

AGENDA

Development and Growth Committee Meeting

Tuesday, 10 November 2026

Date	**Tuesday, 10 November 2026**
Time	**9:00 am**
Location	**Council Chambers** **Timaru District Council** **King George Place** **Timaru**
File Reference	**1884283**

Timaru District Council

Notice is hereby given that a meeting of the Development and Growth Committee will be held in the Council Chambers, Timaru District Council, King George Place, Timaru, on Tuesday 10 November 2026, at 9:00 am.

Development and Growth Committee Members

Clrs Scott Shannon (Chairperson), Peter Burt, Owen Jackson, Chris Thomas, Philip Harper and Mayor Nigel Bowen

Quorum – no less than 3 members

Local Authorities (Members' Interests) Act 1968

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

Nigel Trainor
Chief Executive

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1 Apologies

2 Identification of Items of Urgent Business

3 Identification of Matters of a Minor Nature

4 Declaration of Conflicts of Interest

5 Confirmation of Minutes

5.1 Minutes of the Development and Growth Committee Meeting held on 11 August 2026

Author: Jessica Kavanaugh, Democracy Services Lead

Recommendation

That the Minutes of the Development and Growth Committee Meeting held on 11 August 2026 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 Development and Growth Committee Meeting held on 11 August 2026



MINUTES

Development and Growth Committee Meeting

Tuesday, 11 August 2026

Ref: 1884283

Minutes of Timaru District Council
Development and Growth Committee Meeting
Held in the Council Chambers, Timaru District Council, King George Place, Timaru
on Tuesday, 11 August 2026 at 9:00 am

Present: Clrs Scott Shannon (Chairperson), Peter Burt, Owen, Chris Thomas, Philip Harper, Owen Jackson (online), Mayor Nigel Bowen (online)

In Attendance: **Councillors:** Graeme Wilson, Michelle Pye, Stacey Scott (online)

Community Board Members: Jan Findlayson (Geraldine)

Officers: Nigel Trainor (Chief Executive), Paul Cooper (General Manager Regulatory Development and Growth), Aaron Hakkaart (Planning Manager), Elliot Higbee (Legal Services Manager), Steph Forde (Corporate and Strategic Planner), Claire Copeland (Executive Assistant Regulatory Development & Growth), Maddison Gourlay (Marketing and Communications Advisor), Jessica Kavanaugh (Democracy Services Lead), Patrick O'Toole (Intermediate Planner), Rachael Williams (Senior Planner)

Public: Nigel Davenport (Venture Timaru)

1 Apologies

That the apologies of Temuka Community Board Member Nicola Nimo and Pleasant Point Community Board Member Cale Toomey be acknowledged.

2 Identification of Items of Urgent Business

No items of urgent business were received.

3 Identification of Matters of a Minor Nature

No matters of a minor nature were raised.

4 Declaration of Conflicts of Interest

No conflicts of interest were declared.

5 Confirmation of Minutes

5.1 Minutes of the Development and Growth Committee Meeting held on 9 June 2026

Resolution 2026/19

Moved: Clr Peter Burt
Seconded: Clr Chris Thomas

That the Minutes of the Development and Growth Committee Meeting held on 9 June 2026 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

6 Reports

6.1 Actions Register Update

The purpose of this report is to provide the Development and Growth Committee with an update on the status of the action requests raised by Councillors at previous Committee meetings.

- **Utilisation of AI & Training** - To remain on the actions register for 6 months pending the next update.
- **Development and Growth Committee Work Program** – To be removed from the actions register and added as a standing update report to each meeting going forward.

Resolution 2026/21

Moved: Clr Peter Burt
Seconded: Clr Philip Harper

That the Development and Growth Committee receives and notes the updates to the Actions Register.

Carried

6.2 Update on Resource Management Reform and Select Committee Reports

The Planning Manager spoke to the report, noting that the Planning and Natural Environment Bills had recently been reported back to Parliament following the Select Committee process and were progressing through the legislative process. The Committee was advised that the final legislation was expected to be enacted in the near future and that further national direction would be critical in informing implementation requirements for councils. The report provided an overview of key amendments arising from the Select Committee process and the anticipated implications for local government.

The Committee discussed proposed changes to private plan change provisions. The Planning Manager noted that private plan changes had been infrequent within the district and did not anticipate a significant increase in applications, despite the proposed reduction in the grounds available for councils to reject requests.

Members sought clarification on the timing and implications of future planning instruments, including regional spatial planning. The Planning Manager advised that further detail was dependent on the Government issuing national direction following enactment of the legislation. While the overall direction of reform was clear, key implementation details remained subject to future guidance.

Discussion also covered transitional consenting provisions and opportunities for targeted amendments to district plan provisions during the transition period. The Planning Manager advised that councils may be able to make limited updates to provisions dealing with matters that would become out of scope under the new legislation, subject to the final form of the enacted legislation.

The Committee received clarification on the relationship between the Planning Bill and the Natural Environment Bill, and discussed the role of regional spatial planning, national direction, and future

plan development. Members noted that the proposed system would place greater emphasis on nationally directed planning frameworks and standards, providing more consistent and direct implementation pathways.

Resolution 2026/22

Moved: Clr Chris Thomas
Seconded: Clr Peter Burt

That the Development and Growth Committee receive and note the Update on Resource Management Reform and Select Committee Reports report.

Carried

7 Consideration of Urgent Business Items

No items of urgent business were received.

8 Consideration of Minor Nature Matters

No matters of a minor nature were raised.

9 Exclusion of the Public

Resolution 2026/23

Moved: Clr Peter Burt
Seconded: Clr Philip Harper

That the public be excluded from the following parts of the proceedings of this meeting at 9.27am, namely,—

10.1 Spatial Plan Process - Direction and Decision Making Framework

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
10.1 - Spatial Plan Process - Direction and Decision Making Framework	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of	To protect all communications between a legal adviser and clients from being disclosed without the permission of the client

	official information for improper gain or improper advantage	To prevent use of the information for improper gain or advantage

I also move that the two Planning Officers present be permitted to remain at this meeting, after the public has been excluded, because of their knowledge/contribution to the development of the spatial plan.

Carried

10 Public Excluded Reports

10.1 Spatial Plan Process - Direction and Decision Making Framework

11 Readmittance of the Public

Resolution 2026/24

Moved: Clr Chris Thomas
Seconded: Clr Philip Harper

That the meeting moves out of Closed Meeting into Open Meeting at 10.25am.

Carried

The meeting closed at 10.25am

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Clr Scott Shannon

Chairperson

6 Reports

6.1 Actions Register Update

Author: **Jessica Kavanaugh, Democracy Services Lead**

Authoriser: **Stephen Doran, Acting Chief Executive**

Recommendation

That the Development and Growth Committee receives and notes the updates to the Actions Register.

Purpose of Report

1 The purpose of this report is to provide the Development and Growth Committee with an update on the status of the action requests raised by Councillors at previous Committee 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 Development and Growth Committee on the progress of each item.

4 There is currently one item on the actions register.

5 One item is marked as ongoing.

6 No items are marked as completed, to be proposed to be marked as removed at the next meeting.

7 No items are marked as removed to be taken off the list at the next meeting.

Attachments

1. Development and Growth Committee Actions Required ⇩

Information Requested from Councillors (Development and Growth Committee)

Key ■ = Completed, for removal ■ = 60+ Days ■ = 90+ Days ■ = Removed

Information Requested	Development and Growth Committee Work Program		
Date Raised:	14 April 2026	**Status:**	Ongoing
Issue Owner	Planning Manager, and the Legal Services Manager	**Completed Date:**	
Background: The Planning Manager presented the Development and Growth Committee Work Program that was adopted at the Committee's inaugural meeting. An update was provided on progress to date. That Mayor Nigel Bowen, Clr Scott Shannon, the Planning Manager, and the Legal Services Manager are to develop an updated work programmes and report back to the Committee. **July 2026:** Officers will provide an update report to the Development and Growth Committee meeting on 10 November 2026.			

#1808476

6.2 Resource Management Reform Update - Implications and Implementation Update

Author: **Aaron Hakkaart, Planning Manager**
Elliot Higbee, Legal Services Manager

Authoriser: **Paul Cooper, General Manager Regulatory Development and Growth**

Recommendation

That the Development and Growth Committee:

1. Receive and note the *Resource Management Reform Update – Implications and Implementation Update* report.

2. That the Development and Growth Committee notes that officers propose to apply the section 104(1A) exclusions case by case, and to defer amendments to the District Plan under section 76A of the RMA until further guidance is available.

Purpose of Report

1 The purpose of this report is to provide the Development and Growth Committee with an update on the reform of the resource management system in New Zealand as it impacts on Council's day-to-day operations. A separate report is provided that provides an update on the Regional Spatial Planning also implemented under the new legislation.

Executive Summary

2 For 35 years, land use and the environment have been largely managed under one law, the Resource Management Act 1991 (RMA). On 30 September 2026 Parliament passed two laws to replace it:

2.1 the Planning Act 2026, which covers how land is used and developed

2.2 the Natural Environment Act 2026, which covers protecting air, water, soil and nature.

3 The switch is gradual. A changeover period started on 30 October 2026 and is expected to finish around 2030. The Government will set the exact end date later. Until then, most things still run under the old law.

4 What it means day to day is that:

4.1 Resource consents are still decided under the old law during the changeover. Existing consents stay as they are, and any enforcement action already under way carries on as before. For a while, staff will be working with both the old and new systems at once.

4.2 The Council can now consider fewer things. When deciding an application to use or develop land, the Council must now ignore:

4.2.1 for housing: window sizes, balconies, outdoor space, room layout, unit size and landscaping (except whether the ground can drain rainwater). These matters don't apply where heritage protection is involved on the site.

4.2.2 the impact on competing businesses

4.2.3 how a development affects the spread of shops and retail across the district

4.2.4 whether there is demand for the project or whether it will make money

4.2.5 who will live in a new development

4.2.6 views from private property.

4.3 Fewer resource consents will be needed. If a project breaks a rule only on one of those matters, the Council can treat it as allowed and tell the applicant so in a notice that is issued to the applicant. Any application already lodged for it is returned. That notice lasts five years unless the work has started by then.

4.4 District Plan updates are on hold for now. The Council may remove these rules (the new exemptions) from its District Plan without the usual public process. Staff recommend waiting and handling applications case by case for now, because government guidance is still coming and a rushed change could lead to mistakes.

4.5 There is a freeze on plan changes. The Council generally can't change its District Plan until the changeover ends. The exceptions are changes about natural hazards (such as flooding) and changes the Minister approves. From 1 January 2028, private requests to change the plan are also paused.

5 In summary, the planning system is changing, staff are actively working towards implementing immediate changes and are doing so in a least regrets manner, due to guidance associated with the changes still becoming available.

Assessment of Significance

6 Whilst the change in the resource management system is significant this paper suggests no responses which are not directed by the new legislation. Accordingly, the legislative changes do not trigger Councils significance and engagement policy.

Discussion

7 Since the last update to this committee the Planning Bill and Natural Environment Bill received Royal assent on 30 September 2026. They are now the Planning Act 2026 and the Natural Environment Act 2026. The Planning Act governs land use, and the Natural Environment Act governs the environment, which splits the RMA's role in two. The RMA remains until the end of the transition period.

8 The transition period began on 30 October 2026, one month after Royal assent, with the full transition envisaged to be complete in 2030. The full transition date is to be set by an Order in Council, with full details unknown at this time.

9 The following points are most relevant to this Council from an operational perspective as the transition period begins:

9.1 Consenting and enforcement stays under the RMA during the transition. Consent applications lodged during the transition period are processed under the RMA as it stood when they were lodged. Applications lodged before 30 October 2026 continue to be processed under the RMA as it stood before Royal assent, so for a period officers will be running both regimes. Existing consents carry over on the same conditions. Enforcement started under the RMA continues under the RMA.

9.2 Some effects are now outside of scope. Councils can amend their plans to remove consent requirements for effects the new system no longer covers. These matters are explored further later in this report.

9.3 The current stop on Council plan changes continues until the full transition date, unless an automatic exemption applies (which includes plan changes relating to natural hazards) or the Minister grants an exemption. From 1 January 2028, private plan changes can't be notified until the full transition date is set, unless the Minister grants an exemption.

10 Upcoming milestones, counted from assent are as follows:

When	What
About Sept 2027 (12 months)	National Policy Direction issued, plus national standards on the form of Regional Spatial Plans
About Mar 2028 (18 months)	National standards on human health limits and the method for setting ecosystem health limits
About Jun 2028 (21 months)	Standardised Land Use Plan provisions due. Draft Regional Spatial Plans must be notified by then, or 9 months after both National Policy Directions are issued, whichever is later
9 months after notification	Decisions on Regional Spatial Plans
9 months after those decisions	Land Use Plans and Natural Environment Plans notified for submissions

11 The transition to the new system is being supported at the national level through the provision of multiple webinars to support Councils and other professionals implement the new system. The Ministry for Cities, Environment, Regions and Transport (MCERT) have created planning.govt.nz, as the main source of implementation guidance. Councils planning team have been engaging in the available webinars to ensure an up-to-date understanding of the new system and how it is to be implemented.

12 As noted above an immediate change that came into effect on 30 October 2026 (for applications lodged on or after that date) was that land use consents can no longer consider a set list of effects. The legislation introduced s104(1A) to the RMA which specifies that when considering the effects of a district a land use activity the authority must disregard:

12.1 For residential activities: glazing area, whether there are balconies, outdoor living space, internal layout, unit size, and size of landscaped areas (except for permeability). This doesn't apply where historic heritage protection is involved as effects can be considered.

12.2 Negative effects on trade competition, including on competing suppliers of inputs

12.3 Effects on retail distribution

12.4 Lack of demand for a project, or a project not being financially viable

12.5 The type of residents a new development will house

12.6 Views from private property

13 It is noted that the enacted list is narrower and more specific than the one in the Planning Bill as introduced. It is also narrower than the Planning Act's own list of effects outside its scope, which in addition excludes the character and appearance of a use or building, effects on landscapes that are not outstanding, and precedent effects. The broader section 17 list applies under the new system; it does not apply to RMA consents during transition.

14 Plan rules that regulate these matters can be disregarded, meaning assessment of environmental effects for land use consent applications should leave these matters out. A rule must not require a resource consent solely because it relates to one of these matters.

15 For non-complying district land use applications, both gateway tests in section 104D now disregard these effects and any plan provisions that regulate them.

16 A council can treat a district land use activity as permitted even though it breaches a rule or standard, if that rule or standard relates to a matter excluded under section 104(1A). Council can give notice when this occurs under new s104AA, either after receiving an application or on its own initiative. An application already lodged need not be processed further and is returned to the applicant. A notice lapses after five years unless the activity is given effect to.

17 Additionally, to support the implementation of the excluded matters within district plans s76A allows a Council to change their existing plan without using the Schedule 1 process.

18 At an operational level staff have been reviewing the district plan to identify those matters that will be excluded under the changed legislation. This work allows for consents received to be processed appropriately or for notifications to be issued when a consent is not required. Templates have been updated according to the new requirements. This work also helps inform any changes that need to be made to the district plan using the new powers under s76A.

19 Due to the time it takes to review the full plan to identify excluded matters, officers propose that any changes to the plan under s76A be deferred to allow for implementation to occur initially on a case-by-case basis. Officers are still awaiting further central government guidance as to how some of the exclusions apply, and immediately implementing changes using s76A could result in missed provisions or misinterpretations as the wider sector is still learning to implement the changes as intended.

20 Beyond section 76A, the stop on plan changes limits targeted changes to the District Plan during the transition. A change would need an automatic exemption or a Ministerial exemption under section 80V. The criteria for Ministerial intervention include rectifying provisions that are unworkable or have led to inefficient outcomes, and responding to change made to the RMA (section 80W). Officers' review of which generate the most consents could support an application if the Committee wishes to pursue one.

21 In summary the immediate changes implemented by the new system can be implemented on a case-by-case basis, as the wider sector begins the process of implementing the new system. Additional guidance is anticipated as the new system takes effect and officers will continue to update Council process accordingly.

Risks

22 Council can no longer decline a district land use consent because a project lacks demand or is not financially viable (section 104(1A)(d)). This narrows Council's ability to manage growth it has not planned to service. The funding implications are addressed through the Committee's work programme.

Financial and Resourcing Implication

23 Implementation is being met within existing budgets. It requires staff time to run both regimes, update templates and complete training. No budget change is sought.

Relevant Legislation

24 Planning Act 2026; Natural Environment Act 2026; Resource Management Act 1991 as amended by the Planning Act 2026 (Schedule 12, Part 2).

Attachments

Nil

6.3 Development and Growth Committee Work Programme

Author: **Aaron Hakkaart, Planning Manager**
Elliot Higbee, Legal Services Manager

Authoriser: **Paul Cooper, General Manager Regulatory Development and Growth**

Recommendation

That the Development and Growth Committee:

1. Note the *Development and Growth Committee Work Programme* report.
2. Note the Planning team work program for the coming months

Purpose of Report

1 To update on the first work program relevant to the Committee's work and the work that the Planning team is working on for the remainder of 2026 and the early part of 2027.

Assessment of Significance

2 The significance of this report is low because it is about this committee's work programme.

Background

3 On 10 February 2026, this committee was presented with a work programme (report 5.3[1]), which has been to an extent completed with the following notes

3.1 Capacity assessments for industrial land and electricity have not occurred due to their complexity, bespoke nature and limited internal capacity to complete this work, although the conversations between involved parties continue.

3.2 Development of Asset Management Plans to support Council's long-term plan continues.

4 Business as usual demands and the central government reform programme have consumed internal resources, meaning some elements have not progressed as they otherwise might have.

Discussion

5 The key issues for the Timaru district in respect of its development and growth is the significant reform programme impacting on Council's function in this area. Other reports have summarised these matters, but they are repeated here to capture the pertinent information in one report, with some additional orientation around the Development and Growth Committee's (DGC's) work programme for the rest of the year:

[1] https://www.timaru.govt.nz/__data/assets/pdf_file/0011/1101251/Development-and-Growth-Committee-AGENDA-10.02.2026.pdf

5.1 Repeal of Resource Management Act (RMA) framework, and replacement with new legislation (Planning and Natural Environment legislation – the "new planning framework".

