



# MINUTES

## Infrastructure Committee Meeting Tuesday, 19 November 2024

Ref: 1723801

**Minutes of Timaru District Council  
Infrastructure Committee Meeting  
Held in the Council Chamber, Timaru District Council Building, 2 King George Place, Timaru  
on Tuesday, 19 November 2024 Following Environmental Services Committee**

**Present:** Sally Parker (Chairperson), Gavin Oliver (Deputy Chairperson), Stu Piddington, Peter Burt, Owen Jackson, Allan Booth, Stacey Scott, Michelle Pye, Scott Shannon

**In Attendance:** Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Andrew Dixon (Group Manager Infrastructure), Nicole Timney (Group Manager Property), Beth Stewart (Group Manager Community Services), Andrea McAlister (Acting Group Manager People & Capability), Steph Forde (Corporate and Strategic Planner), Stephen Doran (Group Manager Corporate and Communication), Brendan Madley (Senior Policy Advisor), Stephen Compton (Minutes)

## **1 Apologies**

### **1.1 Apologies Received**

#### **Resolution 2024/50**

Moved: Cllr Sally Parker

Seconded: Cllr Allan Booth

That the apology of Mayor Nigel Bowen be received and accepted.

**Carried**

## **2 Public Forum**

There were no public forum items.

## **3 Identification of Items of Urgent Business**

No items of urgent business were received.

## **4 Identification of Matters of a Minor Nature**

No matters of a minor nature were raised.

## **5 Declaration of Conflicts of Interest**

No conflicts of interest were declared.

## **6 Chairperson's Report**

### **6.1 Presentation of Chairperson's Report**

Since the last meeting the Chair of the Infrastructure Committee reported that they had had the following engagements:

- Tenders and Procurement
- Citizenship Ceremony
- Council Meeting
- Workshops
- Report briefing with Group Manager Infrastructure.

#### **Resolution 2024/51**

Moved: Clr Sally Parker

Seconded: Clr Peter Burt

That the Infrastructure Committee receive and note this report

**Carried**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Infrastructure Committee Meeting held on 8 October 2024**

#### **Resolution 2024/52**

Moved: Chairperson Sally Parker

Seconded: Clr Michelle Pye

That the Minutes of the Infrastructure Committee Meeting held on 8 October 2024 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 Actions Register Update**

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

The report was presented by the Group Manager Infrastructure who invited questions.

A query was made around the nature of the objection detailed in the action plan. It was noted that the complaints were of a minor nature, noise, dust, health and safety, and we don't believe the complaints have merit, and they expect a positive outcome.

### **Resolution 2024/53**

Moved: Deputy Chairperson Gavin Oliver

Seconded: Cllr Stacey Scott

That the Infrastructure Committee receives and notes the updates to the Actions Register.

**Carried**

## **8.2 Temporary Road Closure applications - Section 342 and Schedule 10, Clause 11(e) LGA 1974**

- 1 The purpose of this report is to seek the Committee's approval of temporary road closure application(s), as per Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.

The report was presented by the Land Transport Manager, who noted that they were heading into the busy season for road closures, and there were two new things to note (numbers 11 and 13), which are subject legislative requirements to be able to charge, which has to be approved by Councillors.

Further noted that they are still on track to be able to provide funds and are on budget and a lot of things happening in the community

Also noted that the Land Transport Unit (LTU) has done a submission into the grants policy, including the allocation of the temporary traffic management to go through that process, which does add a bit more of a process for organisers but confirms that it is for community benefit

There was discussion over the ability to bring the costs down for repeat events, but it was noted that the level of risk can change from year to year and officers need to confirm the plan is fit for purpose.

Thanks was expressed for the improvement to the table layout.

### **Resolution 2024/54**

Moved: Cllr Sally Parker

Seconded: Deputy Chairperson Gavin Oliver

That the Infrastructure Committee:

1. Approves temporary closure of Stafford Street (Port Loop Road to George Street), Church Street (Stafford Street to Sophia Street) & Strathallan Street (Stafford Street to the Terrace) for the Twilight Night Market on 22 November 2024 4pm to 10pm under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
2. Approves traffic management for the Twilight Night Market be funded from the Land Transport Community Events and Programmes budget.
3. Approves temporary closure of King Street, Temuka (Wood Street to Domain Avenue) for the Temuka Christmas Parade on 29 November 2024 from 5pm to 9pm under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.

