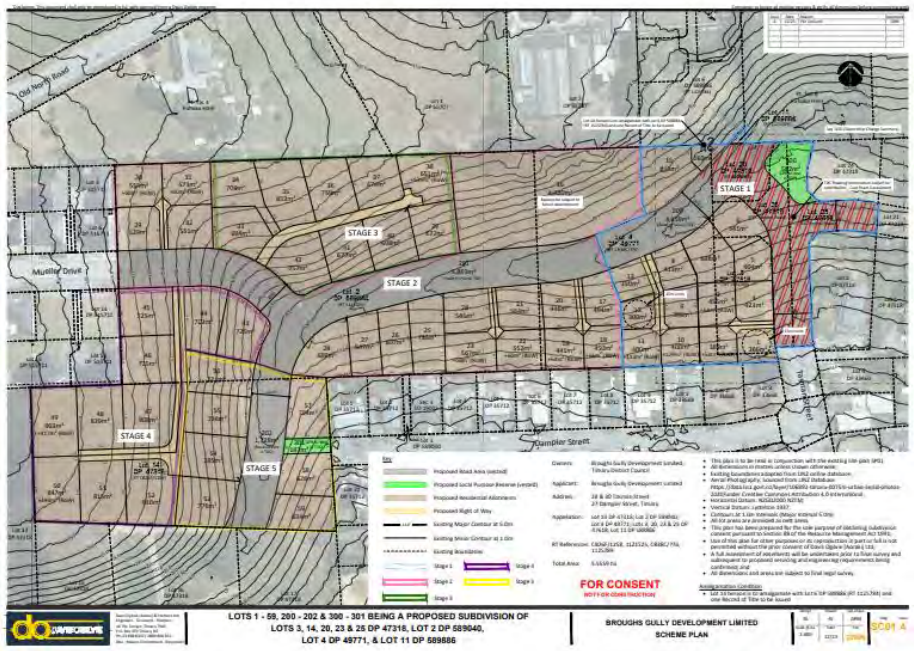
This report has been prepared under section 42A of the Resource Management Act 1991 to document the assessment of the subject resource consent application. This report also constitutes the reasons for the decision as required under section 113 of the RMA.

Description of the Proposal

The applicant seeks to subdivide four existing Records of Title and one road reserve of approximately 5.65 ha into 59 fully serviced residential allotments, three road allotments and two local purpose reserves, in five stages. Lot 14 is proposed to amalgamate with Lot 6 DP 589886 as part of Stage 1, which will allow for future development.

Lot no.	Stage	Proposed use	Area (m^2)
1	1	Residential	366
2	1	Residential	754
3	1	Residential	675
4	1	Residential	348
5	1	Residential	404
6	1	Residential	541
7	1	Residential	638
8	1	Residential	413
9	1	Residential	386
10	1	Residential	400
11	1	Residential	400
12	1	Residential	300
13	1	Residential	350
14	1	Amalgamation allotment	160
15	1	Residential	813
200	1	Road	4,659
300	1	Local purpose reserve	582
16	2	Balance allotment	4,820
17	2	Residential	494
18	2	Residential	450
19	2	Residential	441
20	2	Residential	446
21	2	Residential	564
22	2	Residential	552
23	2	Residential	567
24	2	Residential	546
25	2	Residential	736
26	2	Residential	607
27	2	Residential	547
28	2	Residential	689
29	2	Residential	529
30	2	Residential	553
31	2	Residential	573
32	2	Residential	551
201	2	Road	5,859
33	3	Residential	647
34	3	Residential	709
35	3	Residential	853
36	3	Residential	759
37	3	Residential	674
38	3	Residential	651

39	3	Residential	672
40	3	Residential	698
41	3	Residential	677
42	3	Residential	757
43	4	Residential	725
44	4	Residential	702
45	4	Residential	725
46	4	Residential	725
47	4	Residential	908
48	4	Residential	829
49	4	Residential	903
50	4	Residential	847
51	4	Residential	815
52	4	Residential	910
53	5	Residential	776
54	5	Residential	785
55	5	Residential	736
56	5	Residential	721
57	5	Residential	704
58	5	Residential	626
59	5	Residential	634
202	5	Road	1,728
301	5	Local purpose reserve	197



Stage 1 is located to the east of the development and will create residential Lots 1 – 15, Local Purpose Reserve Lot 300 (for stormwater purposes), and Road Lot 200 which connects to Tasman Street, to vest in Council.

20

It is intended that the amalgamation of Lot 14 with Lot 6 DP 589866 will take place in Stage 1. Lots 2 and 3, and 9 – 12 will be serviced via reciprocal rights-of-way.

Stage 2 will connect Stage 1 to Mueller Drive with the creation of Road Lot 201, which will be vested in Council, and residential Lots 17 – 32. It is noted that Lot 16 will be a larger allotment, subject to future development. Lots 17-28 are on the southern side of Lot 201, and Lots 30-32 are situated to the northwestern most portion of the development, adjacent to the existing residential allotments on Mueller Drive. Lots 18 and 19, 22 and 23, and 30 and 31 will be serviced via reciprocal rights-of-way.

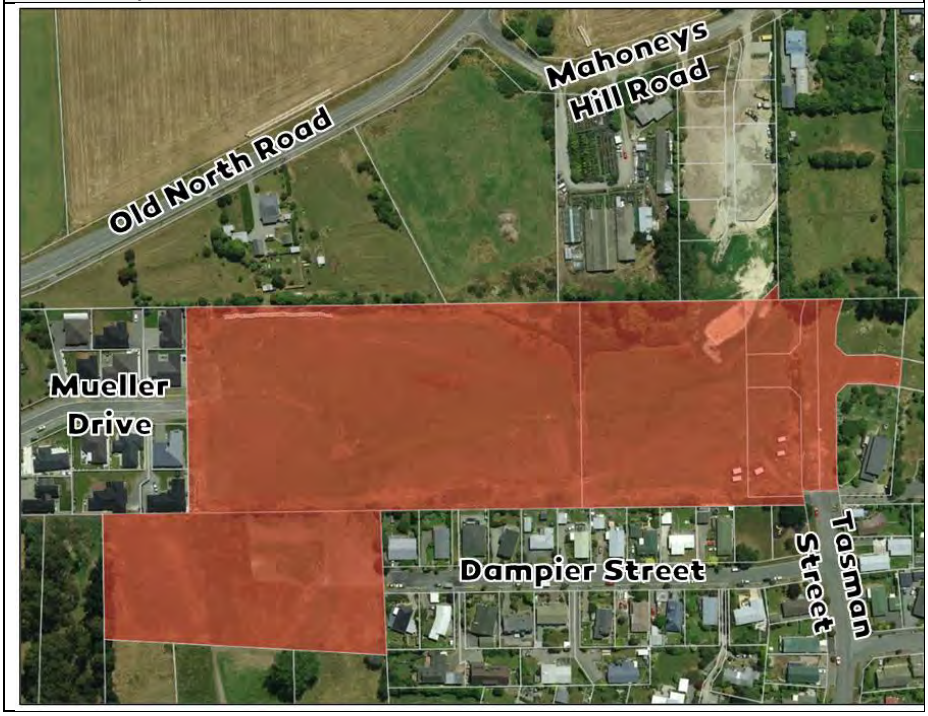
Stage 3 comprises of residential Lots 33 – 42 and is located on the northern side of Lot 201, with Lots 34 – 38 to be serviced via reciprocal right-of-way. This is detailed further in this report.

Stage 4 comprises of residential Lots 43 – 52 and is situated to the southwestern most portion of the development. It is noted that applicant proposed for the reciprocal right-of-way in this Stage to service 7 allotments (Lots 46 – 52). The applicant has discussed this with Council as part of the pre application process, and this is detailed further in this report.

Stage 5 will connect to Lot 201 (created in Stage 2) with the creation of Road Lot 202, and to the west of Damper Street with Local Purpose Reserve Lot 301 (which provides a link to Dampier Street). Furthermore, Stage 5 also seeks the creation of the final 7 residential allotments, Lots 53 – 59. It is noted that there are no rights-of-way proposed in this stage of the development.

The applicant has provided a description of the proposal, the site and locality in the report prepared by Liam Rees of Davis Ogilvie, entitled “Application for Subdivision and Land Use Consent”, dated December 2023 and referenced TM30606, and submitted as part of the application. This description is considered adequate and is adopted for the purpose of this report.

Location map



Background

The application site is subject to the Broughs Gully Outline Development Area. A pre application meeting was undertaken on 10th May 2023. The applicant discussed with Council the general plan and non-compliances, and the key points discussed are listed below:

- *'The layout is in General Accordance with the ODP and proposed DAP for the Broughs Gully Plan Change*
- *A variety of lot typology is provided for, particularly with the smaller lots on the north-facing side as additional site area will not be required to achieve suitable amenity. This is favourable distribution of lots with the GMS target of 12HU/Ha equalling roughly 62 household unit over the total site area.*
- *The reduction of the road width to 20m is suitable, conditional on the proposed stormwater management for the new carriageways being able to achieve the anticipated level of treatment.*
- *Minimise on-street parking along Mueller Drive extension, look to preserve rubbish collection areas.*
- *The Planning Policy team has been made aware of the incorrect DAP loaded on the Proposed Plan for Broughs Gully. This will be managed through the Summary of Submissions process.'*

Furthermore, the applicant has sought the following, which has been provided as part of this application:

- Feedback from Aoraki Environmental Consultancy Ltd regarding earthworks within the SASM (Wahi Tupuna) overlay under the Proposed District Plan.
- Statement of professional opinion on the suitability of land for subdivision from Davis Ogilvie & Partners Ltd;
- Correspondence with Environment Canterbury and Timaru District Council related to stormwater management;
- Solicitor correspondence related to the existing easements;
- Servicing confirmation;
- Preliminary engineering plans; and
- Engineering memorandum.

Description of the Environment

The application site is located to the north of the Timaru city centre and is primarily zoned Residential 1, with a small northern portion of the site being zoned Residential 4 in the Operative Plan. The whole of the site is zoned General Residential in the Proposed Plan. Furthermore, the site is also subject to the Broughs Gully Outline Development Plan.

The site itself is vacant, with surrounding sites comprising of residential land to the south and east, and residential lifestyle developments to the north, however there is some industrial zoned land to the north. The site as a whole gently slopes to both the north and south, with the low (gully) point extending in an east/west direction. Wendy Gillett, Timaru District Council's Subdivision and Monitoring Officer, notes in her report that there is a large area of the site that is noted as 'fill'. This is shown on a Council 'geomaps' system. It is noted however, that the applicant has provided a detailed and specific geotechnical report that addresses geotechnical matters and describes the outcomes of geotechnical investigations including penetrometer tests and other core tests.

Section 2.0 of the AEE provides an accurate and suitably detailed description of the area surrounding the site. That description is adopted for the purposes of this report.

Planning Framework

Timaru District Council has an Operative District Plan (ODP) and a Proposed District Plan (PDP).

Operative Timaru District Plan 2005

The subject site is predominantly zoned Residential 1, with a small portion of the site zoned Residential 4, in the Timaru District Plan. The proposed activity requires resource consent for the following reason:

- In accordance with Part D2, Section 1.3, Rule 3A.2, any activity that does not comply with the location(s) of infrastructure shown on the Broughs Gully Outline Development Plan (as set out in Appendix C of Part D 2) are a **restricted discretionary** activity.

- In accordance with Part D6, Section 6.3, Rule 6.3.5A(v), any subdivision not in compliance with the Broughs Gully Outline Development Plan (as set out in Appendix C of Part D 2) are a **restricted discretionary** activity.

- In accordance with Part D6, Section 6.3, Rule 6.3.5(i), any subdivision which does not comply with one or more of the Performance Standards for subdivision shall be a **discretionary** activity.

- In accordance with Part D2, Section 2.3, Rule 2.3.7, public utilities shall be a **discretionary** activity, subject to complying with the General Rules.

Proposed Timaru District Plan 2022

The PDP was notified on 22 September 2022 and the following rules, which legal effect (pursuant to s86B(3)) are relevant to the application:

- Earthworks will exceed 750m^2 in the Wāhi Tupuna area. In accordance with SASM-R1, this non-compliance is a **restricted discretionary** activity.

National Environmental Standards

National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health 2011 (NESCS)

Although the proposal is a subdivision/change of use of the site, the application states that the site is not currently being used, has not been used in the past, or is unlikely to have been used for an activity described on the HAIL. The Canterbury Regional Council's Listed Land Use Register (LLUR) report was provided with the application. This identified no listed Hazardous activities and Industries List (HAIL) on the site. Therefore, the NESCS does not apply.

Other NES

There are eight other National Environmental Standards that have been prepared under Sections 43 and 44 of the RMA and are in force as regulations. These cover marine aquaculture, fresh water, air quality, human drinking water, plantation forestry, telecommunications facilities, electricity transmission, and storing tyres outdoors.

No other NES apply.

Any Other Consents applied for

Additional consents sought that relate to this application include engineering approval, Environment Canterbury consents, and the Canterbury Air Regional Plan.

In relation to engineering approval, preliminary engineering design has been completed prior to this application, with plans attached as part of the application. The applicant notes that full engineering approvals will be required prior to commencement of works.

In relation to Environment Canterbury Consents, the applicant has consulted with Environment Canterbury and provided a compliance assessment, which has been provided as part of the application. It is considered that this application does not trigger any requirement for consent from Environment Canterbury.

Lastly, the applicant intends to develop an Erosion Sediment Control Plan and a Dust Management Plan to avoid any non-compliance in relation to the Canterbury Air Regional Plan.

Activity Status Summary

Overall, the application is being considered and processed as a **discretionary** activity.

Notification consideration under Sections 95A of the Resource Management Act

Section 95A – Public Notification

Section 95A of the RMA requires a decision on whether or not to publicly notify an application. The following steps set out in this section, in the order given, are used to determine whether to publicly notify an application for a resource consent.

Step 1 – Mandatory public notification

The applicant has not requested public notification of the application (s95A(3)(a)).

Public Notification is not required as a result of a refusal by the applicant to provide further information or refusal of the commissioning of a report under section 92(2)(b) of the RMA (s95A(3)(b)).

The application does not involve exchange to recreation reserve land under section 15AA of the Reserves Act 1977 (s95A(3)(c)).

Therefore, public notification is not required by Step 1.

Step 2 – Public notification precluded
Public notification is not precluded by any rule or national environmental standard (s95A(5)(a)).

