



# AGENDA

## Ordinary Council Meeting Tuesday, 11 August 2020

**Date** Tuesday, 11 August 2020

**Time** 3pm

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

**File Reference** 1361917

## **Timaru District Council**

**Notice is hereby given that a meeting of the Ordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 11 August 2020, at 3pm.**

### **Council Members**

Mayor Nigel Bowen (Chairperson), Cllrs Allan Booth, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly, Sally Parker, Stu Piddington and Steve Wills

Quorum – no less than 5 members

### **Local Authorities (Members' Interests) Act 1968**

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

Bede Carran

**Chief Executive**



**Order Of Business**

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- 1 Opening Prayer and Waiata**
- 2 Apologies**
- 3 Public Forum**
- 4 Identification of Urgent Business**
- 5 Identification of Matters of a Minor Nature**
- 6 Declaration of Conflicts of Interest**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 21 July 2020**

**Author:** Jo Doyle, Governance Advisor

#### **Recommendation**

That the Minutes of the Council Meeting held on 21 July 2020 be confirmed as a true and correct record of that meeting.

#### **Attachments**

- 1. Minutes of the Council Meeting held on 21 July 2020**



# MINUTES

## Ordinary Council Meeting Tuesday, 21 July 2020

Ref: 1361917

**Minutes of Timaru District Council  
Ordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 21 July 2020 at 11.31am**

**Present:** Mayor Nigel Bowen (Chairperson), Cr Allan Booth, Cr Peter Burt, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills

**In Attendance:** **Community Board Representatives**  
Temuka Community Board – Lloyd McMillan  
Pleasant Point Community Board – Anne Lemmens  
Geraldine Community Board – Jennine Maguire

**Council Officers**

Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Group Manager Environmental Services (Tracy Tierney), Group Manager People and Digital/Acting Group Manager Community Services (Symon Leggett), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

**1 Opening Prayer and Waiata**

Cr Paddy O'Reilly offered a prayer for the work of Council, this was followed by the Timaru District Council Waiata.

**2 Apologies**

There were no apologies.

**3 Public Forum**

There was no public forum.

**4 Identification of Urgent Business**

There were no items of Urgent Business.

**5 Identification of Matters of a Minor Nature**

There were no items of minor nature.

**6 Declaration of Conflicts of Interest**

While there is no conflict of interest, it was noted that in respect of item 8.2 - TDHL Constitution, Mayor Nigel Bowen and Cr Richard Lyon are Directors of Timaru District Holdings Limited.

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 30 June 2020**

#### **Resolution 2020/29**

Moved: Cr Steve Wills

Seconded: Cr Sally Parker

That the Minutes of the Council Meeting held on 30 June 2020 be confirmed as a true and correct record of that meeting.

**Carried**

## **8 Reports**

### **8.1 COVID-19 Stimulus Fund**

Council considered a report on the funding criteria and application approach for the COVID-19 Stimulus Fund.

Council supported Option 2 and the criteria detailed in the report. It was discussed that all applications for this fund should be on the official application form and the approach should be fair and equitable.

#### **Resolution 2020/30**

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That Council approves the COVID-19 Stimulus fund objectives and criteria and agrees on option two for the application and distribution process.

**Carried**

### **8.2 Timaru District Holdings Limited: Amendment of Company Constitution**

Council was presented with proposed amendments to the constitution of Timaru District Holdings Limited (TDHL).

The constitution is being amended to align it with the new arrangements for director appointments and other changes arising from the implementation of recommendations resolved on by Council and contained in the MartinJenkins' Report (the Report) on TDHL.

The Chief Executive advised that the constitution will be updated to future proof the Board so that it can have a properly constituted Board across a range of circumstances.

In regard to whether there must be 2 elected member directors, it is Council that decides and appoints directors, if an elected member did not meet the criteria, the constitution provides that Council is not obligated to make an appointment.

**Resolution 2020/31**

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

1. That Council receives the Report
2. That Council adopts the changes to the constitution of Timaru District Holdings Limited as set out in the Report
3. That the Mayor and Deputy Mayor are authorised on behalf of Council to sign the following special resolution of Council as the sole shareholder of Timaru District Holdings Limited:

‘Special Resolution of Sole Shareholder

Under section 32(a) of the Companies Act 1993 – amending Constitution

Timaru District Holdings Limited (Company)

Company number: 881487

Date:

**Resolved:**

that the Company revoke its existing Constitution and adopt the Constitution attached to this resolution and marked "A" with effect from the date of this Resolution.

**Signed** as a written resolution in accordance with section 122 of the Companies Act 1993 by the sole shareholder of the Company’

4. That the Chief Executive is delegated authority to complete administrative matters for the amended constitution to be perfected including its filing at the registered office of Timaru District Holdings Limited and with the Registrar of Companies
5. That the Mayor and Chief Executive are authorised to correct any typographical errors identified in completing the finalisation of the amended constitution.

**Carried**

**8.3 Director and Trustee Appointment Committee: Amendment to Composition where Conflict of Interest Arises**

Council considered a report by the Chief Executive proposing the amendment to the composition of the Director and Trustee Appointment Committee where a conflict of interest arises.

A third option was discussed for inclusion where the Mayor and Deputy Mayor may both have a conflict of interest, in this situation the Chair of the Commercial and Strategy Meeting would Chair the meeting.

**Resolution 2020/32**

Moved: Cr Stu Piddington

Seconded: Cr Steve Wills

That Council amends the composition of the Director and Trustee Appointment Committee where a conflict, or perceived conflict, of interest arises as detailed in the Delegations Manual as follows:



- (i) where a member is prevented from participating in a matter before the Committee due to a conflict, or perceived conflict, of interest or a pecuniary interest, whether direct or indirect, the Mayor shall co-opt another Councillor on to the Committee to participate in that matter.
- (ii) where the Mayor is prevented from participating in a matter before the Committee due to a conflict, or perceived conflict, of interest or a pecuniary interest, whether direct or indirect, the Deputy Mayor shall co-opt another Councillor on to the Committee to participate in that matter and the Deputy Mayor shall chair the Committee.
- (iii) where the Mayor and Deputy Mayor are prevented from participating in a matter before the Committee due to a conflict, or perceived conflict, of interest or a pecuniary interest, whether direct or indirect, the Chair of the Commercial and Strategy Committee shall co-opt 2 other Councillors on to the Committee to participate in that matter and the Chair of the Commercial and Strategy Committee shall chair the Committee.
- (iv) Delegates to the Chief Executive the authority to amend the delegations manual as required.

**Carried**

**9 Consideration of Urgent Business Items**

There were no urgent business items.

**10 Consideration of Minor Nature Matters**

There were no minor nature items.

**11 Public Forum Items Requiring Consideration**

There were no public forum items.

**12 Resolution to Exclude the Public**

**Resolution 2020/33**

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason

<p><b>12.1 - Public Excluded Minutes of the Council Meeting held on 30 June 2020</b></p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p>
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**Carried**

**Resolution 2020/34**

Moved: Cr Richard Lyon  
 Seconded: Cr Paddy O'Reilly

That the meeting moves out of Closed Meeting into Open Meeting.

**Carried**

**13 Public Excluded Reports**

**12.1 Public Excluded Minutes of the Council Meeting held on 30 June 2020**

**14 Readmittance of the Public**

The meeting closed at 11.58am.

.....  
**Chairperson**

## 8 Schedules of Functions Attended

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

**Author:** Alesia Cahill, Executive Assistant to the Mayor

**Authoriser:** Nigel Bowen, Mayor

#### Recommendation

That the report be received and noted.

#### Functions Attended by the Mayor for the Period 22 June 2020 to 31 July 2020

<i>22 June 2020</i>	Monthly meeting with Local MP Opened new Metro service, My Way Attended Geraldine Water Solutions meeting
<i>23 June 2020</i>	Chaired June Council Meeting and annual Plan Hearing
<i>24 June 2020</i>	Attended CBD meeting
<i>25 June 2020</i>	Attended Re-ignition Panel meeting Attended Library tour Attended Hui at Orari River
<i>29 June 2020</i>	Visited Timaru Life Church Met with South Canterbury Mayors Met with South Canterbury District Health Board Attended Timaru District Council Recovery Action Plan Attended Alpine Energy Directors meeting
<i>30 June 2020</i>	Attended City Hub Steering Group meeting Attended People and Performance Committee meeting Chaired Council meeting Attended Council workshops
<i>1 July 2020</i>	Spoke to Timaru Probus Group
<i>2 July 2020</i>	Met with South Canterbury Chamber of Commerce Met with Opuha Water Ltd
<i>3 July 2020</i>	Judged event at Waihi Boys School
<i>6 July 2020</i>	Opened the Timaru Library
<i>7 July 2020</i>	Attended Arowhenua Marae meeting Attended Timaru District Holdings Ltd workshop Attended Council workshops

<i>8 July 2020</i>	Attended Timaru District Holdings Ltd Board meeting
<i>16-17 July 2020</i>	Attended Rural and Provincial Sector meeting
<i>20 July 2020</i>	Attended South Canterbury Chamber of Commerce Board meeting
<i>21 July 2020</i>	Attended Standing Committee meetings Chaired Council meeting Attended Council workshops
<i>22 July 2020</i>	Met with Salvation Army Corps Officers Read to pupils at St Joseph's Primary School for NZ book week
<i>23 July 2020</i>	Met with Clr O'Reilly to discuss Temuka issues Attended Spark BA5 event
<i>25 July 2020</i>	Attended unveiling of Blue Plague at Landing Services building
<i>27 July 2020</i>	Attended Canterbury Plan workshop led by Canterbury Mayoral Forum Chair Presented at South Canterbury Branch of Hospitality NZ AGM Attended Timaru District Recovery Action Plan meeting Attended Roncalli College Zonta Club Charter Event
<i>28 July 2020</i>	Attended City Hub Review Attended Council workshops
<i>29 July 2020</i>	Attended Pink Ribbon Breakfast Attended Timaru District Holdings Limited meeting Attended Three Waters Steering Committee workshop
<i>30 July 2020</i>	Spoke to Bluestone Primary School students
<i>31 July 2020</i>	Attended Zone 5 Water reforms meeting

In addition to these duties I met with 13 members of the public on issues of concern to them.

**Functions Attended by the Deputy Mayor for the Period 22 June 2020 to 31 July 2020.**

<i>8 July 2020</i>	Attended Lunch with National Party Leader Todd Muller
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**Attachments**

Nil

**8.2 Schedule of Functions Attended by the Chief Executive****Author: Bede Carran, Chief Executive****Authoriser: Bede Carran, Chief Executive****Recommendation**

That the report be received and noted.

**Functions Attended by the Chief Executive for the Period 20 June 2020 and 31 July 2020.**

<i>23 June 2020</i>	Attended Council Meeting
<i>24 June 2020</i>	Meeting with General Manager Arowhenua Marae
<i>25 June 2020</i>	Attended Re-ignition Panel Meeting Attended Hui with Runanga to discuss Orari River
<i>26 June 2020</i>	Phone conference with representatives of the Technology Investment Network
<i>29 June 2020</i>	Visited New Life Church
<i>30 June 2020</i>	Attended People and Performance Sub Committee Meeting Attended Council Meeting Attended Council Workshops
<i>2 July 2020</i>	Meeting with Chamber of Commerce Representatives
<i>3 July 2020</i>	Meeting with Chief Executive Venture Timaru (formerly Aoraki Development) Attended EquiP Limited Board meeting (via zoom)
<i>6 July 2020</i>	Attended Library Opening Phone conference with representatives of Department of Internal Affairs and Chief Executive Manawatu District Council
<i>7 July 2020</i>	Attended Council Workshops
<i>8 July 2020</i>	Attending TDHL Board Meeting
<i>9 July 2020</i>	Attended Chief Executives Three Waters Ministerial Announcement via Zoom
<i>10 July 2020</i>	Attended Zone 5 Water Reforms Meeting via Zoom
<i>13 July 2020</i>	Attended SOLGM Chief Executives Q&A session on Three Waters via Zoom Attended Waka Kotahi NZ Transport Agency Meeting via Zoom
<i>14 July 2020</i>	Attended Council Workshops
<i>20 July 2020</i>	Meeting with the South Canterbury Chamber of Commerce Board

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<i>21 July 2020</i>	Attended Standing Committees Meeting Attended Council Meeting Attended Council Workshops
<i>22 July 2020</i>	Attended conference call with representatives of Department of Internal Affairs
<i>23 July 2020</i>	Meeting with Chief Executive Venture Timaru (formerly Aoraki Development) Attended Business after 5
<i>24 July 2020</i>	Meeting with Chief Executive Officer Alpine Energy Attended Museum Opening 'Timaru Brigade – 150 Years Serving the Community'
<i>27 July 2020</i>	Attended Canterbury Chief Executives Forum Attended Civil Defence Emergency Management Co-ordinating Executive Committee Meeting
<i>28 July 2020</i>	Attended Council Workshops
<i>29 July 2020</i>	Attended Central/Local Government Three Waters Steering Committee - Three Waters Reform Programme Workshop
<i>30 July 2020</i>	Meeting with General Manager Arowhenua Marae Attended Combined Community Boards Long Term Plan Workshop
<i>31 July 2020</i>	Attended Zone 5 Water Reforms Meeting

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

### **Attachments**

**Nil**

## 9 Reports

### 9.1 Affixing of the Common Seal

**Author:** Jo Doyle, Governance Advisor

**Authoriser:** Bede Carran, Chief Executive

#### Recommendation

That the affixing of the Common Seal to the following document be noted:

1 July Warrants of Appointments 2020/21.

#### Purpose of Report

1 To report the affixing of the Common Seal to the Warrants of Appointment 2020/21.


#### Attachments

1. Staff and Contractor Warrant - 30 June 2020 [↓](#)
2. Staff and Contractor Warrant - 6 July 2020 [↓](#)



**Approval of Warrants**

I, Bede Carran, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 8.2.2 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

  
 \_\_\_\_\_  
 Bede Carran

  
 \_\_\_\_\_  
 Nigel Bowen

30-6-2020

Date





**EMPLOYEE LIST**

Building Control Officer  
 Building Control Officer  
 Building Control Manager  
 Compliance Monitoring Officer  
 Building Control Officer  
 Building Control Officer  
 Building Control Officer  
 Building Control Officer  
 Building Control Officer Team Leader Approvals  
 Compliance Officer  
 Building Control Officer  
 Building Control Officer Team Leader Compliance  
 Building Control Officer  
 Building Control Officer  
 Compliance Officer  
 Building Control Officer  
 Building Control Officer  
 Wastewater Treatment Operator  
 Water Services Reticulation Engineer  
 Drainage and Water Manager  
 Drainage Technician  
 Water Services Technician  
 Wastewater Compliance Manager  
 Trade Waste Officer  
 Water Treatment Team Leader  
 Water Services Operations Engineer  
 Wastewater Treatment Operator  
 Water Treatment Technician  
 Wastewater Treatment Operator  
 Water Services Technician  
 Water Services Technician  
 Wastewater Treatment Team Leader  
 Water Services Projects Engineer  
 Wastewater Treatment Operator  
 Stormwater Specialist  
 Water Services Projects Engineer  
 Water Services Projects Engineer  
 Environmental Health Support Officer, Enforcement Officer & Licensing Inspector  
 Licensing Inspector  
 Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Animal Control Officer  
 Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Animal Control Officer  
 Licensing Inspector  
 Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Bylaws Monitoring Officer  
 Animal Control Officer  
 Animal Control Officer

Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Environmental Health Support Officer, Enforcement Officer and Licensing Inspector  
 Parking Officer  
 Parking Warden  
 Bylaws Monitoring Officer  
 Parking Warden  
 Licensing Inspector & Enforcement Officer  
 Group Manager Environmental Services  
 Survey Technician  
 Roading Design Technician  
 Projects Officer  
 Infrastructure Planner  
 Senior Planner  
 Planning Officer  
 District Planning Manager  
 Senior Planning Officer  
 Team Leader Consents & Compliance  
 Subdivision & Compliance Officer  
 Zero Waste Advisor  
 Waste Assets Officer  
 Zero Waste Administrator  
 Waste Minimisation Manager  
 Building Control Officer  
 Parking Warden  
 Resource Consent Monitoring Officer

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**CONTRACTOR LIST**

Enforcement Officer  
 Enforcement Officer  
 Enforcement Officer  
 Enforcement Officer  
 Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Environmental Health Support Officer, Enforcement Officer and Licensing Inspector  
 Bin Audit Tagger  
 Driver  
 Bin Audit Co-Ordinator/Supervisor  
 Bin Audit Tagger  
 Driver  
 Fleet Supervisor  
 Labourer  
 Enforcement Officer  
 Enforcement Officer  
 Driver  
 Enforcement Officer  
 Environmental Health Officer, Enforcement Officer & Licensing Inspector  
 Enforcement Officer  
 Enforcement Officer  
 Environmental Health Support Officer, Enforcement Officer & Licensing Inspector  
 Food Verifier  
 Food Verifier



**Approval of Warrants**

I, Bede Carran, Chief Executive of the Timaru District Council have delegated authority pursuant to clause 8.2.2 of the Timaru District Council delegations manual to appoint and authorise the Council Officers listed in the table below, and issue warrants to those Council Officers under the relevant legislation and the Council's bylaws, including delegating the exercise of powers under those warrants, and affixing the Council's common seal to warrants. I hereby approve the attached warrants.

Bede Carran

Nigel Bowen

6/7/20

Date



CONTRACTORS

OPERATIONAL SUPPORT

OPERATIONAL SUPPORT

OPERATIONAL SUPPORT

DRAINAGE AND WATER SERVICEMAN

CONTRACT SUPERVISOR

DRAINAGE AND WATER SRVICEMAN

DRAINAGE AND WATER SERVICEMAN

RURAL SUPERVISOR, DRAINAGE AND WATER

DRAINAGE AND WATER SERVICEMAN

DRAINAGE AND WATER SERVICEMAN

DRAINING AND WATER SERVICEMAN

CCTV SUPERVISOR

ENVIRO HEALTH SUPP/ENF OFFIVER & LIC INSPECTOR

EMPLOYEES

LICENSING INSPECTOR

## 9.2 Repeal of Council Policies

**Author:** Fabia Fox, Policy Analyst

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

### Recommendation

1. That Council repeal the Library Fees and Charges Policy.
2. That Council repeal the Council Controlled Organisations Exemption Policy.
3. That Council repeal the Electoral System Policy.
4. That Council repeal the Street and Amenity Lighting Policy.

### Purpose of Report

- 1 To present Council with four policies that have been reviewed and are recommended for repeal.

### Assessment of Significance

- 2 The significance of this report is consider low in accordance with the Significance and Engagement Policy. The nature of these policies are such that their repeal will not affect Council's delivery of services, assets or relationship with the community.

### Background

- 3 Council's strategic policy suite is being reviewed. As a result of this review officers are recommending the repeal of a number of policies. These recommendations aim to refine the policy suite by removing duplication in processes; and by removing policies that are covered by legislative or regulatory requirements; or policies that have been operationalised and their principles contained in planning documents such as Activity Management Plans following their adoption. The background and content of each policy is presented below, along with a rationale for the recommendation to repeal.
- 4 All policies recommended for repeal are attached.

### Library Fees and Charges Policy

- 5 The current purpose of this policy is to identify and specify which library services and facilities shall be subjected to a fee or a charge and to indicate when and how such fees shall be determined.
- 6 All fees identified in this policy are included in Council's fees and charges document. Council fees and charges are reviewed and set annually as part of the Annual Plan process.
- 7 There is no requirement that fees for Council activities be set out in individual Council policies. For this reason, Council officers are recommending this policy be repealed to reduce the duplication of review processes. Any notes or explanation required for the application of library fees will be included in the Fees and Charges document, on Council's website and the Library website.

**Council Controlled Organisations Exemptions Policy**

- 8 The stated purpose of this policy is to grant an exemption to an organisation from the provisions for Council Controlled Organisations as specified in the Local Government Act 2002 (LGA).
- 9 Section 7 of the LGA allows a local authority to exempt a small organisation that is not a council controlled trading organisation, from the planning, monitoring and reporting requirements of council controlled organisations, as set out in Part 5 of the LGA.
- 10 In allowing an exemption Council must take into account:
- 10.1 The nature and scope of the activities provided by the organisation; and
  - 10.2 The costs and benefits, if an exemption is granted, to the local authority, the council controlled organisation, and the community.
- 11 The LGA states that an exemption must be granted by resolution of the local authority and that any exemptions must be reviewed within three years of being granted.
- 12 Council's current policy states that:
- 12.1 "Council will review all CCOs on a three yearly cycle and exempt any from the status of a Council Controlled Organisation where the nature and scope of the activities provided by the organisation are minor and where it is considered that the costs outweigh the benefits to the CCO and the community."
- 13 Council has four Council Controlled Organisations.<sup>1</sup>
- 13.1 Timaru District Holdings Limited;
  - 13.2 Aoraki Development and Promotions Limited;
  - 13.3 Aorangi Stadium Trust; and
  - 13.4 A D Hally Trust
- 14 On 26 May 2003 Council granted an exemption under section 5 of the LGA for the A D Hally Trust on the grounds that no Council funds are involved in the Trust's business, and the Trust has the singular role of distributing funds from the A D Hally Trust in accordance with the will of Albert Daniel Hally. This exemption has been reviewed and granted regularly since 2003 and was last granted on 13 March 2018.
- 15 Having reviewed this policy, it is Officers' recommendation that, as the content of the policy is wholly consistent with the requirements of the LGA, and therefore is not required as part of Council's strategic policy suite. Council will continue to review the exemptions granted to CCOs and consider any future exemptions on a three-yearly basis.
- 16 The A D Hally Trust's exemption, and any other potential exemptions for Council Controlled Organisations, will be reviewed prior to April 2021.

**Electoral Systems Policy**

- 17 The purpose of the policy is to state the electoral system to be used for Timaru District Council local elections.

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<sup>1</sup> Council Controlled Organisations are defined by the LGA as a company or entity in which one or more local authority has control, directly or indirectly, of 50% or more of the voting rights, or the right to appoint 50% or more of the trustees, directors or managers.

- 18 In accordance with section 27 of the Local Electoral Act 2001:  
“any local authority may, no later than 12 September in the year that is two years before the year in which the next triennial general election is to be held, resolve that the next two triennial general elections of the local authority and its local boards or community boards (if any), and any associated election, will be held using a specified electoral system other than that used for the previous triennial general election.”
- 19 A resolution made by Council under this section takes effect for the next two triennial general elections; and continues in effect until either:
- 19.1 A further resolution under this section takes effect; or
- 19.2 A poll is held to decide on an electoral system.
- 20 Having reviewed the Electoral Systems Policy, Officers believe there are robust legislative requirements for the setting of Council’s electoral system and that a policy is not required. Officers recommend the repeal of the Electoral Systems Policy.
- 21 Council will continue to undertake the legislative requirements for setting the electoral system on a three yearly basis, or as required on receipt of notice requesting a poll. This process is discussed in a separate report in this agenda.

### **Street and Amenity Lighting Policy**

- 22 The purpose of this policy is to outline Council’s approach to street and amenity lighting. It was developed in 2016 following District Services Committee resolutions in 2013 and 2015 that sought to fund and implement a programme of installing LED street lights.
- 23 Since its adoption in 2016, the statements within this policy have been operationalised and included as part of the Timaru District Infrastructure Code of Practice and the Land Transport Activity Management Plan as standard practice and established levels of service.
- 24 The Long Term Plan 2018-28 included just over \$150,000 per annum for the active replacement of streetlights with LED lanterns allowing for lower maintenance and energy costs.<sup>2</sup>
- 25 Council officers have reviewed the policy and recommend that it be removed from Council’s strategic policy suite.

### **Options and Preferred Option**

- 26 **Option 1** (Preferred option): Council repeals the policies as presented. Officers have reviewed the policies presented and have recommended they be repealed to reduce duplication of processes and to refine Council’s policy suite.
- 27 The risk of failing to meet legislative or regulatory requirements or maintaining levels of service associated with the policies presented will be mitigated through ongoing monitoring of Council’s legislative compliance and robust planning frameworks.
- 28 **Option 2:** Council resolves to retain some, or all of the policies presented. Under this option, Officers will seek further feedback from Council on the purpose, scope and content of these policies at a later date.

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<sup>2</sup> The 2020/21 Annual Plan amended this LTP budget to include \$700,000 for the completion of the LED street light installation programme.

**Consultation**

- 29 No external consultation has been carried out in the review of these policies.
- 30 Should Council wish to amend the policies presented, there may be consultation requirements and Council may wish to engage with the public and key stakeholders. This would be considered of any further review is requested by Council.

**Relevant Legislation, Council Policy and Plans**

- 31 The relevant legislation, Council policies and plans have been identified in the above discussion.

**Financial and Funding Implications**

- 32 There are no budget implications directly associated with the repeal of the policies presented. Should Council seek to review and amend the policies presented there may be budget implications. These would be fully examined as part of any further policy review requested by Council.

**Attachments**

1. **Library Fees and Charges Policy** [↓](#)
2. **Council Controlled Organisations Exemption Policy** [↓](#)
3. **Electoral System Policy** [↓](#)
4. **Street and Amenity Lighting Policy** [↓](#)





## Library Fees and Charges Policy

<b>Approved by:</b>	Community Development Committee
<b>Date Approved:</b>	26 April 2016
<b>Keywords:</b>	Subscription, fines, membership, fees, charges, reserves, services, processing fees, damaged items

### 1.0 Purpose

The purpose of this policy is to identify and specify what library services and facilities shall be subjected to a fee or a charge and to indicate when and how such fees shall be determined.

### 2.0 Background

Fees and charges shall be determined by Council on an annual basis and be in accordance with the appropriate legislation and Council strategic direction.

The library offers a range of services and materials for which a charge is made as a condition of their use.

### 3.0 Key Definitions

**Fees and Charges -** Library fees and charges are levied under the Local Government Act 2002 and specified in the Council's Annual Plan.

**Subscription -** A lending library to which borrowers pay a membership fee either instead of or in addition to a specific charge for books borrowed.

**Membership -** Library members are administered a library card that provides them with access and borrowing rights.

**Fines -** Library fines can also be know as late fees or overdue fees. A fine is an enforcement designed to ensure that materials borrowed are returned.

### 4.0 Policy

- 4.1 No subscription fee is levied on Timaru District residents.
- 4.2 The subscription fee for out of district adult members will be equivalent per household to the annual cost of the Library per ratepayer.
- 4.3 No subscription fee will be levied on out of district children in view of the educational value of the service.
- 4.4 No rental fee will be charged on books, DVD's, PlayStation games or children's music.

- 4.5 A rental fee will be charged for adult music, while the current collection is maintained. The annual rental income contributes to the annual cost of purchases.
- 4.6 A fee will be charged to recover the full cost (excluding labour) of Reserves, Interloans and Replacement Cards services.
- 4.7 A fee will be charged to recover the full cost plus a minimum of 50% surplus for photocopying services.
- 4.8 A fine will be levied for items returned after the due date based on an accumulating weekly penalty.

## 5.0 Delegations, References and Revision History

*5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy*

*5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)*

*5.3 Revision History – Summary of the development and review of the policy*

### 5.1 Delegations

Delegation	Delegations Register Reference
Nil	<i>Include Delegations Register reference</i>

### 5.2 References

Title	Document Reference
Annual Plan Fees and Charges	

### 5.3 Revision History

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Libraries Manager	26 April 2016	Community Development Committee	April 2019	#989240



## Council Controlled Organisations Exemptions

**Approved by:** Policy and Development Committee

**Date Approved:** 13 March 2018

**Keywords:** *Exemption, AD Hally*

### 1.0 Purpose

To be able to grant an exemption to an organisation from the provisions for Council Controlled Organisations as specified in the Local Government Act 2002.

### 2.0 Background

An exemption can be made by resolution of the local authority after taking into account:

- The nature and scope of the activities provided by the organisation; and
- The costs and benefits, if an exemption is granted, to the local authority, the CCO and the community.

*(LGA Section 7(5))*

An example the Council has is the AD Hally Trust which is a Council Controlled Organisation (CCO) because the Trustees are Councillors. Since 2003, the Council granted an exemption for the AD Hally Trust on the grounds that no Council funds are involved, and the Trust has a single focus of distributing funds from the AD Hally Trust in accordance with the Albert Daniel Hally Will.

### 3.0 Key Definitions

Council Controlled Organisation – an entity that is controlled, either directly or indirectly, by one or more local authorities.

### 4.0 Policy

That the Council will review all CCO's on a three yearly cycle and exempt any from the status of a Council Controlled Organisation where the nature and scope of the activities provided by the organisation are minor and where it is considered that the costs outweigh the benefits to the CCO and the community.

**5.0 Delegations, References and Revision History**  
*5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy*  
*5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)*  
*5.3 Revision History – Summary of the development and review of the policy*

**5.1 Delegations**

Delegation	Delegations Reference	Register
None		

**5.2 References**

Title	Document Reference

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Group Manager Corporate Services	28 July 2015	Policy Development Committee &	June 2018	#905449 :F2121; #753241
2	Group Manager Corporate Services	13 March 2018	Policy Development Committee &	March 2021	#1356676



## Timaru District Council Elections – Electoral System

**Approved by:**

*Council*

**Date Approved:**

*10 September 2014*

**Keywords:**

*Electoral system, First Past The Post (FPP), Single Transferable Vote (STV)*

### 1.0 Purpose

The purpose of the policy is to state the electoral system to be used for Timaru District Council local elections.

### 2.0 Background

Under Section 27 of the Local Electoral Act a local authority may resolve to change electoral systems. There are two electoral systems available – First Past The Post (FPP) or Single Transferable Vote (STV).

### 3.0 Key Definitions

**Electoral System** – as defined by the Local Electoral Act 2001.

### 4.0 Policy

At a meeting on 10 September 2014, the Council resolved to use the First Past the Post electoral system for the 2016 and 2019 local elections.

This applies to all Timaru District Council elections (e.g. Mayor, Council, Community Board).

**5.0 Delegations, References and Revision History**

*5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy*

*5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)*

*5.3 Revision History – Summary of the development and review of the policy*

**5.1 Delegations**

Delegation	Delegations Reference	Register
NA		

**5.2 References**

Title	Document Reference
NA	

**5.3 Revision History**

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	<i>Electoral Officer</i>	<i>10 September 2014</i>	<i>Council</i>	<i>2020</i>	<i>#830991, F8525</i>



## Street and Amenity Lighting Policy

<b>Approved by:</b>	District Services Committee
<b>Date Approved:</b>	22 March 2016
<b>Keywords:</b>	Street lighting, Amenity lighting, LED, Light Emitting Diode

### 1.0 Purpose

This policy outlines Timaru District Council's policy for street lighting in the district.

### 2.0 Background

Street and amenity lights provide lighting to roads, walkways, access roads, and car parks. The current street lights are predominately High Pressure Sodium (HPS) lanterns that produce a yellow light with the wattages ranging from 70 to 250 Watts,

Light Emitting Diodes (LED) have many advantages over incandescent light sources. A 27W LED provides the equivalent light output as a 70W High-Pressure sodium (HPS). In addition to lower energy consumption, LED also have a longer lifetime, improved physical robustness, smaller size, and faster switching.

At the February 2015 District Services Standing Committee meeting, the Committee considered a report by the Land Transport Manager on options for LED street lighting. The Committee supported an active program to progressively replace street lights with LED technology and that all new street lights also be LED.

Street lights on the State Highways are owned by NZTA but managed by the Council. The replacement of State Highway street lights with LED is encouraged.

### 3.0 Key Definitions

Amenity lighting	The provision of lighting at night for public amenity (e.g. car parks).
High-Pressure Sodium (HPS)	Sodium-vapour lamp is a sodium gas-discharge lamp that produces yellow light.
Lanterns	A mounted fixture used to illuminate areas. An enclosure for a light source, used for street lights.
Light Emitting Diode (LED)	This is a two-lead semiconductor light source.
LTP	Long Term Plan
NZTA	New Zealand Transport Agency – A Crown entity that provides financial assistance for roads on behalf of the government. They are also the State Highway controlling agency.

Road	This is the designated Council road and has the meaning assigned to it as defined in the Local Government Act 1974.
Street lighting	The provision of lighting at night in public places to illuminate the roads and pedestrian accessways, including walkways that are not private ways.
TDC Street Lighting System	This includes all, Timaru District Council and NZ Transport Agency owned street lights, festoons, poles, cables and wires dedicated to street lighting that are connected to the Electrical Supply Authority's Systems. In these areas this covers street lighting arms, fixing bolts, underground columns (including foundations) overhead poles for street lighting purposes only, lanterns and associated equipment within Timaru District. Where the lighting is mounted on poles carrying power wires, then the pole and cross arm is excluded.

Unless specifically defined in this policy, all words and expressions shall have the meaning as defined in the Local Government Act 1974 and 2002, the Land Transport Act 1998, and any Acts passed in amendment or substitution thereof.

#### **4.0 Policy**

1. Street lighting shall be designed in accordance with the national street lighting standard, AS/NZS 1158: Lighting for roads and public spaces.
2. The Council will seek financial assistance from NZTA for the maintenance and renewal of street lighting.
3. A programme for replacement of lighting with cost effective and energy efficient technology to reduce the Council's future energy usage as well as minimising ongoing operational and maintenance costs shall be implemented within LTP budget allocations.
4. All street light network extensions shall be LED, including new developments.
5. Community amenity lighting that is not eligible for NZTA financial assistance shall be funded from the relevant community rate.
6. State Highway street lights are managed by Council and entirely funded by NZTA. Council shall encourage the State Highway street lights to be upgraded to LED technology.
7. Private amenity lighting shall not be connected to the TDC Street Lighting System.
8. Council will continue to embrace new technologies.



**5.0 Delegations, References and Revision History**

*5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy*

*5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)*

*5.3 Revision History – Summary of the development and review of the policy*

**5.1 Delegations**

Delegation	Delegations Register Reference
<i>Include summary of delegation</i>	<i>Include Delegations Register reference</i>

**5.2 References**

Title	Document Reference
Street Lighting – Standards	Doc # 1711
LED (Light Emitting Diode) Street Lighting report to District Services Committee February 2015	Doc # 918123

**5.3 Revision History**

Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1.0	Land Transport Manager	22 March 2016	District Services Committee	March 2019	Report – Doc # 984397

### 9.3 Electoral System for 2022 Timaru District Council Elections

**Author:** Mark Low, Strategy and Corporate Planning Manager

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

#### Recommendation

1. That Council resolves to either:
  - (a) Retain the First Past the Post (FPP) electoral system; or
  - (b) Change to the Single Transferable Vote (STV) electoral system; or
  - (c) Undertake a Poll of electors on the electoral system to be used for the 2022 and 2025 elections, under Section 31 of the Local Electoral Act; or
  - (d) Consults on the electoral system decision prior to making a resolution.

#### Purpose of Report

- 1 The purpose of this report is to:
  - 1.1 advise the Council's ability to resolve to change the electoral system for the next two triennial elections; and
  - 1.2 seek a resolution on the electoral system to be used for the 2022 Timaru District Council elections.

#### Assessment of Significance

- 2 This is of low to medium significance under the Significance and Engagement Policy. Under the Local Electoral Act 2001 (LEA) the Council's decision can be challenged via a poll should this be requested from the community, which gives opportunity for public input.

#### Background

- 3 There are two electoral systems in use for local authority elections in New Zealand – Single Transferable Vote (STV) and First Past the Post (FPP). The STV option has been an option for Councils since the 2004 local elections.
- 4 Having a choice of electoral systems and the ability for Councils to choose between them is designed to help achieve the LEA principle of "fair and effective representation for individuals and communities."
- 5 The LEA provides local authorities and/or their communities with three options for choosing the electoral system to be used:
  - 5.1 A local authority may resolve to change its electoral system; or
  - 5.2 A local authority may resolve to hold a poll to determine which system should be used; or
  - 5.3 Electors may demand a poll is held on the matter

- 6 A summary of the relevant timeframes required for this process are outlined below:

Date	Task
By Saturday 12 September 2020	Local authority resolution on electoral system – optional (sections 27, 32 Local Electoral Act (LEA))
By Saturday 19 September 2020	Public notice on electoral system – mandatory (sections 28, 32 LEA)
By Sunday 21 February 2021	Last date to receive a demand for a poll on the electoral system for the 2022 elections (sec 30 LEA) Last date for local authority to resolve to hold poll on electoral system for the 2022 elections (sec 31, LEA)
By Friday 21 May 2021	Last date to conduct a poll on the electoral system for the 2022 elections (sec 33, LEA)

- 7 The chosen electoral system applies to both Council and Community Board elections.

- 8 Appendix 1 outlines the legislative provisions related to this process.

### Discussion

- 9 Timaru District Council has used the FPP electoral system since 2001. By law, the South Canterbury District Health Board must use the STV system for their elections. Currently, all other local authorities in the South Canterbury area use the FPP system, including the Geraldine Licensing Trust and Environment Canterbury.
- 10 While FPP is the predominant system used for Council elections, a number of metro and District Councils do use STV, including Dunedin, Porirua, Wellington and Palmerston North.
- 11 While it is one factor, there is no definitive guidance on whether either system contributes to increases in voter turnout. Voter turnout can be the function of a number of factors, including local issues at the time, a strong mayoral race, perceptions about the previous Council, nature of candidates, voter apathy, and a lack of knowledge. Timaru District traditionally polls well above the national average. For example in 2019, the turnout was 55.1% against a national average of 41.7%.
- 12 An overview of the two electoral systems is included in Appendix 2. In summary, FPP is a plurality electoral system, meaning to get elected a candidate must win the most votes, but not a majority of votes. STV is a proportional electoral system, meaning to get elected a candidate must win a proportion of the overall votes cast (or “meet the quota”). The paper in Appendix 2 outlines the advantages and disadvantages of both systems.

### Options and Preferred Option

- 13 The following are the options available to Council:

*Option 1: Council can resolve to change the electoral system from FPP to STV*

Council could choose to resolve to change the electoral system from FPP to STV. The resolution would be advertised giving opportunity for the community to demand a poll on the system should they not agree with the Council’s decision. The resolution would be binding for the 2022/2025 elections, unless overturned by a poll.

*Option 2: Council can reaffirm its use of the FPP electoral system*

Council could choose to reaffirm its current use of the FPP electoral system. As above, this would be advertised giving opportunity for the community to demand a poll on the system should they not agree. The resolution would be binding for the 2022 election, unless overturned by a poll.

*Option 3: Council can resolve to hold a poll on the electoral system*

Council could choose to hold a poll on the electoral system to be used for the 2022 local election. This resolution must be made by 21 February 2021, with a poll date no later than 21 May 2021. The outcome of the poll would be binding for elections to be held in 2022 and 2025. A poll would potentially cost between \$60-80,000. Council could initiate a poll now or at another time (e.g. alongside the triennial election).

*Option 4: Council can consult prior to a decision*

Council could choose to consult prior to resolving a decision. Any consultation would need to occur prior to a resolution being made by 12 September which would likely require a special meeting of Council to finalise the decision. This would then be advertised and opportunity given for the public to demand a poll.

*Option 5: Council can chose not to resolve*

Council could choose not to make a resolution. If no decision is made, FPP would be used for 2022, unless a poll overturned the decision.

- 14 Despite whichever option is selected by Council, the Council must advertise the public’s right to demand a poll to change the system by 19 September, including the Council’s resolution, should one be agreed.

- 15 The following advantages and disadvantages apply to the various options

Advantages	Disadvantages
<i>Option 1:</i>	
STV is not unknown as has been used for District Health Board elections since 2004  Advantages of STV over FPP can be realised, particularly more proportional representation	Some may find the STV system difficult to understand and accordingly disengage with voting  If Council resolves to change system, the change will hold for two elections. Public may still petition for a poll.
<i>Option 2:</i>	
Electors have used FPP for multiple Council elections and are familiar with the system	No impact on cost as no change  Public may still petition for a poll, which could lead to a change and associated costs  Benefits of STV may not be realised
<i>Option 3:</i>	
Result of poll will dictate the decision	If poll changes system, the change will be in place for two elections

Potential to engage residents in decision-making and to heighten community interest in local government	Potential for polarised decision if only certain sectors of community participate in poll  Costs of a poll
<i>Option 4:</i>	
Provides opportunity for interested residents to give their views  Result of consultation may be more strongly reflected in decision	Issue currently does not appear a strong priority for community, meaning feedback may not provide any further data to inform decision  Costs of consultation  If Council resolves to change system, the change will hold for two elections. Public may still petition for a poll, with additional costs.  Limited time to conduct consultation
<i>Option 5:</i>	
Electors have used FPP for multiple Council elections and are familiar with the system	Public may still petition for a poll, which could lead to a change  Costs of a poll (if demanded)  Benefits of STV may not be realised

**Consultation**

- 16 No consultation has occurred relating to this decision. Council could choose to seek community views prior to the decision being made, or could rely on the legislative process that enables a poll on the electoral system option to be demanded from the community. This provides a mechanism for the community to voice their views.
- 17 Any consultation would need to occur prior to a resolution being made by 12 September which would likely require a special meeting of Council to finalise the decision.
- 18 Council could also choose to initiate a poll on the choice of electoral system, rather than relying on the poll to be initiated by electors.
- 19 A poll initiated by electors can occur at any time, or in response to the public notice. 5% of electors (approx. 1,700) are required to initiate a poll. To enable a change in electoral system for the 2022 election, this would need to occur by 21 February 2021, with the poll date no later than 21 May 2021. The outcome would apply to the 2022 and 2025 local elections.

**Relevant Legislation, Council Policy and Plans**

- 20 Local Electoral Act 2001, Sections 27 to 35
- 21 Local Electoral Regulations 2001

**Financial and Funding Implications**

- 22 Funding implications may arise if the Council decides to consult specifically on this issue or a poll is requested, either by the Council or the community.

- 23 Funding for a consultation would need to come from existing budgets. There is no specific allocation for this work.
- 24 Funding for a poll would come from the Election Expenses Fund, which may need some reimbursement over the next few budget round to reimburse it to a level to cover the costs of the next local election. A poll has not been specifically budgeted for.

### **Other Considerations**

- 25 Council currently has a policy relating to its choice of electoral system. As this is a resolution of Council, a policy is not required, so this has been suggested for repeal (refer Repeal of Council Policies report). Any resolution made is advertised and included in the Council's Local Governance Statement, otherwise known as 'A Guide to Your Council'.

### **Attachments**

- 1. **Appendix 1 - Electoral Systems Decision - relevant legislation** [↓](#)
- 2. **Appendix 2 - Local Government Electoral systems Option - Professor Janine Hayward**

*Electoral systems for elections***27 Local authority may resolve to change electoral systems**

- (1) Any local authority may, not later than 12 September in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that the next 2 triennial general elections of the local authority and its local boards or community boards (if any), and any associated election, will be held using a specified electoral system other than that used for the previous triennial general election.
- (2) A resolution under this section—
  - (a) takes effect, subject to paragraph (b), for the next 2 triennial general elections of the local authority and its local boards or community boards (if any), and any associated election; and
  - (b) continues in effect until either—
    - (i) a further resolution under this section takes effect; or
    - (ii) a poll of electors of the local authority held under section 33 takes effect.
- (3) This section is subject to section 32.
- (4) In this section, and in sections 28 to 34, **associated election**, in relation to any 2 successive triennial general elections of a local authority (and its local boards or community boards (if any)), means—
  - (a) any election to fill an extraordinary vacancy in the membership of the body concerned that is held—
    - (i) between those elections; or
    - (ii) after the second of those elections but before the subsequent triennial general election:
  - (b) an election of the members of the body concerned called under section 258I or 258M of the Local Government Act 2002 that is held—
    - (i) between those elections; or
    - (ii) after the second of those elections but before the subsequent triennial general election.

Section 27(1): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 27(1): amended, on 25 December 2002, by section 9(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 27(2)(a): substituted, on 25 December 2002, by section 9(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 27(2)(a): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 27(2)(b)(ii): amended, on 25 December 2002, by section 9(3) of the Local Electoral Amendment Act 2002 (2002 No 85).

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**Local Electoral Act 2001**

Part 2 s 29

Section 27(4): added, on 25 December 2002, by section 9(4) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 27(4): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 27(4)(b): amended, on 5 December 2012, by section 43 of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

**28 Public notice of right to demand poll on electoral system**

- (1) Every local authority must, not later than 19 September in the year that is 2 years before the year in which the next triennial general election is to be held, give public notice of the right to demand, under section 29, a poll on the electoral system to be used for the elections of the local authority and its local boards or community boards (if any).
- (2) If the local authority has passed a resolution under section 27 that takes effect at the next triennial election, every notice under subsection (1) must include—
  - (a) notice of that resolution; and
  - (b) a statement that a poll is required to countermand that resolution.
- (2A) Despite subsections (1) and (2), if, on or before the date referred to in subsection (1), the local authority has passed a resolution under section 31 and has specified a date for the holding of the poll that is on or before 21 May in the year before the next triennial general election, subsection (1) does not apply.
- (3) This section is subject to section 32.

Section 28(1): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 28(1): amended, on 25 December 2002, by section 10(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 28(2): amended, on 25 December 2002, by section 10(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 28(2A): inserted, on 25 December 2002, by section 10(3) of the Local Electoral Amendment Act 2002 (2002 No 85).

**29 Electors may demand poll**

- (1) A specified number of electors of a local authority may, at any time, demand that a poll be held on a proposal by those electors that a specified electoral system be used at the elections of the local authority and its local boards or community boards (if any).
- (2) This section is subject to section 32.
- (3) In this section and sections 30 and 31,—

**demand** means a demand referred to in subsection (1)

**specified number of electors**, in relation to a local authority, means a number of electors equal to or greater than 5% of the number of electors enrolled as eligible to vote at the previous general election of the local authority.



Section 29(1): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 29(1): amended, on 25 December 2002, by section 11 of the Local Electoral Amendment Act 2002 (2002 No 85).

### 30 Requirements for valid demand

- (1) A demand must be made by notice in writing—
  - (a) signed by a specified number of electors; and
  - (b) delivered to the principal office of the local authority.
- (2) An elector may sign a demand and be treated as one of the specified number of electors only if—
  - (a) the name of that elector appears,—
    - (i) in the case of a territorial authority, on the electoral roll of the territorial authority; and
    - (ii) in the case of any other local authority, on the electoral roll of any territorial authority or other local authority as the name of a person eligible to vote in an election of that local authority; or
  - (b) in a case where the name of an elector does not appear on a roll in accordance with paragraph (a),—
    - (i) the name of the elector is included on the most recently published electoral roll for any electoral district under the Electoral Act 1993 or is currently the subject of a direction by the Electoral Commission under section 115 of that Act (which relates to unpublished names); and
    - (ii) the address for which the elector is registered as a parliamentary elector is within the local government area of the local authority; or
  - (c) the address given by the elector who signed the demand is—
    - (i) confirmed by the Electoral Commission as the address at which the elector is registered as a parliamentary elector; and
    - (ii) within the district of the local authority; or
  - (d) the elector has enrolled, or has been nominated, as a ratepayer elector and is qualified to vote as a ratepayer elector in elections of the local authority.
- (3) Every elector who signs a demand must state, against his or her signature,—
  - (a) the elector's name; and
  - (b) the address for which the person is qualified as an elector of the local authority.
- (3A) If a valid demand is received after 21 February in the year before the next triennial general election, the poll required by the demand—

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- (a) must be held after 21 May in that year; and
  - (b) has effect in accordance with section 34(2) (which provides that the poll has effect for the purposes of the next but one triennial general election of the local authority and the subsequent triennial general election).
- (4) The chief executive of the local authority must, as soon as is practicable, give notice to the electoral officer of every valid demand for a poll made in accordance with section 29 and this section.
- (5) This section is subject to section 32.

Section 30(1)(b): substituted, on 25 December 2002, by section 12(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 30(2)(b)(i): amended, on 1 July 2012, by section 58(5) of the Electoral (Administration) Amendment Act 2011 (2011 No 57).

Section 30(2)(c)(i): amended, on 21 March 2017, by section 114 of the Electoral Amendment Act 2017 (2017 No 9).

Section 30(3A): inserted, on 25 December 2002, by section 12(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 30(3A): amended, on 26 March 2015, by section 6 of the Local Electoral Amendment Act 2015 (2015 No 19).

Section 30(4): amended, on 25 December 2002, by section 12(3) of the Local Electoral Amendment Act 2002 (2002 No 85).

### **31 Local authority may resolve to hold poll**

- (1) A local authority may, no later than 21 February in the year immediately before the year in which the next triennial general election is to be held, resolve that a poll be held on a proposal that a specified electoral system be used for the elections of the local authority and its local boards or community boards (if any).
- (2) A resolution may, but need not, specify a date on which the poll is to be held.
- (2A) The date specified for the holding of a poll must not be a date that would require deferral of the poll under section 138A.
- (3) The chief executive of the local authority must give notice to the electoral officer of any resolution under subsection (1),—
- (a) if no date for the holding of the poll is specified in the resolution, as soon as is practicable;
  - (b) if a date for the holding of the poll is specified in the resolution, at an appropriate time that enables the poll to be conducted in accordance with section 33(3).
- (4) This section is subject to section 32.

Section 31(1): substituted, on 25 December 2002, by section 13(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 31(1): amended, on 26 March 2015, by section 7 of the Local Electoral Amendment Act 2015 (2015 No 19).

Section 31(1): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

65

Section 31(2): substituted, on 25 December 2002, by section 13(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 31(2A): inserted, on 25 December 2002, by section 13(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 31(3): substituted, on 25 December 2002, by section 13(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

### 32 Limitation on change to electoral systems

Sections 27 to 31 do not apply if—

- (a) a poll on the proposal described in section 29 or section 31 held under section 33 took effect at the previous triennial general election of the local authority or takes effect at the next triennial general election of the local authority;
- (b) another enactment requires a particular electoral system to be used for the election of members of a local authority.

Section 32(a): substituted, on 25 December 2002, by section 14 of the Local Electoral Amendment Act 2002 (2002 No 85).

### 33 Poll of electors

- (1) If the electoral officer for a local authority receives notice under section 30(4) or section 31(3), the electoral officer must, as soon as is practicable after receiving that notice, give public notice of the poll under section 52.
- (2) Despite subsection (1), if an electoral officer for a local authority receives 1 or more notices under both sections 30(4) and 31(3), or more than 1 notice under either section, in any period between 2 triennial general elections, the polls required to be taken under each notice may, to the extent that the result of those polls would take effect at the same election, and if it is practicable to combine those polls, be combined.
- (3) A poll held under this section must be held not later than 89 days after the date on which—
  - (a) the notice referred to in subsection (1) is received; or
  - (b) the last notice referred to in subsection (2) is received.
- (3A) Subsection (3) is subject to subsection (2), section 30(3A) and section 138A.
- (3B) Voters at a poll held under this section decide the proposal or proposals that are the subject of the poll by voting for one of the electoral systems named in the voting document or, as the case may require, expressing a preference in respect of each of the electoral systems named in the voting document.
- (4) Every poll under this section that is held in conjunction with a triennial general election or held after that election but not later than 21 May in the year immediately before the year in which the next triennial general election is to be held determines whether the electoral system to be used for the next 2 triennial general elections of the local authority and its local boards or community boards (if any) and any associated election is to be—

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Local Electoral Act 2001

Part 2 s 34

- (a) the electoral system used at the previous general election of the local authority; or
  - (b) the electoral system specified in any resolution under section 27; or
  - (c) the electoral system specified in any demand submitted within the appropriate period of which the electoral officer has received notice under section 30(4) and, if notice of more than 1 such demand is received, one of the systems specified in those demands and, if so, which one; or
  - (d) the electoral system specified in any resolution of which the electoral officer has received notice under section 31(3).
- (5) Every poll under this section that is held at some other time determines whether the electoral system to be used at the next but one triennial general election of the local authority and its local boards or community boards (if any) and any associated election is to be—
- (a) the electoral system used at the previous general election of the local authority; or
  - (b) the electoral system specified in any resolution under section 27; or
  - (c) the electoral system specified in any demand submitted within the appropriate period of which the electoral officer has received notice under section 30(4) and, if notice of more than 1 such demand is received, one of the systems specified in those demands and, if so, which one; or
  - (d) the electoral system specified in any resolution of which the electoral officer has received notice under section 31(3).

Section 33(2): substituted, on 25 December 2002, by section 15(1) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 33(3): amended, on 26 March 2015, by section 8 of the Local Electoral Amendment Act 2015 (2015 No 19).