5.2 Regional Spatial Planning is a clear and significant outcome of the new planning framework. The immediacy and importance of this is reflected in the separate report in this agenda on the topic.

5.3 Water reform – the establishment of a Water Organisation (WO), an arms-length company responsible for planning for and delivering water infrastructure presents as an opportunity but a significant change in how this vital input into development and growth occurs.

5.4 Development levies – a new funding tool is being developed that will change funding mechanisms and require forward planning and more mature asset management planning. Because the funding tool is broad in scope encompassing all development infrastructure, integrated planning will not be optional. Council's reliance upon Financial Contributions and the absence of Development Contributions, places it in a challenging position with this reform.

5.5 Work that would otherwise have provided an evidential basis for a Development Contributions Policy to be created for Council should be undertaken to form the foundation of the levy system to come. This will ensure the gap between our status with financial contributions, and the new levy system when finalised, will be significantly reduced. Additional resource will be necessary to achieve this. Progress reports are recommended to help Council understand the implications of this change and prepare for its implementation.

5.6 Community aspirations – there appears to be a real desire from the community for the district to be more ambitious with its planning, and infrastructure provision. The current District Plan, recently reviewed, appears to represent a view of the district's future which may not be in accordance with these aspirations.

5.7 Considering the new planning framework's new "goals" and approach, which broadly speaking better align with our district's aspirations, there is a need to adopt an approach that maintains social licence for these changes. This issue was explored in an initial way with a workshop last month. An accompanying report addresses this in more detail.

6 This is an ambitious backdrop for work that informs this Committee's purpose for the remainder of 2026 and into 2027. Unsurprisingly the work is almost all underpinned by Asset Management Plans (AMPs) and quality community engagement. There is the continued opportunity for this to develop as part of the Long Term Plan (LTP) process which is running alongside the Regional Spatial Plan process.

7 At a high level, the work programme that the Planning team has programmed is as below:

Works	Explanation	Completion Timeframe	Resource Required

Addendum to *Timaru District Residential Capacity Assessment – October 2024* and *Timaru Industrial Land Assessment – May 2025*	Preliminary work has identified that the residential and industrial land assessment completed as part of the District Plan Review requires further analysis to ensure abundant land for growth is being delivered (the new test). This will involve considering the constraints that have become apparent since these reports were completed to ensure the overall settings are delivering for the needs of the communities.	January 2027	Engagement of external support is underway and a proposal for works has been requested. The Planning Manager is leading this work.
Identification of options to respond to reform of financial contributions and development contributions legislation	As identified previously to this Committee the government has identified development levies as a tool to replace financial contributions and development contributions. Whilst this legislation has yet to enter parliament there is a need for Timaru District Council to review its current approach to better inform its future direction.	February 2027	It is recommended an external resource be identified to assist in these works. It is recommended that the Group Manager Regulatory Development and Growth lead this work alongside the Planning Manager.
Workshop with Council to identify growth directions for consultation	The addendum to the capacity assessments will provide further context for analysis to help inform a sustainable direction for growth in the Timaru District.	February 2027	The planning team will facilitate the workshop with support from other departments. The Planning Manager has been leading this work.
Regional Spatial Plan Process Agreement	The RSP work programme envisages a Process Agreement being recommended by the Committee to Councils in late February 2027.	March / April 2027	This will be brought as a report, but resource will be required interpret this document on behalf of Council and to understand the localised

			impacts. The Group Manager Regulatory Development and Growth alongside the Planning Manager will be leading this work for Timaru District Council.
Engagement on growth in the Timaru District	A key element to succeeding in the work programme is gaining social licence for the approach that Council adopts. This engagement will present for feedback options around achieving abundant growth and there is an opportunity to discuss the actual costs of delivering this.	March 2027	Resources will be needed to bring the different elements together into a single targeted approach. The Group Manager Regulatory Development and Growth alongside the Planning Manager will be leading this work

Overall Resourcing

9 This continues to be an ambitious work programme with a lot of inter-dependencies on other work streams to deliver the evidential base to inform the works identified. The continued development of the long-term plan and the delivery of asset management plans (AMPs) and an infrastructure strategy are critical to informing the addendums proposed to existing capacity assessment, alongside the subsequent work to review Councils growth funding model (financial contributions).

10 The means to delivering any outcomes of this work programme will rely on a council wide approach to embracing change and the delivery of interconnecting work programmes under different legislation at speed. Where required external support/ engagements will be required and there is the opportunity to explore combined approaches to engagement and consultation with the community and elected members.

11 The internal resourcing constraints are noted and will need to be discussed with the Committee's preferred programme.

Consultation

12 Internal consultation only has occurred to date; further works are suggested before engagement occurs with the wider community.

Relevant Legislation, Council Policy and Plans

13 Local Government Act 2002 and the various statutes and parliamentary reform documents have been considered within this.

Financial and Funding Implications

14 The proposed work programme is ambitious for current resourcing.

Summary

15 The method, by which growth and demand has been managed by Council over the last two decades or so, is no longer fit for purpose in the face of reform. Broadly speaking, anchoring the changes required from Council within the current context, and within the context of the National Policy Statement for Urban Development, the need for change is akin to amending our structures and processes for how we manage demand and growth to become more aligned with a Tier 1 or Tier 2 Council, rather than our current status as a Tier 3 Council.

16 The changes required by reform will see Council develop improved data and evidence to support the information about growth and changes in demand in the infrastructure AMPs. This will enable improved resource management planning to ensure growth is allowed for in the right places. Together these changes will inform financial planning and through the corporate planning cycle, assist to improve transparency. The new Development Levy system signalled by central government will assist Council to be better at cost recovery.

17 Council and resource planning in particular is going through a period of great change where local government is fundamentally changing the way in which it needs to operate. Officers have been engaging in this process and the work programme proposed seeks to recognise that the immediate changes are occurring within the resource management space with a need to integrate the new approaches across wider Council functions.

Attachments

Nil

6.4 Draft Infrastructure Strategy

Author: **Stephen Doran, General Manager Corporate**

Authoriser: **Nigel Trainor, Chief Executive**

Recommendation

That the Development and Growth Committee:

1. Receives and notes the *draft Infrastructure Strategy* report;
2. Receives and notes the early draft Timaru District Infrastructure Strategy 2027–57 (version 0.3); and
3. Acknowledges that the Infrastructure Strategy is in draft form, that is subject to change and does not yet reflect recent workshops.

Purpose of Report

1 The purpose of this report is to present the early draft Infrastructure Strategy 2027–57 to the Committee to receive and note, and to invite comments as the Strategy is developed alongside the 2027–37 Long Term Plan.

Assessment of Significance

2 The significance of receiving and noting this report is assessed as low under the Significance and Engagement Policy. No decisions are being made on the content of the Strategy, and receiving the draft does not commit Council to any option, level of service or expenditure. The final Infrastructure Strategy will be considered through the Long Term Plan consultation and audit processes.

Discussion

Legislative background and aim of an infrastructure strategy

3 Section 101B of the Local Government Act 2002 requires Council to prepare and adopt an infrastructure strategy as part of its Long Term Plan. The strategy must cover a period of at least 30 consecutive financial years and is reviewed with each Long Term Plan, every three years. This Strategy covers the period 2027–2057.

4 The Act requires the strategy to identify the significant infrastructure issues Council expects to face over the period, the principal options for managing those issues, and the implications of those options. In doing so, Council must outline how it intends to manage its infrastructure assets, taking into account the need to renew or replace existing assets, respond to growth or decline in demand, allow for planned changes in levels of service, maintain or improve public health and environmental outcomes, and provide for resilience to natural hazards, including appropriate financial provision for those risks.

5 The strategy must also outline the most likely scenario for managing infrastructure over the period. This includes indicative capital and operating expenditure for each of the first 10 years and each subsequent five-year period, the significant capital expenditure decisions Council

expects to make (including their timing, the principal options and the approximate scale of cost), and the assumptions and areas of high uncertainty that sit behind the forecasts.

6 The aim of an infrastructure strategy is to encourage long-term thinking about infrastructure. Many assets have long lives, and decisions made now have consequences for decades. The strategy gives the community a transparent view of the pressures, choices and trade-offs ahead, and supports prudent, affordable investment decisions. It is not a detailed works programme; that detail is provided by the Activity Management Plans. It also works alongside the Financial Strategy, which sets the financial limits within which the infrastructure programme must be funded.

The draft Strategy

7 The attached draft Strategy (Attachment 1) covers the period 2027–2057 and the following groups of activities: Roading and Transport; Waste Management and Minimisation; Parks and Reserves; Community and Corporate Facilities; Recreation, Cultural and Learning Facilities; and Timaru Airport. Water supply, wastewater and stormwater are addressed through separate Water Services Strategies.

8 The draft identifies five significant issues influencing infrastructure investment over the next 30 years: maintaining and renewing existing infrastructure; affordable and sustainable levels of service; supporting and funding growth; environmental obligations and infrastructure resilience; and funding, debt and delivery capacity. It also sets out the significant capital expenditure decisions expected, the key assumptions and uncertainties, and the approach to managing risk and resilience.

Status of the draft and next steps

9 The attached document is an early draft (version 0.3) and is subject to change. It does not reflect the outcomes of recent workshops. The 30-year programme, the capital and operating expenditure forecasts and the preferred investment scenarios are still being developed through the 2027–37 Long Term Plan process, and parts of the draft remain incomplete. Asset information for some of the Parks and Facilities portfolios is also less mature than for Roading, Waste and the Airport.

10 The Infrastructure Strategy and the Financial Strategy are being developed together, and the final Strategy will need to be consistent with the financial settings Council adopts.

11 Comments from the Committee on the draft are welcomed and will be considered as the Strategy is developed. The final Strategy will be presented to Council for adoption as part of the 2027–37 Long Term Plan.

Attachments

1. Draft Timaru District Council Infrastructure Strategy v0.3 ⇩

TIMARU DISTRICT COUNCIL

LONG TERM PLAN 2027–2037

INFRASTRUCTURE STRATEGY

30-year strategy covering the period 2027–2057

Groups of activities: Roading and Transport · Waste Management and Minimisation · Parks and Reserves · Community and Corporate Facilities · Recreation, Cultural and Learning Facilities · Timaru Airport

[Adopted: insert date]

DRAFT FOR DISCUSSION

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EXECUTIVE SUMMARY

Timaru District Council's Infrastructure Strategy sets out how Council intends to manage and invest in its infrastructure over the 30 years from 2027 to 2057. It has been prepared alongside the 2027–37 Long Term Plan and will be reviewed every three years. The Strategy covers Roading and Transport, Waste Management and Minimisation, Parks and Reserves, Community and Corporate Facilities, Recreation, Cultural and Learning Facilities, and Timaru Airport. Water supply, wastewater and stormwater are addressed through separate Water Services Strategies.

Council faces several significant infrastructure challenges over the next 30 years. Much of the infrastructure we rely on is ageing and will require continued maintenance and renewal, including an ageing road and bridge network and a wide range of community assets. Council must also respond to growth and changing demand, changing community expectations, environmental and regulatory requirements, climate change and natural hazards, and the long-term sustainability of waste disposal and other essential services.

These pressures need to be managed within an increasingly constrained financial environment. Council cannot undertake every renewal, improvement or new project at once. Choices will be required about how much to invest in existing assets, which infrastructure and services should be retained or changed, when investment should occur, and what risks can reasonably be accepted. The Strategy therefore prioritises maintaining reliable infrastructure, supporting justified growth, adapting services to changing community needs, managing environmental and resilience risks, and making transparent and evidence-based investment decisions.

The 30-year infrastructure programme and associated capital and operating expenditure forecasts are still being developed through the 2027–37 Long Term Plan process. The final Strategy will set out Council's most likely investment scenario, including expenditure over the first 10 years and subsequent five-year periods, and the balance between renewing existing assets, responding to growth and changing levels of service. Asset information and long-term forecasts are also less mature for parts of the Parks and Facilities portfolios, and Council will continue to improve this information as part of its asset management programme.

The Infrastructure Strategy and Financial Strategy are being developed together. The final investment programme will need to balance the infrastructure required to maintain essential services and manage long-term risks with Council's rates, debt and funding constraints. This will require clear decisions about priorities, timing, levels of service and the extent to which investment can be deferred or delivered differently while maintaining an affordable and sustainable programme for current and future communities.

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1. INTRODUCTION AND PURPOSE

Overview

Timaru District Council's Infrastructure Strategy sets out how Council intends to manage and invest in its infrastructure over the 30 years from 2027 to 2057.

Infrastructure supports essential services, community wellbeing and the district's economy. Much of it has a long life and requires ongoing maintenance, renewal and eventual replacement. At the same time, Council must respond to changing community needs, growth, regulatory requirements, natural hazards and the ongoing challenge of affordability.

The Strategy identifies the significant infrastructure issues Council expects to face, the principal options for responding to them and the major investment decisions ahead. It also sets out the most likely 30-year investment scenario and the assumptions and uncertainties that underpin it. The Strategy has been prepared as part of the 2027-37 Long Term Plan in accordance with section 101B of the Local Government Act 2002 and will be reviewed every three years.

What this strategy covers

The Strategy covers the following Council infrastructure activities:

- Roading and Transport
- Waste Management and Minimisation
- Parks and Reserves
- Community and Corporate Facilities
- Recreation, Cultural and Learning Facilities
- Timaru Airport

The quality of long-term asset and investment information varies between these activities. Roading and Transport, Waste Management and Minimisation and Timaru Airport have more established information to support long-term forecasts. Asset information and lifecycle planning for parts of the Parks and Facilities portfolios are continuing to improve. The Strategy therefore uses the best information currently available and identifies where uncertainty affects future investment forecasts and decisions. Water supply, wastewater and stormwater are addressed through separate Water Services Strategies and their investment programmes are not included in this Strategy. Council will continue to coordinate planning across these services where they interact with growth, resilience and other Council infrastructure.

What the strategy must address

Section 101B of the Local Government Act 2002 requires Council to take a long-term view of its infrastructure and identify the significant issues it expects to face, together with the principal options for managing those issues and their implications.

In particular, the Strategy considers the need to:

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- renew or replace existing infrastructure;
- respond to growth or decline in demand;
- provide for planned changes in levels of service;
- maintain or improve public health and environmental outcomes; and
- manage natural-hazard risks and make appropriate financial provision for infrastructure resilience.

The Strategy also identifies significant capital expenditure decisions, when they are likely to arise, the principal options available and the approximate scale of expenditure involved.

It is not intended to be a detailed 30-year works programme. Activity Management Plans provide that supporting detail. The Infrastructure Strategy focuses on the long-term direction, significant choices and financial implications that require Council and community consideration.

Links with other documents

The Infrastructure Strategy forms part of Council's wider long-term planning framework. The key relationships are:

Document	Role
Council's Strategic Direction	Establishes the vision and priorities that guide infrastructure decisions.
Long Term Plan	Sets Council's activities, levels of service, budgets and investment programme for the next 10 years.
Infrastructure Strategy	Takes a 30-year view and identifies significant infrastructure issues, choices, investment decisions and long-term expenditure requirements.
Financial Strategy	Establishes the financial settings and limits within which the infrastructure programme must be funded, including rates, debt and affordability.
Asset and Activity Management Plans	Provide the detailed evidence on assets, condition, service levels, risks, lifecycle needs and activity investment programmes that support this Strategy.
Water Services Strategies	Provide the separate long-term direction for water supply, wastewater and stormwater, with coordination required where services interact.

The Infrastructure and Financial Strategies are developed together: this Strategy identifies the infrastructure investment and risks Council needs to manage, while the Financial Strategy considers how those requirements can be funded sustainably.

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2. STRATEGIC CONTEXT

Council's infrastructure supports the everyday life of our communities, the district's productive economy and the services Council provides. The long-term choices in this Strategy need to reflect the characteristics of the district, how it is changing, the risks Council faces and what the community can sustainably afford.

Our district

Timaru District covers approximately 2,732 square kilometres and has a population of around 49,000 people. Timaru is the main urban centre, supported by the towns of Temuka, Geraldine and Pleasant Point and a dispersed network of rural communities.

This settlement pattern has a significant influence on infrastructure provision and cost. Council maintains extensive road, bridge and community infrastructure across a large geographic area from a relatively small rating base. Maintaining reliable connections between communities while keeping services affordable will remain an important long-term challenge.

The district's economy is strongly influenced by agriculture, food processing, manufacturing and associated industries. Timaru is an important service and distribution centre for South Canterbury, with connections to PrimePort Timaru, the national state highway and rail networks and Timaru Airport. Reliable infrastructure is therefore important not only to everyday community access, but also to freight movements, productive land use and future economic development.

Council's parks, reserves, recreational, cultural and community facilities also contribute to the district's quality of life. They provide places for recreation, sport, culture, learning and community activity and help make the district an attractive place to live, work and visit.

The district is within the takiwā of Te Rūnanga o Arowhenua. Council recognises the importance of working with mana whenua in the long-term management of the district's natural and physical resources, including infrastructure planning and investment.

Factors shaping our infrastructure

A range of external, community and organisational factors will influence the infrastructure Council needs to provide and the choices it makes over the next 30 years.

External factors	
Legislation, regulation and government policy	Government funding priorities, environmental requirements, waste policy, aviation and building regulation, and changes to local government or service-delivery arrangements can alter Council's responsibilities, costs and investment priorities. Council will need to retain flexibility where future requirements are uncertain.
Climate change and natural hazards	Flooding, coastal erosion, severe weather, earthquakes and other hazards can damage infrastructure and disrupt services. Council will need to determine where protection, adaptation or resilience investment is justified and where residual risk should instead be managed through response and recovery.