The proposal is not:

- a controlled activity; or
- a boundary activity as defined by section 87AAB that is restricted discretionary, discretionary or non-complying.

Therefore, public notification is not precluded (s95A(5)(b)).

Step 3 – If not precluded by Step 2, public notification is required in certain circumstances
Public notification is not specifically required under a rule or national environmental standard (s95A(8)(a)).
A consent authority must publicly notify an application if notification is not precluded by Step 2 and the consent authority decides, in accordance with s95D, that the proposed activity will have or is likely to have adverse effects on the environment that are more than minor (s95A(8)(b)).

Effects that must / may be disregarded (s95D(a), (c), (d) and (e))

Effects that must be disregarded:

- Effects on the owners or occupiers of land on which the activity will occur and on adjacent land (s95D(a)).
- Effects not relate to the matters of control or discretion (s95D(c)).
- Trade competition and the effects of trade competition (s95D(d)).
- Effects on persons who have provide written approval (s95D(e).

Effects that may be disregarded:

- An adverse effect of the activity if a rule or national environmental standard permits an activity with that effect (s95D(b) – referred to as the "permitted baseline". The relevance of a permitted baseline to this application is provided in Section 3.3.2 below.

Permitted Baseline (s95D(b))

The consent authority may disregard an adverse effect of the activity if a rule or national environmental standard permits an activity with that effect.

In this instance, the permitted baseline has not been considered because subdivision is not listed as a permitted activity in the District Plan.

Section 95D – Are adverse effects likely to be more than minor?

A consent authority that is deciding, for the purpose of section 95A(8)(b), whether an activity will have or is likely to have adverse effects on the environment that are more than minor—	
(a)	*must disregard any effects on persons who own or occupy—*
	(i) the land in, on, or over which the activity will occur; or
	(ii) any land adjacent to that land; and
(b)	*may disregard an adverse effect of the activity if a rule or national environmental standard permits an activity with that effect; and*
(c)	*in the case of a restricted discretionary activity, must disregard an adverse effect of the activity that does not relate to a matter for which a rule or national environmental standard restricts discretion; and*
(d)	*must disregard trade competition and the effects of trade competition; and*
(e)	*must disregard any effect on a person who has given written approval to the relevant application.*

Assessment of Adverse Effects on the Environment

As a discretionary activity adverse effects on the environment are assessed in the round.

Wendy Gillett, Timaru District Council's Subdivision and Monitoring Officer, and Kevin Kemp, Timaru District Council's former Infrastructure Planner have visited the site and have made comments in relation to infrastructure and servicing.

Easement and land ownership effects

Wendy Gillett has summarised the issues relating to these matters:

EASEMENTS

*There are a number of existing easements registered for underlying titles. These are listed on **appendix 4** and also on **appendix 10**. The large number of dominant tenements attached to some of the sites raises complex issues regarding the modification of easement rights involving 30+ land owners. Therefore, on advice from Applicants solicitor as supplied with **Appendix 11**, a court order approach will likely be taken as the best legal mechanism to achieve the desired easement changes.*

Note that the effect of this development will not deprive the practical intention of the easements for the surrounding dominant land owners. In most cases it is simply a conversion from drainage over private land into the proposed reticulated drainage network to be vested in Council, providing a net positive effect by removing the burden of upkeep for these private drainage networks.

LAND OWNERSHIP CHANGES

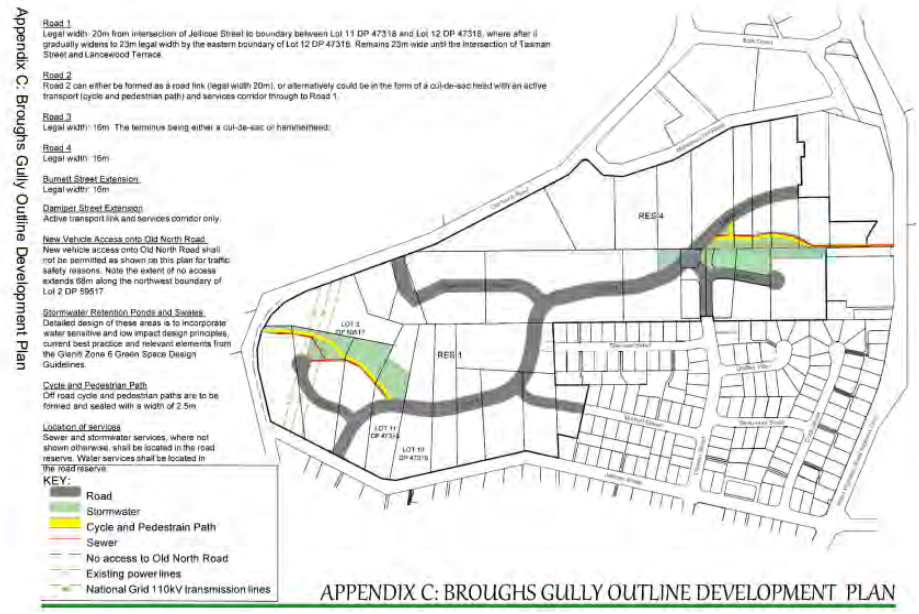
The area designated as 'Local Purpose reserve (Road)' is currently owned by Council and it is crucial to this development that there is a change of ownership between Council and Broughs Gully Developments Ltd (BGDL). This was designated as such in the 1980s for a future Tasman Street extension. However, due to the Broughs Gully ODP, the planned road extension has been repositioned, necessitating transfers of land between TDC & BGDL. Council have sought legal advice to explore potential legal mechanisms for these transfers. It is anticipated that the resolution of these ownership matters will need to occur prior to legal survey for the first stage of the development. Although not finalized, the subject land has been included in the application site.

The proposal is considered to appropriately address the necessary easements required for this subdivision to proceed in a manner that allows for infrastructure development, access and ongoing maintenance.

It is considered that both easement and land ownership issues will not result in any adverse effects on the environment.

Outline Development Plan Effects

The site is within the Broughs Gully Outline Development Plan.



The proposal is inconsistent with this Outline Development Plan as the triangular stormwater reserve showing on the Broughs Gully Outline Development Plan above Road 1 will not be included, and the width of road 1 will remain 20m throughout, despite the Outline Development Plan prescribing it to widen to 23m.

Outline Development Plans are useful tools to ensure that development of land can happen in an organised and cohesive manner, and assists with issues that can arise with multiple landowners and long time frames.

As noted in the application, the triangular shaped reserve area on Broughs Gully Outline Development Plan has not been included as part of this proposal. This issue was discussed at the pre application meeting stage, and it was concluded that there is no need for this reserve, given the limited benefits for Council taking this land as reserve with the south facing aspect; steep slope; and difficult for Council to maintain and subsequently develop for functional purpose reserve such as stormwater. This is discussed further in the pre application notes provided as part of this application.

In terms of the reduction in road width for Road 1, it is considered that the proposal remains suitable assuming that the width allows the proposed stormwater management for the new carriageways being able to meet the required levels of treatments.

Having regard to the aspirations of the Outline Development Plan and given that the proposal represents a sensible staged approach to developing the land, it is considered that the eventual outcomes are in general accordance with the Outline Development Plan.

Residential Character and Amenity

The District Plan requires in the Residential 1 zone for residential allotments to have an area greater than 450m^2. The applicant proposes a range of residential allotment sizes varying from 300m^2 to 910m^2.The proposed undersized lots remain of suitable size and shape to ensure that a wide range of housing can be established at the site. In relation to whether the smaller lot sized will affect amenity, Kevin Kemp states in his notes from a meeting held between the applicant and Council on 10th May 2023 that *'a variety of lot typology is provided for, particularly with the smaller lots on the north-facing side as the additional site area will not required to achieve suitable amenity. This is favourable distribution of lots with GMS target of 12HU/Ha equalling roughly 62 household unit over the total site area.'*

The design of the subdivision involves the majority of the smaller, undersized lots being located at the eastern end of the subdivision near Tasman Street, with some being accessed via rights of way. These smaller lots are all located on the south side of Road 1 and will benefit from views to the north down to the gully.

It is considered that the mix of residential site areas proposed for this subdivision reflects the goals of both the Timaru District Plan and Proposed Timaru District plan that seek to provide residential areas with high levels of amenity.

It is considered that given the proposal provides for the efficient development of urban zoned land to provide for housing choice, the outcomes can be positive in relation to residential character and amenity.

Infrastructure effects

Individual connections to Council's infrastructure services which include water, wastewater, and stormwater are available to each of the proposed lots and are provided for in the application.

Water supply

The applicant proposes new water connections to proposed Lots 1-13 and 15-59. Wendy Gillett notes *'water supply will connect to existing infrastructure at the ends of Tasman and Dampier Streets and Mueller Drive. They will be constructed within the berms of the road allotments and along the right of ways. It is the intention of the applicant that all water supply infrastructure within the road corridors will be vested in Council. Adequate pressure and fire hydrants will be provided to ensure the new infrastructure will meet fire-fighting compliance. Each allotment will be provided with an individual water supply connection.'*

Furthermore, Wendy Gillett has recommended standard conditions of consent relating to this matter.

Wastewater disposal

The applicant intends for Lots 1-13 and 15-59 to each be provided with an individual sewer lateral connected to the wastewater network. In regard to wastewater disposal, Wendy Gillett notes *'a reticulated gravity network is proposed to be constructed in accordance with TDC standards & specifications. The primary network will be contained within the legal roads, reserves and ROWs and vest in Council.*

It is understood that the lowest point in the network to the east have had a pump station designed (by Council) for the Broughs Gully catchment that is intended to be constructed to Council in order to discharge waste water (via a rising main) to an existing sewer pipe located within Lot 3 DP 567551 (18B Mahoneys Hill Road), from which the gravity flow will resume. All residential lots will be provided with a sewer lateral connected to the waste water network. Access to pipes crossing private land will be protected via suitable easements where necessary.'

Kevin Kemp has recommended a financial contribution toward the sewer network for proposed Lots 1-13 and 15-59, and a condition to this effect has been included.

Stormwater disposal

In regard to stormwater disposal, Wendy Gillett notes *'the 5.6ha site sits within a larger catchment totalling approximately 29ha.*

Once entering the underlying development site, stormwater runoff travels east along an open water channel/gully which bisects the site. This is not classified as a 'river' under the RMA or NES-F by ECan nor is it part of the TDC stormwater network as confirmed by correspondence in Appendix 12. After leaving the site, runoff continues east across multiple TDC owned parcels before entering Council's reticulated network at the eastern end of Section 1 DOS43039 and subsequently conveyed by pipe and open drain to the Washdyke Lagoon.

The development proposes to collect and convey primary stormwater flows via an underground reticulated gravity stormwater network located within the proposed roads. The site will convey stormwater through the site to the proposed lower catchment Pond(s) that are proposed to be built by Council.

It is proposed that the primary stormwater network within the road reserves and Right of Ways (serving more than 3 allotments) will be vested to TDC. The topography of the site allows for gravity connections for each lot.

Secondary stormwater flow paths (or overland flow paths) will be incorporated into the stormwater design to provide escape routes for rainfall in excess of the capacity of the primary stormwater network.'

Wendy Gillett has recommended a financial contribution toward the stormwater disposal network for proposed Lots 1-13 and 15-59, and a condition to this effect has been included. It is considered that while the proposal does not include a stormwater reserve in compliance with that indicated on the Broughs Gully Outline Development Plan, that the proposed methods of stormwater detention and disposal are considered acceptable by Council stormwater engineers.

The effects of the proposal in relation to infrastructure are therefore considered to be no more than minor.

Traffic and access

The applicant proposes the creation of three roads during stages 1, 2, and 5 as part of this application. Furthermore, a total of seven rights-of-way are proposed throughout this 5-stage subdivision proposal. Details of the proposed vehicle accesses are as follows:

Lot no.	Stage	Access obtained from	Shared with
1	1	Lot 200	n/a
2	1	Lot 200 via right-of-way	Lot 3
3	1	Lot 200 via right-of-way	Lot 2
4	1	Lot 200	n/a
5	1	Lot 200	n/a
6	1	Lot 200	n/a
7	1	Lot 200	n/a
8	1	Lot 200	n/a
9	1	Lot 200 via right-of-way	Lots 10, 11 & 12
10	1	Lot 200 via right-of-way	Lots 9, 11 & 12
11	1	Lot 200 via right-of-way	Lots 9, 10 & 12
12	1	Lot 200 via right-of-way	Lots 9, 10 & 11
13	1	Lot 200	n/a
200	1	Connect to Tasman Street	n/a
16	2	Lot 201 (balance allotment)	n/a
17	2	Lot 201	n/a
18	2	Lot 201 via right-of-way	Lot 19
19	2	Lot 201 via right-of-way	Lot 18
20	2	Lot 201	n/a
21	2	Lot 201	n/a
22	2	Lot 201 via right-of-way	Lot 23
23	2	Lot 201 via right-of-way	Lot 22
24	2	Lot 201	n/a
25	2	Lot 201	n/a
26	2	Lot 201	n/a
27	2	Lot 201	n/a
28	2	Lot 201	n/a
29	2	Lot 201	n/a
30	2	Lot 201 via right-of-way	Lot 31
31	2	Lot 201 via right-of-way	Lot 30

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32	2	Lot 201	n/a
201	2	Connect to Lot 201 and Mueller Drive	n/a
33	3	Lot 201	n/a
34	3	Lot 201 via right-of-way	Lots 35-38
35	3	Lot 201 via right-of-way	Lots 34 & 36-38
36	3	Lot 201 via right-of-way	Lots 34, 35, 37 & 38
37	3	Lot 201 via right-of-way	Lots 34-36 & 38
38	3	Lot 201 via right-of-way	Lots 34-37
39	3	Lot 201	n/a
40	3	Lot 201	n/a
41	3	Lot 201	n/a
42	3	Lot 201	n/a
43	4	Lot 201	n/a
44	4	Lot 201	n/a
45	4	Lot 201	n/a
46	4	Lot 201 via right-of-way	Lots 47-52
47	4	Lot 201 via right-of-way	Lots 46 & 48-52
48	4	Lot 201 via right-of-way	Lots 46, 47 & 49-52
49	4	Lot 201 via right-of-way	Lots 46-48 & 50-52
50	4	Lot 201 via right-of-way	Lots 46-49, 51 & 52
51	4	Lot 201 via right-of-way	Lots 46-50 & 52
52	4	Lot 201 via right-of-way	Lots 46-51
53	5	Lot 202	n/a
54	5	Lot 202	n/a
55	5	Lot 202	n/a
56	5	Lot 202	n/a
57	5	Lot 202	n/a
58	5	Lot 202	n/a
59	5	Lot 202	n/a
202	5	Connect to Lot 201	n/a
301	5	Connects Lot 202 to Dampier Street	n/a

The District Plan requires shared rights-of-way to serve a maximum of 6 allotments, however it is intended for the right-of-way proposed in Stage 4 to service 7 allotments. Furthermore, the Broughs Gully Outline Development Plan requires the width of Road 1 to have a legal width of 23m by the eastern boundary of Lot 12 DP 47318, however the applicant proposes a 20m legal width. The applicant has discussed this with Wendy Gillett and Kevin Kemp at a pre-application meeting.