Section 33(3A): inserted, on 25 December 2002, by section 15(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 33(3B): inserted, on 25 December 2002, by section 15(2) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 33(4): substituted, on 25 December 2002, by section 15(3) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 33(4): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 33(5): added, on 25 December 2002, by section 15(3) of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 33(5): amended, on 8 August 2014, by section 76 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **34 Effect of poll**

- (1) If a poll is held under section 33 in conjunction with a triennial general election or held after that election but not later than 21 May in the year immediately

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before the year in which the next triennial general election is to be held, the electoral system adopted or confirmed must be used—

- (a) for the next 2 triennial general elections:
  - (b) for any associated election:
  - (c) for all subsequent triennial general elections, elections to fill extraordinary vacancies, and elections called under section 258I or 258M of the Local Government Act 2002, until a further resolution under section 27 takes effect or a further poll held under section 33 takes effect, whichever occurs first.
- (2) If a poll is held under section 33 at some other time, the electoral system adopted or confirmed must be used—
- (a) for the next but one triennial general election and the following triennial general election:
  - (b) for any associated election:
  - (c) for all subsequent triennial general elections, elections to fill extraordinary vacancies, and elections called under section 258I or 258M of the Local Government Act 2002, until a further resolution under section 27 takes effect or a further poll held under section 33 takes effect, whichever occurs first.

Section 34: substituted, on 25 December 2002, by section 16 of the Local Electoral Amendment Act 2002 (2002 No 85).

Section 34(1)(c): amended, on 5 December 2012, by section 43 of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 34(2)(c): amended, on 5 December 2012, by section 43 of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

### *Electoral systems for polls*

#### **35 Electoral systems for polls**

- (1) Every poll conducted for a local authority must be conducted using an electoral system adopted by resolution of the local authority—
  - (a) for the purposes of the particular poll; or
  - (b) for the purposes of 2 or more polls that are to be conducted at the same time.
- (2) If a poll is to be conducted for a local authority and there is no applicable resolution, that poll must be conducted using the electoral system commonly known as First Past the Post.



PART 4: APPENDIX

# The local government electoral option 2017

Code of Good Practice for the management of local authority elections and polls 2019



leadinglearninglinking

PART 4: Appendix

This guide was prepared for the Society of Local Government Managers by Professor Janine Hayward, Department of Politics/Te Tari Tōrangapū, University of Otago.

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## INTRODUCTION

The *Local Electoral Act 2001* offers the choice between two electoral systems for local government elections: first past the post (FPP) and the single transferable vote (STV).

Councils now have the option to decide, by 12 September 2017, whether to stay with their current electoral system (either FPP or STV), or whether to change to the alternative system for the 2019 elections.

Whether or not a council passes a resolution by 12 September 2017, it must give public notice by 19 September of the right for 5% of electors to demand a poll on the electoral system to be used at the 2019 local elections. Note that in certain cases the requirement to give public notice does not apply.

The option was first offered for the 2004 local government elections. As a result of that option, 10 city/district councils used STV at the 2004 elections (Kaipara, Papakura, Matamata-Piako, Thames-Coromandel, Kapiti Coast, Porirua, Wellington, Marlborough, Dunedin and the Chatham Islands). After the 2004 election, two councils (Papakura and Matamata-Piako) resolved to change back to FPP. The remaining eight councils used STV at the 2007 elections. For the 2010 council elections, the Chatham Islands Council and Thames-Coromandel District Council resolved to change back to FPP. Waitakere City Council resolved to change to STV, although the council was subsequently absorbed into the Auckland Council. Six councils used STV in 2010 (Kaipara, Kapiti Coast, Porirua, Wellington, Marlborough, Dunedin). For the 2013 elections, five of these councils used STV again (Kaipara was governed by a commission so no election was held), and Palmerston North City Council resolved to change to STV. Wellington Regional Council also became the first regional council to change to STV. For the 2016 elections, eight councils used STV: Dunedin, Kaipara, Kapiti Coast, Marlborough, Porirua, Wellington, Palmerston North and Greater Wellington Regional Council.

This guide has been developed to help councils reach their decision. It is also intended to provide a basis for information to help local communities understand the issues. Communities have an important role to play in the decision. They must be consulted by way of public notice and may be polled on their preferred electoral system or demand a poll themselves.

The guide includes:

1. a brief description of the two electoral systems including important differences
2. some commonly identified advantages and disadvantages of each electoral system
3. responses to common concerns and questions councils and the public have raised about each electoral system and the electoral option.

This guide does not intend to influence councils either way in their decision-making. It presents arguments for and against both systems and encourages councils and communities to make an informed choice.



1. THE CHOICE: FIRST PAST THE POST (FPP) OR THE SINGLE TRANSFERABLE VOTE (STV)

(a) How do the two electoral systems work?

FPP	STV
<p><b>FPP: casting a vote</b>                      You place ticks equal to the number of vacancies next to the candidate(s) you wish to vote for.</p> <p>In multi-member wards/constituencies you cast one vote for each vacancy to be filled, as above.</p> <p>In single-member wards/constituencies you cast one vote.</p> <p><b>FPP: counting votes</b>                      The candidate(s) with the most votes win(s). Each winning candidate is unlikely to have a majority of votes, just the largest number of votes cast.</p>	<p><b>STV: casting a vote</b>                      You cast one <i>single</i> vote regardless of the number of vacancies.                      You cast this <i>single</i> vote by consecutively “ranking” your preferred candidates beginning with your most preferred candidate (‘1’) your next preferred candidate (‘2’) and so on.</p> <p>In multi-member wards/ constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish, as above.</p> <p>In single-member wards/constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish.</p> <p><b>STV: counting votes</b>                      The candidate(s) are elected by reaching the “quota” (the number of votes required to be elected).<sup>3</sup>                      Vote counting is carried out by computer.<sup>4</sup>                      First preference votes (‘1s’) are counted. Candidates who reach the quota are “elected”. The “surplus” votes for elected candidates are transferred according to voters’ second preferences. Candidates who reach the quota by including second preferences are “elected”. This process repeats until the required number of candidates is elected.<sup>5</sup></p>

<sup>1</sup> The quota is calculated using the total number of valid votes cast and the number of vacancies.

<sup>4</sup> The New Zealand method of STV uses the ‘Meek method’ of counting votes. Because this method transfers proportions of votes between candidates, it requires a computer program (the STV calculator).

<sup>5</sup> If at any point there are no surpluses left to transfer, the candidate with the lowest number of votes is excluded and the votes redistributed according to voters’ next preferences. For further information on the details of vote counting, see, for example, STV Taskforce, ‘Choosing Electoral Systems in Local Government in New Zealand: A Resource Document’, (May 2002).

FPP	STV
<p><b>FPP: announcing results</b> FPP preliminary results can usually be announced soon after voting ends.</p> <p>Official results are announced and published showing the total votes received by each candidate.</p>	<p>In multi-member constituencies, despite voters casting only a <i>single</i> vote, a voter may influence the election of more than one representative (if their vote can be transferred to other candidates according to voters' preferences)</p> <p><b>STV: announcing results</b> Because all votes must be processed before counting can begin, it may take longer than for FPP preliminary results.</p> <p>Official results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the reverse order they were excluded. All elected candidates will have the same share of the vote.</p>

(b) What is the difference between the two electoral systems?

FPP is a "plurality" electoral system; this means that to get elected a candidate must win the most votes, but not a majority of the votes. In multi-member constituencies, like local government elections, voters cast multiple votes. This means that one voter can help to elect multiple candidates to represent him/her, and another voter may not elect any candidate to represent him/her. As a plurality system, many votes can be "wasted" in FPP elections; "wasted" votes do not help to elect a candidate. FPP is often described as a simple system for voters to use, but it is widely recognised as producing disproportional results; that is results that do not reflect the preferences of the broad community of voters.

STV is a "proportional" electoral system; this means that to get elected a candidate must win a proportion of the overall votes cast (or "meet the quota"). In multi-member constituencies like local government elections, a voter casts a single vote by ranking his/her preferred candidates. That single vote can transfer according to the voter's preferences to ensure that the voter has a good chance of helping to elect one candidate to represent the voter. As a proportional system, STV minimises "wasted" votes; in other words more votes help to elect candidates. STV is often described as a complex system for voters to use, but it is widely recognised to produce proportional results that reflect the preferences of the broad community of voters.

## 2. WHAT ARE THE ADVANTAGES AND DISADVANTES OF EACH SYSTEM?

No electoral system is perfect, and different people will have different views on what is 'fair'. Both FPP and STV have advantages and disadvantages.

The advantages of FPP relate to the simplicity of the process including the ways votes are cast, counted and announced.

The disadvantages of FPP relate to:

- disproportional election results, including the generally 'less representative' nature of FPP councils
- the obstacles to minority candidate election
- the number of wasted votes.

Overall, the advantages of STV, on the other hand, relate to the people who get elected using STV.<sup>4</sup> The system potentially achieves:

- broad proportionality (in multi-member wards/constituencies)
- majority outcomes in single-member elections
- more equitable minority representation
- a reduction in the number of wasted votes.

The disadvantages of STV relate to:

- the public are less familiar with the system and possibly find it harder to understand
- matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters)
- the information conveyed in election results.

Deciding which electoral system is best for your community may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

<sup>4</sup> For further discussion, see Graham Bush, 'STV and local body elections – a mission probable?' in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

More detailed advantages and disadvantages

FPP	STV
<p><b>FPP: casting votes</b> FPP is a straightforward system of voting. FPP is familiar to most people.</p> <p>“Tactical” voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances.</p> <p><b>FPP: counting votes</b> FPP is a straightforward system for counting votes. Votes can be counted in different locations and then aggregated. Election results are usually announced soon after voting ends.</p> <p><b>FPP: election results</b> Official results show exactly how many people voted for which candidates.</p> <p>Results are easy to understand.</p> <p>A “block” of like-minded voters can determine the election of multiple candidates in multi-member wards/ constituencies, without having a majority of the votes, thereby ‘over-representing’ themselves.</p> <p>The overall election results will not be proportional to voters’ wishes, and will not reflect the electoral wishes of the <i>majority</i> of voters, only the <i>largest group</i> of voters who may not be the majority.</p> <p>In single-member elections, the winner is unlikely to have the majority of votes, just the largest group of votes.</p> <p>There will be more “wasted” votes (votes that do not contribute to the election of a candidate).</p>	<p><b>STV: casting votes</b> STV is a less straightforward system of voting.</p> <p>There is a need for more information for people to understand the STV ranking system of candidates.</p> <p>It is virtually impossible to cast a “tactical” vote under STV. As a result, voters are encouraged to express their true preferences.</p> <p><b>STV: counting votes</b> STV vote counting requires a computer program (the STV calculator). Votes must be aggregated first and then counted in one location. Election results will usually take a little longer to produce.</p> <p><b>STV: election results</b> Official results will identify which candidates have been elected and which have not and in which order. They do not show how many votes candidates got overall, as all successful candidates will have the same proportion of the vote (the quota). This information, at stages of the count, can still be requested. Results can be easy to understand if presented appropriately.</p> <p>STV moderates “block” voting as each voter casts only one single vote, even in multi-member wards/ constituencies.</p> <p>The overall election results reflect the wishes of the majority of voters in proportion to their support for a variety of candidates.</p> <p>In single-member wards/constituencies, the winner will have the majority of votes (preferences).</p> <p>Every vote is as effective as possible (depending on the number of preferences indicated) meaning there are fewer “wasted” votes and more votes will contribute to the election of a candidate than under FPP.</p>

### 3. COMMON QUESTIONS AND CONCERNS

#### FPP ain't broke: so why fix it?

For those voters supporting candidates who tend to get elected under FPP, it can appear that there is nothing wrong with this system. But FPP elections produce disproportional results that do not reflect the voting preferences of the broad community. As a result, FPP councils often do not 'represent' their community in terms of their composition. STV is a proportional representation voting system that means (if a diversity of candidates stand for election and a diversity of electors vote) the candidates elected will represent a greater number, and a wider diversity, of voters.

#### FPP is easy to understand. I can't trust a complicated system like STV.

It is often said that FPP is easy and STV is complex. A post-election survey has found, however, that most people have found it easy to fill in the STV voting document and rank their preferred candidates.<sup>5</sup> The way STV votes are counted is complicated. That is why it requires a computer program (STV calculator). The STV calculator has been independently certified and voters can trust that it only transfers a vote according to a voter's preferences ranked on his/her voting documents. Nothing (and no person) can influence the transfer of votes set out on voting documents.

#### Won't voters be put off if the voting system is too complicated?

Voter turnout (the number of people voting) in STV local body elections has been mixed. Some councils' turnout was higher than the national average, and some lower.<sup>6</sup> Turnout for District Health Board (DHB) elections (which must use STV) can be seen to be influenced by a range of factors including elections being at large for seven vacancies, the number of candidates (who are often less well-known than council candidates) and the fact this issue is usually at the end of the voting document.

Overall, voter turnout has been on the decline for many years. It is possible that more voters would turn out to local elections in the future if they feel with STV they have a better chance of electing a representative who better represents them than FPP has in the past.

#### Won't there be more blank and informal votes under STV, which is not good for democracy?

Despite voters saying in the Local Government Commission survey that they generally found STV an easy way to vote, some voters did cast an invalid vote in STV elections (including DHB elections). A small proportion of these voters seemed confused by the voting system. But most blank and informal votes are thought to be due to two different voting systems (FPP and STV) appearing on the same voting document and to other factors, rather than being due to the way STV votes are cast.<sup>7</sup>

<sup>5</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), p 14

<sup>6</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), p 13

<sup>7</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 13-18

### STV won't work for our council because of our ward/at large system.

There is no 'rule' about the need or otherwise for wards or constituencies, but STV can be seen to provide the greatest benefit in wards or constituencies electing between three and nine candidates. If there are fewer than three candidates, the benefits of the transferable vote in terms of proportionality are not likely to be evident. If there is a very large number of candidates to choose from, voters are likely to find it a more difficult task to rank preferred candidates (though there is no need to rank all candidates).

### STV hasn't made any difference to the diversity of representation in STV councils

Until a greater variety of people stand for local body election and a wide diversity of people vote, no representation system will be able to improve the diversity of representatives elected. There has been some change in the gender, ethnicity and age of some members elected by STV.<sup>8</sup> But it will take some time for a diversity of candidates to see the opportunities of standing in an STV election and more voters to see the potential benefits of voting under a proportional representation system.

<sup>8</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 18-1

## USEFUL RESOURCES

Graham Bush, "STV and local body elections — a mission probable?" in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45-64 (Wellington: Victoria University Press, 2002).

Christine Cheyne and Margie Comrie, "Empowerment for Encumbrance? Exercising the STV Options for Local Authority Elections in New Zealand, *Local Government Studies*, 31(2), April 2005: pp 185-204.

Justice and Electoral Committee, "Inquiry into the 2004 local authority elections" reported to Parliament in August 2005.

Local Government Commission, "Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation" (February 2008)

*(Note: this paper has now been withdrawn from the Commission's website but its contents may be found in the Commission's main report on its review of the above legislation which will be posted on its website in the near future at [www.lgc.govt.nz](http://www.lgc.govt.nz).)*

STV Taskforce (The Department of Internal Affairs, Ministry of Health, SOLGM, Electoral Commission and Local Government New Zealand), "Choosing Electoral Systems in Local Government in New Zealand: A Resource Document", (May 2002).

[[http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/\\$file/STV.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/$file/STV.pdf)]

Jack Vowles, "STV and the 2004 local elections: Disaster or success?", *Public Sector*, 28(3), 2005: 17



#### 9.4 Community Survey 2019/20 Results

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**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

##### **Recommendation**

That the report and Community Survey 2019/20 results be received and noted.

##### **Purpose of Report**

- 1 The purpose of this report is to present the Community Survey 2019/20 results to Council. The report will be supplemented by a presentation from Key Research Limited, who conducted the survey.

##### **Assessment of Significance**

- 2 This is of low significance under the Significance and Engagement Policy.

##### **Discussion**

- 3 The Council currently commissions a two yearly community survey. This is the third community survey conducted by Key Research for the Council. The purpose of the survey is to provide:
  - 3.1.1 objective information on satisfaction with Council services to assist future planning
  - 3.1.2 results for a number of Council performance measures included in the Long Term Plan
  - 3.1.3 feedback on questions of interest to the Council and Council staff
- 4 The survey applies both to the governance of Council and service delivery across the broad range of services provided by the Council.
- 5 The survey questions cover:
  - 5.1.1 questions relating to Council's reputation – including leadership, trust, financial management and quality of services and facilities
  - 5.1.2 analysis of the key drivers of what determines residents perceptions and identifies opportunities to achieve improvements in perception
  - 5.1.3 satisfaction with and usage of selected Council services and facilities
  - 5.1.4 value for money for rates overall
  - 5.1.5 awareness of council provided information, communication and opportunities for resident involvement in decision making
  - 5.1.6 perceptions about Timaru district as a place to live, place to do business, safety and quality of life.



- 6 While there are some questions included on roading and footpaths, there is also a separate and more detailed survey carried out annually by the Land Transport Unit.

### Methodology

- 7 The survey is a statistically valid survey carried out by Key Research. 401 district residents were surveyed across the three district wards to meet quota targets by age, ward and ethnicity. Post data collection, the survey has been weighted to align to known population distribution based on the 2018 census. The sample has an expected 95% confidence level (margin of error) of +/-4.9%.
- 8 Key Research methodology involves spreading surveying throughout a 12 month period with the provision of “dashboard” or summary results every quarter and a full report annually. The advantage of spreading survey rather than completing the survey over a defined two week period is that it minimises the possibility of results being skewed by a particular event (such as an emergency, disruption due to road maintenance or pipe failure). All results exclude ‘Don’t Know’ responses unless specified.

### Survey Results

- 9 Overall, the survey results maintain a very good result for Council, with:
- 9.1 Some small reductions in headline measures compared to previous surveys.
  - 9.2 The overall satisfaction question indicates a satisfaction level of 73% (2017/18: 80%) which remains a very good result.
  - 9.3 The Council maintains an excellent reputation, with a benchmark score of 85 out of 150 (>80 is considered excellent) (93% in 2017/18).
- 10 The survey indicates that Timaru District residents remain very satisfied with key infrastructural services provided by the Council, including waste minimisation kerbside collection service (92%, down 1%), sewage system (93%, down 3%), water supply (92%, up 2%), overall roading, including roads, footpaths and cycleways (71%, up 2%) and stormwater (68%, no change).
- 11 Results for key community facilities have remained strong, including parks and reserves (97%, up 5%), swimming pools (89%, no change) public toilets (68%, down 4%) libraries (94%, down 1%) museum (92%, down 2%) and the art gallery (89%, down 2%).
- 12 User performance of Regulatory services has been largely positive, including Dog Control (72%, up 6%), Building Consents (62%, up 12%), Resource consents (47%, down 1%), Liquor licensing (82%, up 3%), licensing of premises (81%, down 6%). Caution should be used in interpreting these results as they use small sample sizes and a small proportion of survey respondents use these services. On the whole however, results are positive.
- 13 Views on water supply attributes indicate that for residents on both rural and town water supplies reliability and sustainability are the two most important attributes. These were ranked ahead of taste, hosing or gardening restrictions, availability of additional units of water and affordability.
- 14 Local residents continue to be very positive about living in Timaru District, with:
- 14.1 More than nine out of ten residents (91%) perceive Timaru to be at least as good a *place to live* as it was three years ago (2018: 95%)

- 14.2 A quarter of residents (25%) think that Timaru is a better place to do business compared with three years ago (2018:31%)
- 14.3 More than a third of residents (39%) believe that the quality of life in Timaru is better than it was three years ago (2018: 36%)
- 14.4 More than nine in ten residents (91%) perceive Timaru as mostly safe (64%) or very safe (27%) (2018: 93%)
- 15 Most residents use the *newspaper* (55%) or the *website* (46%) as their main sources in keeping up-to-date with Council activities; in addition the proportion of residents who rely on *Facebook* and *Council publications* has increased since 2017/18.
- 16 Around one in six residents (17%) made a *request* for service or a *complaint* about a Council service in the last 12 months; almost a quarter (23%) of the requests or complaints came from older residents (65+ years).
- 16.1 Nearly three in five enquiries, requests or complaints were made via the phone (59%); almost a third were lodged in person or at an office (32%)
- 16.2 In almost all instances, the initial interactions primarily dealt with a Council staff member
- 16.3 Overall satisfaction with *how well their enquiry was handled* has slightly increased since 2017/18 (51% from 50%), this being highly influenced by how well Council staff communicated with the residents regarding their issues and concerns.
- 17 An overview of the main results will be presented and discussed at the meeting. The survey results are separately circulated.

## Attachments

1. **Timaru District Council - Community Survey 2019/20 Results** [↓](#)

# Annual Residents' Survey 2019-2020



## Timaru District Council Annual Residents' Survey



Report | June 2020





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## Introduction, Objectives and Methodology

### Introduction

- The Timaru District Council has an ongoing need to measure how satisfied residents are with resources, facilities and services provided by the Council, and to prioritise improvement opportunities that will be valued by the community

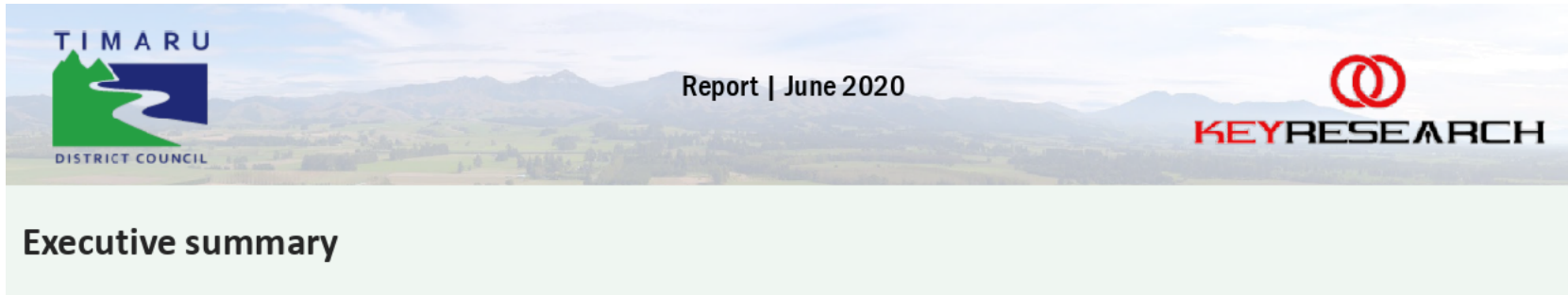
### Research Objectives

- To assess satisfaction among residents in relation to services, facilities and other activities of the Timaru District Council
- To identify opportunities for improvement that would be valued by residents and how these should be prioritised

### Methodology

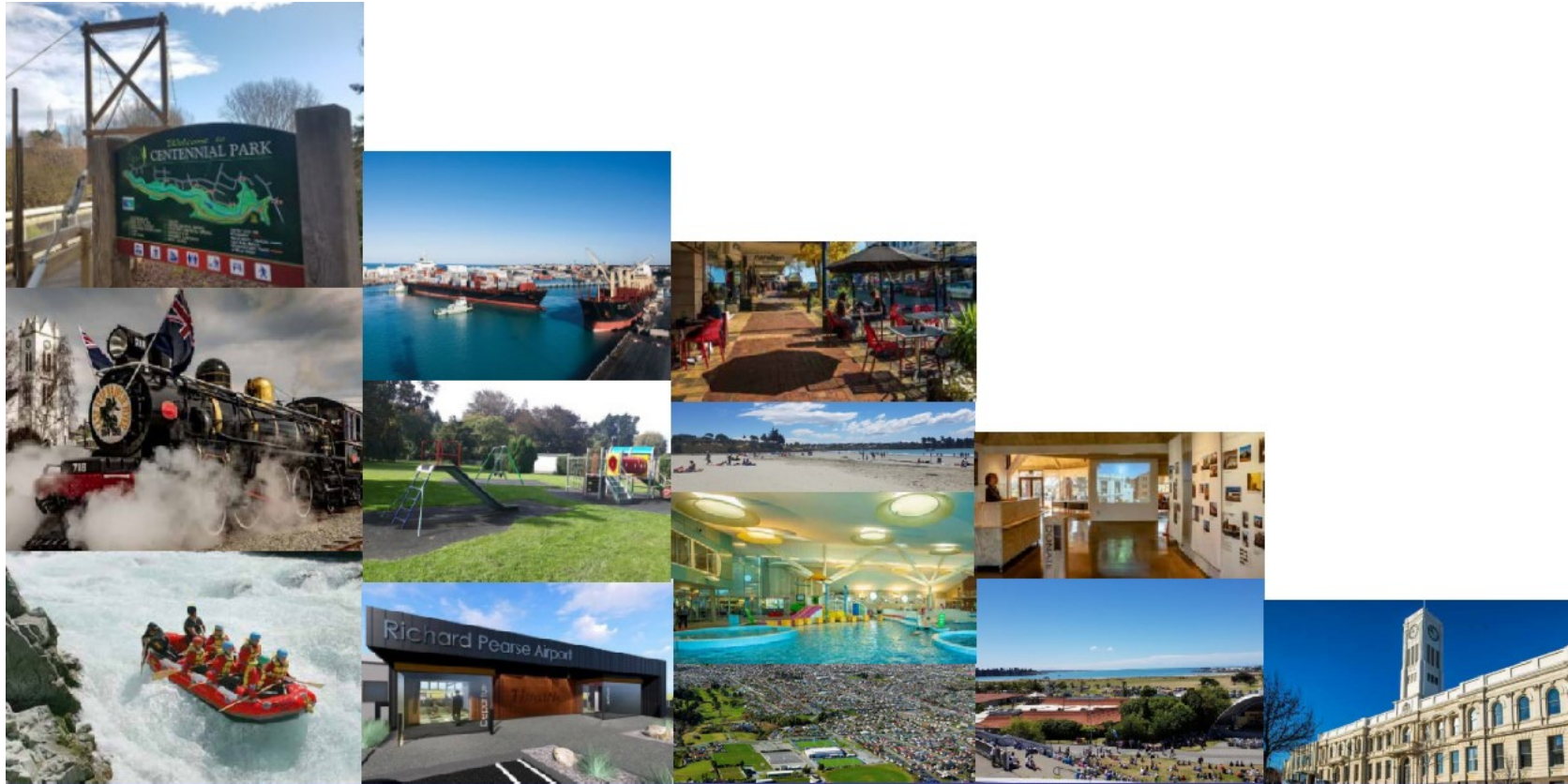
- A statistically robust survey conducted by telephone with a sample of n=401 residents across the Timaru District Council area
- Data collection was managed to quota targets by age, ward and ethnicity, and post data collection, the sample has been weighted so it is aligned with known population distributions as contained in the Census 2018
- At an aggregate level the sample has an expected 95% confidence interval (margin of error) of +/- 4.9%. All statistical significance testing has used a 95% confidence interval unless otherwise stated
- Interviewing is managed in quarterly cycles with data for the current report having been collected between 1 July 2019 and 16 April 2020
- Results exclude 'don't know' responses unless otherwise specified
- All results are reported in whole numbers and this may result in a rounding difference of one percentage point in some instances





## Executive summary

- 1** Satisfaction with Timaru District Council’s performance regarding various services, infrastructure and facilities is mostly high with more than seven out of ten residents satisfied (%7-10). More than a third of residents (39%) perceive that the quality of life in Timaru is better than it was three years ago
- 2** Timaru District Council has a strong reputation, with a benchmark score of 85 out of 150 (93 in 2017/18). ‘*Image and reputation*’ has the greatest impact (45%) on overall satisfaction, so performance in this area should be improved to potentially enhance overall perceptions of the Council
- 3** ‘*Trustworthiness*’, ‘*Financial management*’ and ‘*How rates are spent*’ are key priority areas for improvement for the Council. Performance around the provision of quality services and maintenance of public facilities should be maintained
- 4** Around one in six residents (17%) have lodged a *service request or complaint* with the Council in the last year. Overall satisfaction with *how well their enquiry was handled* has slightly increased since 2017/18 (51% from 50%), this being highly influenced by how well Council staff communicated with the residents regarding their issues and concerns
- 5** Overall, the delivery of *services and facilities* remain as the area where the Council is performing very well, although residents would likely value improvements to *roading and regulatory services*
- 6** Most residents obtain information about the Council and its activities through *newspapers* and its *website*. The use of *Facebook* and *Council publications* as sources of Council information has significantly increased in the past two years. Overall, the level of satisfaction regarding *how the Council keeps the public informed and involved in its decision-making* has declined compared with 2017/18



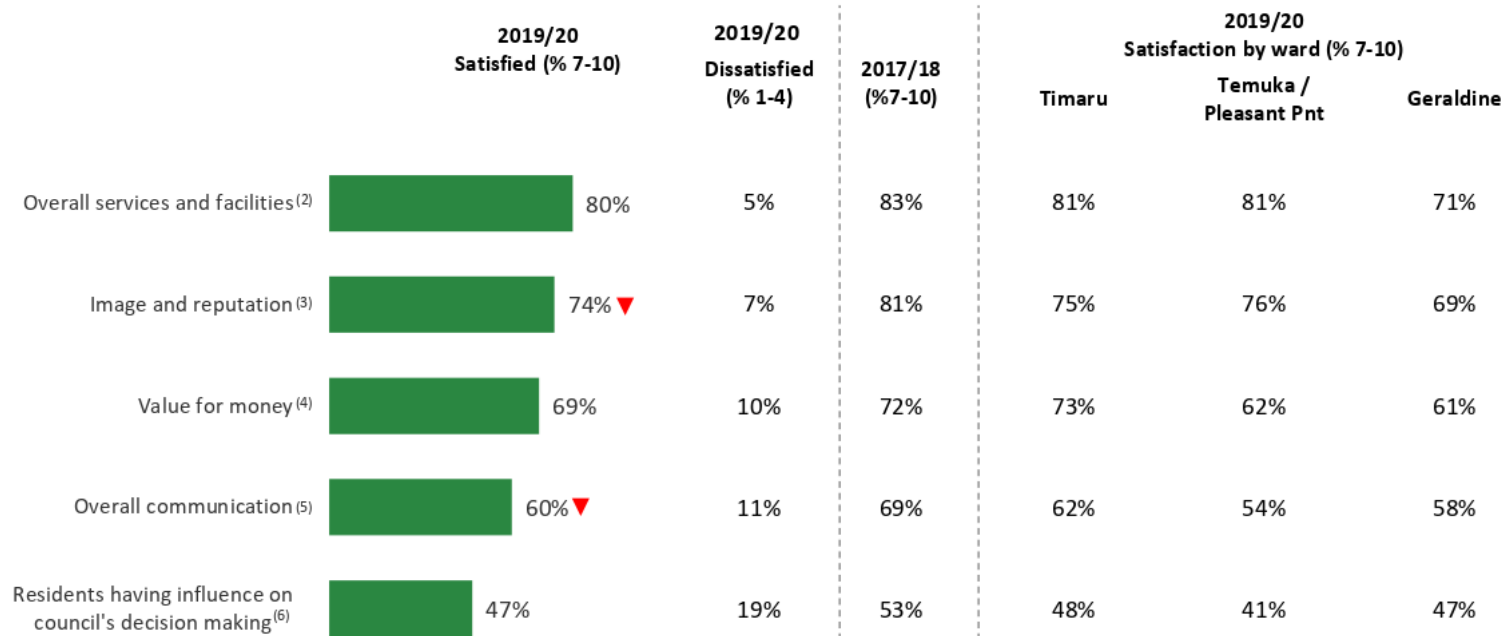
## Summary of key performance indicators





Council continues to be evaluated well for its *services and facilities, image and reputation* and *value for money*, but residents are less satisfied with the *level of influence* they have on Council decision-making

**Overall performance<sup>(1)</sup>**



▲ Significantly higher compared with 2017/18  
▼ Significantly lower compared with 2017/18

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. REP4. And when you think about everything that the Council does, how would you rate the Council for the quality of the services and facilities they provide the district?
3. REPS. Thinking about the reputation of the Timaru District Council, so the leadership that they provide for the district, the trust that you have in Council, their financial management and quality of services they provide. Overall, how would you rate the Timaru District Council for its reputation?
4. VM4. Considering all the services and facilities that the [COUNCIL] provides. Overall how satisfied are you that you receive good value for the money you spend in rates and other fees?
5. CM2. How would you rate Council for keeping the public informed and involved in its decision making?
6. CM3. And how satisfied are you with the level of influence that residents have on Council's decision making?





High levels of satisfaction were achieved regarding *waste disposal and recycling, sewage system, water supply, parks and outdoor spaces, and public facilities*

**Overall performance: Summary<sup>(1)</sup>**

Services	2019/20		2017/18 (%7-10)	2019/20 Satisfaction by ward (% 7-10)		
	Satisfied (% 7-10)	Dissatisfied (% 1-4)		Timaru	Temuka / Pleasant Pnt	Geraldine
Overall waste disposal and recycling	93%	1%	92%	96%	91%	81%
Overall regulatory services <sup>(2)</sup>	67%	7%	73%	73%	55%	58%
Handling enquiries	51%	39%	50%	59%	45%	28%
<b>Infrastructure</b>						
Sewage system	93%	0%	94%	95%	88%	92%
Water supply	92%	2%	90%	94%	89%	90%
Overall roading	71%	6%	69%	75%	68%	56%
Stormwater management	68%	11%	68%	72%	62%	52%
<b>Community facilities</b>						
Overall satisfaction with parks and outdoor spaces	96% ▲	0%	91%	97%	91%	95%
Overall satisfaction with public facilities	92%	1%	90%	92%	88%	93%

▲ Significantly higher compared with 2017/18

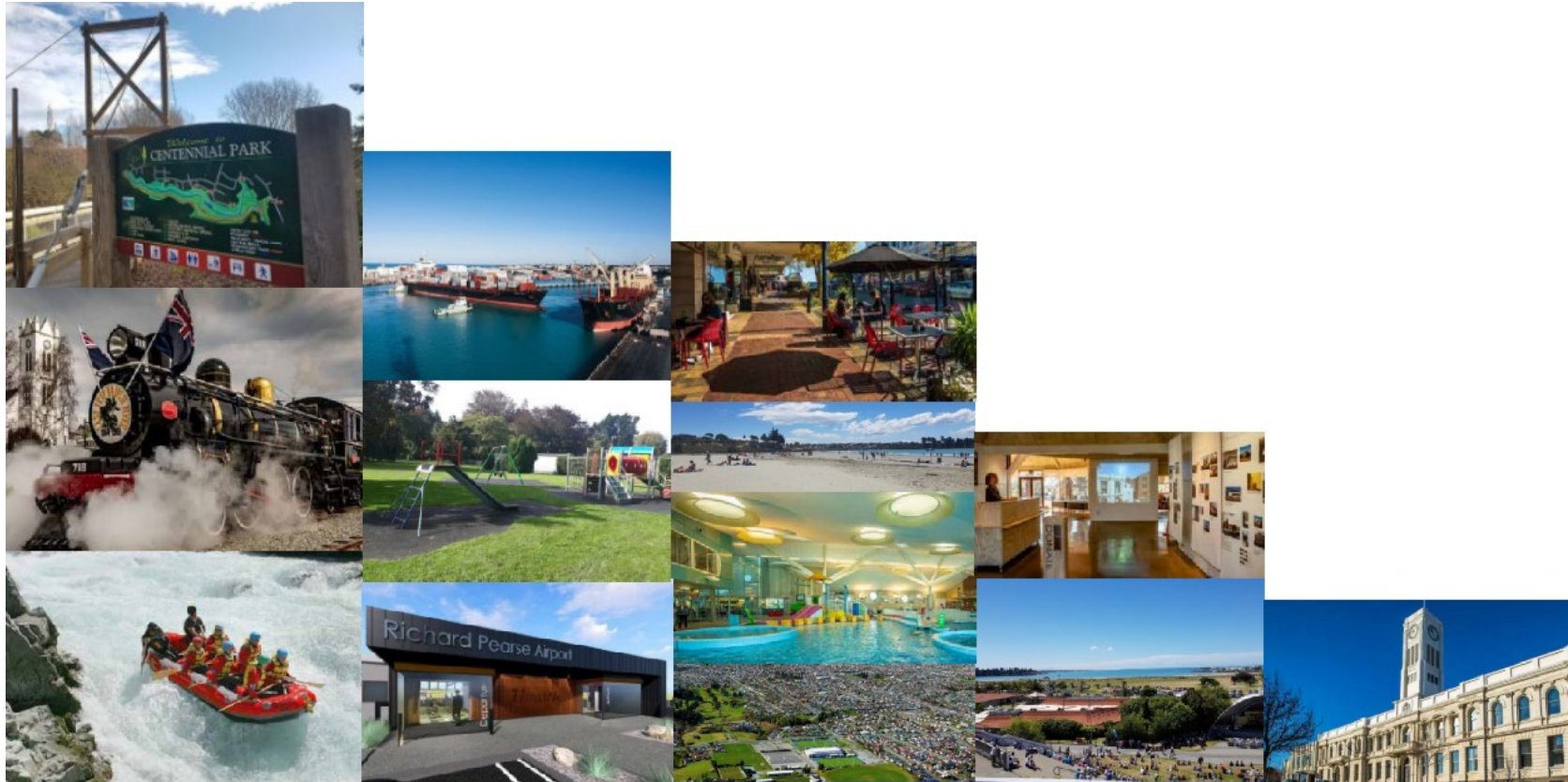
▼ Significantly lower compared with 2017/18

Significantly higher than the other ward (s)

Significantly lower than the other ward (s)

NOTES:

1. Sample: 2017/8 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=82; Geraldine n=89
2. Regulatory services were asked of all respondents based on their 'experience or impressions'; n=224



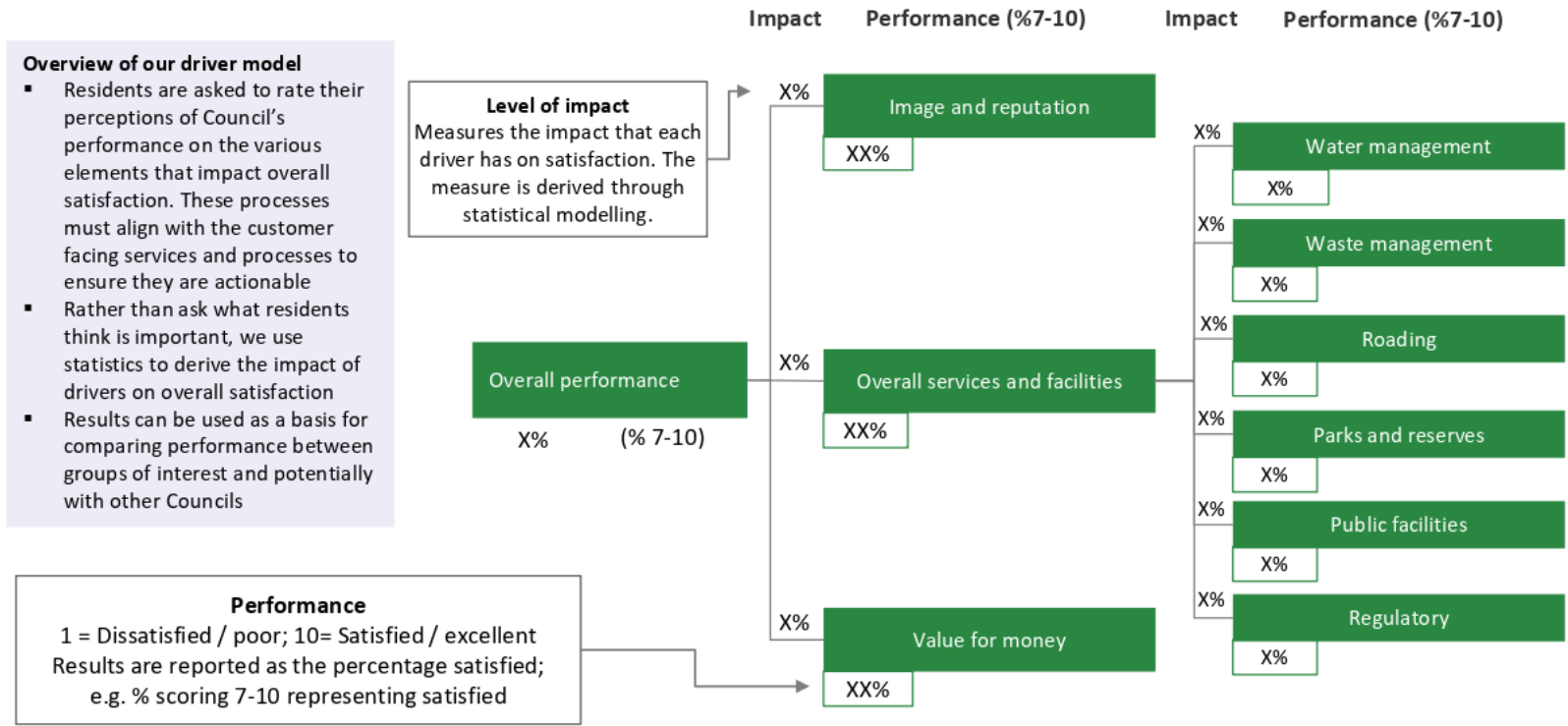
## Drivers of satisfaction





The Customer Value Management model has been used to understand perceptions of the Council and as a mechanism for prioritising improvement opportunities

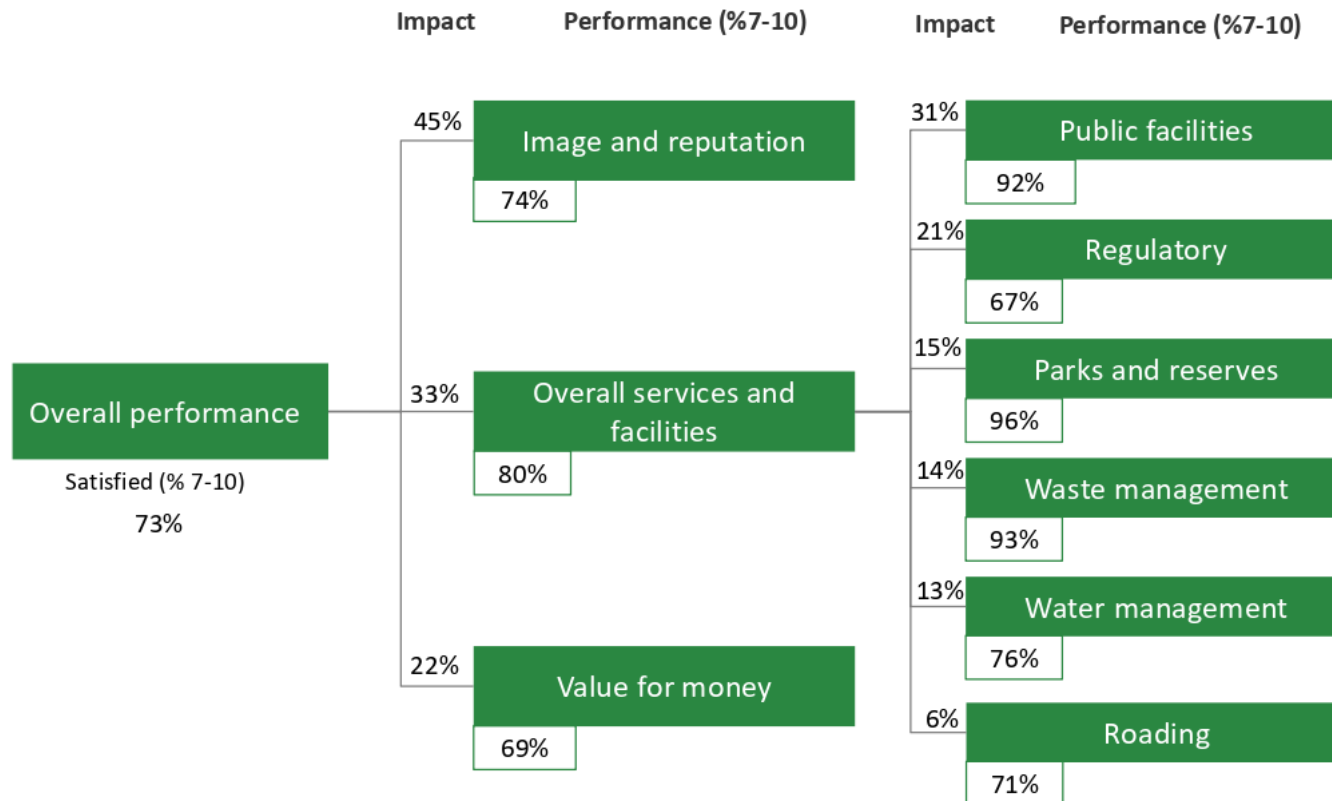
**Introduction to the driver model**





*Image and reputation has the greatest impact on overall perceptions of the Council; services and facilities and value for money have lesser impact levels on overall performance evaluation*

**Driver analysis: Overall level drivers<sup>(1)</sup>**

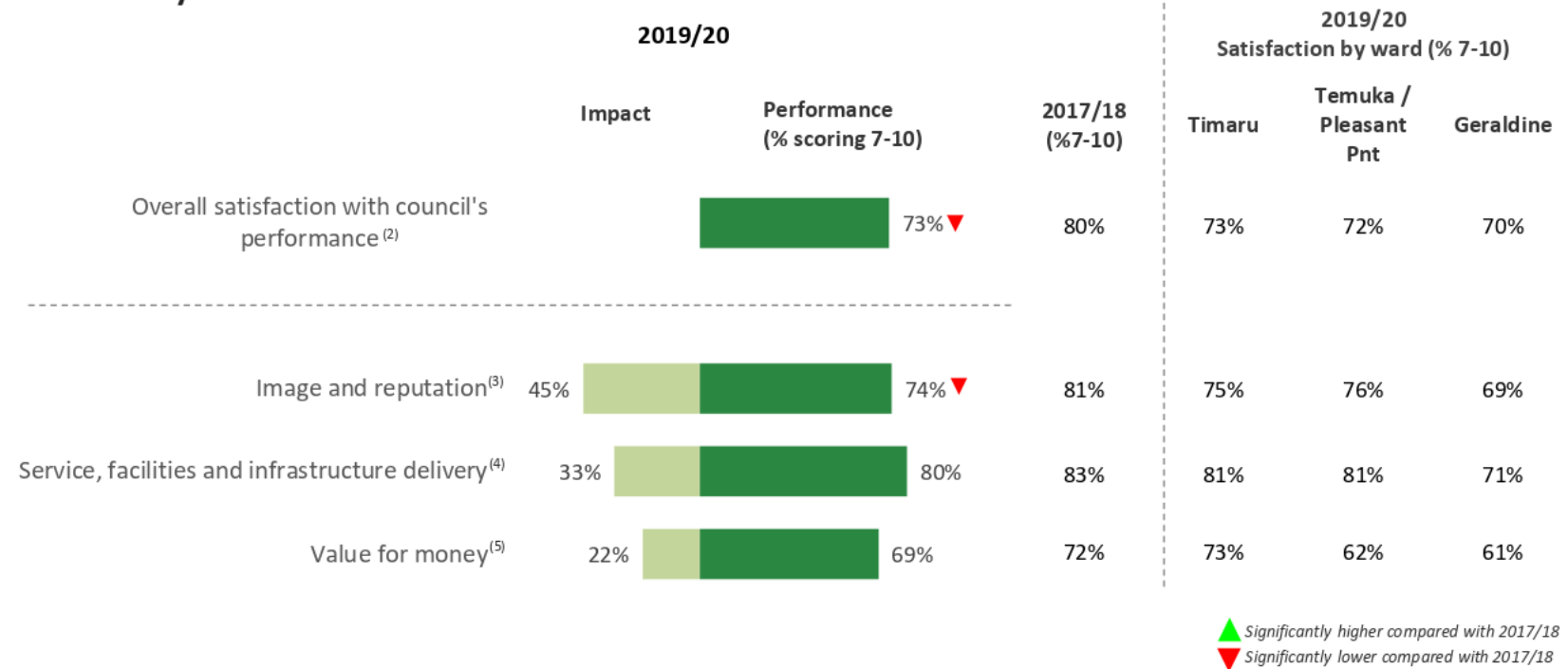


NOTES:  
1. Sample: n=401



Improving performance around *image and reputation* will most likely enhance overall perceptions of the Council

**Driver analysis: Overall level drivers<sup>(1)</sup>**



NOTES:

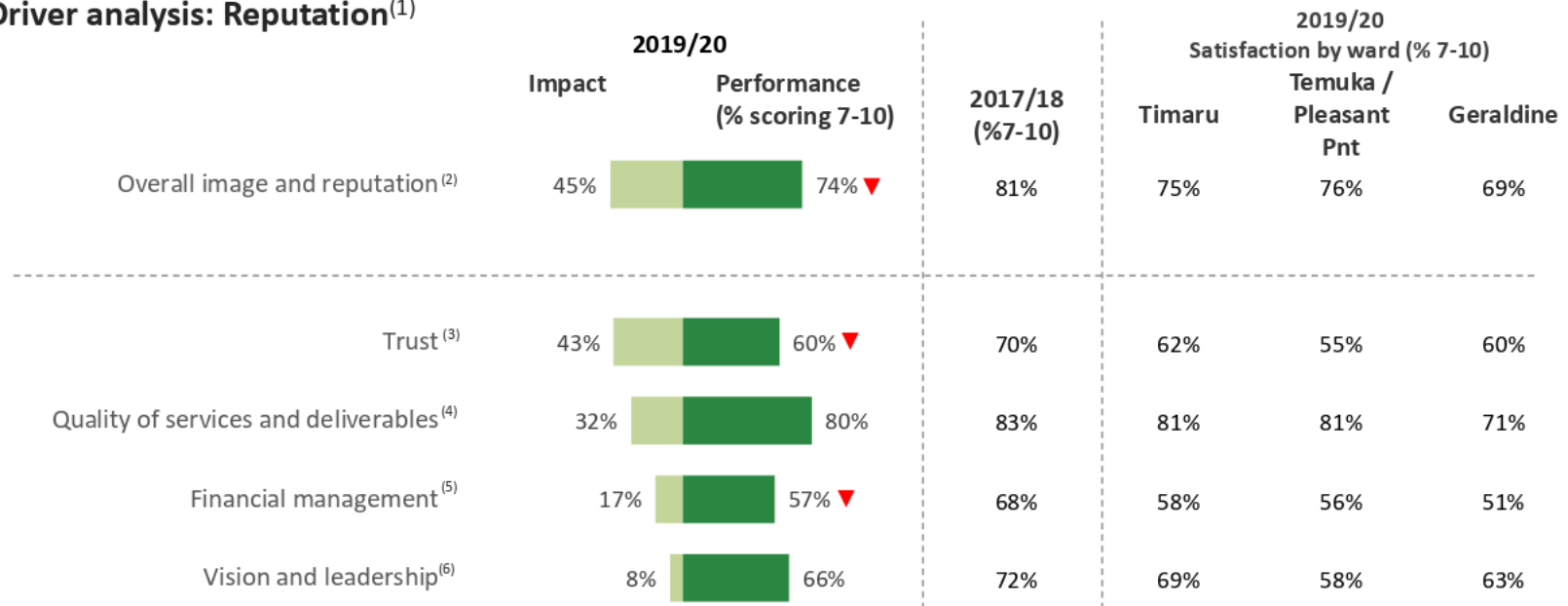
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. OP1. Everything considered; reputation, services and value for money, how satisfied are you with the performance of the Council?
3. REP5. Thinking about the reputation of the Timaru District Council, so the leadership that they provide for the district, the trust that you have in Council, their financial management and quality of services they provide. Overall, how would you rate the Timaru District Council for its reputation?
4. REP4. And when you think about everything that the Council does, how would you rate the Council for the quality of the services and facilities they provide the district?
5. VM4. Considering all the services and facilities that the [COUNCIL] provides. Overall how satisfied are you that you receive good value for the money you spend in the district?