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Economic conditions and infrastructure costs	The district's productive economy relies on reliable infrastructure, particularly transport connections. Construction costs, inflation, interest rates and contractor availability will also influence the affordability and timing of investment.
Customer factors	
Population growth and changing demand	Overall population growth is expected to remain relatively modest, but demand will vary between locations and services. Residential and industrial development, freight movements, an ageing population and changing recreation patterns may create different infrastructure requirements.
Community expectations and levels of service	Communities expect infrastructure and services to be safe, reliable, accessible and well maintained. As costs increase, Council will need to consider what standards can sustainably be maintained, where different levels of service are appropriate and whether some services should be provided differently.
Internal factors	
Financial sustainability and affordability	Ageing assets, new investment and increasing operating costs must be balanced against rates, borrowing and the community's ability to pay. Infrastructure choices will increasingly involve explicit trade-offs between service, risk, timing and affordability.
Organisational capacity and delivery	Council's ability to plan, consent, procure and deliver its programme, together with contractor and market capacity, will influence what can realistically be achieved and when.
Asset management information and capability	Confidence in long-term forecasts varies between activities. Roading, Waste and Airport have more established information, while further condition, valuation and lifecycle work is required across parts of Parks and Facilities. Where information is incomplete, Council will use the best available evidence and clearly identify the uncertainty.

These factors create the context within which Council must decide what infrastructure it continues to provide, where additional investment is justified, what risks it is prepared to accept and what level of service the community can sustainably afford.

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3. OUR INFRASTRUCTURE PRIORITIES

Our vision

Council's 2027–37 Long Term Plan establishes the following vision:

Timaru District is New Zealand's best place to live, work and invest – providing a great future for all.

Infrastructure has an important role in achieving this vision. Reliable roads and essential services support everyday life and economic activity, while parks, facilities and community infrastructure contribute to the wellbeing and attractiveness of the district.

At the same time, Council cannot maintain every asset, improve every service or respond to every infrastructure risk at once. Decisions about infrastructure therefore need to consider not only what the district would like to provide, but what is most important, what provides long-term value and what current and future communities can afford.

Council's five strategic priorities provide the direction for these decisions.

What our priorities mean for infrastructure

Council priority	What it means for this Strategy
Reliable Infrastructure: Invest wisely in the infrastructure our district needs today while preparing for tomorrow.	Prioritise maintaining and renewing critical infrastructure and manage renewal risk within an affordable programme.
A Growing District: Support investment, housing, jobs and productive land use.	Invest where justified demand exists, sequence infrastructure with growth and identify who should pay.
Strong Communities: Provide quality services and places that people value.	Maintain services people value while reviewing the range, location and standard of facilities as major investment decisions arise.
Look After Our Environment: Care for our natural environment while supporting productive land use for future generations.	Meet environmental obligations and manage infrastructure exposure to climate and natural hazards.
Trusted Leadership: Lead with integrity, make informed decisions and advocate for the future of Timaru District.	Make transparent decisions about investment, service, risk and affordability using the best available information.

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4. SIGNIFICANT INFRASTRUCTURE ISSUES AND STRATEGIC CHOICES

[VERIFY FIGURES AND COUNCIL-WIDE DECISION DESCRIPTIONS IN SECTION 4 AGAINST THE FINALISED INVESTMENT PROGRAMME]

Significant infrastructure issues, options and decisions

Council faces several significant infrastructure challenges over the next 30 years. Much of our existing infrastructure is ageing and will require ongoing investment to maintain and renew, while changing community needs, growth, environmental requirements and natural hazards will place additional pressure on the services we provide.

These challenges must be considered alongside the cost of providing infrastructure and what our community can afford. Council will need to make choices about where and when to invest, the levels of service it provides, and how to manage risks while maintaining essential services.

Council has identified five significant issues that will influence infrastructure investment over the next 30 years. The table below summarises the pressures facing Council, the principal responses available and the decisions ahead. The options remain under assessment and will be refined through the 2027–37 Long Term Plan and future investment planning.

Significant issue	What Council is facing	Options, benefits and trade-offs	Decisions Council needs to make
1. Maintaining and renewing existing infrastructure	Ageing assets are increasing maintenance and renewal requirements. Roading has a combined $7.9m bridge maintenance and component replacement backlog, with significant bridge replacements expected in later years Airport runway resurfacing is anticipated around 2035. Renewal requirements across Parks and Facilities are not yet fully quantified.	Maintain or increase renewals to protect asset condition, reliability and long-term value, requiring greater near-term funding. Prioritise critical assets and extend asset lives through targeted maintenance and component replacements to manage costs. Defer renewals to reduce immediate expenditure, accepting increased deterioration, maintenance costs and potential service disruption. For some community assets, consolidation or alternative provision may be more appropriate than replacement.	How much depreciation should be funded to invest in renewals? Which backlogs and critical renewals should take priority? What deterioration, service risks and future costs are acceptable if investment is constrained? Which assets warrant replacement versus rationalisation?

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Significant issue	What Council is facing	Options, benefits and trade-offs	Decisions Council needs to make
2. Affordable and sustainable levels of service	Maintaining existing infrastructure and facilities is becoming more expensive. Roading has developed three investment scenarios: maintain current services with growth provision; retain existing funding with declining service levels; or limit spending to NZTA-supported budgets, with greater reductions in service. Council is also considering the future of some swimming pools, playgrounds and community facilities, including consolidation and alternative operating arrangements.	Maintain existing services to protect access and community benefits, requiring sufficient funding for operations and renewals. Differentiate levels of service to direct expenditure to higher-use or more critical assets, accepting lower standards elsewhere. Consolidate facilities or change service delivery to reduce ongoing costs, potentially affecting accessibility and local provision. Improve selected services where the benefits justify additional costs.	What services and standards can Council afford to maintain? Which Roading investment scenario should guide planning? Where should differentiated service levels apply? Which facilities should be retained, upgraded, consolidated or considered for closure as renewal decisions arise?
3. Supporting and funding growth	Industrial development and increasing freight demand are placing pressure on roads around Washdyke, Temuka and other productive areas. Residential development requires supporting infrastructure. Airport investment may be needed for larger aircraft around 2035, while future cemetery capacity will require significant expenditure. Council has identified a gap in how growth infrastructure is planned and funded.	Invest ahead of growth to enable development and economic activity, increasing immediate borrowing and the risk of infrastructure being underused. Stage investment with confirmed demand to limit financial exposure, potentially delaying development. Use existing capacity where practical. Recover appropriate growth costs from development or other beneficiaries, reducing pressure on existing ratepayers while affecting development costs and feasibility.	Which growth opportunities should Council invest in supporting? What infrastructure is required, and when should it be provided? How much should be funded by existing ratepayers, future development or other sources? What growth expenditure must be included in the 2027–37 programme?

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Significant issue	What Council is facing	Options, benefits and trade-offs	Decisions Council needs to make
4. Environmental obligations and infrastructure resilience	Redruth Landfill's consents expire in 2030, with capacity currently estimated to around 2048. Continued operation requires investment in consent compliance, future cells and environmental management. Lower waste volumes may also affect operating revenue. Roads, bridges, coastal assets and facilities face flooding, erosion and other natural-hazard risks, with potential for significant damage and disruption.	Continue developing Redruth to retain local disposal capacity and control, accepting ongoing investment, operating and environmental liabilities. Use alternative disposal or partnership arrangements, potentially reducing Council's direct infrastructure obligations but adding transport costs and reliance on others. Invest proactively in resilience to reduce future damage and service disruption, or manage identified risks through maintenance and recovery arrangements, with greater exposure to future events.	What is Council's long-term waste disposal approach, and what consenting and investment decisions are required before 2030? Which infrastructure risks justify proactive protection or adaptation? What level of disruption and residual risk is acceptable, and how will recovery costs be funded?

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Significant issue	What Council is facing	Options, benefits and trade-offs	Decisions Council needs to make
5. Funding, debt and delivery capacity	Council faces competing pressures to maintain services, address renewal needs, support growth, constrain rates and reduce debt. Roading's draft financial scenarios demonstrate substantial differences in expenditure and borrowing. NZTA funding may not cover the proposed programme. Depreciation funding, historic deferrals and the scale of future capital works also affect affordability and delivery.	Increase funding through rates, borrowing or other revenue to sustain investment, with greater costs for current or future ratepayers. Constrain debt and expenditure to improve financial affordability, requiring changes to service levels, investment timing or the acceptance of higher asset risks. Prioritise and stage capital programmes to focus on essential work and match delivery capacity, delaying lower-priority projects. Borrowing for long-life assets can spread costs across generations but creates future repayment and interest obligations.	What approach to depreciation funding should Council adopt, and are the resulting rates and debt requirements of the 10-year programme affordable? If not, what expenditure, services or projects should be reduced, deferred or removed? How will Council manage and repay debt over the longer term?

The following sections provide further detail on these issues, the evidence supporting them and the principal responses available to Council. The significant capital expenditure decisions arising from these issues are outlined in Section 6, with the most likely investment programme and financial implications presented in Section 7.

Maintaining and renewing our existing infrastructure

Much of Council's infrastructure is ageing and will require increasing maintenance and renewal over the next 30 years. The challenge is not simply replacing assets as they reach an assumed age, but determining where investment is most important based on condition, risk, service importance and whole-of-life cost.

Council can increase renewal investment to protect asset condition and reduce future failure and replacement risks, or constrain expenditure and accept greater deterioration, reactive maintenance and future costs. For some assets, particularly community facilities, significant renewal also creates an opportunity to reconsider whether like-for-like replacement remains appropriate.

Council will need to determine the level of renewal and depreciation funding it can sustainably provide, which assets and backlogs should receive priority, and what level of deterioration or service risk is acceptable where investment is constrained.

Providing affordable and sustainable levels of service

Maintaining existing levels of service is becoming more expensive as assets age, operating costs increase and regulatory and community expectations change. Council will need to consider not only how much infrastructure it can afford to maintain, but whether the same standard of service is required across all assets and locations.

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Options include maintaining existing service levels, differentiating standards according to use and importance, improving selected services where benefits justify the cost, or consolidating and changing provision where existing arrangements are no longer sustainable.

These choices are particularly important for Roading and Transport and the Parks and Facilities portfolios, where different investment levels can materially affect asset condition, accessibility and the range of services available. Council will need to determine which services and standards can be sustainably maintained and where changes are justified.

Supporting and funding growth

Infrastructure investment can enable housing, industrial development and economic activity, but providing capacity ahead of demand creates financial risk and additional long-term operating and renewal commitments.

Growth pressures are expected to be concentrated in particular locations and activities rather than driven solely by district-wide population growth. These include freight and industrial demands on the roading network, future cemetery capacity, residential development and potential changes in commercial aviation requirements.

Council will need to determine which growth-related investment should proceed, when infrastructure is required and how costs should be shared between existing ratepayers, future development and other beneficiaries. Where demand remains uncertain, staging investment or making better use of existing capacity may provide a more affordable response.

Managing environmental obligations and infrastructure resilience

Council's infrastructure must continue to meet environmental, public health, safety and regulatory requirements while responding to natural-hazard and climate risks.

The future of Redruth Landfill is a significant long-term decision, with further consenting and investment required if Council continues to operate the facility beyond 2030. Alternative disposal arrangements could reduce some direct infrastructure obligations but would create different costs, dependencies and risks.

Roads, bridges, coastal assets, parks and buildings are also exposed to flooding, erosion, severe weather, earthquakes and other hazards. Council can invest proactively to reduce these risks, incorporate resilience improvements into planned renewals, adapt or relocate infrastructure, or accept greater residual risk where intervention is not justified.

Council will need to determine which environmental and resilience risks warrant additional investment, what level of disruption and residual risk is acceptable, and how recovery and long-term environmental liabilities will be funded.

Balancing infrastructure investment with funding, debt and delivery capacity

Council's infrastructure requirements must ultimately be balanced against rates affordability, borrowing capacity and the ability to deliver the proposed programme.

Increasing funding can support renewals, maintain services and enable growth, but places greater costs on current or future ratepayers. Constraining expenditure can improve short-term affordability but may require lower levels of service, deferred investment or acceptance of higher asset risks and future costs.

The approach to depreciation funding is a key part of this choice. Greater depreciation funding would strengthen provision for future renewals and reduce reliance on debt, but may increase near-term rates requirements.

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Council will need to determine whether its proposed programme is affordable, which expenditure or services should change if it is not, how debt will be managed over the longer term, and whether the programme can realistically be delivered within available organisational and market capacity.

Council-wide programme investment options

Council is considering five broad programme options to guide the development of the 2027–37 Long Term Plan. These range from reducing expenditure and levels of service to increasing investment in infrastructure that supports growth and economic activity. Each option has different implications for the infrastructure Council maintains, the services provided to the community, rates affordability and long-term debt. The options also provide a basis for considering how Council could respond if the proposed investment programme is unaffordable.

Option	Proposed approach	Infrastructure implications and trade-offs
1. Austerity	Hold revenue, reduce expenditure and levels of service, and prioritise debt repayment.	Reduces financial pressure and supports debt reduction, but requires significant reductions in services and discretionary investment. Growth and improvement projects would be deferred or removed. Maintenance and service reductions could increase asset deterioration and future costs. Essential renewal requirements would still need to be funded.
2. Rationalisation and divestment	Reduce Council's asset footprint through selected asset sales, facility consolidation and changes to service provision.	Reduces ongoing operating and renewal commitments, with potential proceeds available for debt repayment. Investment could be concentrated in fewer, better-utilised facilities. Communities may lose local facilities or experience reduced access to services. Savings depend on the assets selected, their operating costs and the costs of alternative provision.
3. Status quo	Maintain the existing range of services and general expenditure approach, with growth funded through rates and borrowing.	Provides continuity of existing services and facilities. Council would continue maintaining its current asset portfolio while addressing renewal requirements and growth pressures. Rates and debt may need to increase as costs rise, with limited opportunity to reduce long-term expenditure commitments.
4. Revenue and supported growth	Increase revenue through rates, fees and appropriate contributions to maintain services, support selected growth investment and repay debt.	Provides additional funding to maintain infrastructure and address priority renewals and improvements. Selected growth projects could proceed while maintaining existing services. Higher rates and charges would affect affordability, and future debt repayment would depend on the revenue generated and the scale of new investment.
5. Economic growth and prosperity	Combine increased revenue and asset rationalisation with a larger, targeted programme of infrastructure investment to support economic growth.	Provides greater capacity to address infrastructure constraints, support housing and industrial development, and improve services. Requires substantial upfront investment and potentially higher borrowing. Future benefits and revenue depend on growth being realised, while new infrastructure creates additional operating and renewal costs.

These Council-wide options establish the overall funding and service directions against which activity-specific investment choices, including the three Roading scenarios, will be assessed.

An initial financial assessment will consider the proposed 10-year investment programme on the basis of a balanced operating budget and funding 100% of depreciation. This will establish the rates requirements, capital expenditure and debt profile associated with maintaining existing services, addressing renewal needs and providing for planned growth. Council will need to determine whether to adopt this approach to depreciation funding.

The affordability of the programme will then be considered alongside Council's objectives for rates and debt. Where the financial requirements are considered too high, the alternative programme options provide different ways to reduce expenditure, change services, increase revenue or reprioritise investment.

Further work is required to quantify these options and identify the specific projects, assets and services affected. The financial assessment will need to consider the costs and savings associated with each approach, changes in levels of service, future renewal requirements and the consequences of deferred investment. Potential revenue from growth and asset sales will also need to be assessed, recognising the uncertainty around timing and the amounts that may be realised.

[Insert modelled comparison of the five Council-wide programme options: 10-year capital and operating expenditure, rates requirements, debt profiles, depreciation funding assumptions and specific service, asset and project changes.]

Council will need to consider the longer-term implications of each option, including how debt will be managed and repaid while continuing to provide for future infrastructure renewals. The timing of major capital expenditure, future operating costs and the financial provision required for long-life assets will influence the sustainability of the programme beyond the first 10 years.

The preferred programme may draw on elements of more than one option. Council will need to determine the approach that provides an appropriate balance between infrastructure needs, community services, growth and affordability.

The resulting investment programme will inform the significant capital expenditure decisions outlined in the following section and the most likely scenario presented in Section 7.

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5. KEY ASSUMPTIONS AND UNCERTAINTIES

All long-term planning involves assumptions that affect future infrastructure needs, the costs of providing services and Council's ability to deliver its investment programme. These assumptions are particularly important for infrastructure assets, many of which have long lives and will require maintenance, renewal and replacement over several decades.

The financial forecasts in this Strategy are based on the best information currently available about asset condition, future demand, levels of service, costs and funding. The first 10 years of the Strategy draw on more detailed activity planning and budgets where available, while estimates beyond this period are indicative and will become less certain further into the future.

The level of confidence also varies between infrastructure activities. Roading and Transport, Waste Management and Minimisation, and Airport have more established asset management information to support long-term planning. For Parks and Reserves, Community and Corporate Facilities, and Recreation, Cultural and Learning Facilities, further work is required to improve asset condition information, useful lives and long-term renewal forecasts.

The following assumptions underpin the most likely scenario outlined in Section 7. Where there is a high degree of uncertainty, the potential implications for infrastructure investment, services and costs are also identified. These assumptions will be reviewed as further information becomes available and through future Long Term Plans.

Asset life cycles

Council's infrastructure assets have different useful lives depending on their type, age, construction, condition and the demands placed on them. The timing and cost of renewal are influenced by these factors, as well as the level of service required and the risks associated with asset failure.

Council generally plans to maintain and renew infrastructure based on asset condition, performance, remaining useful life and risk, rather than replacing assets simply because they have reached an assumed age. In some cases, additional maintenance can extend the life of an asset and delay more expensive replacement. In others, deterioration, changing demand or compliance requirements may mean assets need to be renewed earlier than expected.

The main asset lifecycle assumptions and areas of uncertainty are summarised below.