In the meeting notes from Kevin Kemp relating to the 10th May 2023 discussion between the applicant and Council, Mr Kemp notes in relation to the reduced road width that *'the reduction of the road width to 20m is suitable, conditional on the proposed stormwater management for the new carriageways being able to achieve the anticipated level treatment.'* Furthermore, in relation to carparking, Mr Kemp advises to *'minimise on-street parking along Mueller Drive extension.'*

In regard to traffic and access, Wendy Gillett notes *'the subdivision will create new road allotments during stages 1, 2 and 5 which will be vested to TDC.*

These roads will connect from Tasman Street to Mueller Drive and a stub will be left for Road 1 so it can continue south as part of future development. The local purpose reserve to be created as part of Stage 5 will link the end of Dampier Street to the subdivision, providing pedestrian and cycle access.

All residential lots will be provided with legal access to the new roads, either directly via road frontage (crossings) or via a formed sealed and drained Right of Way. Typical carriageway cross sections for the proposed development are shown on the enclosed preliminary civil design plans attached as Appendix 7.'

Having regard to the overall layout, and the minimal effects of the reduction in legal road width proposed, and the mitigation measures proposed for the length of the rights-of-way, it is considered that the effects of the proposal relating to traffic will be no more than minor.

Cultural effects

The subject site is located within the Sites and Areas of Significance to Māori overlay. Given the earthworks are expected to exceed the 750m^3 of earthworks permitted by the Plan, the applicant has undertaken consultation with Aoraki Environmental Consultancy. In a letter dated 16th November 2023, Aoraki Environmental Consultancy Principal Planner, Kylie Hall states that *'AECL is satisfied with the proposal and do not believe the development and future residential occupation of the site will adversely affect the values rūnanga hold for the application site and wider area. Arowhenua and AEC only ask that an Accidental Discovery Protocol condition to be imposed and accepted on relevant consents to ensure that the appropriate procedures are followed if bones and/or artefacts were to be discovered during earthworks and construction activities.'*

Given the above comment from Aoraki Environmental Consultancy, and given that the applicant accepts an Accidental Discovery Protocol condition to be imposed on this consent, it is considered that any adverse effects in relation to cultural effects will be no more than minor.

Construction effects

The development of any subdivision has the potential to affect neighbouring properties and the wider environment through the potential for noise and dust from development machinery. Post subdivision development, there is also the potential for noise from the construction of dwellings. It is noted however, that an Erosion and Sediment Control Plan will need to be adhered to by the developer and contractor through the civil works to create the subdivision. This will cover matters such as dust management and stormwater runoff during construction, that may have adverse effects. This will ensure that the effects that are possible as a result of sediment runoff will be mitigated or avoided.

Noise effects will be mitigated by the contractor's responsibility to meet construction guidelines that relate to noise, as well as the general requirement of the RMA to not create noise that could be considered a nuisance.

Consequently, it is considered that the effects of the proposal relating to noise, dust and sediment will be no more than minor.

Natural hazards

A portion of the subject site is within the Flood Assessment Area Overlay, within the Proposed District Plan. A Geotechnical Report was prepared by Davis Ogilvie in August, 2021. In relation to flooding, this report states that *'due to the topography of the site, flooding is not considered to be a hazard on the site. However, the presence of the overland flow path indicates that significant flows into and along the gully floor may occur periodically. Establishment of the subdivision must ensure that the function of the overland flow path is maintained.'*

However, this report was obtained before the Proposed District Plan was notified. At the time of the report being obtained, the site was listed as being under the Overland Flow Path layer. This changed prior to the notification of the Proposed District Plan, and a portion of the site is now subject to the Flood Assessment Area overlay. Given this, further information was requested from Davis Ogilvie to confirm that the conclusion of the Geotechnical Report remains. On 28th February 2024, Peter Smale of Davis Ogilvie addressed this matter;

'We understand that the Flood Assessment Area (FAA) in the Timaru District Council (TDC) Draft District Plan has changed and now extends on to the site of the proposed Brough Gully subdivision. We understand that the Liquefaction Assessment Area remains unchanged and does not extend on to the site.

We note that the updated FAA corresponds to the overland flow path in the TDC Natural Hazard overlay. The implications of the presence of the overland flow path for the development are outlined in the 2021 Davis Ogilvie geotechnical report. General recommendations have also been made in the report regarding appropriate stormwater management because of the erodible loess soils on the site.

Apart from these considerations it remains the case that there is still no significant flooding risk on the site to cover for the subdivision consent application.

Therefore it remains the case that no site-specific assessments are required. The conclusions/recommendations in the 2021 DO Geotechnical Report have not changed.'

It is considered that provided the recommendations presented in the August 2021 Geotechnical Report are followed, the risk of natural hazards can be mitigated or managed to a suitable level by way of condition. Given this, the adverse effects in relation to natural hazards are considered to be no more than minor.

Earthworks

Earthworks proposed as part of this application are to establish allotments, retaining walls, create accessways and roads, and for the installation of services. It is intended that earthworks and construction will be undertaken in a manner which aligns with best practice and will be managed within the parameters of this consent, including the implementation of the Accidental Discovery Protocol, and an approved Dust Management Plan, Construction Management Plan, and an Erosion and Sediment Control Plan. The applicant states that the above management plans will be submitted to Council prior to any civil site works being undertaken.

Given that any adverse effects in relation to earthworks are limited to the construction period, and any effects arising are intended to be mitigated by way of the above management measures, it is considered that the effects in relation to earthworks are considered to be no more than minor.

Conclusion on Adverse Effects on the Environment

On the basis of the above assessment, it is assessed that the proposed activity will not or is not likely to have adverse effects on the environment that are more than minor. Therefore, public notification is not required under Step 3.

Step 4 – Public Notification in Special Circumstances

If public notification is not required under Steps 2 or 3 it must be determined whether special circumstances exist that warrant public notification of an application. There are no special circumstances in relation to this application.

Notification consideration under Section 95B of the Resource Management Act

Section 95B – Limited Notification

Section 95B(1) requires a decision on whether there are any affected persons (under s95E). The following steps set out in this section, in the order given, are used to determine whether to give limited notification of an application for a resource consent, if the application is not publicly notified under section 95A.

Step 1: certain affected groups and affected persons must be notified.

Determination under s95B(2)

The proposal does not affect protected customary rights groups, and does not affect a customary marine title group. Therefore limited notification is not required.

Determination under s95B(3)

Limited notification is not required under Step 1 as the proposal is not on or adjacent to, or may affect land subject to a statutory acknowledgement under Schedule 11, and the person to whom the statutory acknowledgement is made is/is not determined an affected person under section 95E (s95B(3)).

Step 2: if not required by Step 1, limited notification precluded in certain circumstances

Limited notification is not precluded under Step 2 as the proposal is not subject to a rule in the District Plan or is not subject to a NES that precludes notification (s95B(6)(a)).

Limited notification is not precluded under Step 2 as the proposal is not a controlled activity land use (s95B(6)(b)).

Step 3: if not precluded by Step 2, certain other affected persons must be notified

If limited notification is not precluded by Step 2, a consent authority must determine, in accordance with section 95E, whether the following are affected persons:

Boundary activity

The proposal is not a boundary activity where the owner of an infringed boundary has or has not provided their approval.

Any other activity

The proposal is not a boundary activity and therefore the proposed activity falls into the 'any other activity' category (s95B(8)), and the adverse effects of the proposed activity are to be assessed in accordance with section 95E.

Section 95E – Considerations in assessing adverse effects on Persons

(1) For the purpose of giving limited notification of an application for a resource consent for an activity to a person undersection 95B(4) and (9) (as applicable), a person is an affected person if the consent authority decides that the activity's adverse effects on the person are minor or more than minor (but are not less than minor).

(2) The consent authority, in assessing an activity's adverse effects on a person for the purpose of this section,—

(a) may disregard an adverse effect of the activity on the person if a rule or a national environmental standard permits an activity with that effect; and

(b) must, if the activity is a controlled activity or a restricted discretionary activity, disregard an adverse effect of the activity on the person if the effect does not relate to a matter for which a rule or a national environmental standard reserves control or restricts discretion; and

(c) must have regard to every relevant statutory acknowledgement made in accordance with an Act specified in Schedule 11.

(3) A person is not an affected person in relation to an application for a resource consent for an activity if—

(a) the person has given, and not withdrawn, approval for the proposed activity in a written notice received by the consent authority before the authority has decided whether there are any affected persons; or

(b) the consent authority is satisfied that it is unreasonable in the circumstances for the applicant to seek the person's written approval.

(4) Subsection (3) prevails over subsection (1).

Persons who have provided written approval (s95E(3))

No persons have provided written approval for the application.

Assessment: Effects on Persons

Taking into account the exclusions in sections 95E(2) and (3), the following outlines an assessment as to whether the activity will have or is likely to have adverse effects on persons that are minor or more than minor:

For the reasons outlined in the s95A assessment above, it is considered that any adverse effects of the proposed activity will have less than minor effects on persons, including the residential amenity of owners / occupiers of neighbouring properties. The proposal is considered to be compatible with the Outline Development Plan, and the pattern of development in the vicinity of the subject site.

Conclusion on Effects on Persons (s95E(1))

In terms of section 95E of the RMA, and on the basis of the above assessment, no persons are considered to be adversely affected. Therefore, limited notification is not required under Step 3.

Step 4 – Further Notification in Special Circumstances (s95B(10))

Special circumstances do not apply that require limited notification.

Notification Recommendation

Having following the steps prescribed by sections 95A-95G of the Act it is recommended that the application be processed on a non-notified basis because:

- The proposed activity will have or is likely to have adverse effects on the environment that are no more than minor.
- There is no rule, or National Environmental Standard that requires public or limited notification of the application.

35

- The applicant did not request public notification of the application.
- There are no special circumstances that exist in relation to the application.
- The activity will not have adverse effects that are minor or more than minor on any person(s) or order holders(s)
- No further information was requested or report commissioned in relation to the application to which the applicant refused to provide or did not provide within the given deadline.

Section 104 Requirements

This section of the report details the provision of the RMA that are relevant to the consideration and determination of the application. The remainder of this report has been set out to address these provisions.

Consideration of Applications
When considering a resource consent application and any submissions, section 104 of the RMA provides that the consent authority, must, subject to Part 2, have regard to the following:

- any actual and potential effects on the environment of allowing the activity;
- any relevant provisions of:
  - a national environmental standard:
  - other regulations:
  - a national policy statement:
  - a New Zealand coastal policy statement:
  - a regional policy statement or proposed regional policy statement:
  - a plan or proposed plan;
- any positive effects;
- any other matter it considers relevant and reasonably necessary to determine the application.

When forming an opinion for the purposes of actual and potential effects on the environment of allowing the activity, subsection 104(2) RMA states that a consent authority may disregard an adverse effect of the activity on the environment if a national environmental standard or the plan permits an activity with that effect.

Subsection 104(3) RMA states that a consent authority must not when considering an application have regard to trade competition or the effects of trade competition, or any effect on a person who has given written approval to the application.

Subsection 104(3) RMA also provides that a consent authority must not grant a resource consent:

- To do something that will, or is likely to, have a significant adverse effect on a recognised customary activity, unless written approval is given to conduct the activity from the holder of the customer rights order.
- If the application should have been notified and was not.

Subsection 104(6) RMA states that a consent authority may decline an application for a resource consent on the grounds that it has inadequate information to determine the application.

Determination of Application

Section 104B

After considering an application for a resource consent for a discretionary activity or non-complying activity, a consent authority—
(a) may grant or refuse the application; and
(b) if it grants the application, may impose conditions under section 108.

Assessment for the purpose of making a decision on the application

Adequacy of information

It is considered that the information provided by the application is adequate to determine the application in terms of section 104(6) of the RMA.

Section 106 Matters

A Consent authority may refuse to grant a subdivision consent or may grant a subdivision consent subject to conditions if it considers that there is a significant risk from natural hazards or materials that would damage the land by the consent sought or if sufficient provisions have not been made for legal and physical access to each allotment created by the subdivision.

- The proposed subdivision has sufficient legal access.

- The application site is within the Flood Assessment Area overlay, within the Proposed District Plan. Davis Ogilvie has provided a Natural Hazard Assessment within their Geotechnical Report dated August 2021. This report concludes that while flooding is not considered to be a hazard on the site, the presence of the overland flood path indicates that significant flows into and along the gully floor may occur periodically, and that establishment of the subdivision must ensure that the function of the overland flow path is maintained.

  However, it is noted that this report was obtained prior to the Proposed District Plan being notified, and was before the site was subject to the Flood Assessment Area overlay. Given this, confirmation from Peter Smale of Davis Ogilvie has been obtained to confirm that the conclusion from the August 2021 Geotechnical Report remains unchanged.

  It is noted that the District Plan requires household units to be constructed with a floor height such that the risk of flood waters rising to that level shall not exceed 0.5% in any year and will be considered at the building consent stage.

  Overall, it is considered that the sites are likely to be able to provide for residential buildings in a manner that will suitably mitigate flood risk.

- The site is not at risk of any other known natural hazard apart from the overriding background hazards that all of New Zealand is subject to, such as a rupture of the alpine fault.

Assessment Environmental Effects

Earlier in this report an assessment adverse effects on the environment were undertaken (for the purposes of making a notification decision), which concluded that the activity will have or is likely to have adverse effects that are no more than minor.

That assessment was limited to actual or reasonably likely adverse effects (which will not be repeated here) and did not include potential effects (including cumulative effects and precedent effects). All such effects along with proposed conditions to mitigate effects is listed.

Further to the assessment of effects included above, it is considered appropriate to assess whether cumulative or precedent effects might occur as a result of this subdivision.