4. Approves traffic management for the Temuka Christmas Parade be funded from the Land Transport Community Events and Programmes budget.
5. Approves temporary closure of Barnard Street, Woolcombe Street, North Street (Latter Street to Stafford Street), Stafford Street (Heaton Street to Port Loop Road), George Street (Sophia Street to Strathallan Street), Cains Terrace, Beswick Street, Church Street (Sophia Street to Stafford Street), Cannon Street, Port Loop Road (Stafford Street to Marine Parade) and Marine Parade for the Timaru Christmas Parade on 1 December 2024 from 1pm to 3.30pm under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
6. Approves traffic management for the Timaru Christmas Parade be funded from the Land Transport Community Events and Programmes budget.
7. Approves traffic management for the Pleasant Point Christmas Procession be funded from the Land Transport Community Events and Programmes budget.
8. Approves temporary closure of Port Loop Road (Marine Parade to Stafford Street), Stafford Street (Port Loop Road to Woolcombe Street), Beswick Street, Cains Terrace, Woolcombe Street (Stafford Street to Latter Street), Barnard Street (North Street to George Street), George Street (Sophia Street to Station Street), Church Street (Sophia Street to Stafford Street), Canon Street, Sophia Street (Canon Street to Church Street), King Street – Temuka (Wood Street to Commerce Street), Commerce Street – Temuka (Hally Terrace to Vine Street/State Highway One) for the Caroline Bay Rock and Hop Cruise 2025 on 14 March 2025 from 5.30pm to 8pm under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
9. Approves traffic management for the Caroline Bay Rock and Hop Cruise be funded from the Land Transport Community Events and Programmes budget.
10. Approves temporary closure of Claremont Road (Brockley Road to Landsborough Road) for the Cycling New Zealand Elite Road Cycling Championships on 6 February, 7 February and 8 February 2025 from 8am to 5pm daily under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
11. Approves Cycling New Zealand to charge an entry fee for the Cycling New Zealand Elite Road Cycling Championships under Schedule 10, Clause 11B of the Local Government Act 1974.
12. Approves temporary closure of Sophia Street (Bank Street to King George Place), King George Place (Sophia Street to Latter Street), Perth Street, Church Street (Perth Street to Bank Street) and Bank Street (Church Street to Sophia Street) for the Timaru Street Criterium on 26 December 2024 from 4pm to 10pm under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
13. Approves Cycling New Zealand to charge an entry fee for the Timaru Street Criterium under Schedule 10, Clause 11B of the Local Government Act 1974.
14. Approves temporary closure of Burden Road, Woodbury (Woodbury Road to Church Street) for the Streetfood@Woodbury International Night Food Market event on 4 January 2025 from 5pm to 9pm under Section 342 and Schedule 10, Clause 11B(e) of the Local Government Act 1974.
15. Approves traffic management for Streetfood@Woodbury International Night to be funded from the Community Events and Programmes budget.

16. Approves temporary closure of Hadlow Road (Gleniti Road to Brockley Road) for the Hadlow to Harbour 2025 on 2 March 2025 from 8am to 10.30am under Section 342 and Schedule 10, Clause 11(e) of the Local Government Act 1974.
17. Approves traffic management for the Hadlow to Harbour 2025 to be funded from the Community Events and Programmes budget.
18. Approves Timaru North Rotary to charge an entry fee for the Hadlow to Harbour 2025 event under Schedule 10, Clause 11B of the Local Government Act 1974.

**Carried**

### **8.3 Impact of Smithfield closure on water revenue**

To provide the Infrastructure Committee information on the financial impact of the closure of the Smithfield meat processing facility on the Council waters activity.

The report was presented by the Group Manager Infrastructure and the Drainage and Water Manager.

The loss of revenue of \$1.7m was noted, and that it would be a significant challenge to reduce expenditure by that equivalent, noting that of the costs, about 20% of the total budget are controllable and there is not much room with them either (e.g. power and chemicals), which left few options to consider. Noted that they could reduce maintenance which was not recommended.

Further noted that the only savings would be on pumping costs (around \$900K), and also noted that this year they are operating for a further 6 months, it is not a full year's worth of lost revenue at this stage.

The Chief Executive noted that they are soon to be commencing our annual plan, which will add to the process of going through the financial banding to get closer to break even, and bring the rate demand on our ratepayers. This comes into the planning process and noted that it would need to be across the whole council

Noted that to cover the loss of revenue from sewage charges, the rate increase would need to be 9% alone and water would be 3.7% equivalent

It was also noted that ceasing maintenance would have flow down effects on other areas e.g LTU would have a lot higher maintenance costs

There was a request for confirmation that an increase of \$500,000 was 1% of rates, it was noted that it is now \$840,000.

There was general discussion around need to balance costs and service, and overheads including finance, payroll, HR, IT etc and decommissioning costs. It was noted that the ideal scenario would be another wet industry moving onto the site, and it has consented water.

A request was made for Venture Timaru (VT) to be involved in promoting the site

Noted that other consents will drop off and will need to be renewed (smoke, noise etc) from ECan, but also that the consents & a new site can be moved to Washdyke as the infrastructure has that flexibility with multiple connection points

### **Resolution 2024/55**

Moved: Clr Stu Piddington

Seconded: Clr Owen Jackson

1. That the Infrastructure Committee acknowledge the Smithfield revenue loss and a likely financial year end deficit for Timaru Water and Sewer activities.
2. That the Infrastructure Committee request Venture Timaru to actively promote the site for new industry

**Carried**

### **8.3 Local Water Done Well - Overview and Update**

The purpose of this report is to Present an overview and update on Local Water Done Well reforms, in accordance with the coalition Government's water services reform programme, and;

Seek agreement from the Infrastructure Committee on:

- The internal plan for reform response
- The future service delivery model options to be explored
- Considerations for service delivery model options assessment
- The public consultation procedure to be used
- Elected Member nominees for Steering Group representation.