Infrastructure activity	Lifecycle assumptions and renewal considerations	Uncertainty and potential effects
Roading and Transport	Renewal requirements are informed by asset condition, age, performance and network demand. The draft AMP models pavement rehabilitation at approximately 1% of the sealed network annually, equivalent to an average 100-year rehabilitation cycle. Bridge renewals are informed by inspections, structural condition and remaining life, with significant requirements expected over the next 30 years and beyond.	Actual renewal needs may differ from the modelled programme due to deterioration, heavier freight loading, natural hazards or the effectiveness of maintenance. This could bring forward renewals and increase costs.

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Infrastructure activity	Lifecycle assumptions and renewal considerations	Uncertainty and potential effects
Waste Management and Minimisation	Redruth Landfill is currently estimated to have capacity until approximately 2048, based on forecast waste volumes and the planned development of landfill cells. The timing of future investment depends on remaining capacity, environmental requirements and decisions about the future of waste disposal.	Changes in waste volumes, environmental requirements or the future operating model could substantially alter the timing and cost of landfill investment.
Timaru Airport	The next major runway resurfacing is currently anticipated around 2035, based on the 2026 condition assessment. The timing will continue to be reviewed through regular condition monitoring. Other assets are maintained and renewed to support safe airport operations and regulatory compliance.	The timing and scope of future renewals may change with asset condition, aviation requirements and the type of aircraft using the airport. Future development decisions may also influence whether renewal and upgrade works are undertaken together.
Parks and Reserves	Renewal requirements are informed by available asset age, condition, remaining useful life and safety information. Further condition assessments and valuation work are being undertaken to strengthen long-term forecasts.	Condition information is incomplete for some assets and existing valuations require updating. The scale and timing of future renewals may therefore differ from current estimates.
Community and Corporate Facilities	Existing maintenance programmes, known building condition and compliance requirements provide the current basis for planning. Further condition assessments and lifecycle modelling are required to establish reliable long-term renewal needs.	Incomplete condition, useful-life and cost information limits confidence in the future renewal programme. Further investigations may identify additional investment requirements.
Recreation, Cultural and Learning Facilities	Renewal planning is based on the information available for existing facilities, including known maintenance, condition and compliance requirements. Further work is needed to confirm useful lives, asset condition and longer-term investment requirements across the portfolio.	The full scale and timing of future renewals are not yet established. Changes in facility use, building condition and future service requirements could materially affect investment needs.

The greatest uncertainty in lifecycle forecasting is associated with the emerging Parks and Facilities portfolios. While work is underway to improve asset information, the available forecasts do not yet provide a complete picture of future renewal requirements.

Council will continue to improve condition assessments, asset valuations and lifecycle planning over the next three years. This will enable more reliable renewal forecasts and better-informed decisions about maintaining, upgrading or replacing infrastructure in future Long Term Plans.

Growth and demand

Population growth in Timaru District has historically been modest, and the current activity planning generally anticipates continued modest growth over the next 10 years. However, the demand for infrastructure is influenced by more than population growth alone.

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[Insert final 2027–57 population and household growth assumptions, including the forecast scenario used in the Long Term Plan and Financial Strategy.]

For Roading and Transport, Council assumes that future demand will continue to be influenced by freight movements, agricultural and industrial activity, and development in particular locations. Growth in heavy vehicle use can increase road deterioration and renewal requirements even where overall traffic volumes remain relatively stable.

For Waste Management and Minimisation, the draft AMP assumes that approximately 30,000–32,000 tonnes of waste will continue to be disposed of at Redruth Landfill each year. This assumption influences the estimated remaining landfill life, the timing of new cell development and future revenue. Changes in waste minimisation, competition from other disposal facilities and the volume of waste received could significantly alter these forecasts.

For Timaru Airport, the draft AMP assumes scheduled commercial passenger services will continue. Future passenger numbers, airline decisions and aircraft requirements are uncertain, and significant infrastructure improvements will depend on confirmed demand and operating requirements.

For Parks and Facilities, future demand is expected to be influenced by an ageing population, changing patterns of recreation and community participation, and increasing expectations for accessibility and quality of service. Overall population growth may not require a substantial increase in the number of facilities, but changes in how and where facilities are used may require Council to adapt its existing portfolio.

If growth is higher or occurs more quickly than assumed, Council may need to bring forward infrastructure investment or provide additional capacity. Conversely, lower growth or declining demand may reduce the need for new infrastructure while increasing the cost per ratepayer of maintaining existing assets and services.

Council will continue to monitor population, development and service demand trends and review its investment requirements as these change.

Levels of service

For initial planning, continuing existing infrastructure services at their current levels provides a basis for assessing expenditure and affordability. The levels of service reflected in the most likely scenario will depend on Council's decisions on the preferred investment programme.

This does not mean every existing asset will necessarily be replaced on a like-for-like basis. Where assets are approaching renewal, Council will consider whether they continue to meet community needs, whether the current level of service is appropriate and whether alternative approaches could provide better long-term value.

For Roading and Transport, maintaining existing service levels will require ongoing maintenance and renewal investment, particularly as roads and bridges age and demands on the network change. The level of investment available, including NZTA co-investment, will influence Council's ability to maintain network condition and performance.

For Waste Management and Minimisation, the current planning basis is the continued provision of existing waste collection, disposal and resource recovery services. Future changes to landfill operations, waste minimisation requirements or the delivery of waste services could result in changes to levels of service and associated costs.

For Timaru Airport, the planning assumption is to maintain existing services and comply with Civil Aviation Authority requirements. Significant improvements, such as runway or terminal extensions, remain dependent on future demand, regulatory requirements and Council decisions.

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For Parks and Facilities, the current assumption is that existing services will broadly continue, with ongoing maintenance, renewals and compliance work. There are no confirmed district-wide changes to levels of service at this stage. However, future decisions about accessibility, facility provision, renewal, consolidation or rationalisation may change the services provided and their costs.

There is uncertainty about the future levels of service Council can sustainably provide across its wider infrastructure portfolio. Increasing or improving services may require additional capital investment and ongoing operating costs. Reducing or consolidating services could lower future costs but may affect accessibility, community satisfaction or the availability of facilities.

Any significant changes to levels of service will need to be considered alongside community expectations, the risks involved and Council's financial capacity. Where changes are approved, their implications will be reflected in the relevant investment programmes and future updates to this Strategy.

Other significant assumptions and areas of high uncertainty

These include the availability of external funding, construction costs, changes in legislation, environmental requirements, natural hazards and Council's capacity to deliver its planned investment programme.

The following table identifies the significant assumptions and areas of uncertainty, together with their potential effects on infrastructure investment and service delivery. Council will continue to review its assumptions, improve asset information and monitor changes in demand, legislation, costs and funding. As these become clearer, the infrastructure programme will be updated through future Long Term Plans and Infrastructure Strategies.

Assumption	What we have assumed	Uncertainty and potential effects
Inflation and construction costs	Capital and operating expenditure forecasts will be based on the inflation and cost-escalation assumptions adopted for the 2027–37 Long Term Plan.	Actual construction, maintenance and operating costs may be higher or lower than forecast. Higher costs could reduce the amount of work Council can deliver within available funding, requiring projects to be deferred, reprioritised or supported by additional funding.
NZTA co-investment	Council assumes an NZTA Funding Assistance Rate of 51% for eligible land transport expenditure, with the remaining 49% funded by Council.	While the assumed FAR is 51%, the level of NZTA funding approved for Council's proposed programme remains uncertain. If funding is lower than requested, Council may need to provide additional funding, reduce investment or defer planned works, potentially affecting network condition and levels of service.
Future of Redruth Landfill	Current planning is informed by the continued operation of Redruth Landfill, its resource consents expiring in 2030 and an estimated remaining operating life to approximately 2048.	The future of the landfill is subject to consenting, capacity, environmental and financial considerations. New consent conditions, changes in waste volumes or a different disposal model could substantially change future capital and operating expenditure.

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Assumption	What we have assumed	Uncertainty and potential effects
Waste policy and operating revenue	Waste services are planned using current service arrangements and available forecasts for disposal volumes, waste levy funding, operating costs and revenue.	Changes in national waste policy, the waste levy, emissions costs, commercial competition or waste diversion could affect revenue and operating costs. A reduction in landfill income may require changes to funding arrangements or service delivery.
Future commercial aviation services	Airport planning assumes commercial passenger services continue, with core infrastructure maintained to meet current operating and safety requirements.	Airline operating decisions, passenger demand and future aircraft requirements are outside Council's direct control. Changes could affect airport revenue, operating costs and the need for runway, terminal or other infrastructure investment.
Airport asset ownership	The potential transfer of Airways New Zealand infrastructure to Council remains subject to agreement. Associated costs and responsibilities have not been finalised.	A transfer could create additional maintenance, renewal and compliance obligations. The financial implications will depend on the condition, value and future requirements of the assets transferred.
Legislation and regulatory requirements	Current investment planning reflects known legislative and regulatory requirements and the changes identified in the supporting Activity Management Plans.	Changes to environmental, aviation, building, safety or other regulatory requirements could result in additional capital or operating expenditure, or require changes to how infrastructure services are provided.
Capital programme delivery	Investment forecasts will reflect Council's planned work programmes and the delivery assumptions included in the Long Term Plan.	Contractor availability, consenting, procurement, project complexity and internal delivery capacity may affect how much work can be completed and when. Delays or cost increases could require projects to be reprioritised or rescheduled.
Natural hazards and infrastructure resilience	Council will continue to manage known natural-hazard risks through asset management, maintenance and planned resilience investment, supported by the financial provisions identified in the Financial Strategy.	A significant flood, earthquake, coastal event or other natural hazard could cause substantial unplanned expenditure. The costs of recovery and reinstatement may exceed available provisions and require additional borrowing, external funding or reprioritisation of planned investment.
Parks and Facilities renewal requirements	Current forecasts will be informed by approved budgets, known projects and the asset information available, with interim assumptions or allowances where longer-term forecasts are incomplete.	Further asset condition assessments, valuations and portfolio planning may identify additional renewal, compliance or service requirements. The actual scale and timing of investment could therefore differ materially from current forecasts.
Financial capacity and affordability	Initial financial modelling assumes a balanced operating budget and 100% depreciation funding to test rates and debt impacts. The final depreciation funding approach and investment	Changes in costs, funding, revenue or investment requirements may affect the affordability of the programme. Council may need to reconsider priorities, funding arrangements, service levels or the timing of significant infrastructure projects.

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Assumption	What we have assumed	Uncertainty and potential effects
	programme remain subject to Council decisions and the Financial Strategy.	

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6. SIGNIFICANT CAPITAL EXPENDITURE DECISIONS

Significant capital expenditure decisions

Over the next 30 years, Council will face significant decisions about renewing and replacing ageing infrastructure, supporting growth, maintaining levels of service and managing the long-term cost of its assets.

Some decisions will be required during the 2027–37 Long Term Plan period, while others will arise as infrastructure reaches the end of its useful life or changes in demand, regulation and service requirements become clearer.

These decisions involve choices about whether, when and how to invest. The principal options may include maintaining or extending the life of existing assets, replacing or upgrading infrastructure, changing the level of service provided, or adopting alternative service delivery arrangements.

The table below identifies the significant capital expenditure decisions expected over the 30-year Strategy period, their likely timing, the principal options and the approximate scale of costs. More detailed consideration of the issues and options is provided in the relevant activity sections.

The timing and expenditure estimates are indicative. The cost figures include both overall programmes and individual investments and should not be added together.

Significant decision	When	Principal options implications	Approximate capital expenditure
Roading and Transport **Investment to maintain existing infrastructure and levels of service**	2027-37, with ongoing investment decisions over the Strategy period.	**Scenario 1: Maintain current levels of service and provide for growth** Maintain network condition and reliability through planned renewals and improvements.	2027–30: $98.7m 2027–37: $297.8m
		Scenario 2: Continue existing Council funding Constrain investment relative to Scenario 1, accepting increasing deterioration and deferred improvements.	2027–30: $73.9m 2027–37: $251.1m
		Scenario 3: Limit expenditure to NZTA-supported budgets Reduce renewals and improvement investment, with greater network and service consequences.	2027–30: $53.5m 2027–37: $181.2m
Roading and Transport		**Scenario 1: Higher bridge renewal investment**	2027-30: $7.7m

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Significant decision	When	Principal options implications	Approximate capital expenditure
Renewal and replacement of ageing bridges	Ongoing; substantial further replacement pressures expected after 2037.	Increase component replacements and programmed bridge renewals to protect service and extend asset lives.	2027-37: $29.6m
		Scenario 2: Existing Council funding Reduce component-replacement investment, prioritising higher-risk bridges and accepting increasing future obligations.	2027-30: $5.6m 2027-7: $22.1m
		Scenario 3: NZTA-supported funding only Constrain the component-replacement and structure renewal programme; greater potential for restrictions, alternative access or decommissioning.	2027-30: $4.3m 2027-37: $16.1m
Roading and Transport **Investment supporting urban and industrial growth**	Primarily 2027-37, with timing linked to confirmed development.	**Scenario 1: Prioritised growth investment** Progress selected urban and industrial road improvements to support access, freight and development.	2027-30: $10.8m 2027-37: $31.8m
		Scenario 2: Stage growth investment Deliver fewer or later growth-response projects, linking expenditure more closely to confirmed demand.	2027-30: $7.3m 2027-7: $28.3m
		Scenario 3: Defer most growth improvements Limit near-term new growth-response investment and make greater use of existing infrastructure.	2027-30: $0.0m 2027-37: $6.0m
Waste Management & Minimisation **Redruth Landfill consenting and development**	Decisions before consent expiry in 2030; subsequent cell	**Option 1: Continue developing Redruth** Seek renewed consents and fund cells, capping and environmental infrastructure.	2027-37 $10.2m

Significant decision	When	Principal options implications	Approximate capital expenditure
	development during 2027-37.	**Option 2: Develop alternative Council-owned disposal capacity** Plan, consent and build a replacement Council-owned disposal facility.	To be determined
		Option 3: Use other disposal facilities Purchase disposal capacity from existing operators, with transport and contractual obligations.	To be determined
		Option 4: Partnership or shared arrangements Explore joint ownership, investment or contracted operating arrangements.	To be determined
Waste Management & Minimisation **Waste disposal capacity beyond Redruth Landfill's estimated life**	Advance planning before approximately 2048, allowing time for consents and implementation.	**Option 1: New Council-owned capacity** Develop additional landfill or other disposal capacity, retaining direct control.	To be determined
		Option 2: Use existing external facilities Avoid some direct capital expenditure in exchange for long-term third-party charges.	To be determined
		Option 3: Partner with other providers Share facilities, capital investment and risks under an agreed arrangement.	To be determined
Parks & Reserves **New Timaru Cemetery development**	Initial works during 2027-32, before existing cemetery capacity is exhausted.	**Option 1: Stage development** Provide burial capacity and servicing progressively in response to demand.	To be determined

Significant decision	When	Principal options implications	Approximate capital expenditure
		Option 2: Undertake larger initial development Provide greater developed capacity earlier, with higher initial expenditure.	To be determined
Parks & Reserves **Future of Caroline Bay paddling pool**	Options assessment proposed for 2027/28; investment timing subject to asset condition and decision.	**Option 1: Upgrade the existing pool** Continue aquatic service through renewal of the treatment system and other components.	$600k for water treatment system only
		Option 2: Replace or redevelop the pool Provide a new aquatic facility, potentially at the existing or an alternative location.	To be determined
		Option 3: Develop a splash pad Replace the existing pool with a different aquatic recreational facility.	To be determined
		Option 4: Provide a non-aquatic alternative Change the service provided at Caroline Bay and avoid reinstating a conventional pool.	To be determined
Community & Corporate Facilities **Future provision of community and corporate facilities**	2027-37 and at major renewal, compliance or portfolio decision points over 30 years.	**Option 1: Maintain and renew existing facilities** Retain the property portfolio and fund renewals, compliance and ongoing operation.	To be determined
		Option 2: Upgrade or adapt selected facilities Invest in priority buildings to improve accessibility, safety or suitability.	To be determined

Significant decision	When	Principal options implications	Approximate capital expenditure
		Option 3: Consolidate, repurpose or divest Reduce the portfolio and future liabilities while managing impacts on service access.	To be determined
Recreation, Cultural & Learning Facilities **Future provision of recreation, cultural and learning facilities**	Decisions as major renewal and compliance needs arise during 2027-57.	**Option 1: Maintain existing facilities** Renew the existing range of pools, halls and other recreation/cultural buildings.	To be determined
		Option 2: Upgrade selected facilities Address seismic, safety, accessibility and other significant deficiencies.	To be determined
		Option 3: Consolidate or change provision Combine or alter service provision where maintaining local facilities is not justified.	To be determined
Timaru Airport **Timaru Airport runway renewal and potential capacity improvements**	Runway resurfacing anticipated around 2035; capacity decisions depend on airline requirements.	Scenario 1: Maintain existing Q300-scale services Renew runway and maintain capacity for current aircraft operations.	2027-37 $4.0m
		Scenario 2: Upgrade for larger ATR aircraft Extend runway and provide supporting taxiway or terminal works if justified by confirmed services.	2027-37 $11.5m
		Scenario 3: Adapt to loss of scheduled services Retain an airport for emergency, general aviation and other purposes, potentially adding flight training.	2027-37 $4.0m

7. THE MOST LIKELY SCENARIO — 30-YEAR FINANCIAL ESTIMATES

Pulling the issues and decisions together, this section sets out the single most likely path for managing our assets, and what it will cost.

> ✎ ***Set out*** *the single most-likely scenario for managing the assets over 30 years (LGA s101B(4)), with indicative capital and operating expenditure for each of the first 10 years and each subsequent 5-year block (s101B(4)(a)). Taituarā review-tool Q17: a single most-likely scenario must be spelled out. This section is the financial bridge to the Financial Strategy — keep totals reconciled.*

This strategy is based on a single most-likely scenario for managing the Council's infrastructure over the next 30 years. The scenario reflects the priorities, significant issues, assumptions and decisions set out above, and sits within the financial limits in the Financial Strategy.