Improving perceptions around *trust* while maintaining performance regarding the *quality of services and deliverables* will more likely increase satisfaction with overall *image and reputation*

**Driver analysis: Reputation<sup>(1)</sup>**



▲ Significantly higher compared with 2017/18  
▼ Significantly lower compared with 2017/18

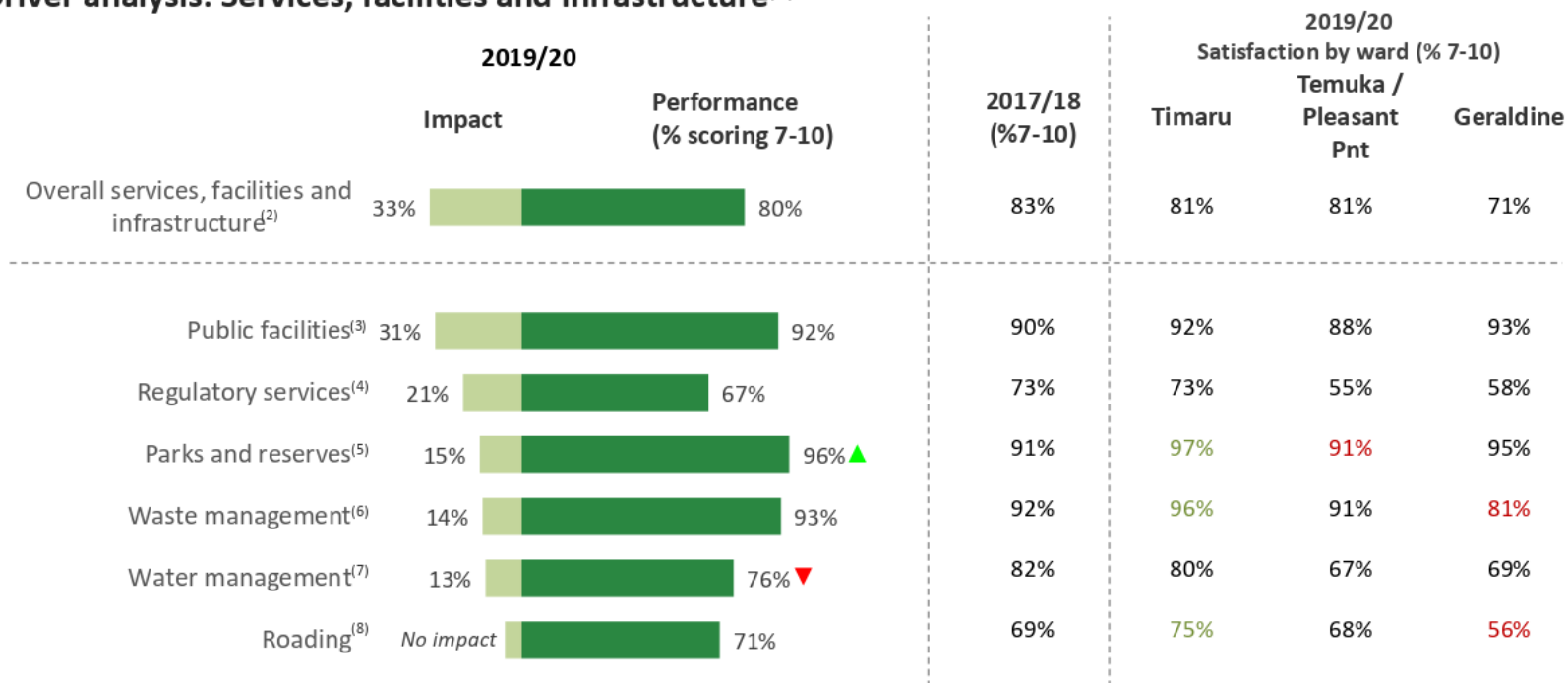
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. REP5. Thinking about the reputation of the Timaru District Council, so the leadership that they provide for the district, the trust that you have in Council, their financial management and quality of services they provide. Overall, how would you rate the Timaru District Council for its reputation?
3. REP2. Next I'd like you to think about how open and transparent Council is, how Council can be relied on to act honestly and fairly, and their ability to work in the best interests of the district? Overall how would you rate the Council in terms of the faith and trust you have in them?
4. REP4. And when you think about everything that the Council does, how would you rate the Council for the quality of the services and facilities they provide the district?
5. REP3. Now thinking about the Council's financial management – how appropriately it invests in the district, how wisely it spends and avoids waste, and its transparency around spending. How would you rate the Council overall for its financial management?
6. REP1. Being committed to creating a great district, how it promotes economic development, being in touch with the community and setting clear direction... overall how would you rate the Council for its leadership?



Performance is strong across most services and facilities; improving perceptions around *regulatory services* will most likely increase overall satisfaction with *services, facilities and infrastructure*

**Driver analysis: Services, facilities and infrastructure<sup>(1)</sup>**



NOTES:

- Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
- REP4. And when you think about everything that the Council does, how would you rate the Council for the quality of the services and facilities they provide the district?
- CF5. When you consider all the public facilities that are provided by Council including how well they are maintained, the opening hours and where applicable, the cost to use these, how would you rate your overall satisfaction with the public facilities that are provided?
- OS3. And how satisfied are you overall with how well Council provides these types of regulatory services?
- PR3. And overall, how satisfied are you with how well Council maintains its sports-fields, parks, playgrounds, cemeteries and other open spaces?
- WR4. How would you rate your satisfaction with the Council overall for its waste disposal, recycling and composting services?
- TW6. And overall, when you think about the supply of water, the management and disposal of stormwater and disposal of wastewater, how would you rate your satisfaction with Council overall for its management of water in the district?
- RF3. Overall how satisfied are you with the roads, cycle lanes, footpaths and off-road walkways and cycle ways around the district

▲ Significantly higher compared with 2017/18  
 ▼ Significantly lower compared with 2017/18  
 Significantly higher than the other ward (s)  
 Significantly lower than the other ward (s)



The provision of dedicated walkways and cycle ways has the highest impact on roading perceptions and with relatively high satisfaction score, current services in this area should be maintained

**Driver analysis: Roads, footpaths and cycle ways<sup>(1)(2)(3)</sup>**

	2019/20		2017/18 (%7-10)	2019/20 Satisfaction by ward (% 7-10)		
	Impact	Performance (% scoring 7-10)		Timaru	Temuka / Pleasant Pnt	Geraldine
Overall roads, footpaths and cycle ways	6%	71%	69%	75%	68%	56%
The provision of dedicated walkways and cycle ways	41%	79%	76%	84%	71%	62%
The condition of roads in urban areas	23%	61%	66%	66%	57%	41%
The condition of the footpaths	23%	58%	59%	59%	56%	54%
Suitability of cycle lanes on our roads	9%	55%	57%	61%	45%	32%
The condition of rural roads	4%	53%	60%	59%	48%	34%

*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:

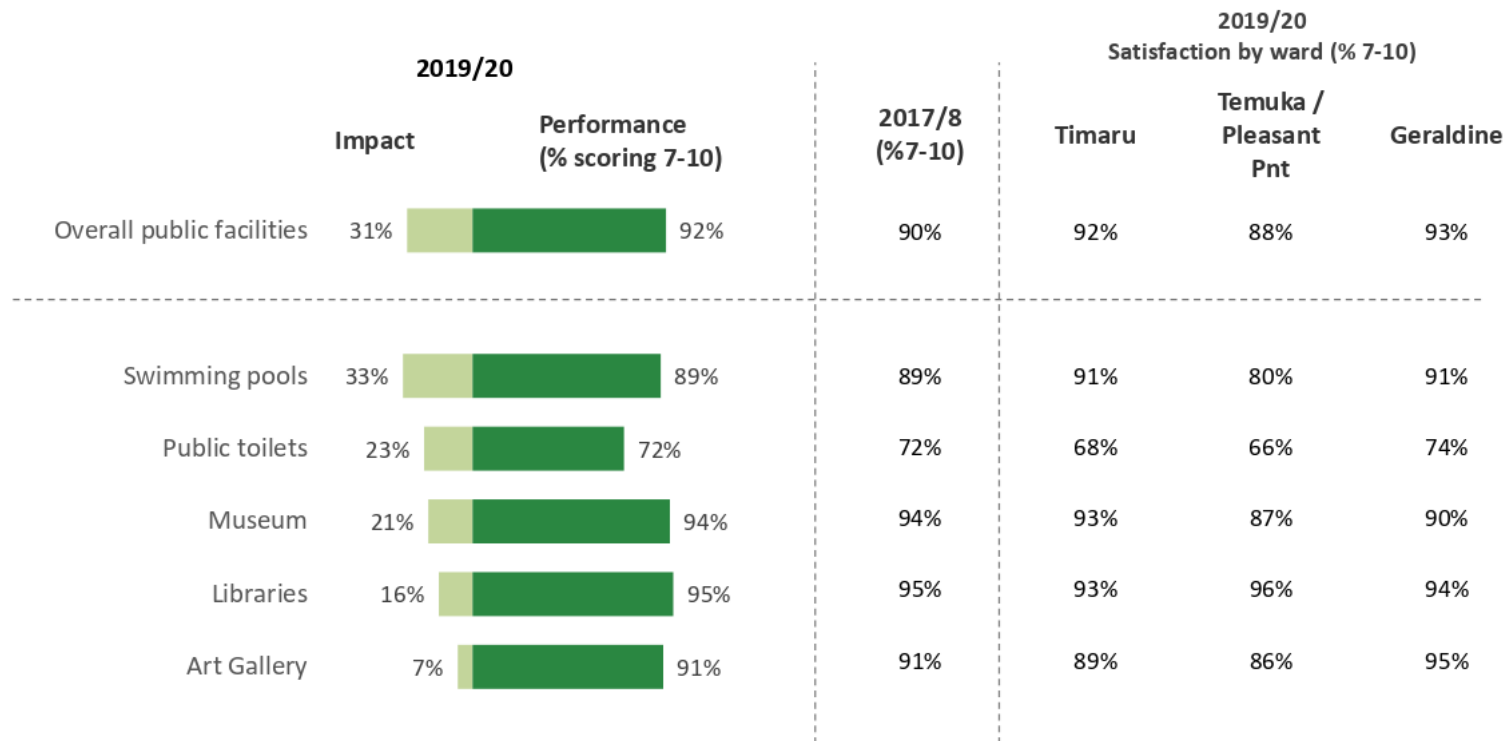
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. RF3. Overall how satisfied are you with the roads, cycle lanes, footpaths and off-road walkways and cycle ways around the district
3. RF1. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your overall satisfaction with each of the following...





Satisfaction with *public facilities* has improved from its level in 2017/18 of 90% to 92% in 2019/20; this overall performance score is primarily influenced by perceptions of the upkeep of *swimming pools*

**Driver analysis: Public facilities<sup>(1)(2)(3)</sup>**



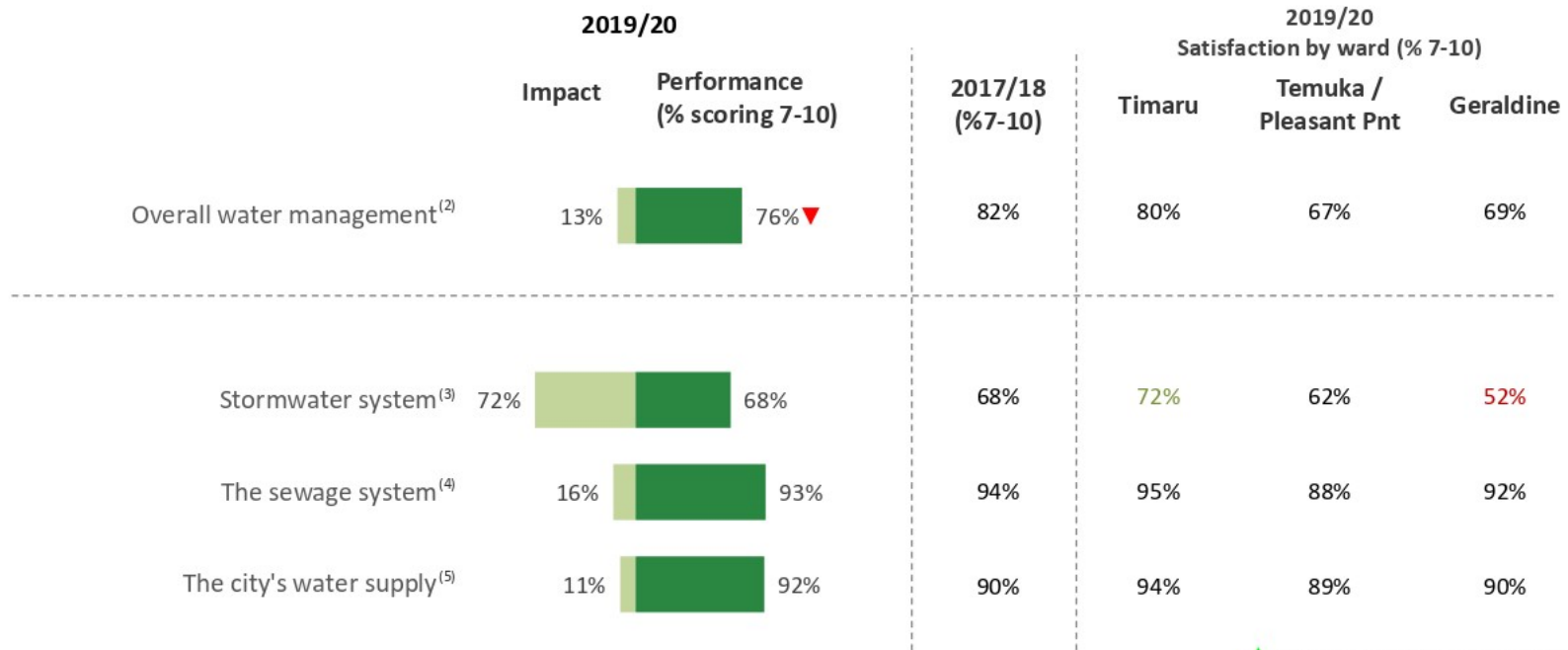
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. CF5. When you consider all the public facilities that are provided by Council including how well they are maintained, the opening hours and where applicable, the cost to use these, how would you rate your overall satisfaction with the public facilities that are provided?
3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?



The *stormwater system* has the highest impact on overall perceptions of *water management*; given a relatively low satisfaction score, this area presents an opportunity for improvement

**Driver analysis: Water management<sup>(1)</sup>**



NOTES:

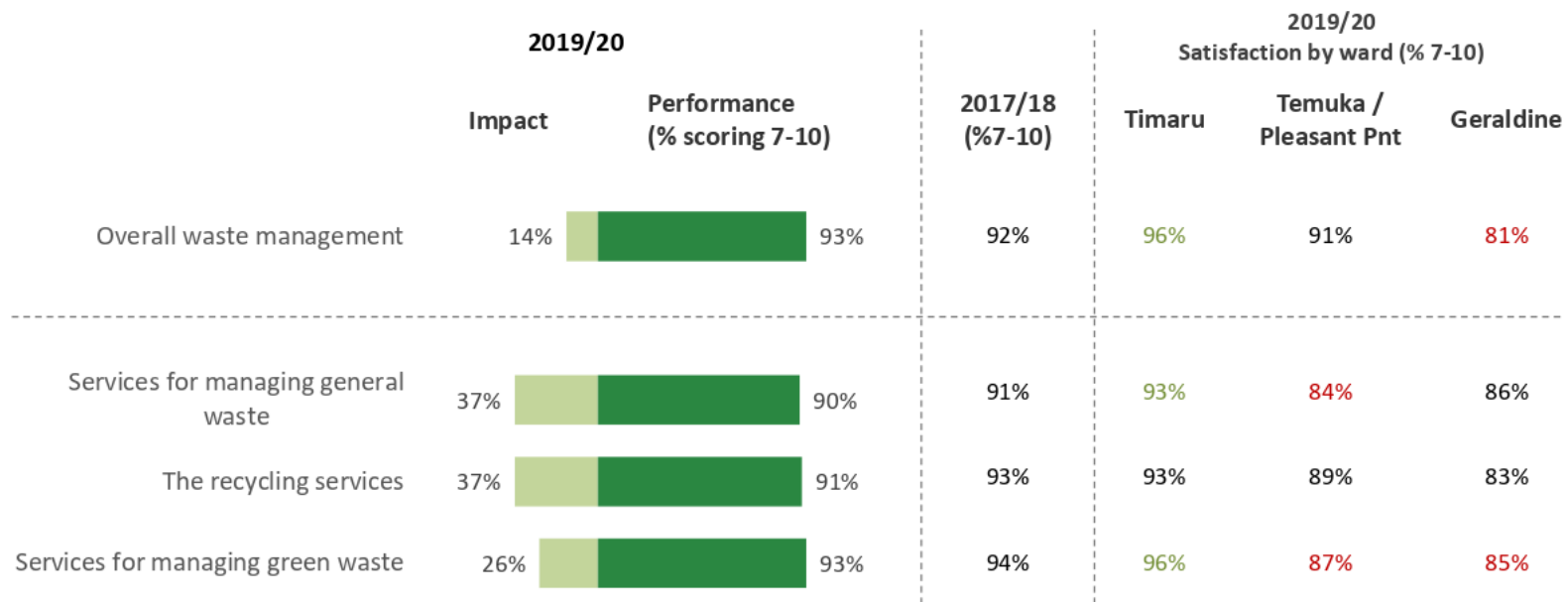
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. TW6. And overall, when you think about the supply of water, the management and disposal of stormwater and disposal of wastewater, how would you rate your satisfaction with Council overall for its management of water in the district?
3. TW5. On the scale of 1- 10, how would you rate your satisfaction with the stormwater system in terms of... Overall satisfaction with the district's stormwater management
4. TW4. On the scale of 1- 10, how would you rate your satisfaction with... Overall satisfaction with the sewage system
5. TW2. On the scale of 1- 10, how would you rate your satisfaction with... Overall satisfaction with the water supply

▲ Significantly higher compared with 2017/18  
 ▼ Significantly lower compared with 2017/18  
 Significantly higher than the other ward (s)  
 Significantly lower than the other ward (s)



Satisfaction with *waste management* is high; performance around *managing general waste, recycling services* and *managing green waste* should be maintained

**Driver analysis: Waste management<sup>(1)(2)(3)</sup>**



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

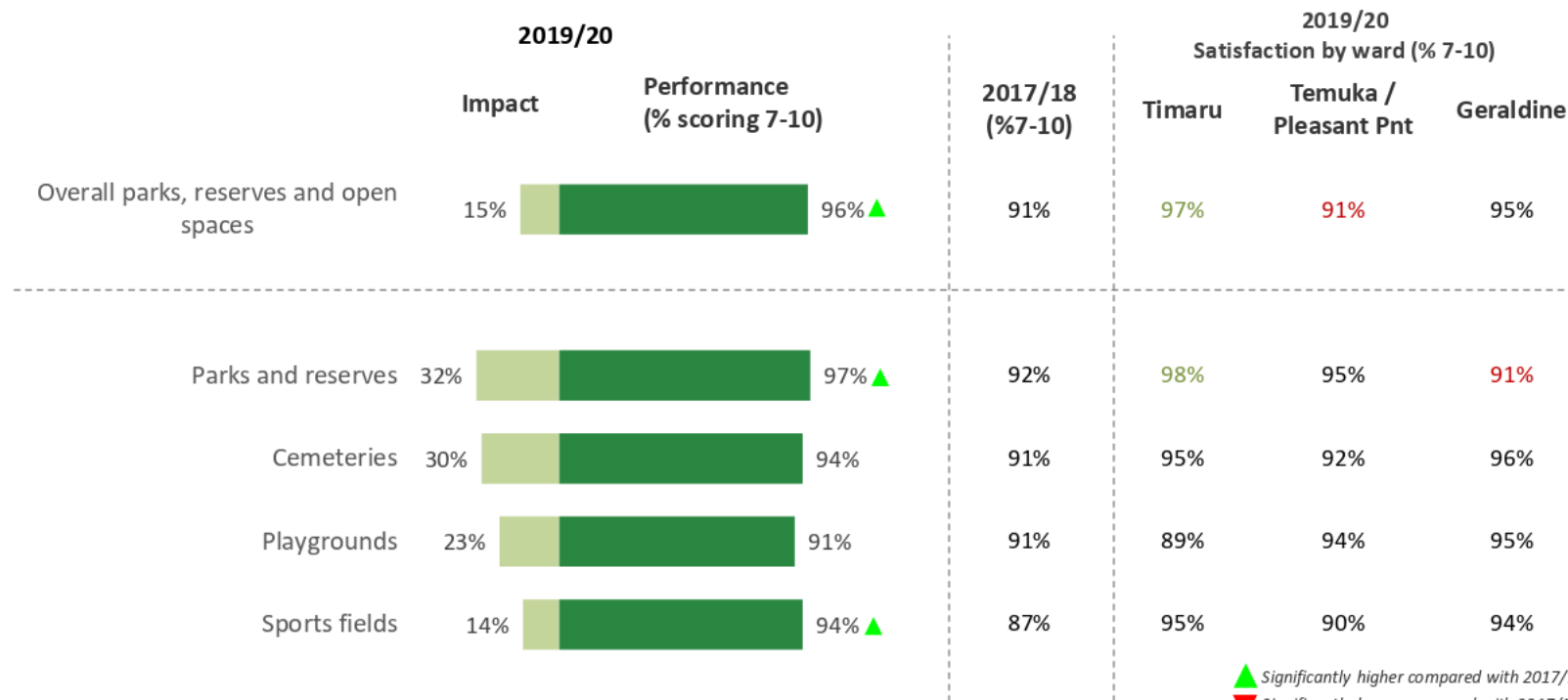
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. WR4. How would you rate your satisfaction with the Council overall for its waste disposal, recycling and composting services?
3. WR3. How satisfied are you with each of the following services that are provided by Council?



Overall satisfaction in relation to *parks and reserves, cemeteries, playgrounds and sports fields* is very high across all wards

**Driver analysis: Parks, reserves and open spaces<sup>(1)(2)(3)</sup>**



▲ Significantly higher compared with 2017/18  
 ▼ Significantly lower compared with 2017/18  
 ▲ Significantly higher than the other ward (s)  
 ▼ Significantly lower than the other ward (s)

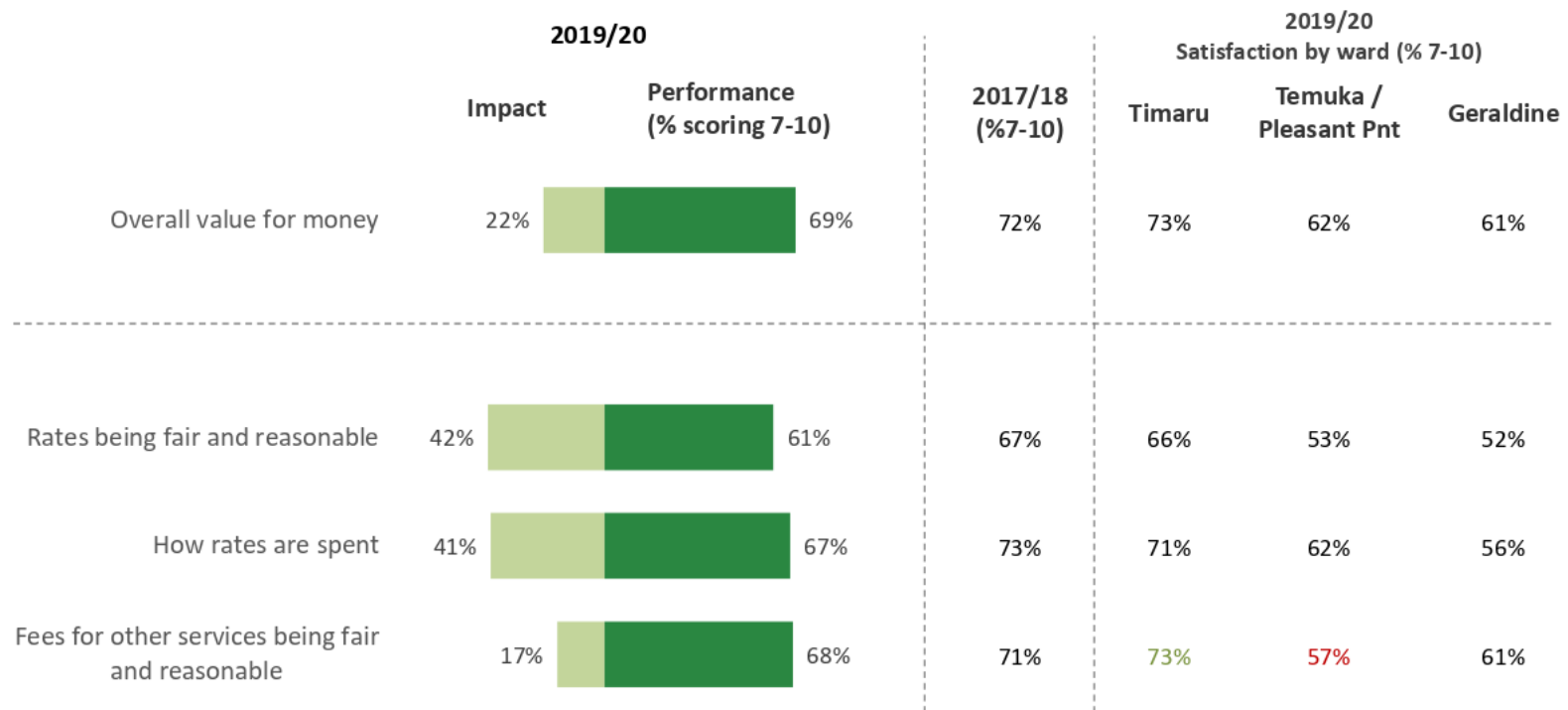
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. PR3. And overall, how satisfied are you with how well Council maintains its sports-fields, parks, playgrounds, cemeteries and other open spaces?
3. PR2. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your satisfaction with Council's performance in maintaining its...



*Value for money is greatly influence by perceptions regarding rates being fair and reasonable and how rates are spent; improving performance around these two areas will likely increase satisfaction*

**Driver analysis: Value for money<sup>(1)(2)(3)</sup>**



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. VM4. Considering all the services and facilities that the [COUNCIL] provides. Overall how satisfied are you that you receive good value for the money you spend in rates and other fees?
3. VM3. How would you rate your satisfaction with the Council for...



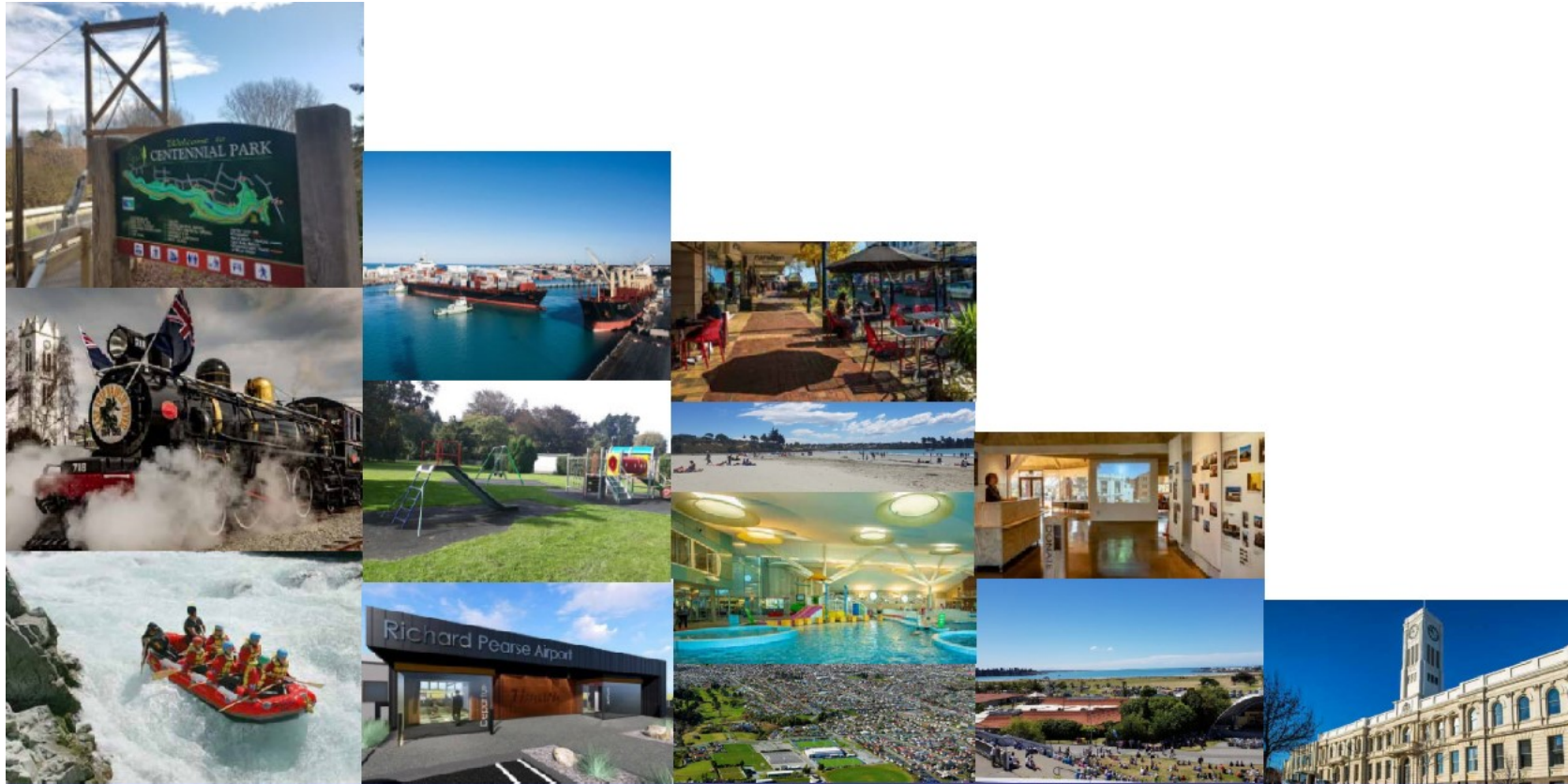
The priority areas for improvements relate to *trust, financial management and how rates are spent*; performance around *water management, waste management and parks and open spaces* should be promoted

**Strategy implications: Summary overview<sup>(1)(2)</sup>**



NOTES:  
 1. Sample: 2017/8 n=402; 2019/20 n=401  
 2. The strategy grid serves to illustrate the relative position of attributes based on the combination of performance and impact. Relative to all other measures, those with the highest impact and lowest performance represent the best opportunities since improvements in these areas will be most valued





## Understanding reputation

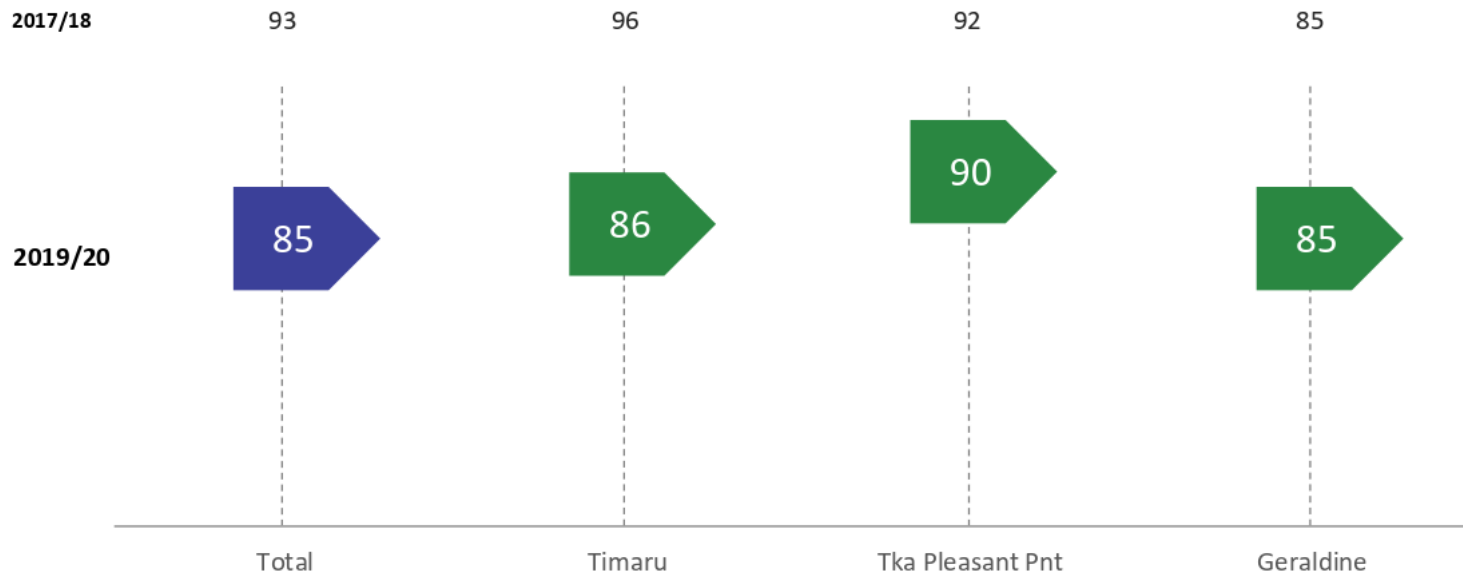




Timaru District Council has an excellent reputation and this is consistent across the three wards

**Reputation benchmarks<sup>(1)(2)(3)</sup>**

<b>Key:</b>	
≥80	Excellent reputation
60-79	Acceptable reputation
<60	Poor reputation
150	Maximum score



**NOTES:**

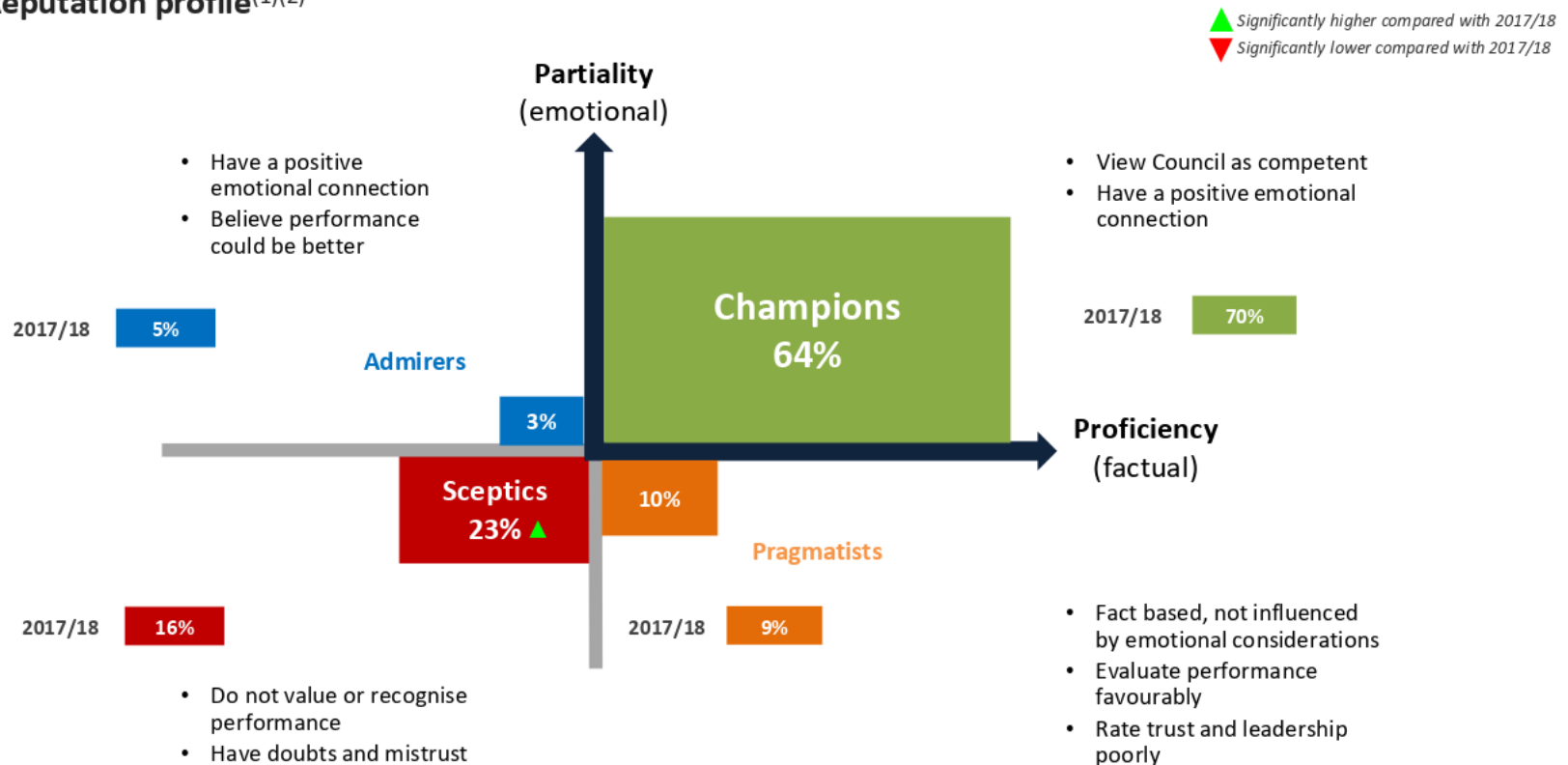
1. Sample: 2017/8 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. REPS: So considering, leadership, trust, financial management and quality of services provided, how would you rate the Council for its overall reputation?
3. The benchmark is calculated by re-scaling the overall reputation measure to a new scale between -50 and +150 to improve granularity for the purpose of benchmarking





Timaru District Council’s reputation profile is dominated by ‘Champions’, who recognise that the Council is competent and is doing a good job

Reputation profile<sup>(1)(2)</sup>



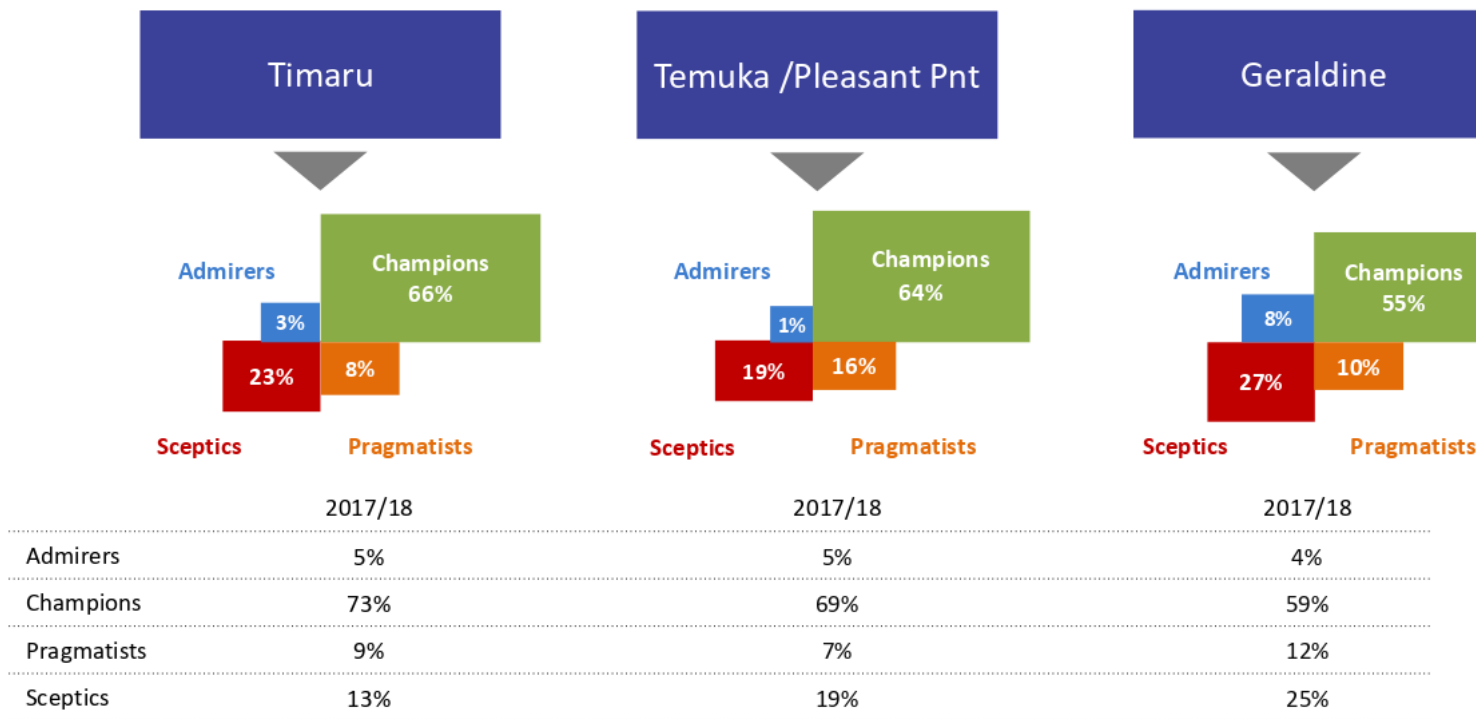
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401
2. Segments have been determined using the results from a set of five overall level questions: REP1: vision and leadership, REP2: trust, REP3: financial management, REP4: quality of deliverables, REP5: overall reputation



Although there has been a decline in the proportion of ‘Champions’ across the three wards compared with their reputation profiles in 2017/18, most of the residents have given the Council a positive evaluation

**Reputation profile: Wards<sup>(1)(2)</sup>**



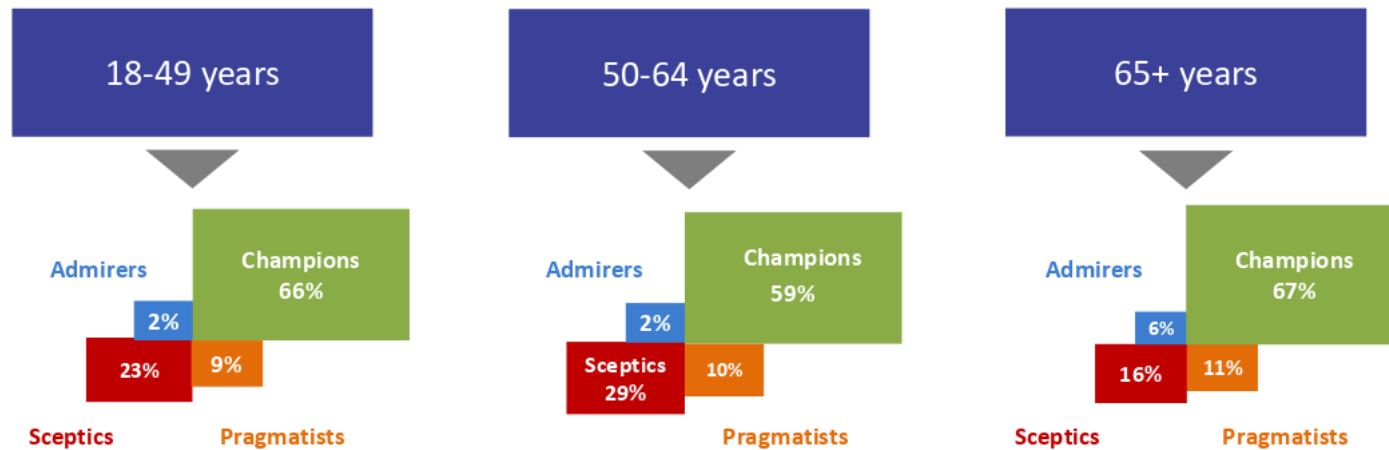
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=184, Temuka/Pleasant Point n=57; Geraldine n=65; Excludes don't know responses
2. Segments have been determined using the results from a set of five overall level questions: REP1 vision and leadership, REP2 trust, REP3 financial management, REP4 quality of deliverables, REP5 overall reputation



Those in younger (18-49 years) and older (65+ years) age groups are more likely to be 'Champions' than the other residents

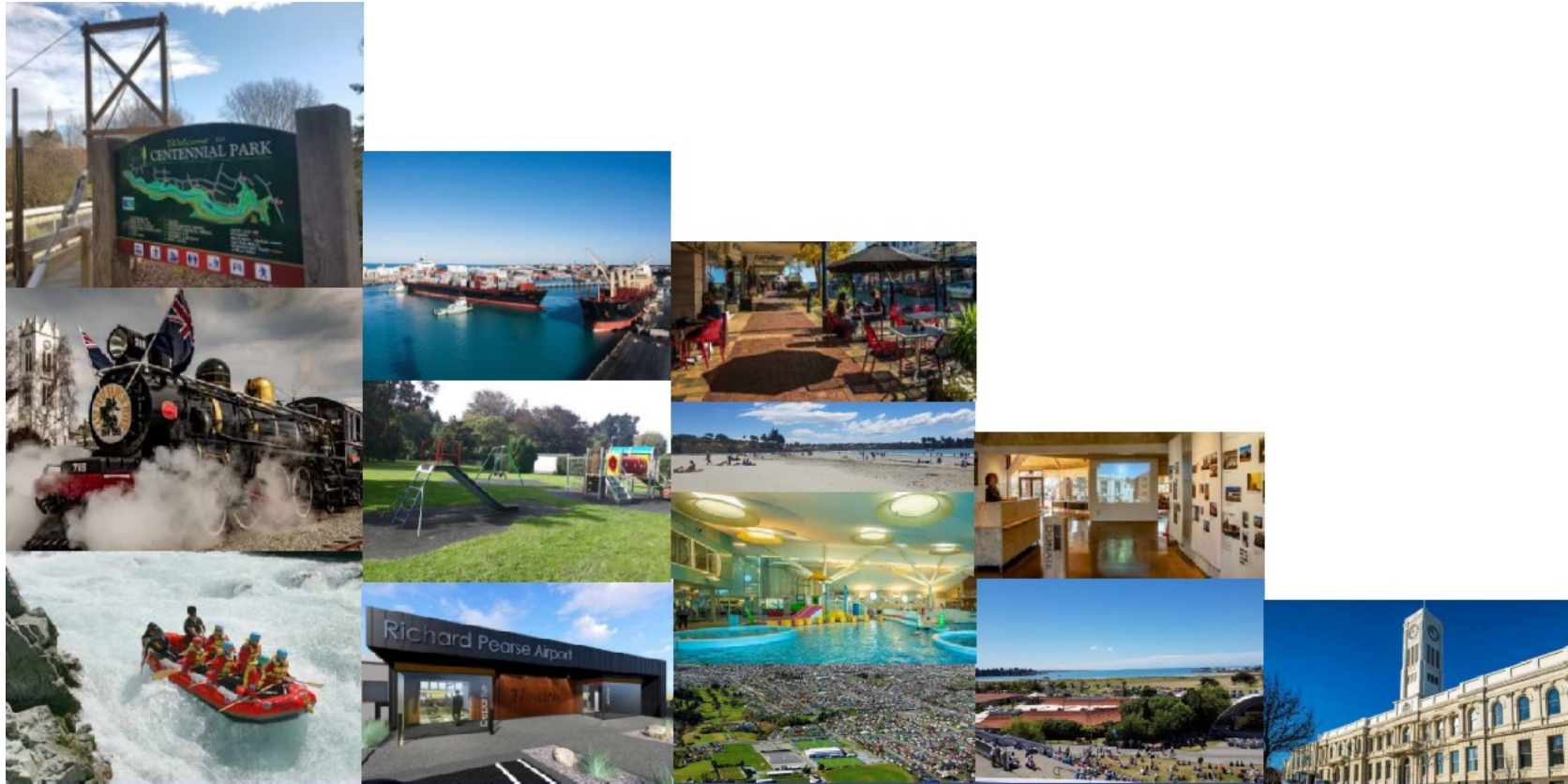
Reputation profile: Age groups<sup>(1)(2)(3)</sup>



	2017/18	2017/18	2017/18
Admirers	4%	4%	5%
Champions	67%	67%	79%
Pragmatists	13%	9%	4%
Sceptics	16%	20%	12%

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; 18-49 years n=124; 50-64 years n=102, 65+ years n=80; Excludes don't know responses
2. Segments have been determined using the results from a set of five overall level questions
3. REP1 vision and leadership, REP2 trust, REP3 financial management, REP4 quality of deliverables, REP5 overall reputation



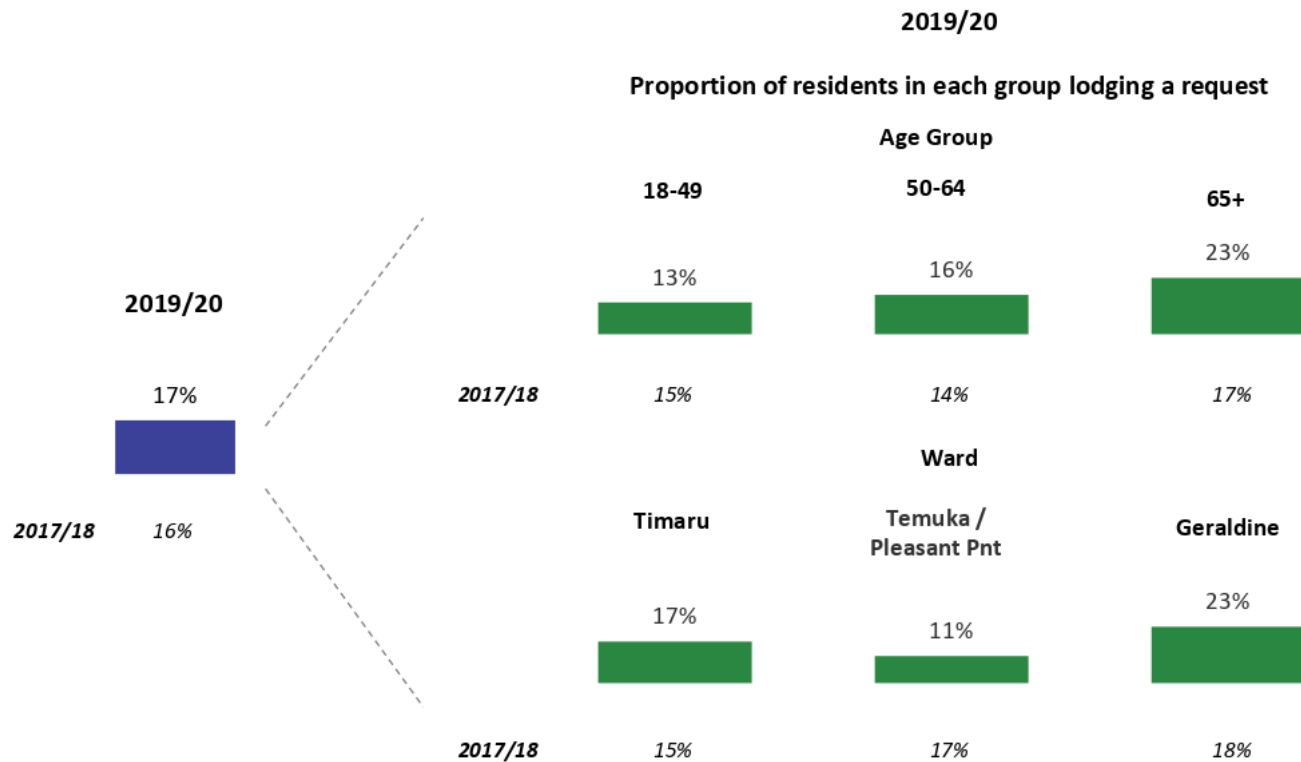
## Satisfaction with interactions





Around one in six residents (17%) have made a *request* or *complaint* about a Council service in the last 12 months; almost a quarter (23%) of the requests or complaints came from older residents (65+ years)

**Interactions: Enquiries, requests for services and complaints<sup>(1)(2)</sup>**



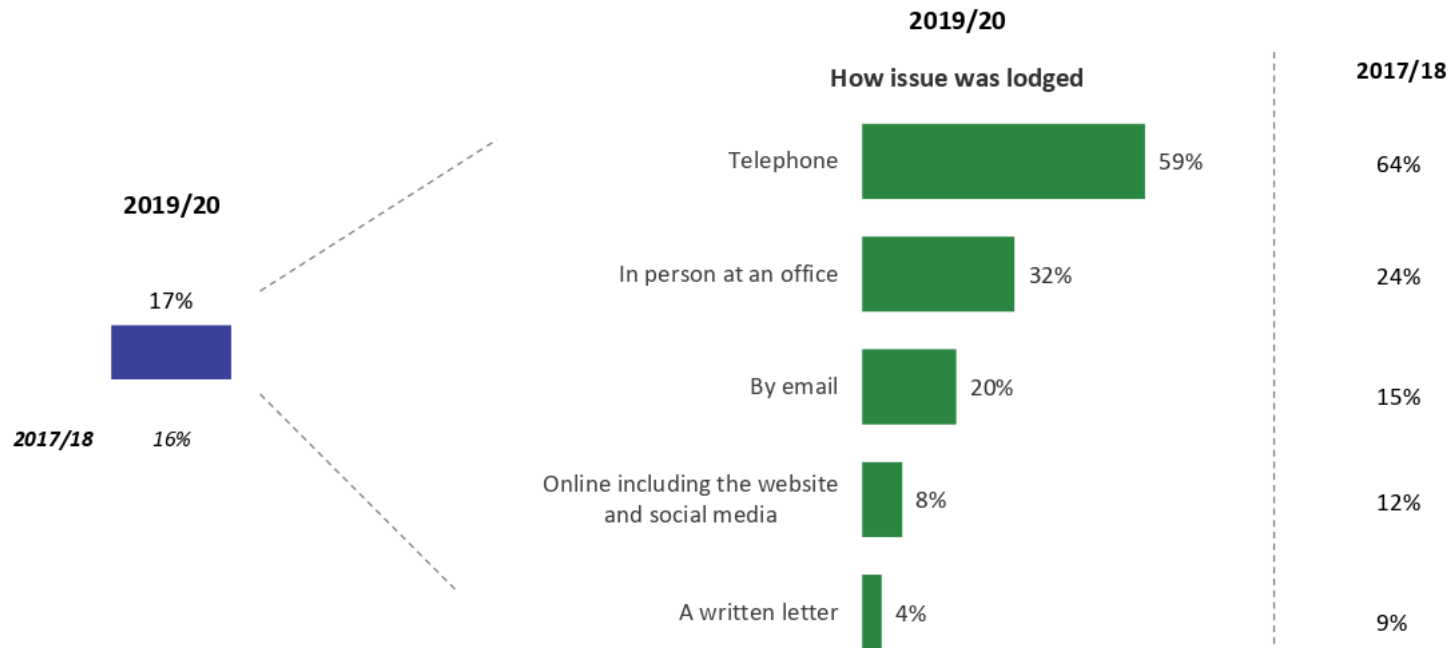
NOTES:

1. Sample: 2017/18 n= 402; 2019/20 n=401; 18-49 years n=173; 50-64 years n=122, 65+ years n=106; Timaru n=232, Temuka /Pleasant Point n=80; Geraldine n=89; Those lodging a request 2019/20 n=68
2. RS1. Have you made a request for service or complaint about a Council service during the past 12 months?