The Chief Executive noted that this was the first discussion around this topic, and that the Council were working as a team to come up with a proposal in the future, and they are working with Waitaki (who may go alone in the short term), Waimate and Mckenzie District Councils and a further meeting was due on the 9th December.

The Group Manager Infrastructure spoke to the report and noted that the Government has introduced a Water reform, and part of that reform is that Council must produce a water delivery plan by September 2025, and Officers are seeking guidance from Councillors around the scope

He also noted that the current assets are in reasonable order and noted that TDC is financially stable

The report outlined the four initial options:

- 1.1.1 Remaining inhouse with strict ring-fencing, no cross subsidisation going on
- 1.1.2 Council Controlled Organisation (CCO) for just Timaru (Which the Department for Internal Affairs (DIA) has agreed is big enough to support this option)
- 1.1.3 A CCO with neighbours
- 1.1.4 A consumer trust, which could be 100% running the Waters or a shareholding (similar to the Alpine Energy situation), but this is not recommended

The other thing to consider is consultation, and again officers are looking for guidance to:

- A formal Local Government Act's special governance procedure, which presents all options, all pros and cons in detail

- Or a Fast-track (Government Approved) with a preferred and perhaps an alternative option with only those being put forward for consultation

Group Manager Infrastructure noted that a decision on the consultation process will need to be made today as it will drive what the water service delivery plan inputs are.

He also noted that this is a “lift & shift” of control of water out of Council into another entity which would leave some stranded overheads left behind, but the debt would also be moved, freeing up debt capacity, but revenue drops too, so there are pros and cons to each option, and further noted that the Commerce Commission will have a lot more scrutiny, looking at maximum and minimum pricing

He further noted that Timaru Water charges are relatively low compared to the rest of the country.

It was noted that the Consumer Trust option does not have the same access to funding through debt as the CCOs (Singular or joint)

The Chief Executive noted that the 4th option is about governance, and Councillors need to decide who is best to look after the Local water services? If Elected members, then it would be option 1 which would lead to more scrutiny from the regulator. If the decision was to use Appointed Directors, at arms-length, then it would be options 2 or 3, and noted that direction appears to be towards these, and that would appear to be the way to go.

Further noted that there was a growing view from the Ministry of Business Innovation and Employment (MBIE) that they do not want 72 CCOs, so seem to be expecting local Councils to work with neighbours.

Further noted that looking in light of the Long Term Plan (LTP), we are under the 500% cap, and we are under our cap if it was to go to the CCO, but there is the loss of revenue to consider. Once we get the modelling and numbers done, we can bring those back, but it is good to have the discussion now on which options are to be worked up and what we are to put the most effort into

GM Infrastructure noted that assets remain under community ownership in all options, and this is \$1.5B worth of assets transferring over.

Discussion included the methods of regulation and price setting, timeframes and level of engagement from neighbouring councils, and concerns of councils that they would be losing control of their assets under a cooperative model. It was noted that Ashburton had decided to go alone on this.

Further discussion was had on debt levels, makeup of the steering group and the required skills within it.

### **Resolution 2024/56**

Moved: Cllr Stacey Scott

Seconded: Cllr Peter Burt

That the Infrastructure Committee:

1. 1. Notes the overview and update on Local Water Done Well, the coalition Government’s water services reform programme (Attachments 1 and 2).
2. Agrees that three delivery model options to be explored for the Timaru District:
  - In-house service delivery
  - Council-controlled organisation

- Joint-owned CCO (partnership with other neighbouring Councils subject to agreement by them)
- 3. Agrees the considerations for options assessment:
  - Impact on revenue and expenses
  - Impact on debt and borrowing capacity
  - Impact on consumers e.g. % change in water charges
  - Impact of increased economic regulation
  - Impact on Council's asset portfolio, land holdings and related operations (including potential for stranded assets, stranded overheads, and dependencies on inputs from other Council Units)
  - Impact of transition - including impact on/disruption to operations
  - Impact on Council's risk profile
- 4. Endorses next steps/project plan for response to the reform programme including use of the consultation procedure outlined in the Local Government (Water Services Preliminary Arrangements) Act 2024.
- 5. "Committee Delegates Authority to the Local Water done Well Steering Group to engage External Expertise as they deem necessary"

**Carried**

## **9 Consideration of Urgent Business Items**

There were no items of Urgent Business.

## **10 Consideration of Minor Nature Matters**

No matters of a minor nature were raised.

## **11 Public Forum Items Requiring Consideration**

There were no Public Forum Items requiring consideration

**The Meeting closed at 11.36am.**

Minutes Confirmed 18 February 2025.



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**Chairperson**