Total infrastructure expenditure, 2027–2057

[Insert overview — total planned capital and operating expenditure over 30 years and over the first 10 years across the four groups, and the split between renewals, levels of service and growth. Note any scope-risk / programme-delivery adjustment applied.]

[Figure 1: Total infrastructure expenditure 2027–2057 by activity — Capex and Opex (insert chart)]

Capital expenditure - first 10 years and 5-year blocks

> ✎ ***Provide*** *indicative capital expenditure for each of years 1–10 and each subsequent 5-year block to year 30 (s101B(4)(a)). Use the table below and/or a chart. Reconcile totals with the Financial Strategy capital programme.*

Capex ($m)	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	11–15	16–20	21–25	26–30
Roading & Transport														
Waste Mgmt & Min.														
Community & Rec.														
Parks & Reserves														

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Total														

[Figure 2: Capital expenditure by year and 5-year block, by type — Renewals / LOS / Growth (insert chart)]

Operating expenditure - first 10 years and 5-year blocks

Provide *indicative operating expenditure for years 1–10 and each subsequent 5-year block (s101B(4)(a)). Split into direct (maintenance/operations) and indirect (depreciation, financing, overheads) if helpful, consistent with the Financial Strategy 'Paying for Everyday Costs' section.*

[Figure 3: Operating expenditure by year and 5-year block — Direct / Indirect (insert chart)]

Renewals vs depreciation

Show and explain *the relationship between projected renewal investment and depreciation over the period, and explain any divergence (Taituarā review-tool Q14). Links to the depreciation-funding transition / intergenerational-equity discussion in the Financial Strategy.*

[Insert renewals-vs-depreciation narrative and chart reference, explaining drivers of any gap (e.g. long-life assets such as bridges not due for renewal within 30 years) and how the gap is expected to close over 100 years.]

[Figure 4: Cumulative renewal vs cumulative depreciation, 30 years (insert chart)]

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8. ROADING AND TRANSPORT

Council provides and maintains the roads, bridges, footpaths and associated infrastructure that connect our communities and support the district's economy. Our network is particularly important for agriculture, food processing, manufacturing and freight, providing connections between rural areas, industrial activities, PrimePort Timaru and the wider state highway network.

Council manages more than 1,700 kilometres of roads, 176 bridges, 147 large culverts and over 350 kilometres of footpaths. The estimated replacement value of these and associated transport assets was approximately $1.17 billion in 2025.

[Insert Roading and Transport's share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Our road network is generally in good condition, reflecting sustained investment in maintenance and renewals. However, approximately 41% of sealed pavements are more than 50 years old, and many were not designed for today's heavy freight movements. Increasing pavement rehabilitation and strengthening will be required on parts of the network to maintain existing performance and accommodate changing demand.

The bridge network presents a particular challenge. Recent inspections have identified a combined maintenance and component replacement backlog of approximately $7.9 million. Timely investment can extend the lives of existing structures, but a larger programme of bridge replacements is expected beyond the first 10 years. Maintaining existing connections may become increasingly expensive, particularly where replacement costs are high relative to traffic demand.

Footpaths are generally in reasonable condition, with approximately 92% assessed as average or better. However, continued maintenance and renewals are required to maintain safe and accessible connections.

Council has well-established asset information for its roading network, including pavement modelling and bridge inspections. Further work to refine bridge replacement forecasts, freight demand and network criticality will support future investment decisions.

Levels of service

Council aims to provide a safe, reliable and affordable transport network, maintaining infrastructure at an appropriate whole-of-life cost and providing for the needs of different road users.

Council has historically invested an additional $2–5 million annually beyond approved NZTA funding levels to maintain the network and address maintenance backlogs. This investment has contributed to the generally good condition of our roads. However, NZTA funding has not kept pace with rising costs and increasing investment requirements. As a result, constrained funding delivers progressively less maintenance and renewal work, while ageing infrastructure and growing freight demands place further pressure on the network.

Council must therefore consider how much additional local funding it is prepared to provide to maintain existing levels of service. Reducing this investment would require changes to maintenance and renewal programmes, with consequences for asset condition, network reliability and future costs.

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Significant infrastructure issues and decisions

Three significant long-term pressures shape investment in the roading network: maintaining existing assets, providing for freight and growth, and managing safety and resilience.

Maintaining and renewing existing infrastructure

Ageing pavements and bridges will require increasing investment over the next 30 years. Continued resurfacing, pavement rehabilitation and targeted bridge maintenance can protect existing asset condition and reduce the likelihood of more expensive failures. For bridges, component replacements and heavy maintenance can also extend asset lives and help manage future replacement costs.

Reducing this investment would lower immediate expenditure but increase the risk of deterioration, higher maintenance costs, weight restrictions and eventual loss of access. Council will need to prioritise renewals according to asset condition, criticality, freight demand and the consequences of failure. For some lower-use bridges, alternative access arrangements or decommissioning may need to be considered rather than full replacement.

Supporting growth and changing freight demand

Industrial growth around Washdyke and Temuka, increasing heavy vehicle movements and residential development are creating demand for stronger pavements, improved intersections and new road connections.

The draft programme identifies potential improvements to industrial and freight routes, including the Washdyke Link Road and upgrades to roads affected by changing land use. These projects could support economic development, improve safety and reduce existing network constraints, but require funding alongside the maintenance and renewal of existing infrastructure.

Scenario 1 provides the greatest capacity to deliver selected improvements. Scenarios 2 and 3 would require more projects to be staged, reduced or deferred. Council will need to determine which improvements are necessary to support growth, when they should proceed and whether appropriate contributions can be recovered from development or other beneficiaries.

Managing resilience, safety and accessibility

Roads and bridges are exposed to flooding, severe weather and other natural hazards. Damage to critical connections can disrupt access for communities, businesses and emergency services, particularly where alternative routes are limited.

Council must determine which vulnerable routes justify proactive investment in resilience and where risks can be managed through maintenance, emergency response and recovery arrangements.

Funding constraints will also affect opportunities to improve road safety, pedestrian access and active transport connections. Coordinating improvements with planned renewals may reduce costs, but lower investment would mean accepting some existing deficiencies and delaying improvements.

The preferred investment programme will need to prioritise these requirements according to risk, network importance, community benefits and affordability.

Investment options and implications

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The draft 2027–37 Land Transport Activity Management Plan has developed three investment scenarios that would result in significantly different future networks.

Investment scenario	10-year expenditure	What this would mean for the future network	Key benefits and trade-offs
Scenario 1: Maintain current levels of service and provide for growth	Opex: $440.4m Capex: $325.7m **Total: $766.1m**	A network that broadly maintains its existing condition, reliability and accessibility, with continued pavement and bridge renewals, increased bridge maintenance and selected improvements to support freight, growth, safety and resilience.	Protects existing infrastructure performance and provides greater capacity to respond to changing demand. Requires the highest investment, with greater rates and borrowing requirements. Some existing renewal backlogs and longer-term replacement pressures would remain.
Scenario 2: Continue existing Council funding	Opex: $407.8m Capex: $286.5m **Total: $694.3m**	A network that remains largely functional but progressively deteriorates as maintenance and renewals become insufficient to address ageing infrastructure. Investment would concentrate on higher-priority assets, with some bridge restrictions, reduced footpath maintenance and fewer growth and resilience improvements.	Reduces immediate funding requirements compared with Scenario 1, but accepts declining asset condition and service performance, increasing backlogs and potentially higher future costs. Some growth and improvement projects would be delayed or excluded.
Scenario 3: Limit spending to NZTA-supported budgets	Opex: $382.9m Capex: $209.1m **Total: $592.0m**	A more constrained network, with substantially less investment in maintenance, renewals and improvements. Some bridges will become subject to further weight restrictions, closure or eventual decommissioning. Footpaths and lower-priority roads would experience reduced maintenance and deterioration, while most growth and improvement projects would not proceed.	Provides the lowest immediate expenditure and borrowing requirements, but accepts a material reduction in network performance, accessibility and resilience. The long-term consequences could include loss of some connections, higher future replacement costs and greater disruption for communities and businesses.

Indicative 2027–37 figures from the October 2026 draft Roading financial model. The scenarios remain under assessment and have not been adopted by Council. The total combines operating expenditure, including depreciation and other non-cash costs, with capital expenditure; it does not represent the cash funding requirement.

The differences between these scenarios are significant. For example, the draft 2027–30 programme assessment provides for minor maintenance repairs on approximately 140 bridges annually under Scenario 1, compared with 70 under Scenario 2 and 60 under Scenario 3. Annual footpath repairs would reduce from approximately 2,900m² under Scenario 1 to 1,500m² under Scenario 2 and 500m² under Scenario 3.

These reductions would have consequences that become more apparent over time. Scenario 1 would provide greater capacity to maintain network condition, address bridge defects and accommodate changing demand. Scenario 2 would require Council to accept increasing maintenance and renewal backlogs and a gradual decline in service performance. Scenario 3 could require more fundamental decisions about the connections and infrastructure Council can afford to retain, particularly for lower-use bridges and roads where replacement costs are substantial.

The consequences would not be evenly distributed across the network. Critical freight routes, higher-use roads and essential community connections would generally receive priority under constrained investment, potentially resulting in reduced standards elsewhere. Rural communities with limited alternative routes could be particularly affected by bridge restrictions or closures.

NZTA co-investment is a significant source of funding for Roading, with a current Funding Assistance Rate of 51% for eligible and approved expenditure. However, the funding available through future National Land Transport Programmes remains uncertain. Council may need to provide additional local funding to maintain its preferred level of service or accept reductions in the programme.

Council will need to determine which investment scenario provides an acceptable balance between rates and debt affordability, maintaining existing infrastructure, supporting growth and managing long-term network risks. This decision will also need to align with the Council-wide programme options discussed in Section 4.

[Confirm preferred investment scenario, resulting levels of service and performance targets, and the reconciled rates and debt implications.]

Indicative expenditure

Renewal and replacement expenditure is a substantial component of this investment, ranging from approximately $167 million under Scenario 3 to $228 million under Scenario 1. Differences in investment levels would affect the condition of the network and the maintenance and renewal obligations carried into future decades.

Beyond the first 10 years, bridge replacements are expected to become an increasingly significant expenditure requirement. Council will need to consider how the preferred programme manages these future costs, including the extent to which maintenance and component replacements can extend asset lives and reduce future replacement pressures.

The long-term affordability of the network will also depend on Council's approach to depreciation funding, NZTA contributions and borrowing. Actual renewal expenditure will vary between years, particularly where major bridges and other long-life infrastructure require replacement.

[Insert preferred Roading programme: 10-year and 30-year operating and capital expenditure, including the renewals, levels of service and growth split.]

[Insert chart showing 30-year Roading expenditure, with the first 10 years individually and subsequent years in five-year periods.]

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[Insert renewals versus depreciation comparison and confirm the implications for future borrowing.]

The significant capital expenditure decisions arising from the preferred programme, including major bridge renewals and growth-related improvements, are identified in Section 6.

Assumptions and uncertainties specific to Road and Transport

The most significant uncertainty is the level of NZTA funding available to support Council's preferred programme. Funding decisions may require further changes to expenditure, service levels or the timing of improvements.

Future costs will also depend on how ageing pavements and bridges perform, changes in heavy freight demand, growth and land use, construction costs and damage from natural hazards. Bridge inspections and improved asset information may change the timing and scale of replacement requirements.

The preferred programme will need to be reviewed as these factors become clearer. Where investment is constrained, Council will need to monitor the resulting changes in asset condition, service performance and risk to inform future Long Term Plans.

Further information

Further detail is in the Roading and Transport Activity Management Plan, available at www.timaru.govt.nz.

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9. WASTE MANAGEMENT AND MINIMISATION

Council provides waste collection, disposal and resource recovery services to protect public health, minimise environmental harm and support the sustainable management of waste across the district.

Our services include kerbside collections, transfer stations, recycling and organics processing, and the operation of Redruth Landfill. Council also manages closed landfills and supports education and community initiatives to reduce waste.

The most significant long-term decisions concern the future of Redruth Landfill, the financial sustainability of waste services and how Council will continue providing safe and affordable waste disposal as environmental requirements and waste volumes change.

[Insert Waste Management and Minimisation's share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Redruth is the district's main Council-owned waste management facility, incorporating a Class 1 landfill and Resource Recovery Park with recycling, glass handling and organics processing facilities. Council also provides transfer stations at Temuka, Geraldine and Pleasant Point, manages several closed landfill sites and owns supporting infrastructure, plant and collection bins.

Waste services are delivered through a joint contract with EnviroNZ, established in 2021 with Waimate and Mackenzie District Councils. The contract runs to 2036, with provision for a further five-year extension.

The district currently has approximately 22,000 kerbside collection sets, providing separate collections for rubbish, recycling, glass and organics. Around 68% of material collected through the kerbside service was diverted from landfill in 2025/26.

Redruth Landfill received approximately 31,800 tonnes of waste in 2025/26, excluding waste from the Peel Forest closed landfill remediation. Its remaining capacity is currently estimated to extend to approximately 2048, depending on future waste volumes and the development of additional landfill cells.

However, Redruth's existing resource consents expire in 2030. Council must therefore make decisions about the future operation of the landfill well before its estimated physical capacity is exhausted.

Asset management information is maintained for Council's waste facilities, landfill infrastructure, plant and equipment. Ongoing condition assessments, lifecycle planning and monitoring of landfill capacity will inform the timing of future renewals and investment.

[Insert asset replacement values, condition information and data reliability grades from the final asset register and AMP.]

Levels of service

Council aims to provide reliable and accessible waste collection and disposal services, increase the diversion of waste from landfill, and manage waste facilities in a manner that protects public health and the environment.

Maintaining these services requires ongoing investment in collection and processing infrastructure, landfill development, environmental compliance and the management of closed landfill sites.

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Significant infrastructure issues and decisions

The future waste management programme must address three significant pressures.

Landfill development, consenting and future capacity

Redruth Landfill's existing resource consents expire in 2030, although its physical capacity is currently expected to extend to around 2048. Continued operation will require further consenting, landfill cell development, capping and supporting infrastructure investment.

Council therefore needs to determine its longer-term approach to waste disposal. Options include continuing to develop Redruth, developing alternative Council-owned infrastructure, using other disposal facilities, or entering partnership arrangements. These options have different implications for capital cost, operating cost, environmental liability and Council's control over future disposal capacity.

Immediate investment in Redruth also needs to be considered alongside this longer-term decision so Council does not constrain necessary capacity or commit significant expenditure that may not align with its preferred future disposal approach.

Waste minimisation and financial sustainability

Council's waste minimisation activities reduce material going to landfill and can extend the life of Redruth. However, a significant proportion of landfill and waste-service costs are fixed, while disposal revenue varies with the volume of waste received.

Lower disposal volumes, competition from alternative facilities and increasing operating costs could therefore affect the financial sustainability of the existing service. Council may need to reconsider the balance between fees and charges, rates funding and other revenue, as well as whether alternative disposal arrangements provide better long-term value.

Council will need to balance its waste minimisation objectives with maintaining an affordable and financially sustainable waste service.

Environmental obligations and infrastructure resilience

Landfill operations create ongoing environmental obligations, including management of leachate, landfill gas, completed cells and closed landfill sites. Redruth and some closed landfill sites are also exposed to flooding, erosion and other natural-hazard risks.

These obligations will continue regardless of the future disposal model, although their scale and allocation may differ between options. Council will need to determine where protection, adaptation or remediation is justified, what residual risks can reasonably be accepted, and how future closure, aftercare and environmental liabilities will be funded.

Investment options and implications

Council faces a significant decision about the future of waste disposal beyond 2030. Options include continuing to develop Redruth Landfill, investing in alternative Council-owned infrastructure, using other disposal facilities or establishing partnership arrangements. These approaches have different implications for Council's investment requirements, operating costs, environmental obligations and control over waste services.

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Investment scenario	10-year expenditure	What this would mean for the future network	Key benefits and trade-offs
Option 1: Continue developing and operating Redruth Landfill	**[Insert opex and capex estimates]**	Seek renewed resource consents and continue developing landfill cells, alongside ongoing investment in capping, environmental management and supporting infrastructure.	Retains local disposal capacity and Council control over the service, potentially avoiding additional transport costs. Requires further capital investment, continued environmental and operating liabilities, and sufficient disposal revenue to sustain the facility. Consent renewal and future conditions remain uncertain.
Option 2: Develop alternative Council-owned disposal infrastructure	**[Insert opex and capex estimates]**	Investigate developing a new Council-owned landfill or other suitable disposal infrastructure, potentially replacing Redruth in the longer term.	Retains Council control over disposal services and future capacity. Requires substantial capital investment, suitable land, consenting and ongoing operating and environmental commitments. Costs and feasibility are not yet established.
Option 3: Use other existing disposal facilities	**[Insert opex and capex estimates]**	Arrange disposal at another facility, potentially including private facilities within the district such as Taiko, or facilities elsewhere.	Could avoid significant Council investment in new landfill capacity. Costs would depend on transport, gate fees and contractual arrangements. Council would have less direct control over disposal pricing and capacity, but retain responsibility for Redruth's existing closure and aftercare obligations.

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Investment scenario	10-year expenditure	What this would mean for the future network	Key benefits and trade-offs
Option 4: Establish partnership or shared disposal arrangements	**[Insert opex and capex estimates]**	Explore joint investment, ownership or service arrangements with other councils or private operators, potentially using existing or new infrastructure.	Could share investment, operating costs and risks while retaining a degree of Council involvement or control. Benefits would depend on the ownership, funding, governance and commercial arrangements negotiated.

These are potential strategic approaches identified from the draft Activity Management Plan. They have not been fully assessed or costed, and Council has not determined a preferred option. The approaches may also be combined or introduced at different times.

Continuing to operate Redruth would require Council to commit to further landfill development and environmental compliance, including the costs and risks of obtaining new resource consents. Developing alternative Council-owned infrastructure would retain direct control but require a separate investment and consenting process. Using other facilities or partnership arrangements could reduce some of Council's direct infrastructure commitments, depending on the terms and responsibilities involved.