Nearly three in five *enquiries, requests or complaints* were made via the *phone* (59%); almost a third were lodged *in person or at an office* (32%)

**Interactions: Enquiries, requests for services and complaints<sup>(2)(3)</sup>**



NOTES:

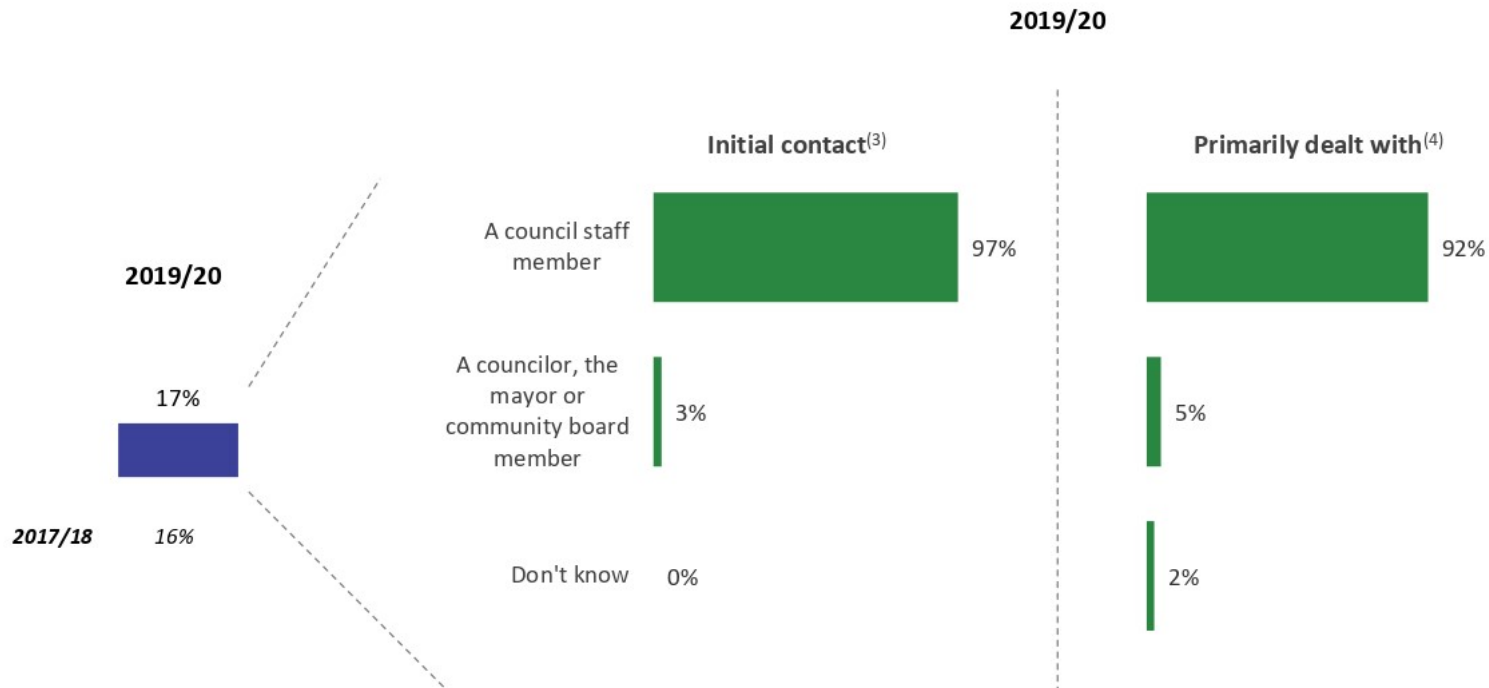
1. Sample: 2017/18 n=402; 2019/20 n=401; Made a request for service or complaint; 2019/20 n=68
2. RS1. Have you made a request for service or complaint about a Council service during the past 12 months?
3. RS2. In relation to your most recent contact with the Council, what best describes how you contacted them?
4. There is potential for responses 'by email' and 'via the website' to be interrelated since there is functionality within the website to send an email via a form, or to obtain email addresses





In almost all instances, the initial interactions primarily dealt with a Council staff member

**Interactions: Enquiries, requests for services and complaints<sup>(2)(3)</sup>**

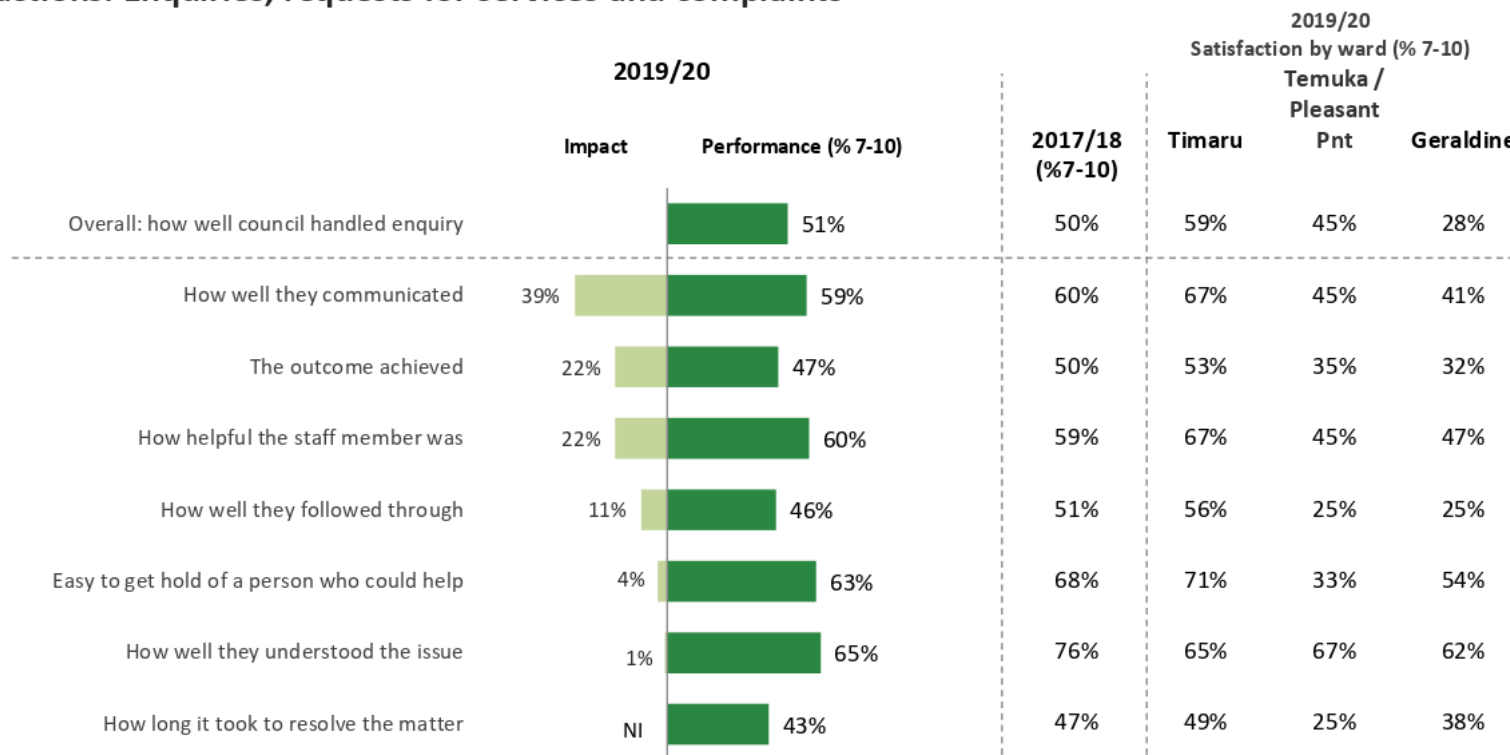


- NOTES:
1. Sample: 2017/18 n=402; 2019/20 n=401; Made a request for service or complaint n=68
  2. RS1. Have you made a request for service or complaint about a Council service during the past 12 months?
  3. RS3. And who did you initially make contact with?
  4. RS4. And who did you primarily deal with on this matter?



Performance in *handling enquiries, requests and complaints* slightly improved; *how well Council staff communicated* with the residents is the main driver of perceptions of how well the Council handles interactions

**Interactions: Enquiries, requests for services and complaints<sup>(1)(2)</sup>**



NOTES:

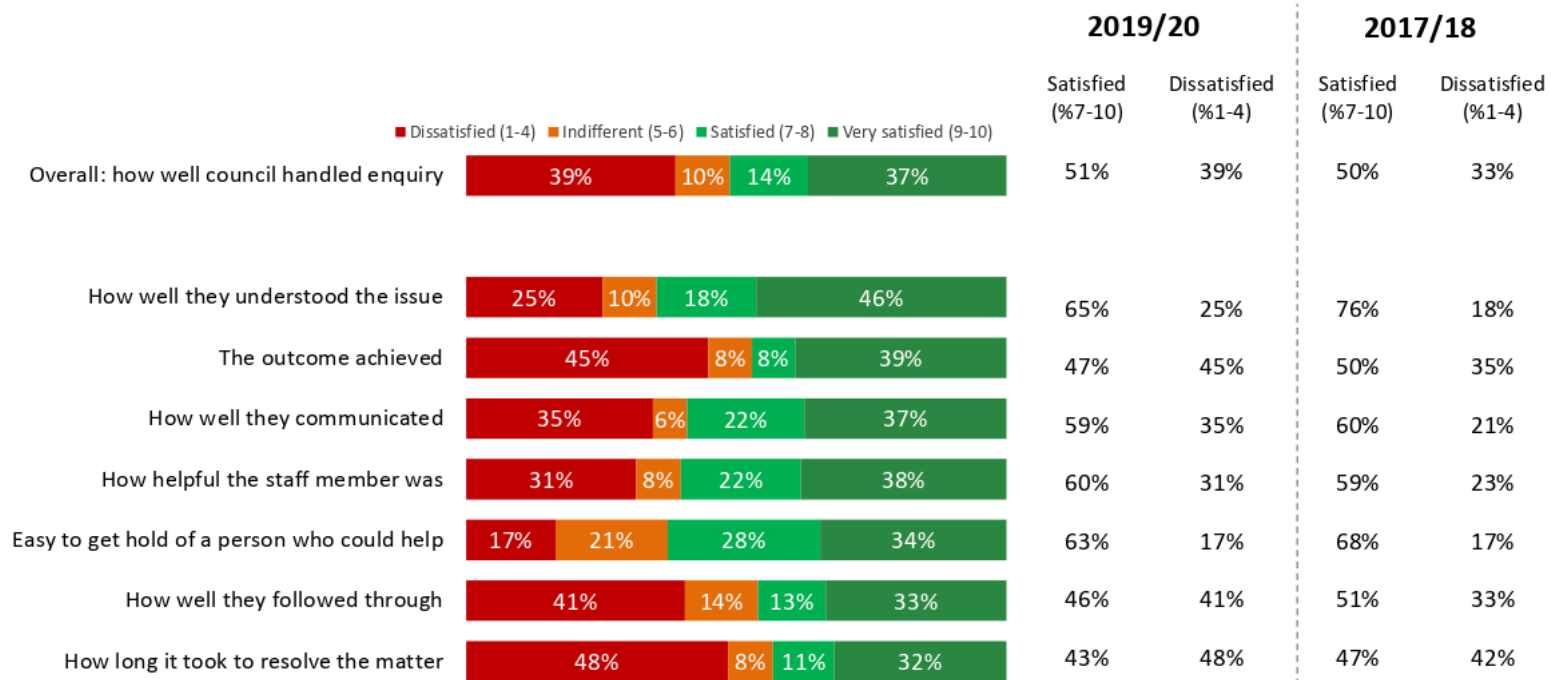
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. RSS. Still thinking back to your most recent contact or request, how would you rate your satisfaction with each of the following?





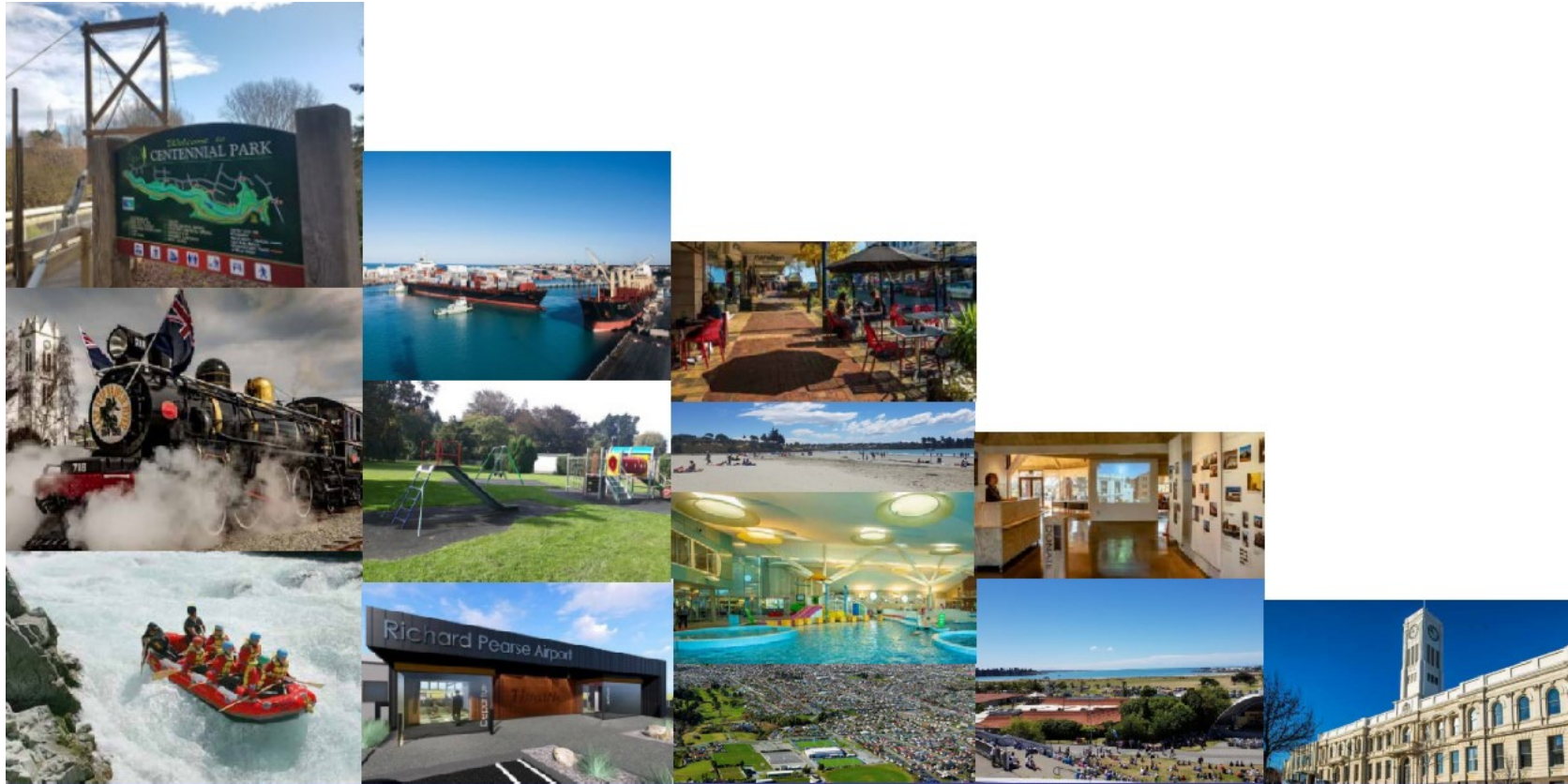
Overall, more than half of those who had an interaction with the Council (51%) are satisfied with *how Council handled their enquiries, requests or complaints*; *how well Council staff understood the issues and concerns* of the residents has the highest proportion of satisfied residents (65%)

**Interactions: Enquiries, requests for services and complaints<sup>(1)(2)</sup>**



NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Lodged a request 2017/18 n=63, 2019/20 n=68
2. RSS. Still thinking back to your most recent contact or request, how would you rate your satisfaction with each of the following?



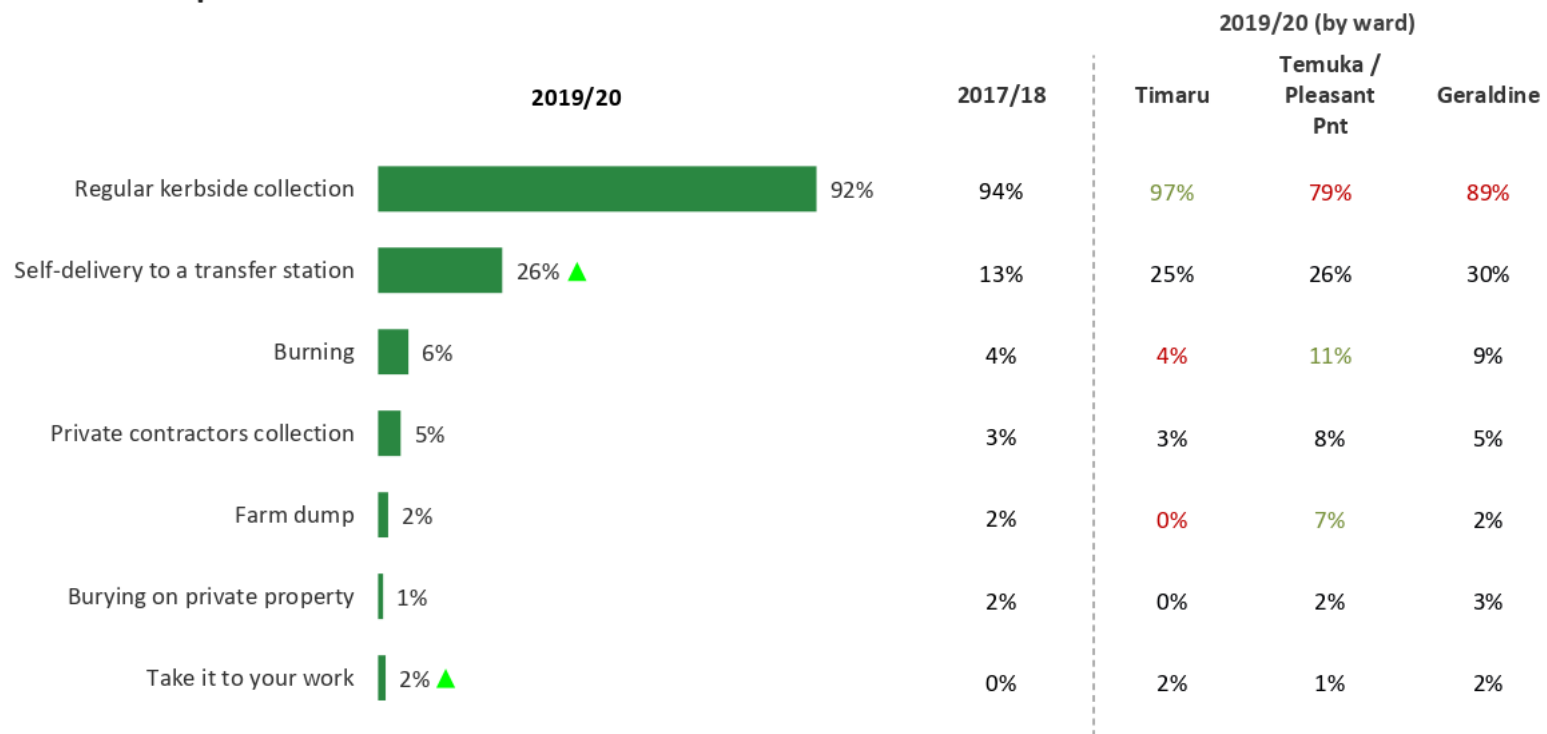
## Satisfaction with waste minimisation





More than nine out of ten residents (92%) use *regular kerbside collection*; there has been a significant increase in the proportion of residents using the *self-delivery to a transfer station* method

**Use of waste disposal services<sup>(1)(2)</sup>**



▲ Significantly higher compared with 2017/18

▼ Significantly lower compared with 2017/18

Significantly higher than the other ward (s)

Significantly lower than the other ward (s)

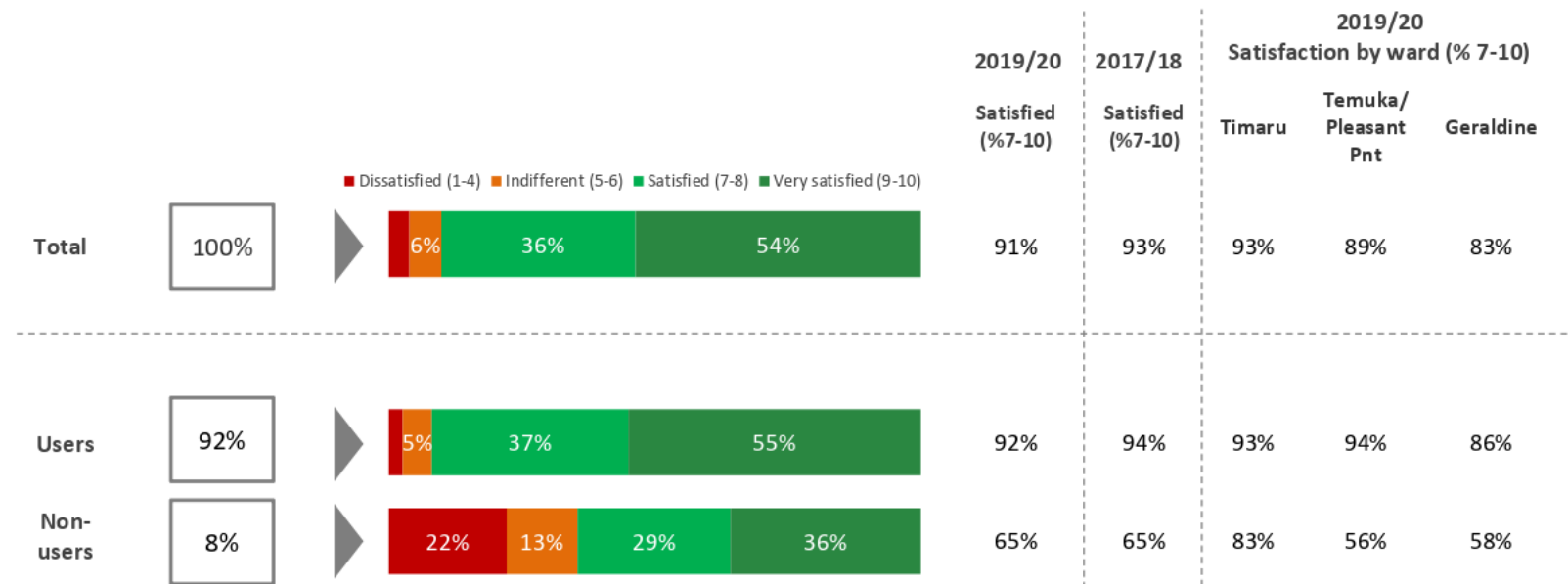
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]



More than nine out of ten users (92%) of the *kerbside collection service* are satisfied with *recycling services*

**Waste minimisation services: Recycling; users of the kerbside service<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

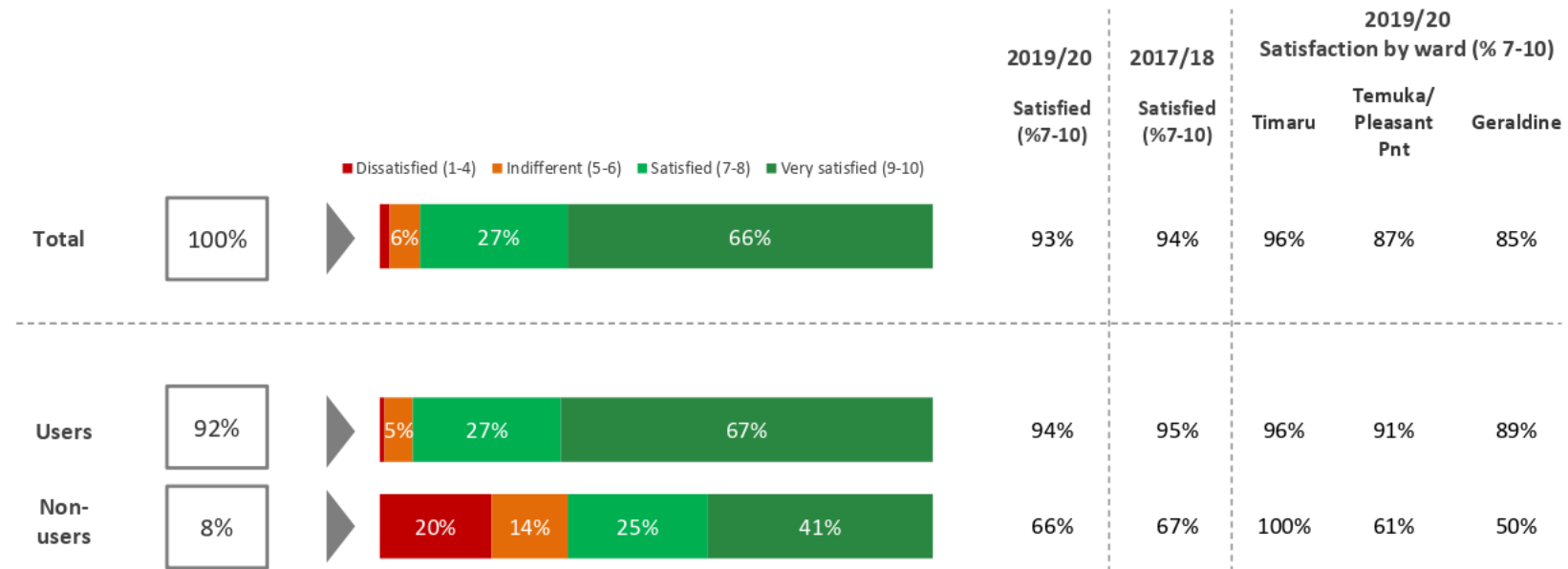
NOTES:

- Sample: 2017/8 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=358, Timaru n=219, Temuka /Pleasant Point n=62; Geraldine n=77; Non-users n=27, Timaru n=6, Temuka /Pleasant Point n=11, Geraldine n=10
- WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]
- WR3. How satisfied are you with each of the following services that are provided by Council?



The level of satisfaction around *green waste management* is high among users of the *kerbside collection service* (94%)

**Waste minimisation services: Managing green waste; users of the kerbside service<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

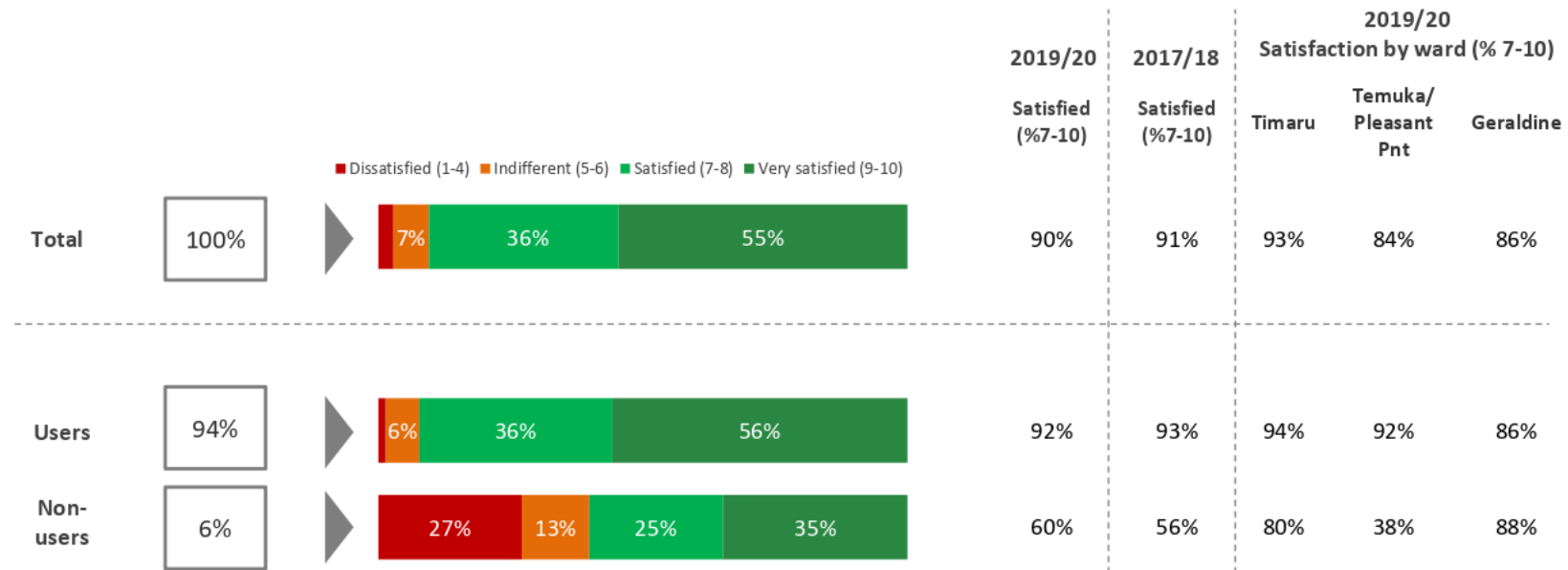
NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=359, Timaru n=221, Temuka /Pleasant Point n=60, Geraldine n=78; Non-users n=21, Timaru n=3, Temuka /Pleasant Point n=10, Geraldine n=8  
 2. WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]  
 3. WR3. How satisfied are you with each of the following services that are provided by Council?





Most of the *kerbside collection service* users (91%) are highly satisfied with the Council's *management of general waste*

**Waste minimisation services: Managing general waste; users of the kerbside service<sup>(1)(2)(3)</sup>**



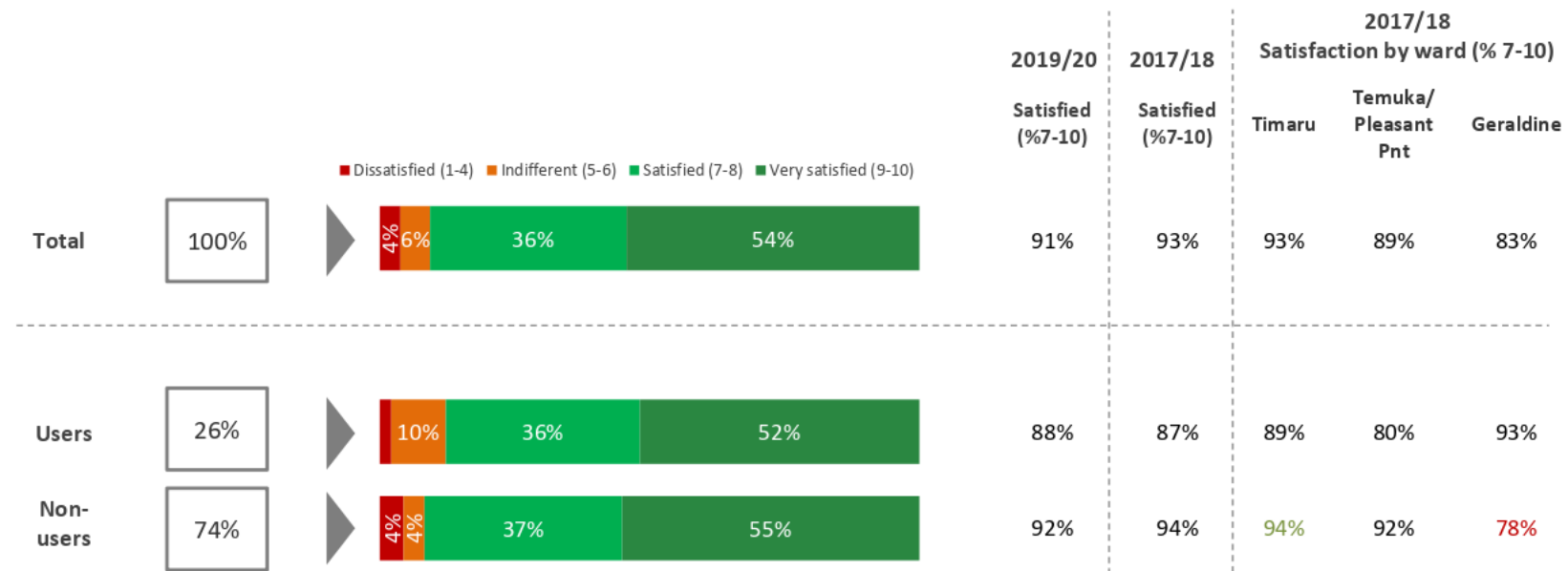
Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=361, Timaru n=221, Temuka /Pleasant Point n=62, Geraldine n=78; Non-users n=25, Timaru n=5, Temuka/Pleasant Point n=11, Geraldine n=9  
 2. WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]  
 3. WR3. How satisfied are you with each of the following services that are provided by Council?



Almost nine in ten users (88%) of the *transfer station* are satisfied with the Council’s *recycling services*

**Waste minimisation services: Recycling; users of a transfer station<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

Significantly higher than the other ward (s)  
Significantly lower than the other ward (s)

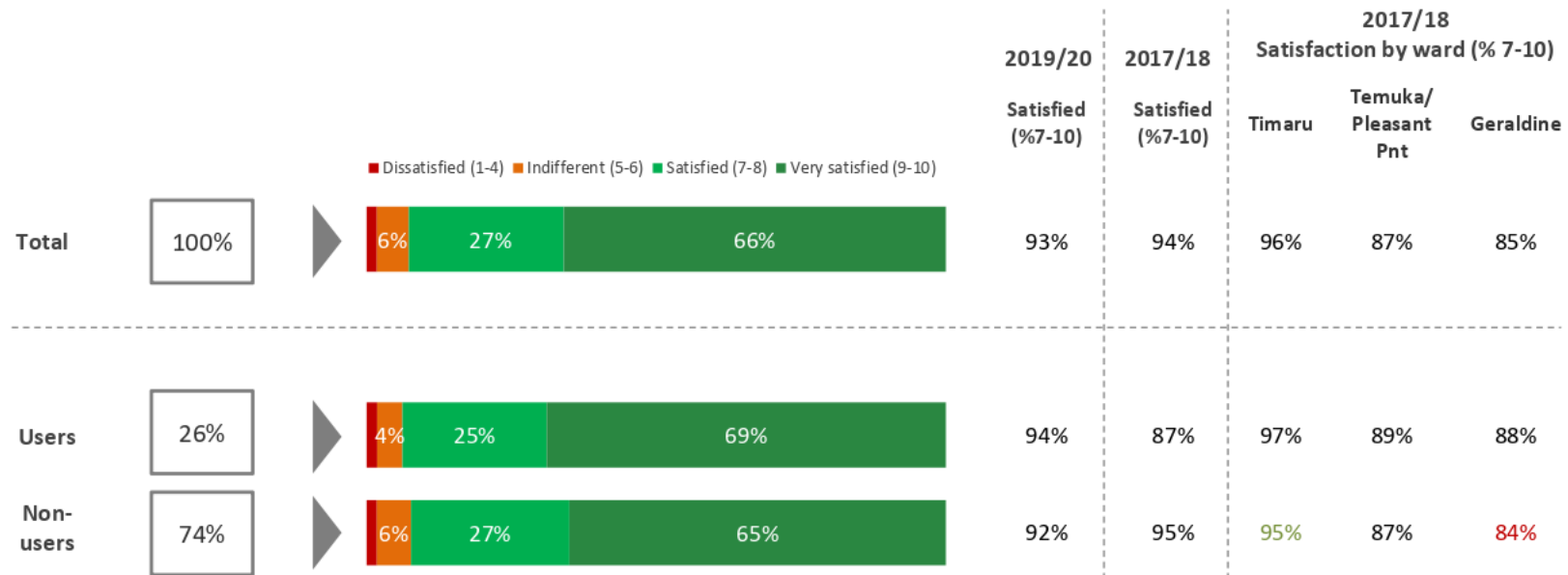
NOTES:

- Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=103, Timaru n=57, Temuka /Pleasant Point n=20, Geraldine n=26; Non-users n=282, Timaru n=168, Temuka /Pleasant Point n=53, Geraldine n=61
- WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]
- WR3. How satisfied are you with each of the following services that are provided by Council?



The proportion of satisfied *transfer station* users have increased from its level in 2017/18 (from 87% to 94%)

**Waste minimisation services: Managing green waste; users of a transfer station<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

Significantly higher than the other ward (s)  
Significantly lower than the other ward (s)

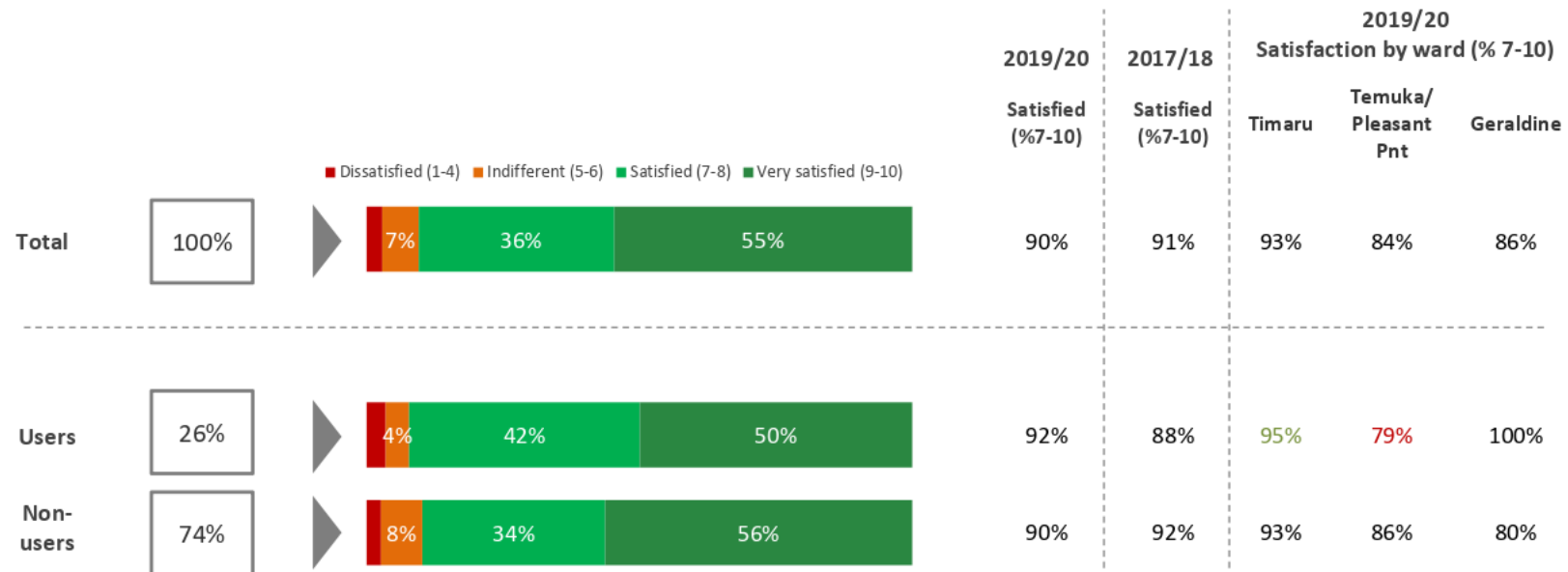
- NOTES:
- Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2018 Users n=96, Timaru n=54, Temuka /Pleasant Point n=19, Geraldine n=23; Non-users n=284, Timaru n=170, Temuka /Pleasant Point n=51, Geraldine n=36
  - WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]
  - WR3. How satisfied are you with each of the following services that are provided by Council?





Performance around *managing general waste* has also improved as indicated by more than nine in ten users (92%) of the *transfer station*; *Timaru* users are likely to be more satisfied than those in the *Temuka/Pleasant Point* ward

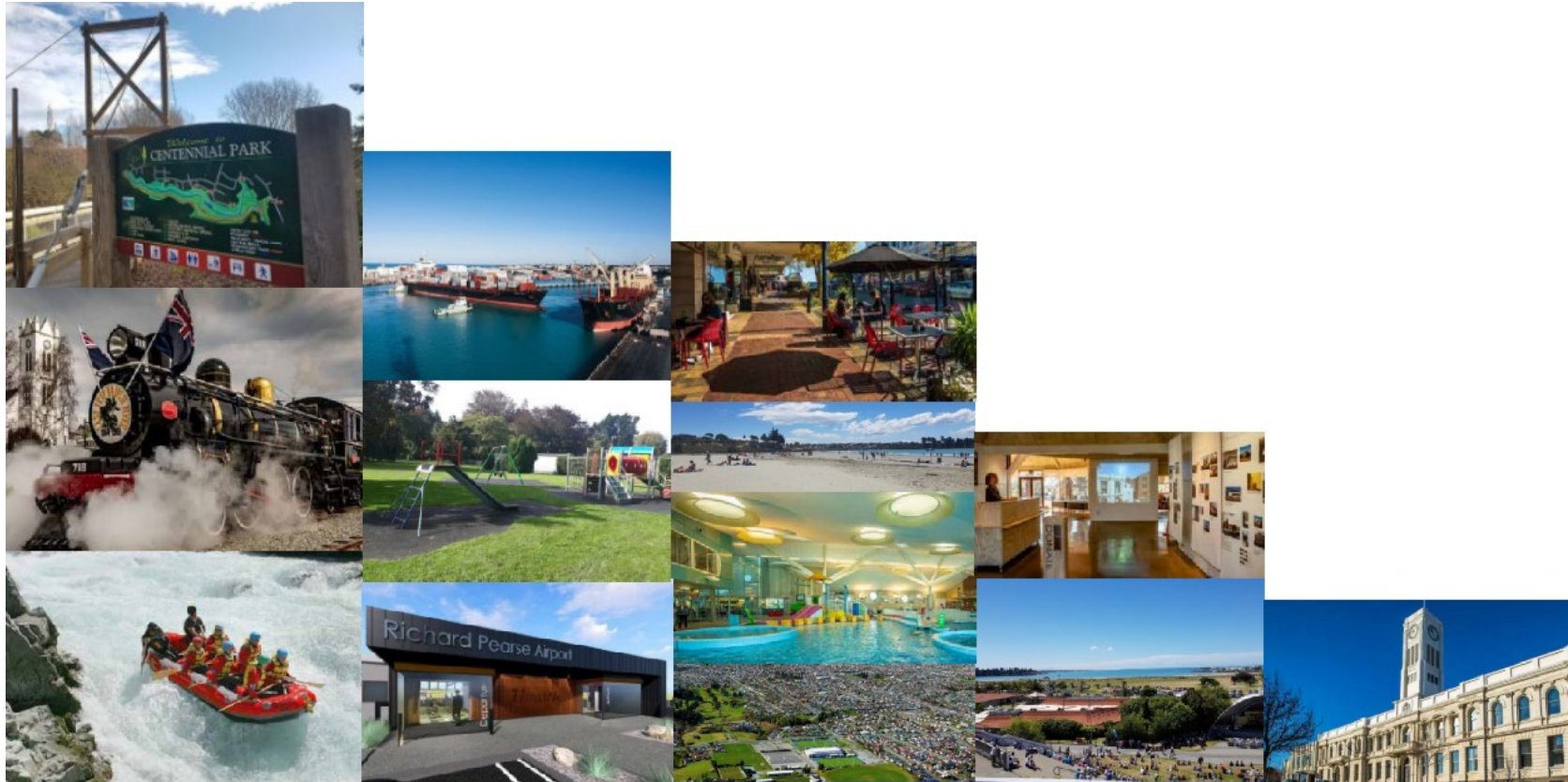
**Waste minimisation services: Managing general waste; users of a transfer station<sup>(1)(2)(3)</sup>**



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=102, Timaru n=57, Temuka/Pleasant Point n=20, Geraldine n=25; Non-users n=284, Timaru n=169, Temuka/Pleasant Point n=53, Geraldine n=62  
 2. WR1. Which of the following methods does your household use for waste disposal? [Multiple Response]  
 3. WR3. How satisfied are you with each of the following services that are provided by Council?



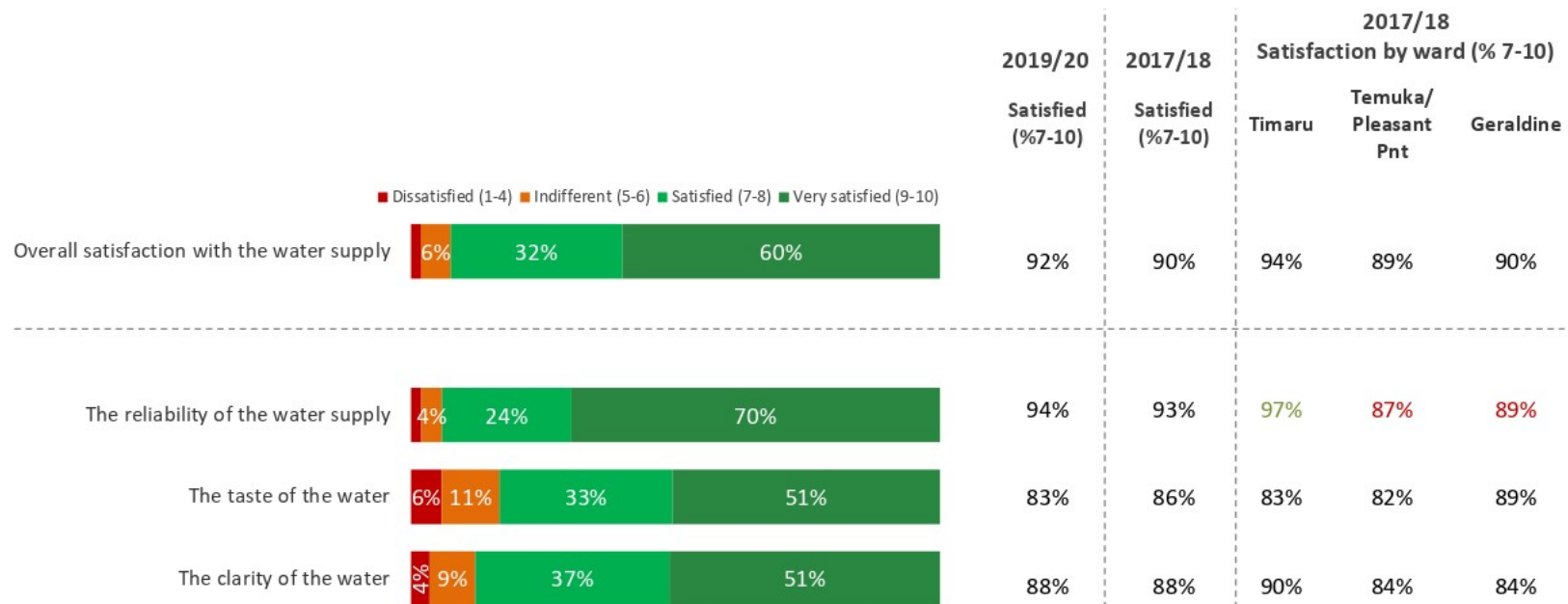
## Satisfaction with infrastructure





Residents are very satisfied with the district’s *water supply*; *Timaru* residents are likely to be more satisfied with the *reliability of the water supply* than other residents

**Infrastructure: Water supply<sup>(1)(2)</sup>**



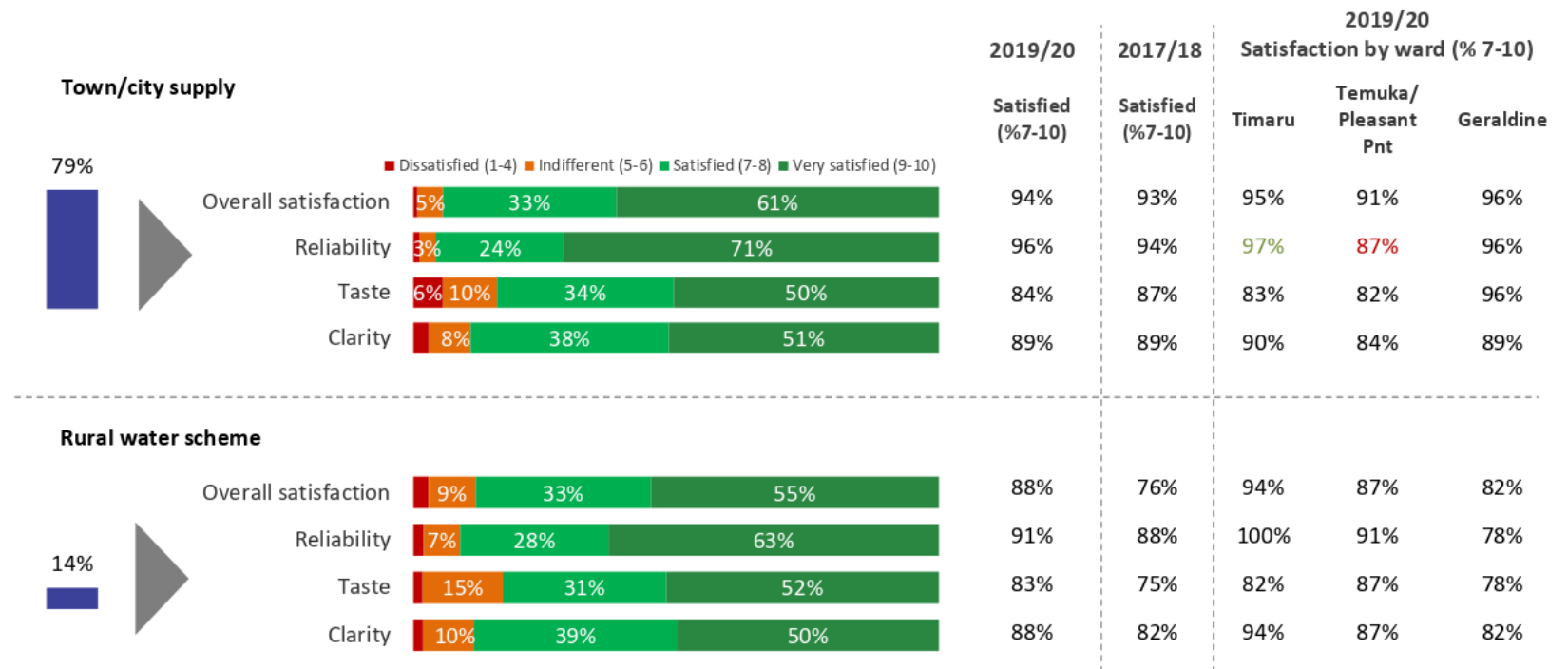
*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89  
 2. TW2. On the scale of 1- 10, how would you rate your satisfaction with...



Overall, residents on *town water supply* are more satisfied than those on a *rural scheme*

Infrastructure: Water supply<sup>(1)(2)(3)</sup>



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

Significantly higher than the other ward (s)  
Significantly lower than the other ward (s)

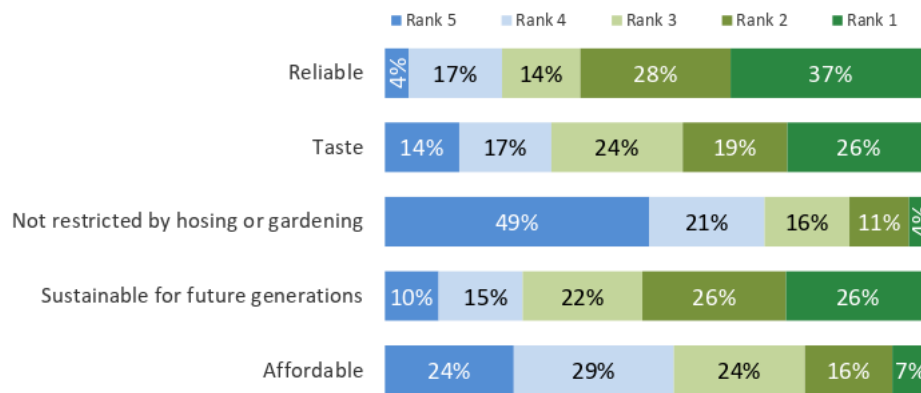
NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Town/city supply n=305, Timaru n=209, Temuka/Pleasant Point n=46, Geraldine n=50; Rural water scheme n=66; Timaru n=18, Temuka/Pleasant Point n=22; Geraldine n=26  
 2. TW1. Which of the following best describes your water supply connection?  
 3. TW2. On the scale of 1- 10, how would you rate your satisfaction with...