Given that the subdivision is provided for within the Broughs Gully Development Plan and given that the activity is a discretionary activity under the Operative District Plan, it is considered that no precedent effects arise as a result of the proposal. Furthermore, in terms of cumulative effects, the land in question is zoned for residential development and the development provides connectivity and linkages in an appropriate manner. It does not add any cumulative effects that could be considered to be more than minor.

In the case of the application, it is considered that any potential effect can be mitigated by way of condition, and conditions have been recommended with respect to stormwater discharge, geotechnical matters and accidental discovery protocol.

Positive effects

The proposal will have positive effects for the applicant's economic wellbeing and will create additional housing supply with a variety of allotment size. Furthermore, the proposal is considered to be well designed and improves connectivity and linkages to existing communities. Given this, it is considered that the proposed subdivision does provide some positive effects on the environment.

How do any relevant objectives, policies, rules or other provisions of the District Plan relate to the proposal?

Operative Timaru District Plan

Policy 2.3.2.1 – To ensure that activities which would have an adverse effect on residential character or amenities are located in other zones with exceptions e.g. schools or public utilities.

The development of this subdivision requires a pump station. The applicant proposes *'to collect convey primary stormwater flows via an underground reticulated gravity stormwater network located within the proposed roads. The roads and associated drainage infrastructure will be constructed in general accordance with the Broughs Gully ODP and Councils proposed Infrastructure Servicing Provision (ISP) design. Centralised treatment and attenuation is required within the Broughs Gully catchment, preliminary pond designs are shown on Figure 4 above. The site will convey stormwater through the site to the proposed lower catchment pond(s) that are being built by Council. Further to the proposed attenuation ponds, they will be part of a Stormwater Management Area (SMA) to be constructed on behalf of Timaru District Council and will form the basis of stormwater attenuation and treatment for further development in the Broughs Gully ODP Area.*

It is proposed that the primary stormwater network within the road reserves and Right of Ways (serving more than 3 allotments) will be vested to Timaru District Council. The topography of the site allows for gravity connections for each lot. Access to pipes crossing private land will be protected via suitable easements where necessary. Secondary stormwater flow paths (or overland flow paths) will be incorporated into the stormwater design to provide escape routes for rainfall in excess of the capacity of the primary stormwater network.

Given the pump station has been located and designed in accordance with plans, and in such a way that effects on the environment are minimised, it is considered that the proposed pump station is consistent with this policy.

Policy 2.1.2.2 – To provide for a range of land use activities in residential areas while avoiding or mitigating the adverse environmental effects of these activities by way of the following zones: Residential 1 Zones (Broughs Gully)

Development of this area in general accordance with the Outline Development Plan will ensure:

- *Efficient development of urban zoned land to provide housing choice;*
- *Provision of sewer and stormwater infrastructure on a co-ordinated basis;*
- *Provision of a connected, safe, and efficient roading network;*
- *The avoidance of adverse effects (including reverse sensitivity effects) on the National Grid;*
- *The avoidance of adverse effects on the water quality and hydraulic functioning of Waitarakao / Washdyke Lagoon.*

Overall, despite the proposal not fully according with the Broughs Gully Outline Development Plan, it is considered that the proposed subdivision meets the intent of Policy 2.1.2.2 and is consistent with the criteria above, in that it represents an efficient use of residentially zoned land, and provides for a connected, safe and efficient roading network, as well as the management of stormwater in accordance with the Council's relevant infrastructure design guidance.

Objective 2.3.1.1 – The retention of residential character and a high standard of amenity.

The subdivision will result in a new residential environment of the type anticipated by the Plan and will enable a high standard of residential character and amenity.

Policy 2.4.2.4 – Ensure that development in the Residential 1 and 4 Zones within the Broughs Gully Outline Development Plan area (as set out in Appendix C of Part D 2):

(a) Is efficient, co-ordinated and supported by adequate services;
(b) Is in general accordance with the roading and servicing layout shown in Appendix C of Part D 2; and
(c) Avoids adverse effects (including reverse sensitivity effects) on the safe, effective and efficient operation, maintenance, upgrading and development of the National Grid transmission lines.

Policy 2.4.2.5 – Ensure that stormwater resulting from development in the Residential 1 and 4 Zones at Broughs Gully (as set out in Appendix C of Part D 2) does not contribute to further degradation of water quality, aquatic ecosystems and mahinga kai, and the hydraulic functioning of the Waitarakao/Washdyke Lagoon.

Stormwater from the site will be managed to ensure effects are minimal, and will not constitute to further degrading of the environment. The proposal is considered to be consistent with the above policies.

Part B (8) Objective (1) – A safe and efficient roading network which recognises and provides for different users.

Part B(8) Policy (5) – To provide a roading system that allows safe and efficient access to and from adjoining private property, and to ensure loading and unloading activity is carried out off the road.

Part B(8) Policy (21) – To manage the adverse effects associated with the provision of private access to allotments and household units by establishing thresholds below which allotments and/or household units shall be served by private access of a minimum width. Proposals that exceed these thresholds shall provide for vehicle access by way of road.

Under the Broughs Gully Outline Development Plan, part of Road 1 is required to have a legal width of 23m. The applicant proposes a 20m legal width, however given the consultation and formal pre-application meetings with Council confirmed that this is acceptable, and will result in no more than minor effects, it is considered that the proposed undersized road is not inconsistent with this policy.

Furthermore, it is intended for one of the proposed rights-of-way to service 7 allotments, where a maximum of 6 is permitted by the Plan. It is considered that given the steeper and valley like topography of the development, the longer proposed rights-of-way are considered better suited to moving across slopes which allows for steep private ways to be avoided. Furthermore, yellow 'no parking' lines are proposed to be added to the longer rights-of-way to ensure the free flow of traffic. In any case, the legal restrictions applicable to rights of way ensure that parking on rights of way is not allowed.

Given this, it is considered that this proposal is not inconsistent with the objectives and policies relating to traffic.

Proposed Timaru District Plan

SASM-O1 – Kāti Huirapa are actively involved in decision making that affects the identified Sites and Areas of Significance to Kāti Huirapa.

As part of the pre application process, the applicant has consulted with Aoraki Environmental Consultancy Limited (AECL). In the letter dated 16th November 2023, it was concluded that *'AECL is satisfied with the proposal and do not believe the development and future residential occupation of the site will adversely affect the values rūnanga hold for the application site and wider area. Arowhenua and AEC only ask that an Accidental Discovery Protocol condition be imposed and accepted on relevant consents to ensure that the appropriate procedures are followed if bones and/or artefacts were to be discovered during earthworks and construction activities.'*

Given this, and that the applicant accepts the Accidental Discovery Protocol condition being imposed on the conditions of consent. It is considered that this proposal is consistent with the policy direction of the Proposed District Plan in relation to Sites and Areas of Significance to Māori.

GRZ-O1 – The General Residential Zone primarily provides for residential activities, a mix of housing types, along with other complimentary activities that support the wellbeing of residents.

DEV-P1 – Enable development that complies with the Broughs Gully Development Area Plan and any associated requirements.

The applicant met with Council for a pre-application meeting to discuss matters relating to non-compliances with the Broughs Gully Development Area Plan. It is considered that the proposal is in general accordance with the Broughs Gully Development Area Plan. It is acknowledged that while some sites are smaller than that provided for within the Plan, this is balanced out by larger sites within the proposed development and the overall density is consistent with that provided for within the Plan, and provides a range of site sizes. Given this, it is considered that the proposal is in general accordance with the objectives and policies of the Proposed District Plan in relation to the General Residential Zone, and the Broughs Gully Development Area Plan.

NH-O1 - Areas subject to natural hazards
Risk to human life and significant risk to property, from natural hazards is:

1. *Avoided in high hazard areas; and*
2. *Avoided or mitigated elsewhere to an acceptable level.*

NH-P4 – Subdivision, use and development in Flood Assessment Areas, excluding high hazard areas and overland flow paths
Enable subdivision, use and development (excluding Regionally Significant Infrastructure) in areas subject to inundation by a 0.5% AEP flood event provided that:

1. *It is not likely to suffer significant damage in a flood event; and*
2. *It will not significantly affect the functioning of the flood plain; and*
3. *It will not generate the need for new or upgraded public natural hazard mitigation works to mitigate or avoid the natural hazard; and*
4. *A minimum floor level above the 0.5% AEP design flood level can be achieved; and*
5. *Major hazard facilities will not be inundated; and*
6. *Significant adverse effects on people and property are avoided; and*
7. *Increased risk on other sites is avoided as a priority and where this is not practicable, will be appropriately mitigated.*

As detailed within the AEE of this report, it is considered that the mitigation measures proposed are considered sufficient to mitigate effects in relation to natural hazards. Given this, it is considered that the proposal is in accordance with the policy direction of the Proposed District Plan in relation to natural hazards.

Conclusion

Based on the above assessment, it is concluded that the proposal is consistent and not contrary to objectives and policies of the relevant Plans.

Is the application consistent with Part II of the Act, and are there any other matters which are relevant and reasonably necessary to determine the application? [Section 104]

Part II sets out the purpose and principles of the Resource Management Act. The purpose of the Act is to promote the sustainable management of natural and physical resources. The various principals listed in Part II support this purpose.

The proposal will maintain the anticipated amenity of the Zone and surrounding area and is therefore consistent with Section 7(C) of the Act.

In summary, it is considered that grant of consent is consistent with Part II of the Act.

Are there any matters that have arisen in the assessment of this application that would indicate the application should have been publicly notified [Section 104(3)(d)]

No

Reasons for Decision

With the above matters in mind and subject to conditions being imposed on the consent, it is considered the proposed development is acceptable in terms of the matters listed under section 104 and 104B of the Act. The specific reasons for granting consent are as follows:

1. The proposed activity will have effects that are acceptable.
2. The matters over which Council has reserved control have been assessed and the adverse effects on the environment are considered to be no more than minor. This is addressed through the conditions of the consent.
3. A suite of conditions and consent notices to ensure the subdivision is appropriately constructed and serviced have been imposed.
4. The set of agreed measures is consistent with the objectives and policies of the relevant Plan.
5. The proposal will promote the sustainable management of natural and physical resources.

Recommendation

A. That the applications be processed on a **non-notified** basis in accordance with Sections 95A – 95G of the Resource Management Act 1991.

B. That for the above reasons the application for land use consent and subdivision consent **be granted** pursuant to Sections 104, 104B, 108 and 220 of the Resource Management Act 1991, subject to conditions.

The conditions are listed at front of the decision.

Reported and Recommended by: *Laura Gilmour, Consultant Planner*
Date: 29th February 2024

9.8 Aquisition of Land for Future Extension of Waste Water Treatment Ponds

Author: **William Ching, Infrastructure Planner**

Authoriser: **Andrew Dixon, Group Manager Infrastructure**

Recommendation

1. That Council approves the proposed transfer of land at Section 2 Meadows Sett and exchange of Land within Lot 3 DP 432561.
2. That Council agree that the proposed land exchange transfer price be cost neutral.
3. That Council delegate authority to the Chief Executive to execute relevant documents to give effect to the land transfers.

Purpose of Report

1 To seek Council approval to undertake a land-swap with a neighbouring property owner to allow land to be acquired and disposed of.

Assessment of Significance

2 This matter is of low significance in terms of Council's Significance and Engagement Policy. This assessment is based on the assessment criteria with specific focus on the impact on the number of people affected, the degree that people may be impacted, community interest, financing and rating impact, and impact on wellbeing.

Background

3 The purpose of the land-swap is to acquire land that will be needed for future expansion of the Aorangi waste water treatment plant ponds and to dispose of land no longer required that will offset the cost of the acquisition of land adjacent to the existing ponds.

4 The proposed land swap will allow more efficient future expansion of the Washdyke Expansion Zone on the north side of Aorangi Road.

5 This agreement will include the acquisition of a corner splay for improved safety of the Meadows Road/Seadown Road intersection.

6 Discussion has been had between Council officers and North Meadows Limited on the land swap being a cost neutral exercise for the exchange of land.

7 The land to be acquired from North Meadows Limited is adjacent to the wastewater treatment ponds that has a designation over the parcel for odour management.

Discussion

8 It is proposed that a land swap is initiated to provide more efficient use of the land and future protection of Council's wastewater treatment plant in Aorangi Road. The scheme plan (Attachment 1) outlines the two parcels of land concerned.

9 The parcel coloured 'purple' fronting Aorangi Road (Section 2 Meadows Sett) currently owned by Council, is to be amalgamated with the balance of privately owned land of the subdivision of Lot 3 DP 432561(101.2022.205.1)

10 In exchange, the parcel coloured 'yellow' is to be transferred to Council is to be amalgamated with Section 3 Meadows Sett.

11 The difference in land area for the two parcels is approximately 250m2.

12 In addition, the corner splay at Meadows Road and Seadown Road will vest in Council as road reserve (Attachment 2).

13 The amalgamation and vesting of corner splay discussed above will be undertaken through a subdivision consent process.

14 A valuation was undertaken in August 2023 for the proposed land-swap. The two parcels of land were valued separately by a Registered Land Valuer. The valuation report is attached (Attachment 3).

15 Based on the valuation received the value of the parcels is considered very similar and therefore a land swap transaction would be cost neutral. For clarity there will be no land purchase cost or sale revenue associated with this land transaction.

Options and Preferred Option

16 Option 1, and the preferred option, is for Council to approve the proposed land transfer, the conditions above and that the Chief Executive is delegated to execute relevant documents to give effect to the sale and transfer.

17 Option 2, which is not the preferred option, is for the Council to decline the above conditions and no agreements take place.

Consultation

18 The transfer of these properties does not trigger any specific consultation requirements.

Relevant Legislation, Council Policy and Plans

19 Land Transfer Act 2017.

20 District Plan.

Financial and Funding Implications

21 The Council will be responsible for legal fees and cost related to the boundary adjustments. The boundary adjustment will be completed in house. All costs can be funded within current Council budgets.