The decision must also consider the longer term. Even if Redruth continues operating beyond 2030, its estimated remaining capacity extends only to around 2048. Council will therefore need to determine how disposal capacity will be provided for the remainder of the 30-year Strategy period.

The future of waste disposal is closely linked to Council's approach to waste minimisation. Reducing the volume of waste disposed of can extend landfill life and improve environmental outcomes, but may also affect the revenue available to operate and develop Redruth.

Council will need to determine its preferred approach to waste disposal, including the investment and consenting decisions required before 2030, the affordability of the available options and how disposal capacity will be provided over the longer term.

[Insert preferred waste disposal option, comparative whole-of-life costs, funding implications, proposed levels of service and significant decision dates once the options assessment is completed.]

Indicative expenditure

The draft Activity Management Plan identifies ongoing capital expenditure associated with landfill cell development, capping, plant and equipment renewals, collection infrastructure and environmental management.

The next Redruth landfill cell has an existing budget allowance of approximately $2.9 million, although the cost and timing remain subject to updated design and technical assessment. Subsequent cell development is estimated to cost approximately $2 million per cell on average, depending on size, while capping completed cells is estimated at approximately $600,000 per cell.

DRAFT FOR DISCUSSION

Should Council seek renewal of Redruth's existing resource consents, the draft AMP estimates the consenting process could cost approximately $1 million, excluding any additional expenditure required to meet future consent conditions. The AMP also provides an indicative allowance of around $500,000 annually for other capital requirements, including bin replacements, plant and equipment, landfill gas infrastructure and internal roads.

Future expenditure will depend significantly on Council's preferred disposal approach. Continuing Redruth would require investment in additional cells, capping and environmental management. Developing alternative Council-owned infrastructure would introduce new land, consenting and development costs. Using other facilities or partnership arrangements could reduce direct capital investment but create different operating and contractual commitments.

All options would need to account for existing landfill closure and aftercare obligations. They would also need to consider the costs of providing collection, transfer and resource recovery services, which may continue regardless of the disposal arrangement selected.

Beyond approximately 2048, further investment or alternative disposal capacity will be required as Redruth approaches its estimated remaining life, if the landfill continues operating until then. The scale and timing of this expenditure will depend on future waste volumes, consenting and Council's long-term approach.

Waste services are funded through a combination of disposal and service charges, rates and other funding, including waste levy funding for eligible activities. Changes in disposal volumes, operating costs, regulatory requirements and the preferred service model will influence future funding requirements.

[Insert preferred Waste Management and Minimisation programme: 10-year and 30-year operating and capital expenditure, including renewals, service improvements and growth-related expenditure where applicable.]

[Insert chart showing 30-year Waste Management and Minimisation expenditure, with the first 10 years individually and subsequent years in five-year periods.]

[Insert renewals versus depreciation comparison and confirm how landfill development, closure and aftercare obligations are provided for in the financial forecasts.]

The significant capital expenditure decisions relating to future waste disposal infrastructure and landfill development are identified in Section 6.

Assumptions and uncertainties specific to Waste Management and Minimisation

The most significant uncertainty is Council's future approach to waste disposal, including the potential renewal of Redruth's resource consents, the feasibility and cost of alternative Council-owned infrastructure, and the availability and terms of other disposal or partnership arrangements.

The current estimate of Redruth's remaining capacity to approximately 2048 assumes ongoing cell development and waste volumes broadly consistent with recent activity, excluding unusual one-off disposal events. Changes in waste minimisation, population, commercial waste movements or competition could materially change the remaining landfill life and operating revenue.

Future costs will also depend on changes to the waste levy, Emissions Trading Scheme obligations, environmental requirements and the costs of contracted services. The existing waste services contract runs to 2036, with a potential extension, and future service delivery arrangements may affect expenditure and investment requirements.

Flooding, coastal erosion and other natural hazards could create additional costs for operating and closed landfill sites. The timing and extent of these risks will continue to be assessed as part of Council's asset management and resilience planning.

The preferred disposal approach and associated financial forecasts will need to be reviewed as consenting, technical investigations and options assessment work progresses.

DRAFT FOR DISCUSSION

Further information

Further detail is in the Waste Management and Minimisation Activity Management Plan and the Waste Management and Minimisation Plan 2024-30 available at www.timaru.govt.nz.

DRAFT FOR DISCUSSION

10. COMMUNITY AND CORPORATE FACILITIES

Council owns and manages a broad range of buildings and properties that support community services and Council operations. These include the Timaru Municipal Office, service centres at Geraldine and Temuka, Council housing, public toilets, camping facilities, depots, investment properties and other land and buildings.

These assets provide important services and facilities for residents, businesses and visitors. However, maintaining and renewing the existing portfolio will require ongoing investment, while building compliance, changing community needs and affordability may influence which assets Council retains over the next 30 years.

The most significant long-term challenge is determining which facilities should be maintained, upgraded, consolidated or disposed of, taking account of their condition, utilisation, service requirements and ongoing costs.

[Insert Community and Corporate Facilities' share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Council's Community and Corporate Facilities portfolio includes a diverse range of assets, from major corporate buildings and service centres to public toilets, Council housing, depots, camping facilities and investment properties.

The Activity Management Plan identifies replacement values of approximately $43.4 million for Council housing, $7.5 million for public toilets and $31.4 million for the Timaru Municipal Office buildings. These are partial valuations and do not represent the full value of the portfolio.

Council provides more than 200 housing units, predominantly for older residents and people requiring affordable accommodation. Occupancy is high, with waiting lists indicating continued demand. Public toilets and other community facilities provide important amenities across the district, while corporate buildings and depots support Council's operations and service delivery.

The condition of the overall portfolio is not yet fully understood. Building assessments are underway and have identified defects and compliance requirements at some facilities. However, condition, useful-life and renewal-cost information remains incomplete or inconsistent across several asset groups.

This limits Council's ability to reliably forecast the full scale and timing of future renewals. Further condition assessments, updated valuations and lifecycle planning will be required to establish a comprehensive long-term investment programme.

[Confirm updated portfolio replacement values, condition information and data reliability once the asset assessments are completed.]

Levels of service

Council aims to provide facilities that are safe, compliant, accessible and fit for purpose, while maintaining services at a cost that is affordable for the community.

For many properties, Council's role is to provide the buildings and facilities needed to support other activities rather than deliver a separate public service. The required standard therefore depends on how each asset is used and the services it supports.

Council faces increasing costs to maintain existing facilities, address ageing infrastructure and meet building safety, accessibility and other regulatory requirements. Changing community needs and patterns of use may also affect the type and location of facilities required in future.

Significant infrastructure issues and decisions

DRAFT FOR DISCUSSION

The draft Activity Management Plan identifies four significant issues that will influence how Council manages and invests in its property portfolio over the next 30 years.

Ageing assets and uncertain renewal requirements

Many Council facilities will require increasing maintenance and renewal investment as they age. However, incomplete condition and lifecycle information means the full scale and timing of these requirements are not yet established.

As this information improves, Council will need to prioritise renewals according to condition, risk, service importance and affordability. Where significant expenditure is required, options may include renewal, targeted improvements to extend asset life, or reconsidering whether an asset should continue to be provided in its existing form.

Building compliance, safety and accessibility

Council must maintain facilities that meet building, health and safety, accessibility and other regulatory requirements. Current pressures include seismic performance, building warrants of fitness, Healthy Homes standards and accessibility deficiencies.

Some older buildings may require substantial expenditure to remain compliant and fit for purpose. Council will need to consider whether to upgrade these assets, change how services are provided or consolidate facilities where the cost of addressing deficiencies is high relative to their ongoing role and utilisation.

Known safety and compliance risks will need to be addressed as required while longer-term options are developed.

Affordability and the future property portfolio

Maintaining Council's existing property portfolio creates ongoing operating, maintenance and renewal commitments. Some assets will continue to support important community or operational services, while others may no longer be required in their current form or may be relatively costly to retain.

As major renewal or compliance decisions arise, Council will need to consider whether selected assets should be retained, upgraded, repurposed, consolidated, divested or disposed of.

A more strategic approach to the portfolio could reduce long-term costs and improve utilisation, but changes may affect service continuity, community access and operational requirements.

Changing demand and infrastructure resilience

Population growth is expected to be modest, but demographic change and community expectations will affect demand for some facilities. An ageing population and increasing expectations for accessibility may require changes to existing services, while Council housing continues to experience strong demand.

Some facilities are also exposed to flooding, coastal inundation, earthquakes and other hazards. Future investment may include targeted protection, adaptation, strengthening or relocation where the consequences and costs justify intervention.

Council will need to prioritise these responses according to service importance, demand, risk, available alternatives and affordability.

Investment options and implications

DRAFT FOR DISCUSSION

No district-wide changes to levels of service have yet been confirmed. However, Council will need to consider whether continuing to maintain and replace its existing property portfolio represents the most affordable and appropriate approach. The identified investment approaches include:

Investment approach	What this would mean for services	Benefits and trade-offs
Maintain and renew existing facilities	Continue providing existing facilities, with planned maintenance, renewals and compliance improvements as assets age.	Maintains current services, locations and community access. Requires ongoing investment in ageing facilities, including assets that may be underutilised or expensive to maintain.
Upgrade or adapt existing facilities	Prioritise investment in facilities where changes are required to address safety, accessibility, compliance or changing demand.	Improves the suitability and performance of priority facilities, but increases capital expenditure and may create additional operating and renewal costs.
Consolidate, repurpose, divest or dispose of selected assets	Review assets as significant renewal or compliance decisions arise, including opportunities to combine facilities, change their use, or sell or demolish assets that are no longer required.	Could reduce operating and renewal commitments, improve utilisation and potentially release capital. Changes may affect community access, require alternative service arrangements or incur costs associated with consolidation or disposal.

These approaches are not mutually exclusive and may be appropriate for different parts of the portfolio. Council will need to consider the purpose, utilisation, condition and whole-of-life cost of individual facilities before determining the most appropriate response. Buildings that provide essential services or support important community outcomes may warrant continued investment, while other assets may be suitable for consolidation or alternative use.

The preferred approach will also need to consider Council's wider programme options, particularly the potential for asset rationalisation to reduce expenditure and support longer-term financial sustainability.

Further assessment is required before Council can confirm which facilities may be affected, the costs and benefits of the available options and any resulting changes to levels of service.

Further information

Further detail is in the Community and Recreational Facilities Activity Management Plan, available at www.timaru.govt.nz.

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11. PARKS AND RESERVES

Council provides and maintains an extensive network of parks, reserves, sportsgrounds, playgrounds, gardens, walking and cycling trails, cemeteries and associated infrastructure across the district. These assets provide opportunities for recreation, sport and community activities, protect important natural areas and contribute to the attractiveness of our towns and communities.

Maintaining these spaces and facilities will require ongoing investment as assets age, while changing community needs, safety and compliance requirements, and natural hazards will influence future service requirements and costs.

The most significant long-term challenge is determining the level of service and range of facilities Council can afford to maintain, including where existing assets should be renewed, upgraded, consolidated or replaced with alternative facilities.

[Insert Parks and Reserves' share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Council manages approximately 636 hectares of parks and reserves, including 418 hectares of actively maintained parks, 126 hectares of natural areas and 92 hectares of land subject to exclusive use, leases or building sites.

The portfolio includes 41 playgrounds, sports fields, walking and cycling trails, gardens, cemeteries, memorials and a wide range of supporting infrastructure. Significant public spaces include Caroline Bay, the Timaru Botanic Gardens, Trevor Griffiths Rose Garden and the township domains in Temuka, Geraldine and Pleasant Point.

The condition of the overall portfolio varies. The draft Activity Management Plan identifies ageing assets, deferred renewals and compliance issues, particularly affecting playground equipment and safety surfacing. Although Council holds asset inventory and condition information, assessments remain incomplete for some asset classes.

The existing asset valuation dates from 2005 and excludes most living assets. It does not provide a reliable indication of current replacement costs or future renewal requirements. Further condition assessments, updated valuations and lifecycle planning are required to establish a more complete understanding of the investment needed over the next 30 years.

Levels of service

Council aims to provide safe, accessible, attractive and fit-for-purpose parks and reserves that meet community needs while remaining affordable. Resident satisfaction is currently around 85%, although the draft AMP identifies increasing pressure from ageing assets, deferred renewals, compliance requirements and funding constraints.

The AMP indicates that current funding is insufficient to consistently achieve defined levels of service across the network. Maintenance is increasingly reactive, with investment prioritised towards higher-risk assets and immediate safety requirements. Continuing this approach may result in further deterioration and an increasing renewal backlog.

DRAFT FOR DISCUSSION

Over the next 30 years, changing demographics and recreation preferences will also influence the services required. An ageing population is expected to increase demand for accessible pathways and age-friendly facilities, while changing recreation patterns and community expectations may require different playgrounds, trails and public spaces.

Significant infrastructure issues and decisions

The draft Activity Management Plan identifies five significant issues that will influence how Council manages and invests in its parks and reserves over the next 30 years.

Ageing assets and uncertain renewal requirements

Council's parks network contains a wide range of ageing infrastructure, including playgrounds, paths, bridges, boardwalks, lighting and furniture. Deferred maintenance and renewals, together with identified playground compliance issues, are increasing pressure on future investment.

Increasing planned maintenance and renewals could improve asset condition and reduce future risk, but would require additional funding. Continuing the current approach would reduce immediate expenditure while accepting further deterioration and potentially larger future renewal costs.

Council will also need to consider whether all existing assets warrant like-for-like replacement as they reach the end of their useful lives.

Changing community needs and future playground provision

Changing demographics, recreation preferences and expectations for accessibility and inclusive recreation will affect the future demand for parks infrastructure.

Council currently provides 41 playgrounds. As these assets require renewal, Council will need to consider whether the existing number and distribution remains appropriate. Options include like-for-like replacement, upgrading selected playgrounds, relocation or consolidation where nearby facilities can meet demand.

The key trade-off is between maintaining local access and reducing future operating and renewal commitments while potentially providing fewer, higher-quality facilities.

Future of the Caroline Bay paddling pool

The Caroline Bay paddling pool is approaching the end of its useful life, with deterioration affecting the pool shell and water-treatment system.

Potential options include upgrading the existing facility, replacement or relocation, developing a splash pad, or providing an alternative recreational facility. The draft AMP identifies approximately $600,000 for upgrading the existing water-treatment system alone, with further investigation required to establish the full costs of the available options.

Council will need to determine whether an aquatic facility should continue to be provided at Caroline Bay and, if so, what form provides the best balance of community benefit, capital cost and ongoing operating requirements.

Future cemetery capacity and development

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The existing Timaru Cemetery is expected to approach capacity within approximately 5–10 years. Council has acquired land at Claremont Road for a new cemetery, so the principal decisions now concern development, staging and funding.

A staged approach could provide capacity as demand requires and spread capital expenditure over time, while avoiding investment substantially ahead of need. However, sufficient infrastructure must be available before existing capacity is exhausted.

The required programme will need to reflect future burial and interment demand, changing cultural requirements and the ongoing operating costs associated with the new facility.

Climate change, natural hazards and environmental protection

Parks and reserves are exposed to flooding, coastal erosion, storms, drought and other environmental pressures. Coastal areas such as Caroline Bay are particularly exposed and also contain important recreation and biodiversity values.

Potential responses include improved drainage and maintenance, more resilient materials and planting, protection of vulnerable assets, adaptation or relocation. The appropriate response will vary according to asset importance, level of exposure and the availability of alternatives.

Council will need to balance the cost of proactive resilience investment against the risk of future damage, service disruption and unplanned recovery costs.

Investment options and implications

Council will need to consider the level of service it can sustainably provide across the network. The draft AMP identifies three broad investment approaches:

Investment approach	What this would mean for services	Benefits and trade-offs
Reduce selected levels of service	Reduce or change the provision of selected assets and facilities, including opportunities to consolidate, relocate or remove assets where continued provision is no longer justified. Maintenance and renewal would focus on essential services, safety and compliance.	Could reduce future operating and renewal commitments and allow investment to be concentrated in higher-priority facilities. Communities may experience reduced local access, fewer facilities or lower standards of amenity. Changes would need to retain appropriate safety and compliance standards.
Maintain the current investment approach	Continue existing maintenance and renewal arrangements, prioritising reactive work, identified safety issues and selected renewals within available funding.	Limits immediate increases in expenditure and maintains the existing range of facilities. However, some current service standards may remain unmet, with further deferred renewals, deteriorating asset condition and potentially higher future costs.

DISCUSSION

Investment approach	What this would mean for services	Benefits and trade-offs
Increase planned maintenance and prioritised renewals	Increase proactive maintenance and renewals, particularly for ageing and higher-risk assets, to improve safety, compliance, asset condition and achievement of existing service standards.	Supports more reliable services, improved asset condition and potentially lower whole-of-life costs. Requires additional funding and delivery capacity, placing greater pressure on affordability.

The draft AMP identifies increased planned maintenance and renewals as its preferred approach. Much of this investment would be directed towards achieving existing service and compliance standards, rather than introducing new services. However, the additional funding required has not been fully established, and Council has not confirmed a preferred investment approach.

These approaches are not necessarily mutually exclusive. Council may choose to maintain or improve services at higher-use and strategically important locations, while considering reduced provision or consolidation elsewhere. This would require clearer service standards for different park categories and a better understanding of demand, asset condition and costs.

Council will need to determine the affordable level of service for its parks and reserves, including the extent to which additional renewal investment is justified and where changes to the existing portfolio may be appropriate.

Further information

Further detail is in the Parks and Reserves Activity Management Plan, available at www.timaru.govt.nz.

DRAFT FOR DISCUSSION

12. RECREATION, CULTURAL AND LEARNING FACILITIES

Council provides a range of recreational, cultural and learning facilities that support community wellbeing, participation in sport, access to arts and culture, and opportunities for education and community activities.