Residents on *town water supply* ranked *reliability* as the most *important* attribute of water supply

**Infrastructure: Water supply<sup>(1)(2)(3)</sup>**

**Town/city supply: Raking of importance of water attributes**



	Rank 1 by ward		
	Timaru	Temuka Pleasant Point	Geraldine
Reliable	37%	28%	45%
Taste	24%	33%	29%
Not restricted by hosing or gardening	4%	4%	2%
Sustainable for future generations	28%	22%	21%
Affordable	6%	13%	4%

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Town/city supply n=312, Timaru n=212, Temuka/Pleasant Point n=48, Geraldine n=52
2. TW1. Which of the following best describes your water supply connection?
3. TW2. On the scale of 1- 10, how would you rate your satisfaction with...

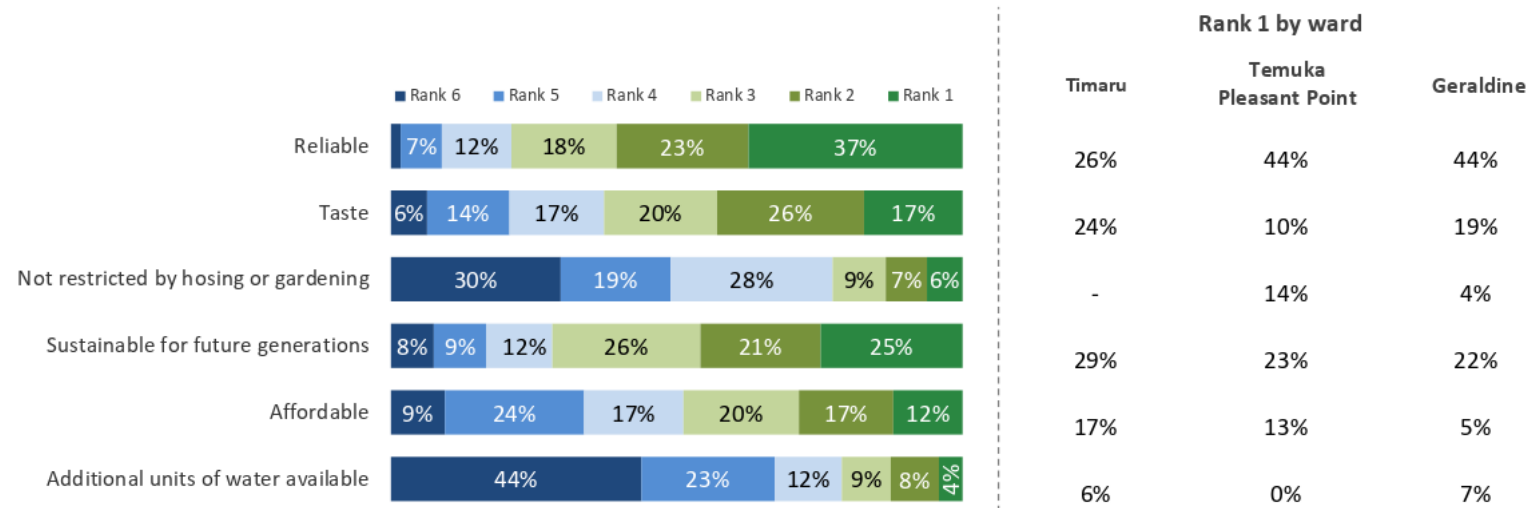




Overall, residents on *rural water scheme* ranked *reliability* and *sustainability* as the top two most important attributes of water supply

**Infrastructure: Water supply<sup>(1)(2)(3)</sup>**

**Rural water scheme: Raking of importance of water attributes**



NOTES:

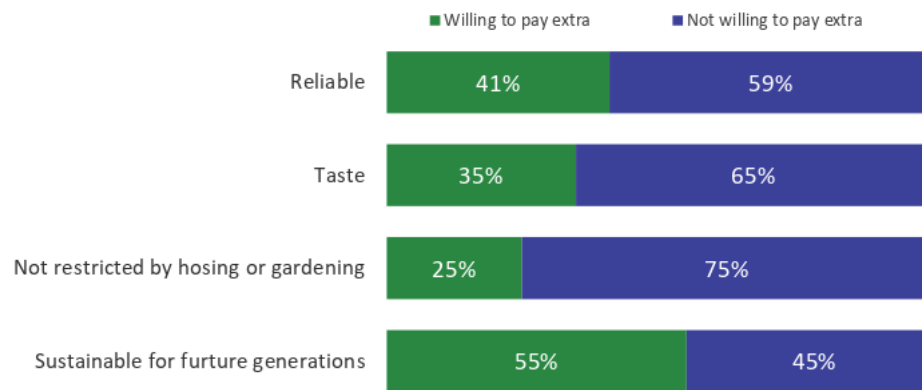
1. Sample: 2017/18 n=402; 2019/20 n=401; Rural water scheme n=312, Timaru n=212, Temuka/Pleasant Point n=48, Geraldine n=52
2. TW1. Which of the following best describes your water supply connection?
3. TW2. On the scale of 1- 10, how would you rate your satisfaction with...



More than half of residents (55%) on *town water supply* are willing to pay extra for *sustainability*

**Infrastructure: Water supply<sup>(1)(2)(3)</sup>**

**Town/city supply: Willingness to pay extra**



**Willing to pay extra by ward**

	Timaru	Timuka Pleasant Point	Geraldine
Reliable	40%	41%	49%
Taste	34%	35%	37%
Not restricted by hosing or gardening	24%	28%	24%
Sustainable for future generations	57%	50%	50%

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Town/city supply n=298, Timaru n=201, Temuka/Pleasant Point n=47, Geraldine n=50
2. TW1. Which of the following best describes your water supply connection?
3. TW2. On the scale of 1- 10, how would you rate your satisfaction with...



Water supply being *sustainable for future generations* is also the attribute for which most residents on *rural water scheme* are willing to pay extra

**Infrastructure: Water supply<sup>(1)(2)(3)</sup>**

**Rural water scheme: Willingness to pay extra**



NOTES:

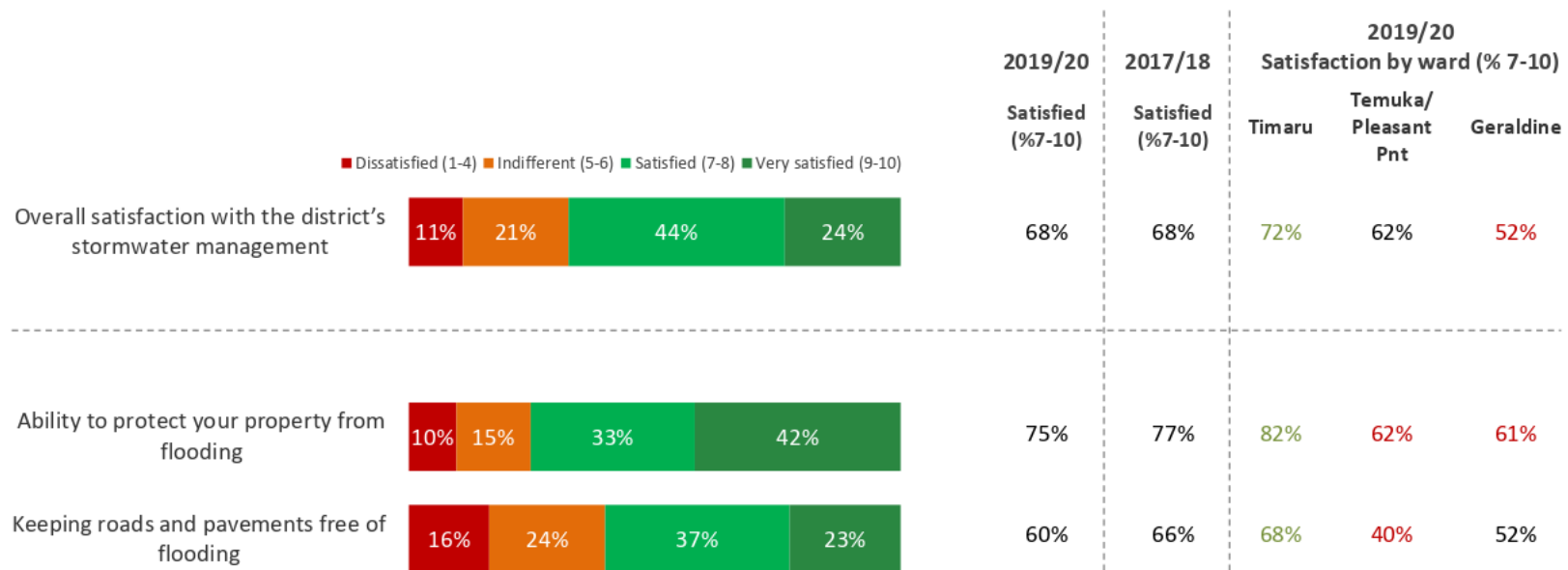
1. Sample: 2017/18 n=402; 2019/20 n=401; Rural water scheme n=66, Timaru n=18, Temuka/Pleasant Point n=22, Geraldine n=26
2. TW1. Which of the following best describes your water supply connection?
3. TW2. On the scale of 1- 10, how would you rate your satisfaction with...





*Timaru residents are likely to be more satisfied with the district’s overall stormwater management than Geraldine residents*

**Infrastructure: Stormwater<sup>1)(2)</sup>**



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

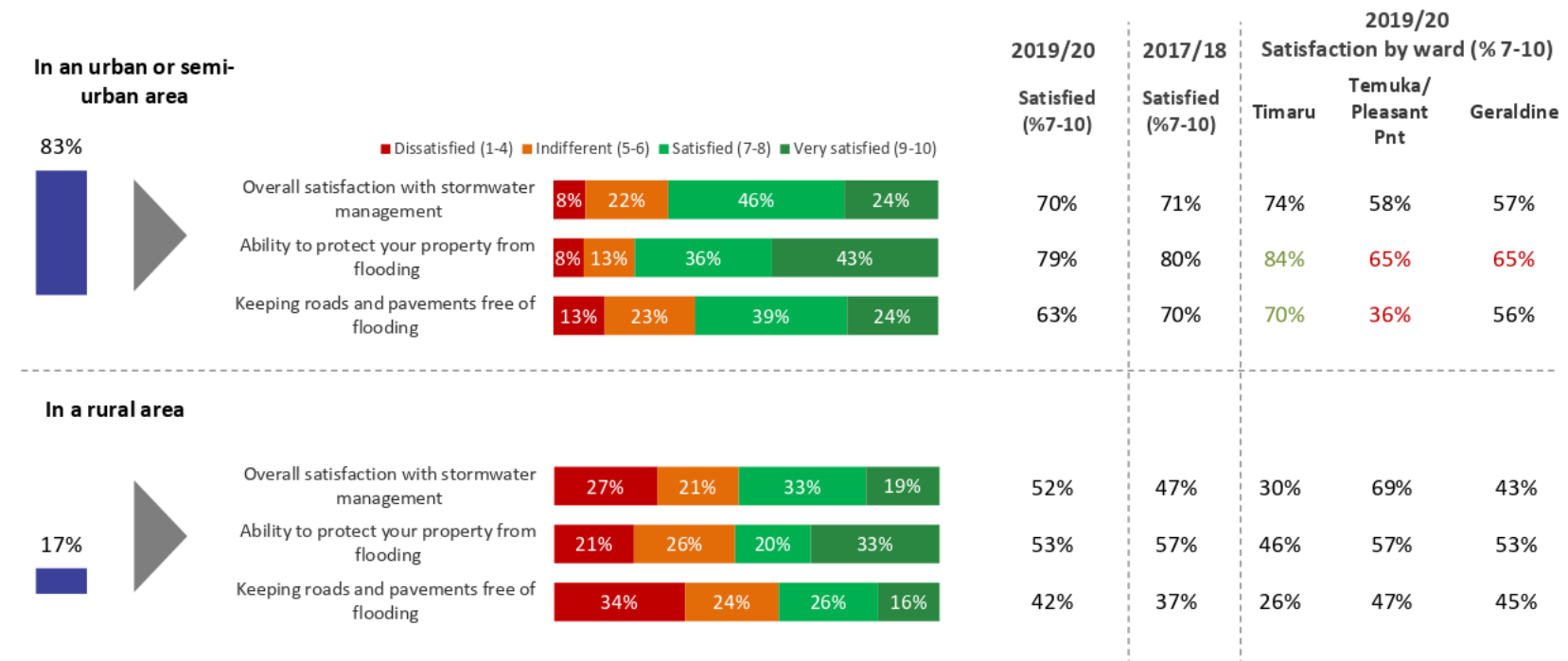
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. TW5. On the scale of 1- 10, how would you rate your satisfaction with the stormwater system in terms of...



Satisfaction with *stormwater management* is likely to be higher in *urban or semi-urban* areas than in *rural* areas

**Infrastructure: Stormwater**<sup>(1)(2)(3)</sup>



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

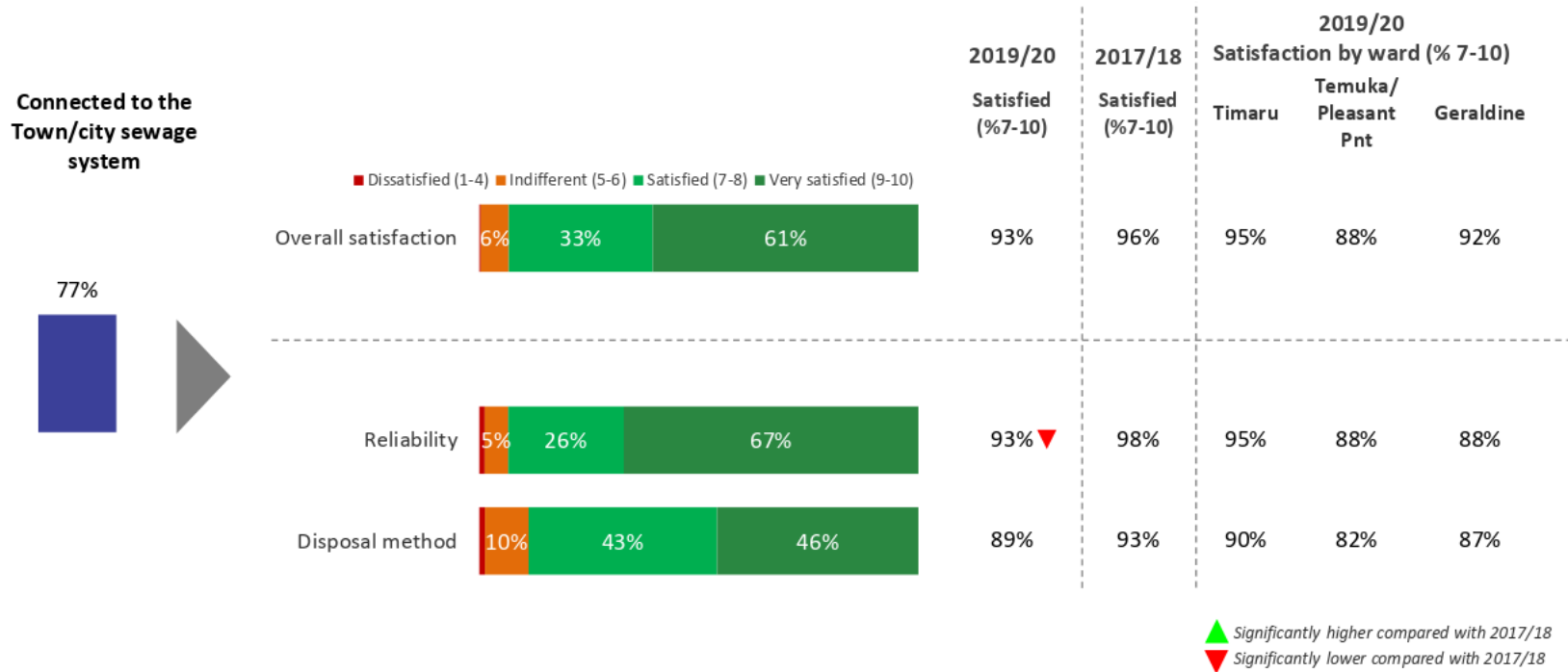
NOTES:

1. Sample: 2019/20 urban/semi urban areas n=323; Timaru n=215, Temuka/Pleasant Point n=52, Geraldine n=56; Rural areas n=78, Timaru n=17, Temuka/Pleasant Point n=28, Geraldine n=33
2. TW5. On the scale of 1- 10, how would you rate your satisfaction with the stormwater system in terms of...



Out of those *connected to the town/city sewage system*, more than nine in ten (93%) are satisfied with the district's *sewage system*

**Infrastructure: Sewage system**<sup>(1)(2)(3)</sup>



NOTES:

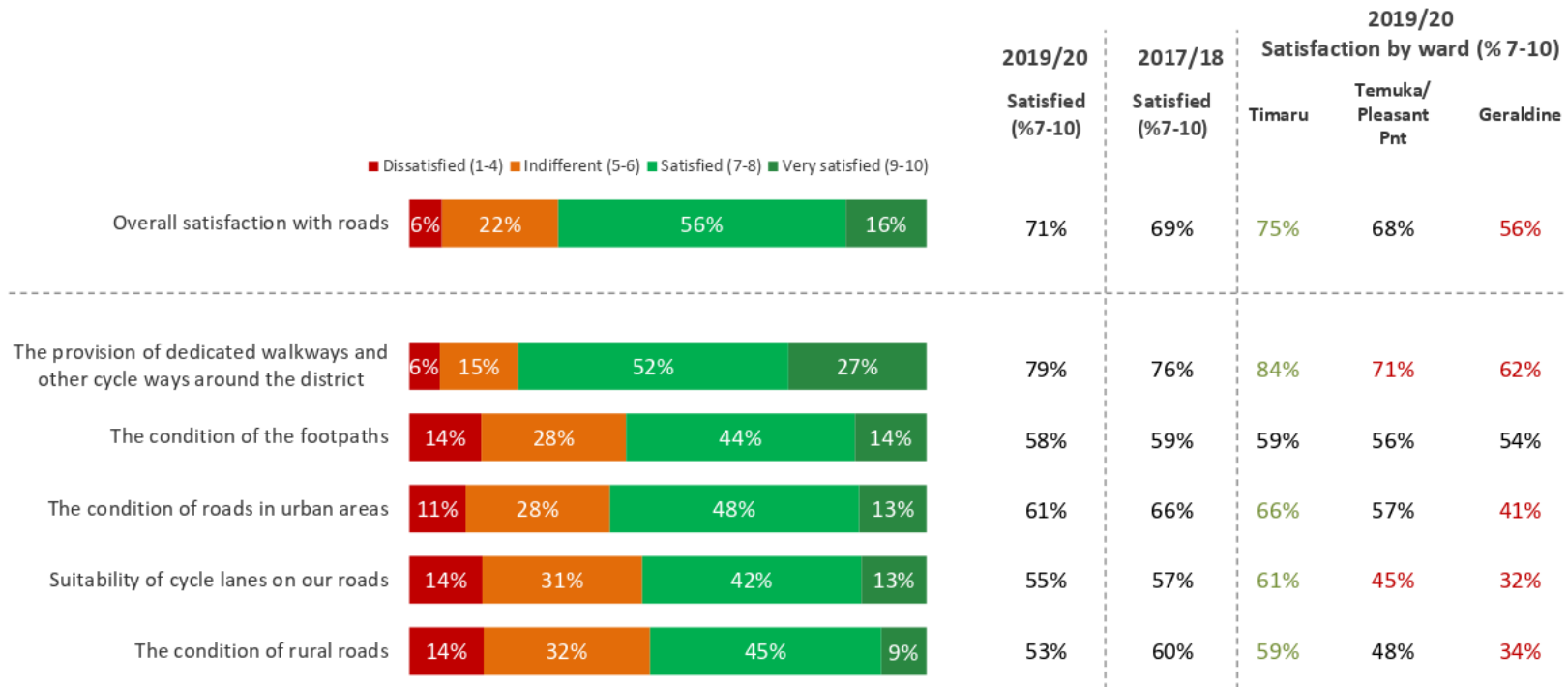
1. Sample: 2017/18 n=402; 2019/20 n=401; Town/city sewage system n=298; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89
2. TW3. Which of the following best describes the sewage system that your property is connected to?
3. TW4. On the scale of 1- 10, how would you rate your satisfaction with...



Report | June 2020

*Satisfaction with roading slightly increased from 69% in 2017/18 to 71% in 2019/20; Timaru residents are likely to be more satisfied with the several roading aspects than residents in the Geraldine ward*

**Infrastructure: Roads, walkways and cycleways<sup>(1)(2)(3)</sup>**



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

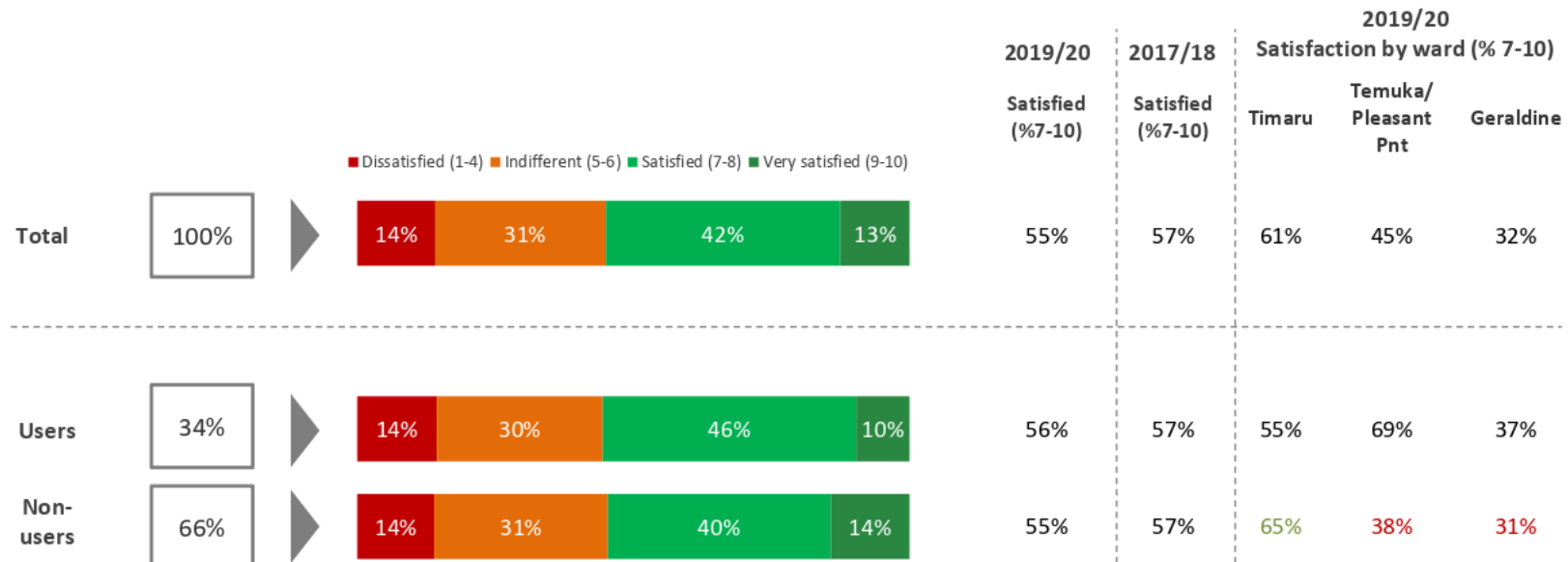
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232; Temuka/Pleasant Point n=80; Geraldine n=89
2. RF3. Overall how satisfied are you with the roads, cycle lanes, footpaths and off-road walkways and cycle ways around the district
3. RF1. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your overall satisfaction with each of the following...



Overall, satisfaction of *users* with *on-road cycle lanes* is almost similar to that of *non-users*

**Infrastructure: On-road cycle lanes<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

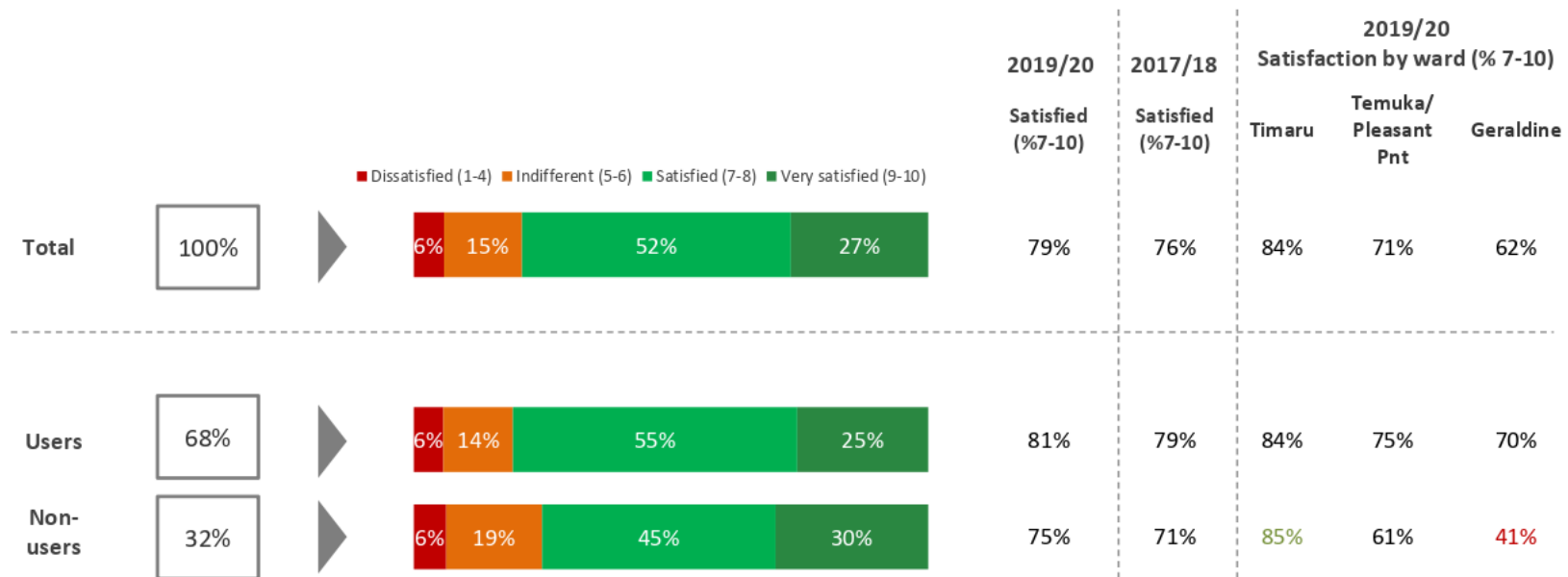
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232; Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=124, Timaru n=93, Temuka/Pleasant Point n=15, Geraldine n=16; Non-users n=227, Timaru n=127, Temuka/Pleasant Point n=51, Geraldine n=49
2. RF2. In the last year, which of the following have you [ridden a bike on an on-road cycle lane]?
3. RF1. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your overall satisfaction with each of the following...



Most of the residents use *off-road walkways* (68%); satisfaction with these facilities has improved since 2017/18

**Infrastructure: Off-road walkways<sup>(1)(2)(3)</sup>**

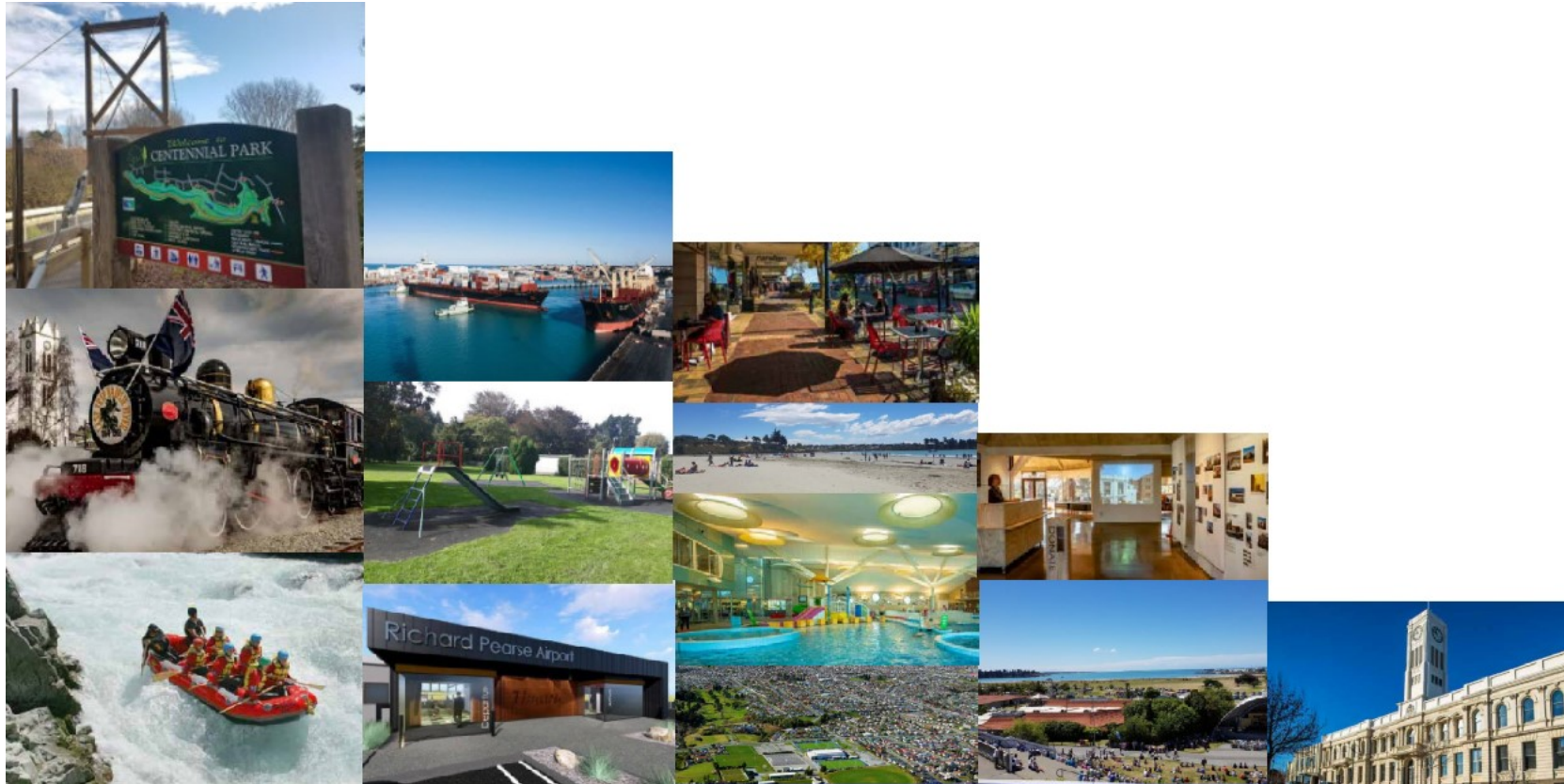


*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232; Temuka/Pleasant Point n=80; Geraldine n=89; 2019/20 Users n=261, Timaru n=156, Temuka/Pleasant Point n=48, Geraldine n=57; Non-users n=116, Timaru n=71, Temuka /Pleasant Point n=20, Geraldine n=25
2. RF2. In the last year, which of the following have you used [a dedicated off-road walking or cycleway]?
3. RF1. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your overall satisfaction with each of the following





## Satisfaction with parks, reserves and open spaces





Council-maintained *parks and reserves* remain as the most visited facility/reserve in 2019/20, followed by Council-maintained *sports fields*

**Parks, reserves and open spaces: Visitation<sup>(1)(2)</sup>**

Facility / reserve	2019/20 % visited last 12 months	2017/18 (%)	2019/20 % by ward		
			Timaru	Temuka/ Pleasant Pnt	Geraldine
A Council-maintained park or reserve	87%	86%	90%	84%	78%
A Council-maintained sports field	69%	61%	71%	68%	61%
A Council-maintained playground	61%	58%	62%	61%	60%
A cemetery	59%	55%	57%	62%	61%

NOTES:

1. Sample: 2017/18 n=402; 32019/20 n=401; Timaru n=232; Temuka/Pleasant Point n=80; Geraldine n=89
2. PR1. In the last year, which of the following have you visited? [Multiple Response]

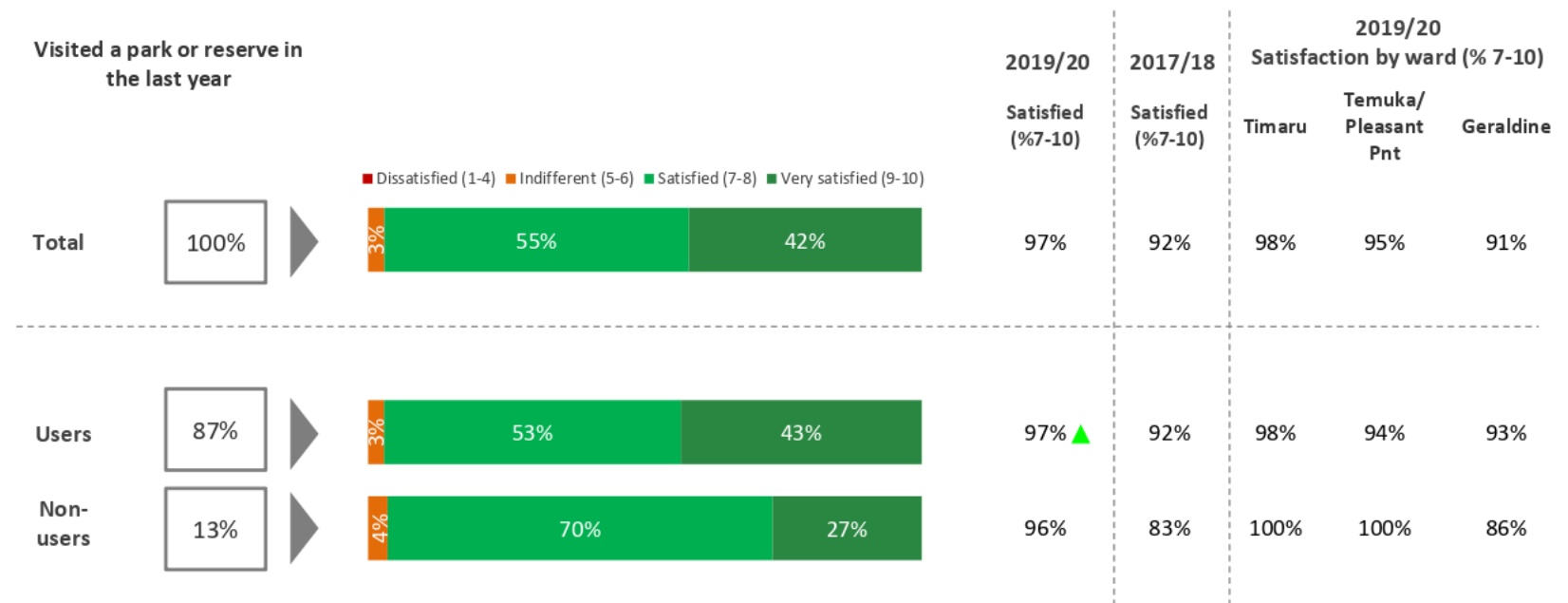




Report | June 2020

Satisfaction with *how parks and reserves are maintained* has significantly increased among users (from 92% in 2017/18 to 97% in 2019/20)

**Parks, reserves and open spaces: Parks and reserves<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

▲ Significantly higher compared with 2017/18  
▼ Significantly lower compared with 2017/18

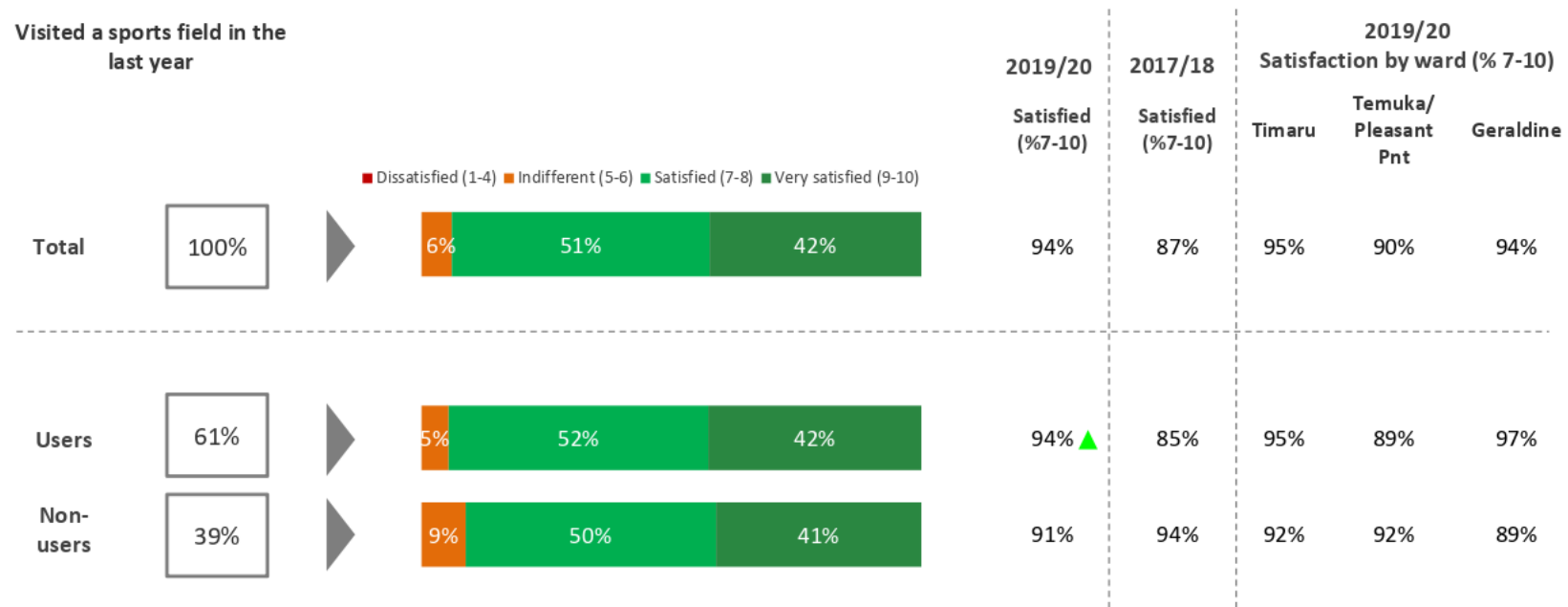
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232; Temuka/Pleasant Point n=80; Geraldine n=89; Excludes don't know responses; 2019/20 Users n=344, Timaru n=208, Temuka/Pleasant Point n=67, Geraldine n=69; Non-users n=37, Timaru n=14, Temuka/Pleasant Point n=8, Geraldine n=15
2. PR1. In the last year, which of the following have you visited? [Multiple Response]
3. PR2. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your satisfaction with Council's performance in maintaining its...



User satisfaction with *sports fields* has also significantly improved from 85% in 2017/18 to 94% in 2019/20

**Parks, reserves and open spaces: Sports fields<sup>(1)(2)(3)</sup>**



▲ Significantly higher compared with 2017/18  
▼ Significantly lower compared with 2017/18

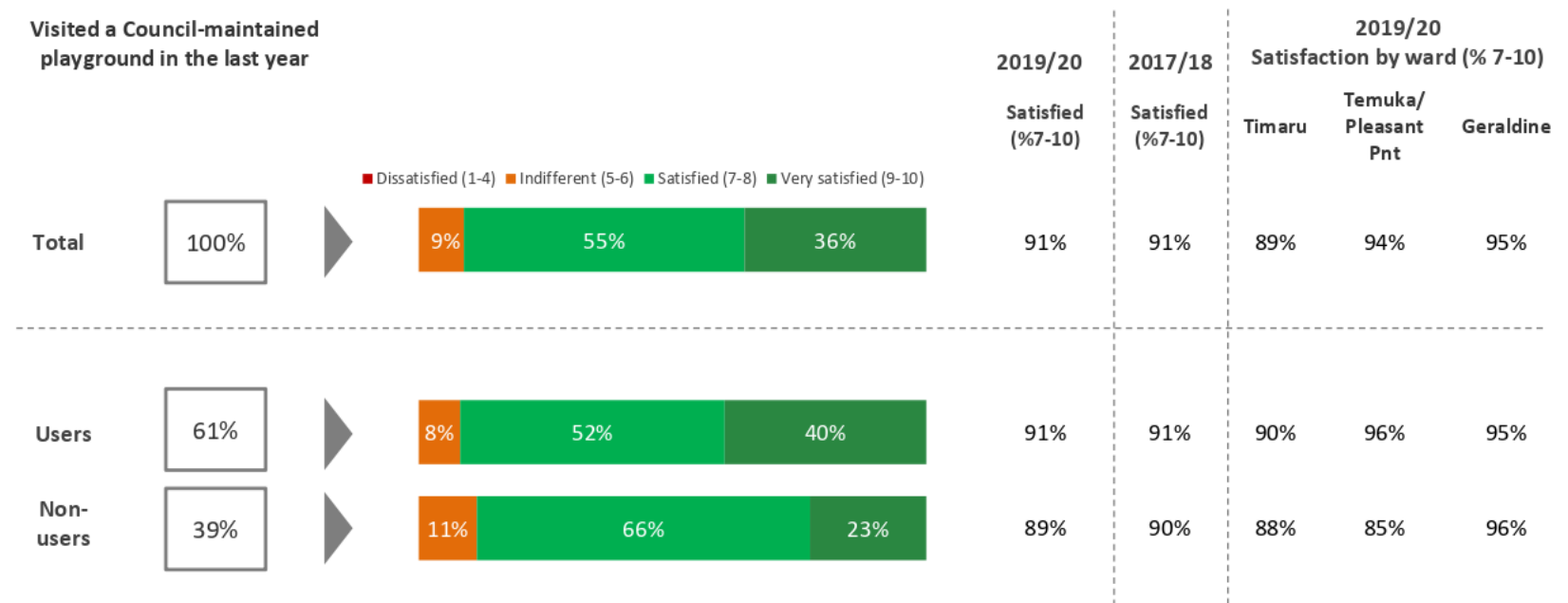
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89; Excludes don't know responses; 2019/20 Users n=271, Timaru n=164, Temuka/Pleasant Point n=54, Geraldine n=53; Non-users n=66, Timaru n=29, Temuka/Pleasant Point n=11, Geraldine n=26
2. PR1. In the last year, which of the following have you visited? [Multiple Response]
3. PR2. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your satisfaction with Council's performance in maintaining its...



Satisfaction among *users of playground* facilities is consistent with that in 2017/18

**Parks, reserves and open spaces: Playgrounds<sup>(1)(2)(3)</sup>**



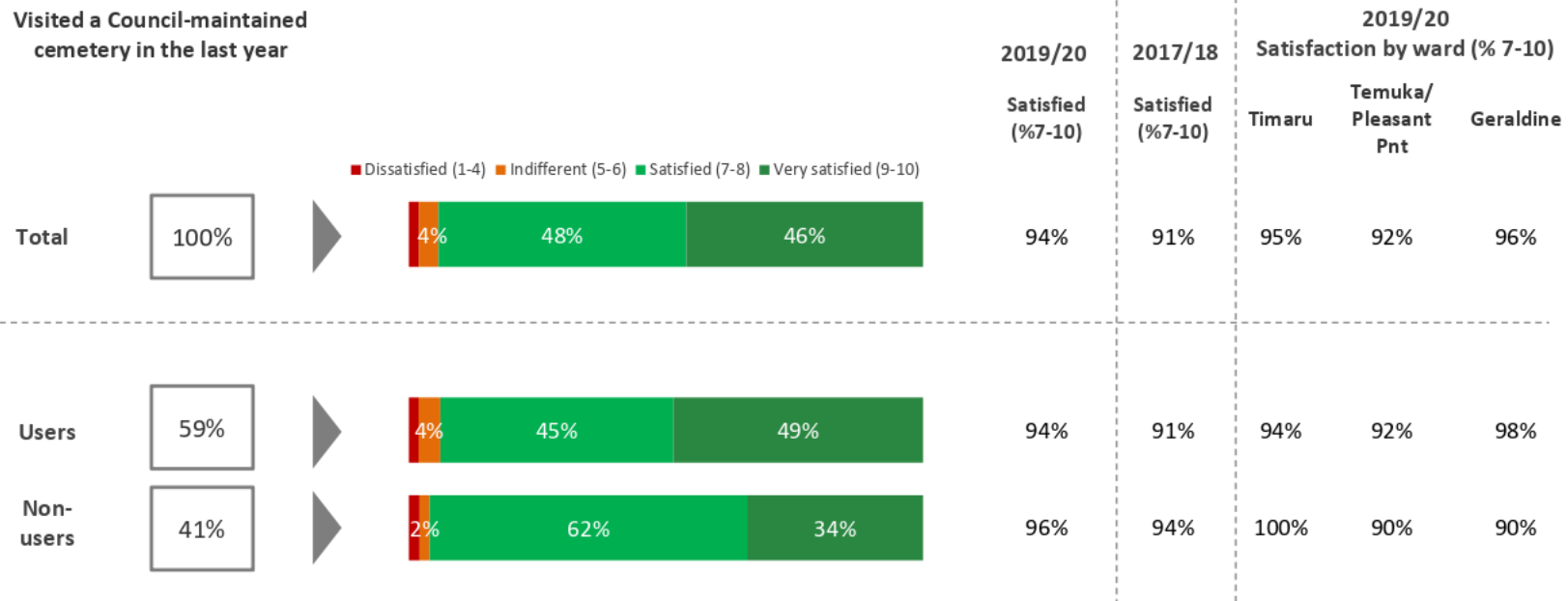
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=432; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=244, Timaru n=144, Temuka /Pleasant Point n=47, Geraldine n=53; Non-users n=76, Timaru n=42, Temuka/Pleasant Point n=12, Geraldine n=22
2. PR1. In the last year, which of the following have you visited? [Multiple Response]
3. PR2. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your satisfaction with Council's performance in maintaining its...



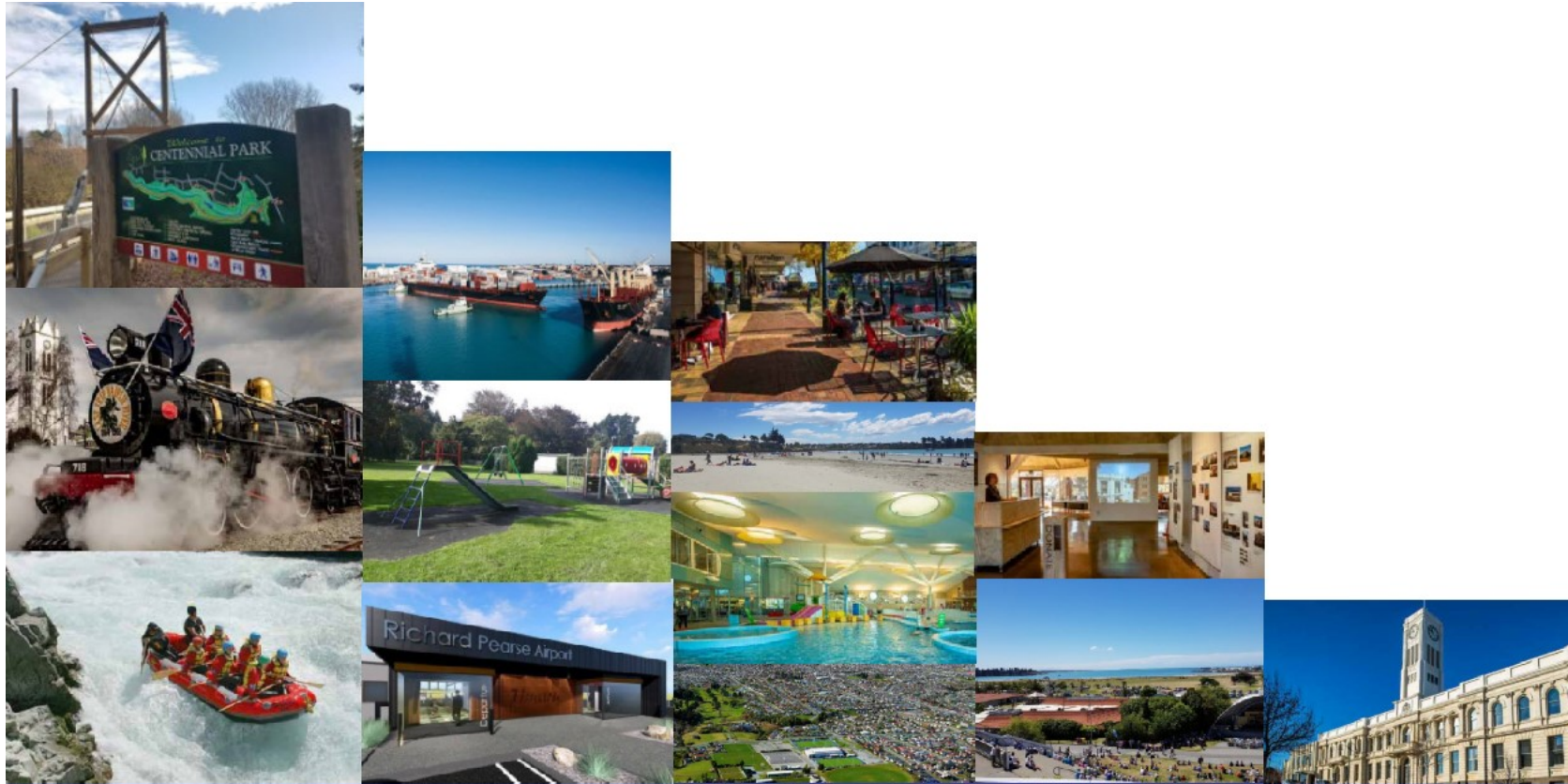
Satisfaction with *Council-maintained cemeteries* is very high among residents, *users or non-users*

**Parks, reserves and open spaces: Cemeteries<sup>(1)(2)(3)</sup>**



NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=233, Timaru n=132, Temuka/Pleasant Point n=49, Geraldine n=52; Non-users n=54, Timaru n=25, Temuka/Pleasant Point n=9, Geraldine n=20
2. PR1. In the last year, which of the following have you visited? [Multiple Response]
3. PR2. Still using the 1 to 10 scale where 1 means 'very dissatisfied' and 10 means 'very satisfied', how would you rate your satisfaction with Council's performance in maintaining its...