Attachments

1. **Aorangi Road - Scheme Plan** ⇩
2. **Meadows Road/Seadown Road - Scheme Plan** ⇩
3. **Aorangi Road Land Swap - Valuation** ⇩

NOTE:

- AREAS AND DIMENSIONS SUBJECT TO FINAL SURVEY

PROPOSED LAND EXCHANGE

SCALE 1:3500

NOTE:
ALL AREAS SUBJECT
TO FINAL SURVEY

SBV Steve Binnie
VALUATION

79 Murchison Drive
Timaru 7910

Phone: (03) 686 0794
Mobile: (027) 238 8458
Email: steve.binnie@xtra.co.nz
Web: www.stevebinnie.co.nz

Stephen W.G. Binnie
ANZIV, SPINZ, Registered Valuer

26 September 2023

Timaru District Council
C/- The Property Group
PO Box 522
Timaru 7940
By email
gharris@propertygroup.co.nz

Dear Sir

RE: 236 MEADOWS ROAD & 31 AORANGI ROAD, WASHDYKE
VALUATION – PARTIAL ACQUISITION AND DISPOSAL

Thank you for your instruction requesting that I assess the value of part of 236 Meadows Road for acquisition for public work and the value of 31 Aorangi Road for disposal by the Timaru District Council by way of land swap. I am pleased to report as follows:

EFFECTIVE DATE

Date of inspection 9 August 2023

PREAMBLE

North Meadows 2021 Ltd own a property at 236 Meadows Road, the eastern part of which adjoins the Timaru District Council's settling ponds. The Timaru District Council wish to acquire an area of 5.1900 hectares adjacent to the settling ponds. The record of title for 236 Meadows Road is 524994. The land to be acquired is shown as 'Land A' on the plan below.

A property at 31 Aorangi Road, part of the larger settling ponds property is to be disposed of to North Meadows 2021 Ltd. 31 Aorangi Road has an area 5.3949 hectares and contains a house and old sheds ripe for demolition. The record of title for 31 Aorangi Road is CB32F/924. The area is shown as 'Land B' on the plan below.

The transaction between the Timaru District Council and North Meadows 2021 Ltd will be a swap, possibly with a small cash difference. Adjustment of the records of title will be in the form of a boundary adjustment.

This report assesses the value of each of these parcels in order to ascertain the amount of cash difference if any.

N
Area: 5.1900 hectares
Area: 5.3949 hectares
Legend
Property
Areas
Land B
Land A
Primary Land Parcels
All measurements are approximate and subject to survey.
the propertygroup
Meadows Road Land Exchange
PREPARED BY
The Property Group
DATE
21/07/2023
TPG REF
TPGPV
SHEET
1 OF 1
A0 Scale 1:4,514
0
0.1 km

LAND A – PART OF 236 MEADOWS ROAD

BASIS OF VALUATION

This valuation is a compensation valuation made under sections 62-63 of the public works act 1981 (and amendments). This valuation is made on a "before and after" basis. ie. The value of the property before the land is taken disregarding the prospect of the work, less the value of the property after the land is taken and the public work is completed and operational including all of its adverse effects if any.

This valuation is carried out under section 62 of the public works act 1981 (and amendments). Of particular note:

> 62 (1) (a) no allowance should be made on account of the taking of any land being compulsory.
>
> 62 (1) (c) where the value of the land taken for any public work has, on or before the specified date, increased or reduced by the work or the prospect of the work, the amount of that increase or reduction shall not be taken into account.

This valuation includes:

a) The intrinsic value of the physical land taken.

b) Injurious affection. This is the value decline caused by any negative effects of the public work as it impacts on the enjoyment of the balance of the property after the public work is completed and operational.

c) Betterment. This is the value increase caused by any positive effects of the public work as it impacts on the enjoyment of the balance of the property after the public work is completed and operational.

This valuation does not cover:

> Disturbance, being legal fees, valuation fees and the effect of the construction of any physical changes to the roadway.

LEGAL DESCRIPTION

The property is legally described as lot 3 DP 432561 as contained in Record of Title 524994

The Registered Owners are North Meadows 2021 Ltd

Interests noted on the title are as follows:

Subject to a right to convey water (in gross) over part marked H on DP 432561 in favour of Levels Plain Irrigation Scheme.

Appurtenant hereto is a right to convey electricity

Mortgage to Bank of New Zealand Ltd 20.1.2023

LAND AREA

Total area of Record of title 524994 is 25.7565 hectares

SUBDIVISION UNDERWAY

In January 2023 the Timaru District Council approved a subdivision of this land into two lots. Lot 1 having an area 10.0 hectares having frontage to Meadows Road and Lot 2 having an area 15.7 hectares taking access off Aorangi Road and Meadows Road. The subdivision has not yet been completed and separate records of title have not yet been issued. A plan of the proposed subdivision is appended. The land to be acquired by the Timaru District Council is part of proposed Lot 2.

LOCATION & LOCALITY

This property is located on the eastern side of Meadows Road adjacent to the intersection with Seadown Road in the Washdyke locality approximately 2 km north east of the Washdyke commercial hub and 7km north of the Timaru town centre. The locality is rural in nature, arable and pastoral farms including a fair amount of dairying. There are also a number of life style and hobby farm properties in the locality. This is regarded an average location for life style properties that enjoys an average level of market demand. Local amenities in Washdyke include a service station with associated shop, hotel / restaurant, bakery, takeaway foods and a night ‘n day store. The nearest regional amenities, high school, supermarket and other speciality shops are in Timaru, approximately 7km to the town centre.

Industrial zoning has over recent years extended north along Meadows Road, Aorangi Road now being the northern boundary of the industrial zone; properties north of Aorangi Road being zoned rural. Two properties on the north side of Aorangi Road and bounding the subject property have recently gained resource consent for industrial use. This raises the possibility that the subject land might also gain resource consent for industrial development.

LAND DESCRIPTION

The subject title 524994 is an irregular shaped parcel. The bulk of the land is borderdyke irrigated although the head race has recently been filled-in and presumably any shares in the Level Plain Irrigation scheme have been sold or lapsed. S-Map shows the property to be predominantly Longbeach 4A.1 soil being moderately deep, poorly drained, silt over clay with some Waterton 2A.1 and Waterton 3A.1 soils, shallow, poorly drained silt. The property takes access off Meadows Road, has power and telephone connections. Water appears to be drawn from a bore and effluent drains to a septic tank and soak drain system.

LAND TO BE ACQUIRED

The land being acquired is slightly irregular in shape being roughly rectangular, 181 metres wide and having an average length 287 metres. Land area is 5.1900 hectares subject to survey. Contour is reasonably level. The ground is quite low-lying and prone to surface flooding. The land does not have access to utility connections.

Aerial photo showing location of title boundaries (yellow)
And the land to be acquired shaded yellow

PLANNING

Zoning of the land being acquired is Rural 2 under the Timaru District Councils Operative District Plan. Permitted activities include farming other than factory farming, conservation and land based recreational activities, household units on land areas of not less than 1,000m^2, accommodation for a dependent relative and homestays. Part of this is covered by a designation (land adjacent to the settling ponds).

The property is zoned "General Rural" in the recently released draft district plan. This is equivalent to the existing Rural 1 and Rural 2 zones.

Planning Map – Operative District Plan

IMPROVEMENTS DESCRIPTION

This valuation is the assessment of compensation for the acquisition of an area of vacant land. The subject property contains a house and a number of out buildings and other improvements, none of which are affected by the proposed acquisition. The land being acquired is fenced on the north, east and south boundaries. It is presumed that if the land is acquired the District Council would fence the line of subdivision (the western side of the land being acquired).

VALUATION SUMMARY

In my opinion the market value of this parcel of land free of encumbrances and inclusive of GST (if any) is:

FOUR HUNDRED & THIRTY FIVE THOUSAND TWO HUNDRED & FORTY FIVE DOLLARS ($435,245)

Made up as follows:

Improvements Value	$0
Land Value	$435,245
Injurious Affection	$0
Betterment	$0
Total of Valuation	$435,245

GST

These valuations are for lifestyle sized parcels. This type of property usually transacts on an "inclusive of GST (if any)" basis. My valuation herein is on an "inclusive of GST (if any)" basis.

VALUATION METHODOLOGY

The property is valued on a 'before and after' basis to ascertain the value reduction due to the acquisition of 5.1900 hectares. The entire property was purchased by North Meadows 2021 Ltd in September 2021 for $2,160,000 being $83,862 per hectare which is roughly double the rural value of this land on a per hectare basis. The purchase price reflected the potential for future industrial use and is influenced by the successful resource consent application of the adjoining land on the corner of Aorangi Road for industrial use. I believe that the purchase price reflects the current value of this property.

On this basis I value the property as follows:

Land value before acquisition:	25.7565 ha @ $83,862 per ha	$2,160,000
Land value after acquisition:	20.5665 ha @ $83,862 per ha	$1,724,755
Reduction in land value		**$435,245**

BASIS OF VALUATION

This valuation is carried out under section 62 of the Public Work Act 1981. This describes the valuation principals to be adopted for the compulsory acquisition of land for public work. The same principals apply to compensation where land is being acquired by agreement (Section 17 of the Public Works Act 1981). An excerpt of Section 62 of the Public Works Act follows:

Section 62

Assessment of compensation

(1) The amount of compensation payable under this Act, whether for land taken, land injuriously affected, or otherwise, shall be assessed in accordance with the following provisions:

(a) Subject to the provisions of sections 72 to 76 of this Act, no allowance shall be made on account of the taking of any land being compulsory:

(b) The value of land shall, except as otherwise provided, be taken to be that amount which the land if sold in the open market by a willing seller to a willing buyer on the specified date might be expected to realise, unless—

(i) The assessment of compensation relates to any matter which is not directly based on the value of land and in respect of which a right to compensation is conferred under this or any other Act; or

(ii) Only part of the land of an owner is taken or acquired under this Act and that part is of a size, shape, or nature for which there is no general demand or market, in which case the compensation for such land and the injurious affection caused by such taking or acquisition may be assessed by determining the market value of the whole of the owner's land and deducting from it the market value of the balance of the owner's land after the taking or acquisition:

(c) Where the value of the land taken for any public work has, on or before the specified date, been increased or reduced by the work or the prospect of the work, the amount of that increase or reduction shall not be taken into account:

(d) The special suitability or adaptability of the land, or of any natural material acquired or taken under section 27 of this Act, for any purpose shall not be taken into account if that purpose is a purpose to which it could be applied only pursuant to statutory powers, or a purpose for which there is no market apart from the special needs of a particular purchaser or the requirements of any Government department or of any local authority:

(e) The Tribunal shall take into account by way of deduction from that part of the total amount of compensation that would otherwise be awarded on any claim in respect of a public work that comprises the market value of the land taken and any injurious affection to land arising out of the taking, any increase in the value of any land of the claimant that is injuriously affected, or in the value of any other land in which the claimant has an interest, caused before the specified date or likely to be caused after that date by the work or the prospect of the work:

(f) The Tribunal shall take into account, by way of deduction from the total amount of compensation that would otherwise be awarded, any increase in the value of the parcel of land in respect of which compensation is claimed that has occurred as a result of the exercise by the New Zealand Transport Agency of any power under section 91 of the Government Roading Powers Act 1989

MARKET EVIDENCE

In assessing a market value for the subject property I have adopted the sales comparison approach.

The sales comparison approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions. The process uses one of several techniques to adjust the prices of the comparable transactions according to the presence, absence, or degree of characteristics which influence value. This approach relies on the assumption that a matrix of attributes or significant features of a property drive its value. The sales comparison approach is based upon the principles of supply and demand, as well as upon the principle of substitution. Supply and demand indicates value through typical market behaviours of both buyers and sellers. Substitution indicates that a purchaser would not purchase an improved property for any value higher than it could be replaced for on a site with equivalent utility, assuming no undue delays in construction.

The following sales are adjacent to the subject land

236 Meadows Road 9/21 $2,160,000
The subject property. A 25.7565 hectare block. In my view the purchase was influenced by the successful resource consent application for two industrial developments on the adjoining rural zoned parcels fronting Aorangi Road. The purchase was an arms-length transaction between unrelated parties and as-such is a valid sale The sale price is $83,862 per hectare This price is more than double the price one would expect for a rural zoned property.

Corner Aorangi & Meadows Roads 3/21 $900,000
This is the property on the corner of Aorangi and Meadows Roads having an area 2.0571 hectares. Zoning is rural 1. The purchase was subject to gaining resource consent for industrial use. The price is $43.75 per m^2 which is well below the industrial value of the site but at $437,509 per hectare is far beyond the rural value of the land.

The following farm land sales are listed in order of ascending land area

Kerrytown Road 9/21 $460,000
An 8.09 hectare block on the west side of Kerrytown Road at levels. A level parcel. Irrigated and containing a 137m^2 shed and sheep yards. Sale price is $56,834 per hectare.

632 Rolling Ridges Road 5/21 $420,000
This is a 10.0750 hectare block of rolling country on the north side of Rolling Ridges Road. Small shed plus cattle yards. Sale price is $41,687 per hectare.

Bristol Road 9/21 $615,000
This is a 12.76 hectare property in two certificates of title on the south side of Bristol Road at Salisbury. Reasonably level at the front. Drops to an easy water course at the rear. Sale price is $48,194 per hectare.

Rosebrook Road 4/21 $575,000
A 15.54 hectare block on the south side of Rosebrook Road at Hadlow. Rolling country, generally south facing. Analysed sale price $37,000 per hectare.

Barton Road 2/22 $585,000
This is a 16.28 hectare property on the west side of Barton Road. Predominantly easy south facing. Drops to an easy water course and pond. Part is north facing. Sale price is $35,940 per hectare.

Downs Road 6/21 $915,000
This is a 22.02 hectare property in on the north western slopes of Geraldine Downs. Situated on a shingle road. Has downlands water and contains a 170m^2 shed. Sale price is $41,553 per hectare.

Cartwright Road 2/22 $564,000
This is a 26.16 hectare property in on the eastern corner of Rosewill Valley Road. Low lying. Can get very wet during winter. Sale price is $21,560 per hectare.

Springfield Road 9/22 $1,169,025
A 29.7193 hectare block of level land on the north side of Springfield Road at Temuka. Mixture of Darnley, Lowcliffe, Ayre and Mayfield soils. Partly heavy ground prone to waterlogging in wet weather. Sale price $39,336 per hectare.

Badham Road 7/22 $1,288,000
This is a 31.47 hectare property in on the north side of Badham Road, opposite Canal Road at Orton. Sale price is $40,930 per hectare.

Timaru-Temuka Highway 2/22 $1,680,000
This is a 37.80 hectare property on the southern corner of Dominion Road at levels. Level, irrigated land. Sale price is $44,444 per hectare.

841 Winchester Geraldine Highway 12/21 $2,050,000
This is a 52.59 hectare property on the western side of the Winchester Geraldine Road and backing onto Tiplady Road near Geraldine. Sale price is $38,978 per hectare.

Waitohi-Temuka Road 12/21 $1,950,000
A 81.23 hectare block on the south side of Waitohi-Temuka Road near Seven Sisters Road. Crossed by the Raupo Creek. Analysed sale price $24,015 per hectare.