These include libraries, the South Canterbury Museum, Aigantighe Art Gallery, Theatre Royal, community halls, swimming pools, and sports and events centres. The facilities serve residents across the district and contribute to Timaru's attractiveness as a place to live, work and visit.

The most significant long-term challenge is maintaining safe, accessible and fit-for-purpose facilities while managing ageing buildings, compliance requirements and the ongoing costs of the existing and expanded portfolio. Council will need to consider which facilities should be maintained, upgraded or provided differently as significant renewal and investment decisions arise.

[Insert Recreation, Cultural and Learning Facilities' share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Council's Recreation, Cultural and Learning Facilities portfolio includes the Aigantighe Art Gallery, Timaru Library, South Canterbury Museum, Theatre Royal, community halls, CBay aquatic centre, community swimming pools in Geraldine, Pleasant Point and Temuka, and sports and events facilities including Aorangi Stadium.

The portfolio includes buildings of different ages, construction types, uses and ownership arrangements. Some facilities are operated directly by Council, while others involve community organisations, hall committees or other operators. The Property team is responsible for maintaining the buildings and supporting infrastructure needed to deliver these services.

Significant capital developments are underway across parts of the portfolio, including the Theatre Royal and South Canterbury Museum developments and the Aorangi Stadium extension. These projects will influence future service provision and introduce ongoing maintenance, operating and eventual renewal requirements.

The condition of the existing portfolio varies. Building assessments completed to date have identified maintenance, renewal and compliance issues, including seismic performance, roofing, building services, accessibility and other defects. The 2024 swimming pool assessments indicate that Pleasant Point Pool has a poorer overall condition profile than the other Council pools.

Condition information is still being collected and consolidated across the portfolio. Some buildings have been assessed, while others require further inspections or will be assessed following completion of current capital works. Replacement values and lifecycle forecasts are not yet complete or consistent across all facilities.

This limits Council's ability to reliably establish the full scale and timing of future maintenance and renewal investment. Further assessments, valuations and lifecycle planning will be required to develop a comprehensive long-term investment programme.

Levels of service

Council aims to provide recreational, cultural and learning facilities that are safe, accessible, compliant and fit for purpose, enabling the community to participate in a wide range of activities.

DRAFT FOR DISCUSSION

The services provided vary between facilities, from aquatic recreation and organised sport to library services, exhibitions, cultural activities and community gatherings. The required standard of each building therefore depends on the service it supports, its use and the relevant regulatory requirements.

Existing performance measures generally focus on participation, visitor numbers and customer satisfaction. These provide an indication of demand and service performance, but do not necessarily establish whether the underlying buildings are in an appropriate condition or represent the most affordable means of delivering the service.

Council faces increasing costs associated with ageing buildings, maintenance and renewals, building compliance and improving accessibility. At the same time, changing demographics, recreation preferences and community expectations may influence the type and location of facilities needed in future.

Significant infrastructure issues and decisions

The draft Activity Management Plan identifies five significant issues that will influence how Council manages and invests in its recreational, cultural and learning facilities over the next 30 years.

Ageing buildings and uncertain renewal requirements

Council's facilities vary considerably in age and condition and will require ongoing maintenance, renewal and, in some cases, significant reinvestment over the Strategy period.

Condition and lifecycle information is still developing, so the full scale and timing of future renewal requirements are not yet known. Targeted maintenance and upgrades may extend the useful life of some assets, while deferral can increase the risk of service disruption and higher future costs.

As major renewals arise, Council will need to consider whether facilities should be renewed in their existing form, upgraded, adapted or provided differently.

Building compliance, seismic performance and service continuity

Council must maintain facilities that meet relevant building, safety, accessibility and regulatory requirements. The draft AMP identifies seismic concerns and other building deficiencies across parts of the portfolio.

Where substantial investment is required, Council may need to choose between strengthening or upgrading existing facilities, changing their use, or providing services elsewhere.

The key decisions will concern which facilities justify continued investment, how compliance requirements are prioritised, and how service continuity can be maintained where existing buildings cannot remain in use without significant expenditure.

Future provision of community swimming pools and halls

Council provides swimming pools and community facilities across several settlements. Their condition, utilisation, operating costs and future renewal requirements vary considerably.

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As major investment decisions arise, Council will need to determine whether the existing network should be maintained, selectively upgraded, consolidated or operated differently. Maintaining existing provision protects local access but can require significant ongoing investment, while consolidation may reduce long-term costs but reduce local availability.

Further information on utilisation, condition, operating costs and community demand will be needed before specific changes to the network are confirmed.

Major facility developments and long-term financial sustainability

Council is investing significantly in facilities including the Theatre Royal, South Canterbury Museum and Aorangi Stadium. These projects will improve community infrastructure but also create ongoing operating, maintenance, compliance and eventual renewal commitments.

These whole-of-life costs need to be incorporated into future budgets alongside the renewal requirements of the wider portfolio.

Council will need to ensure that major new and upgraded facilities are used effectively and that the resulting financial commitments remain affordable alongside investment in existing assets and services.

Changing demand, accessibility and infrastructure resilience

Future demand will be influenced by modest population growth, an ageing population, changing participation patterns, cultural diversity and increasing accessibility expectations.

Current information does not indicate a significant overall capacity shortfall across the portfolio. Future investment is therefore likely to focus more on the suitability, condition and performance of existing facilities than on widespread expansion.

Natural hazards and climate risks also need to be considered as assets are renewed. Council will need to prioritise accessibility and resilience improvements according to service importance, risk, available alternatives and affordability.

Investment options and implications

The draft Activity Management Plan has not established a fully costed set of alternative service levels or confirmed district-wide changes. However, the following investment approaches are available for Council to consider.

Investment approach	What this would mean for services	Benefits and trade-offs
Maintain and renew existing facilities	Continue providing the existing range of facilities, undertaking maintenance, renewals and compliance improvements as assets age.	Maintains local access and the current range of recreational, cultural and learning services. Requires continued investment across a diverse portfolio, including facilities that may have significant renewal costs or relatively low utilisation.

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Investment approach	What this would mean for services	Benefits and trade-offs
Upgrade or adapt selected facilities	Prioritise improvements to buildings where investment is needed to address safety, seismic performance, accessibility, suitability or changing community demand.	Improves the quality, safety and suitability of priority facilities, potentially extending their useful lives. Requires additional capital expenditure and may increase future operating and renewal costs.
Consolidate, repurpose or change the provision of selected facilities	Review facilities as significant renewal or compliance decisions arise, including opportunities to consolidate services, change operating arrangements, repurpose buildings or discontinue facilities where appropriate.	Could reduce operating and renewal commitments and concentrate investment in better-utilised facilities. Changes may reduce local access, require alternative service arrangements and affect communities that rely on existing facilities.

These approaches are not mutually exclusive and may be appropriate for different parts of the portfolio. Major facilities supporting district-wide services may warrant continued investment, while opportunities to rationalise or change provision may exist within other parts of the network.

The assessment will need to consider the importance of each service, utilisation, accessibility, asset condition, whole-of-life costs and the availability of alternative facilities. Some changes may require community engagement and decisions about the level of service Council intends to provide.

Council will need to determine the affordable future range and standard of facilities, including where additional investment is justified and where changes to the existing portfolio may provide better long-term value.

Further information

Further detail is in the Recreation, Cultural and Learning Facilities Activity Management Plan, available at www.timaru.govt.nz.

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13. TIMARU AIRPORT

Council owns and operates Timaru Airport, providing an important transport connection between South Canterbury and the rest of New Zealand. The airport supports scheduled passenger services, commercial and recreational aviation, emergency and medical flights, and aviation-related businesses.

The airport contributes to the district's economy by supporting business travel, tourism and regional connectivity. It also provides an important alternative transport connection during emergencies and natural disasters.

The most significant long-term challenge is maintaining a safe and financially sustainable airport while responding to uncertain commercial aviation demand, future aircraft requirements and ageing infrastructure. Council will need to balance the cost of maintaining existing services with potential investment in larger aircraft, new technology and additional infrastructure.

[Insert Timaru Airport's share of total 2027–37 infrastructure capital expenditure, including the proposed 10-year budget.]

Asset overview

Timaru Airport occupies approximately 200 hectares of Council-owned land and includes a sealed runway, two grass runways, taxiways, apron, terminal building, car parking, access roads and supporting infrastructure.

The main sealed runway is approximately 1,280 metres long and 45 metres wide. It supports scheduled Air New Zealand services, charter flights, medical and emergency aircraft, and other commercial aviation activities. The airport also accommodates pilot training, gliding, recreational aviation and aviation-related businesses.

The AMP records a total book value of approximately $8.2 million for airport assets. The most significant assets are the runway, taxiways, apron and terminal building. **[CONFIRM WHETHER THE $8.2M FIGURE IS BOOK VALUE OR REPLACEMENT VALUE; INSERT VALIDATED REPLACEMENT VALUATION BEFORE PUBLICATION.]**

The airport's core infrastructure is generally in good condition following recent investment. The terminal was significantly upgraded in 2018, the main runway was resurfaced in 2021, and the apron was expanded in 2022. The June 2026 airfield pavement inspection provides an updated assessment of runway condition and future maintenance requirements.

The next major runway resurfacing is currently anticipated around 2035, subject to ongoing condition assessments. Other assets, including airport roads and fencing, have identified maintenance and renewal requirements.

Asset information is generally well established, reflecting the inspection, maintenance and compliance requirements associated with operating a certified aerodrome. The draft AMP assesses the reliability of its asset information as high. However, the timing and cost of future capacity improvements remain uncertain because they depend on decisions by commercial aviation operators and regulators.

The airport's runway lighting, navigation and associated power infrastructure is currently owned by Airways New Zealand. A potential transfer of some of these assets to Council is being considered, which could introduce additional maintenance, renewal and compliance responsibilities.

DRAFT FOR DISCUSSION

Levels of service

Council aims to maintain a safe, reliable and accessible airport that meets Civil Aviation Authority requirements, supports scheduled passenger services and provides for other aviation activities.

Maintaining aerodrome certification is a fundamental requirement. Council must continue to operate and maintain its infrastructure to the necessary safety and regulatory standards, including runway condition, airfield operations, emergency management and other compliance requirements.

The airport currently supports Air New Zealand's Timaru–Wellington service using Q300 aircraft. Passenger numbers have been relatively stable at approximately 40,000–45,000 annually over recent years, although the AMP indicates that existing services have capacity to accommodate more passengers.

The ongoing viability of scheduled services is a significant consideration. Passenger demand, airline operating costs, fleet decisions and commercial priorities are largely outside Council's direct control. Changes to these factors could affect the frequency or continuation of services and the revenue available to operate the airport.

Over the longer term, changes in aircraft types and aviation technology may require additional infrastructure. Larger aircraft, such as the ATR-72, would require runway improvements, while future security requirements or increased passenger numbers could create a need for terminal expansion.

Significant infrastructure issues and options

The draft Activity Management Plan identifies five significant issues that will influence how Council manages and invests in Timaru Airport over the next 30 years.

Maintaining commercial aviation services and financial sustainability

Scheduled passenger services provide important regional connectivity and generate a significant proportion of airport revenue. Airport operations are currently supported by a combination of airport-generated income and rates, meaning reduced flight frequency or loss of commercial services could materially affect financial sustainability while many infrastructure and regulatory costs remain.

Potential responses include increasing user charges, improving utilisation, commercial development of airport land and other revenue opportunities. If commercial services change materially, Council may also need to reconsider the airport's operating model and the range of aviation services it supports.

Council will need to determine the long-term role of the airport, the level of ratepayer support justified by its community and economic benefits, and whether alternative revenue or operating arrangements can improve financial sustainability.

Runway renewal and future aircraft requirements

The main runway was resurfaced in 2021 and is currently expected to require major resurfacing around 2035, subject to condition. This creates a significant future renewal requirement and a natural decision point for considering future runway capacity.

The existing runway supports current Q300 operations, while larger aircraft such as the ATR-72 may require extension and associated infrastructure. No decision has been made to introduce larger aircraft on the Timaru route.

Council will need to reassess runway condition, airline requirements, demand and the costs and benefits of expansion before the planned renewal so that resurfacing and any capacity improvements can be considered together.

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Terminal capacity, aviation security and new technology

The existing terminal remains in sound condition but can experience capacity constraints during scheduled services. Future requirements may change if passenger numbers increase, larger aircraft operate from Timaru or aviation security standards require different passenger-processing arrangements.

Emerging aircraft technologies may also create future infrastructure requirements, although their timing and commercial relevance remain uncertain.

Council can preserve future options through planning and targeted improvements while avoiding major investment until airline, regulatory or technology requirements are sufficiently clear.

Potential transfer of Airways New Zealand infrastructure

Airways New Zealand currently owns and operates runway lighting, navigation and associated airfield power infrastructure at Timaru Airport. A potential future transfer of some of these assets to Council could create additional operating, maintenance, renewal and compliance obligations.

The draft AMP includes a provisional additional operating and maintenance allowance of approximately $100,000 annually if a transfer occurs, although asset condition and future renewal requirements remain uncertain.

Council will need to understand the full condition, value, responsibilities and funding implications before agreeing to any transfer and ensure appropriate financial provision is made if ownership changes.

Regulatory compliance and infrastructure resilience

Timaru Airport must continue to meet Civil Aviation Authority requirements to retain certification and support commercial aviation. This requires ongoing investment in airfield maintenance, inspections, safety systems, emergency planning and essential infrastructure.

The airport also provides an important resilience function through emergency, medical and specialist aviation and as an alternative regional transport connection.

Council will need to prioritise investment that maintains safe and compliant operations, while considering additional resilience improvements where the benefits justify their cost.

Investment options and implications

The draft AMP examines six potential future aviation scenarios to understand how changes in commercial services could affect the airport's infrastructure and financial requirements.

Scenario	10-year est. capex	10-year est. revenue	Future aviation services	Infrastructure implications
Scenario 1: Status quo (Q300)	$4.0m	$5.0m	Scheduled commercial passenger services continue using Q300-sized aircraft under the existing flight schedule.	Maintain existing runway capacity, with planned maintenance, renewals and compliance expenditure. No runway extension required for current aircraft operations.

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Scenario	10-year est. capex	10-year est. revenue	Future aviation services	Infrastructure implications
Scenario 2: Two flights per day (Q300)	$4.0m	$4.0m	Commercial passenger services continue with two flights per day using Q300-sized aircraft.	Similar infrastructure requirements to Scenario 1, without a runway extension.
Scenario 3: Commercial services using ATR-sized aircraft	$11.5m	$5.0m	Scheduled passenger services continue at the existing frequency but transition to larger ATR-sized aircraft.	Runway extension and associated improvements would be required, with potential terminal modifications depending on aircraft, passenger and regulatory requirements.
Scenario 4: Two flights per day (ATR)	$11.5m	$4.0m	Commercial passenger services continue with two flights per day using larger ATR-sized aircraft.	Similar major infrastructure requirements to Scenario 3, with capacity for larger aircraft and potentially different passenger throughput and revenue.
Scenario 5a: No scheduled passenger services	$4.0m	$2.0m	Scheduled commercial passenger services cease. The airport continues supporting general aviation, emergency and medical services, freight and charter operations.	Infrastructure and operating arrangements would need to reflect the changed role of the airport, with ongoing maintenance and renewals required to support retained aviation activities.
Scenario 5b: No scheduled services, with additional flight training	$4.0m	$2.0m	Scheduled passenger services cease, but other aviation activities continue, supplemented by potential flight school operations.	Retain fit-for-purpose infrastructure for general aviation, medevac, charter and freight; additional facilities for flight training would depend on confirmed demand and operating requirements.

Indicative figures from the October 2026 draft Airport AMP. Operating and maintenance expenditure is approximately $11 million over 10 years under each scenario, excluding depreciation. The estimates are not approved budgets and require reconciliation with the proposed Long Term Plan programme.

These scenarios describe potential changes in the services provided at Timaru Airport. They are not six investment options entirely within Council's control, as future airline services, aircraft types and flight frequencies depend on commercial decisions by aviation operators.

For the this Strategy, the six scenarios are grouped into three broad investment approaches that reflect the principal choices Council may need to make.

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Investment approach	What this would mean for services	Benefits and trade-offs
Maintain existing Q300 aircraft capacity (Scenarios 1 and 2)	Continue supporting scheduled commercial passenger services using aircraft compatible with the existing runway. Maintain airport certification, undertake planned maintenance and renewals, and support improved utilisation of existing services.	Maintains regional air connectivity with comparatively limited additional infrastructure investment. However, continued reliance on existing airline services and aircraft requirements creates uncertainty, and future fleet changes could require additional investment.
Upgrade to accommodate larger ATR aircraft (Scenarios 3 and 4)	Extend the runway and undertake associated airfield or terminal improvements where justified by confirmed larger-aircraft operations, regulatory requirements or passenger demand.	Provides greater passenger and potential freight capacity, supports future aviation options and may improve regional resilience. Requires substantial additional capital investment, with benefits dependent on confirmed airline services, demand and affordability.
Adapt to the loss of scheduled passenger services (Scenarios 5a and 5b)	Continue operating the airport for general aviation, emergency and medical services, freight and charter activities, potentially supplemented by flight training or other commercial uses.	Retains important aviation and emergency capabilities but reduces regional connectivity and passenger-related revenue. Alternative commercial activities could partly offset these losses, although their viability and revenue potential remain uncertain.

These approaches are not equivalent choices that Council can implement independently. Maintaining existing services is the current planning basis, larger-aircraft investment is a potential future response to confirmed demand, and the loss of scheduled services is a contingency for which Council needs to prepare.

The AMP's more recent assessment identifies maintaining existing services and rebuilding passenger demand as the immediate priority. This includes working with Air New Zealand to improve confidence in the reliability of the Timaru–Wellington service, monitoring passenger numbers and promoting the benefits of using the local airport.

Council will need to maintain the existing infrastructure to the required standards and plan for the anticipated runway resurfacing around 2035, irrespective of whether larger aircraft are introduced. Any additional investment to extend the runway or terminal should be conditional on confirmed airline requirements, regulatory changes, sufficient demand and an acceptable business case.