## Satisfaction with community facilities

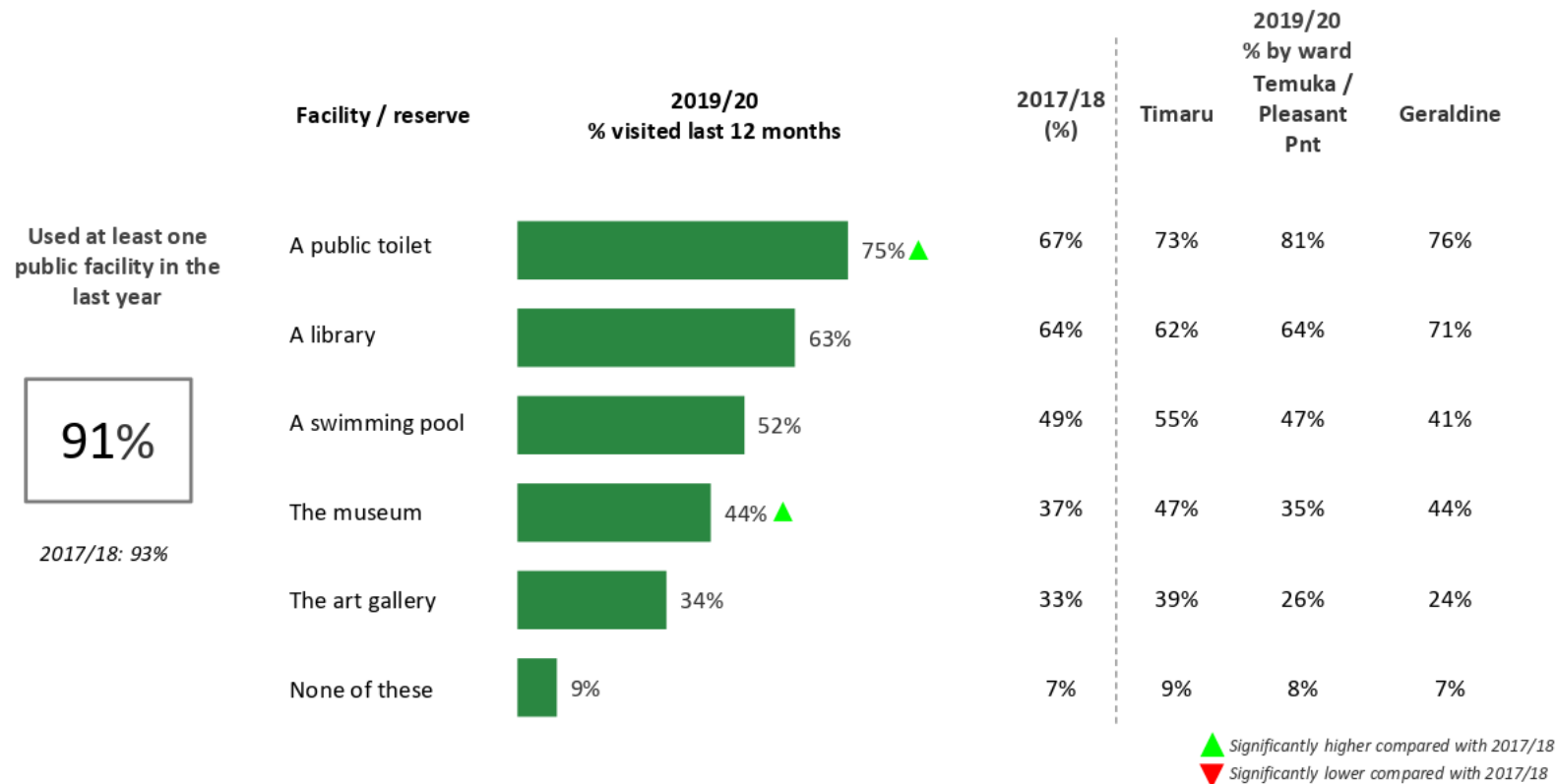






More than nine out of ten residents (91%) have used a *public facility* in the past year; there are significantly more users of *public toilets* and the *museum* in 2019/20 compared with 2017/18

**Community Facilities: Utilisation**



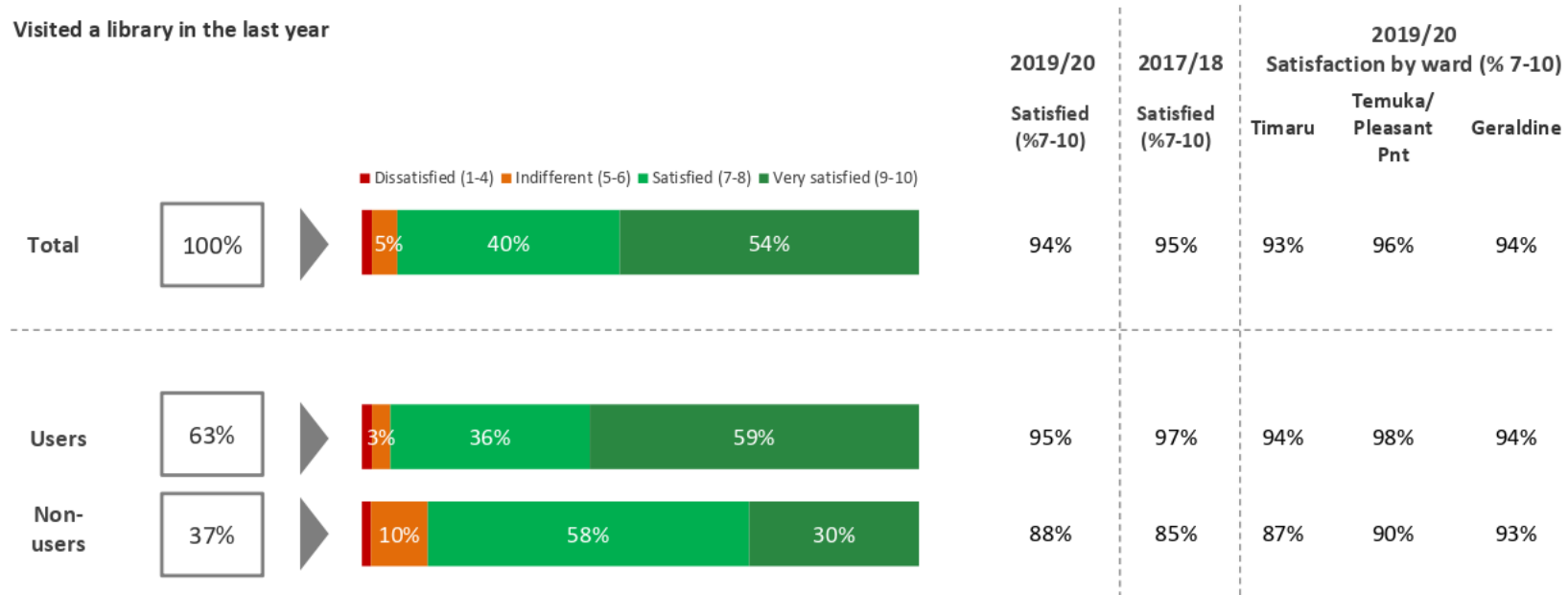
NOTES:  
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80; Geraldine n=89  
2. CF1. Which of the following facilities have you visited in the last year?



More than nine out of ten *library users* (95%) are satisfied with the facilities

**Community Facilities: Libraries<sup>(1)(2)(3)</sup>**

Visited a library in the last year



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

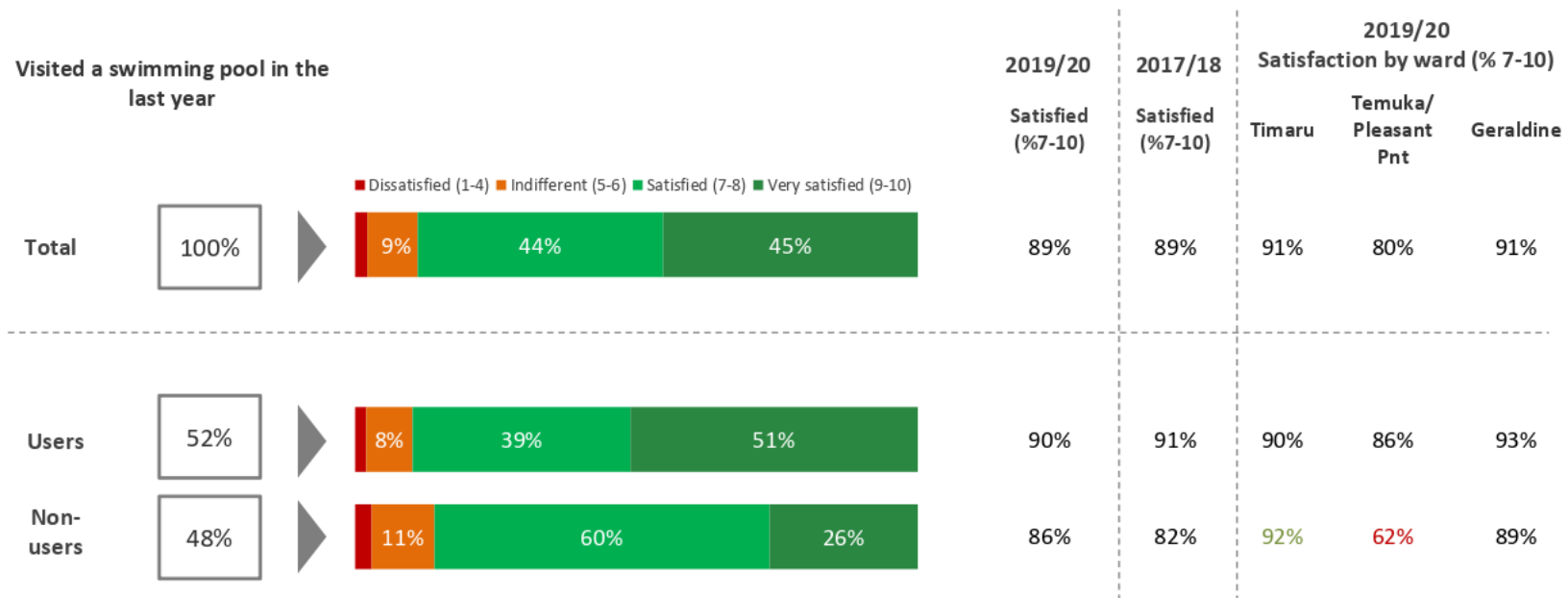
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=252, Timaru n=140, Temuka /Pleasant Point n=49, Geraldine n=63; Non-users n=60, Timaru n=39, Temuka/Pleasant Point n=9, Geraldine n=12
2. CF1. Which of the following facilities have you visited in the last year?
3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?



Among those who have visited a *swimming pool* in the last year, satisfaction remains high compared with 2017/18

**Community Facilities: Swimming pools** (1)(2)(3)



*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:

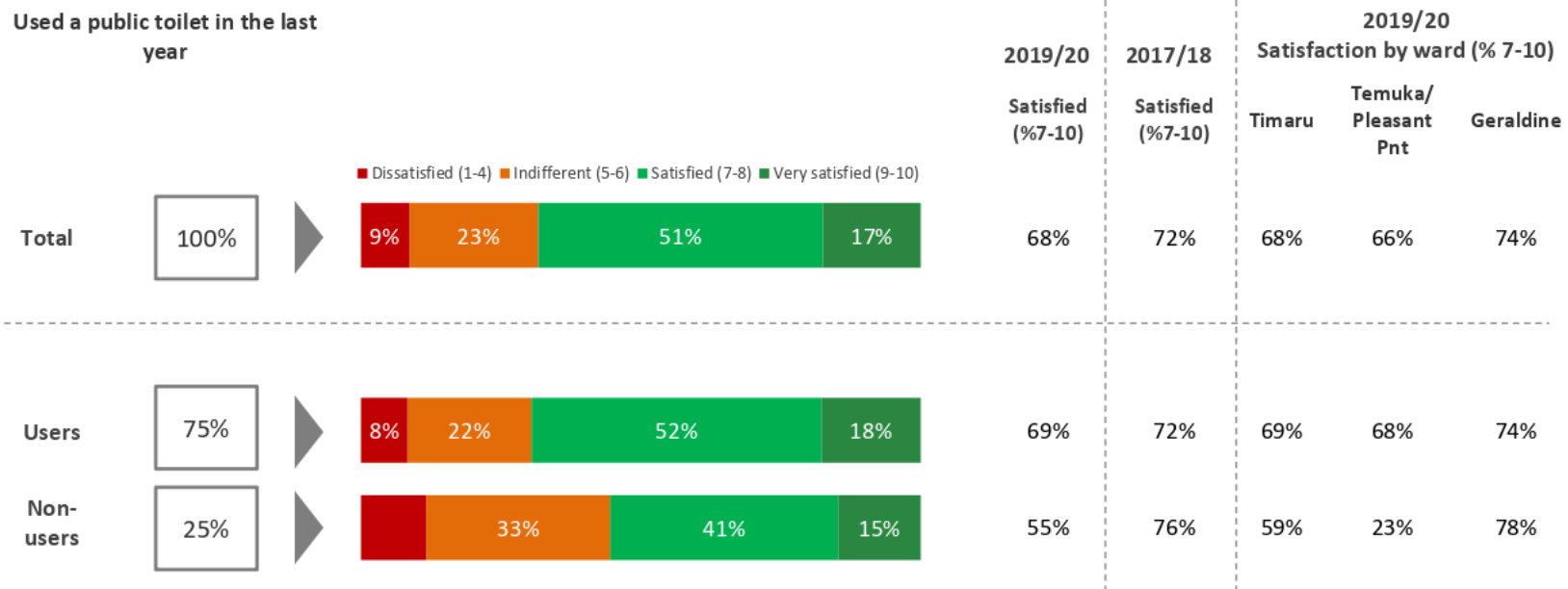
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89, Excludes don't know responses; 2019/20 Users n=201, Timaru n=128, Temuka/Pleasant Point n=37, Geraldine n=36; Non-users n=67, Timaru n=36, Temuka/Pleasant Point n=12, Geraldine n=19
2. CF1. Which of the following facilities have you visited in the last year?
3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?





Overall satisfaction with *public toilets* has declined relative to its level in 2017/18

**Community Facilities: Public toilets<sup>(1)(2)(3)</sup>**



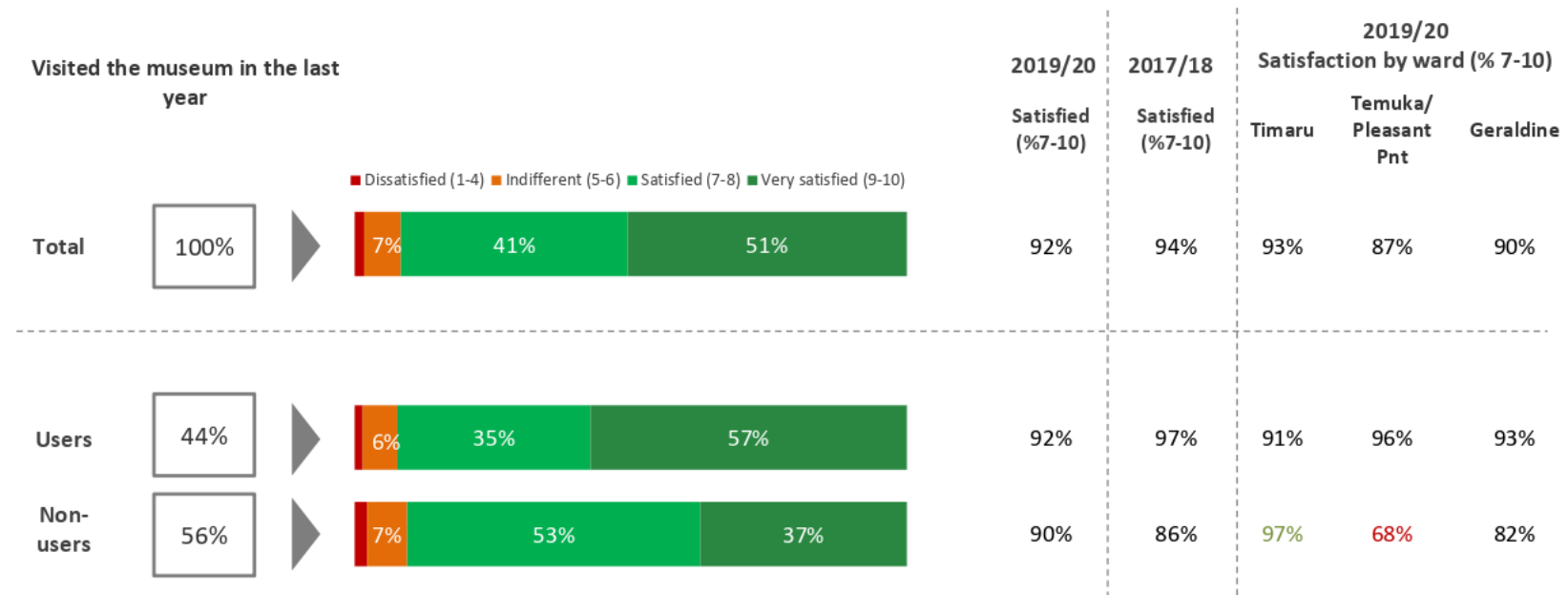
Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=302, Timaru n=169, Temuka/Pleasant Point n=65, Geraldine n=68; Non-users n=28, Timaru n=19, Temuka/Pleasant Point n=4, Geraldine n=5  
 2. CF1. Which of the following facilities have you visited in the last year?  
 3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?



Satisfaction with the *museum* remains high among residents, although *user satisfaction* is lower than its level in 2017/18

**Community Facilities: The museum<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

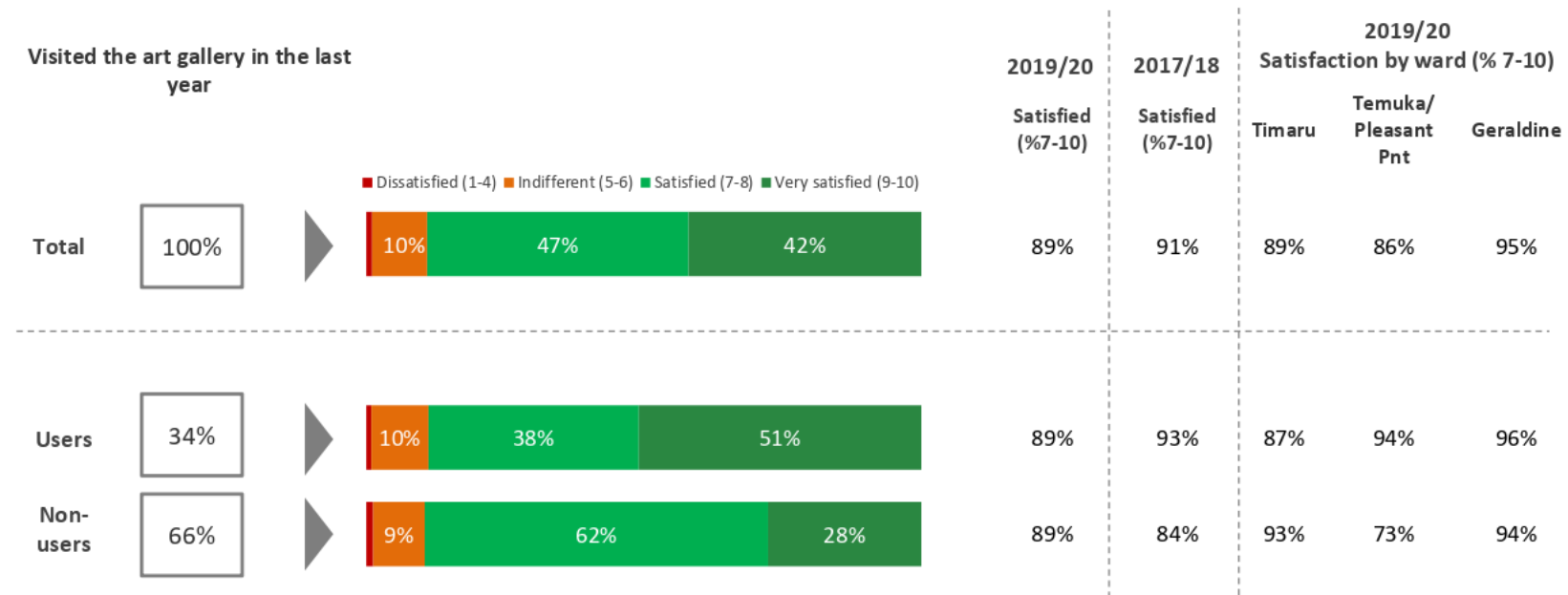
Significantly higher than the other ward (s)  
Significantly lower than the other ward (s)

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=168, Timaru n=105, Temuka/Pleasant Point n=27, Geraldine n=36; Non-users n=90, Timaru n=59, Temuka/Pleasant Point n=15, Geraldine n=16  
 2. CF1. Which of the following facilities have you visited in the last year?  
 3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?



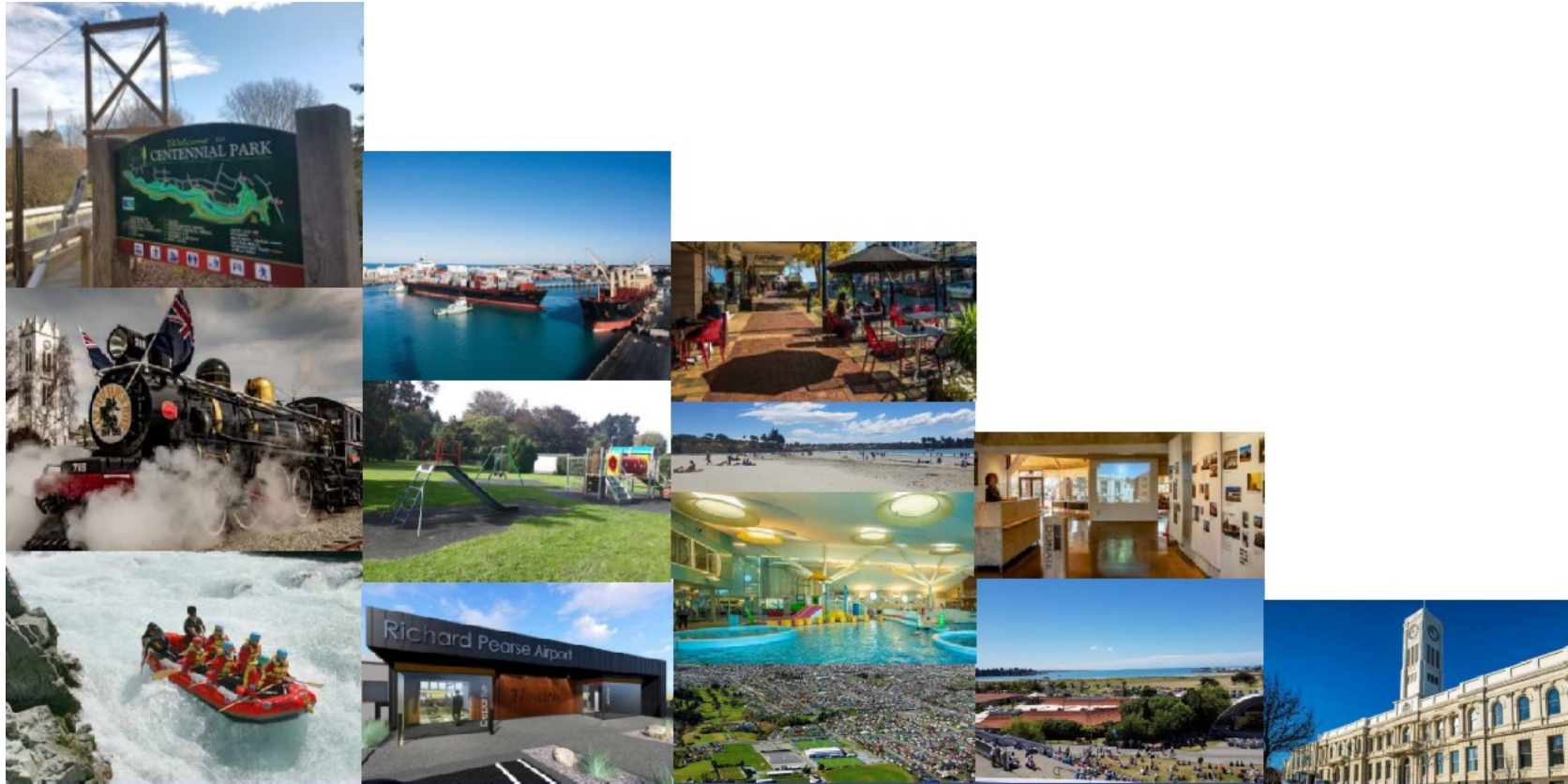
Satisfaction with the *art gallery* is high among recent *visitors* and those *who have not visited* the facility in the last year

**Community Facilities: The art gallery<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES:  
 1. Sample: 2017/8 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses; 2019/20 Users n=127, Timaru n=87, Temuka/Pleasant Point n=20, Geraldine n=20; Non-users n=85, Timaru n=54, Temuka/Pleasant Point n=15, Geraldine n=16  
 2. CF1. Which of the following facilities have you visited in the last year?  
 3. CF4. Based on your experience and impressions, how would you rate your overall satisfaction with each of the following facilities?



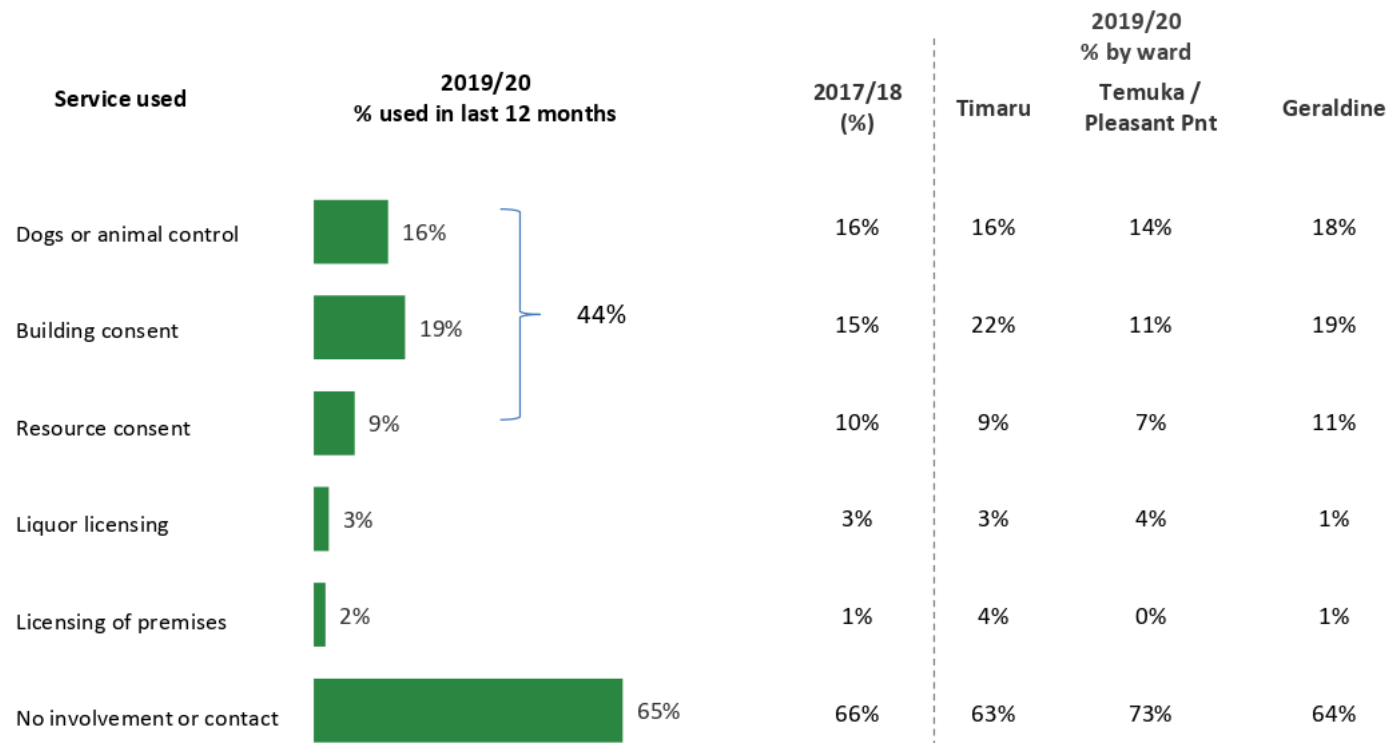
# Regulatory services





More than four out of ten residents (44%) have had involvement with *dog or animal control*, *building consents* and *resources consents* services in the last 12 months

**Regulatory services: Direct contact in relation to**



NOTES:

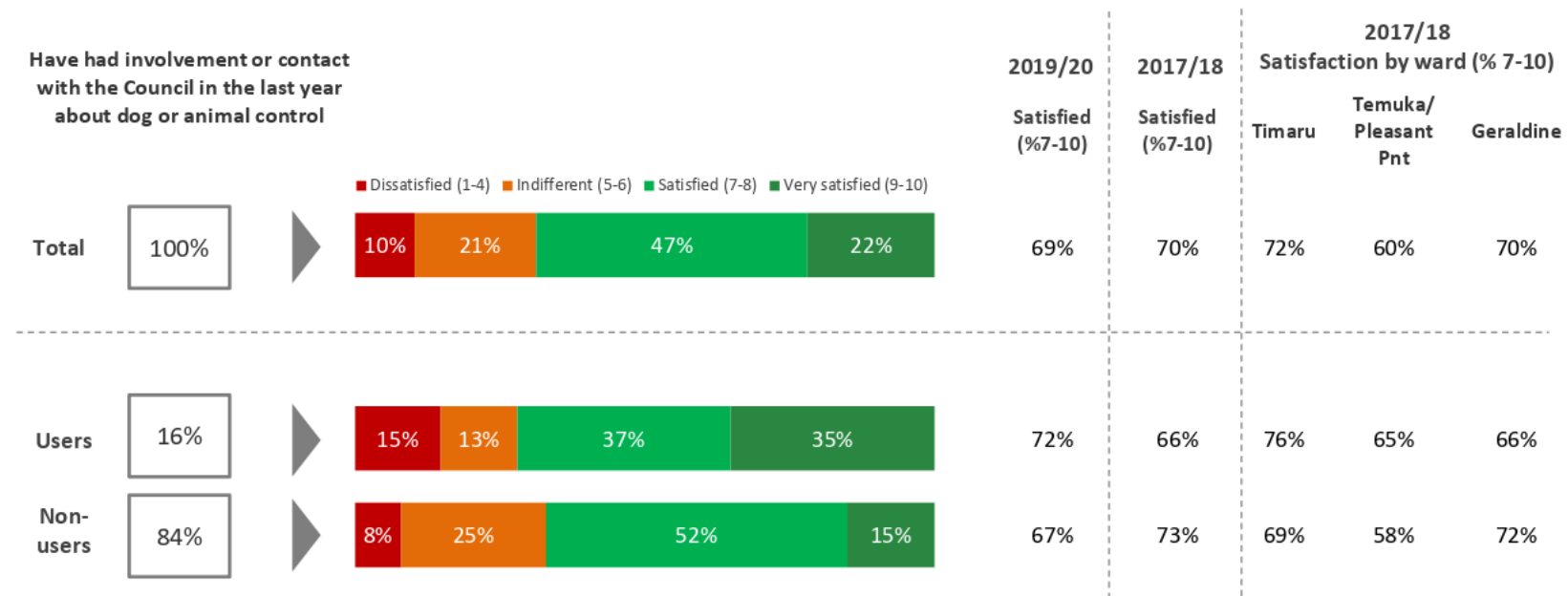
1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89
2. OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following?  
[Multiple Response]





Out of those who have contacted the Council about *dog or animal control*, more than seven out ten(72%) are satisfied with the Council’s performance with this service

**Regulatory services: Dog or animal control<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

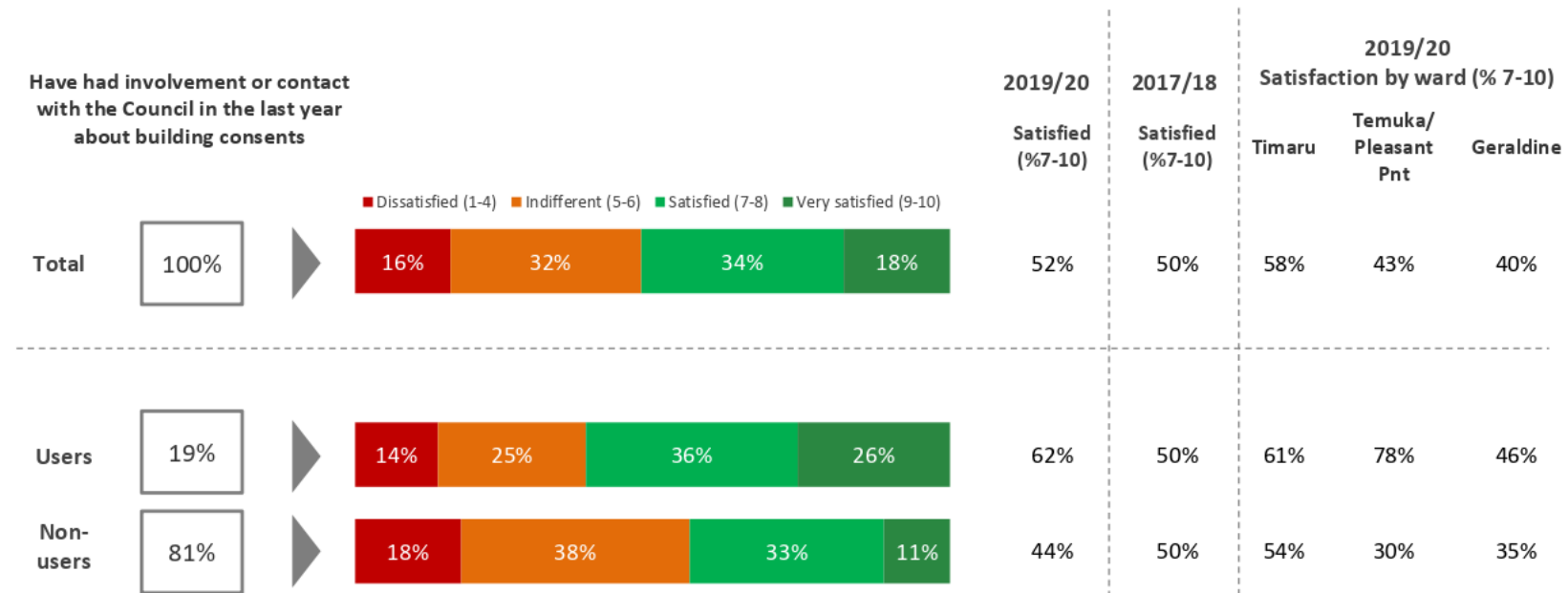
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; 2019/20 Users n=60, Timaru n=33, Temuka/Pleasant Point n=11, Geraldine n=16; Non-users n=118, Timaru n=65, Temuka /Pleasant Point n= 28, Geraldine n=25
2. OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following? [Multiple Response]
3. OS2. Based on your experience or impressions, how satisfied are you with the Council’s performance in providing each of these services?



Satisfaction among those who have had contact with Council about *building consents* in the past year has increased compared with its level in 2017/18

**Regulatory services: Building consents<sup>(1)(2)(3)</sup>**



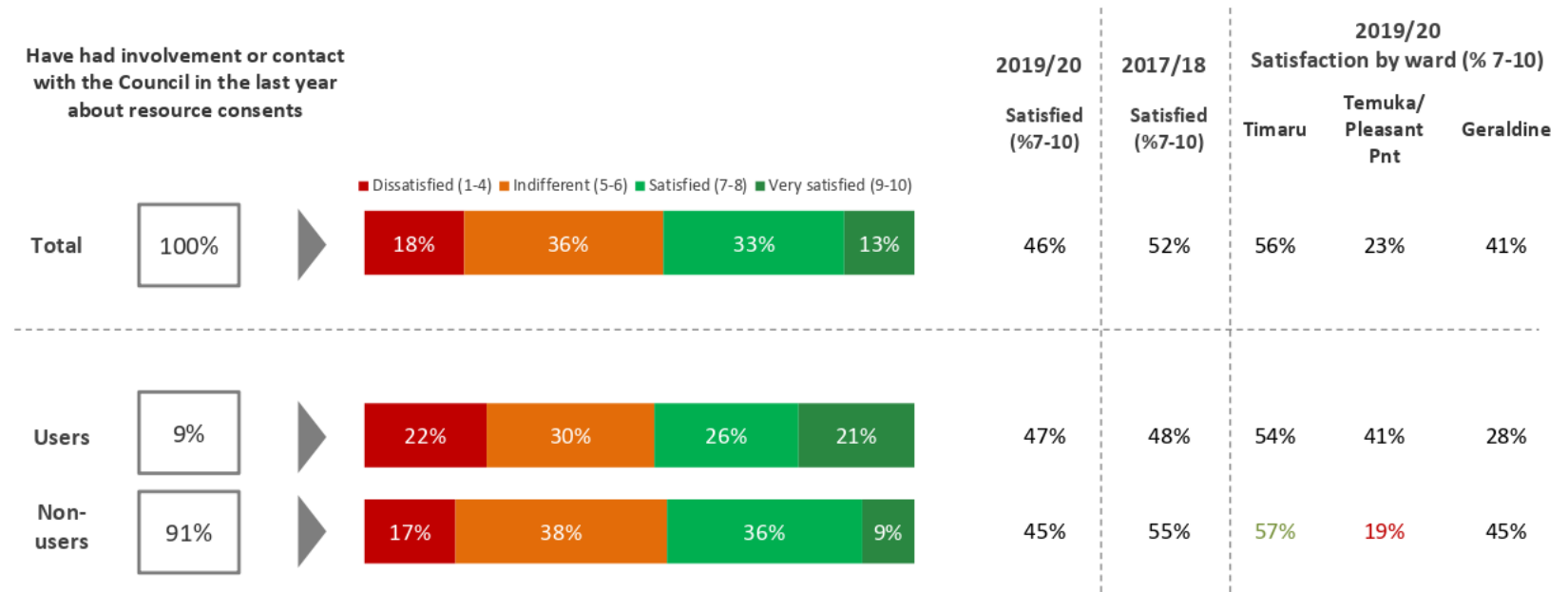
Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; 2019/20 Users n=75, Timaru n=49, Temuka/Pleasant Point n=9, Geraldine n=17; Non-users n=89, Timaru n=40, Temuka/Pleasant Point n=24, Geraldine n=25  
 2. OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following? [Multiple Response]  
 3. OS2. Based on your experience or impressions, how satisfied are you with the Council's performance in providing each of these services?



While relatively few have been directly involved with a *resource consents*, almost half of them (47%) are satisfied with the service

**Regulatory services: Resource consents<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

*Significantly higher than the other ward (s)*  
*Significantly lower than the other ward (s)*

NOTES:

- Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; 2019/20 Users n=35, Timaru n=20, Temuka/Pleasant Point n=5, Geraldine n=10; Non-users n=90, Timaru n=42, Temuka/Pleasant Point n=22, Geraldine n=26
- OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following? [Multiple Response]
- OS2. Based on your experience or impressions, how satisfied are you with the Council's performance in providing each of these services?

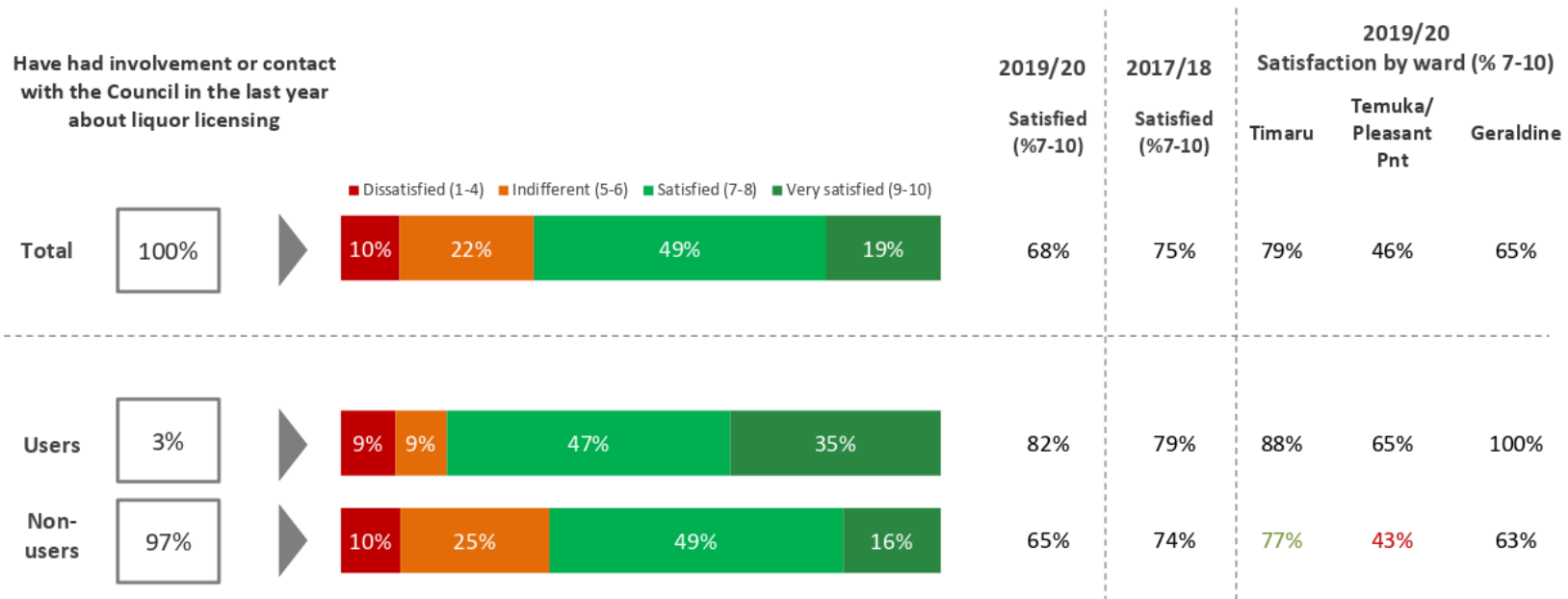




Report | June 2020

Users of the *liquor licensing* service are mostly satisfied (82%); more than six out of ten non-users (65%) perceive that the Council is doing a good job in the provision of the service

**Regulatory services: Liquor licensing<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

Significantly higher than the other ward (s)  
Significantly lower than the other ward (s)

NOTES:

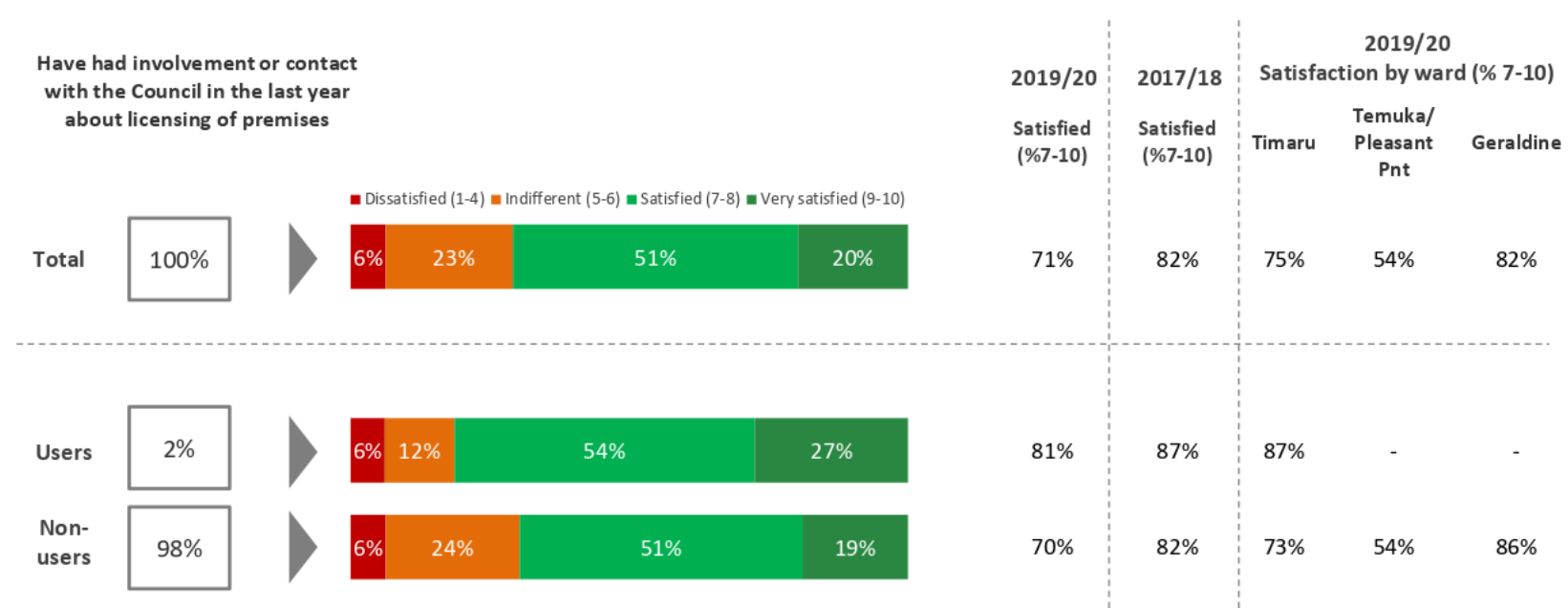
- Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; 2019/20 Users n=12, Timaru n=8, Temuka/Pleasant Point n=3, Geraldine n=; Non-users n=73, Timaru n=36, Temuka/Pleasant Point n=19, Geraldine n=18
- OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following? [Multiple Response]
- OS2. Based on your experience or impressions, how satisfied are you with the Council's performance in providing each of these services?



Report | June 2020

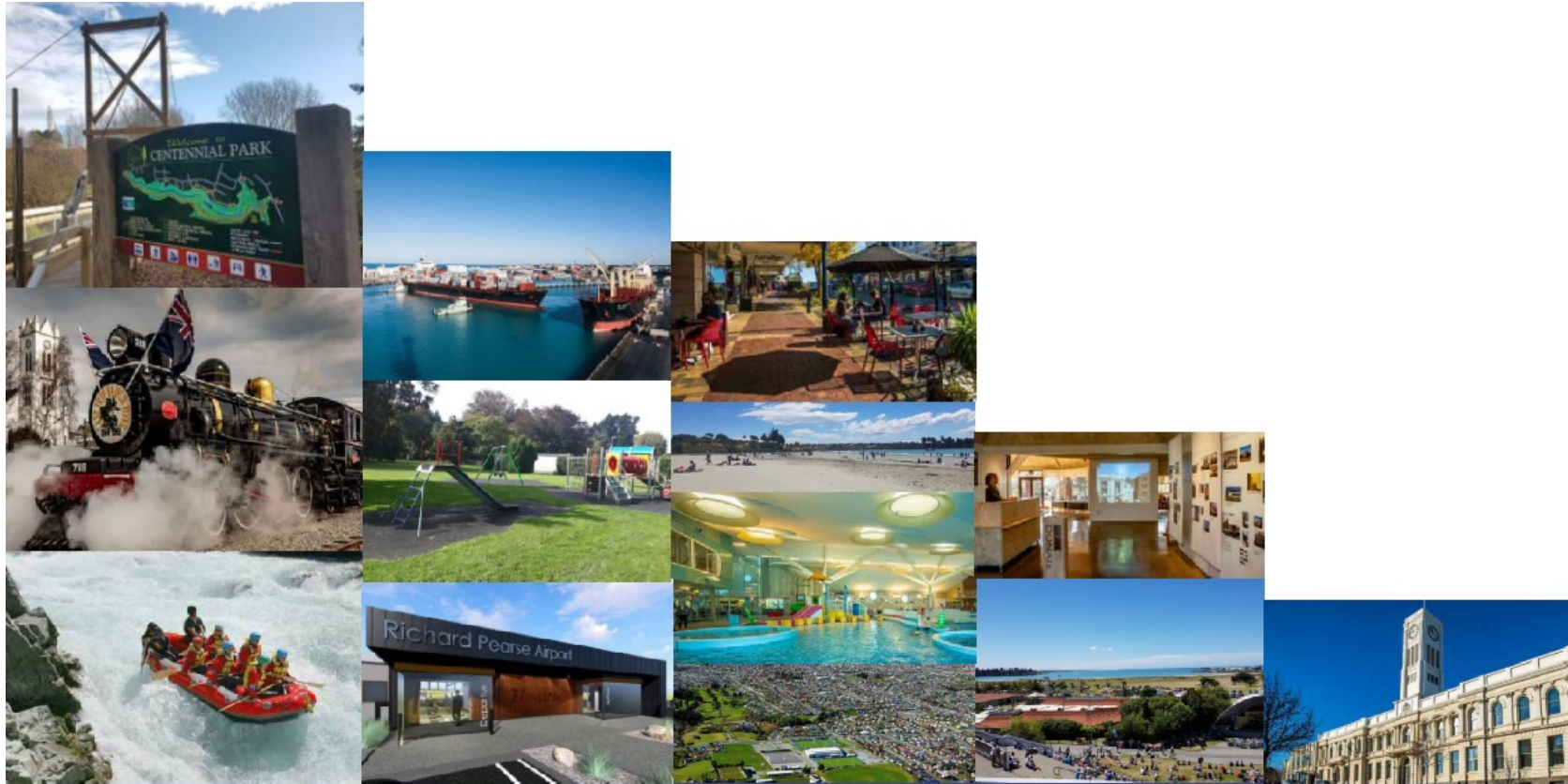
Perceptions are generally positive among the few residents who have had direct involvement in the *licensing of premises*

**Regulatory services: Licensing of premises<sup>(1)(2)(3)</sup>**



Caution: Sample size is small for non-users. A sample less than n=30 is considered too small to be conclusive

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; 2019/20 Users n=8, Timaru n=7, Temuka/Pleasant Point n=0, Geraldine n=1; Non-users n=80, Timaru n=38, Temuka/Pleasant Point n=21, Geraldine n=21  
 2. OS1. Council also provides a range of other services. In the last year have you had any direct involvement or contact with Council in relation to any of the following? [Multiple Response]  
 3. OS2. Based on your experience or impressions, how satisfied are you with the Council's performance in providing each of these services?