LAND B – 31 AORANGI ROAD

BASIS OF VALUATION

This is a market valuation made using the sales comparison approach.

LEGAL DESCRIPTION

The property is legally described as Section 2 Meadows Settlement as contained in Record of Title CB32F/924

The Registered Owners are Timaru District Council

There are no interests noted on the title

LAND AREA

Total area of Record of title CB32F/924 is 5.3949 hectares

LOCATION & LOCALITY

This property is located on the northern side of Aorangi Road approximately 300 metres east of the intersection with Meadows Road in the Washdyke locality approximately 2 km north east of the Washdyke commercial hub and 7km north of the Timaru town centre. The locality is rural in nature, arable and pastoral farms including a fair amount of dairying. There are also a number of life style and hobby farm properties in the locality. This is regarded an average location for life style properties that enjoys an average level of market demand. Local amenities in Washdyke include a service station with associated shop, hotel / restaurant, bakery, takeaway foods and a night ‘n day store. The nearest regional amenities, high school, supermarket and other speciality shops are in Timaru, approximately 7km to the town centre.

Industrial zoning has over recent years extended north along Meadows Road, Aorangi Road now being the northern boundary of the industrial zone; properties north of Aorangi Road being zoned rural. Two properties on the north side of Aorangi Road adjacent to the subject property have recently gained resource consent for industrial use. This raises the possibility that the subject land might also gain resource consent for industrial development.

LAND DESCRIPTION

The subject title CB32F/924 is a rectangular parcel 184.47 metres wide and 293.3 metres deep. S-Map shows the property to be predominantly Longbeach 4A.1 soil being moderately deep, poorly drained, silt over clay with some Waterton 3A.1 and Waterton 2A.1 soils, shallow, poorly drained silt. The property takes access off Aorangi Road, has power and telephone connections. Water appears to be drawn from a bore and effluent drains to a septic tank and soak drain system.

Aerial photo showing location of title boundaries

PLANNING

Zoning of the land being acquired is predominantly Rural 2 under the Timaru District Councils Operative District Plan. Permitted activities include farming other than factory farming, conservation and land based recreational activities, household units on land areas of not less than 1,000m^2, accommodation for a dependent relative and homestays. A small strip within the western boundary is zone Rural 1.

The property is zoned "General Rural" in the recently released draft district plan. This is equivalent to the existing Rural 1 and Rural 2 zones.

Planning Map – Operative District Plan

IMPROVEMENTS DESCRIPTION

The principal improvement comprises a house having a gross area 130m^2. The house appears to have started life as a cottage built circa 1900 and has had additions in the 1960s. Construction of the original portion is of timber piles, timber frame with weatherboard cladding and iron roof. Additions have concrete foundations, timber frame, Firth brick veneer cladding and iron roof. The interior is predominantly Gibraltar board lined and has timber floor which is a little 'soft' in parts. Interior layout provides three bedrooms, open plan living / kitchen / dining, modest bathroom / laundry and toilet.

The house appears to have been rented for some time and is in only fair condition. Decoration and chattels are only fair. Carpet has had a hole cut in the middle of each room, presumably to identify if there is any asbestos prior to demolition. I believe that the house and outbuildings are due for demolition.

Other site improvements comprise a timber deck, concrete terrace, concrete block double garage, galvanised steel garden shed, an old 3-bay barn in poor condition and modest cattle yards

The property is well fenced with post and wire / post and netting fences with electric top wire. Internal fencing is also quite good subdividing the property into twelve paddocks with laneways.

VALUATION SUMMARY

In my opinion the market value of this parcel of land free of encumbrances and inclusive of GST (if any) is:

FOUR HUNDRED & THIRTY FIVE THOUSAND ONE HUNDRED & FIFTY FIVE DOLLARS ($435,155)

Made up as follows:

Improvements Value	$10,000
Land Value	$425,155
Total of Valuation	$435,155

GST

These valuations are for lifestyle sized parcels. This type of property usually transacts on an "inclusive of GST (if any)" basis. My valuation herein is on an "inclusive of GST (if any)" basis.

VALUATION METHODOLOGY

31 Aorangi Road is adjacent to 236 Meadows Road which was purchased by North Meadows 2021 Ltd in September 2021 for $2,160,000 being $83,862 per hectare which is roughly double the rural value of this land on a per hectare basis. The purchase price reflected the potential for future industrial use and is influenced by the successful resource consent application of the adjoining land on the corner of Aorangi Road for industrial use. I believe that the location and attributes of 31 Aorangi Road are more or less the same as 236 Meadows Road. For this reason I have adopted the same rate per hectare. The value is reduced due to the cost of demolition of the house, garage and other site improvements.

On this basis I value the property as follows:

Land value: 5.3950 ha @ $83,862 per ha			$452,435
Internal fencing & laneways			$10,000
Less estimated cost to demolish:			
	The house 130m^2 @ $160	$20,800	
	The garage 36m^2 @ $180	$6,480	($27,280)
Market value			**$435,155**

SUMMARY OF VALUATIONS

Value of Land A – To be acquired by the Timaru District Council	$435,245
Value of Land B – To be disposed of by the Timaru District Council	$435,155
Difference – Cash difference to be paid by the Timaru District Council	$90

COMPLIANCE STATEMENT

This valuation complies with:

- The relevant International Valuation Standards
- The relevant New Zealand Valuation and Property Standards for Compulsory Acquisitions
- ANZVGN5 – Valuations for Compulsory Acquisitions
- Standard for the acquisition of land under the Public Works Act 1981 – LINZS15005
- Guideline for the acquisition of land under the Public Works Act 1981 – LINZG15703
- New Zealand Institute of Valuers Code of Ethics

I trust this report is satisfactory, if you require further information or wish to discuss my valuation please don't hesitate to give me a call.

Yours faithfully

S W G Binnie
Registered Valuer ANZIV SPINZ

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R W. Muir
Registrar-General
of Land

Identifier	**524994**
Land Registration District	**Canterbury**
Date Issued	30 January 2013

Prior References
CB27K/865

Estate	Fee Simple
Area	25.7565 hectares more or less
Legal Description	Lot 3 Deposited Plan 432561
Registered Owners	

North Meadows 2021 Limited

Interests

Subject to Section 8 Mining Act 1971

Subject to Section 168A Coal Mines Act 1925

Subject to a right to convey water (in gross) over part marked H on DP 432561 in favour of Levels Plain Irrigation Company Limited created by Transfer A331784.1 - 16.12.1997 at 2:28 pm

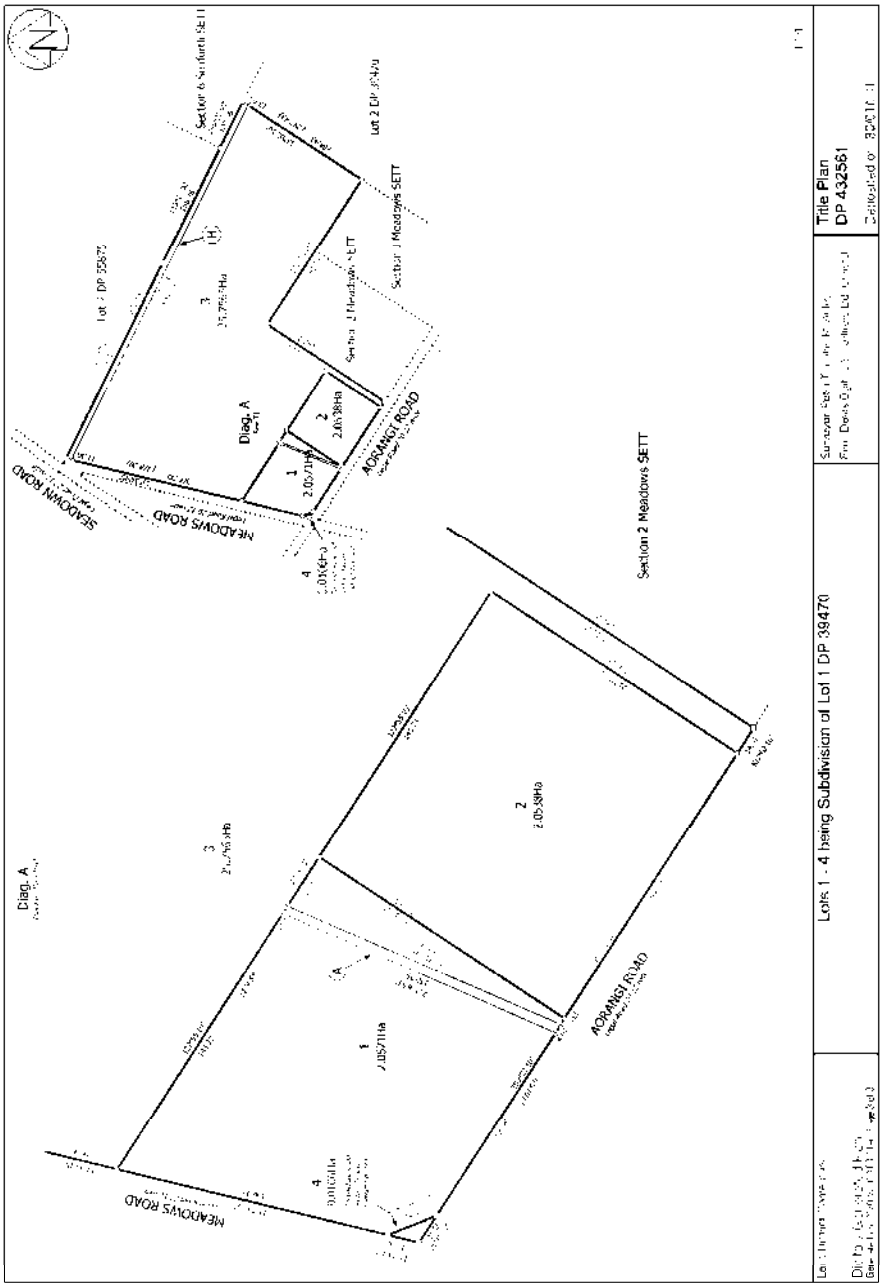
9282835.5 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 30.1.2013 at 3:49 pm

Appurtenant hereto is a right to convey electricity created by Easement Instrument 9282835.6 - 30.1.2013 at 3:49 pm

The easements created by Easement Instrument 9282835.6 are subject to Section 243 (a) Resource Management Act 1991

12648705.1 Mortgage to Bank of New Zealand - 20.1.2023 at 2:31 pm

Identifier **524994**



RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R W. Muir
Registrar-General
of Land

Identifier	**CB32F/924**
Land Registration District	**Canterbury**
Date Issued	20 November 1989

Prior References
CB574/79

Estate	Fee Simple
Area	5.3949 hectares more or less
Legal Description	Section 2 Meadows Settlement
Registered Owners	
Timaru District Council	

Interests

Identifier **CB32F/924**

Image Quality due to Condition of Original

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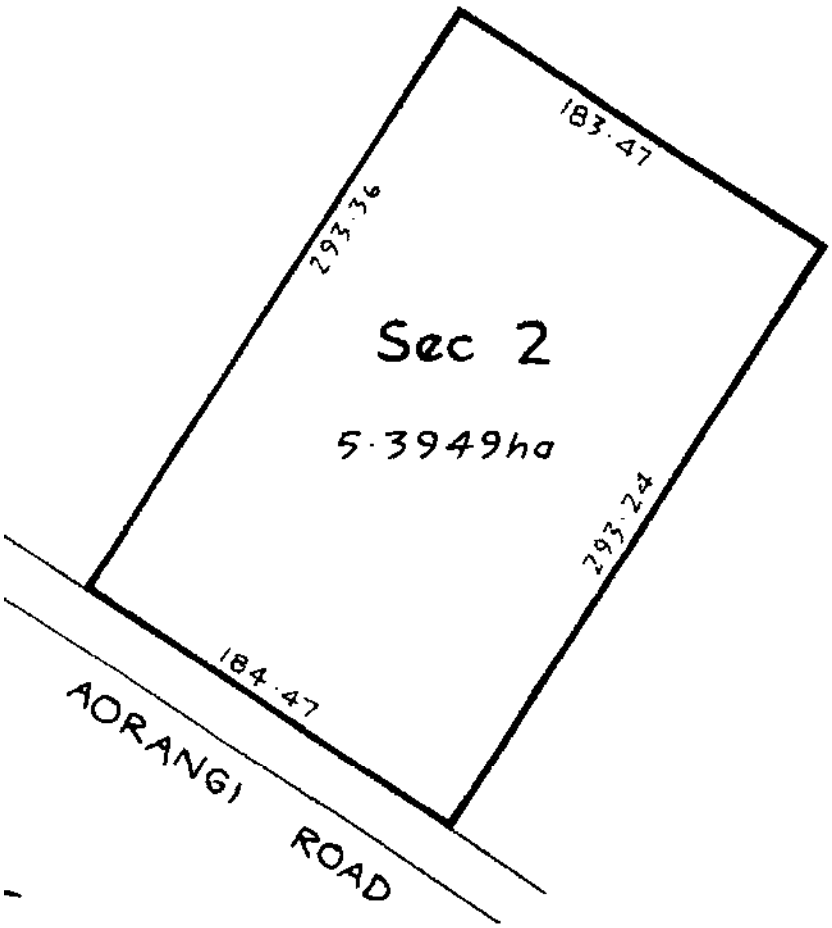
Timaru District



Photos

Land A
Part of 236 Meadows Road

Photos

Land B
31 Aorangi Road

9.9 Kathmandu Public Carpark

Author: **Andrew Dixon, Group Manager Infrastructure**
Authoriser: **Andrew Dixon, Group Manager Infrastructure**

Recommendation

That the Council receive the Kathmandu Public car park report and this Action Register item is closed.

Purpose of Report

1 To report on the on what Timaru District Council are paying for the public parking on the roof deck above Kathmandu.

Assessment of Significance

2 This matter is considered of low significance in terms of the Timaru District Council Significance and Engagement Policy as the matter is operational in nature and no change in level of service.

Discussion

3 At the Council meeting on 4 February 2025 Councillors requested a report on the costs of the leased public car parking off The Terrace above the Kathmandu Store (Attachment 1). This was noted in the Actions Register.

4 The car park deck above Kathmandu is leased by Council from the building owner. There is a caveat on the property that requires this roof deck area to be a public car park.

5 There are 65 parking spaces available in this car park that provide public parking for the Timaru Central Business District (CBD). Access to Stafford Street is through the Kathmandu store or around the streets.

6 A lease with the current land and building owner commenced on 7 September 2009 for a term of 21 years and expires in 2030. This lease requires Council (the Lessee) to pay a fixed fee of $2,500 plus GST per annum for the term of the lease.

7 The lease required Council to maintain the car park roof top waterproofing surfacing. However, a lease variation transfers this liability back to the building owner with a reduction is the lease cost payable by the building owner to Council ensuring free parking to a maximum of 2 hours.

8 The lease variation requires the building owner (the Lessor) to pay Council $9,350 plus GST per annum. This sum was based on potential revenue that Council would receive if the car park was metered less that cost of the car park resurfacing. The potential parking revenue was based on 20% average daily occupancy at $0.80 per car park.

9 The lease variation agreement expired on 31 July 2023. A renewal for a further 5 years was offered to the Lessor with an increase in payment but has not been signed. The Lessor continues to pay the expired lease fee.

10 The Council is committed to leasing the car park until 6 September 2030. However, with the expiry of the lease variation agreement Council could consider charging for parking in this car park. The negative would be that the liability for the resurfacing of the roof area may return to Council in accordance with the initial lease agreement.

11 Council Officers recently re-initiated negotiations with the building owner (the Lessor) on the renewal of the lease variation agreement. The Lessor has confirmed that free car parking is no longer required and that they will not be renewing the lease variation enabling this. This provides Council the opportunity to charge for parking which will be considered as part of the Timaru CBD parking strategy/changes report to be presented to the June 2025 meeting.

12 As a Council public car park monitoring and enforcement is also undertaken. Infringements may be issued where vehicles exceed the 2 hour time limit.

13 A further report on equipment upgrades and potential changes to Timaru CBD parking will be presented to the Council meeting on 3 June 2025.

Attachments

1. Map of the Kathmandu Public Car Park

GeoMaps Print

April 23, 2025

1:564

0 0 0.01 0.02 mi

0 0.01 0.01 0.03 km

Road Centrelines

Parcels

Land Parcels

UrbanImagery_2023

Red: Band_1

Green: Band_2

Blue: Band_3

Rural Air Photos 2024

Red: Red

Green: Green

Blue: Blue

Eagle Technology, LINZ, StatsNZ, NIWA, Natural Earth, © OpenStreetMap contributors.

9.10 Annual Plan 2024/25 Nine Month Financial Reforecast Update

Author: **Andrea Rankin, Chief Financial Officer**

Authoriser: **Nigel Trainor, Chief Executive**

Recommendation

That Council receive and note the 2024/25 nine month Financial Reforecast Update to 31 March 2025.

Purpose of Report

1 The purpose of this report is to update Council on the nine month financial forecast compared with the Annual Plan 2024/25 budget (Year One of the 2024-34 Long Term Plan (LTP)).

Assessment of Significance

2 This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. It is a regular report to Council on its financial performance.

Background and Discussion

3 Council's reporting cycle includes progress reporting of key performance indicators, capital work programme, and financial results to Council for the quarterly periods of the Long Term or Annual Plan. In this instance, the reporting covers the period 1 July 2024 to 31 March 2025.

Financial Results

4 The following is a summary of the financial performance to 31 March 2025 including forecast comparison where appropriate.

5 The below table summarises the actual financial performance compared to budget for the period ending 31 March, and the annual budget compared to the forecast ending 30 June 2025.

	Actuals to 31 March 2025 ($000)	**Budget to 31 March 2025 ($000)**	**Budget to 30 June 2025 ($000)**	**Forecast to 30 June 2025 ($000) Mar 25**	***Forecast to 30 June 2025 ($000) Dec 24***
Total Revenue	96,316	96,221	147,167	132,172	*134,055*
Total Expenses	101,101	107,307	146,168	139,858	*141,786*
Operating Surplus/(Deficit)	(4,785)	(11,086)	999	(7,687)	*(7,732)*

6 The table below details the forecast to year end based on March 2025.

	2024/25 Budget	2024/25 Forecast Mar 25	Variance to FY budget
Comprehensive Revenue and Expense	**(998,438)**	**7,686,616**	**8,685,054**
Revenue	**(147,166,472)**	**(132,171,833)**	**(14,994,639)**
Rates revenue	(83,998,840)	(84,529,638)	530,798
Subsidies & grants	(25,906,672)	(10,817,266)	(15,089,406)
NZTA subsidised roading/ footpaths	*(4,422,343)*	*(4,434,178)*	*11,835*
Property Management - Public toilets timing of the project	*(300,000)*	*(75,000)*	*(225,000)*
Better off funding (tracks and trails) - drawn down once spent	*(2,030,000)*	*0*	*(2,030,000)*
NZTA subsidised roading - State Highways	*(404,000)*	*(409,276)*	*5,276*
Waste Levy - MfE levy received quarterly	*(1,000,000)*	*(990,340)*	*(9,660)*
Cemeteries - RSA Sections	*(6,000)*	*(5,428)*	*(572)*
CBay - Swim School	*(13,404)*	*(17,391)*	*3,987*
Stadium funding - project start delayed to 25/26 - unlikely to be drawn down 24/25	*(2,000,000)*	*0*	*(2,000,000)*
Museum funding - project start delayed to 25/26 - unlikely to be drawn down 24/25	*(3,252,000)*	*(64,148)*	*(3,187,852)*
Art Gallery Expected 23/24 - Received 24/25	*(648)*	*(700,913)*	*700,265*
Project turnaround	*0*	*(80,000)*	*80,000*
Halls	*0*	*(18,926)*	*18,926*
Community Development	*(50,004)*	*(61,540)*	*11,536*
NZTA subsidised roading/ footpaths	*(6,228,273)*	*(3,960,126)*	*(2,268,147)*
Heritage Hub funding - project start delayed to 25/26 - unlikely to be drawn down 24/25	*(6,200,000)*	*0*	*(6,200,000)*
Fees & charges	(20,492,098)	(20,197,080)	(295,018)
Other revenue	(11,718,386)	(11,145,723)	(572,663)
Finance revenue	(3,901,783)	(4,469,395)	567,612
Dividend revenue	(1,115,080)	(1,003,579)	(111,502)
Other gains	(33,613)	(9,152)	(24,461)
Expenditure	**146,168,034**	**139,858,449**	**6,309,585**
Personnel	33,132,223	32,053,502	1,078,721
Depreciation - Budget set prior to capitalisation of prior year.	38,820,596	42,820,597	(4,000,001)
Finance - Borrowings less than budgeted, and a drop in interest rates	14,298,106	10,500,000	3,798,106
Other expenses	**59,917,109**	**54,484,350**	**5,432,759**
Consultants	6,312,076	5,127,646	1,184,430
- District Plan	*3,242,300*	*2,374,544*	*867,756*
- Other Activities	*3,069,776*	*2,753,102*	*316,674*
Solicitors Fees	642,560	380,112	262,448
Insurance	1,346,524	1,494,011	(147,487)
Postage	83,414	219,709	(136,295)
Contractors	**29,604,066**	**26,804,670**	**2,799,396**
- Subsidised Roading & Footpaths	*7,773,468*	*7,328,420*	*445,048*
- Non-subsidised Roads/ Street Landscapes	*796,924*	*839,415*	*(42,491)*
- Wastewater	*1,095,592*	*1,222,061*	*(126,469)*
- Urban Water	*1,261,403*	*1,556,527*	*(295,124)*
- Timaru Stormwater	*498,669*	*434,915*	*63,754*
- Parks	*4,980,212*	*3,267,776*	*1,712,436*
- Waste Management	*4,729,036*	*4,448,620*	*280,416*
- Other Activities	*8,468,762*	*7,706,937*	*761,825*
Other minor categories	21,928,469	*20,458,202*	*1,470,267*

The December 24 forecast was a deficit of $7.731m, with the March 25 forecast being a deficit of $7.687m. Revenue has reduced further with the expected better off funding in relation to tracks and trials being reduced by a further $1.0m. There has been continued effort to find operational savings with an improvement from December 24 of $3.615m of which $1.7m relates to bringing parks in house, use of consultants dropping by $1.18m. There are numerous other savings included in the minor categories.

7 The below table outlines the available funds after reforecast revenue, adjusting for subsidies and grants, interest and minor categories.

	Full Year Budget 2024/25 ($000)	December 2024 Forecast ($000)	March 2025 Forecast ($000)
Budgeted revenue 2024/25	**147,166**	**147,166**	**147,166**
Adjustments to revenue			
Add Rates		629	531
Add Interest		382	568
Add Art Gallery		528	700
Less NZTA		(1,952)	(2,251)
Less Tracks and Trails		(1,030)	(2,030)
Less Theatre		(6,200)	(6,200)
Less Stadium		(2,000)	(2,000)
Less Museum		(3,191)	(3,188)
Less minor categories		(278)	(1,125)
Revenue adjustment		**(13,111)**	**(14,995)**
Forecast total revenue	**147,166**	**134,054**	**132,171**
Net Debt	182,000	182,000	200,000
Debt to Revenue Ratio	124%	136%	151%
Net Debt cap - limit			
250% - as per policy	**367,915**	**335,135**	**330,428**
Available funds	**185,915**	**153,135**	**130,428**
280% - LGFA policy	**412,065**	**375,351**	**370,079**
Available funds	**230,065**	**193,351**	**170,079**

Consultation

8 As a regular scheduled report consultation is not required. The year end results are publicly reported in the audited Annual Report.

Relevant Legislation, Council Policy and Plans

9 Local Government Act 2002

10 Timaru District Council Long Term Plan 2024-34

Financial and Funding Implications or Other Considerations

11 There are no financial, funding implications, or other considerations as a result of reporting progress to Council.

Attachments

Nil

9.11 Council Investments and Borrowing

Author: **Ashlea Whyte, Finance Manager**
Tyler Zandrack, Senior Finance Business Partner

Authoriser: **Andrea Rankin, Chief Financial Officer**

Recommendation

That Council receives and notes the quarterly Council Investments and Borrowing report.

Purpose of Report

1 To update Council on the status of Council's treasury activities at 31 March 2025.

Assessment of Significance

2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy. This is a regular report to the Council on the status of Council's borrowing and investments. Council's Financial Strategy is consulted on as part of each Long Term Plan (LTP) review cycle.

Background

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

4 Council treasury activities are managed in compliance within the limits of the Council's Treasury Management Policy (TMP).

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

6 As at 31 March 2025, all transactions have been transacted in compliance with Council Policies and performance of Council Treasury activities are well managed.

Discussion

7 This report is to be read in conjunction with the attached detailed report titled "Treasury Reporting Dashboard – 31 March 2025".

8 Liquidity and Funding

8.1. Liquidity and funding refers to total external Council drawn debt and undrawn bank facilities. The funding profiles and sources must agree with policy control limits.

8.2. Timaru District Council has access to three key sources of funding from the Local Government Funding Agency ("LGFA"). These are:

- Commercial Paper ("CP") – unsecured money market instrument issued in the form of a promissory note;
- Floating Rate Notes ("FRN") – debt instruments with variable interest rates; and

- Fixed Rate Bonds ("FRB") – fixed rate throughout the life of the bond.

8.3. Total borrowings as at 31 March 2025 were $235.5 million. The net debt position at the same date is $178.5 million. Net debt is total borrowings less cash reserves held by Council.

8.4. Debt to revenue ratio as at 31 March 2025 is 121%. Council's debt to revenue ratio limit is 250% as set out in its Financial Strategy.

8.5. All Liquidity and Funding limits are compliant with polices.

9 Interest Rate Risk

9.1. The Interest rate risk section of the report refers to whether Council's hedging profile is within policy limits as well as the split between Fixed Debt and Floating cover.

9.2. The chart on the attached hedging profile on page 5 is based on 75% of LTP debt projections scenario which the Council believes is realistic and achievable. This illustrates that the Council is within the policy bands contained in the LTP.

9.3. All Up Weighted Average Cost of Funds Including Margin is 3.64%.

9.4. All interest rates are within policy bands.

9.5. As at 31 March 2025, the Council has a total of $45 million of interest rate swaps with various maturity start and end dates through to December 2028. The net increase in fair value gain on revaluation for the current quarter is $1.145 million.

10 Investment Management

10.1. Cash investments are broken down by special and general funds.

10.2. Special Funds are held for specific purposes as set out in the Long Term Plan, Annual Plan and Annual Report. These funds are invested for approved future expenditure, to implement strategic initiatives, support intergenerational allocations, bequests, and other reserves.

10.3. General Funds are cash reserves held for day to day operating activities. General Fund balances fluctuate across the quarter depending on operational income and expenditure cash flows. Council has a financial strategy to maintain a minimum of $10 million general funds for liquidity purposes.

10.4. The total cash investments of Council as at 31 March 2025 is $29.15 million.

Attachments

1. Treasury Reporting Dashboard – 31 March 2025 ⇩

TIMARU DISTRICT COUNCIL
Te Kaunihera ā-Rohe o Te Tihi o Maru

Treasury Reporting Dashboard

31 March 2025

STRICTLY PRIVATE AND CONFIDENTIAL

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Economic Commentary (as at 4 April)

Global

10 Year Government Bond Rates						
	US	NZ	Australia	UK	Germany	China
31-Dec-24	4.60%	4.51%	4.36%	4.57%	2.36%	1.67%
31-Mar-25	4.06%	4.43%	4.28%	4.64%	2.72%	1.79%
Change	-0.54%	-0.08%	-0.08%	+0.07%	+0.36%	+0.12%

The key themes for the first quarter of 2025 have been Trump/US-centric. The beginning of 2025 saw US economic data cool; notably, key indicators such as retail sales and non-farm payrolls printed below market expectations. As a result, the markets appear to be reassessing the US market's growth outlook, with markets now pricing an increased possibility of a recession (Goldman Sachs now sees a 35.0% chance versus 20.0% previously). Accordingly, the market is now pricing in 3 US Federal Reserve rate cuts throughout the remainder of 2025. Markets continue to expect that further rate cuts in Europe and Australia will occur throughout the year.

Tariffs have been the paramount economic disruptor, with a general 'risk off' sentiment across financial markets. As a result, equities posted significant losses (S&P down 19.0% and the Nasdaq down 23.0%), the USD-index fell from a high of 109.9 to currently be at 103.0. Furthermore, the US 10-year Treasury yield has fallen from 4.80% to currently be at 4.29%. Trump's 2nd April "Liberation Day" implemented reciprocal tariffs on countries around the world, starting with a baseline 10.0% tariff, of which New Zealand and Australian exports will be subject to, but there was a clear discrimination amongst some countries, such as China, who saw their tariffs increase by 34.0% to 69.0%. One sobering estimate by Bloomberg Economics implied that the 69.0% tariff rate on goods from China could lead to a 90.0% decrease in US exports by 2030.

While we have some clarity around tariff levels, this is likely only the first move in what is likely to be a long-winded trade war. It appears inevitable that other nations will respond with tariffs and countermeasures of their own. While we can't be certain of much, and there is still a lot to eventuate, the resulting economic landscape is unlikely to be favourable for global growth.

New Zealand

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
31-Dec-24	4.25%	4.17%	3.38%	3.38%	3.52%	3.72%	3.93%
31-Mar-25	3.75%	3.59%	3.32%	3.39%	3.58%	3.76%	3.99%
Change	-0.50%	-0.58%	-0.06%	+0.01%	+0.06%	+0.04%	+0.06%

New Zealand GDP rose from a low base, increasing by 0.7% in the December 2024 quarter, greater than market expectations of a 0.4% increase, although over the December year GDP fell by 1.1%. The positive quarterly figure meant New Zealand emerged from its technical recession. Inflation appears to be under control as headline CPI remained at 2.2% in Q4 2024, well within the Reserve Banks's 1.0-3.0% target range. Markets continue to price further OCR cuts at each of the next two meetings and then cut one more time in the second half of 2025, with the likelihood that the RBNZ will pause the cutting cycle at either 3.00% or 3.25% and then become data-dependent.

As a trading nation New Zealand is particularly exposed to a concerning global trade backdrop. While Trump's 10% tariff on NZ goods appears to be manageable, what will be important are the indirect impacts from key trading partners in South East Asia, such as China and Vietnam, whom now have ~50.0% tariffs on exports into the US. The expanded impacts of a trade war could potentially hinder the domestic recovery.

Swap rates in New Zealand have fallen sharply following the tariffs announcement in early April, with the 2, 5 and 10 year rates down to 3.20%, 3.47% and 3.91%, respectively. These rates represent new lows for 2025.

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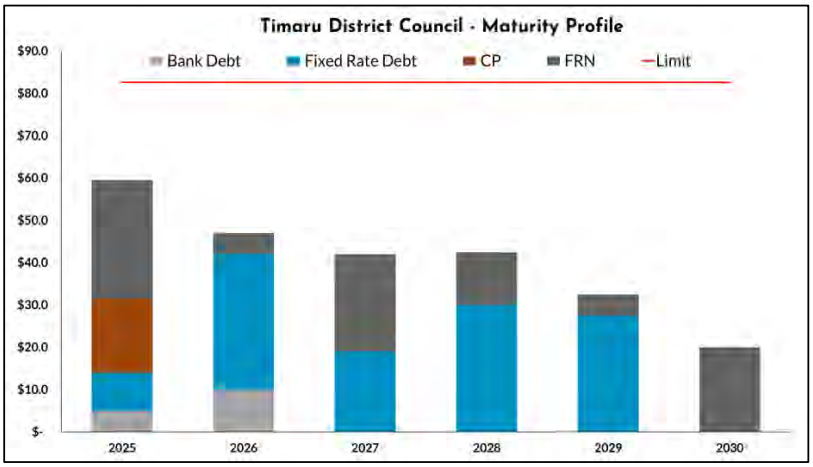
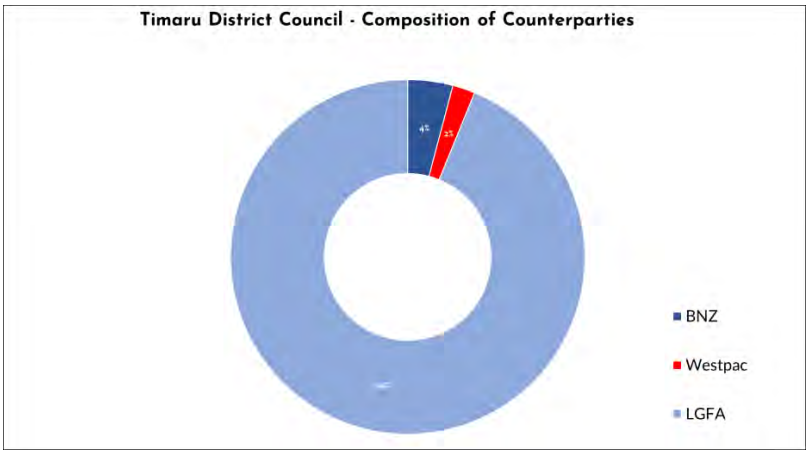
Liquidity and Funding





Policy Bands			
	Minimum	Maximum	
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 8 years	0%	60%	Compliant

Debt

$235.5m

Total External Council Drawn Debt

LGFA

$235.5m

Funds Drawn from LGFA

Net debt

$190.18m

Debt, less cash, term deposits and SFP bond investments

Headroom/Bank facility

$15.0m

Undrawn Bank Facilities

Liquidity Ratio (minimum LGFA requirement 110%)

119.24%

Definition: (Cash + term deposits + longer dated financial assets that can be sold + committed undrawn bank facilities+ Drawn Debt)/Drawn Debt

Policy Compliance	Compliant	Flag
Have all transactions been transacted in compliance with policy?	Yes	
Is fixed interest rate cover within policy control limits?	Yes	
Is the funding maturity profile within policy control limits?	Yes	
Is liquidity within policy control limits?	Yes	
Are all counterparty exposures within policy control limits?	Yes	

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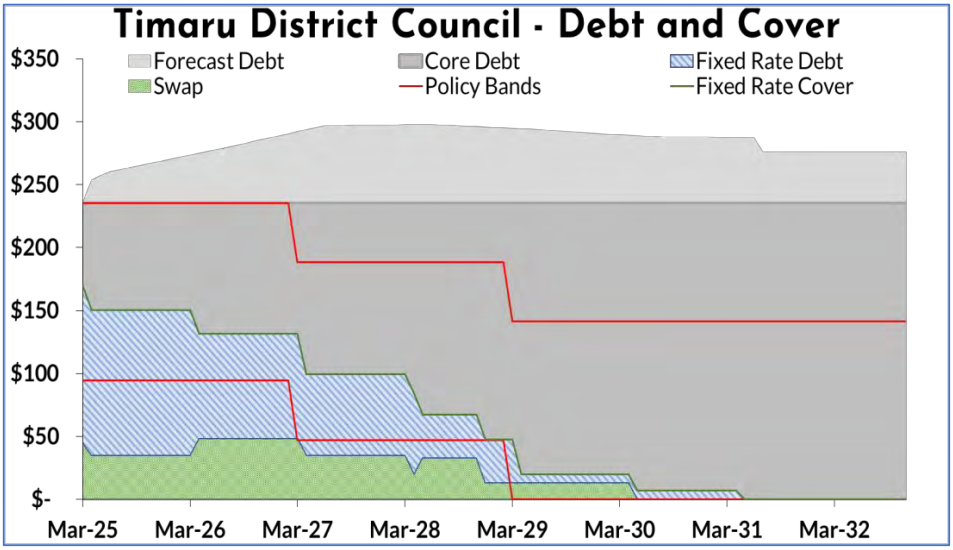
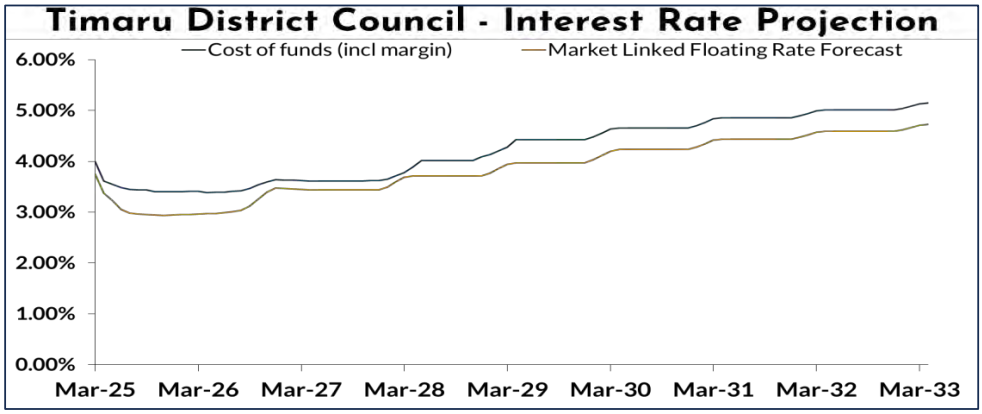
Interest Rate Risk



Current % of Debt Fixed	72.0%
Current % of Debt Floating	28.0%
Value of Fixed Rate (m)	$169.5
Weighted Average Cost of Fixed Rate Instruments	3.33%
Weighted Average Cost of Fixed Rate Instruments (incl margin)	3.64%
Value of Forward Starting Cover	$26.0
Weighted Average Cost of Forward Starting Cover	4.13%
Value of Floating Rate (m)	$66.0
Current Floating Rate	3.75%
Current Floating Rate (incl margin)	4.91%
All Up Weighted Average Cost of Funds Including Margin	3.99%
Total Facilities In Place	$250.5



Investment Management

Special Funds Portfolio Summary

As of 31 March 2025, TDC's Special Funds Portfolio ("SFP") had a nominal value of $1,170,000 and a market value of $1,144,725. The makeup of the SFP as of 31 December 2024, including its valuation, is shown in the following table.

Issuer	Rating	Maturity Date	First Payment	Coupon Frequency	Nominal Value	Coupon Rate	Purchase Yield	Yield	% of Portfolio	Duration	Capital Price	Accrued Interest	Gross Price
Meridian	BBB+	27-Jun-25	June	2	$170,000	4.21%	4.20%	3.95%	15.02%	0.24	$170,088	$1,848	$171,937
ANZ	A-	17-Sept-26	March	2	$1,000,000	3.00%	3.00%	5.05%	84.98%	1.40	$971,442	$1,141	$972,583
Total					**$1,170,000**	**3.18%**	**3.74%**	**4.88%**	**100.00%**	**1.23**	**$1,141,531**	**$2,990**	**$1,144,520**

LGFA Borrowing Rates

As at 31 March 2025

Listed below are the credit spreads and applicable interest rates as at the end of March 2025 for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), that Timaru District Council could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.15%	3.76%	N/A
6 month CP	0.15%	3.64%	N/A
April 2025	0.33%	3.94%	4.10%
April 2026	0.46%	4.07%	3.86%
April 2027	0.57%	4.18%	3.99%
May 2028	0.73%	4.34%	4.25%
April 2029	0.79%	4.40%	4.43%
May 2030	0.89%	4.50%	4.60%
May 2031	0.95%	4.56%	4.81%
May-2032	1.01%	4.62%	4.94%
April 2033	1.08%	4.69%	5.10%
May 2035	1.14%	4.75%	5.30%
April 2037	1.22%	4.83%	5.50%

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Funding

As of 31 March 2025, TDC had $235.5 million of core debt, all of which is sourced from the LGFA using CP, FRNs, and FRBs. TDC also has a bank facility with Westpac for $5.0 million and BNZ for $10m. Details of TDC's drawn debt as of 31 March 2025 are as follows:

Instrument	Maturity	Yield	Margin	Amount
LGFA FRB	15-Apr-25	3.87%	N/A	$5,000,000
LGFA FRN	15-Apr-25	4.53%	0.42%	$5,000,000
LGFA FRN	15-Apr-25	4.46%	0.34%	$5,000,000
LGFA FRN	15-Apr-25	4.59%	0.47%	$7,000,000
LGFA FRB	15-Apr-25	5.50%	N/A	$4,000,000
LGFA FRN	15-Apr-25	4.53%	0.41%	$11,000,000
LGFA CP	15-Apr-25	4.34%	N/A	$17,544,788
LGFA FRB	15-Apr-26	1.63%	N/A	$10,000,000
LGFA FRN	15-Apr-26	4.50%	0.38%	$5,000,000
LGFA FRB	15-Apr-26	5.32%	N/A	$4,000,000
LGFA FRB	15-Apr-26	5.08%	N/A	$8,000,000
LGFA FRB	15-Apr-26	5.31%	N/A	$10,000,000
LGFA FRB	15-Apr-27	1.84%	N/A	$10,000,000
LGFA FRN	15-Apr-27	4.54%	0.42%	$10,000,000
LGFA FRB	15-Apr-27	5.21%	N/A	$4,000,000
LGFA FRN	15-Apr-27	4.73%	0.61%	$8,000,000
LGFA FRN	15-Apr-27	4.74%	0.62%	$5,000,000
LGFA FRB	15-Apr-27	5.20%	N/A	$5,000,000
LGFA FRB	15-May-28	2.09%	N/A	$20,000,000
LGFA FRN	15-May-28	4.39%	0.58%	$5,000,000
LGFA FRN	15-May-28	4.55%	0.74%	$7,500,000
LGFA FRB	15-May-28	4.55%	N/A	$10,000,000
LGFA FRB	20-Apr-29	2.25%	N/A	$20,000,000
LGFA FRN	20-Apr-29	4.69%	0.63%	$5,000,000
LGFA FRB	20-Apr-29	5.24%	N/A	$7,500,000
LGFA FRN	15-Apr-30	4.66%	0.54%	$10,000,000
LGFA FRN	15-Apr-30	4.78%	0.67%	$10,000,000
LGFA FRB	15-May-31	4.90%	N/A	$7,000,000

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Bancorp Treasury Services Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz

10 Consideration of Urgent Business Items

11 Consideration of Minor Nature Matters

12 Public Forum Items Requiring Consideration

13 Exclusion of Public

Recommendation

That the public be excluded from—

- *(a)the whole of the proceedings of this meeting; or
- *(b)the following parts of the proceedings of this meeting, namely,—

13.1 Public Excluded Minutes of the Council Meeting held on 1 April 2025

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - Public Excluded Minutes of the Council Meeting held on 1 April 2025 **Matters dealt with in these minutes:** 12.1 - Public Excluded Minutes of the Extraordinary Council Meeting held on 4 March 2025 12.2 - Building Control - Section 17A Review 12.3 - Property Divestment Quarterly Report 12.4 - Southern Water Done Well Progression	Section 48(1) of the Local Government Official Information and Meetings Act 1987.	The public excluded minutes of the meeting held on 1 April 2025 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987. The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 1 April 2025.

*I also move that [name of person or persons] be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of [specify]. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because [specify] .

*Delete if inapplicable.

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- "(4)Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof)—
    - (a)shall be available to any member of the public who is present; and
    - (b)shall form part of the minutes of the local authority."