The significant decisions will concern the level of investment and rates support Council is prepared to provide for commercial aviation services, the circumstances in which additional infrastructure capacity would be justified, and how the airport would continue to operate if scheduled passenger services were reduced or discontinued.

Indicative expenditure

The draft Activity Management Plan provides indicative operating, maintenance, capital expenditure and revenue forecasts under its six aviation scenarios.

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The AMP estimates operating and maintenance expenditure of approximately $11 million over the 2027–37 period, excluding depreciation. Indicative capital expenditure varies between approximately $4 million for scenarios retaining existing runway capacity and $11.5 million for scenarios involving larger-aircraft infrastructure improvements. The AMP identifies indicative costs for potential future capacity improvements, including:

[CONFIRM AIRPORT RUNWAY EXTENSION UNIT COST AND DISTINGUISH RESURFACING FROM CAPACITY INVESTMENT BEFORE PUBLICATION]

Potential investment	Indicative cost	Current planning position
Runway extension to accommodate larger aircraft	$4.00m	Conditional on confirmed aircraft requirements and demand.
Terminal expansion	$2.00m	On hold pending airline, passenger capacity or regulatory requirements.
Additional sealed taxiway infrastructure	$1.50m	Potential supporting investment associated with future airport development.
Infrastructure for electric or hydrogen aviation	$0.25m	Indicative allowance; timing and requirements remain uncertain.

These estimates are preliminary and will need to be reviewed as project requirements, costs and funding arrangements become clearer. They should not be treated as confirmed capital commitments.

The anticipated runway resurfacing around 2035 remains an important renewal requirement under the existing service scenario. The timing and cost of resurfacing will depend on pavement condition and whether it is undertaken alongside any future capacity improvements. **[CONFIRM BASELINE RESURFACING COST AND DO NOT COMBINE WITH OPTIONAL EXPANSION COSTS.]**

Future capital expenditure will also depend on the condition and renewal requirements of other airport assets and the outcome of the potential Airways New Zealand asset transfer.

Airport operations are funded through landing fees, car parking charges, terminal and hangar rents, ground leases and rates. The amount of rates funding required will depend on passenger numbers, commercial activity, operating expenditure and the level of investment undertaken.

Increasing airport-generated revenue could reduce the requirement for rates support. Conversely, reduced scheduled services or additional infrastructure obligations could increase Council's net funding requirement.

The most likely investment scenario will need to provide for continued safe airport operations, planned asset maintenance and renewals, and appropriate financial provision for the anticipated runway resurfacing. Major capacity improvements should remain conditional until their requirements, timing and affordability have been established.

[Insert preferred Timaru Airport programme: 10-year and 30-year operating and capital expenditure, including renewals, levels of service and growth-related investment.]

[Insert chart showing 30-year Timaru Airport expenditure, with the first 10 years individually and subsequent years in five-year periods.]

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[Insert renewals versus depreciation comparison, including the anticipated runway resurfacing and any confirmed asset-transfer obligations.]

The significant capital expenditure decisions associated with runway renewal and potential airport expansion are identified in Section 6.

Assumptions and uncertainties specific to Timaru Airport

The most significant uncertainty is the future of scheduled commercial passenger services, including Air New Zealand's fleet and route decisions, passenger demand and the timing of any changes to aircraft type or service frequency.

The current planning assumption is that scheduled passenger services will continue using aircraft that can operate within the existing runway capacity. This provides the basis for planning maintenance, compliance and renewal expenditure, rather than assuming that larger-aircraft infrastructure will be required.

The six AMP scenarios are used to assess the potential consequences of changes in aviation services. They do not represent six approved investment programmes. The appropriate infrastructure response will depend on the future services provided and Council's assessment of the costs, benefits and risks of the available options.

The next major runway resurfacing is currently anticipated around 2035, based on the 2026 pavement condition assessment. The timing and scope may change as further inspections are undertaken and future aircraft requirements become clearer.

Changes to aviation security, aerodrome certification or other regulatory requirements could create additional operating or capital expenditure requirements. The nature and timing of these changes remain uncertain.

The potential transfer of Airways New Zealand infrastructure may introduce additional asset ownership, maintenance, compliance and renewal obligations. The costs and timing cannot be reliably confirmed until the proposed arrangements and asset information are established.

Future costs and funding will also depend on airport-generated revenue, commercial development opportunities, construction costs, the potential adoption of new aviation technologies and the availability of external funding for significant improvements.

Council will continue monitoring these factors through regular engagement with aviation operators, asset condition assessments and updates to the Activity Management Plan.

The preferred investment programme will need to be reviewed as future aviation requirements and commercial arrangements become clearer, with significant changes reflected in future Long Term Plans and Infrastructure Strategies.

Further information

Further detail is in the Timaru Airport Activity Management Plan, available at www.timaru.govt.nz.

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14. MANAGING RISK AND IMPROVING RESILIENCE

Council's infrastructure is exposed to natural hazards including flooding, coastal erosion and inundation, severe weather, earthquakes and drought. These events can damage assets, disrupt essential services, affect public safety and the environment, and create significant unplanned expenditure.

Climate change is expected to increase the frequency or severity of some hazards, particularly extreme rainfall and coastal inundation. At the same time, ageing infrastructure and changing demands can increase the consequences of asset failure.

Council cannot eliminate every risk or protect all infrastructure to the same standard. Building resilience requires an understanding of which assets and services are most important, the consequences of disruption, the alternatives available and the costs of reducing risk.

The Strategy therefore takes a risk-based approach to infrastructure investment, balancing proactive protection and adaptation with the need to maintain services, manage affordability and provide for recovery following significant events.

Managing infrastructure risks

Council manages infrastructure risks through asset inspections and condition assessments, hazard information, maintenance and renewal planning, and emergency management arrangements.

The priority given to individual assets and locations depends on their importance to the community, the likelihood and consequences of failure, the availability of alternative services or connections, and the cost and effectiveness of potential responses.

The main approaches include:

- **Maintaining and renewing infrastructure** to reduce the likelihood of failure and preserve existing services.
- **Strengthening or adapting vulnerable assets** where targeted improvements can reduce the consequences of natural hazards.
- **Changing the location or form of infrastructure** where continued protection or replacement is unlikely to provide sustainable long-term value.
- **Providing alternative access or service arrangements** to maintain essential functions during disruption.
- **Accepting and managing residual risks** where preventative investment is not justified, supported by emergency response and recovery arrangements.

Where practical, resilience improvements will be considered alongside planned renewals and major capital works. This can reduce the additional cost and disruption associated with strengthening or adapting infrastructure.

In other circumstances, investment may need to be brought forward to address unacceptable safety, environmental or service continuity risks.

Council will continue to prioritise infrastructure risks according to their consequences, the benefits of intervention and the funding available, recognising that some risks will remain and require ongoing management.

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Critical assets and lifelines

Some infrastructure assets are particularly important because their failure would disrupt essential services, isolate communities, affect economic activity or limit emergency response and recovery.

The Roading and Transport network is a significant component of the district's lifeline infrastructure. Important freight routes, bridges providing sole access, connections to essential services and routes with limited alternatives require particular consideration.

Council uses road classification, network function, traffic demand, safety and lifeline information to inform its transport investment priorities. Bridge assessments also consider asset condition, the availability of alternative routes and the consequences of failure. This helps distinguish locations where maintaining an existing connection is critical from those where alternative arrangements may be appropriate.

Other Council infrastructure also supports important community and emergency functions. Redruth Landfill provides a key environmental and public health service, Timaru Airport supports emergency and medical aviation, and Council's buildings and community facilities provide services that may be needed during and following significant events.

The main infrastructure risks and management responses are summarised below.

Infrastructure exposure	Potential consequences	Risk management approach
Roads, bridges and associated drainage infrastructure: flooding, slips, erosion, earthquakes and severe weather.	Damage or closure of important routes could isolate communities, disrupt freight movements and restrict access to essential services. Some rural roads and bridges have limited alternatives.	Prioritise critical routes and structures, undertake inspections and targeted maintenance, improve drainage and resilience through renewals, and maintain arrangements for emergency access and reinstatement. Consider alternative access or changes to infrastructure provision where full replacement is not justified.
Redruth Landfill and closed landfill sites: coastal erosion, flooding associated with Saltwater Creek and erosion of waterways near closed landfills.	Damage to operating or closed landfill areas could result in environmental contamination, service disruption and substantial remediation costs.	Continue environmental monitoring, landfill management and risk assessment. Consider targeted protection, drainage and flood-management improvements, and remediation or alternative disposal arrangements where required.

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Infrastructure exposure	Potential consequences	Risk management approach
Coastal parks, reserves and Council properties: coastal inundation, erosion, flooding and severe weather, including assets around Caroline Bay and other vulnerable coastal locations.	Damage to public spaces, buildings and supporting infrastructure could interrupt recreation, community services and Council operations, with increasing maintenance and replacement costs.	Consider hazard exposure when maintaining, renewing or developing assets. Options include targeted protection, more resilient design, adaptation, relocation or changes to the services provided where long-term risks and costs justify a different approach.
Community, corporate, recreational and cultural buildings: earthquakes, severe weather, flooding and identified structural or building-compliance deficiencies.	Building damage or restrictions on use could disrupt Council operations, community activities and essential services, requiring alternative facilities and potentially substantial reinstatement expenditure.	Continue condition and compliance assessments, prioritise safety and critical service requirements, and consider strengthening, renewal, alternative service arrangements or consolidation where significant investment is required.
Timaru Airport: severe weather, natural hazards and disruption affecting airfield infrastructure or operations.	Airport disruption could affect scheduled passenger services, emergency and medical flights, commercial aviation and the district's alternative transport connections.	Maintain aerodrome certification, inspections, essential infrastructure and emergency planning. Consider resilience and future operational requirements when undertaking runway and supporting infrastructure renewals.

These risks are managed through the relevant Activity Management Plans, with coordination across Council functions and external infrastructure providers where necessary.

Council will also need to coordinate with Environment Canterbury, emergency management agencies, Central South Island Water and other infrastructure operators where risks extend beyond individual asset networks. Flood protection and water services infrastructure are addressed through separate planning arrangements, but their performance and resilience can influence Council's roads, facilities and other assets.

The level of risk information varies across activities. Roading has an established approach to network criticality and lifeline prioritisation, while information on the condition, exposure and criticality of some Parks and Facilities assets is still developing. Strengthening this information will support more consistent prioritisation of resilience investment over the Strategy period.

[CONFIRM THE COUNCIL-WIDE APPROACH TO CRITICAL-ASSET IDENTIFICATION AND WHETHER THERE IS AN ADOPTED CLASSIFICATION OR RISK FRAMEWORK TO REFERENCE.]

Financial provision for resilience and recovery

Natural-hazard events can create substantial expenditure beyond normal maintenance, renewal and capital programmes.

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The Roading and Transport network has experienced significant costs from recent severe-weather events, with more than $8.5 million of recovery expenditure recorded over the five years preceding the 2027–37 Activity Management Plan. Such events can place pressure on Council's funding and delivery capacity and require planned work to be reprioritised.

Council's financial approach to resilience has two elements: investing in infrastructure to reduce the likelihood and consequences of damage, and maintaining the ability to respond to and recover from events that cannot reasonably be prevented.

Proactive resilience expenditure forms part of normal infrastructure planning. This includes drainage improvements, asset strengthening, targeted renewals, environmental protection and other works that reduce vulnerability or improve service continuity. Where significant additional resilience investment is proposed, it must be considered alongside competing infrastructure priorities and affordability.

For unplanned events, Council's approach draws on a combination of financial arrangements and funding mechanisms.

- **Emergency and disaster reserves.** Council maintains financial provisions for emergencies and the replacement of damaged infrastructure. These provide a source of funding for eligible response and recovery costs, although substantial events may exceed available balances.
- **Insurance and infrastructure protection arrangements.** Insurance and other protection arrangements can help fund the reinstatement of damaged assets, subject to the assets covered, policy conditions, exclusions, excesses and coverage limits. Council's previous arrangements have included participation in the Local Authority Protection Programme (LAPP) for eligible non-road infrastructure.
- **External funding assistance.** Eligible emergency works on the transport network may receive co-investment from the New Zealand Transport Agency Waka Kotahi. The assistance available depends on the applicable funding policies and approval of the works. Central Government assistance may also be available following significant emergency events, but should not be assumed to cover all recovery costs.
- **Borrowing and reprioritisation.** Council may need to use available borrowing capacity, adjust the timing of planned capital expenditure or redirect other funding to meet immediate response and recovery requirements. The extent of this flexibility will depend on the financial limits and available debt capacity established in the Financial Strategy.

[CONFIRM THE 2027–37 FINANCIAL PROVISIONS, INCLUDING EMERGENCY AND DISASTER RESERVE BALANCES, INSURANCE AND LAPP ARRANGEMENTS, NZTA EMERGENCY WORKS ASSISTANCE, AND AVAILABLE BORROWING HEADROOM.]

These mechanisms provide different levels of protection and are not interchangeable. Some events or assets may fall outside insurance or external funding arrangements, while major or repeated events could create costs exceeding Council's immediate financial capacity.

Maintaining appropriate financial flexibility is therefore important. Committing all available funding and borrowing capacity to planned expenditure could constrain Council's ability to respond to unforeseen events without increasing rates, borrowing further or deferring other infrastructure investment.

Council must also consider whether damaged infrastructure should be reinstated in its existing form. Where an asset has experienced repeated damage or faces increasing natural-hazard exposure, strengthening, relocation or alternative provision may offer better long-term value than like-for-like replacement. These decisions may require additional upfront expenditure but could reduce future recovery costs and disruption.

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The most likely scenario in Section 7 will include planned infrastructure maintenance, renewals and identified resilience improvements. The Financial Strategy will set out the arrangements for managing unplanned expenditure, including reserves, borrowing limits and financial capacity.

[INSERT OR CONFIRM THE CROSS-REFERENCE TO THE FINANCIAL STRATEGY'S UNPLANNED EVENTS AND FINANCIAL LIMITS SECTIONS, INCLUDING ANY SPECIFIC RESILIENCE OR RECOVERY ALLOWANCES INCLUDED IN THE 2027–37 FORECASTS.]

Council's long-term approach is to prioritise resilience investment where the consequences of failure are greatest, incorporate improvements into planned works where practical, and maintain the financial capacity to respond to significant events.

This will require continued assessment of infrastructure risks, coordination with other infrastructure providers and consideration of both the immediate and long-term financial consequences of natural hazards.

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15. LINK TO THE FINANCIAL STRATEGY

Finally, we draw the threads together and show how this strategy fits inside the financial limits the Council has set itself.

> ***Required linkage**. Draw the explicit connection between this strategy and the Financial Strategy. The Financial Strategy makes transparent the overall effects of the Council's proposals on services, rates, debt and investments (LGA s101A); this strategy provides the asset investment behind those effects. State whether the infrastructure programme can be delivered within the rates and debt caps in the Financial Strategy, and how any tension has been resolved (complements the s101A(3)(b)(ii) self-assessment in the Financial Strategy).*

This Infrastructure Strategy and the Council's Financial Strategy are designed to be read together. The Financial Strategy sets the limits on rates increases and net debt; this strategy sets out the asset investment needed to deliver and maintain services. The infrastructure programme is the single largest driver of the Council's capital and operating expenditure, and therefore of rates and debt.

[Insert a statement on whether the infrastructure programme set out in this strategy can be delivered within the rates revenue increase cap and net debt cap in the Financial Strategy. Where there is tension between the prudent provision of infrastructure and the financial limits, explain how it has been resolved.]

[Insert cross-references to the relevant Financial Strategy sections — Providing for Growth; Renewing and Upgrading Ageing Infrastructure; Capital Expenditure; Financial Caps (rates and debt); and Unplanned Events.]

Compliance checklist — confirm before adoption (delete before publishing)

s101B(1): 30-year period covered (2027–2057).

s101B(2): significant issues + principal options and implications identified (Sections 4, 6, 8–11).

s101B(3)(a)–(e): renewal/replacement; growth or decline; level-of-service changes; public/environmental health; resilience and financial provision for natural-hazard risk (Sections 4, 5, 8–12).

s101B(4)(a): indicative capex AND opex for each of years 1–10 and each subsequent 5-year block (Section 7).

s101B(4)(b): significant capex decisions, timing, principal options, approximate cost scale (Section 6).

s101B(4)(c): assumptions on asset life cycles, demand, and levels of service (Section 5).

s101B(4)(d): high-uncertainty assumptions — nature of uncertainty and outline of potential effects (Section 5).

s101B(5)/(5A)/(6): water services correctly excluded (or limited integration justified); flood protection addressed; combined-strategy option considered.

System Improvements Amendment Act 2025: four mandatory groups of activities used; framing aligned to amended s10 purpose and s11A core services.

Linkage to Financial Strategy and AMPs explicit (Sections 1 and 13).

Run the strategy through the Taituarā Dollars and Sense 2027 infrastructure-strategy review-tool questions before finalising.

DISCUSSION

7 Consideration of Urgent Business Items

8 Consideration of Minor Nature Matters

9 Exclusion of the 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,—

10.1 Public Excluded Minutes of the Development and Growth Committee Meeting held on 11 August 2026

10.2 Regional Spatial Plan - Legal Advice and Strategic Approach

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
10.1 - Public Excluded Minutes of the Development and Growth Committee Meeting held on 11 August 2026 **Matters dealt with in these minutes:** 10.1 - Spatial Plan Process - Direction and Decision Making Framework	Section 48(1) of the Local Government Official Information and Meetings Act 1987.	The public excluded minutes of the meeting held on 11 August 2026 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 11 August 2026.
10.2 - Regional Spatial Plan - Legal Advice and Strategic Approach	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations	To protect all communications between a legal adviser and clients from being disclosed without the permission of the client To enable Council to carry out commercial or industrial negotiations

	(including commercial and industrial negotiations)	

*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."

10 Public Excluded Reports

11 Readmittance of the Public