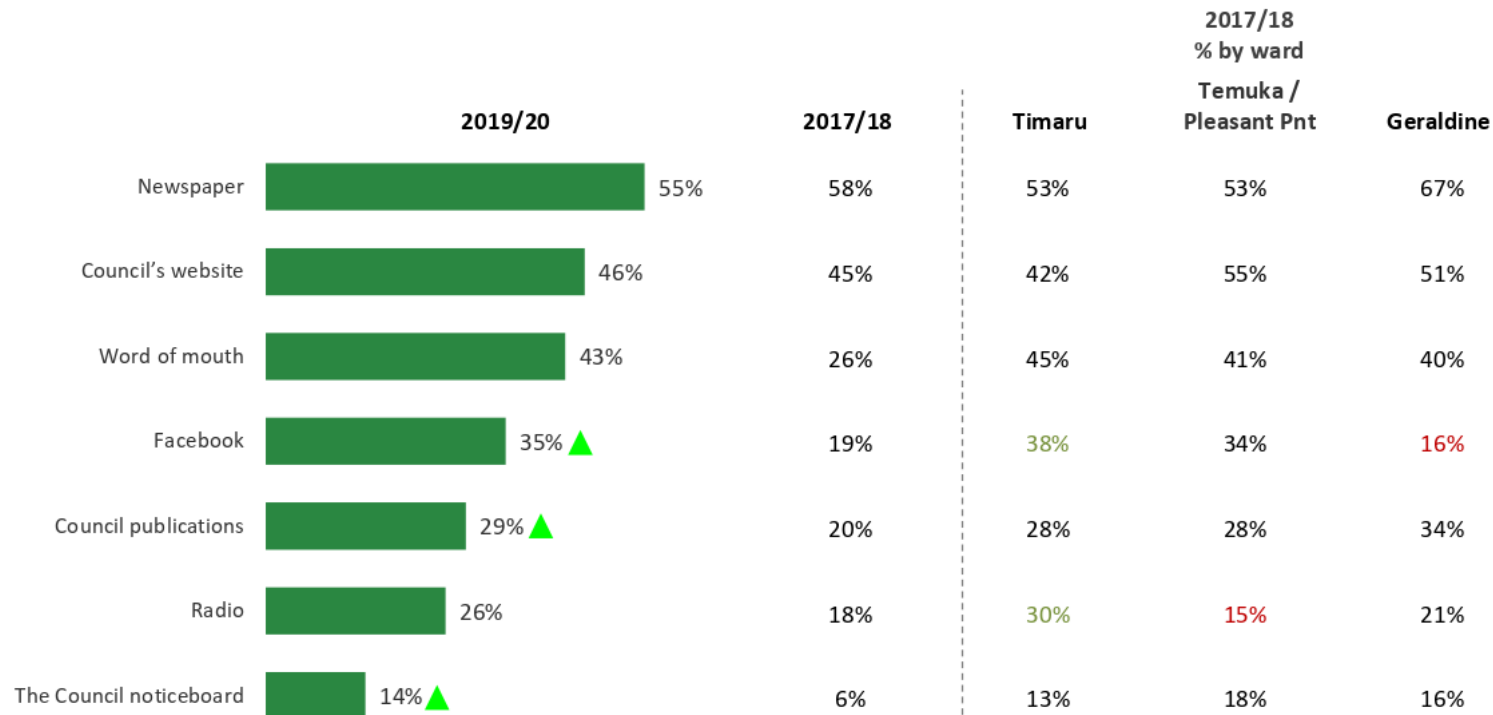
# Communications





Most residents use the *newspaper* (55%) or the *website* (46%) as their main sources in keeping up-to-date with Council activities; the proportion of residents who rely on *Facebook* and *Council publications* has increased since 2017/18

**Communication: Sources used to keep up to date with Council<sup>(1)(2)</sup>**



▲ Significantly higher compared with 2017/18

▼ Significantly lower compared with 2017/18

Significantly higher than the other ward (s)

Significantly lower than the other ward (s)

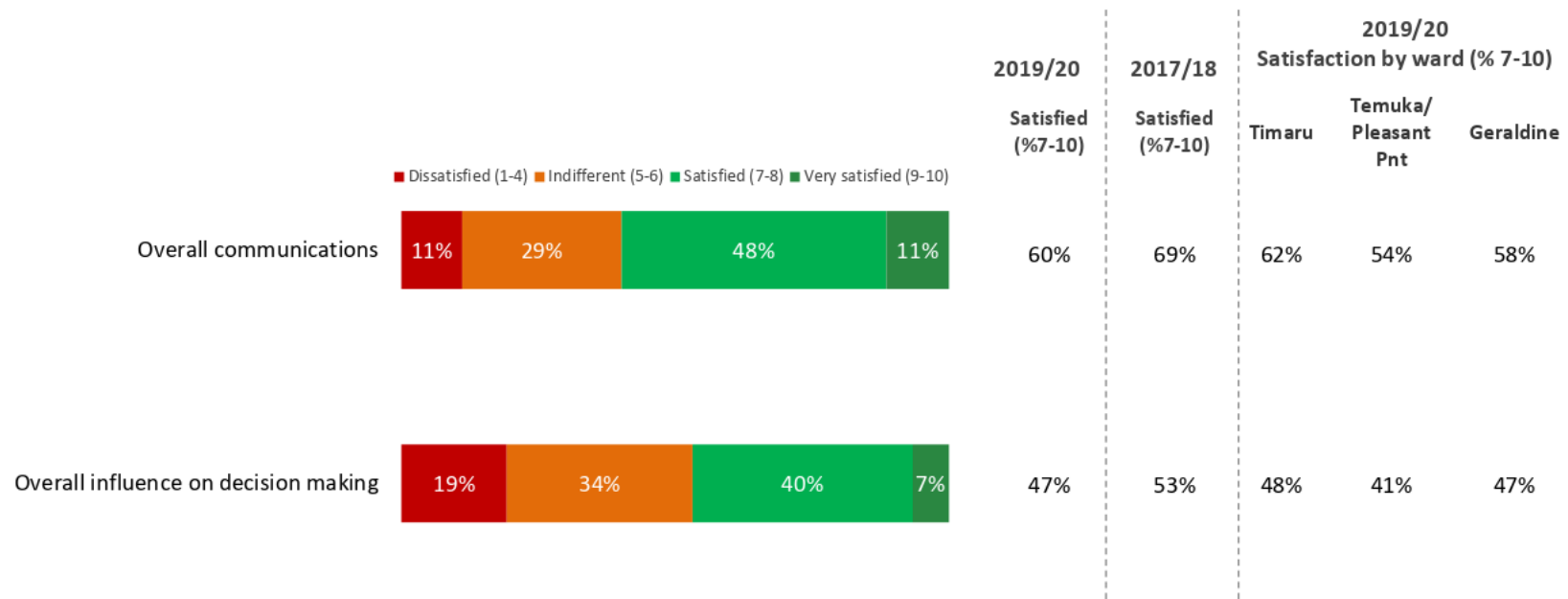
NOTES:

1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89
2. CM1. Which of the following sources do you use for information about the Council? [Multiple Response]



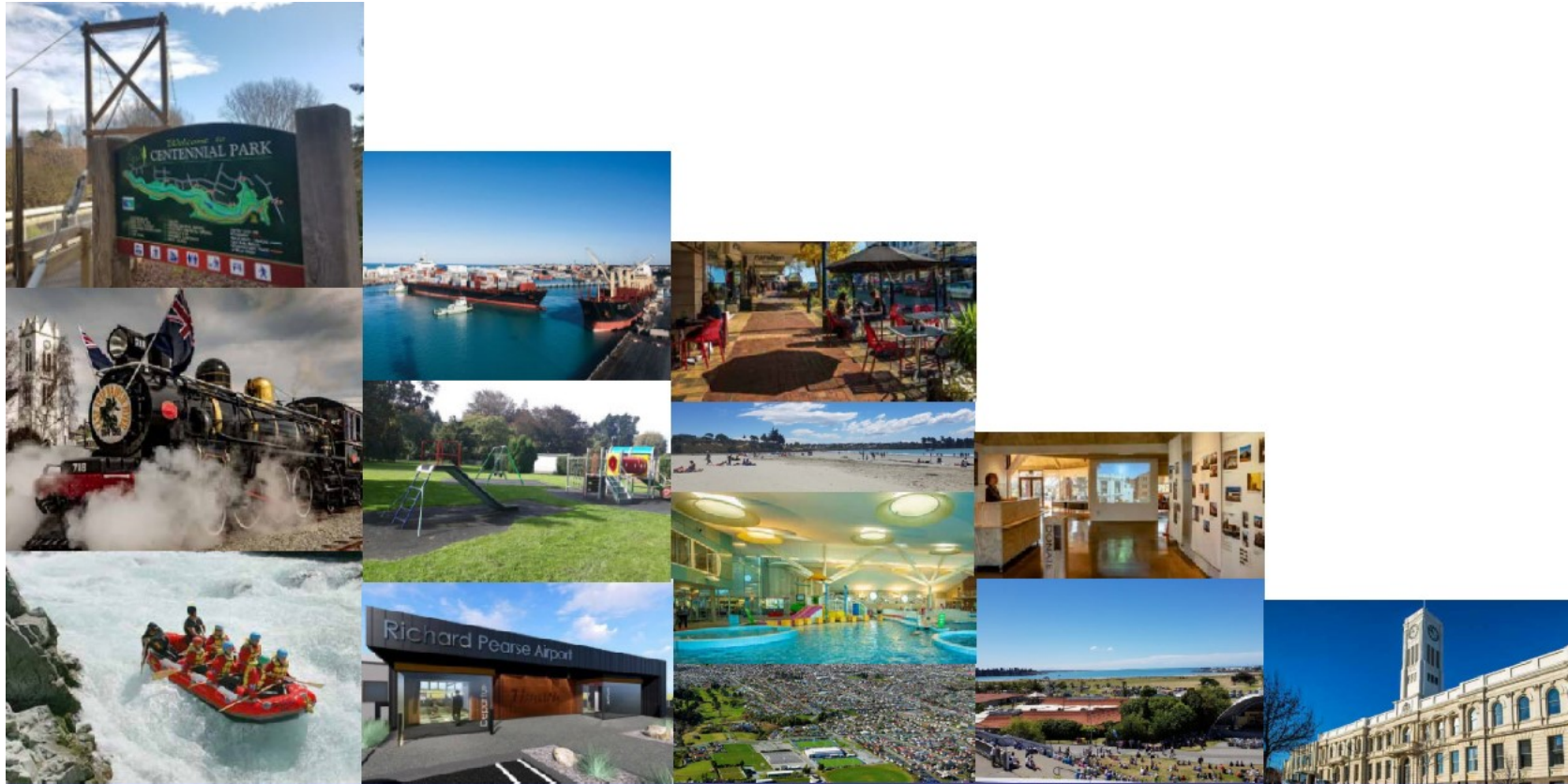
Three out of five residents (60%) are satisfied with Council’s *communications*; there has been a decrease in the level of satisfaction around *communications* and the *influence residents have on decision-making* compared with 2017/18

**Communication: Satisfaction**<sup>(1)(2)(3)</sup>



NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89; Excludes don't know responses  
 2. CM2. How would you rate Council for keeping the public informed and involved in its decision making?  
 3. CM3. And how satisfied are you with the level of influence that residents have on Council's decision making?





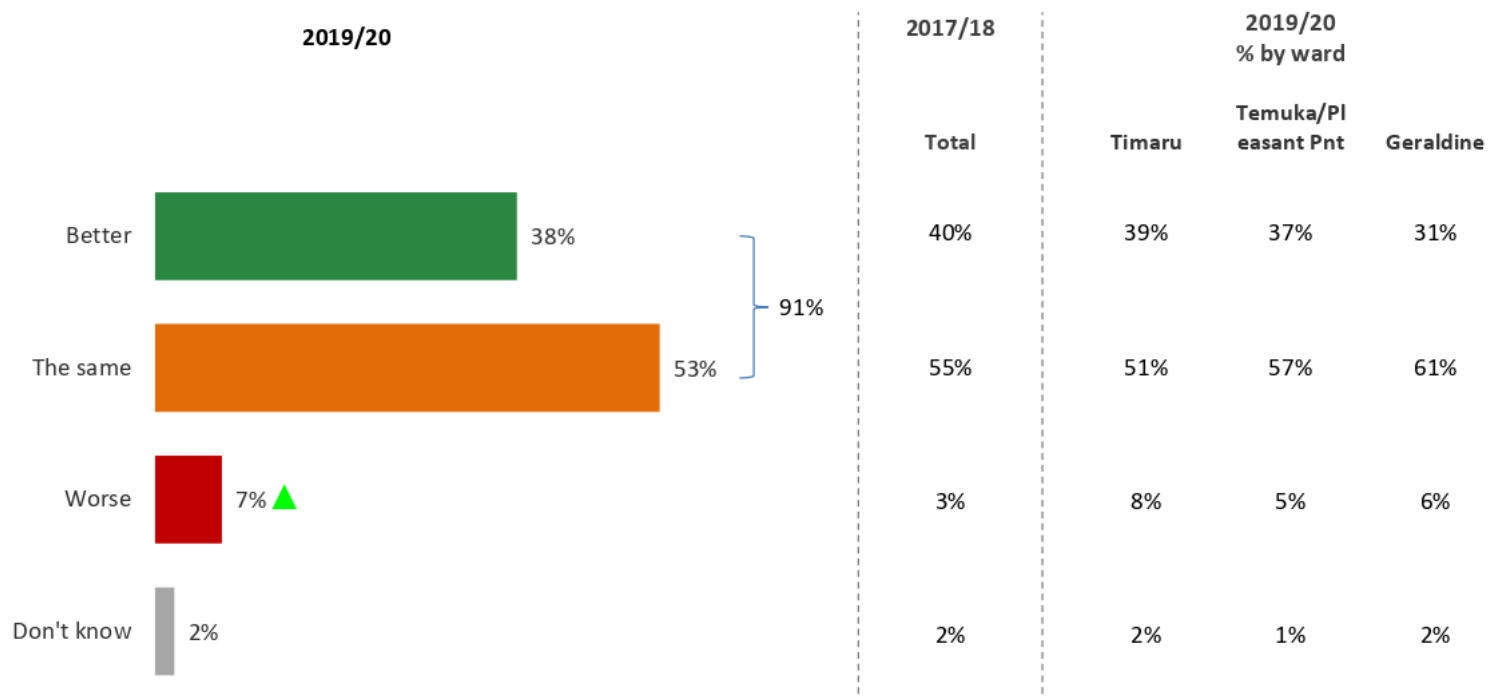
## The Timaru District environment





More than nine out of ten residents (91%) perceive Timaru to be at least as good a *place to live* as it was three years ago

**Timaru as a place to live<sup>(1)(2)</sup>**



▲ Significantly higher compared with 2017/18  
▼ Significantly lower compared with 2017/18

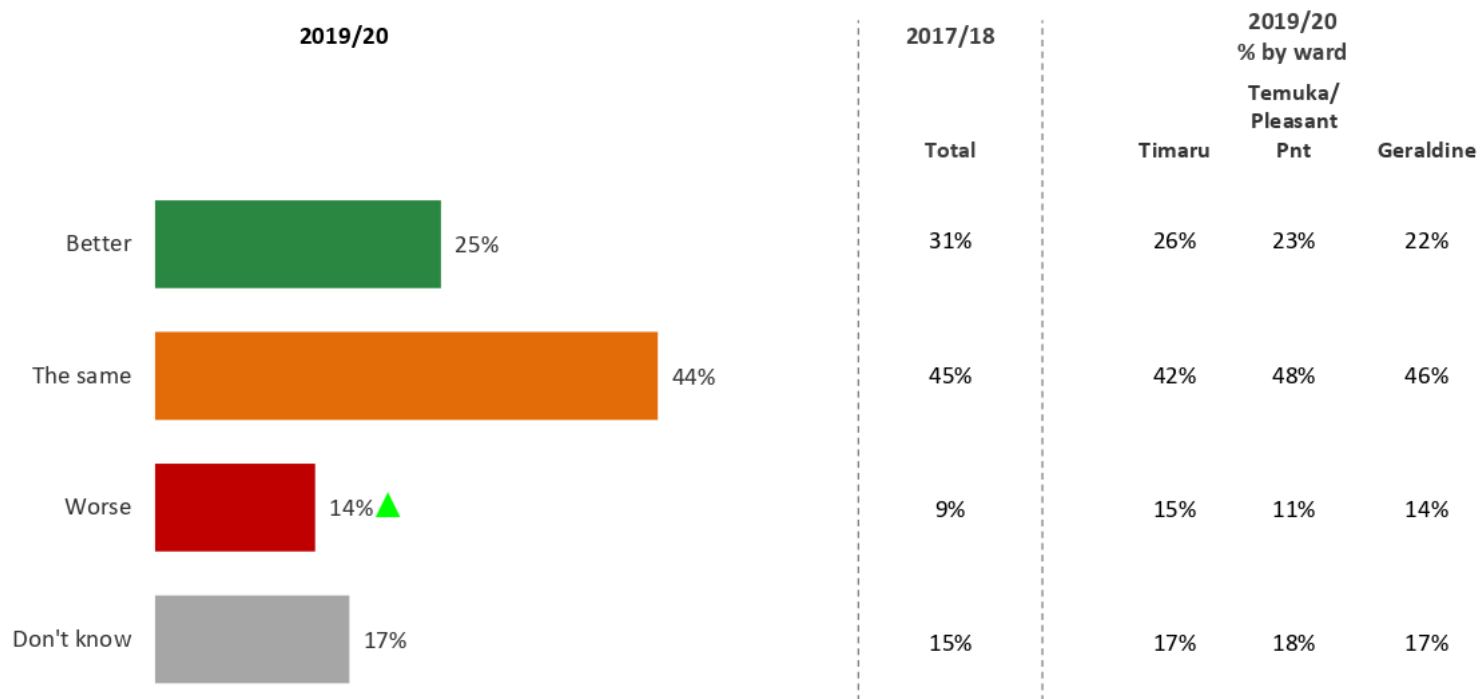
NOTES:  
1. Sample 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89  
2. SD1. Would you say the district is better, about the same or worse as a place to live compared with three years ago?





A quarter of residents (25%) think that Timaru is a *better place to do business* compared with three years ago

**Timaru as a place to do business<sup>(1)(2)</sup>**



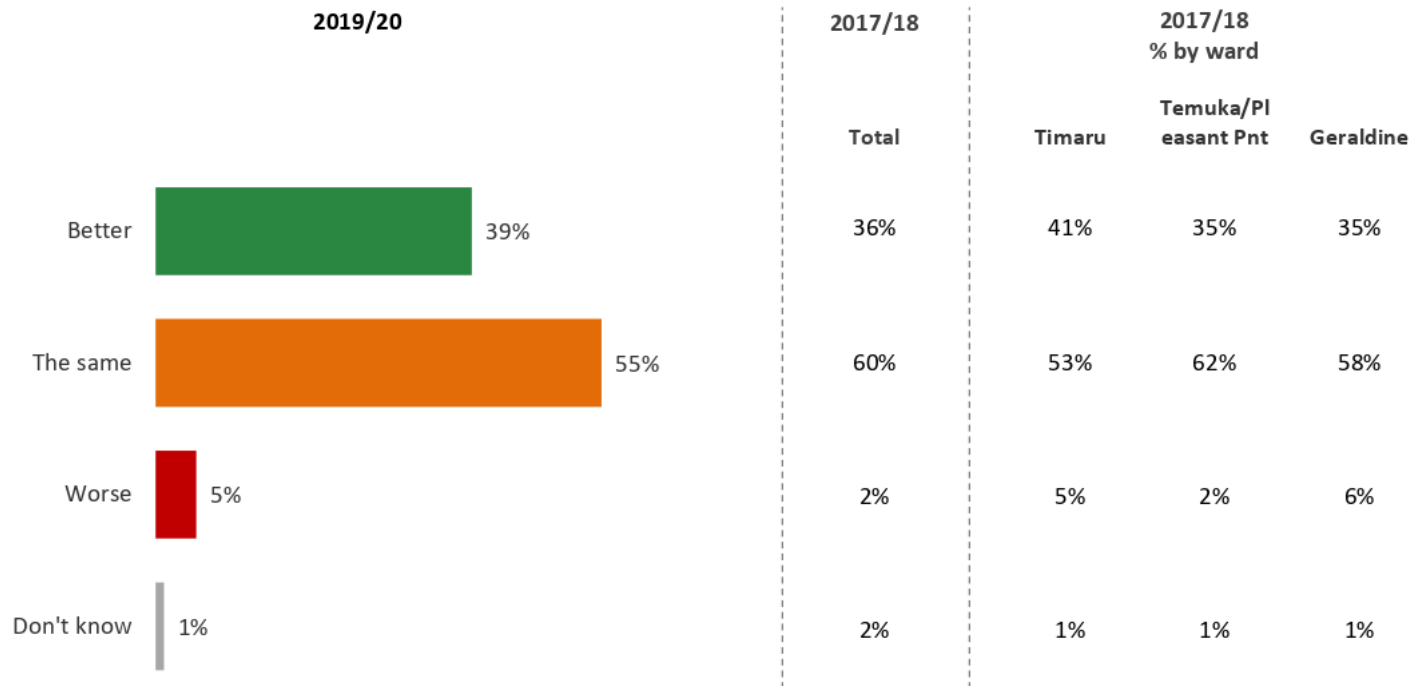
▲ Significantly higher compared with 2017/18  
 ▼ Significantly lower compared with 2017/18

NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89  
 2. SD2. Would you say the district is better, about the same or worse as a place to do business compared with three years ago?



More than a third of residents (39%) believe that the *quality of life* in Timaru is *better* than it was three years ago

**Timaru overall quality of life<sup>(1)(2)</sup>**

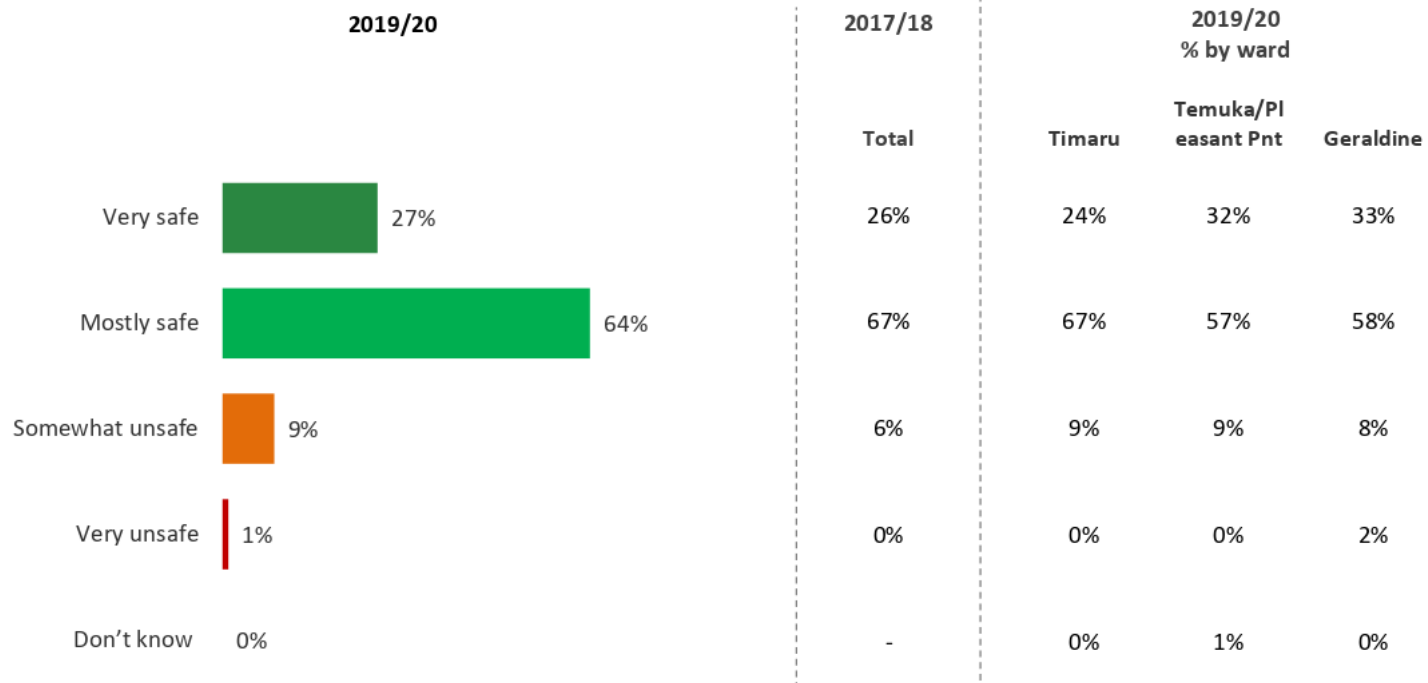


NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89  
 2. SD3. And how would you rate the overall quality of life in the district. Would you say it is...

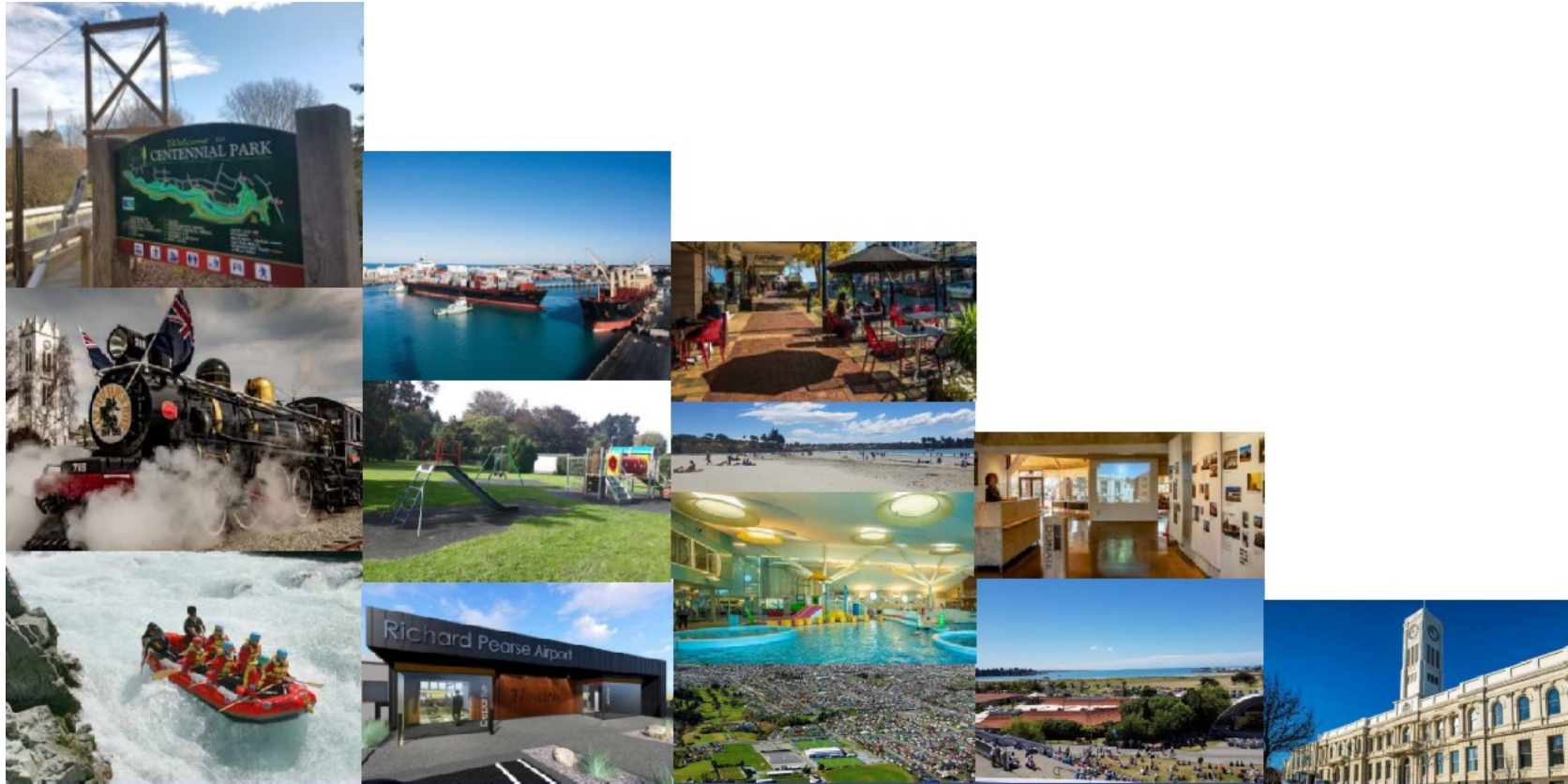


More than nine in ten residents (91%) perceive Timaru as *mostly safe* (64%) or *very safe* (27%)

**Timaru overall perception of safety<sup>(1)(2)</sup>**



NOTES:  
 1. Sample: 2017/18 n=402; 2019/20 n=401; Timaru n=232, Temuka/Pleasant Point n=80, Geraldine n=89  
 2. SD4. And how would you describe your perception of safety in the district. Would you say that the district is..



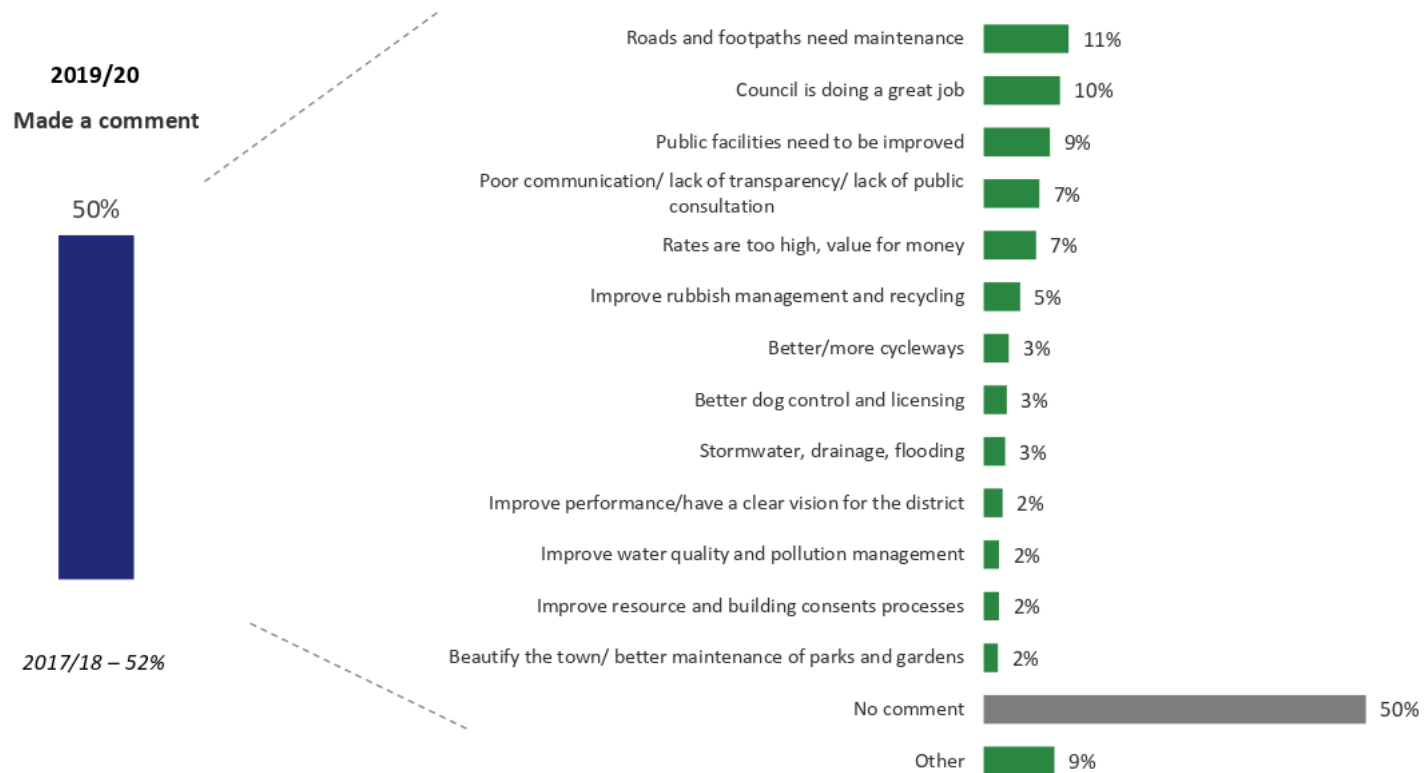
## General comments





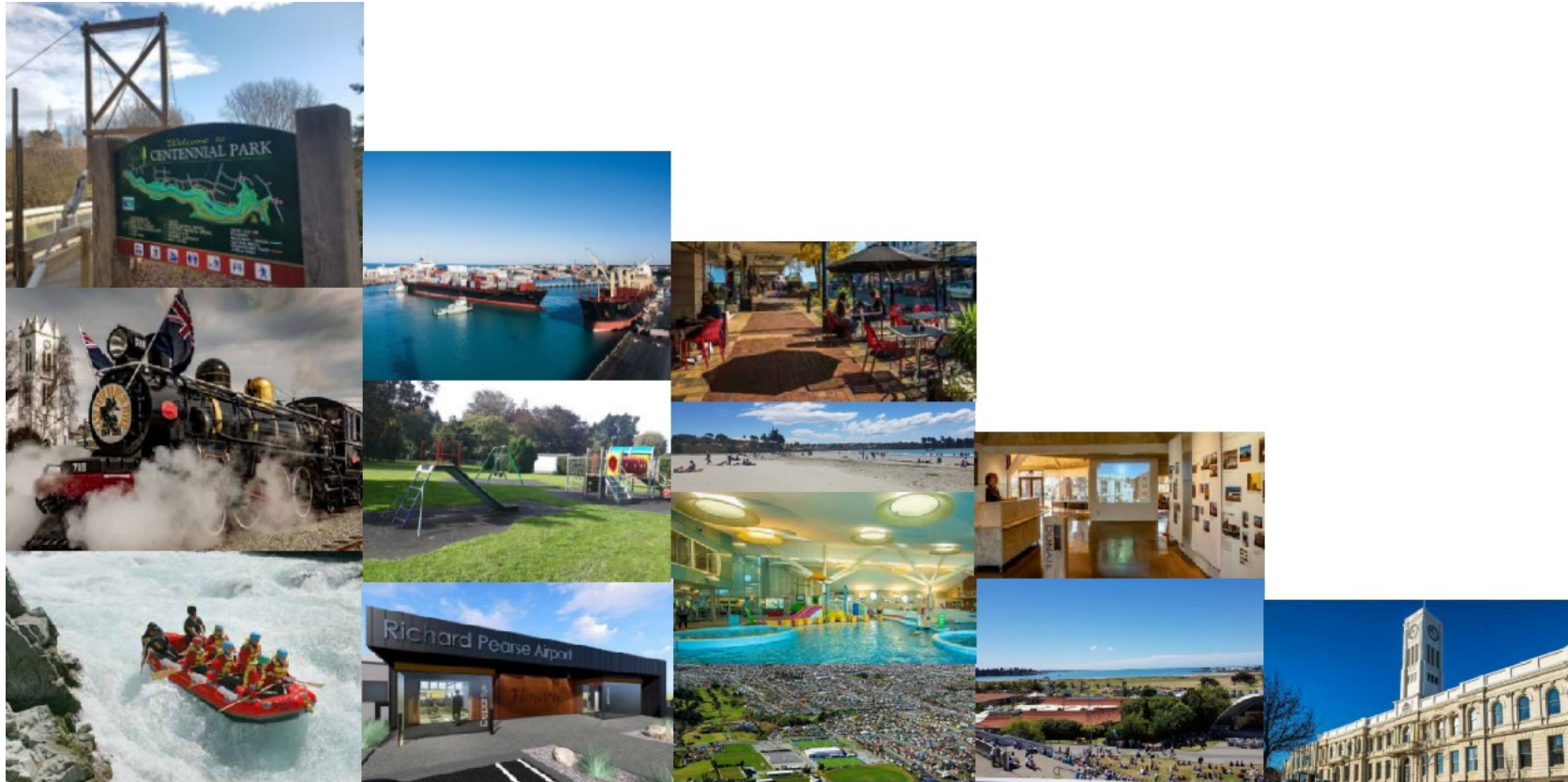
Some of the comments about Timaru District Council relate to the *maintenance of roads and footpaths* and *improvement of public facilities*

**General comments<sup>(1)(2)</sup>**



NOTES:  
 1. Sample: n=401  
 2. OP2. Are there any other comments that you would like to make about the Timaru District Council?





## Sample profile



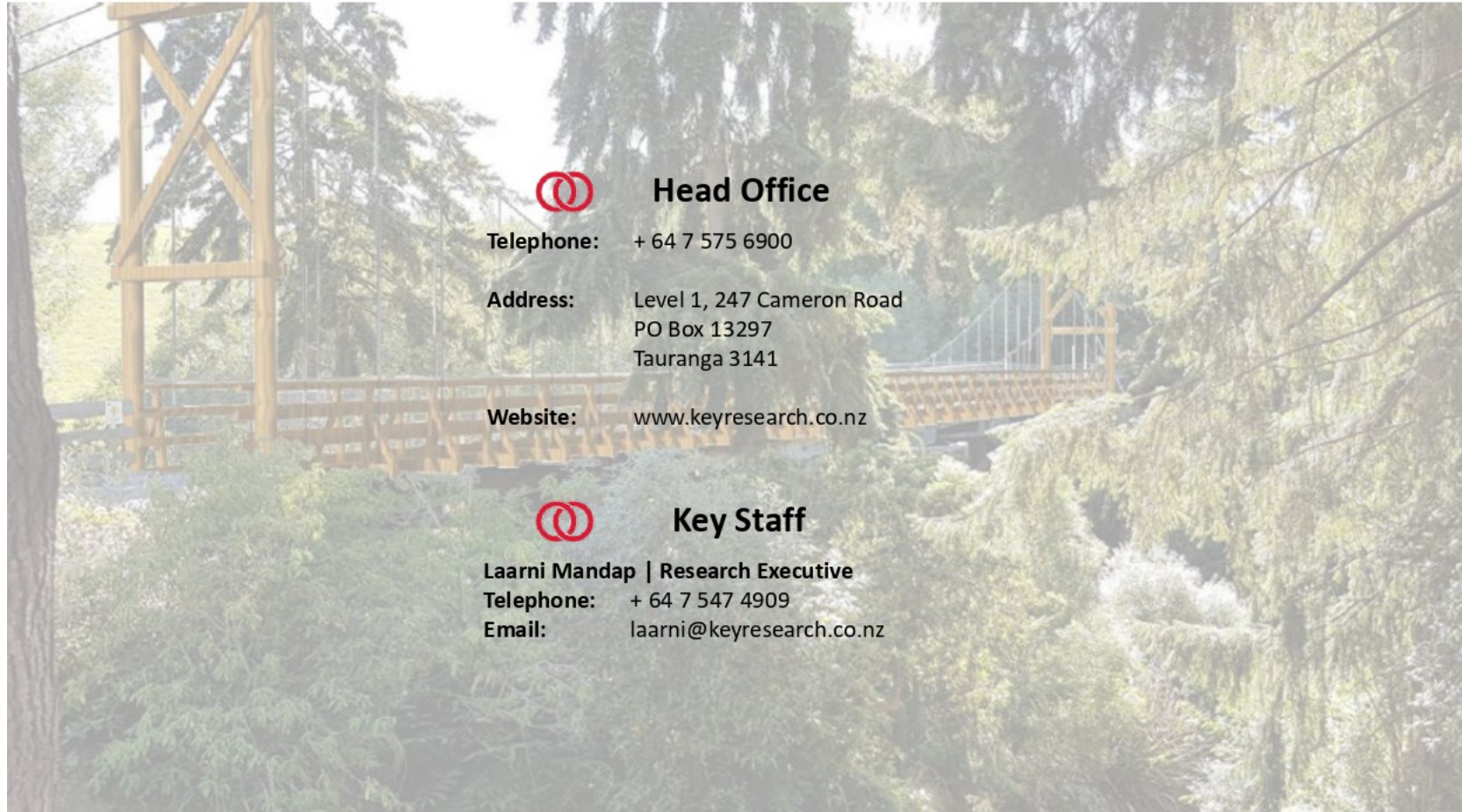


## Sample profile

Age	%	Weighted	Unweighted
18-49	45%	181	173
50-64	27%	108	122
65+	28%	112	106
<i>Total</i>	<i>100%</i>	<i>401</i>	<i>401</i>
Ethnicity (Prioritised)	%	Weighted	Unweighted
Maori	7%	27	28
All others	93%	374	373
<i>Total</i>	<i>100%</i>	<i>401</i>	<i>401</i>
Ward	%	Weighted	Unweighted
Timaru	13%	51	89
Temuka / Pleasant Pnt	66%	266	232
Geraldine	21%	84	80
<i>Total</i>	<i>100%</i>	<i>401</i>	<i>401</i>
Number of people in home	%	Weighted	Unweighted
One or two	56%	226	231
Three to five	40%	160	155
Six or more	4%	14	15
<i>Total</i>	<i>100%</i>	<i>401</i>	<i>401</i>

Years lived in Timaru	%	Weighted	Unweighted
5 years or less	4%	17	18
6 to 10 years	7%	27	28
Over 10 years	89%	357	355
Unsure	0%	0	0
<i>Total</i>	<i>100%</i>	<i>402</i>	<i>402</i>
Pay rates	%	Weighted	Unweighted
Pay rates	97%	389	389
Do not pay rates	1%	5	5
Renting	2%	7	7
Don't know	0%	0	0
<i>Total</i>	<i>100%</i>	<i>402</i>	<i>402</i>
Description of area	%	Weighted	Unweighted
Urban area	69%	276	264
Semi urban area	14%	58	59
Rural area	17%	67	78
<i>Total</i>	<i>100%</i>	<i>401</i>	<i>401</i>





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**Email:** [laarni@keyresearch.co.nz](mailto:laarni@keyresearch.co.nz)



## 9.5 Timaru District Holdings Limited Director Fees

**Author:** Bede Carran, Chief Executive

**Authoriser:** Bede Carran, Chief Executive

### Recommendation

That Council sets the fees for:

1. The Timaru District Holdings Limited Chair at \$*<<to be determined by Council>>*.
2. The Timaru District Holdings Limited Deputy Chair at \$*<<to be determined by Council>>*.
3. The Timaru District Holdings Limited Director at \$*<<to be determined by Council>>*.

### Purpose of Report

- 1 To determine the directors' fees for Timaru District Holdings Limited.

### Assessment of Significance

- 2 This matter has a low significance in terms of Council's Significance and Engagement Policy.

### Background

- 3 The Director fees for Timaru District Holdings Limited (TDHL) were last set in 2014. They are set by Council as the shareholder.
- 4 The current annual directors' fees are: \$31,414 for the chair, \$21,541 for the deputy chair (note that the current deputy chair on his own volition receives the directors' fee only and does not take the additional amount for the deputy chair) and \$18,000 for Directors.
- 5 As part of the current appointment process of selecting and appointing new directors, it is timely to review the fees.
- 6 The Director Appointment and Remuneration Policy states:

*Remuneration of directors of council controlled organisations is a matter of public interest.*

*Remuneration and changes to it will therefore require Council approval, and will be based on the nature of the organisation, market rates for comparable positions and any specific process for determining remuneration specified in the organisation's constitution.*

### Discussion

- 7 An independent assessment of the fees (as attached) has been undertaken by Institute of Directors (IoD). In terms of providing relevant director fee comparisons it does so in the context of lower, median and upper quartiles.
- 8 The report also provides context and analysis on directors' fees for Elected Member Directors and whether there should be a differential paid to them vis-à-vis independent directors. The IoD report concludes that the better practice is that there is no differential and that elected member directors and independent directors are remunerated equally.

- 9 It is proposed that changes in the directors' fees will take affect when the new Directors are appointed at the TDHL Annual General Meeting which is anticipated to be in November 2020.

**Options and Preferred Option**

- 10 Council sets the directors' fees. In respect of options it can continue the existing director payments or set them at a different level as it sees appropriate in terms of its policy.

**Consultation**

- 11 The IoD report was commissioned to provide independent and objective advice on directors' fees for Council as shareholder to consider.

**Relevant Legislation, Council Policy and Plans**

- 12 Director Appointment and Remuneration Policy, TDHL constitution, Companies Act 1993.

**Financial and Funding Implications**

- 13 TDHL Director fees are funded from the TDHL operational budget and do not affect Council budgets.

**Other Considerations**

- 14 Not applicable

**Attachments**

1. **Timaru District Holdings Limited Director Fees Review - Institute of Directors** [↓](#)



# Governance **Services** **Director Fees**

## Benchmarking Review

**Prepared for Timaru District Holdings Limited**  
July 2020

Version: final report

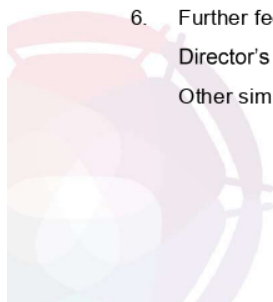


*This report has been prepared as guidance for the board of Timaru District Holdings Limited, and is not intended to be prescriptive or exhaustive or used or relied upon by any other organisation. It contains our benchmarking analysis using remuneration data provided by members in our annual survey on director remuneration, information supplied by Timaru District Holdings Limited and other publicly-available sources of information. The report is an independent assessment of appropriate fees for board members of Timaru District Holdings Limited and has been prepared free from any influence from organisation management, any board member or any other party in relation to the services provided or outcomes of those services.*

*The Institute of Directors (IoD) believes the information it provides about comparable entities is accurate at the time it is provided. The IoD provides no warranty (either expressed or implied) in relation to the completeness, accuracy or currency of any information provided about any comparator or third party organisation, and cannot be held liable for the consequences of any actions taken or not taken on the basis of such information.*

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Fees Tailored TDHL – July 2020

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# 1. Executive summary

## Foreword

Timaru District Holdings Limited (TDHL) has commissioned the Institute of Directors in NZ Inc. (IoD) to undertake a formal review of board fees. Our normal approach and analysis is set out in this report. However, since COVID-19 has become a global pandemic, we are now all operating in extraordinary times. The board will need to consider this in its fee decisions, taking into account the specific circumstances of the organisation and any other factors related to the impacts of the pandemic on the current operating environment.

## Introduction

Directors serve in an increasingly demanding and complex operating environment influenced by factors including the current pandemic, technology, climate change, and shifting demographics and societal expectations. Good governance and leadership is more important than ever to face these challenges and a key element of this is to have a robust approach to reviewing and setting board fees.

With an increasing trend of laws and regulation extending director responsibilities and liability, setting fees at the right level is essential to attracting and retaining directors with the right skills and expertise to deliver long-term value to the organisation.

Setting fees for public companies and CCOs can be challenging. A 'public good' element may be expected, with lower fees being set on the basis that directors are obliged to 'give back'. The disadvantage of this approach becomes clear when significant calls are made on directors' time. In addition, roles with lower fees may not attract the best-qualified individuals. The challenge is to find a way of remunerating CCO directors that properly values contribution, and can attract and retain the best talent.

Organisations should support and justify board fees with good disclosure, governance and accountability practices. This means demonstrating that fees have been set using robust processes and data.

## Purpose and scope

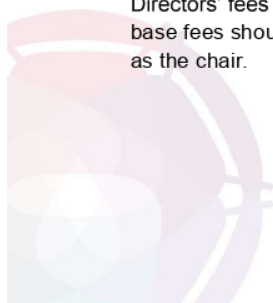
TDHL has asked the Institute of Directors in NZ Inc. (IoD) to undertake a formal review of board fees. You have asked that this review include comment on the approach to fee levels for both independent and elected board members. This document sets out the approach taken, the relevant background information and our independent assessment of appropriate fee range benchmarks for your directors. In carrying out this assignment, the IoD has considered the following:

- Information supplied by TDHL
- Data from the latest available annual IoD Directors' Fees survey
- Data, where available, on fees in organisations of a similar type or size
- Other confidential sources of fee data that the IoD holds

Our recommendations are formed from our considered judgement, and are provided as guidance. The final decision on fees is the ultimate responsibility of the organisation.

## Summary of approach

Directors' fees are a 'fee for service' rather than a salary. In line with the principle of collective responsibility, base fees should be shared equally as a rule, except in the case of additional responsibility of workload such as the chair.



Fees Tailored TDHL – July 2020

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The IoD encourages an open and transparent process to setting director fees. A fee benchmarking exercise is a suitable approach to determining whether your organisation's director fees are fair and appropriate, and it is important to review benchmarks across a wide range of relevant criteria. The IoD provides a recommended range of fees for your board roles based on:

- data from our latest directors' fees survey, giving a broad picture of fees in the market relevant to your organisation type, industry and size
- additional research of fees in comparative organisations (where available),
- information provided by you on the scope and time commitments of the roles; and
- the nature and complexity of your organisations' industry or operating environment.

Fee ranges are set with the assumption that board members have achieved a level of governance competency to undertake the critical director function. Before reaching a final decision, the IoD recommends that TDHL also considers shareholder/stakeholder expectations; your own view on appropriate fee levels, as well the level of remuneration required to attract, motivate and retain appropriate candidates.

### Relevant organisation background

TDHL is a Council Controlled Organisation (CCO), 100% owned by Timaru District Council (TDC). TDHL is an investor in companies in which Council has a substantial interest, specifically:

- Alpine Energy Ltd – 47.5% shareholding
- PrimePort Timaru Ltd – 50% shareholding

TDHL also owns a portfolio of investment properties surrounding the port in Timaru. The objective of TDHL is to provide strong commercial oversight on behalf of TDC, in respect of the governance of companies providing economic and community benefit. Risk levels are moderate, with no excessive potential liability of significant reputational risks. However, the operating environment is complex, with a tighter regulatory environment and constant public scrutiny of CCOs.

The board consists of five members – two elected and three independents. Board fees were last set in 2014.

### Summary of comparator fee data

This table provides a summary of our fee research, as presented on [pages 11 to 13](#).

Data source	Fee comparator category	Director fee or range	Chair fee or range
IoD Directors' Fees Survey 2019/20	Consolidated TDHL comparator dataset – lower to median quartile	\$33,467 - \$46,105	\$46,147 - \$66,389
	CCOs with revenue of \$10.1 - \$20m – average fee	\$35,000	Sample insufficient
	CCOs with revenue of \$5.1 - \$50m – average fee	\$42,101	\$44,786
Annual reports	Other similar CCOs – average fee	\$42,944	\$69,033
	Other CCOs general – average fee	\$40,554	\$74,077
	<b>TDHL current fee</b>	<b>\$18,000</b>	<b>\$31,414</b>



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### Summary of time commitments

The estimated time commitments of the governance roles in TDHL show they align at the upper quartile of our comparator data, as presented on [pages 14 and 15](#).

Source: IoD Directors' Fees Survey	Non-executive Director			Non-executive Chair		
	Lower	Median	Upper	Lower	Median	Upper
Average time commitments in hours	104	163	228	123	186	327
TDHL	200 - 236			371		

### Supporting commentary

We have taken into account information provided to us regarding the duties, nature, complexity and risk of the board roles in TDHL. Current board fees were set over six years ago, and when viewed against similar organisations and the broader market, are shown to be well behind market benchmarks. In contrast, the duties and time commitments of the board roles are aligned at the upper quartile indicating these are demanding roles.

This presents a significant challenge to the organisation as to bring fees in line with benchmark will mean considerable fee increases, even if TDHL decides to include a 'public good' element to fee levels. Due to the potential public scrutiny and political sensitivity of such an increase, TDHL may need to consider a phased approach to such increases.

### Benchmark fee ranges

These fee ranges are considered appropriate to the roles, and representative of the wider market.

Fee Category	Benchmark fee range
Base director fee	\$35,000 - \$40,000
Chair fee	\$60,000 - \$70,000
Deputy Chair fee	\$43,750 - \$50,000

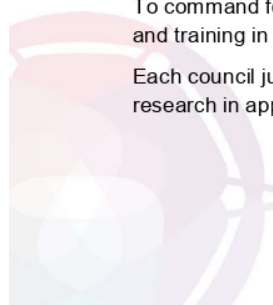
### Note on fee levels for elected versus independent directors

In principle, there is no best practice rule that suggests councillors or elected directors on subsidiary entities should be paid differently than their independent director peers. This is because directors are jointly and severally liable for the entity, with the same fiduciary duties and workload. Paying elected and independent directors the same amount is consistent with the principle of collective responsibility and that base fees should be shared equally.

TDHL could consider a lower fee on the basis that the elected councillor's position is available because of office and not merit, and constitutes part of the range of duties a councillor may be required to undertake as part of his or her duties. However, this must be balanced against the risk of under-remuneration, to avoid dilution of involvement, variable attendance at board meetings, or deterring councillors from taking up appointments.

To command fees at benchmark level each board member should have the appropriate skills, knowledge and training in governance as would reasonably be expected to carry out their functions to a high standard.

Each council jurisdiction has differing policies on this matter and we provide a summary of commentary and research in appendix 1.



## 2. Approach to setting board fees

### *Remuneration of directors should be transparent, fair and reasonable.*

Board fees continue to be a subject of scrutiny and discussion in New Zealand and overseas and setting fees can be complex. There is no 'right' or 'wrong' when it comes to setting fees because there are a multitude of factors that can influence remuneration levels. Ideally fees should be set by taking into account the individual circumstances of each organisation and the broader market context.

Generally the IoD recommends fixed fees, set annually at a level that reflects the commitment and skills your board requires and the level of liability and personal risk involved with the appointment. An overall fixed fee allows for occasional heavy workloads and takes on board the fact that director liability does not vary in relation to the number of meetings. A fixed fee approach also creates the expectation that a director will devote appropriate time to the organisation. The 2019/20 IoD directors' fees survey found that 93.8% of directors are paid a fixed fee, with only 4% paid a 'per meeting rate' and 2.2% a combination of the two.

Directors' fees are generally a 'fee for service'. In line with the principle of collective responsibility, base fees should be shared equally as a rule, except in the case of additional responsibility of workload such as the chair.

### **IoD benchmarking approach**

Benchmarking is a good way to identify appropriate fee levels for directors. IoD's recommendation fee ranges are based on:

- Relevant market fee data from our latest directors' fees survey
- Research of fees in comparative organisations (where available)
- Information provided by you on the scope and time commitments of the roles
- The nature and complexity of your organisations' industry or operating environment.

Where direct industry comparisons are in low supply or unavailable we research fees in organisations considered to be of a similar size, for example, in terms of revenue or asset size. We rely on the information you provide to us to undertake this research, as well as any input you may have on suitable comparators.

To command fees at benchmark level there is an assumption that directors have the appropriate skills, knowledge and training in governance as would reasonably be expected for anyone in a role.

While benchmarking sometimes provides a recommendation to increase fee levels, it is possible that an organisation may opt for more moderate increases over time as a way of transitioning to a recommended range. It is worth noting that if a plan of more moderate increases are implemented the fee gap between current and benchmark fees may widen over time.

### **IoD Directors' Fees Survey**

The annual Directors' Fees Survey takes place with a wide cross-section of New Zealand organisations and IoD members. Our 2019-20 survey report includes information about 2,027 directorships, covering 1,393 organisations. 84% of IoD members surveyed hold non-executive (independent) positions and our benchmarking focusses on these roles.

The survey will also collect information on the level of hours involved in the directorship role. This varies significantly between organisations. In our 2019/20 survey report the median time a non-executive director spends on board work has increased to 140 hours, up from 127 hours in 2018. This is probably reflective of the increased breadth of a boards responsibilities.

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### 3. The role of the board

Trust and accountability underpin long-term success and sustainability, and directors of all organisations need integrity, courage, judgment, emotional agility, energy and curiosity.

The IoD's publication *The Four Pillars of Governance Best Practice* emphasises that the key role of a board is to add value to their organisations through four key governance functions:

- Determination of a company's fundamental purpose and strategy
- Leading an effective governance culture, characterised by integrity, robust decision making and effective relationships with management, shareholders and stakeholders
- Holding management to account, rigorously and accurately
- Ensuring effective compliance

These are significant responsibilities and it is IoD's view that in order to be accountable, board members need to spend more focussed time, and thought and enquiry on their organisation - within board meetings and outside them.

A key element of good governance is having a robust approach to reviewing and setting board fees underpinned by comprehensive and robust data. Remuneration for board members needs to be set at a level that acknowledges responsibilities and risks, as well as to attract, motivate and retain members with the ability and character necessary to carry out these critical and demanding functions.

An elected board must still ensure remuneration levels are sufficient to attract the appropriate people to stand for election and to support elected individuals to perform their duties to the highest standards.

#### The chair's role

The chair facilitates the board but under the Companies Act all directors share equal responsibility. In practice the role of the chair depends on the extent of his or her involvement with the organisation. This can be influenced by:

- The size or particular circumstances of the company,
- The complexity of its operations,
- The quality of its chief executive and management team, and
- The administrative or contractual arrangements that the board or shareholders have put in place.

In particular circumstances it may be appropriate for the chair to work significant additional hours. This may arise for example, where an organisation is dealing with a significant event, or is engaging in a major transaction. These additional hours are addressed in the chair fee by using a multiplier (premium) over the base director fee.

We generally advise that a good rule of thumb is a premium of around x1.8 to x2.0. Lower or higher loadings may be used depending on the individual circumstances of the organisation. In our 2019/20 survey, chair premiums vary with the highest being x2.4.

In the case of TDHL, the fee range recommendations have a chair premium of between x1.7 and x1.8. This is considered appropriate for the additional responsibilities and time commitments of the chair role.



## 4. General director fee trends

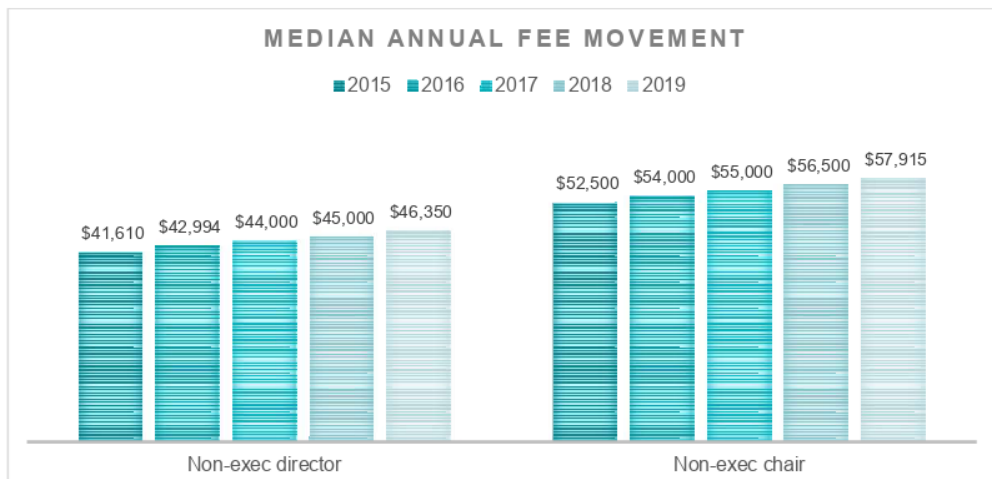
The key principle of a benchmarking review is to ensure that the fees TDHL pays its board are relative to the market and take into account the remuneration levels provided to directors in New Zealand. The fees should reflect the added value your directors bring to the organisation and adequately compensate them for their time, effort and skill level.

Whilst our overall data is drawn from a broad range of organisations, many not directly comparable to TDHL, it is designed to provide valuable insights into market fee movements and trends.

### Median annual fee movements

Our latest and most comprehensive data on the remuneration of New Zealand directors is the 2019-20 IoD directors' fees survey report.

The following graph shows the median annual fee movement across the entire survey data, which includes New Zealand organisations of all types and sizes and across all industries.



**The 5-year movement of fees is approximately 11% for non-executive directors and 10% for non-executive chairs.**

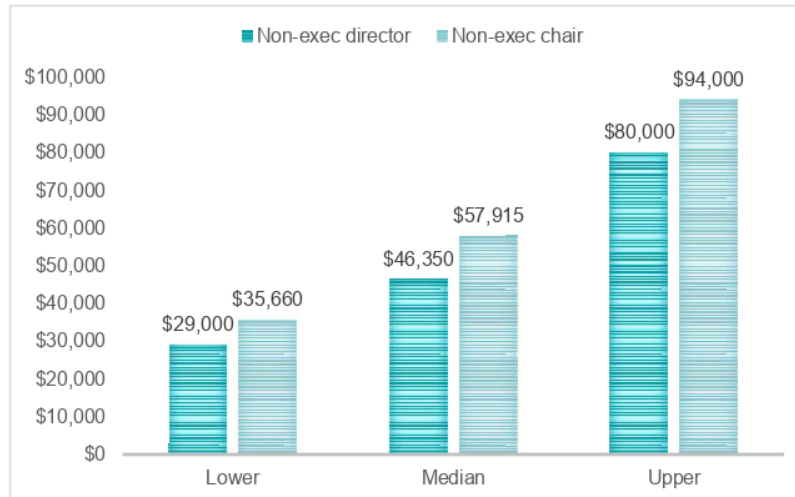
In the last 12 months, the median fee received by non-executive directors has increased by 3%, which is above the 2.3% movement in 2018. Non-executive chair fees have increased by 2.5%, which is slightly lower than the 2.7% movement in 2018.

### Overall survey quartiles

The lower, median and upper quartiles for non-executive director remuneration in the most recent survey are \$29,000, \$46,350 and \$80,000 and for non-executive chairs, they are \$35,660, \$57,915 and \$94,000 respectively across the whole survey sample. The survey incorporates a very wide sample of organisations from NFPs to NZX listed companies.



**2019 non-executive chair and director remuneration**  
*(Across entire survey sample)*



**Other relevant fee movement data over the last 12 months**

Our fee data uses the ANZSIC (Australian and New Zealand Standard Industrial Classification) groups.

Fee Category	12 month fee movement
Organisation type – council controlled	14.1%
Industry – electricity, gas, water and waste	7.1%
Industry – government admin & safety	6.5%
Industry – property and real estate	7.1%
Industry – transport, postal, warehousing	1.0%



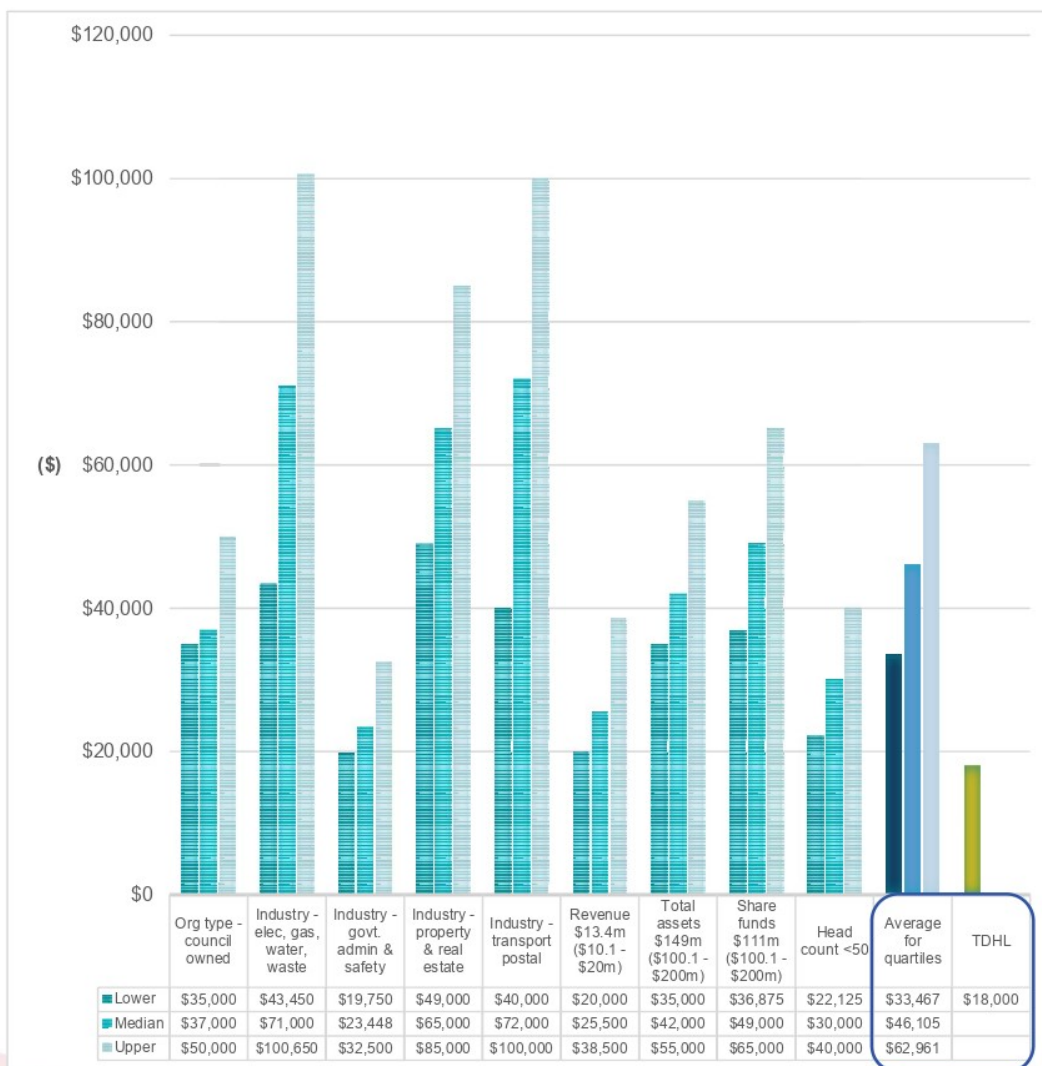


## 5. Comparator fee benchmarking

### Director fees - comparator breakdown

The graph below shows director fee data relevant to TDHL based on the information you have provided. Each fee category is a sub-set of our latest directors' fees survey.

It demonstrates that the organisation's current director fee aligns to the lower quartile against the comparator fee categories.



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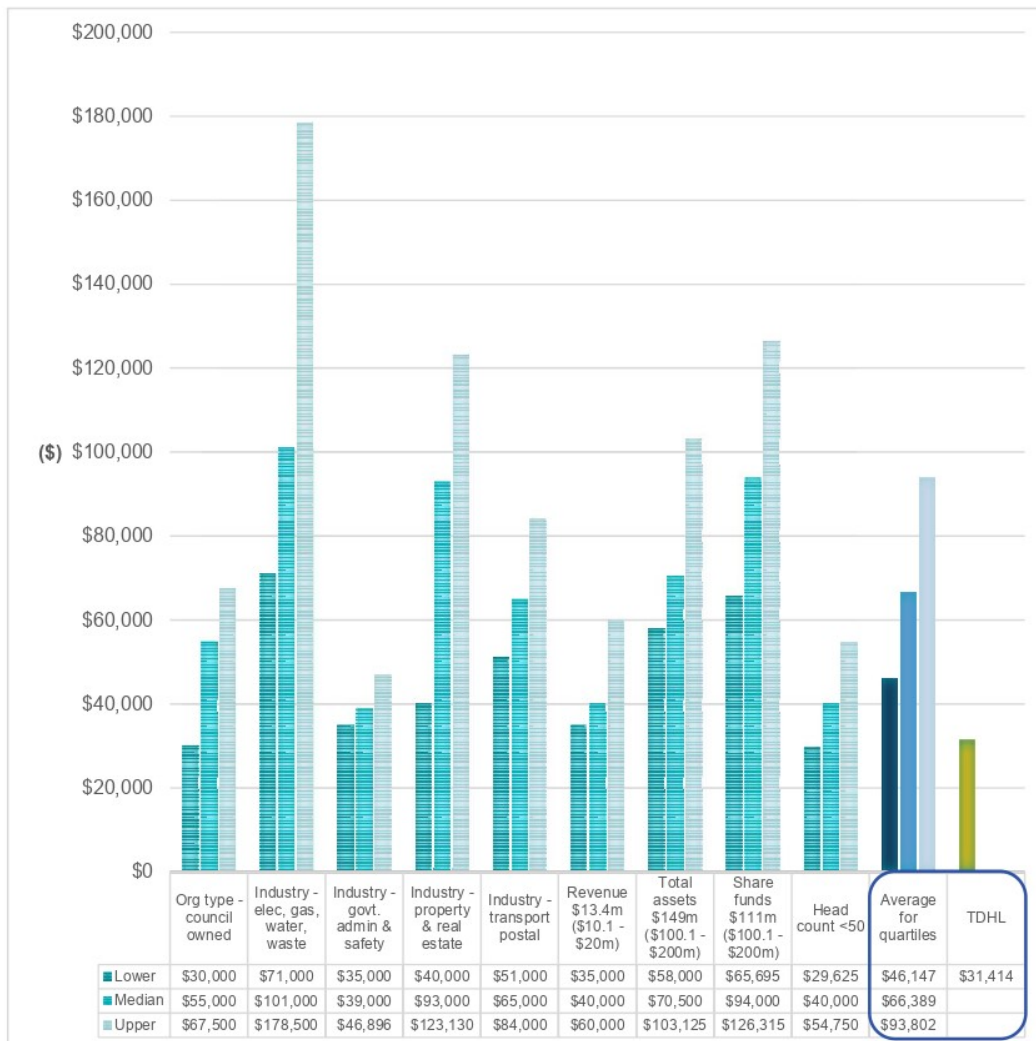
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**Chair fees - comparator breakdown**

This graph shows chair fee data relevant to TDHL based on the information you have provided. Each fee category is a sub-set of our latest directors' fees survey.

It demonstrates that the organisation's current chair fee aligns to the lower quartile against the comparator fee categories.



*Note: The IoD's data for director roles is considerably deeper than for chairs; therefore our methodology places a higher reliance on director data as a basis for estimating fees for all board members.*



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## 6. Further fee research

### Director’s fees survey data – further segmentation

We have analysed our survey data at a deeper level to provide the following fee information.

Organisation type	Revenue	Average director fee	Average chair fee
Council controlled organisation	\$10.1 - \$20m	\$35,000	Sample insufficient
Council controlled organisation	Range from \$5.1 - \$50m	\$42,101	\$44,786

### Other similar CCOs

This information is from latest available annual reports at time of analysis.

Organisation	Revenue	Assets	Director fee range	Chair fee range	Chair premium
Christchurch City Holdings	\$1b	\$4b	\$40,325	\$80,650	2.0
Dunedin City Holdings	\$300m	>\$1b	\$59,000	\$74,000	1.3
Hawkes Bay Regional Investment Co	\$99m	\$344m	Parent co. \$30,000 Councillor directors \$0	N/A	N/A
Whanganui DC Holdings Ltd	\$8m	\$25m	\$42,450	\$52,450	1.2
Average fee			\$42,944	\$69,033	1.5

### Examples of other CCOs general

This information is from latest available annual reports at time of analysis.

Organisation	Revenue	Assets	Director fee	Chair fee
Aurora Energy	\$103m	\$580m	\$54,418	\$99,193
Delta Utility Services	\$98m	\$61m	\$43,839	\$78,910
Wellington Water	\$136m	\$21m	\$22,500	\$42,500
Westpower	\$68m	\$189m	\$41,459	\$75,706
Average fee			\$40,554	\$74,077

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## 7. Time commitments

### General commentary

The roles and responsibilities of board members have expanded over recent years. Directors are reporting that they need to spend an increasing number of hours keeping up to date with an ever-changing business and operating environment. A board’s work is generally not restricted to the boardroom. There can be significant additional time requirements, such as for stakeholder engagement and attending events.

Directors are paid for the expertise and skills they bring to the boardroom rather than for the specific time invested in the role. However, the hours devoted to the organisations’ governance may provide an indication of the complexity of the roles, the level of involvement required, and is one of the considerations that can help to inform the decision on the appropriate level of fees.

For some directorships, a fee may be recommended based on hours worked in a typical year. However, caution should be used as there are so many other factors to take into account when setting appropriate fees. Getting remuneration right has a far greater impact than just making sure a director is adequately compensated for the time they spend in their role. It is important, also, to note that director liability does not vary with time commitments or meeting numbers.

### TDHL annual time commitments

Time commitments for TDHL based on data provided by the organisation management is set out in the table below.

Activity	No.	Time in	Prep time	Hrs per annum (estimate)
Board meetings	12	4	6	120
Other director time commitments	Shareholder and subsidiary workshops, Board deep dives, other			80
<b>Average annual hours for director</b>				<b>200</b>
Deputy chair – other time commitments	Meeting prep and other			36
<b>Average annual hours for deputy chair</b>				<b>236</b>
Chair – other time commitments	Meeting prep, subsidiary engagement, mentoring/guidance of GM, quarterly workshops with Council and regular engagement with Mayor and other			171
<b>Average annual hours for chair</b>				<b>371</b>

Note: Excludes travel



**Time commitments in comparator organisations**

The following table compares the governance time commitments in TDHL to commitments in comparator organisations provided as part of the latest IoD directors' fees survey. It indicates that the time commitments for the organisations board members align at the upper quartile of our comparator data.

	Director Time Commitments			Chair Time Commitments		
	Lower quartile	Median quartile	Upper quartile	Lower quartile	Median quartile	Upper quartile
Org type - council owned	119	166	238	136	173	290
Industry - elec, gas, water, waste	106	173	274	84	207	370
Industry - govt. admin & safety	96	144	206	119	185	438
Industry - property & real estate	42	115	148	94	128	265
Industry - transport postal	140	196	251	123	153	312
Revenue \$13.4m (\$10.1 - \$20m)	98	132	192	141	168	261
Total assets \$149m (\$100.1 - \$200m)	99	190	253	172	326	444
Share funds \$111m (\$100.1 - \$200m)	175	239	324	144	179	320
Head count <50	64	108	167	96	154	240
Average time commitments	104	163	228	123	186	327
<b>TDHL</b>	<b>200 - 236</b>			<b>371</b>		



## 8. Hourly fees

### Hourly fee analysis for TDHL

Using the information on time commitments provided by TDHL and the current fee levels, we can estimate current hourly fee ranges for your governance roles as follows:

Role	Annual Fee	Time Commitments	Estimated hourly fee
Director	\$18,000	200	\$90
Deputy chair	\$21,541	236	\$91
Chair	\$31,414	371	\$85

### Comparator hourly fees

The following table provides an analysis of hourly fee rates for non-executive directors and chairs in comparator data bands. It shows that TDHL's hourly fees are aligned at the lower quartile.

	Non-executive director			Non-executive chair		
	Lower quartile (\$)	Median quartile (\$)	Upper quartile (\$)	Lower quartile (\$)	Median quartile (\$)	Upper quartile (\$)
Org type - council owned	168	211	256	181	214	290
Industry - elec, gas, water, waste	191	257	373	161	290	347
Industry - govt. admin & safety	74	152	226	-	-	-
Industry - property & real estate	226	362	674	148	243	638
Industry - transport postal	162	213	423	213	334	434
Revenue \$13.4m (\$10.1 - \$20m)	120	208	268	145	178	316
Total assets \$149m (\$100.1 - \$200m)	135	249	321	145	220	390
Share funds \$111m (\$100.1 - \$200m)	160	219	270	173	435	671
Head count <50	156	250	355	161	247	377
Average hourly fees	\$155	\$236	\$352	\$166	\$270	\$433
<b>TDHL</b>	<b>\$90 - \$91</b>			<b>\$85</b>		

Note: where data is not shown, indicates insufficient data sample

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## 9. Recommendations

### Context

There is no absolute right or wrong when setting director fees. To provide you with data and advice to support your governance fee decisions we seek to explore the market as widely as possible. We take into account a range of comparator data and the time commitments of the role. However, remuneration is part of an evaluative process and the final decision on fees is the ultimate responsibility of the organisation.

Before reaching a final decision, we recommend that you consider where TDHL sees itself within the market (e.g. median, upper quartile). In addition, consider factors like complexity of role, operating environment, risk and liability and expectations. Also part of the mix is ensuring your remuneration attracts and retains the calibre of directors you need to drive and sustain long-term value for your business.

### Supporting commentary

A fair and appropriate annual fixed fee should reflect the commitment and skills required of the director, the liability and personal risk involved, and take into account periods of heavy workload for the board.

We have taken into account information provided to us regarding the duties, nature, complexity and risk of the board roles in TDHL. Current board fees were set over six years ago, and when viewed against similar organisations and the broader market, are shown to be well behind market benchmarks. In contrast, the duties and time commitments of the board roles are aligned at the upper quartile indicating these are demanding roles.

This presents a significant challenge to the organisation as to bring fees in line with benchmark will mean considerable fee increases, even if TDHL decides to include a 'public good' element to fee levels. Due to the potential public scrutiny and political sensitivity of such an increase, TDHL may need to consider a phased approach to such increases.

### Fee range recommendations

These fee ranges are considered appropriate to the roles, and representative of the wider market.

Fee Category	Recommended fee range
Base director fee	\$35,000 - \$40,000
Chair fee	\$60,000 - \$70,000
Deputy Chair fee	\$43,750 - \$50,000

- A chair premium has been set between x1.7 to x1.8.

### Chair, committee chair and deputy chair premiums

An appropriate chair fee makes an allowance for additional hours spent in meeting preparation and follow-up and for other demands and expertise required of the role. A loading over the base director fee is usually used to calculate the chair fee.

The IoD's data for director roles is considerably deeper than for chairs; therefore our methodology places a higher reliance on director data as a basis for estimating fees for all board members.



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We generally advise that a good rule of thumb is a premium of around x1.8 to x2.0. Lower or higher loadings may be used depending on the individual circumstances of the organisation.

In addition, we generally recommend a loading of between x1.1 to x1.2 for committee chairs and a x1.25 loading for the deputy (vice) chair of the board.

It would not be normal for the board chair or deputy chair to be paid additional fees for their involvement with committees.

### **Ongoing fee review policy**

Because of movements in the market and other factors, such as inflation and CPI, fees are not static. They should be assessed for market appropriateness regularly.

When a fee structure is on or near the market benchmark, one option is to review fees against annual fee movements – for example using the appropriate industry sector or the overall fee movement for a particular role (e.g. non-executive director). This information is available from the IoD.

We would, however, encourage a discipline to update the benchmark data regularly. Best practice would be to review director fees annually, and it should be no longer than 3 years. This should identify if the fees remain competitive or if the fee gap is widening. A significant fee gap against benchmark may indicate the need for a further fee review at this stage.

### **Transparency of fee decisions**

Consistent and open reporting on director fees helps build trust and confidence in business and corporate governance. We encourage all organisations to think beyond compliance. They should disclose director payments openly and consistently. Boards of all types of entities are welcome to use the IoD's [Guide to disclosing director remuneration in annual reports](#).



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## Appendix 1 – Remuneration of elected versus independent board members

### General commentary

We have been asked to provide comment regarding the payment of director fees for the elected members of the TDHL board. These observations should be considered along with the guidance and fee research in this report.

In principle, there is no best practice rule that suggests councillors or elected directors on subsidiary entities should be paid differently than their independent director peers. This is because directors are jointly and severally liable for the entity, with the same fiduciary duties and they are all required to undertake the same workload. Paying elected and independent directors the same amount is consistent with the principle of collective responsibility and that base fees should be shared equally.

Any basis for paying lower fees for these roles would be a *gratuity discount* principle. TDHL could consider a gratuity discount on the basis that the elected councillor's position is available on the basis of office and not merit, and constitutes part of the range of duties a councillor may undertake as part of his or her duties.

However this must be balanced against the risk of under-remuneration, to avoid dilution of involvement, variable attendance at board meetings, or deterring councillors from taking up appointments.

We recommend remuneration levels be assessed on an entity by entity basis. The reason for this is the onerousness of the role and obligations of entities can be vastly varied. As a guide, you might take three considerations into account.

**Risk** - What is the risk profile of the role? What are the liability implications? As a general guide, the higher the risk profile for the director, the more compelling an argument for remuneration.

**Commercial requirements of the entity** - How 'commercial' is the subsidiary? That is, does the role impose commercial obligations such as a distinct level of input into strategic planning, competition and market knowledge as well as a sufficient understanding of the risk environment? Are regular assessments of the market and statements of financial position required? Does the role require a sophisticated understanding of the financial position of the entity?

**Workload/hours required** - As a general guide the greater the workload and hours required, the more compelling an argument for remuneration.

All three of the above should be considered together before forming a final view.

### Further research

In the course of our research, we have reviewed the following information sources:

**Source:** Website of Controller and Auditor General – Governance and accountability of Council Controlled Organisations

[Councillors as directors of CCOs](#)

Pros	Cons
Councillor-directors: <ul style="list-style-type: none"> <li>are likely to have a good knowledge and understanding of local government and of the local community;</li> </ul>	The principal arguments made against councillor-directors were: <ul style="list-style-type: none"> <li>councillor-directors often lack the skills to perform well as a director;</li> </ul>

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<ul style="list-style-type: none"> <li>• contribute valuable "political nous" to a CCO board;</li> <li>• provide an extra layer of assurance that the subsidiary will be kept in touch with the "mood" of the Council;</li> <li>• add value by managing matters about the CCO that are before the Council;</li> <li>• contribute to the diversity of the board; and</li> <li>• can act as a representative for their community's interests.</li> </ul> <p>Councillor-directors can also add to the Council's understanding of the affairs of the CCO. Around the Council table, they are able to provide clarity to their colleagues about matters affecting the CCO. They can ensure that the Council has an informed debate that focuses on the main issues for decision. That said, councillor-directors may be unable to participate in decisions on matters about the CCO because of their interest as a director.</p>	<ul style="list-style-type: none"> <li>• there is an inherent conflict between a councillor-director's obligations to the Council and their community and their obligations to the subsidiary; and</li> <li>• councillor-directors are more likely to be subjected to, and swayed by, pressure from community groups, so that it may be more difficult for a councillor-director to maintain confidentiality of commercial or other information about the CCO's business.</li> </ul> <p>There is a view that the potential for conflict between a councillor-director's interests and responsibilities as a councillor and as a CCO director is reduced where the councillor is a director of a CCO holding company. The reasoning is that the holding company will be focused on managing the local authority's investment in its CCOs, rather than on the specific business of each CCO. However, a director of a holding company has a particular need for business acumen and governance experience.</p>
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**Source:** [Auckland Council - Appointment and Remuneration Policy for Board Members of Council Organisations](#)

**5 Eligibility for Appointment**

**5.1 Appointment of governing body and local board members**

Under section 93 of the Local Government Auckland Council Act 2009, members of the governing body or local boards may not be appointed to the board of a substantive CCO of Auckland Council, with the exception of Auckland Transport.

See also Page 17, section 9. 'Remuneration'

**Source:** Wellington City Council - [POLICY ON THE APPOINTMENT AND REMUNERATION OF DIRECTORS AND TRUSTEES](#)

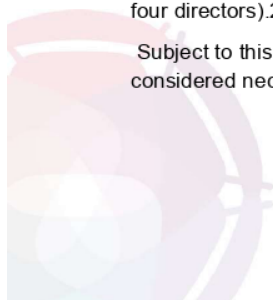
9.1 Elected Member Appointments

CCO boards comprised of four or more directors will have a designated elected member position, unless otherwise determined by Council.

An elected member may be appointed to a vacant board position, subject to the skills required for that vacancy, in their capacity as an elected member. Where an elected member is appointed to a position that is not a designated elected member position, the appointments process in Section 6 of this policy is to be followed.

Up to two elected members may be appointed to a CCO board at any time (excluding those with less than four directors).<sup>2</sup> Up to one elected member may be appointed to a CCO board with less than four directors.

Subject to this, elected members may hold positions on the boards of as many CCOs or COs as is considered necessary.



11 Remuneration

While there is a material element of community service in CCO board appointments, the purpose of a regular review is to ensure that the Council is able to continue to attract and retain qualified, highly regarded candidates.....

Subject to the specific requirements in the trust deed or constitution, directors shall be entitled to the directors' remuneration in line with the remuneration paid by the entity, excluding officer appointments and elected member appointments to CCOs. Individual board members can decide whether to accept payment of all or any remuneration. Where an individual director decides to forego all or part of their director remuneration, this will not be available for redistribution to other directors.

Typically the remuneration paid to board members of COs, if any, is not set by Council. Some COs may offer remuneration or a meeting fee and directors, with the exception of Council officer appointments, are entitled to collect these.

**Source:** Queenstown Lakes District Council - [Policy on the Appointment and Remuneration of Directors](#)

**The Appointment of Officers or Elected Members as Directors**

Neither Councillors nor Council staff are precluded under this policy from appointment to boards.

14. Staff or elected representatives (including the Mayor and Community Board members) acting as directors of commercial companies, are to be particularly conscious of their responsibilities in the role of a director, and the role of an impartial advisor/objective decision maker. Conflicts of interest must be avoided between these roles.

15. There may be special circumstances where a Councillor or officer may be the most appropriate person to be appointed as company director. These special circumstances should be fully recorded by the Council in making that decision. All other parts of this policy should be considered and applied to such an appointment.

**Remuneration of CO directors**

36. CO directors appointed by the Council will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

**DIRECTOR REMUNERATION POLICY**

41. Any remuneration earned by Councillors or staff as directors of a CCTO or CCO will be remitted to the Council.



## Appendix 2 – IoD Resources and general market Insights

### Governance resources

The [IoD website](#) provides a wealth of governance resources from our Governance Leadership Centre, including:

- Covid-19 Resource Hub
- Director remuneration reporting template – the IoD's guide to disclosing director remuneration in annual reports
- The Essentials of Being a Director guide: developed by the IoD in partnership with the FMA (also available for download in te reo Māori translation)
- Always on duty: the future board – a discussion paper by the IoD and MinterEllisonRuddWatts
- Director Sentiment Survey 2019
- Resource for SME directors – Business.govt.nz in association with IoD and the Companies Office
- Top five issues for directors in 2020.

### Governance operating environment

#### The impact of COVID-19

All areas of governance and business have been impacted by the coronavirus pandemic. The response will be the biggest test faced by many boards and directors. As stewards of organisations, boards have a critical leadership role and their actions now will be remembered by stakeholders well into the future.

#### Board leadership

The need for courageous, committed, resilient and responsible board leadership is heightened in times of crisis, recovery and rebuilding. The IoD's article *Board leadership through 2020* highlights critical considerations and questions for boards on:

- courageous leadership
- working with management
- succession planning
- stakeholder communication and engagement
- balancing short-term and long-term considerations
- board meetings and information and
- legal responsibilities and liability.

#### People oversight

People are central to organisational success and this has been underscored in the response to COVID-19. A key priority of boards was on the health and safety of their people as they transitioned in and out of lockdown. Going forward, people will remain a focus for boards as organisations seek to adapt to the new operating environment and regroup to ensure that they are sustainable in the long-term.

#### Safe harbours and solvency

Solvency is top of mind for many organisations and boards. The [COVID-19 Response \(Further Management Measures\) Legislation Act 2020](#) introduced temporary 'safe harbours' from insolvency-related directors' duties under the Companies Act 1993. These safe harbours essentially provide that a director's actions will not breach the duties if, at the time of taking them, the director, in good faith, is of the opinion that:

- the company has, or in the next 6 months is likely to have, significant liquidity problems;
- the liquidity problems are, or will be, a result of the effects of COVID-19 on the company, its debtors, or its creditors; and
- it is more likely than not that the company will be able to pay its due debts on and after 30 September 2021. The director may have regard to the likelihood of trading conditions improving; the likelihood of the



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company reaching a compromise or other arrangement with its creditors and any other matters the director considers to be relevant.

The safe harbours apply from 3 April 2020 until 30 September 2020, although there is scope for the government to extend the timeframe. For more, see the IoD article *Safe harbour guidance for directors*.

The IoD *Solvency checklist for directors* also sets out considerations in the following areas for assessing solvency.

- profit projections
- cashflow budgets
- ability to realise current assets, particularly inventories and receivables
- ability to comply with normal terms of credit
- possibility of withdrawal of financial support by major lenders
- contingent liabilities.

#### **The role of the board in crises**

There is no instruction manual for a board facing a crisis, but board members can learn a lot from others and past events. Resilient Organisations in partnership with the IoD and QuakeCoRE have published *The board's role in a crisis* which includes findings from interviews with chairs, board members and chief executives who have experienced major crises over the last 10 years. The guide covers the following key themes:

1. Be prepared
2. The early response: coach and guide your team, don't try to play the game for them
3. Trust and relationships are critically important
4. Be agile in decision-making
5. Prepare for the long haul
6. Amplify health and safety.

#### **The importance of purpose**

For the last three years, Larry Fink's annual letter to CEOs has referred to the link between purpose and profit. This year's letter reiterated that "...a company cannot achieve long-term profits without embracing purpose and considering the needs of a broad range of stakeholders." We expect to see an increasing emphasis on purpose as organisations revisit strategic plans and refocus on what is important to their organisation and stakeholders in light of COVID-19.

#### **Forecasting the future board**

Many boards are facing a time dilemma and can be weighed down by often voluminous board papers, compliance and risk, without sufficient time to discuss and debate critical strategic and performance issues. It is vital to address these challenges to ensure the future board remains effective and drives sound governance. The discussion paper *Always on duty: the future board* by the IoD and MinterEllisonRuddWatts in 2019 explores trends, challenges and opportunities facing directors, today and into the future. The topics covered are particularly relevant in light of how boards have adapted in carrying out their responsibilities as a response to COVID-19.

#### **Climate change action**

The climate crisis is the defining issue of our times and requires action now to chart a new course for the future. Boards have a critical role in confronting and responding to climate-related issues to ensure the long-term sustainability of their organisations and to understand and mitigate their impact on the environment.

#### **Transitioning to a zero-carbon economy**

The Climate Change Response (Zero Carbon) Amendment Bill passed into law in November 2019, amending the Climate Change Response Act 2002. A new long-term 2050 emissions reduction target is set out in the legislation, along with three consecutive emissions budgets, with the budgets being met as far as possible through domestic emissions reductions and removal. Adaptation provisions (eg a national risk assessment and adaptation plan) have also been included. In addition, the Climate Change Response (Emissions Trading Reform) Amendment Bill passed in June 2020 reforming the Emissions Trading Scheme.





**Directors' duties and climate risk**

In 2019, the Aotearoa Circle's Sustainable Finance Forum published a legal opinion on the legal obligations of New Zealand company directors in relation to climate risk. It confirms:

- directors duties under the Companies Act 1993, including the duty to act with reasonable care, mean directors should (and in some cases must) take climate change into account in their decision making
- directors should assess the risk in the same way they would any other financial risk to the business and take action (if appropriate)
- directors of some companies may be required to disclose climate-related risk to their businesses.

**Climate-related financial disclosures**

The government has consulted on introducing mandatory climate-related disclosures (on a comply or explain basis) for listed issuers, banks, general insurers, asset owners and asset managers. The Task Force on Climate-related Financial Disclosures (TCFD) reporting framework is proposed as a default framework. Reporting would be required in annual reports and it is not proposed that assurance be mandatory at this stage. More detail is expected in 2020.

**Culture and conduct remain a priority**

Following the Hayne Royal Commission and the FMA/RBNZ banking and life insurer reviews in New Zealand, the government and organisations have been busy in seeking to address issues and risks in the financial services sector. All boards now have high expectations on them in leading and overseeing organisational culture. This will be a continued area of focus for the Financial Markets Authority as emphasised in its 2020-2024 Statement of Intent. The regulator's focus will also be on:

- trading misconduct (eg insider trading and market manipulation)
- failure to meet anti-money laundering/countering of financing of terrorism requirements
- misleading and deceptive conduct (ie enforcing fair dealing provisions of the Financial Markets Conduct Act 2013).

**Enhancing disclosure on remuneration**

Consistent and open reporting on director fees and executive remuneration (and expenses) helps build trust and confidence in business and corporate governance. There are employee remuneration disclosure requirements under the Companies Act 1993 and the *NZX Corporate Governance Code* requires listed companies to disclose the remuneration arrangements in place for CEOs, including their base salary, short-term incentives, long-term incentives, and the performance criteria used to determine performance based payments. For more on the board's role in overseeing executive pay and expenses, see the IoD's 2019 DirectorsBrief *On the money? Board accountability for executive pay and expenses* and 2020 article *Executive remuneration – a dilemma in challenging times*.

The IoD's *Guide to disclosing director remuneration in annual reports* aims to support transparent and consistent disclosure of director remuneration. The guide provides a brief framework for disclosing director remuneration that includes details such as board and committee fees received, and explanations about any other benefits or payments received by directors. Developed for NZX listed companies, the guide can be used by boards of all types of entities and is available to the public.

**D&O insurance in turbulent times**

Directors serve in an increasingly challenging operating and regulatory environment. Their roles and responsibilities have expanded over recent years and policy-makers continue to target directors for personal liability in reforming regimes. In addition, regulators are showing more teeth, and litigation funders are changing the nature of the legal landscape. Substantial awards of damages in Mainzeal and other high profile cases have focused attention on directors' duties and accountability. These developments, and the impact of COVID-19 have led to a very unsettled Directors and Officers (D&O) insurance market and the cost of D&O insurance premiums has risen significantly while coverage has contracted. In times of dynamic change and complex risk, it's critical that boards have appropriate insurance cover.



## Legislative and regulatory developments

### Trusts Act 2019

After several years in the making, New Zealand now has a new Trusts Act. This is the most significant trust reform in over 60 years and is relevant to many trustees. The Act includes a list of mandatory and default trustee duties and sets out trustees' obligations to retain records and provide information to beneficiaries.

### Criminal offence for cartel conduct

The Commerce (Criminalisation of Cartels) Amendment Act 2019 introduced a criminal offence for people engaged in cartel conduct, with effect from April 2021. This offence is in addition to the existing civil prohibition on cartels and forms part of the Commerce Act 1986. Individuals convicted of the new offence will be liable for up to 7 years imprisonment and/or a fine not exceeding \$500,000. For more see the IoD's article *New criminal offence for cartel conduct*.

### Due diligence duty for directors and senior managers - consumer credit contract reform

Significant amendments were made to the Credit Contracts and Consumer Finance Act 2003 in 2019.

Changes relevant to directors include:

- a new duty on directors and senior managers of a lender to exercise due diligence to ensure that the lender complies with its duties and obligations under the Act and associated regulations
- new pecuniary penalties of up to \$200,000 for an individual and \$600,000 in any other case
- restrictions on indemnities and insurance in relation to pecuniary penalties including for directors and senior managers
- from April 2021, directors and senior managers of a lender offering consumer credit contracts will have to meet a 'fit and proper' test in order for the lender to register on the Financial Service Providers Register.

### Privacy modernisation

The new Privacy Act comes into force on 1 December 2020 to protect and promote individual privacy. The core framework of the Privacy Act 1993 has been retained, including the information privacy principles (although some of these have been updated to ensure they are fit for purpose). New features include:

- agencies will be required to notify the Privacy Commissioner and affected individuals of certain privacy breaches
- the Commissioner will be able to issue compliance notices to agencies to remedy a privacy breach
- the Commissioner will be able to make binding decisions on complaints relating to an individual's access to information
- agencies will be required to take reasonable steps to ensure that personal information disclosed overseas will be subject to acceptable privacy standards
- there are new criminal offences for misleading an agency in a way to obtain access to someone else's information; and knowingly destroying documents containing personal information where a request has been made for it.

For more, see the IoD's article *Are you ready for the new Privacy Act?*





## Reform on the horizon

### Individual accountability in financial services

The Treasury is consulting (until October 2020) on proposals to strengthen the accountability of directors of deposit takers as part of Phase 2 of the Reserve Bank Act review. The proposals include:

- imposing duties requiring directors to take reasonable care to ensure that a deposit taker is run in a prudent manner, acts with honesty and integrity, and deals with the Reserve Bank in an open and transparent manner and
- enforcing obligations largely under a civil liability framework rather than a criminal framework (although there will still be criminal sanctions for cases of clear intent or recklessness on the part of directors).

Cabinet has made an in-principle decision that officials should also develop an “executive accountability regime” that extends individual accountability beyond directors to senior managers (outside Phase 2 of the Reserve Bank Act review). This will apply to deposit takers and insurers, and cover prudential and conduct matters. The requirements for directors and senior managers in respect of conduct are expected to supplement provisions in the Financial Markets (Conduct of Institutions) Amendment Bill (see the table below for more information).

Other key in-principle decisions by Cabinet on the future of the Reserve Bank include:

- responsibility for prudential regulation will remain with the Reserve Bank
- the Reserve Bank will have a high level objective to protect and promote the stability of New Zealand’s financial system
- a governance board will be established for the Reserve Bank. This will have statutory responsibility for all the Reserve Bank’s functions, except those reserved for the existing Monetary Policy Committee
- the two separate regulatory regimes for banks and non-bank deposit takers will be united into a single ‘licensed deposit taker’ framework.
- a deposit insurance scheme will be established (insuring deposits up to \$50,000 per person, per institution).

### Modernising the incorporated societies

The outdated Incorporated Societies Act 1908 will be replaced with a new modern statute. The reform is extensive and aims to improve governance structures and arrangements for over 23,700 incorporated societies in New Zealand. Many parts of the proposed reform largely mirror requirements for companies and directors under the Companies Act 1993, including officers’ duties. The proposed reform also includes new constitutional requirements, conflict of interest disclosure rules, reporting requirements and mandatory dispute resolution procedures. Consultation on a draft Bill took place in 2016. A Bill is now ready to be introduced into Parliament.



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## Appendix 3 - Board size considerations

The interests of shareholders of a company will be best served if its board acts with maximum efficiency and effectiveness. The optimum number of directors required to attain maximum efficiency and effectiveness on any given board will depend on such factors as the company's size, nature, diversity and complexity of its business and its ownership structure.

A board that is too large may not give its members the opportunity of participating in discussions and decisions to the best of their abilities. It may result in board proceedings being unnecessarily prolonged. On the other hand, a board that is too small will limit the breadth of knowledge, experience and viewpoints that would otherwise be available to it and from which it could usefully benefit.

As a general rule, a board numbering between six and eight members is usually found to be the most appropriate in the case of medium to large-sized companies. This also takes the relatively small size of New Zealand companies in international terms into account. Smaller companies may operate quite satisfactorily with a lower number. Under NZX listing rules, the minimum number for a listed company (disregarding alternate directors) is three.

It is not really possible or practical to specify an ideal and optimal number for all boards. What every board needs to do is to achieve the right balance to suit the circumstances and requirements of the company and the board itself.

### Average number of directors

*(From the 2019 IoD Directors' Fees Report)*

**Across all entity types, the median and average number of directors appointed to a board is 6.** Only 0.99% of our sample has more than 12 directors appointed to the board.

### Board size for comparator organisation type:

Organisation type	Number of directors on board			
	Lower Quartile	Median	Upper Quartile	Average
Council controlled	5	5	7	6



## Appendix 4 – IoD Services for boards

# We will help you build a better board

Whether you are setting up a new board and looking for help with recruiting board members and establishing good processes, or you're on an established board looking to fine tune your performance, our choice of Board Services can be tailored to your requirements, supporting you in building the best possible board.

### Board Appointments

**Find and appoint directors with the skills and experience that meet your board needs.**

- Access New Zealand's largest database of independent directors
- Use our additional recruitment support services such as refinement of candidate criteria, recruitment templates documents, involvement in the selection committee and administration of the external application process

### Director Vacancies

**Advertise your board vacancy with us.**

- Reach New Zealand's largest pool of director talent
- Cost-effective exposure across multiple channels
- No time limit – list your vacancy until the deadline closes or you find a suitable candidate

### Director fees

**Attract, motivate and retain the best board members by ensuring the right level of director remuneration.**

- Drive growth and performance
- Range of services suited to your needs and budget

### Board Evaluation

**Assess the performance of your board using our online evaluation tool, BetterBoards.**

- Identify your board's strengths, weaknesses and opportunities for improvement against The Four Pillars of Governance Best Practice
- Comprehensive, easy to follow reports that can track improvements over subsequent years

### Facilitation services

- Conducting a board evaluation is a first step in assessment but the real value lies in how you use those findings. We can provide a facilitation service for your board to discuss strengths, challenges and your board's future direction.



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## Appendix 4 – Understanding the data measures

### Lower Quartile

This represents the point at which, when ranked from the lowest value to the highest value, 25% of the sample is lower and 75% of the sample is higher. The Lower Quartile is also known as the 25th percentile.

### Median

When data is ranked from the lowest value to the highest value, the median represents the middle point of the data. At the median, 50% of the sample is lower and 50% of the sample is higher. The median is also known as the 50th percentile.

### Upper Quartile

This represents the point at which, when ranked from the lowest value to the highest value, 75% of the sample is lower and 25% of the sample is higher. The Upper Quartile is also known as the 75th percentile.

### Average

Indicates the average value of remuneration or benefit in any given sample. The average is calculated by adding the numbers in a sample and then dividing by the count of the sample.





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**9.6 Aorangi Stadium Trust - Final Statement of Intent****Author:** Donna Cross, Group Manager Commercial and Strategy**Authoriser:** Donna Cross, Group Manager Commercial and Strategy**Recommendation**

That Council receive and note the final Statement of Intent of Aorangi Stadium Trust.

**Purpose of Report**

- 1 To provide Council with a copy of Aorangi Stadium Trust's Final Statement of Intent for 2020/21 and the subsequent two financial years.

**Assessment of Significance**

- 2 This matter is of low significance in terms of Council's significance and engagement policy.

**Discussion**

- 3 Aorangi Stadium Trust (the Trust) has previously provided Council with its draft statement of intent for 2020/21, in relation to which Council provided feedback to the Trust.
- 4 The Trust has finalised and provided its final Statement of Intent to Timaru District Council, having regard to the feedback provided by Council.
- 5 A copy of the Trust's final Statement of Intent is attached.

**Attachments**

1. **Aorangi Stadium Trust - Final Statement of Intent**

## Aorangi Stadium Trust Statement of Intent 2020/21

### 1 Preamble

Aorangi Stadium Trust is a Council Controlled Organisation as defined by Section 6 of the Local Government Act 2002.

This Statement of Intent sets out the overall intentions and objectives for Aorangi Stadium Trust for the period 1 July 2020 to 30 June 2021 and the two succeeding financial years.

Aorangi Stadium Trust contracts its administration from the Timaru District Council and as such does not have staff employed. The Stadium is leased to Timaru District Council, who operate the facility.

### 2 Objectives Of The Trust

The purpose of the Trust is to continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

#### General objectives are:

- a. To promote the development and ongoing maintenance of the Aorangi Sports Stadium on the Morgans Road Recreation Reserve and for that purpose to enter into satisfactory arrangements with the owner of the land, the Timaru District Council.
- b. To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- c. To acquire any real or personal property for the purpose of the Trust to extend the buildings and to develop land for the general purposes of the Trust.
- d. To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the district of South Canterbury.

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**3 Nature And Scope Of Activities To Be Undertaken**

Aorangi Stadium Trust owns the Stadium and Events centre located at Aorangi Park, Timaru. The facility, known as the Southern Trust Events Centre, is leased to the Timaru District Council, who manages and operates the facility. Many of the objectives of the Trust have now been delegated to Timaru District Council.

The Trust is responsible for the major maintenance and building renewals.

The Trust will ensure that appropriate insurance is in place in relation to the Trust assets.

**4 Governance**

Aorangi Stadium Trust oversees the building maintenance to ensure the facility is well maintained. Day-to-day operation of the building is undertaken by Timaru District Council.

The Trustees will meet not less than 6 monthly.

The Trustees will govern the Trust in accordance with its Trust Deed, the law and good practice.

The Trustees will assist the Trust to meet its objectives and any other requirements in its Statement of Intent.

**5 Ratio of Consolidated Shareholders' Funds To Total Assets**

- a. This ratio shows the proportion of total assets financed by equity.
- b. The Trust will ensure that the ratio of Equity to Total Assets remains above 90.00%.
- c. For the purposes of this ratio Equity is as per the financial statements for the Trust
- d. Total assets are defined as the sum of all current and fixed assets of the group.

**5 Statement Of Accounting Policies**

Aorangi Stadium Trust is a registered charity.

Details of the current accounting policies and their application are contained in Appendix A.

**6 Performance Targets**

- a. Significant maintenance projects are completed on time and on budget.
- b. Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis to ensure the facility is operating to the satisfaction of both parties.

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- c. An asset management plan is in place and remains current (to be prepared in consultation with Timaru District Council as lessee, and responsible for certain maintenance).
- d. Ensuring that Timaru District Council complies with its obligations as Tenant under the Lease; and that the Trust complies with its obligations as Landlord.
- e. Comply with the Trust's obligations as owner of the Stadium and Event Centre under the Health and Safety at Work Act.

**7 Financial Forecasts**

The financial forecasts are based on estimated revenue flows and estimated capital structures.

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Income</b>	96,000	98,000	98,000
Operating Expenses	47,000	52,000	47,999
Depreciation	166,340	166,340	166,340
<b>Operating Surplus/(Deficit)</b>	<u>(117,340)</u>	<u>(120,340)</u>	<u>(116,339)</u>
Movement in Maintenance Reserve	(26,200)	(32,000)	42,000
Surplus/(Deficit)	<u>(143,540)</u>	<u>(152,340)</u>	<u>(74,339)</u>
<b>Equity</b>	<u>912,287</u>	<u>791,947</u>	<u>675,608</u>
Current Assets	383,436	414,436	371,437
Non-Current Assets	533,851	382,511	309,171
Total Assets	<u>917,287</u>	<u>796,947</u>	<u>680,608</u>
Current Liabilities	5,000	5,000	5,000
Non-Current Liabilities	0	0	0
Total Liabilities	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Net Assets	<u>912,287</u>	<u>791,947</u>	<u>675,608</u>

**8 Reporting To Shareholders**

The following information will be available to shareholders based on an annual balance date of 30 June.

**a. Draft Statement of Intent**

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By the 1<sup>st</sup> of March each year, the Trustees shall (for so long as the Trust remains a Council Controlled Organisation), deliver to the Council a draft Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002. This is subject to any extensions permitted by the Local Government Act 2002.

**b. Completed Statement of Intent**

By the 30<sup>th</sup> June each year the Trustees shall deliver to the Council the final Statement of Intent for the following financial year which fulfils the requirements of Section 64 of the Local Government Act 2002. This is subject to any extensions permitted by the Local Government Act 2002.

**c. Half Yearly Report**

Within two months after the end of the first half of each financial year, the Trustees shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- i. A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures
- ii. A Statement of Financial Position
- iii. A commentary on the results for the first six months, together with a report on the outlook for the second six months.

**d. Annual Report**

- i. Within three months after the end of each financial year, the Trustees shall deliver to the Council, and make available to the public, an annual report and audited financial statements of that financial year, containing the following information as a minimum: -
  - A Trustees' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives;
  - A Statement of Financial Performance disclosing actual revenue and expenditure including a comparison of actual against budget, and comparative figures;
  - A Statement of Financial Position;
  - A Statement of Cashflows;
  - An Auditor's report on the above statements and the measurement of performance in relation to objectives.
- e. **No surprises:** The Trustees will communicate with Timaru District Council on a no-surprises basis, in relation to any issue that might reasonably be expected to be of interest or concern to Timaru District Council, in relation to the Trust or Trust assets.

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**9 Distribution Policy**

The Trust is a non-profit organisation and does not generate income or dividends for the Timaru District Council.

**10 Procedures For Acquisition Of Other Interests**

The Trust will only purchase an interest in another business or invest in the shares of another company or organisation with prior approval of the Timaru District Council.

**11 Activities For Which Compensation Is Sought From Any Local Authority**

It is anticipated that the Trust will continue seek compensation from Timaru District Council relating to funding long term maintenance items for the stadium and reimbursement of insurance costs in terms of the lease agreement.

The Trustees will consider and discuss with Timaru District Council fundraising initiatives to cover reductions in the maintenance reserve and to cover any future developments.

**12 Estimate Of Commercial Value Of The Shareholders Investment**

The Trustees estimate that the balance of funds in the annual accounts will represent the value of Aorangi Stadium Trust. The Trustees will advise Timaru District Council if they believe the value to differ materially from this state.

**13 Other**

During 2020/21, the Trustees intend to carry out a review of the long term life, or whole of life cost, of the Trust assets, and how the depreciation costs of those assets should be funded. The Trustees will liaise with Timaru District Council in relation to this.

The impact of COVID-19 will be monitored. COVID-19 is considered to have most impact or potential impact on the use of the facility (although recognising the operation of the facility is managed by Timaru District Council), the ability to carry out maintenance and repairs if contractors are unavailable, staff and contractors employed within the facility by Timaru District Council, and tenants within the facility – particularly during periods of restricted movements and gatherings.

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## Appendix A

### Statement Of Accounting Policies

#### **Basis of Preparation**

Aorangi Stadium Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### **Good and Services Tax (GST)\***

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

#### **Income Tax**

Aorangi Stadium Trust has charitable status therefore no income tax is payable.

#### **Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

#### **Changes In Accounting Policies**

There have been no changes in accounting policies during the financial year (last year – nil)

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**10 Consideration of Urgent Business Items**

**11 Consideration of Minor Nature Matters**

**12 Public Forum Items Requiring Consideration**





**13 Exclusion of Public**

**13.1 Waste contract**

**Recommendation**

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - Waste contract	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity