



# AGENDA

## Ordinary Council Meeting Tuesday, 13 August 2024

**Date** Tuesday, 13 August 2024

**Time** 2pm

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

**File Reference** 1691564

## **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 13 August 2024, at 2pm.**

### **Council Members**

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

Quorum – no less than 5 members

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

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

Nigel Trainor

**Chief Executive**

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

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 30 July 2024**

**Author:** Rachel Scarlett, Governance Advisor

#### **Recommendation**

That the Minutes of the Council Meeting held on 30 July 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

#### **Attachments**

- 1. Minutes of the Council Meeting held on 30 July 2024**



# MINUTES

## Ordinary Council Meeting Tuesday, 30 July 2024

Ref: 1691564

**Minutes of Timaru District Council  
Ordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 30 July 2024 at 10am**

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

**In Attendance:** **Officers:** Nigel Trainor (Chief Executive), Andrew Dixon (Group Manager Infrastructure), Beth Stewart (Group Manager Community Services), Andrea McAlister (Acting Group Manager Engagement and Culture), Nicole Timney (Group Manager Property), Andrea Rankin (Chief Financial Officer), Stephen Doran (Group Manager Corporate and Communications), Paul Cooper (Group Manager Environmental Services), Brendan Madley (Senior Policy Advisor), Bill Steans (Parks and Recreation Manager), Nigel Howarth (Procurement Lead), Maddison Gourlay (Marketing and Communications Advisor), Meghan McNally (Executive Operations Coordinator), Alana Hobbs (Executive Support Coordinator).

**CCO's:** Frazer Munro (Timaru District Holdings Ltd General Manager).

**Public:** Jan Finlayson (Geraldine Community Board), Margaret Chapman (Geraldine Historical Society), Rosie Morten, Russell Brodie, John Bray, Bob Pringle, Helen Malkin, K Griffiths, Roger Payne, Peter Lyttle, Ryan de Joux, Graeme Wilson.

**1 Opening Prayer**

**2 Apologies**

**1.1 Apologies Received**

**Resolution 2024/45**

Moved: Clr Owen Jackson

Seconded: Mayor Nigel Bowen

That the apologies of Councillor Peter Burt and Councillor Allan Booth are received and accepted.

**Carried**

**3 Public Forum**

There were no public forum items.

**4 Identification of Urgent Business**

No items of urgent business were received.

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

No matters of a minor nature were raised.

**6 Declaration of Conflicts of Interest**

No conflicts of interest were declared.

**7 Confirmation of Minutes****7.1 Minutes of the Council Meeting held on 1 July 2024****Resolution 2024/46**

Moved: Clr Michelle Pye

Seconded: Deputy Mayor Scott Shannon

That the Minutes of the Council Meeting held on 1 July 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Carried**

**7.2 Minutes of the Extraordinary Council Meeting held on 16 July 2024****Resolution 2024/47**

Moved: Clr Owen Jackson

Seconded: Clr Sally Parker

That the Minutes of the Extraordinary Council Meeting held on 16 July 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Carried**

**8 Reports****8.1 Representation Review: Receipt of Submissions and Hearing**

The Senior Policy Advisor spoke to the report for Council to receive the written submissions and feedback on the Representation Review Initial Proposal, and to also provide, in accordance with s 83(d) of the Local Government Act 2002, an opportunity for persons to make oral submissions.

**Verbal Submissions;**

**Jan Finlayson (Geraldine Community Board)** – an apology was received for Bob Pringle who was unable to attend.

Speaking to Council to oppose the Representation Review Initial Proposal. Citizens were approached for testimony and no one supported the changes other than one case of neutrality for personal reasons. Geraldine Community Board wish to seek temporary exemption from the changes and operate temporarily outside the 10% + or – representation threshold and keep nine district councillors including one Geraldine ward councillor and the present ward configuration and provision for a Geraldine Community Board with six members. Lastly they would like subsequent representation reviews to take community of interest matters into account.

**Margaret Chapman (Geraldine Historical Society)** – The affected areas are a large part of the district and the area has strong historical links. It was noted that some people received letters and some did not. The consultation was not as robust as it could have been. In adverse weather events, people in the affected areas look to Geraldine.

**Rosie Morten** – Rosie’s family have been involved in the Geraldine community for 171 years and wish to stay in it. Even if this went ahead it would only be a short term fix and would need to be revisited in six years. This needs to be done properly with good consultation and discussion about other alternatives.

**Russell Brodie** – Russell’s family have been on Rangitata Island since the early 1890s and are proud to be members of Rangitata Island and affiliated to Geraldine. Russell is opposed to the changes and believes moving from status quo would be unnecessary.

**John Bray** – John’s family history dates back to 1862 in the district. Orari residents felt they are better represented by Geraldine. Over 150 signatures were received opposing the changes. Council could make it easier for people to submit rather than having to print and scan forms as not everyone is computer literate.

**Helen Malkin** – Kakahu is closer to Geraldine than Temuka or Pleasant Point and they receive excellent support from the local councillor and feel connected to Geraldine. Many Kakahu residents feel they would be annexed from their community hub in Geraldine. A lot of residents threw the letter away as they didn’t believe Council listened to their views.

**K Griffiths** – (livestreaming was turned off at the request of K Griffiths) speaking to council on behalf of her family who have lived in the district for a long time. The boundary changes are comparable to an incurable disease, others may be empathetic but the one affected has to carry the burden. The use of census data was dubious at best as the 2018 and 2023 census data was resoundingly unreliable. There hasn’t been enough time to address the matter since receiving the letter on 17 June and there also hasn’t been robust discussion.

**Roger Payne** – Strongly opposed to the proposed changes and the exemption approach as this could lead to further divisions and appeals. An alternative approach could be 4 wards of approximately 6,000 each – move Washdyke and north Timaru to a new Pleasant Point ward.

**Peter McAuley** – did not attend.

**Peter Lyttle** - Resided in the district for 40 years only a few minutes from Geraldine. They are deeply involved in the Geraldine community. It is important to vote for Geraldine representatives in Council. Changing to Pleasant Point / Temuka ward would disenfranchise us from having a say in the community.

Discussion included that 48 submissions were received and a significant majority are opposed to the changes. An additional question was asked of the people in the areas where the changes are proposed, who they felt could best represent them. The vast majority stated effective representation for them could only come from the current Geraldine ward. Further discussion included the process from here, a report will go to council on the 13 August to adopt the final proposal. If this is resolved there is at least a one month appeal/objection period. If any appeals/objections are received and/or the final proposal has any wards outside the +/- 10% threshold the Local Government Commission will make a final determination.

### **Resolution 2024/48**

Moved: Cllr Michelle Pye

Seconded: Deputy Mayor Scott Shannon

That Council:

- 1) Notes all written submissions (including those containing petitions) received during the consultation period; and
- 2) Acknowledges submitters who have spoken to their submission; and
- 3) Notes that all feedback will be considered as part of the deliberations on the Representation Review Final Proposal.

**Carried**

## **8.2 Options for Managing Overnight Parking at Caroline Bay**

The Group Manager Infrastructure and the Parks and Recreation Manager spoke to the report to present options to Council around generating income from overnight campers in the Caroline Bay Carpark beside the skating rink.

Previously a report was requested as a large number of campervans have been appearing at Caroline Bay. Discussion included Caroline Bay being prime real estate and a fee should be charged for overnight camping. Further discussion included whether freedom campers are wanted at Caroline Bay, if not a freedom camping bylaw needs to be created. Additionally it was discussed whether the parking app can be used, it was suggested a pay and park machine is easier to enforce.

It was requested that a paper come back to Council in 6 weeks time. Part of this paper will discuss amending the parking bylaw to enact the ability to charge.

### **Resolution 2024/49**

Moved: Mayor Nigel Bowen

Seconded: Cllr Michelle Pye

That Council:

1. Agree in principle to the implementation of metered parking areas and charging at the existing Caroline Bay car parks adjacent to the skating rink off Marine Parade and potentially an extended overflow area on the grass near to these car parks.

2. That officers present to Council for consideration and consultation an addition to the Timaru District Council Bylaw, Chapter 13 Parking to allow for metered parking in identified areas at Caroline Bay.
3. That officers are to begin work on developing a Freedom Camping Bylaw.

**Carried**

### **8.3 Presentation of Community Survey for FY 2023/24**

The Group Manager Corporate and Communications spoke to the report to present the results of the Community Survey for the financial year 2023/24, which was completed in 2023, and to receive endorsement for an amendment in approach in collation of the next survey, which is due in the 2025/26 financial year.

This is a survey of 474 people and was conducted in September/October last year. The results are based on people's views of council services. Previously this was a telephone survey, this year it moved to online to make it most cost efficient.

Discussion included what actions are taken to improve the survey and what the value is in this data. Further discussion included whether there are comparisons against other councils available. This is available if Council commissions Key Research however there is a cost involved. Also discussed was the need for education around how to interpret the results.

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

Moved: Mayor Nigel Bowen

Seconded: Clr Owen Jackson

1. That the council receives and notes the results of the Community Survey for the 2023/24 year.
2. That the council endorses a move to online quarterly surveying in the 2025/26 year.

**Carried**

### **8.4 Draft Procurement Policy**

The Procurement Lead spoke to the report to present the Draft Procurement Policy to Council for adoption.

The Procurement Policy was drafted in 2023 and went to the Senior Leadership Team for approval. The policy is purposely not detailed in respect of the disciplines utilised in the council, that will be part of a procurement manual which is being built.

Discussion included the definition of local. The definition used in the policy will drive decisions moving forward. The use of post codes was discussed, whether a business has a post code in Timaru or people are employed in Timaru. The answer to a preference for local suppliers will be found in assessing the procurement proposals contribution to the local community.



Further discussion included the government procurement rules and whether council prioritises awarding of a procurement contract on quality of service, overall cost and time taken to deliver it. Currently ground rules for procurement are being established across council to ensure value is being looked at rather than price. There is an internal review process and educational process regarding what is delivered and how it is managed.

The Procurement Lead will initiate a Workshop for Elected Members outlining the procurement process.

It was noted the policy should go to members of the community to ensure they have an opportunity to provide feedback. It was agreed not to adopt the procurement policy as further work is required.

### **Resolution 2024/51**

Moved: Mayor Nigel Bowen

Seconded: Clr Stacey Scott

### **Recommendation**

That Council receives and notes the Draft Procurement Policy as attached.

**Carried**

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

No items of urgent business were received.

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

No matters of a minor nature were raised.

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

There were no public forum items.

## **12 Resolution to Exclude the Public**

### **Resolution 2024/52**

Moved: Mayor Nigel Bowen

Seconded: Clr Gavin Oliver

That the public be excluded from—

- \*(a)the whole of the proceedings of this meeting;

- 12.1 Public Excluded Minutes of the Council Meeting held on 1 July 2024**
- 12.2 Public Excluded Minutes of the Extraordinary Council Meeting held on 16 July 2024**
- 12.3 Aorangi Road Land**

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p><b>12.1 - Public Excluded Minutes of the Council Meeting held on 1 July 2024</b></p> <p><b>Matters dealt with in these minutes:</b></p> <p><b>13.1 - Public Excluded Minutes of the Council Meeting held on 26 March 2024</b></p> <p><b>13.2 - Public Excluded Minutes of the Council Meeting held on 7 May 2024</b></p> <p><b>13.3 - Meadows Road Land</b></p> <p><b>13.4 - Extension of the Office of the Commissioner for the District Licensing Committees</b></p> <p><b>13.5 - Extension of the term of office and the nomination of Timaru District Licensing Committee members</b></p>	<p>Section 48(1) of the Local Government Official Information and Meetings Act 1987.</p>	<p>The public excluded minutes of the meeting held on 1 July 2024 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987.</p> <p>The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 1 July 2024.</p>
<p><b>12.2 - Public Excluded Minutes of the Extraordinary Council Meeting held on 16 July 2024</b></p> <p><b>Matters dealt with in these minutes:</b></p> <p><b>6.1 - Theatre Royal and Heritage Facility Decision</b></p>	<p>Section 48(1) of the Local Government Official Information and Meetings Act 1987.</p>	<p>The public excluded minutes of the meeting held on 16 July 2024 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987.</p> <p>The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 16 July 2024.</p>
<p><b>12.3 - Aorangi Road Land</b></p>	<p>s7(2)(h) - The withholding of the information is necessary to</p>	<p>To enable Council to carry out commercial activities</p>

	enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	
<p>*I also move that Frazer Munro be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the property located at Aorangi Road. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because the ownership status.</p>		
<p><b>Carried</b></p>		

**Note**

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

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

**13 Public Excluded Reports**

**12.1 Public Excluded Minutes of the Council Meeting held on 1 July 2024**

**13.1 Public Excluded Minutes of the Council Meeting held on 26 March 2024**

**13.2 Public Excluded Minutes of the Council Meeting held on 7 May 2024**

**13.3 Meadows Road Land**

**13.4 Extension of the Office of the Commissioner for the District Licensing Committees**

**13.5 Extension of the term of office and the nomination of Timaru District Licensing Committee members**

**12.2 Public Excluded Minutes of the Extraordinary Council Meeting held on 16 July 2024**

**6.1 Theatre Royal and Heritage Facility Decision**

**12.3 Aorangi Road Land**

**14 Readmittance of the Public**

**Resolution 2024/53**

Moved: Clr Owen Jackson

Seconded: Clr Stacey Scott

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

**Carried**

**The meeting closed at 1.05pm**

.....

**Mayor Nigel Bowen**

**Chairperson**

## 8 Schedules of Functions Attended

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

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

**Authoriser:** Nigel Bowen, Mayor

#### Recommendation

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

#### Functions Attended by the Mayor for the Period 20 June 2024 to 31 July 2024.

<i>20 June 2024</i>	Spoke at National Volunteer Week event
<i>21 June 2024</i>	Attend Sacred Heart Primary School Prizegiving and presented awards
<i>25 June 2024</i>	Attended Premier of the Traitors show
<i>26 June 2024</i>	Attended Civil Defence Exercise Rū Whenua Sustained Response
<i>27 June 2024</i>	Opened Kāinga Ora development at Tyne and Essex Streets Attended South Canterbury Jump Jam event Attended Presbyterian Support South Canterbury's BA5
<i>1 July 2024</i>	Led Citizenship Ceremony Chaired People and Performance Committee meeting Chaired Council meeting Attended Council workshop
<i>2 July 2024</i>	Attended Canterbury Mayors Forum meeting with Minister Chris Bishop
<i>3 July 2024</i>	Attended Aged Friendly meeting Attended update on the Geraldine Sculpture Trail project Attended Geraldine Community Board meeting
<i>4 July 2024</i>	Met with Venture Timaru Chair and CEO for monthly meeting Met with local Rangitata MP, James Meager Met with South Canterbury Chamber of Commerce representatives Attended Alexandra Life Boat Launch
<i>5 July 2024</i>	Attended Fraser Park opening event with the Prime Minister Attended Matariki market with Prime Minister
<i>12 July 2024</i>	Attended Meeting with Minister Simeon Brown
<i>15 July 2024</i>	Attended Local Councils Water discussion workshop

Attended 3 Waters – next steps workshop with Mid/South Canterbury Elected Members

*16 July 2024*

Attended Extraordinary Council meeting

*24 July 2024*

Met with Venture Timaru Chair and CEO for monthly meeting

Attended unveiling of History Board at Patiti Point – Peeress

Planted a tree at TGHS with Old Girls

Attended retirement function for McGregor Simpson

*25 July 2024*

Attended Ngāi Tahu meeting with Council Mayors and CEs - 'Local Water Done Well' workshop

*30 July 2024*

Chaired Tenders and Procurement Committee meeting

Chaired Council meeting

Attended Standing Committee meetings

*31 July 2024*

Met with South Canterbury Chamber of Commerce representatives

In addition to these duties I met with 51 members of the public on issues of concern to them.

**Functions Attended by the Deputy Mayor for the Period 20 June 2024 to 31 July 2024.**

*26 June 2024*

Opened Te Rito Family Harm Conference

**Attachments**

**Nil**

**8.2 Schedule of Functions Attended by the Chief Executive****Author:** Alana Hobbs, Executive Support Coordinator**Authoriser:** Nigel Trainor, Chief Executive**Recommendation**

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

**Functions Attended by the Chief Executive for the Period 17 June 2024 and 31 July 2024.**

<i>17 June 2024</i>	Attended Audit and Risk Committee meeting
<i>1 July 2024</i>	Met with representatives from Audit New Zealand Attended People and Performance Committee meeting Attended Council meeting Attended Council workshop
<i>2 July 2024</i>	Attended Canterbury Mayors Forum meeting with Minister Chris Bishop
<i>3 July 2024</i>	Attended update on the Geraldine Sculpture Trail project Attended Geraldine Community Board meeting
<i>4 July 2024</i>	Met with local Rangitata MP, James Meager Met with representatives from South Canterbury Chamber of Commerce
<i>5 July 2024</i>	Attended Fraser Park opening event with the Prime Minister
<i>12 July 2024</i>	Attended meeting with Minister Simeon Brown
<i>15 July 2024</i>	Attended Local Councils Water workshop Attended 3 Waters – next steps workshop with Mid/South Canterbury Elected Members
<i>16 July 2024</i>	Attended Extraordinary Council meeting
<i>24 July 2024</i>	Met with Venture Timaru Chair and Chief Executive Attended retirement function for McGregor Simpson
<i>26 July 2024</i>	Met with Director Operations, Environment Canterbury
<i>29 July 2024</i>	Attended Chief Executives Forum Attended Civil Defence Emergency Management Coordinating Executive Group meeting
<i>30 July 2024</i>	Attended Tenders and Procurement Committee meeting Attended Council meeting Attended Standing Committee meetings
<i>31 July 2024</i>	Met with representatives from South Canterbury Chamber of Commerce

Met with Chief Executive Officer, Alpine Energy

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:** Jessica Kavanaugh, Team Leader Governance

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

#### Recommendation

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

27 June 2024 – Approval of Warrants

19 July 2024 – Approval of Warrants

#### Purpose

1. To report the Chief Executive has approved the Warrant of Appointments and is reporting that as required under the delegation manual (Clause 3.4.5).
2. To note the names have been redacted for the privacy of the employees.

#### Attachments

1. **Approval of Warrants - 27 June 2024** [↓](#) 
2. **Approval of Warrants - 19 July 2024** [↓](#) 



**Approval of warrants**

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

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


  
 \_\_\_\_\_ Nigel Trainor

27/6/2024

Date

Name	Title	Unit
	Water Treatment Operator	Drainage and Water
	Water Treatment Team Leader	Drainage and Water
	Enforcement Officer	First Security
	Environmental Health Officer, Enforcement Officer & Licensing Inspector	Environmental Services
	Bylaws Monitoring Officer	Environmental Services



**Approval of warrants**

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

Nigel Bowen

Nigel Trainor

19/07/2024

Date

Name	Title	Unit
[REDACTED]	Enforcement Officer	First Security

## 9.2 Actions Register Update

**Author:** Rachel Scarlett, Governance Advisor

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

### Recommendation

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

### Purpose of Report

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

### Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

### Discussion

- 3 The Actions register is a record of actions requested by councillors. It includes a status and comments section to update the Council on the progress of each item.

### Attachments

1. Council Actions Required [↓](#) 

**Information Requested from Councillors (Council)**

<b>Information Requested</b>	Budget Reallocation Trial		
<b>Date Raised:</b>	17 October 2023	<b>Status:</b>	On Going
<b>Issue Owner</b>	Chief Financial Officer	<b>Completed Date:</b>	
<p>Background: The Councillors requested that a trial is to commence that includes officers work to advise the Chair of the relevant committee when budget reallocation occurs which is each Group Managers responsibility and provide an update to the Commercial and Strategy Committee in the Financial Report. This trial will be reviewed in March.</p> <p>Update: This has been implemented in the Monthly Financial Update to the Commercial and Strategy Committee for September 2023 and will continue to feature in these reports until a review of the trial in March 2024.</p> <p>July 2024 Update: Budget reallocation will be continued on a trial basis pending a further review.</p>			

<b>Information Requested</b>	Investigate Traffic Management		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	Complete
<b>Issue Owner</b>	Group Manager Infrastructure	<b>Completed Date:</b>	1 July 2024
<p>Background: The Councillors requested a report on the cost of traffic management as a dollar value.</p> <p>February 2024 Update: Information has been gathered around current delivery model. An analysis of potential alternative options for delivery is underway which will be presented for consideration following completion.</p> <p>March 2024 Update: No further update.</p>			

May 2024 Update: Report was presented to Infrastructure Committee on costs of various activities and projects for Temporary Traffic Management. There was a further requested for total cost of TTM across Council. This information is not able to be delivered.

July 2024 Update: Following the meeting in May a further request was received for a breakdown of TTM costs embedded within contracts. The report presented identifies and analyses the TTM costs from contracts were identified as a separate item. The TTM is not always priced as a separate item and contractors treat this as an overhead. This is similar to health and safety compliance costs. We are unable to obtain this information without full disclosure of Contractors cost structures. There is a high likelihood of reluctance to do this as breaking down to this level would be requesting information that is commercially sensitive to the contractor. Council’s should note that the guidelines for TTM will be changing to be a more risk based approach that may reduce future costs for some activities. It is recommended that this request be closed.

July 2024 Update: During the Council meeting it was requested that a spreadsheet be run which includes the value of contract traffic management over a 6 month period to provide an analysis.

REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER

<b>Information Requested</b>	Investigate Subcontracting Across Council		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	On Going
<b>Issue Owner</b>	Group Manager Infrastructure	<b>Completed Date:</b>	13 August 2024
<p>Background: The Councillors requested a report on sub-contracting across council where sub-contracting is occurring with the consideration to if these services can be delivered in – house.</p> <p>Examples include – Street sweeping, rubbish collection.</p> <p>March 2024 Update: The Infrastructure Group is looking at alternative ways of carrying out various services, starting with the s17a review of Parks. Some of the identified opportunities will be included within the report on underutilised assets.</p> <p>May 2024 Update: Direction has now been received on Parks and Recreation services. Review of Public Place Waste Disposal is being carried out – seeking direction if there are other areas Councillors would like reviewed.</p> <p>July 2024 Update: Officers met on 23 May to discuss potential efficiencies in the delivery of services across different groups. These included the use of in-house services across groups or consolidation of individual contracts within groups to take a Council wide approach. Examples are use of in-house parks</p>			

resources for Council property grounds maintenance, consolidation of public refuse bins collection to gain economies of scale , or consolidation of cleaning services into a Council wide contract rather than contracts in individual groups. The outcome is to initiate the development of a 5 year delivery plan for services that can be delivered in house or packaged in a different way to ensure the best community outcomes.

REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER

<b>Information Requested</b>	Investigate Small Trades		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	On Going
<b>Issue Owner</b>	Chief Financial Officer	<b>Completed Date:</b>	
<p>Background:                      The Councillors requested a report on Trades - investigate the value of small trades outside of large contracts with the consideration to these being offered in-house. With an analysis of both procurement and spend on invoices under \$10k.</p> <ul style="list-style-type: none"> <li>o Are we getting competitive pricing with a preferred supplier.</li> <li>o Do we get to a level whereby in-house provision of the particular trade could be the better way forward.</li> </ul> <p>Update: Investigation is in progress and will return to council once complete.</p>			

<b>Information Requested</b>	Quarterly Activity Reports		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	Complete
<b>Issue Owner</b>	ALL Group Managers	<b>Completed Date:</b>	01/07/24
<p>Background:                      The Councillors requested a quarterly activity reporting to also include quarterly forward work programme.</p> <p>Update: Infrastructure – the forward work programme for both Land Transport and Drainage and Water is currently available on the website, work is underway for Parks information to be available in the same format.</p> <p>May 2024 Update: While discussing this action Councillors advised Quarterly updates are hard to find on the website and it is requested to have a basic report at each council meeting on activity updates.</p>			

July 2024 Update: These will be hosted on the ‘infrastructure matters’ section of Panui when published and shared on facebook at the time then published in Panui Weekly e-newsletter. This is the most suitable place for ‘current’ information such as this as it appears in multiple places, People will also be able to see all posts of this type under this category to browse older ones if needed.

REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER

<b>Information Requested</b>	Underutilised Assets		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	Complete
<b>Issue Owner</b>	Group Manager Property	<b>Completed Date:</b>	7 May 2024
<p>Background: The Councillors requested an investigation on assets that are not being utilised that could be sold. For example small pieces of land.</p> <p>Update: A property list has been sent to the Programme Delivery Manager for Infrastructure to check off and add or delete any properties, as well as note if they are available for possible sale/divestment. Manager of Property Services and Client Representative is working on the vertical property list. This should be tabled at the next meeting.</p> <p>March 2024 Update – Work is continuing on this to present to Council for consideration.</p> <p>26 March 2024 – The Councillors agreed to merge this action with the following: Background: Cllr Michelle Pye requested a review of all “non core” assets to determine if we are getting a commercial return on them or if they would be better sold. Update: Working through this action as part of the Underutilised assets action. This portion is under investigation and will return to council once completed.</p> <p>May 2024 Update – The report on underutilised assets is being presented to the May Council meeting.</p> <p>July 2024 Update - Next report going to the 13 August Council meeting for an update and next group of properties for review.</p> <p>July 2024 Update – Requested is for a clearer process moving forward, including, information of advertising the assets, and assets put back on the table for discussion. This Action will be subject further discussion between CE and Officers.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>			



<b>Information Requested</b>	Template for Financial Impact		
<b>Date Raised:</b>	12 December 2023	<b>Status:</b>	Complete
<b>Issue Owner</b>	Chief Financial Officer	<b>Completed Date:</b>	July 2024
<p>Background: The Councillors requested a template for financial impact when there is a recommendation to do something, rate or loan funded, ongoing costs, expiry of Capital projects.</p> <p>Update: This is a work in progress and will be developed over time when needed. This action can now be closed out as this will be an on-going activity.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>			

<b>Information Requested</b>	Social Housing		
<b>Date Raised:</b>	07 March 2024	<b>Status:</b>	Complete
<b>Issue Owner:</b>	Group Manager Property	<b>Due Date:</b>	<b>Completed Date:</b> July 2024
<p>Background: Cllr Michelle Pye requested a report on Social Housing and whether Council should be delivering this or a community trust that would be better placed to apply for funding and have a sole focus of solving housing issues for more vulnerable members of our community.</p> <p>Update: A report on this will be on the agenda for the 26 March meeting.</p> <p>May 2024 Update: For a social housing 17a review to be brought to the June meeting. This action was discussed in the report 9.1 Actions Register Update.</p> <p>May 2024 Update: Councillors requested List of social houses Council owns all 260 of them , and for the discussion to be taken offline for further information gathering. This action was discussed in the report 9.1 Actions Register Update</p> <p>July 2024 Update: Report will be going up to the September Council meeting.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>			

<b>Information Requested</b>	Workshop on Water Standards
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<b>Date Raised:</b>	27 February 2024			<b>Status:</b>	On-going
<b>Issue Owner:</b>	Group Manager Infrastructure	<b>Due Date:</b>		<b>Completed Date:</b>	
<p>Background: Councillors agreed it would be beneficial to conduct a workshop on water standards based on what Council presented to the Department of Internal Affairs through previous LTP from the Draft Financial Strategy 2024-34 report.</p> <p>May 2024 Update: This workshop is scheduled for 30 July 2024.</p> <p>July 2024 Update: This workshop has now been rescheduled to 27 August 2024 to allow for Council meeting on Representation Review.</p> <p>August 2024 Update: Workshop scheduled for 27 August 2024.</p>					

<b>Information Requested</b>	Asset Management Programme				
<b>Date Raised:</b>	26 March 2024			<b>Status:</b>	On-going
<b>Issue Owner:</b>	Group Manager Infrastructure	<b>Due Date:</b>		<b>Completed Date:</b>	
<p>Background: Councillors requested for an asset management programme regarding the Parks and Greenspaces s17a Review Options report to be brought back to Council</p> <p>May 2024 Update: The preparation of a Parks and Greenspaces Asset Management Plan is underway. This will inform maintenance programmes and Level of Service that can be delivered within approved budgets. The delivery of this will be partially in-house and external contracted services as resolved by Council at the last meeting, this work is expected to be completed later this year and will be reported back to Council at the 17 September 2024 meeting.</p> <p>May 2024 Update: Councillors requested for the employment of a person, and for the process to begin – and for the discussion to be taken offline for further information gathering</p> <p>July 2024 Update: The preparation of a Parks and Greenspaces Asset Management Plan is progressing. This involves the collection of asset components inventory, condition assessment and assessing this with Council levels of service delivery. The analysis will determine long term renewal and maintenance requirements that will be smoothed to ensure affordability. This information will inform maintenance programmes that can be delivered within approved budgets. The asset management plan is a significant piece of work that has only been completed by Transport and 3Waters to date. A report will be presented to Council at the meeting on 13 August 2024.</p>					

August 2024 Update: Due to secondment this piece of work is not yet complete, currently moving to recruit a new team member for this role and this will be a priority piece of work once this role is filled.

<b>Information Requested</b>	List of Council Owned Properties			
<b>Date Raised:</b>	26 March 2024	<b>Status:</b>	Complete	
<b>Issue Owner:</b>	Group Manager Property	<b>Due Date:</b>		<b>Completed Date:</b> July 2024
<p>Background: Councillors requested a list of Council owned properties and an explanation of why Council owns them.</p> <p>Update: A list of council owned properties will go up with the Under Utilised Assets report as an appendices at the 13 August Meeting. This action can be closed out then.</p> <p>July 2024 Update: A timeline for this action will be discussed offline between the CE and Mayor.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>				

<b>Information Requested</b>	Website updates to be automatically sent to Councillors			
<b>Date Raised:</b>	07 May 2024	<b>Status:</b>	Complete	
<b>Issue Owner:</b>	Group Manager Corporate and Communications	<b>Due Date:</b>		<b>Completed Date:</b> 01/07/2024
<p>Background: Councillors requested for any quarterly updates on the website to be automatically sent to them. This action was discussed in item 9.1 Actions Register Update.</p> <p>July 2024: Possibly repeat of item above, regarding Quarterly Activity Reports. Significant number of minor changes are made to the website on a regular basis, which would be unwieldy if supplied to councillors as they happen.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>				

<b>Information Requested</b>	Investigate coastal erosion at Redruth				
<b>Date Raised:</b>	07 May 2024			<b>Status:</b>	Complete
<b>Issue Owner:</b>	Group Manager Infrastructure	<b>Due Date:</b>	13 August 2024	<b>Completed Date:</b>	13 August 2024
<p>Background: Councillors requested for the coastal erosion at Redruth looked at and a report to come back – suggested was drone footage of the area eroding over a time line. This action was discussed in item 9.3 Draft Waste Management and Minimisation Plan Consultation</p> <p>July 2024 Update: Further investigation and risk assessment is required including discussion with KiwiRail. Options also need to be assessed. A report will be presented to Council at the meeting on 13 August 2024.</p> <p>August 2024 Update: A report was presented to Council on the Patiti Point erosion. The information on potential erosion/inundation of Redruth landfill has not yet been received. This information will inform a report with the intention that the report be presented to the 17 September 2024 meeting.</p> <p>REPORTED AS COMPLETE – WILL BE REMOVED FROM NEXT ACTIONS REGISTER</p>					

**9.3 Interim 2023/24 KPI and Draft Financial Performance Report to 30 June 2024**

**Author:** Meghan Taylor, Executive Operations Coordinator  
Andrea Rankin, Chief Financial Officer  
Diana Somerville, Senior Finance Business Partner

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

**Recommendation**

That Council receives the Report: Interim 2023/24 Performance Report to 30 June 2024 and notes it includes:

1. Key performance indicators year end results to 30 June 2024;
2. The summary draft financial results to 30 June 2024.

**Purpose of Report**

- 1 The purpose of this report is to present a summary of the year end results for the 2023/24 financial year – year three of the 2021-31 Long Term Plan (LTP). This includes the performance indicator results to 30 June 2024.

**Assessment of Significance**

- 2 This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. It is a regular report to Council on its financial performance, activity performance and delivery of capital work programme for the 2023/24 financial year.

**Discussion**

- 3 Council's three month reporting cycle includes progress reporting of key performance indicators, capital work programme, and financial results to Council for the quarterly periods 01 July- 30 September, 01 October – 31 December, 01 January- 31 March and an annual report for the 12 month period ended 30 June each year. This report discusses each of these components for the year ended 30 June 2024.
- 4 The information in this interim report is subject to the final audit being completed by Audit New Zealand and there may be changes to some of the information presented.
- 5 The Annual Report 2023/24 will be presented to Council and be adopted by 31 October 2024 and will be publicly available within 30 days of signing.

**Activity Highlights and Issues**

- 6 This section summarises the key activity highlights and issues during the reporting period:

**6.1 Public Toilets**

- Old ANZAC Square toilets have had gates installed and locked, the users of the playing fields and changing rooms have keys to open the toilets when required during practice and games. Signage has been installed to direct public to the new ANZAC Square toilet.

- Arson attack at Marchwiell Park toilet block, the bin and surrounds were destroyed. All damages are now repaired, and the toilets have reopened. TDC has not been advised of any arrests.
- Vandalism at the Station Street toilets where plumbing fixtures have been removed from the toilets. The parts have been replaced and protective shrouds are to be installed. The toilets are to receive a refresh with new tiling and paint in the third quarter of 2024.

#### 6.2 Airport

- An emergency exercise scenario (helicopter crash) was undertaken with Emergency Services partners. Valuable learnings were identified and has initiated some infrastructure improvements particularly relating to water supply.
- AirNZ flight passenger numbers continue to be close to 80% load capacity despite an increase in flight cancellations.
- An Airport User Group has been formed to improve liaison between Council and users.
- Airport compliance documentation including safety management system, Operations Manual and Manifest have been reviewed and updated.
- AirNZ flight cancellations have increased due to weather issues and aircraft operational issues. The reduced reliability of the service is impacting public confidence in the Timaru service.
- Airport revenue review is required with landing charges and leases to be assessed.

#### 6.3 Emergency Management

- There has been significant work done on updating and re-issuing the "are you ready" booklet and this will be a great resource to share with the community.
- The public siren upgrade project has now been completed. The old sirens in situ remain a question that needs further discussion and planning for the future.
- Challenges continue regarding the units capacity to deliver projects, support volunteer teams, continue planning and engage with communities.

#### 6.4 Community Funding

- Creative NZ have announced that all unspent annual allocations under \$10,000 can be carried over to the next financial year. We will carry over the full \$6,657.65 of unspent funds.
- The internal Funding review is progressing efficiently with excellent progress to date which includes the developing of the SmartyGrants online system.

#### 6.5 Safer Communities

- Council officers have secured a 12-month Mayors Taskforce for Jobs contract (nationwide partnership between Local Government New Zealand and the Ministry of Social Development) that has a focus on getting young people into sustainable employment.

- The community development team has attended (and in some instances, coordinated) a number of community events including Youth Week's Showcase on Sophia, the Social Sector Forum, and the recent WinterFest.

#### 6.6 Social Housing

- Nationwide recall of "Serene" brand of bathroom heaters meant that a small number (<10) heaters have been replaced around the districts social houses.

#### 6.7 Building Control

- The Timaru BCA team featured again at the BOINZ excellence awards with one of Councils Building Control Officers being awarded "Young professional of the year".
- Challenges continue with the decrease in the building and construction industry (locally and nationally) with a 7.5% drop in consent numbers from last financial year and a 15% drop from the financial year before that.
- The changes that the new coalition government are looking at implementing will provide further challenges to the building regulatory system with many unknown factors on how these will impact on BAU.

#### 6.8 District Planning

- The first hearing (Hearing A) has been successfully completed. The Showgrounds Retail Variation has also been completed.

#### 6.9 Environmental Compliance

- Requests for services has increased by 141 requests to a total of 1579 received in this financial year.
- Barking dog complaints continue to increase year on year, increasing by a further 42 complaints to a total of 552.

#### 6.10 Governance and Strategy

- The 2024-34 Long Term Plan and policies were adopted with an unmodified opinion from audit.
- The 2025 Representation Review has been launched.

#### 6.11 Museum

- The Museum saw a record of 28,000 user numbers for the 12 month period ending 30 June 2024.
- An external evaluator gave a very positive review of education programmes in June.

#### 6.12 Art Gallery

- A highly significant exhibition ("Te taha o te rangi" ("The Edge of the Heavens")) by highly acclaimed Māori artist Fiona Pardington was held at Aiagntighe Art Gallery. The exhibition brought nationally significant art to South Canterbury, the artist work deeply explores themes of whakapapa (genealogy), ecological concerns, mortality, and cultural heritage through her evocative photographs, particularly of native birds.
- Impact of remedial works from unexpected fire callouts due to the strengthening work at the house gallery. This was due to the original system which was one system still functioning and not isolated properly.

### 6.13 Libraries

- The Youth Team changed the booking format for the school holiday programme to a drop-in style which saw an increase in the number of attendees across all three libraries.
- The Timaru Library hosted the book launch of former Timaru District resident Des Casey's book "Nature's Future, Our Future" at the end of May with 17 people in attendance.
- The wrong seals were installed on the new double-glazed windows of the Timaru Library which caused them to leak, this has now been fixed.
- A pipe in the Timaru Library basement leaked down the wall and onto the floor. The water was seeping in around the pipe, through the concrete wall from outside. Sealant has now been put in place and to date no further problems have arisen.
- Waterpipe leakage in the Timaru Library carpark, caused water to enter the Alpine Energy substation in the basement, a sump pump failure caused the water to enter the boiler room. The sump pump has been replaced alongside a section of waterpipe in the carpark. There have been no further issues.

### 6.14 Recreational Facilities

- The overall facility usage has increased throughout the year, while the gym numbers have increased to over 1,400.
- The working access points have now been activated throughout the facility.
- Onsite skills active assessors are now in place for Aquatics and Fitness.
- With the increased usage of the facility, car parking availability is becoming an issue more regularly.

### 6.15 Parks and Recreation

- The design for the replacement playground at Jaycees Park in Pleasant Point has been approved with construction having commenced. The new nature playground (first in the district) has been installed in Cave.
- CPlay playground at Caroline Bay (partnership between community volunteers and Council) received an award for the best large playground in New Zealand.
- Riders of moto-x bikes are causing issues in Temuka and Geraldine. Damage to facilities along with safety concerns have resulted. Police are investigating.
- Graffiti has increased recently, including repeated examples when it is removed.

### 6.16 Halls

- Hall bookings have increased and appear to have come back to normal levels prior to Covid years. Caroline Bay Hall remained the highest booked space followed by Temuka Alpine Energy Stadium and West End Hall.
- Increased bookings for the Caroline Bay facilities has subsequently increased the maintenance.
- A leaking roof at the Temuka Alpine Energy Community Centre requires significant maintenance over the 24/25 financial year.



### 6.17 Roading and Footpaths

- Numerous new assets have been delivered to the community in the last 12 months, including seven new roundabouts. By the end of this year, three raised pedestrian will have been completed at crossings coinciding with the implementation of the Safer Speeds campaign.
- Road rehabilitations have been completed at two intersections on Factory Road.
- The Draft Active Transport Strategy, which incorporates parks trails, road cycleways and destination cycle tourism is nearing completion which will enable allocation of "Better of Funding" to the prioritised projects, to be completed in the new financial year.
- In March 2024 the Government released their Policy Statement draft which meant an adjustment of desired projects that were intended to be delivered. This is to ensure our investments are in alignment with the Government's priorities going forward.
- Delays to completing the Port Loop Shared Path Project due to power line installation, this is now scheduled to occur next construction season.

### 6.18 Sewer

- Geraldine Siphon has been fully completed. This will eliminate overflows for Geraldine during high rainfall events.
- Work is underway on an air discharge consent application for Pleasant Point Oxidation Pond.
- Hydrogen Sulphide levels remain an issue at Aorangi Road Waste Water Treatment Plant, but being managed. SOPs are under review.

### 6.19 Stormwater

- Contract 2487 Kauri Street Stormwater Improvement Project has been completed. This project had been stalled for several years.
- Continued delays with resource consent processing by Environment Canterbury (ECan). A recent High Court decision has led to ECan putting any decisions regarding discharge consents on hold.

### 6.20 Waste Minimisation

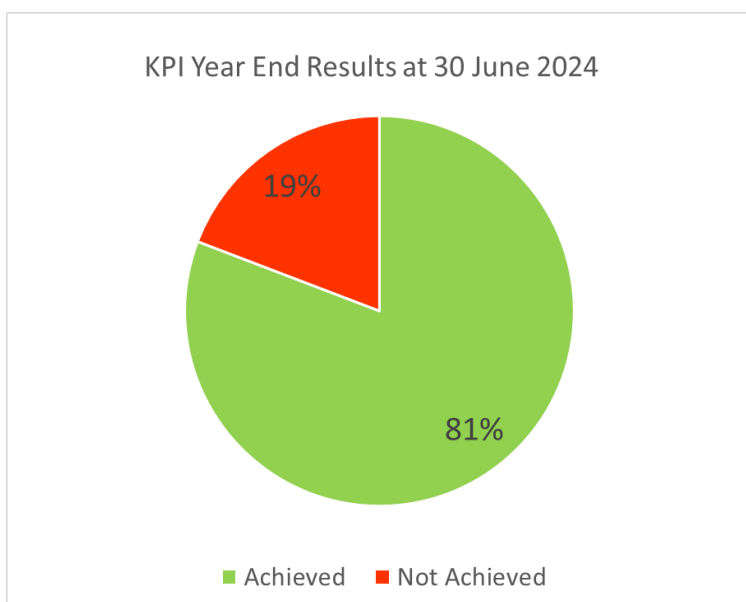
- The Waste Management & Minimisation Plan (WMMP) for 2024-2030 has been adopted.
- The capping of a cell at Redruth continues and is on schedule to be completed in July 2024. In addition, the new Organics Facility is also on schedule for completion in July.
- Peel Forest Closed Landfill remediation is underway, with the expected work scheduled to be undertaken in September/October.
- Currently waiting for Closed Landfill Reports on 26 sites from Pattle Delamore Partners. It is expected that there will be areas that will require immediate follow up arising out of the reports.

### 6.21 Water Supply

- The Seadown Trunkmain upgrade is underway, as well as work on a scheme management strategy in support of the roll out.
- Temuka remains on level one water restrictions, work is ongoing around securing additional source water.

**Key Performance Indicator Results**

- 7 The Key Performance Measures (KPIs) for the year 01 July 2023 – 30 June 2024 were set in the Long Term Plan 2021-31.
- 8 There were 25 measures not achieved and 105 measures achieved the target. This is similar to the previous year which had 5 measures not achieved, 17 nearly/marginally achieved and 104 measures on target. The biennial resident survey results are not included in this data.
- 9 Results are available for all quarterly and annual measures. An overall summary (unaudited) is provided below:



- 10 The most significant measures that received a marginal or not achieving outcome are detailed in the table below:

KPI	Year end results	Explanation
<b>Activity: Community Support</b>		
Recruit and train volunteers to maintain team capacity and capability Target: 80	Nearly Achieved 78	Current numbers are 69 for Community Support Teams and 8 for Response Team, with one new recruit. While the numbers remain on target, volunteer recruitment, especially in the Response Team will always be an ongoing challenge.
Number of flights in and out of Timaru Airport increase by 5% per year	Nearly Achieved Growth of 4.43%	A contributing factor to this is due to a decrease of 0.77% in Air NZ flight movements from last year. There were 1,162 movements this year compared to 1,171 last year. Air NZ pax movements also decreased by 7.7% compared to

		last year. There were 45,554 pax movements this year compared to 49,060 last year.
Number of passengers using Timaru Airport increase by 5% per year	Not Achieved There was a 7.8% decline in passengers.	A contributing factor was due to the reduced reliability with increasing number of flight cancellations and a reduction in scheduled flight services during December and January has impacted this target. There were 46,124 passengers on AirNZ scheduled flights using Timaru Airport for the full year period July 2023 to June 2024. Last year there were 49,719 passengers.
<b>Activity: Environmental Services</b>		
Resource Consents processed within statutory timeframes Target: 100%	Nearly Achieved 85.53%	There are relatively lower consent volumes than in previous years and a higher proportion are now completed by staff planners.
Land Use consents monitoring Target: 150	Not Achieved 22	With CME recruitment continuing, performance can be expected to improve. It is also noted that there are a number of complex resource consents coming up for monitoring.
Customer satisfaction with information and education from district planning services Target: 90%	Not Achieved 0%	Resources to undertake phone survey were unavailable this year.
Alcohol regulated premises that have been inspected Target: 80%	Not Achieved 44.36%	This is an improvement on previous years, however, marginal number of visits undertaken due to additional staff resourcing only taking effect from the second half of the year. Time restraints were further impacted by training of new staff.
<b>Activity: Governance and Strategy</b>		
Annual Plans, Reports and Long Term Plans adopted within statutory timeframes	Nearly Achieved	The Long Term Plan 2024-34 was adopted within Statutory Timeframes.  The 2022/23 Annual Report was adopted 2 weeks after the statutory timeframe. This was due to a delayed start.
<b>Activity: Recreation and Leisure</b>		
Visitors to Art Gallery Target: 19,000	Nearly Achieved 15,686 Visitors	The 19000 target was pre covid level since covid 19 we have not meet our original target. This is a common theme with other gallery and museums across New Zealand. Seismic strengthening work of the house gallery may have impeded numbers.

Number of Aquatic learn to swim enrolments Target: 3,000	Nearly Achieved 2,812 Enrolments	A contributing factor to not achieving the target is a large volume of people all want the same popular days leaving vacant spots on less busy days. Better reporting, booking and admin systems have been implemented for next financial year.
Library issues (physical & digital) of materials per year Target: 550,000	Nearly Achieved 548,657	We have achieved 99.8% of this annual target, so only 1,343 issues/renewals away from achieving this target. While we would have liked to have made the target, we are still very happy to see all issues/renewals are up 6.7% (nearly 35,000 issues/renewals) compared to the last financial year.
Acquisitions recatalogued within 6 months of acquisition Target: 150	Not Achieved 88	A contributing factor was time allocation to other projects and reduced resources for cataloguing.
<b>Activity: Roading and Footpaths</b>		
Percentage of customer service requests responded to within 10 working days – Roading (Mandatory) Target: 70%	Nearly Achieved 62.59%	A contributing factor to not achieving this target was due to the system report previously required the CRM to be physically closed, and was not reporting the updates. This change has resulted in more accurate reporting. Once system improvements were implemented in Q4 the response rate started improving.
Percentage resident satisfaction that sealed roads are fit for purpose and are maintained well Target: 60%	Nearly Achieved 46%	Whilst we manage a large capital works programme of road renewals and resurfacing there are still a number of roads that do not meet customer expectations. The capital programme is developed using leading data and analysis and is prioritised on road usage and function. It is likely that the quality of state highways through Timaru District is affecting our general local roads satisfaction.
Percentage of sealed road network resurfaced (Mandatory) Target: 6%	Nearly Achieved 4.44%	43.2 km of roads were sealed in the 2024 Construction Season. A contributing factor to not achieving the target was constrained budgets and other essential priorities, such as the significant pavement renewals completed for Park Lane and Ewen Road.
Percentage of footpath network resurfaced Target: 4%	Nearly Achieved 3.02%	A contribution factor was the full budget has been expended.

<p>Percentage of residents believe the road network is safe Target: 85%</p>	<p>Nearly Achieved 82%</p>	<p>The road user survey overall results for the year was an average of 82% road users believing that the road network was safe and the target was not met.</p>
<p>Resident satisfaction with access to car parking Target: 75%</p>	<p>Nearly Achieved 71%</p>	<p>Recent parking surveys show there is significant existing capacity, investigation is ongoing to improve way finding for parking destinations.</p>
<p>Percentage of residents using Public Transport Target: 5%</p>	<p>Not Achieved 3.50%</p>	<p>Installation of MyWay parklet in Stafford Street has built further awareness of the service, patronage is increasing consistently. Officers note that the service is increasingly popular with over 500 trips a day being taken on MyWay.</p>
<p>Percentage of residents regularly cycling Target: 30%</p>	<p>Not Achieved 24%</p>	<p>The road user survey overall results for the year was an average of 24% of road user regularly cycling which has not met the target.</p>
<p>Resident satisfaction that unsealed roads are fit for purpose and are well maintained Target: 50%</p>	<p>Not Achieved 34.50%</p>	<p>Unsealed roads have the same level of investment as per previous years, feedback, both recent and previous from Waka Kotahi Technical Audits are that the unsealed network is in good condition and regular technical audits by officers also demonstrate an unsealed network in good condition.</p>
<p>Road fatalities and serious injury crashes (Mandatory) Target: Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis  Note: Last financial year there were 12 fatalities and serious injury crashes.</p>	<p>Not Achieved 13</p>	<p>There were 13 Fatal and Serious Crashes on the Local Road Network in the last year. The target of reduction in Death and Serious Injury Crashes has not been met. Top crash factors • Alcohol is involved in 50% of all local road crashes (State Highway is lower about 30%) • Poor handling, poor observation and bad positioning on road make up between 19-29% each. • Speed is a factor in about 20-30% of crashes. • Crashes involving pedestrians is 5th or 6th most common crash factor by query type (except State Highways). Drivers at fault or part-fault by age group and gender • Males overall are dominating the driver fault, but in younger drivers its both genders • 50-54 age group (both genders) is experiencing large growth as at fault drivers in crashes; Other age groups trending up in the statistics are 30-34yo male, 60-64yo males. Drivers at fault by licence class • Full drivers are at fault in about 60-70% of all DSI crashes • Restricted and learner much lower (5-15%) • Overseas drivers at fault is 3%</p>

<b>Waste Minimisation</b>		
Materials Recovery Facility (MRF) – level of contamination of recycling  Target: Less than 10%	Not Achieved  19.51%	The figure includes all goods received at MRF. Contamination of the Recycling Bin is still high. The contamination rate this year is very similar to last year, but an improvement on the 2 years previous. Focus going forward will be to target repeat offenders for gross contamination. This will include the use of White Bin Lids. The Contamination Rate target of 10% is very challenging.
<b>Water Supply</b>		
Average consumption of drinking water per day per resident within the Timaru district (litres) (mandatory)  Target: 300Litres	Nearly Achieved  312	On average Consumption for Urban Schemes is 276 litres per person per day and for Rural Schemes 489 litres per person per day. Information reported is slightly higher than the target overall - lower for urban but higher for rural. We could say that a contributing factor for the higher average consumption on Rural schemes is due to a majority of the Seadown Scheme being on older type unrestricted connections, including connections direct to stockwater trough. Despite the measure being consumption per person, there is no way to differentiate between consumption by person or livestock with the current scheme configuration. Work has commenced toward a long-term project reconfiguring the entire scheme to restricted connections only in the same manner as the other rural schemes Downlands and Te Moana. This will reduce the average consumption in future.
Percentage of real water loss from TDC's networked reticulation systems (Mandatory)  Target : Percentage real water loss from network system reduces	Not Achieved  26.95%	Urban Schemes = 21% Rural Schemes = 33% water loss for the year. The combined average is approx. 26.95% which is more than in 2022/23 (23%) so percentage of water loss has not reduced.

**Financial Results**

11 The following is a summary of the draft financial performance for the period ended 30 June 2024 and its draft financial position as at that date. This report is draft and will be finalised once we have completed our Audit process and final review.

	<b>Actuals to 30 June 2024 (\$000)</b>	<b>Budget to 30 June 2024 (\$000)</b>
Total Revenue	134,717	128,432
Total Expenses	133,356	122,751
Operating Surplus/(Deficit)	1,361	5,681

<b>Capital Expenditure</b>	<b>Actuals to 30 June 2024(\$000)</b>	<b>Budget to 30 June 2024 (\$000)</b>	<b>YTD Actual % of Budget</b>
Community Support	594	2841	21%
Corporate Support	1,958	3,095	63%
Roading and Footpaths	22,888	26,123	88%
Sewer	3,181	4,434	72%
Stormwater	2,358	3,874	61%
Waste Minimisation	3,119	1,838	170%
Water Supply	11,129	17,827	62%
Recreation and Leisure	23,190	21,714	107%

12 Attachment 1 contains the draft financial statements for the 12-month period ending on 30 June 2024.

13 Officers are currently progressing the 2023/24 Annual Report which have a number of year-end adjustments that require completion. Some examples of key areas that will be adjusted as part of the year end Annual Report (and not limited to) are as follows:

- 13.1 Finalising asset capitalisation and depreciation
- 13.2 Minor accruals
- 13.3 Landfill Provision
- 13.4 Forestry Valuation – awaiting valuation report
- 13.5 Employee Entitlements valuation – awaiting valuation report

- 14 The overall financial results show a profit to date of \$1.36M. This is a \$4.32M variance to budget.
- 15 Operating Revenue to 30 June 2024 is \$6.3M above budget. This represents 105% of total revenue budgeted for the financial year. The major variances compared to budget are:

Rates revenue - \$187K under budget of which the material variance is:

Unit	Surplus /Deficit	Explanation
Rates	Deficit	Rates revenue is \$187K U, mainly due to less rates penalties collected than budgeted

Subsidies and grants - \$12.6M deficit of which the material variance is:

Unit	Surplus /Deficit	Explanation
Theatre Royal Grants	Deficit	Theatre royal grants are budgeted at \$6.2M year to date with no amount being received in 2023/24. These grants are received in lump sums based on the stage of completion. The timing of this project has now changed due to community consultation, which will now fall into the 2024/25 year.
Parks Capital Grants	Deficit	Parks Capital Grants are budgeted at \$3.1M year to date with no amount being received in 2023/24.
Aigantighe Art Gallery Capital Grants	Deficit	Aigantighe Art Gallery Capital Grants are budgeted at \$700K year to date with no amount being received in 2023/24.
LTNZ Subsidies	Deficit	LTNZ Subsidies are budgeted at \$370K year to date with no amount being received in 2023/24.
Aorangi Stadium Capital Grants	Deficit	Aorangi Stadium Capital Grants are budgeted at \$2.0M year to date with no amount being received in 2023/24.



Fees and Charges - \$1.9M deficit variance

<b>Unit</b>	<b>Surplus /Deficit</b>	<b>Explanation</b>
Waste Minimisation	Deficit	\$2.3M below budget overall.
Sewer	Surplus	Trade Waste revenue is \$265K above budget
Planning	Surplus	Fees and charges were \$153K above budget due to increased subdivision consents
Building Control	Deficit	Fees and charges were \$484K below budget potentially due to rising construction costs dampening the consenting market
Parking	Surplus	Fees and charges were \$384K above budget due to a higher proportion of infringements than budgeted
Animal Control	Surplus	Fees and charges were \$182K above budget due to higher instances of compliance
Theatre Royal	Deficit	Theatre fees & charges are \$158K below budget due to delay in the project

Other Revenue - \$16.5M surplus variance

<b>Unit</b>	<b>Surplus /Deficit</b>	<b>Explanation</b>
Three Waters	Surplus	Three Water other income is \$2.8M above budget due to additional vested assets.
Drainage and Water Management	Deficit	Downlands new connection revenue is \$433K below budget due to lower demand for new connections
CPlay donations	Surplus	\$653K donations previously held in Trust were received to fund construction on this project.
Aorangi Stadium	Surplus	Aorangi stadium other income is \$12.7M above budget due to acquiring additional abounded asset
Land Transport Unit	Surplus	LTU other costs were \$591K under budget mainly due to unbudgeted Road Opening Notices \$390K and additional contributions received \$206K

Finance Revenue - \$2.7M surplus variance

Unit	Surplus /Deficit	Explanation
Interest Income Received	Surplus	Interest income received is higher than budget due to rising interest rates. Related party interest was budgeted at 3.12%, the Council is currently receiving 6.98%. Investment interest was budgeted at 1.3%, currently receiving 5.27% on average (increasing upon investment maturity and re-investment).

Other gains - \$1.1M surplus variance

Unit	Surplus /Deficit	Explanation
Finance	Surplus	An unbudgeted fair value derivatives gain on revaluation of interest rate swaps has been recognised. At 30 June 2024 the value of derivatives was a \$4.45M asset. This has continued to increase in value and is now a \$5.62M asset. This is due to rising floating rates causing a favourable outcome on swaps entered into.

Development and Financial Contributions – \$739K surplus variance

Unit	Surplus /Deficit	Explanation
Finance	Surplus	Unbudgeted local contributions towards Three Waters infrastructure are \$739K year to date.

16 Operating Expenditure to 30 June 2024 is \$133.4M, which is \$10.6M above budgeted expenditure. The key variances within expenditure are:

16.1 Depreciation has been re-calculated based on the actual movements in fixed assets this year, with an estimate for the assets still to be capitalised. At the time of setting the budget, which is prior to the end of the financial year there were revaluations/adjustments that were required at year end. These weren't factored into the budget. Depreciation expenses are \$5.9M over budget. Still provision for depreciation to be processed.

16.2 Personnel costs are \$887K (108%) ahead of budget which is largely due to the salary changes related to the living wage alignment and subsequent increase. Not all end of year capital personnel costs have been processed yet, which will result in decrease in personnel costs but not materially.

16.3 Finance costs \$3.1M higher than budget due to higher interest rates. External borrowings were budgeted at 3.12%, currently paying an average of 5.77%.

16.4 Other expenses being \$683K higher than budget, made up of a number of variances across units as outlined in the detailed attachment.

Large variances are:

<b>Unit</b>	<b>Surplus /Deficit</b>	<b>Explanation</b>
Roading	Surplus	Roading is \$511K under budget for the year, mainly relating to the emergency works completed
Waste Minimisation	Surplus	Waste Minimisation and kerbside collection contractor costs are \$1.5M under budget mainly due to Waste side Maintenance
Professional Fees	Deficit	Professional fees are \$528K above budget due to the need to provide cover in vacant roles until permanent employees are recruited, provide specialist services on assurance engagements, asset valuations, respond to central government reporting requirements, e.g. 3 waters requests for information (required under the legislation) and increased and more complex requests for information requiring legal advice regarding matters such as privacy and commercially sensitive information.
Roading and Footpaths	Surplus	Roading other costs are \$1.10M under budget as result of Subsidised Roothing \$410K under budget, mainly due to not requiring Roothing Emergency Works year to date and CBD Maintenance Contractor's under budget costs of \$685.
IT Software and Support	Deficit	IT software and support are \$276K over budget, largely relating to software support and upgrades expensed.
Parks	Deficit	Parks Other Costs are \$845K over budget, mainly due to unbudgeted Building Maintenance and Memorial Monument Maintenance costs
Properties Maintenance	Surplus	Properties Maintenance other costs were \$346K under budget, mainly due to favourable Building Maintenance costs
Parking Facilities	Deficit	Parking facilities costs were \$198K over budget mainly relating to professional fees and maintenance costs. Professional fees are associated with the Sophia Street carpark.
Urban Water	Deficit	Urban water operational costs are above budget by \$954K, this includes reticulation costs, treatment and pump station maintenance and chemical costs.
CBay	Deficit	CBay other costs were \$225K over budget mainly due underbudgeted utilities costs and building maintenance costs
Community Housing	Deficit	Community Housing other costs were \$520 over budget, mainly due to unbudgeted rates costs and underbudgeted

District Plan Review	Surplus	District plan review costs are below budget by \$702K due to changes in timing for the overall project and has been re-budgeted into 2024/25 and beyond.
Drainage & Water	Deficit	Drainage & water other costs were \$668K over budget mainly due to unfavourable Professional Fees \$180K and underbudgeted Road opening notices \$301K
Corporate Planning	Deficit	Corporate Planning other costs were \$222K over budget mainly due to underbudgeted professional fees
Park & Rec Management	Deficit	Park & Rec Management other costs were \$171K mainly due to underbudgeted professional fees
Landfill Remediation	Deficit	Landfill remediation costs were an unbudgeted \$243K

- 17 The total actual capital expenditure is \$68.4M. This is lower than budget by \$13.3M and represents 84% of our full year budget for this financial year. The reason that this is greater than reported prior is it now includes the vested assets (\$3.9M) and an abandoned stadium (\$12.7M). Cash has not been spent on these, they are accounting treatment only but do form part of the asset additions for this year.
- 18 Capital expenditure was impacted by delays in the Theatre Royal, Airport, Urban Water (Fluoridation & Claremont Treatment Plant projects), Parking Facilities and Aigantighe Art Gallery projects (approximately \$26.8M) deferred to 2024/25. TDC acquired additional abandoned asset at \$12.7M - Aorangi Stadium.
- 19 Total borrowings as at 30 June 2024 were \$220M. The net debt position at the same date is \$192M. Net debt is total borrowings less cash reserves held by Council.

•	• \$000's
• Total borrowings	• 220,532
• Cash and deposits	• 1,401
• Other financial assets	• 35,711
- Current @75% of \$35,711	• 26,783
• Total cash	• 28,184
• Net Debt	• 192,348

20 Debt to revenue ratio as at 30 June 2024 is 143% includes vested assets. Adjusted debt to revenue ratio as at 30 June 2024 is 163% excluding vested assets. Council’s debt to revenue ratio limit is 210% as set out in its Financial Strategy. This is comfortably within Councils ceiling limit.

	\$000's	\$000's
<b>Net Debt</b>	192,348	192,348
<b>Total revenue</b>	134,717	118,123
<b>Debt/revenue ratio</b>	<b>1.43</b>	<b>1.63</b>
<b>Interim revenue 2023/24</b>	<b>134,717</b>	<b>134,717</b>
Adjusts to revenue		
<i>Less Waste Fees &amp; Charges</i>		<i>(3,926)</i>
<i>Add minor categories</i>		<i>(12,668)</i>
<i>Revenue adjustment</i>	0	<i>(16,594)</i>
<b>Forecast total revenue</b>	<b>134,717</b>	<b>118,123</b>
<b>Net Debt cap - limit</b>		
210% - as per policy	282,906	248,057
Available funds	90,558	55,710
280% - LGFA policy	377,208	330,743
Available funds	184,860	138,395

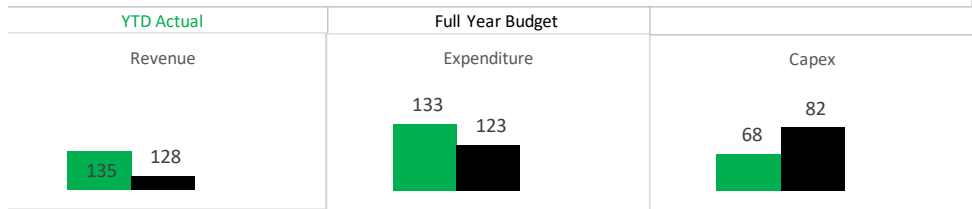
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**Attachments**

1. Council Draft Financial Performance - June-24 [!\[\]\(9a53fe79a03d38d8322f7a2c5a875b36\_img.jpg\)](#) [!\[\]\(01f19d40f03100aa8a158c4891453b0d\_img.jpg\)](#)

## Council Financial Performance & Variance Analysis Summary as at 30 June 2024

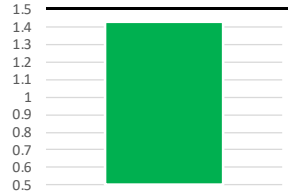
### YTD \$ Actual vs FY \$ Budget



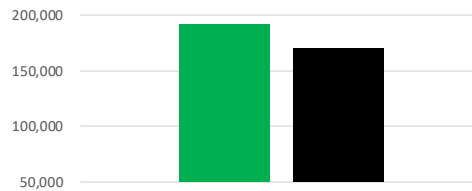
### Financial Strategy

YTD Actual	30th June 2023
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Debt / Revenue Ratio (Based on YTD Debt & Year End Revenue)

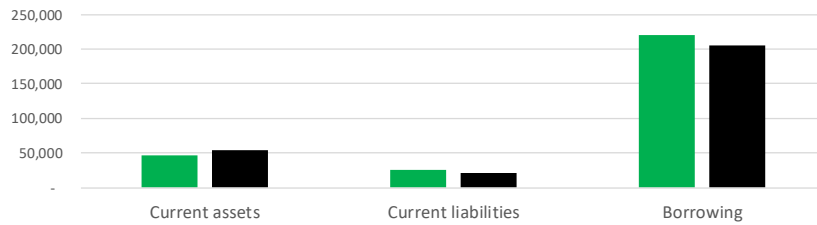


Net Debt



### Financial Position - Balances (\$'000's)

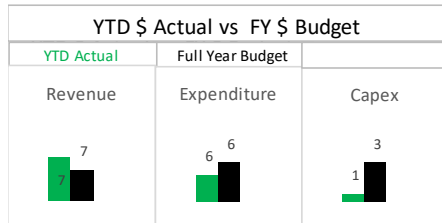
YTD Actual	30th June 2023
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**WHOLE OF COUNCIL**

YTD \$ Actual vs FY \$ Budget			Council Performance as at 30 Jun 2024				
YTD Actual	Full Year Budget		Year to Date			YTD 2023	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Actual	of FY Budget
			\$000's	\$000's	\$000's	\$000's	
133	128	133					
	123	82					
		68					
<b>Operating Revenue</b>							
Rates revenue	72,155	72,342	(187)	65,513	100%		
Subsidies and grants	14,256	26,869	(12,613)	13,303	53%		
Fees & charges	18,655	20,557	(1,902)	17,317	0%		
Other revenue	22,272	5,768	16,504	12,233	386%		
Finance revenue	4,558	1,781	2,777	3,359	256%		
Dividend revenue	1,004	1,115	(111)	1,010	90%		
Other gains	1,078	-	1,078	-	0%		
Development and financial contributions	739	-	739	953	0%		
<b>Total Operating Revenue</b>	<b>134,717</b>	<b>128,432</b>	<b>6,285</b>	<b>113,688</b>	<b>105%</b>		
<b>Operating Expenditure</b>							
Personnel costs	27,533	26,646	(887)	24,793	103%		
Depreciation expense	38,929	33,000	(5,929)	34,179	118%		
Finance costs	9,886	6,780	(3,106)	7,402	93%		
Other expenses	57,008	56,325	(683)	60,966	103%		
Other Gains/Losses	-	-	-	3,037			
<b>Total Operating Expenditure</b>	<b>133,356</b>	<b>122,751</b>	<b>(10,605)</b>	<b>130,377</b>	<b>109%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>1,361</b>	<b>5,681</b>	<b>4,320</b>	<b>(16,689)</b>	<b>24%</b>		
<b>Capital Expenditure</b>							
Community Support	594	2,841	2,247	3,651	21%		
Corporate Support	1,958	3,095	1,137	2,617	63%		
Recreation and Leisure	23,190	21,714	(1,476)	6,697	107%		
Roading and Footpaths	22,888	26,123	3,235	19,130	88%		
Sewer	3,181	4,434	1,253	1,994	72%		
Stormwater	2,358	3,874	1,516	1,443	61%		
Waste Minimisation	3,119	1,838	(1,281)	3,336	170%		
Water Supply	11,129	17,827	6,698	14,974	62%		
<b>Total Capital Expenditure</b>	<b>68,417</b>	<b>81,746</b>	<b>13,329</b>	<b>53,842</b>	<b>84%</b>		

**1. COMMUNITY SUPPORT**



**Community Support  
as at 30 Jun 2024**

Actual \$000's	Year to Date Budget \$000's	Variance \$000's	Full Budget \$000's	YTD Actual %
				of FY Budget 10's

**Operating Revenue**

Rates revenue	4,554	4,529	25	101%
Subsidies and grants	185	56	129	330%
Fees & charges	2,326	2,286	40	102%
Other revenue	200	48	152	417%
<b>Total Operating Revenue</b>	<b>7,265</b>	<b>6,919</b>	<b>346</b>	<b>105%</b>

**Operating Expenditure**

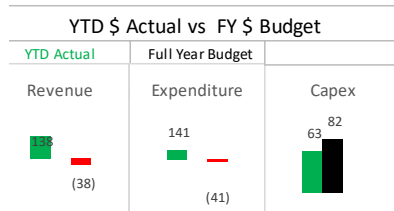
Personnel costs	434	884	450	49%
Depreciation expense	225	743	518	30%
Finance costs	316	316	-	100%
Other expenses	4,552	4,320	(232)	105%
<b>Total Operating Expenditure</b>	<b>5,527</b>	<b>6,263</b>	<b>736</b>	<b>88%</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,738</b>	<b>656</b>	<b>1,082</b>	

**Capital Expenditure**

Community Support	594	2,841	2,247	21%
<b>Total Capital Expenditure</b>	<b>594</b>	<b>2,841</b>	<b>2,247</b>	<b>21%</b>



**2. CORPORATE ACTIVITIES**



**Corporate Activities  
as at 30 Jun 2024**

Year to Date			YTD Actual %
Actual	Budget	Variance Budget	of FY Budget
\$000's	\$000's	\$000's	

**Operating Revenue**

Rates revenue	1,003	1,144	(141)	88%
Subsidies and grants	-	370	(370)	0%
Fees & charges	830	913	(83)	91%
Other revenue	2,228	2,381	(153)	94%
Finance revenue	4,518	1,781	2,737	0%
Dividend revenue	1,004	1,115	(111)	0%
Other gains	1,078	-	1,078	0%
<b>Total Operating Revenue</b>	<b>10,661</b>	<b>7,704</b>	<b>2,957</b>	<b>138%</b>

**Operating Expenditure**

Personnel costs	14,077	12,552	(1,525)	112%
Depreciation expense	1,786	1,220	(566)	146%
Finance costs	4,739	1,770	(2,969)	268%
Other expenses	4,672	2,362	(2,310)	198%
<b>Total Operating Expenditure</b>	<b>25,274</b>	<b>17,904</b>	<b>(7,370)</b>	<b>141%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(14,613)</b>	<b>(10,200)</b>	<b>(4,413)</b>	

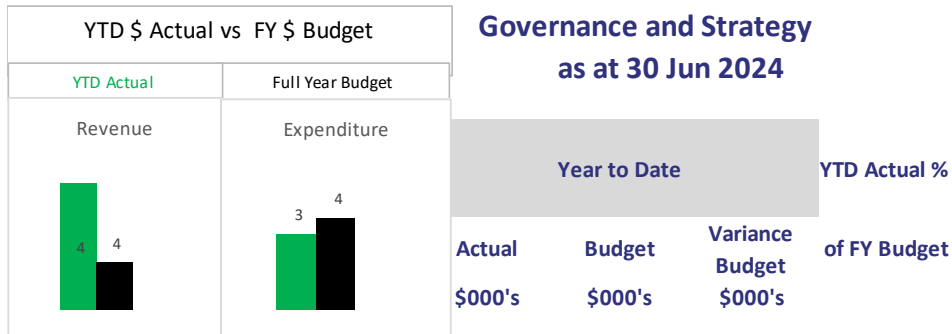
**Capital Expenditure**

Corporate Support	1,958	3,095	1,137	63%
<b>Total Capital Expenditure</b>	<b>1,958</b>	<b>3,095</b>	<b>1,137</b>	<b>63%</b>

**3. ENVIRONMENTAL SERVICES**

YTD \$ Actual vs FY \$ Budget			Environmental Services as at 30 Jun 2024			
YTD Actual	Full Year Budget		Year to Date			YTD Actual %
Revenue	Expenditure		Actual \$000's	Budget \$000's	Variance Budget \$000's	of FY Budget
<b>Operating Revenue</b>						
Rates revenue			2,027	2,010	17	101%
Fees & charges			3,794	3,827	(33)	99%
Other revenue			137	269	(132)	51%
<b>Total Operating Revenue</b>			<b>5,958</b>	<b>6,106</b>	<b>(148)</b>	<b>98%</b>
<b>Operating Expenditure</b>						
Personnel costs			4,251	4,408	157	96%
Depreciation expense			5	10	5	50%
Finance costs			51	51	-	100%
Other expenses			3,612	4,135	523	87%
<b>Total Operating Expenditure</b>			<b>7,919</b>	<b>8,604</b>	<b>685</b>	<b>92%</b>
<b>Operating Surplus/(Deficit)</b>			<b>(1,961)</b>	<b>(2,498)</b>	<b>537</b>	
<b>Capital Expenditure</b>						
<b>Total Capital Expenditure</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

**4. GOVERNANCE AND STRATEGY**



**Operating Revenue**

Rates revenue	3,957	3,940	17	100%
<b>Total Operating Revenue</b>	<b>3,957</b>	<b>3,940</b>	<b>17</b>	<b>100%</b>

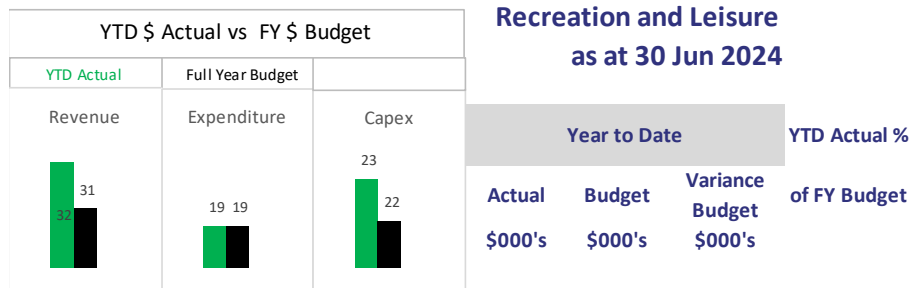
**Operating Expenditure**

Personnel costs	768	789	21	97%
Finance costs	1	1	-	100%
Other expenses	2,497	3,150	653	79%
<b>Total Operating Expenditure</b>	<b>3,266</b>	<b>3,940</b>	<b>674</b>	<b>83%</b>
<b>Operating Surplus/(Deficit)</b>	<b>691</b>	<b>-</b>	<b>691</b>	

**Capital Expenditure**

<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
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**5. RECREATION AND LEISURE**



**Recreation and Leisure as at 30 Jun 2024**

**Operating Revenue**

	Year to Date			YTD Actual % of FY Budget
	Actual \$000's	Budget \$000's	Variance Budget \$000's	
Rates revenue	14,630	14,585	45	100%
Subsidies and grants	142	12,098	(11,956)	1%
Fees & charges	1,389	1,587	(198)	88%
Other revenue	15,651	2,305	13,346	679%
<b>Total Operating Revenue</b>	<b>31,812</b>	<b>30,575</b>	<b>1,237</b>	<b>104%</b>

**Operating Expenditure**

Personnel costs	6,292	6,381	89	99%
Depreciation expense	2,107	2,367	260	89%
Finance costs	805	800	(5)	101%
Other expenses	9,680	9,034	(646)	107%
<b>Total Operating Expenditure</b>	<b>18,884</b>	<b>18,582</b>	<b>(302)</b>	<b>102%</b>
<b>Operating Surplus/(Deficit)</b>	<b>12,928</b>	<b>11,993</b>	<b>935</b>	

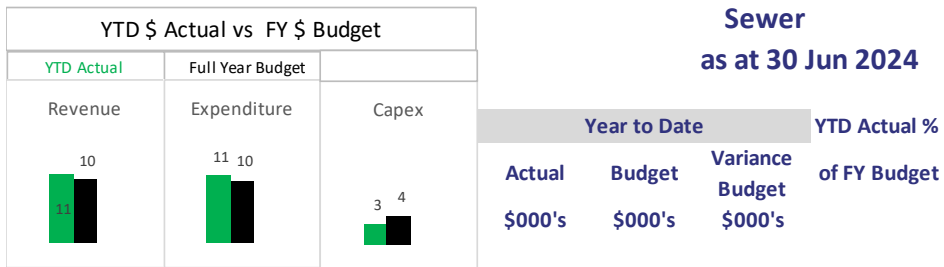
**Capital Expenditure**

Recreation and Leisure	23,190	21,714	(1,476)	107%
<b>Total Capital Expenditure</b>	<b>23,190</b>	<b>21,714</b>	<b>(1,476)</b>	<b>107%</b>

**6. ROADING AND FOOTPATHS**

YTD \$ Actual vs FY \$ Budget			Roading and Footpaths as at 30 Jun 2024			
YTD Actual	Full Year Budget		Year to Date			YTD Actual %
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	of FY Budget
<b>Operating Revenue</b>						
Rates revenue			15,495	15,393	102	101%
Subsidies and grants			13,135	13,445	(310)	98%
Fees & charges			1,466	1,082	384	135%
Other revenue			1,049	87	962	1206%
<b>Total Operating Revenue</b>			<b>31,145</b>	<b>30,007</b>	<b>1,138</b>	<b>104%</b>
<b>Operating Expenditure</b>						
Personnel costs			299	127	(172)	235%
Depreciation expense			17,175	13,284	(3,891)	129%
Finance costs			743	743	-	100%
Other expenses			10,372	10,883	511	95%
<b>Total Operating Expenditure</b>			<b>28,589</b>	<b>25,037</b>	<b>(3,552)</b>	<b>114%</b>
<b>Operating Surplus/(Deficit)</b>			<b>2,556</b>	<b>4,970</b>	<b>(2,414)</b>	
<b>Capital Expenditure</b>						
Roading and Footpaths			22,888	26,123	3,235	88%
<b>Total Capital Expenditure</b>			<b>22,888</b>	<b>26,123</b>	<b>3,235</b>	<b>88%</b>

**7. SEWER**



**Sewer  
as at 30 Jun 2024**

	Year to Date			YTD Actual % of FY Budget
	Actual \$000's	Budget \$000's	Variance Budget \$000's	

**Operating Revenue**

Rates revenue	6,805	6,806	(1)	100%
Subsidies and grants	8	-	8	0%
Fees & charges	3,324	3,059	265	109%
Other revenue	461	93	368	496%
Development and financial contributions	373	-	373	0%
<b>Total Operating Revenue</b>	<b>10,971</b>	<b>9,958</b>	<b>1,013</b>	<b>110%</b>

**Operating Expenditure**

Personnel costs	545	449	(96)	121%
Depreciation expense	5,706	5,059	(647)	113%
Finance costs	1,366	1,366	-	100%
Other expenses	3,073	3,083	10	100%
<b>Total Operating Expenditure</b>	<b>10,690</b>	<b>9,957</b>	<b>(733)</b>	<b>107%</b>

<b>Operating Surplus/(Deficit)</b>	<b>281</b>	<b>1</b>	<b>280</b>	
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**Capital Expenditure**

Sewer	3,181	4,434	1,253	72%
<b>Total Capital Expenditure</b>	<b>3,181</b>	<b>4,434</b>	<b>1,253</b>	<b>72%</b>

**8. STORMWATER**

YTD \$ Actual vs FY \$ Budget			<b>Stormwater as at 30 Jun 2024</b>			
YTD Actual	Full Year Budget		Year to Date			YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance	of FY Budget
			\$000's	\$000's	Budget	
					\$000's	
<b>Operating Revenue</b>						
Rates revenue			4,284	4,284	-	100%
Fees & charges			2	-	2	0%
Other revenue			1,934	-	1,934	0%
Development and financial contributions			35	-	35	0%
<b>Total Operating Revenue</b>			<b>6,255</b>	<b>4,284</b>	<b>1,971</b>	<b>146%</b>
<b>Operating Expenditure</b>						
Depreciation expense			3,765	3,161	(604)	119%
Finance costs			87	87	-	100%
Other expenses			841	1,036	195	81%
<b>Total Operating Expenditure</b>			<b>4,693</b>	<b>4,284</b>	<b>(409)</b>	<b>110%</b>
<b>Operating Surplus/(Deficit)</b>			<b>1,562</b>	<b>-</b>	<b>1,562</b>	
<b>Capital Expenditure</b>						
Stormwater			2,358	3,874	1,516	61%
<b>Total Capital Expenditure</b>			<b>2,358</b>	<b>3,874</b>	<b>1,516</b>	<b>61%</b>

**9. WASTE MINIMISATION**

YTD \$ Actual vs FY \$ Budget			<b>Waste Minimisation as at 30 Jun 2024</b>			
YTD Actual	Full Year Budget		Year to Date			YTD Actual %
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	of FY Budget
<b>Operating Revenue</b>						
Rates revenue			4,782	4,782	-	100%
Subsidies and grants			785	900	(115)	87%
Fees & charges			5,508	7,803	(2,295)	71%
Other revenue			56	140	(84)	40%
<b>Total Operating Revenue</b>			<b>11,131</b>	<b>13,625</b>	<b>(2,494)</b>	<b>82%</b>
<b>Operating Expenditure</b>						
Personnel costs			387	435	48	89%
Depreciation expense			777	556	(221)	140%
Finance costs			337	337	-	100%
Other expenses			10,463	11,981	1,518	87%
<b>Total Operating Expenditure</b>			<b>11,964</b>	<b>13,309</b>	<b>1,345</b>	<b>90%</b>
<b>Operating Surplus/(Deficit)</b>			<b>(833)</b>	<b>316</b>	<b>(1,149)</b>	
<b>Capital Expenditure</b>						
Waste Minimisation			3,119	1,838	(1,281)	170%
<b>Total Capital Expenditure</b>			<b>3,119</b>	<b>1,838</b>	<b>(1,281)</b>	<b>170%</b>



**10. WATER SUPPLY**

YTD \$ Actual vs FY \$ Budget			Water Supply as at 30 Jun 2024			
YTD Actual	Full Year Budget					
Revenue	Expenditure	Capex	Year to Date		YTD Actual %	
			Actual	Budget	Variance Budget	of FY Budget
			\$000's	\$000's	\$000's	
<b>Operating Revenue</b>						
Rates revenue	14,618	14,869	(251)	98%		
Fees & charges	16	-	16	0%		
Other revenue	557	444	113	125%		
Finance revenue	18	-	18	0%		
Development and financial contributions	331	-	331	0%		
<b>Total Operating Revenue</b>	<b>15,540</b>	<b>15,313</b>	<b>227</b>	<b>101%</b>		
<b>Operating Expenditure</b>						
Personnel costs	480	621	141	77%		
Depreciation expense	7,383	6,600	(783)	112%		
Finance costs	1,440	1,307	(133)	110%		
Other expenses	7,245	6,342	(903)	114%		
<b>Total Operating Expenditure</b>	<b>16,548</b>	<b>14,870</b>	<b>(1,678)</b>	<b>111%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>(1,008)</b>	<b>443</b>	<b>(1,451)</b>			
<b>Capital Expenditure</b>						
Water Supply	11,129	17,827	6,698	62%		
<b>Total Capital Expenditure</b>	<b>11,129</b>	<b>17,827</b>	<b>6,698</b>	<b>62%</b>		

		YTD Actual	30th June 2023
<b>Financial Position as at 30 Jun 2024</b>			
		YTD Actual \$000's	30th June 2023 Actual \$000's
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits		1,401	14,296
Debtors and other receivables		9,962	12,720
Inventories		30	34
Other financial assets		35,711	27,111
<b>Total current assets</b>		<b>47,104</b>	<b>54,161</b>
<b>Non_current assets</b>			
Property plant & equipment		1,927,148	1,884,990
Intangible assets		7,096	5,075
Forestry		1,373	1,373
Investment property		1,930	1,955
Investment in cco's & other similar	▲	56,161	55,589
Other financial assets		2,671	7,929
<b>Total non_current assets</b>		<b>1,996,379</b>	<b>1,956,911</b>
<b>Total assets</b>		<b>2,043,483</b>	<b>2,011,072</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payable		23,060	17,864
Employee benefit liabilities		2,514	3,587
<b>Total current liabilities</b>		<b>25,574</b>	<b>21,451</b>
<b>Non_current liabilities</b>			
Provisions		11,063	10,192
Employee benefit liabilities		407	407
Non current borrowing	▲	220,532	205,532
<b>Total non_current liabilities</b>		<b>232,002</b>	<b>216,131</b>
<b>Total liabilities</b>		<b>257,576</b>	<b>237,582</b>
<b>Net Assets</b>		<b>1,785,907</b>	<b>1,773,490</b>
<b>EQUITY</b>			
Retained earnings		795,907	784,119
Special funds		17,098	17,097
Separate funds		23,796	23,871
Asset revaluation		949,106	948,403
<b>Total equity</b>	-	<b>1,785,907</b>	<b>1,773,490</b>

Statement of Cashflow as at 30 Jun 2024

	YTD Actual \$000's	30th June 2023 Actual \$000's
<b>OPERATING ACTIVITIES</b>		
Rates	72,699	65,621
Other revenue received	40,832	45,604
Interest received	6,069	3,739
Dividends received	1,004	1,010
Payments to suppliers and employees	(82,511)	(91,576)
Finance costs	(10,557)	(7,782)
<b>Net operating activities</b>	<b>27,536</b>	<b>16,616</b>
<b>INVESTING ACTIVITIES</b>		
Reduction of term investment	(712)	(4,919)
Proceeds from sale of property, plant and equipment	147	1,126
Purchase of property, plant and equipment	(54,866)	(54,888)
<b>Net investing activities</b>	<b>(55,431)</b>	<b>(58,681)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown / (repayment) of borrowings	15,000	40,713
<b>Net financing activities</b>	<b>15,000</b>	<b>40,713</b>
Cash movement	(12,895)	(1,352)
Opening Balance 1st July	14,296	15,648
<b>Closing Bank Balance</b>	<b>1,401</b>	<b>14,296</b>

## 9.4 Council Investments and Borrowing

**Author:** Ashlea Whyte, Finance Manager

**Authoriser:** Andrea Rankin, Chief Financial Officer

### Recommendation

That Council receives and notes the Council Investments and Borrowing report.

### Purpose of Report

1. To update Council on the status of Council's treasury activities at 30 June 2024.

### Assessment of Significance

2. This matter is assessed to be of low significance under the Council's Significance and Engagement Policy. This is a regular report to the Council on the status of Council's borrowing and investments. Council's Financial Strategy is consulted on as part of each Long Term Plan review cycle.

### Background

3. Council's treasury management involves holding a range of investments and borrowing to fund long term capital projects and operational expenditure as agreed in the Annual Plan or Long Term Plan.
4. Council treasury activities are managed in compliance within the limits of the Council's Treasury Management Policy (TMP).
5. Bancorp Treasury Services Limited provide external treasury advice to Council on borrowing and investment decisions.
6. As at 30 June 2024, all transactions have been transacted in compliance with Council Policies and performance of Council Treasury activities are well managed.

### Discussion

7. This report is to be read in conjunction with the attached detailed report titled "Treasury Reporting Dashboard – 30 June 2024".
8. Liquidity and Funding
  - 8.1. Liquidity and funding refers to total external Council drawn debt and undrawn bank facilities. The funding profiles and sources must agree with policy control limits.
  - 8.2. Timaru District Council has access to three key sources of funding from the Local Government Funding Agency ("LGFA"). These are:
    - Commercial Paper ("CP") – unsecured money market instrument issued in the form of a promissory note;
    - Floating Rate Notes ("FRN") – debt instruments with variable interest rates; and

- Fixed Rate Bonds (“FRB”) – fixed rate throughout the life of the bond.

- 8.3. Total borrowings as at 30 June 2024 were \$220.5 million. The net debt position at the same date is \$192.0 million. Net debt is total borrowings less cash reserves held by Council.
- 8.4. Debt to revenue ratio as at 30 June 2024 is 143% including vested assets, 163% excluding vested assets. Council’s debt to revenue ratio limit is 210% as set out in its Financial Strategy.
- 8.5. All Liquidity and Funding limits are compliant with polices.

## 9. Interest Rate Risk

- 9.1. The Interest rate risk section of the report refers to whether Council’s hedging profile is within policy limits as well as the split between Fixed Debt and Floating cover.
- 9.2. The chart on the attached hedging profile on page 5 is based on 75% of LTP debt projections scenario which the Council believes is realistic and achievable. This illustrates that the Council is within the policy bands contained in the LTP.
- 9.3. All Up Weighted Average Cost of Funds Including Margin is 4.08%.
- 9.4. All interest rates are within policy bands.
- 9.5. As at 30 June 2024, the Council has a total of \$57 million of interest rate swaps with various maturity start and end dates through to December 2028. The net increase in fair value gain on revaluation for the current quarter is \$1.108 million.

## 10. Investment Management

- 10.1. Cash investments are broken down by special and general funds.
- 10.2. Special Funds are held for specific purposes as set out in the Long Term Plan, Annual Plan and Annual Report. These funds are invested for approved future expenditure, to implement strategic initiatives, support intergenerational allocations, bequests, and other reserves.
- 10.3. General Funds are cash reserves held for day to day operating activities. General Fund balances fluctuate across the quarter depending on operational income and expenditure cash flows. Council has a financial strategy to maintain a minimum of \$10 million general funds for liquidity purposes.
- 10.4. The total cash investments of Council as at 30 June 2024 is \$20.51 million.

## Attachments

1. **Bancorp Quarterly Treasury Report June 2024** [↓](#) 



# Treasury Reporting Dashboard

30 June 2024

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## Economic Commentary

2

### Global (for the June 2024 quarter)

It was another bumpy ride for the benchmark US bond market in the June quarter, with the 10-year treasury starting at 4.20%, rising to 4.72% on 27 April, declining back to 4.22% on 20 June, and finishing the quarter at 4.40%. While progress has been made in taming inflation, the progress has been slower than the market and, importantly, what the US Federal Reserve ("Fed") had been hoping for, creating concerns that the Fed may keep interest rates higher for longer than anticipated. The Fed has continued to signal it would begin easing this year while forecasting higher growth for 2024. From pricing in 6-7 Fed cuts at the start of the year, market pricing currently reflects two cuts by the end of the year, complicated by the 5 November US election.

While progress has been made in the battle against inflation globally, that progress has been uneven across different geographies. Persistent core inflation pressures in several developed countries, including the UK, US and Eurozone, contributed to overall inflation rates exceeding central bank targets. Australia remains an outlier and based on market pricing, faces a real possibility of further interest rate hikes after a poor May CPI release.

In early June, the European Central Bank ("ECB") cut its key interest rates by 25bps to lower its main refinancing operation rate to 4.25% and its deposit facility rate to 3.75%. The move did come with a warning after ECB President Christine Lagarde announced, "Domestic inflation remains high, and wages are rising at an elevated pace. We will need more data to constantly confirm the disinflationary path. We cannot confirm that the dialling back process is underway."

It was a different story in Switzerland, though, after the Swiss National Bank ("SNB"), reduced its key interest rate by 25bps to 1.25% following its March cut. The rate cut caught the market off guard, which saw the Swiss franc fall sharply, although officials sought to provide comfort, announcing they remain prepared to intervene if required.

China increased the pace of monetary, fiscal, and regulatory easing measures to support growth. These efforts have contributed to some cyclical stabilisation, but whether they will translate into a full-blown economic reacceleration remains uncertain.

Looking ahead to the US elections in November, the election result will determine who decides on the roughly \$3.5 trillion of 2017 personal income tax cuts scheduled to expire at the end of 2025. Based on projections, the fiscal deficit is expected to remain relatively large over the next several years (5%-6% of GDP), partly due to rising interest-rate payments on federal debt. The election result could see materially different approaches to tariffs, global trade, immigration, taxes and even the shape of monetary policy.



# Economic Commentary

## New Zealand (for the June 2024 quarter)



	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 March 2024	5.50%	5.63%	4.80%	4.51%	4.38%	4.38%	4.46%
30 June 2024	5.50%	5.63%	4.96%	4.68%	4.45%	4.44%	4.50%
Change	0%	0%	+0.16%	+0.17%	+0.07%	+0.06%	+0.04%

The June 2024 quarter saw a continuation of the poor economic data that has characterised 2024, with a growing chorus of ‘survive until 25’ being heard. New Zealand is undergoing a painful reset, with economic indicators suggesting the economy has weakened further over the last quarter. Further forward-looking indicators for the remainder of 2024 show an economy stuttering at ongoing near or actual recessionary levels. Evidence continues that the Reserve Bank of New Zealand (“RBNZ”) has largely done its job in suppressing aggregate demand, and the labour market is clearly softening.

While the signs of a faltering economy are clear, the timing of when this will lead to lower inflation and, more importantly, when the RBNZ can ease its grip on the economy by reducing rates remains uncertain. Another variable is whether the RBNZ starts cutting rates when inflation falls back within its target range of 1%-3% or when the RBNZ is confident that inflation will fall back to the target midpoint of 2%

At the 22 May Monetary Policy Statement (“MPS”), the RBNZ maintained the OCR at 5.50%, stating that while annual consumer price inflation is expected to return to the Committee’s 1%-3% target range by the end of 2024, monetary policy needed to remain restrictive to ensure that the inflation rate returns to the middle of the range within a reasonable timeframe. Of particular note, the RBNZ focused on annual non-tradable inflation, which has only slightly declined to 5.8%, higher than the 5.3% forecast.

RBNZ projections have the first OCR cut in Q4 2025, with most banks forecasting cuts in February 2025 and Kiwibank forecasting a November 2024 rate cut. By contrast financial market pricing is assigning an 80% probability that the first 25 basis point cut will occur in October 2024 and a 100% probability of it happening in November 2024.

There is an increasing amount of anecdotal evidence backed up by many recent data releases of a rapidly slowing economy. These releases include business and consumer confidence declining sharply as well as construction activity, residential building consents and retail sales all falling markedly. This suggests that the RBNZ should cut sooner than the May MPS review indicated.

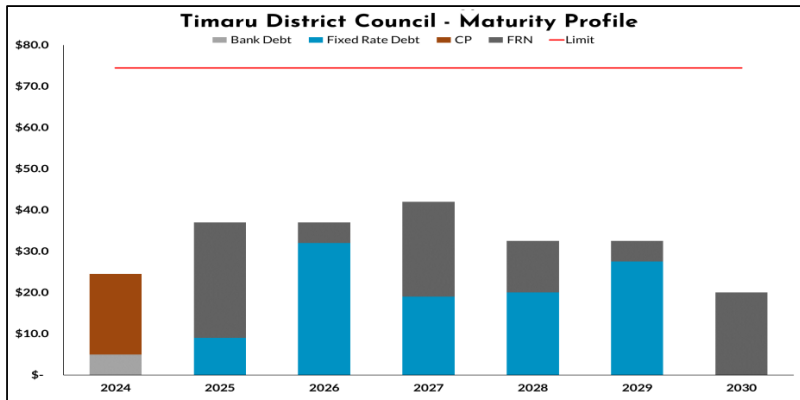
Swap rates had a volatile quarter. The 2-year and 5-year swap rates declined from highs of 5.22% and 4.80%, respectively, down to lows of 4.89% and 4.33% before retracing some of the moves down, closing the quarter at 4.96% and 4.45%, respectively.





# Liquidity and Funding

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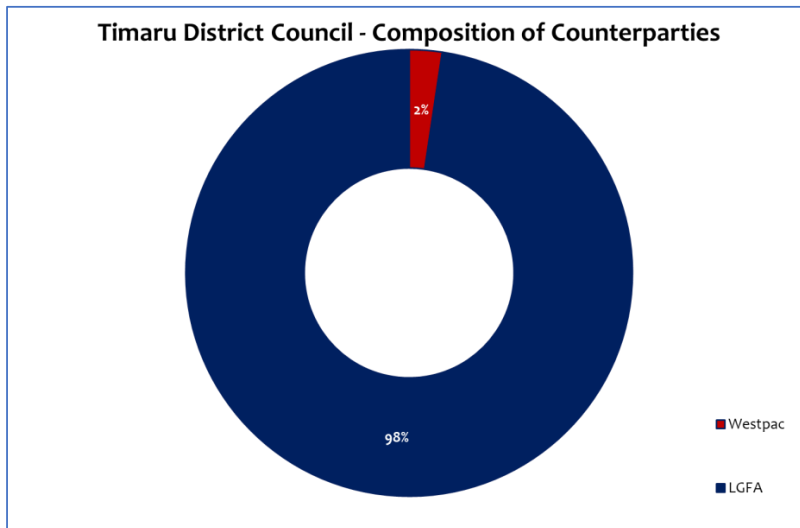


Debt  
**\$220.5m**  
 Total External Council Drawn Debt

LGFA  
**\$220.5m**  
 Funds Drawn from LGFA

Net debt  
**\$200.0m**  
 Debt, less cash, term deposits and SFP bond investments

Headroom/Bank facility  
**\$5.0m**  
 Undrawn Bank Facilities



Liquidity Ratio (minimum LGFA requirement 110%)  
**111.34%**  
 Definition: (Cash + term deposits + longer dated financial assets that can be sold + committed undrawn bank facilities+ Drawn Debt)/Drawn Debt

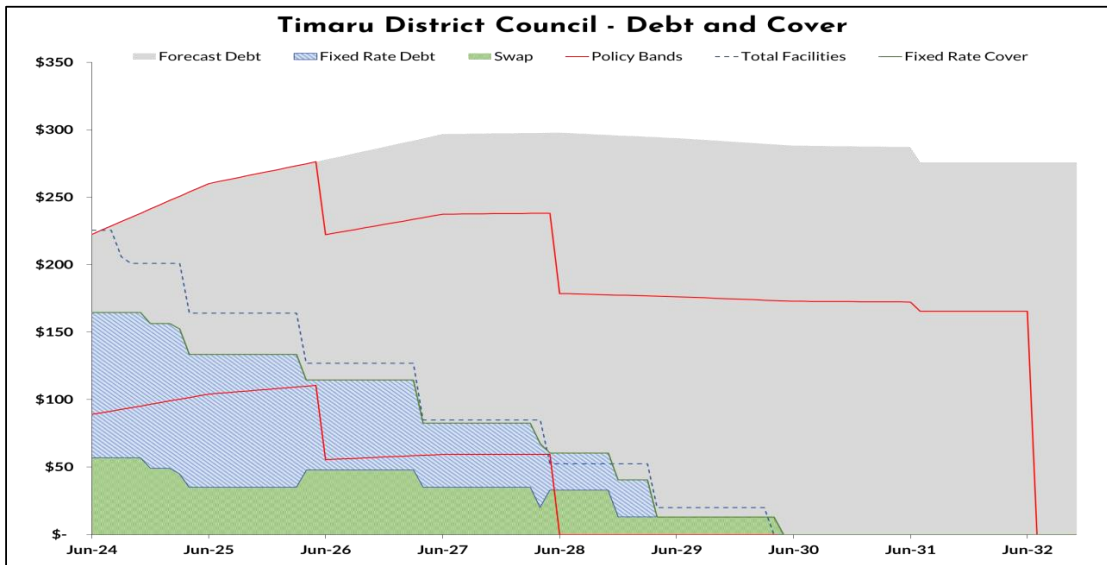
Policy Bands			
	Minimum	Maximum	
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 8 years	0%	60%	Compliant

Policy Compliance	Compliant	Flag
Have all transactions been transacted in compliance with policy?	Yes	
Is fixed interest rate cover within policy control limits?	Yes	
Is the funding maturity profile within policy control limits?	Yes	
Is liquidity within policy control limits?	Yes	
Are all counterparty exposures within policy control limits?	Yes	

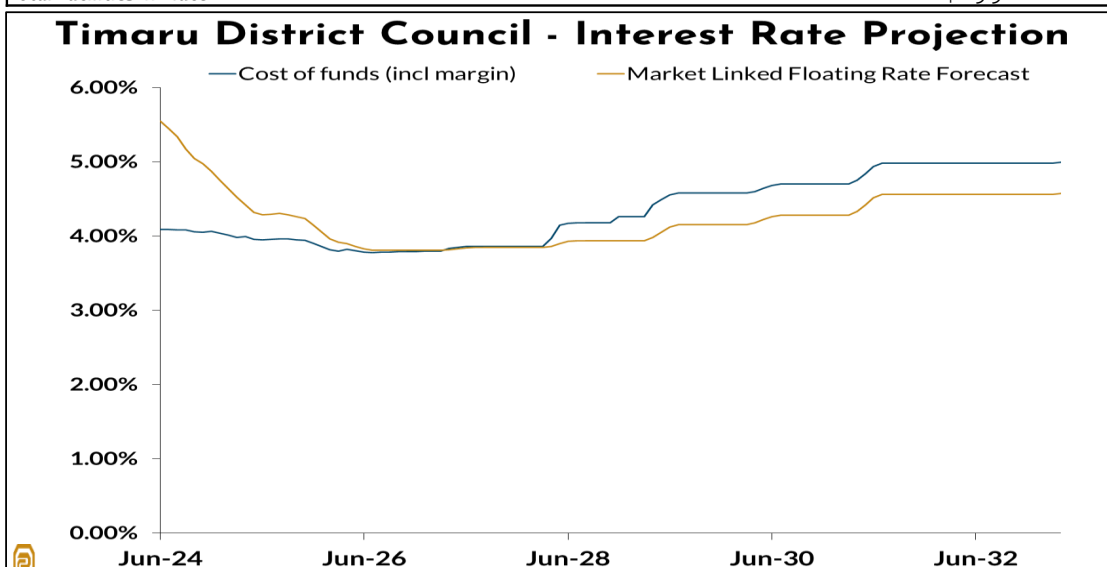


# Interest Rate Risk

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<b>Current % of Debt Fixed</b>	73.9%
<b>Current % of Debt Floating</b>	26.1. %
<b>Value of Fixed Rate (m)</b>	\$164.5
<b>Weighted Average Cost of Fixed Rate Instruments</b>	3.40%
<b>Value of Floating Rate (m)</b>	\$58.1
<b>Current Floating Rate</b>	5.55%
<b>Current Floating Rate (incl margin)</b>	6.01%
<b>All Up Weighted Average Cost of Funds Including Margin</b>	4.08%
<b>Total Facilities In Place</b>	\$225.5



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# Investment Management

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## Special Funds Portfolio Summary

As of 30 June 2024, TDC's Special Funds Portfolio ("SFP") had a nominal value of \$1,170,000 and a market value of \$1,099,325. The makeup of the SFP as of 30 June 2024, including its valuation, is shown in the following table.

Issuer	Rating	Maturity Date	First Payment	Coupon Frequency	Nominal Value	Coupon Rate	Purchase Yield	Yield	% of Portfolio	Duration	Capital Price	Accrued Interest	Gross Price
Meridian	BBB+	27-Jun-25	June	2	\$170,000	4.21%	4.20%	5.70%	15.13%	0.95	\$167,590	\$59	\$167,649
ANZ	A-	17-Sep-26	March	2	\$1,000,000	3.00%	3.00%	6.35%	84.87%	2.07	\$931,735	\$8,560	\$940,295
<b>Total</b>					<b>\$1,170,000</b>	<b>3.18%</b>	<b>3.01%</b>	<b>6.25%</b>	<b>100.00%</b>	<b>1.90</b>	<b>\$1,099,325</b>	<b>\$8,618</b>	<b>\$1,107,943</b>



# LGFA Borrowing Rates



## As at 30 June 2024

Listed below are the credit spreads and applicable interest rates as at the end of June 2024 for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at Timaru District Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.15%	5.77%	N/A
6 month CP	0.15%	5.76%	N/A
April 2025	0.34%	5.96%	5.84%
April 2026	0.37%	5.99%	5.39%
April 2027	0.47%	6.09%	5.16%
May 2028	0.59%	6.21%	5.09%
April 2029	0.66%	6.28%	5.07%
May 2030	0.73%	6.35%	5.10%
May 2031	0.82%	6.44%	5.18%
April 2033	0.88%	6.50%	5.27%
May 2035	0.97%	6.59%	5.39%
April 2037	1.05%	6.67%	5.53%



# Funding

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As of 30 June 2024, TDC had \$220.5 million of core debt, all of which is sourced from the LGFA using CP, FRNs, and FRBs. TDC also has a bank facility with Westpac Bank for \$5.0 million which matures in October 2024. Details of TDC’s drawn debt as of 30 June 2024 are as follows:

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	17-Sep-24	5.76%	N/A	\$19,500,000
LGFA FRB	15-Apr-25	3.87%	N/A	\$5,000,000
LGFA FRN	15-Apr-25	6.07%	0.42%	\$5,000,000
LGFA FRN	15-Apr-25	5.99%	0.34%	\$5,000,000
LGFA FRN	15-Apr-25	6.12%	0.47%	\$7,000,000
LGFA FRB	15-Apr-25	5.50%	N/A	\$4,000,000
LGFA FRN	15-Apr-25	6.06%	0.41%	\$11,000,000
LGFA FRB	15-Apr-26	1.63%	N/A	\$10,000,000
LGFA FRN	15-Apr-26	6.03%	0.38%	\$5,000,000
LGFA FRB	15-Apr-26	5.32%	N/A	\$4,000,000
LGFA FRB	15-Apr-26	5.08%	N/A	\$8,000,000
LGFA FRB	15-Apr-26	5.31%	N/A	\$10,000,000
LGFA FRB	15-Apr-27	1.84%	N/A	\$10,000,000
LGFA FRN	15-Apr-27	6.07%	0.42%	\$10,000,000
LGFA FRB	15-Apr-27	5.21%	N/A	\$4,000,000
LGFA FRN	15-Apr-27	6.26%	0.61%	\$8,000,000
LGFA FRN	15-Apr-27	6.27%	0.62%	\$5,000,000
LGFA FRB	15-Apr-27	5.20%	N/A	\$5,000,000
LGFA FRB	15-May-28	2.09%	N/A	\$20,000,000
LGFA FRN	15-May-28	6.22%	0.58%	\$5,000,000
LGFA FRN	15-May-28	6.38%	0.74%	\$7,500,000
LGFA FRB	20-Apr-29	2.25%	N/A	\$20,000,000
LGFA FRN	20-Apr-29	6.28%	0.63%	\$5,000,000
LGFA FRB	20-Apr-29	5.24%	N/A	\$7,500,000
LGFA FRN	15-Apr-30	6.19%	0.54%	\$10,000,000
LGFA FRN	15-Apr-30	6.32%	0.67%	\$10,000,000



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## 9.5 Representation Review 2024 - Adoption of Final Proposal

**Author:** Brendan Madley, Policy Advisor

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

### Recommendation

That Council:

1. Resolve the Initial Proposal as the Final Proposal.

**OR**

2. Resolve a Final Proposal that is different to the Initial Proposal.

**AND**

3. Direct the Chief Executive to issue a Public Notice advising of the Final Proposal and the Appeals/ Objections Period.

### Purpose of Report

- 1 The purpose of this report is for Timaru District Council (Council) to adopt a Final Proposal that elected members believes best provides for the fair and effective representation of identified communities of interest.

### Assessment of Significance

- 2 The adoption of a Final Proposal is considered to be of high significance when assessed against Council's Significance and Engagement Policy. This is because Council's representative arrangements directly impact how residents participate in the democratic process, and how Council is held to account by the public.
- 3 The extent of consultation that has been undertaken to date, as well as the Appeal/ Objection Period that will follow Council's Final Proposal resolution, reflect the high significance of this matter.

### Background

- 4 Territorial authorities are required to undertake a Representation Review at least once every six years (s19H of the Local Electoral Act 2001 (LEA)). Council last undertook a Representation Review in 2018 for the 2019 and 2022 local elections (and any by-elections that might have occurred during this period).
- 5 The purpose of the Representation Review is to allow Council to consider its representative arrangements and how it can best provide for, "effective representation of communities of interest" (s19U LEA) and "fair representation of electors" (s19V LEA).
- 6 The key decisions that Council must resolve during a Representation Review are:
  - The basis of how Councillors are elected (whether by ward, at large, or a combination).<sup>1</sup>

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<sup>1</sup> The Mayor is required to be elected at large.

- The total number of Councillors<sup>2</sup> - and the number elected per ward (if applicable).
  - The names and boundaries of each ward (if applicable).
  - Whether community boards are to be constituted; if yes, the above three considerations need to be applied to community boards.<sup>3</sup>
- 7 Council resolved an Initial Proposal on 7 May 2024. The Initial Proposal resolved to:
- 7.1 Retain the current number of elected Councillors and community board members.
  - 7.2 Retain the current ward and community board structure, i.e. three wards and three Community Boards.
  - 7.3 Redraw the ward boundaries so that three broad areas (Kakahu, Orari and Rangitata Island; referred to as the “affected areas”) and approximately 650 people would be located in the Pleasant Point-Temuka Ward rather than the Geraldine Ward.
- 8 Council’s stated justification for the Initial Proposal was that the current representation arrangements were broadly appropriate, well-understood and supported, hence negating the need for more significant changes.
- 9 The proposed changes were intended to bring all wards within the +/- 10% threshold and correct the under-representation currently experienced by the Geraldine Ward.
- 10 Council has subsequently received written and oral submissions on the Initial Proposal. These results are presented and analysed in the Discussion section of this report.
- 11 It is now appropriate for Council to reconsider its adopted Initial Proposal in light of the written and oral submissions.

**Discussion**

*Submission analysis*

- 12 48 submissions were received and considered valid.
- 13 All submitters were asked whether they supported the Initial Proposal. The responses are outlined below.

<b>Submissions only</b>	<b># of responses</b>	<b>%</b>
<b>Do you support the Initial Proposal?</b>		
Yes	3	6.25%
No	45	93.75%
No response	0	0%
Total	48	100%

- 14 Two submissions included petitions. After filtering for 16 duplicates (who made submissions and also signed a petition), an additional 162 people stated opposition to the Initial Proposal.

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<sup>2</sup> Can have between five and 29 Councillors, plus the Mayor.

<sup>3</sup> Can have between four and 12 Community Board members (including both elected and appointed members); at least four members have to be elected; appointed Councillors must constitute less than half the total membership.



15 If these petitions are included, then the statistical breakdown becomes:

<b>Submissions and petitions</b>	<b># of responses</b>	<b>%</b>
<b>Do you support the Initial Proposal?</b>		
Yes	3	1.43%
No	207	98.57%
No response	0	0%
Total	210	100%

16 29 submissions were received from persons residing at properties in the affected areas. 19 submissions were received from persons residing outside the affected areas.

17 Submitters residing in affected areas were asked an additional question to assist Council in understanding how they would wish to be represented, and how the Initial Proposal might impact their ability to be effectively represented. The responses are outlined below.

<b>Submissions only</b>	<b># of responses</b>	<b>%</b>
<b>Who do you believe could effectively represent you at the Council table?</b>		
Only a representative elected from the current Geraldine Ward	26	89.65%
Only a representative elected from the current Pleasant Point-Temuka Ward	0	0%
Either could represent me effectively	1	3.45%
No response	2	6.90%
Total	29	100%

Note: petitions are not included in this statistical breakdown as they were silent on the specific matter of effective representation.

18 A map showing the geographic distribution of submitters is attached.<sup>4</sup> It is intended to aid elected members to understand “who we have heard from” via the submission process. Indicators are not pinpointed exactly to protect submitter privacy.

19 Whilst the map does not include petition responses, note that 145 were received from the Orari area, and 17 from the Kakahu area.

20 For context, the number of responses received during this consultation was high relative to most Council-led engagements. 210 responses represent 0.61% of the 34,221 electors eligible to vote in the District in the 2022 local election.

21 Overall, a significant majority of submitters oppose the Initial Proposal.

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<sup>4</sup> Does not include respondents who did not provide an address as part of their submission

- 22 Key themes included:
- 22.1 That a community of interest exists between the three affected areas and the wider Geraldine Ward, on the basis of historical links and current activities.
  - 22.2 That the effective representation of the three affected areas would be undermined because an elected member from the Pleasant Point-Temuka Ward would not share sufficient commonalities with those in the affected areas to be able to represent them as well as someone elected from the Geraldine Ward.
  - 22.3 Some submitters stated that the Initial Proposal would effectively disenfranchise them by preventing them from being able to influence their community of interest.
  - 22.4 Several submitters made alternative proposals, ranging from minor boundary changes to creating either a two or four ward system.
- 23 More detailed thematic analysis and officer commenting is attached to this report. It reflects what officers consider to be the main submission themes that are directly relevant to resolving the Final Proposal.

### *Deliberations*

- 24 Council should consider how the views it held when resolving the Initial Proposal have changed due to the submissions received.
- 25 It was previously held, via the Initial Proposal decision, that the three affected areas may share a sufficiently common community of interest with the Pleasant Point-Temuka Ward that the under-representation of the Geraldine Ward could be corrected without undermining effective representation.
- 26 First, have its views of communities of interest within the district changed? This impacts whether Councillors are elected at large or via a ward system, and the boundaries of any wards.
- 27 Communities of interest are distinct and identifiable groupings of peoples that may require specific and guaranteed representation at Council. The Local Government Commission (LGC) states that they are considered to have perceptual, functional and political characteristics.
- 28 Second, have its views of how to provide for effective representation of communities of interest changed? There are two aspects to this: how Councillors are elected, and the total number of Councillors.
- 29 Third, have its views of how to provide for fair representation to electors changed? Adhering to the +/- 10% threshold (unless it is deemed that community of interest considerations mean an exemption may apply) is the key consideration.
- 30 Fourth, have its views of community boards, and their role as part of the overall representative arrangements, changed?
- 31 If the answers to any of these four questions is “yes”, then Council should consider resolving a Final Proposal that is different from the Initial Proposal.

### **Options and Preferred Option**

- 32 Officers present no preferred option because all options are valid. How communities of interest are perceptualised and provided with effective and fair representation is at the discretion of elected members.

- 33 For whichever option it resolves to adopt, Council must satisfy itself that it accurately reflects the distinct and unique communities of interest which it deems to exist in the district, and provides for effective and fair representation of the same.
- 34 **Option One** – Resolve the Initial Proposal as the Final Proposal.
- 35 Having considered the written and oral submissions, Council may determine that the Initial Proposal resolved on 7 May 2024 remains its preferred option.
- 36 Council should resolve this option if it believes that correcting the current under-representation of the Geraldine Ward would create a benefit that outweighs any disadvantage that the change might cause to the effective representation of the affected areas.
- 37 **Option Two** – Resolve a Final Proposal that is different to the Initial Proposal.
- 38 This option would see Council deciding that its Initial Proposal is no longer appropriate and deciding on an alternative set of representative arrangements.
- 39 If this option is resolved, it will be necessary for Council to resolve an alternative Final Proposal. The reason for any changes should be related only to submissions received. Alternative options include:
- 39.1 Retaining the existing representative arrangements (Option One in the Initial Proposal 7 May 2024 report). A LGC determination would be required because the Geraldine Ward would not be compliant with the +/- 10% threshold.
- 39.2 An Opihi North and Opihi South option (Option Three in the Initial Proposal 7 May 2024 report). It is possible to make this option compliant with the +/- 10% threshold but may receive Appeals/ Objections and require a LGC determination.
- 39.3 A different set of representation arrangements, with the caveat that any changes from the Initial Proposal should be related only to matters arising from submissions received.
- 40 Officers note that the significant majority of submitters support Option Two on the basis that the Initial Proposal divided their perceived community of interest. There is not a unanimous consensus about what they seek as an alternative. Most submitters, including the Geraldine Community Board, support retaining the current representative arrangements and seeking a determination from the LGC. A minority of submitters preferred an alternative arrangement such as creating either two or four compliant wards.
- 41 It is not possible to provide comprehensive written advice given the wide range of possibilities. Advice will be made via verbal remarks in the Council meeting, if necessary.
- 42 If deemed necessary, Council has the ability to defer the decision to a date within, approximately, the next fortnight. The Final Proposal must be resolved by Council by the end of August because, by law, the Public Notice of the Final Proposal is required by 1 September 2024, being eight weeks from the close of submissions (s 19N (1) of the LEA).

### Consultation and Next Steps

- 43 The Initial Proposal public consultation was undertaken between 27 May and 7 July 2024. Details about this consultation are contained in the 30 July 2024 Council report “Representation Review: Receipt of Submissions and Hearing”.
- 44 Further public engagement is part of the Representation Review process, as per legislative requirements.

- 45 An Appeal/ Objection Period will be held once Council resolves a Final Proposal. If Council resolves a Final Proposal at this meeting, it is proposed that this period run from 15 August to 15 September 2024. Council may wish to undertake targeted engagement again to advise of the Final Proposal and the ability for appeals and/ or objections to be lodged.
- 46 During the Appeal/ Objection Period, Appeals to the Final Proposal can be made from any submitter on the Initial Proposal. Further, if Council resolves a Final Proposal that is different to its Initial Proposal, Objections to the Final Proposal can be made by any person or organisation (regardless of whether they submitted on the Initial Proposal).
- 47 If no appeals or objections are received by the close of the Period, the Final Proposal will become the basis of election.
- 48 However, the LGC will make a determination on the final representative arrangements if any appeals/ objections are received, and/or the Final Proposal includes any wards outside the +/- 10% threshold. The LGC may make a determination “on the papers”, or after holding a Hearing. Their decision can only be appealed on a point of law.

### **Relevant Legislation, Council Policy and Plans**

- 49 Local Electoral Act 2001

### **Financial and Funding Implications**

- 50 The costs of undertaking the Representation Review are being met from existing budgets. No overspend is expected.
- 51 Council’s representative arrangements have financial implications because the cost of elected member salaries and associated costs are raised from general rates.
- 52 The cost of elected member’ salaries is not directly affected by amending the total number of Councillors, as these are funded by a fixed pool set by the Remuneration Authority. The Remuneration Authority sets these with regard to three factors:
- 52.1 The size of the governance role of each council.
- 52.2 The average time required by a local government member on a council of a particular size.
- 52.3 A general comparison with parliamentary salaries.
- 53 The remuneration for Community Board members is set by the Remuneration Authority separately from the Mayor and Councillors, and linked to the number of people each member represents per capita. Increasing or decreasing the number of Community Board members may have a direct impact on the financial cost to Council of their salaries and associated costs.

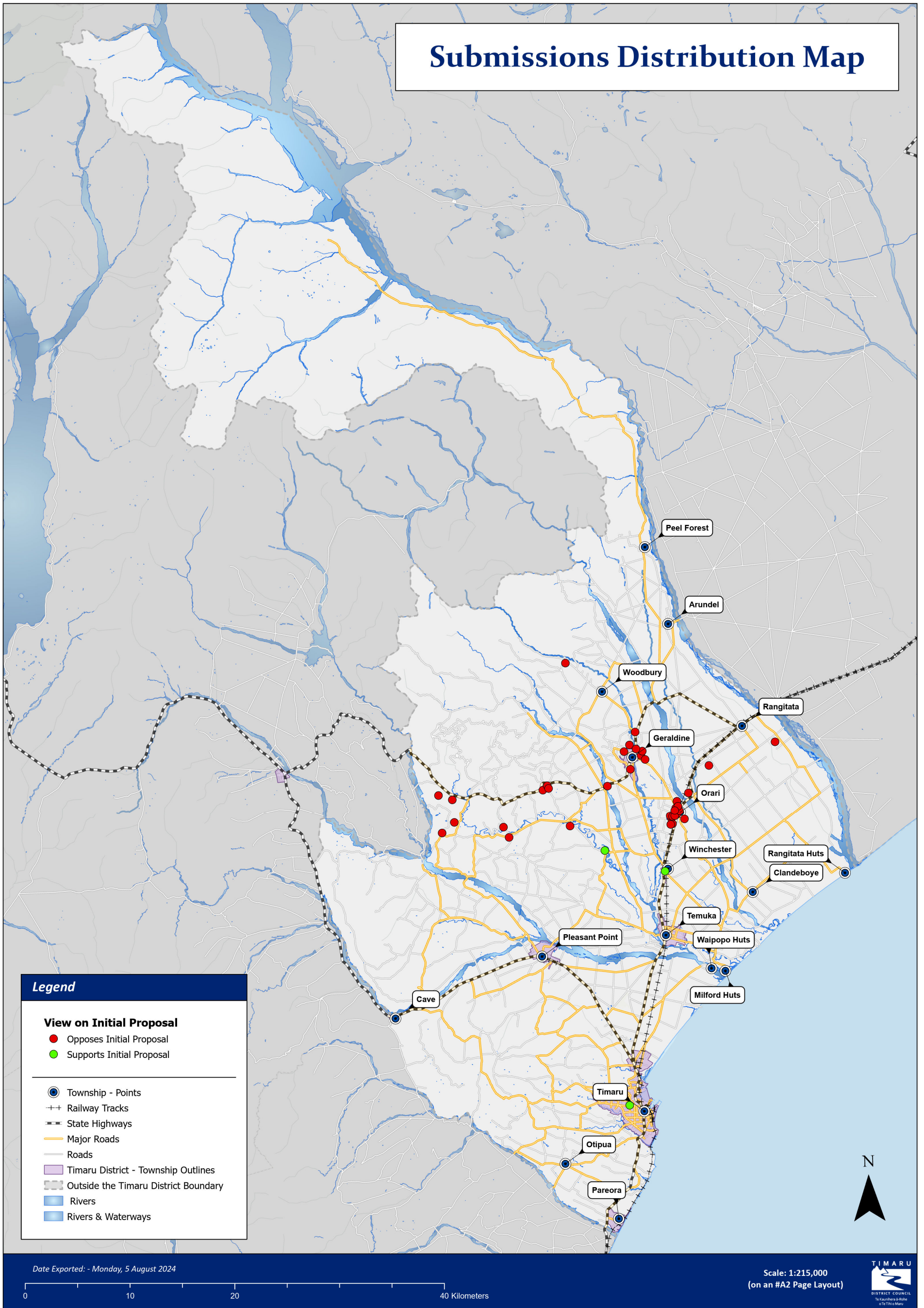
### **Other Considerations**

- 54 Local authorities are required to co-ordinate with their applicable regional authority when undertaking a Representation Review. In particular, the regional constituency boundaries should align with the local authority ward boundaries where possible, unless there is a compelling reason for deviation; for instance, in the case of a regional authority, a water catchment area. Council has kept Environment Canterbury informed about the progress of the Representation Review to date, and will continue to do so.

**Attachments**

1. **Submissions Distribution Map** [↓](#) 
2. **Officer commenting** [↓](#) 





Theme	Sub-themes	Officer comment
<p>The affected areas are within the Geraldine community of interest (majority of submitters).</p>	<p>Feel a strong affinity and sense of identity with Geraldine, in some cases stretching back many generations.</p> <p>Geraldine is their service centre and, in many cases, closest town.</p> <p>Examples of what is in Geraldine, or when they “look” to Geraldine: shopping; community, cultural and sporting groups; schooling; emergency services/ Civil Defence.</p> <p>Geraldine Museum holds records for the three areas.</p> <p>The three areas sought to be part of the Geraldine Ward, e.g. added in 1995 at their request.</p> <p>The Strategic Plan process (recently concluded) by the community boards indirectly affirmed the Geraldine Ward boundary and communities of interest.</p> <p>One submitter stated that Temuka is their community of interest, rather than Geraldine.</p>	<p>All comments are noted.</p> <p>Communities of interest can be subjective.</p> <p>The Local Electoral Act 2001 requires Councillors to use their judgement as to how communities of interest are perceptualised. The Local Government Commission (LGC) provides additional guidance, that they have perceptual, functional and political aspects.</p> <p>The information provided by submitters is very useful to Councillors to assist them to do this.</p>

<p>Moving the affected areas will undermine their effective representation.</p>	<p>Pleasant Point-Temuka Ward has little affinity with or understanding of affected areas, thus cannot represent them well.</p> <p>[We feel] “we would not have representation at Council”.</p> <p>“What vested interest does (sic) the Temuka/ Pleasant Point Councillors have with Orari? What understanding of the area and its people do they have? My thought is very little.”</p> <p>Little/ no interest in contributing to the Pleasant Point-Temuka if change occurred, thus district overall would be diminished.</p> <p>Satisfied with current elected member representation.</p>	<p>All comments are noted.</p>
<p>Moving the affected areas will make their residents feel disenfranchised.</p>	<p>No community affiliation with Pleasant Point-Temuka Ward; “I would struggle to feel valued or supported by other wards”.</p> <p>“We would have no say in what happens in Geraldine” i.e. our community of interest.</p>	<p>All comments are noted.</p>
<p>Levels of representation and ward growth</p>	<p>If the Geraldine Ward is under-represented based on the current boundaries, it should receive a second Councillor rather than boundaries be moved</p>	<p>If the Geraldine Ward was to have two councillors and the other wards retained their current number, the Geraldine Ward would go from being under-represented to being over-represented; from nearly</p>



	<p>The geographic size of Geraldine Ward means that it needs a second Councillor to be effectively represented</p> <p>Growth in Geraldine is higher than other parts of the district. The Initial Proposal would be a short-term fix</p>	<p>15% under-represented relative to quota to just over 36% over-represented (and the Timaru Ward would become nearly 12% under-represented). Such a change would undermine the fair representation of the other two wards, unless the change was based on a legislatively-approved exemption. On the current boundaries, the Geraldine Ward would require an extra approximately 3,200 people (and the other two wards no more people) to be 'entitled' (i.e. within the +/- 10% threshold) to a second Councillor.</p> <p>This is potentially a valid ground for being outside the +/- 10% threshold if Council believes (and the LGC agrees) that the geographic size means that parts of the ward are isolated. To be clear, geographic size and 'being rural' by itself does not create isolation. The LGC has cited factors such as vulnerable transport links and mobile blackspots as examples of where communities might be considered isolated.</p> <p>The Representation Review is required to be conducted every six years in part because of population changes. Growth can be difficult to predict, and its impact on representation arrangements harder still to predict, i.e. a seemingly significant population change in one ward may not significantly affect the representation arrangements once changes in other wards are taken into account.</p> <p><i>If</i> the Initial Proposal was adopted and population growth in the next six years occurred broadly in line with the past six years, the Geraldine Ward would still</p>
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		be within the +/- 10% threshold (from nearly 3% under-represented in the Initial Proposal, to nearly 8% under-represented).
Alternatives proposed	<p>The majority of submitters sought retention of status quo.</p> <p>Retain the current boundaries with 16 elected members to be within +/- 10% threshold.</p> <p>Create a Timaru Ward and a Rural Ward (the rural ward amalgamating the current Pleasant-Point Temuka Ward and Geraldine Ward).</p> <p>Create an additional Pleasant Point Ward by moving approx. 2k people from Timaru to Pleasant Point e.g. Washdyke and Gleniti.</p>	<p>Council could make a Final Proposal to retain the status quo; this would require the LGC to make a determination as not all wards would be within the +/- 10% threshold.</p> <p>Council could opt resolve to retain the current boundaries but increase the number of elected members per ward to be within the +/- 10% threshold. It would mean that there is one Councillor per 3,259 residents, as opposed to 5,431 under the Initial Proposal. For context, the mean average for provincial Councils is one Councillor per 4,924 residents.</p> <p>The options to 1) create a Timaru and Rural Ward, and 2) create a fourth ward based on Pleasant Point would be compliant. Council would need to consider whether these arrangement accurately portrayed communities of interest, e.g. whether there are sufficient commonalities between members of the wards for them to be considered one community of interest. On the basis of Initial Proposal submissions, this would appear to not be the case.</p>
Concern at the impact of proposed changes on property value, school zones and rates.	-	As confirmed with the LGC, there is no evidence that representation boundaries (and changes to them) have any impact on property values or school zones.

		<p>A boundary change might have a small impact on rates depending on the rating model. The only definite change that officers have been able to confirm is that ratepayers in the three “affected” areas would pay \$1 less per year in rates because a \$7 per year per rating unit targeted rate is in place for the Geraldine Community Board, compared to \$6 for the other two boards.</p>
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**9.6 Policy review - Dangerous, Affected and Insanitary Buildings Policy**

**Author:** Brendan Madley, Policy Advisor  
Jayson Ellis, Building Control Manager

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

**Recommendation**

That Council:

1. Receive and note the “Draft Dangerous, Affected and Insanitary Buildings Policy”; and
2. Approve the “Draft Dangerous, Affected and Insanitary Buildings Policy” and associated consultation materials for public consultation.

**Purpose of Report**

- 1 The purpose of this report is to present Council with the draft Dangerous, Affected and Insanitary Buildings Policy, to seek elected member input regarding the policy content, and to approve the policy for consultation.

**Assessment of Significance**

- 2 The draft Dangerous, Affected and Insanitary Buildings Policy is assessed as high significance for any owner or manager of a dangerous, affected or insanitary building, however these people are unlikely to be identified as part of the policy review consultation. The policy itself addresses appropriate consultation with owners and managers of dangerous, affected and insanitary buildings at the time of any being identified.

**Background**

- 3 Sections 131 and 132A of the Building Act 2004 (the Act) requires Council to adopt a policy on dangerous, affected, and insanitary buildings. Dangerous buildings are considered, under the ordinary course of events, likely to collapse or otherwise cause injury or death to any persons in the building or on another property. Affected buildings are considered such if they are either adjacent, adjoining or nearby a Dangerous Building. Insanitary buildings are considered offensive or to be injurious to health, in a state of disrepair, have no potable water or sanitary facilities.
- 4 A building may become dangerous or insanitary due to a number of reasons such as unauthorised alterations being made from a fire, a natural disaster, or as a result of use by an occupant.
- 5 The policy must state the approach that the territorial authority will take in performing its functions, how these will be prioritised, and how the territorial authority’s priorities in performing those functions; and how the policy will apply to heritage buildings.
- 6 Section 132 of the Act requires Council to review the policy at least every five years, and that any amendments or replacements require public consultation in accordance with the Special Consultative Procedure (SCP). The policy was first adopted in 2006, and subsequently reviewed in 2018 and 2019. It is now due for review.

- 7 Since the last review in 2019, Council has had one dangerous building, and no affected or insanitary buildings. The policy is deemed to have performed well in this instance and facilitated achieving public safety.
- 8 In developing the policy, Council has endeavoured to strike a balance between the threats posed by dangerous, affected, and insanitary buildings and the broader social and economic issues affecting the community that are involved. This is reflected in clauses 11 and 12 of the policy.
- 9 Further, the relevant principles of section 4 of the Act have been considered in preparing the Policy and will be taken into account in the performance of Council's functions, powers and duties.

### Discussion

- 10 The Act is relatively prescriptive and does not provide significant policy levers to Council. Most notably, Council has a statutory responsibility to act promptly to ensure the safety of persons or property when buildings that may be dangerous, affected, or insanitary come to Council's attention.
- 11 The policy levers that are available to Council are considered to relate to three main areas:
  - 11.1 The identification approach: on the spectrum of passive to reactive, what approach will Council take to detect dangerous, affected, or insanitary buildings?
  - 11.2 The enforcement approach: what factors will Council consider when determining the timeframes and safety mitigations that the property owner must adhere to when removing the identified risk?
  - 11.3 The Heritage Buildings approach: will heritage buildings be dealt with differently to non-Heritage buildings, and who should be consulted with?
- 12 More detail about the policy levers and alternative options are in the Draft Statement of Proposal, which is attached for reference.
- 13 The majority of the policy is identical to the current policy (adopted in 2019), because the current policy is deemed to be broadly fit-for-purpose.
- 14 The material changes are outlined below. Predominately, they are to incorporate recommendations and corrective actions from the Ministry of Building, Innovation & Employment (MBIE) Performance Monitoring Assessment Report dated May 2024.
  - 14.1 The addition of clauses 11 and 12 to state the factors that Council will consider in determining how a property owner is to remove a detected risk. These clauses are intended to address recommendation SR-D-1A in the MBIE Performance Monitoring Assessment Report.
  - 14.2 In the "Detect" section in Appendix A, clarifying the types of professionals or organisations that Council may seek advice from. This is intended to address recommendation R-D-2B.
  - 14.3 Amending clause 14 to state that Council will also consider seeking advice from its District Planning Unit in relation to heritage buildings.
  - 14.4 The addition of clauses stating the Monitoring and Reporting requirements of the policy.
- 15 The policy has been reformatted and contextual content deemed immaterial and not relevant to incorporate has been removed.

- 16 The MBIE report is attached for reference. It has been abridged to only incorporate material relevant to dangerous, affected, and insanitary buildings. Note that some recommendations and corrective actions are not reflected in this review as they relate to operational matters.

### Options and Preferred Option

- 17 **Option One (preferred):** Approve the attached “Draft Dangerous, Affected and Insanitary Buildings Policy” for public consultation.
- 18 Officers believe that the draft policy meets all legislative requirements and is flexible and pragmatic. The basis for this view is that it has performed suitably to date (in the limited instances when it has been used) and incorporates the recommendations and corrective actions identified by MBIE.
- 19 **Option Two:** Amend the attached “Draft Dangerous, Affected and Insanitary Buildings Policy”, and approve the amended policy for public consultation.
- 20 Council may identify improvements to the draft policy and determine that it requires amendment prior to public consultation. The advantages and disadvantages of this option are dependent on the amendments made.

### Consultation

- 21 Council is required to undertake a SCP consultation that meets the requirements of s 83 of the Local Government Act 2002 (LGA) if it proposes to amend or replace the policy.
- 22 A draft Statement of Proposal containing consultation material to inform the public is attached for reference. It will be graphically designed in-house prior to the consultation being undertaken.
- 23 It is proposed that any consultation would use standard engagement methods, with the public advised of the consultation via the Council website, the Timaru Courier Noticeboard page, and Council’s social media channels. Further information will be made available at the Main Council Building, libraries, and service centres.
- 24 It is proposed that consultation occur between 19 August to 22 September 2024.

### Relevant Legislation, Council Policy and Plans

- 25 Building Act 2004
- 26 Local Government Act 2002

### Financial and Funding Implications

- 27 The cost of the policy review, including consultation, is being met within existing budgets. No overspend is expected. The policy, if amended from the attached draft, may have additional fiscal implications.

### Other Considerations

- 28 There are no other relevant considerations.

### Attachments

1. **Draft Dangerous, Affected and Insanitary Buildings Policy** [↓](#) 
2. **MBIE Performance Monitoring Assessment Report - May 2024** [↓](#) 

**3. Draft Statement of Proposal - text-only version**  

# Dangerous, Affected and Insanitary Buildings Policy



<b>Approved by:</b>	Timaru District Council
<b>Group:</b>	Environmental Services
<b>Responsibility:</b>	Building Control Manager
<b>Date adopted:</b>	<b>TBC</b> The policy becomes effective the day after the date of adoption
<b>Review:</b>	Every 5 years as required by the Building Control Act 2004, or as required This Policy does not cease to have effect because it is due for review, or being reviewed
<b>Consultation:</b>	Required – in accordance with s 83 LGA 2002 (Special Consultative Procedure)
<b>Policy Type</b>	Council External Operational

## Policy Purpose

1. To reduce the potential risk posed to residents in the District by dangerous, affected and insanitary buildings; and
2. To improve the control of, and encourage better practice in design and construction; and
3. To provide a clear framework of how Council will manage dangerous, affected and insanitary buildings.

## Scope

4. The Policy applies to all buildings within the Timaru District Council Territorial Authority District.

## Definitions

5. For the purposes of the Policy the definitions in the table below shall apply.
6. Where a definition has the same meaning as a definition in the Act, the definition for the purposes of the Policy includes any subsequent amendment to the definition in the Act. For the avoidance of doubt, where a definition in the Act differs from a definition in the Policy, the definition in the Act has precedence.

Term	Definition
<b>The Act</b>	means the Building Act 2004
<b>Affected building</b>	has the same meaning as section 121A of the Act, as follows: a building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby – (a) a dangerous building as defined in section 121; or (b) a dangerous dam within the meaning of section 153.



<p><b>Authorised officer</b></p>	<p>has the same meaning as section 222 of the Act, as follows: means an officer of a territorial authority to whom either or both of the following applies:</p> <ul style="list-style-type: none"> <li>(a) he or she is authorised to carry out inspections; or</li> <li>(b) he or she is authorised to enter the land – <ul style="list-style-type: none"> <li>(i) by this Act; or</li> <li>(ii) by an order of the District Court made under section 227.</li> </ul> </li> </ul>
<p><b>Building</b></p>	<p>has the same meaning as section 8 of the Act, as follows: In this Act, unless the context otherwise requires, building –</p> <ul style="list-style-type: none"> <li>(a) means a temporary or permanent movable or immoveable structure (including a structure intended for occupation by people, animals, machinery, or chattels); and</li> <li>(b) includes - <ul style="list-style-type: none"> <li>(i) a mechanical, electrical, or other system; and</li> <li>(ii) a fence as defined in section 2 of the Fencing of Swimming Pools Act 1987; and</li> <li>(iii) a vehicle or motor vehicle (including a vehicle or motor vehicle as defined in section 2(1) of the Land Transport Act 1998) that is immovable and is occupied by people on a permanent or long term basis; and</li> </ul> </li> <li>(c) includes any 2 or more buildings that, on completion of building work, are intended to be managed as one building with a common use and a common set of ownership arrangements; and</li> <li>(d) includes the non-moving parts of a cable car attached to or servicing a building; and</li> <li>(e) includes the moving parts of a cable car attached to or servicing a building.</li> </ul>
<p><b>Council</b></p>	<p>means the Timaru District Council</p>
<p><b>Dangerous Building</b></p>	<p>has the same meaning as section 121 of the Act, as follows:</p> <ul style="list-style-type: none"> <li>(1) A building is dangerous for the purposes of this Act, if - <ul style="list-style-type: none"> <li>(a) In the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause – <ul style="list-style-type: none"> <li>(i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or</li> <li>(ii) damage to other property; or</li> </ul> </li> <li>(b) In the event of fire, injury or death to any persons in the building or to persons on other property is likely.</li> </ul> </li> <li>(2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority –</li> </ul>

	<p>(a) may seek advice from members of the Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and</p> <p>(b) if the advice is sought, must have due regard to the advice.</p>
<b>Heritage building</b>	<p>has the same meaning as section 7 of the Act, as follows: means a building that is included on -</p> <p>(a) the New Zealand Heritage List/Rarangi Korero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or</p> <p>(b) the National Historic Landmarks/Nga Manawhenua o Aotearoa me ona Korero Tuturu list maintained under s 81 of the Heritage New Zealand Pouhere Taonga Act 2014.</p>
<b>Household unit</b>	<p>has the same meaning as section 7 of the Act, as follows:</p> <p>(a) means a building or group of buildings, or part of a building or group of buildings, that is –</p> <p>(i) used, or intended to be used, only or mainly for residential purposes; and</p> <p>(ii) occupied, or intended to be occupied, exclusively as the home or residence of not more than one household; but</p> <p>(b) does not include a hostel, boardinghouse, or other specialised accommodation.</p>
<b>Insanitary building</b>	<p>has the same meaning as section 123 of the Act, as follows: a building is insanitary for the purposes of this Act if the building –</p> <p>(a) is offensive or likely to be injurious to health because -</p> <p>(i) of how it is situated or constructed; or</p> <p>(ii) it is in a state of disrepair; or</p> <p>(b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or</p> <p>(c) does not have a supply of potable water that is adequate for its intended use; or</p> <p>(d) does not have sanitary facilities that are adequate for its intended use.</p>
<b>Inspection</b>	<p>has the same meaning as section 222 of the Act, as follows: means the taking of all reasonable steps -</p> <p>(a) to determine whether –</p> <p>(i) building work is being carried out without a building consent; or</p>

	<ul style="list-style-type: none"> <li>(ii) building work is being carried out in accordance with a building consent; or</li> <li>(iii) a notice to fix has been complied with:</li> </ul> <p>(b) to ensure that –</p> <ul style="list-style-type: none"> <li>(i) in relation to buildings for which a compliance schedule is issued, the inspection, maintenance, and reporting procedures states in the compliance schedule are being complied with; or</li> <li>(ii) in relation to buildings that have specified systems, the requirement for a compliance schedule is being complied with:</li> </ul> <p>(c) to enable an authority to –</p> <ul style="list-style-type: none"> <li>(i) identify dangerous, earthquake-prone or insanitary buildings within its district; and</li> <li>(ii) carry out its functions or duties in relation to those buildings:</li> </ul> <p>(d) to satisfy a territorial authority as to whether a certificate of acceptance for building work should be issued under section 96.</p>
<p><b>Owner</b></p>	<p>has the same meaning as section 7 of the Act, as follows: in relation to land and any buildings on the land –</p> <ul style="list-style-type: none"> <li>(a) means the person who -             <ul style="list-style-type: none"> <li>(i) is entitled to the rack rent from the land; or</li> <li>(ii) would be so entitled if the land were let to a tenant at a rack rent; and</li> </ul> </li> <li>(b) includes -             <ul style="list-style-type: none"> <li>(i) the owner of the fee simple of the land; and</li> <li>(ii) for the purposes of sections 32, 44, 92, 96, 97 and 176(c), any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.</li> </ul> </li> </ul>
<p><b>Territorial authority</b></p>	<p>has the same meaning as section 7 of the Act, as follows:</p> <ul style="list-style-type: none"> <li>(a) means a city council or district council named in Part 2 of schedule 2 of the Local Government Act 2002; and -             <ul style="list-style-type: none"> <li>(i) in relation to land within the district of a territorial authority, or a building on or proposed to be built on any such land, means territorial authority; and</li> <li>(ii) in relation to any part of a coastal marine area (within the meaning of the Resource Management Act 1991) that is not within the district of a territorial authority, or a building on or proposed to be built on any such part, means the</li> </ul> </li> </ul>

	<p>territorial authority whose district is adjacent to that part; and</p> <p>(b) includes the Minister of Conservation or the Minister of Local Government, as the case may be, in any case in which the Minister of Conservation or the Minister of Local Government is the territorial authority under section 22 of the Local Government Act 2002.</p>
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**Policy Statements**

*Approach to detecting dangerous, affected or insanitary buildings*

7. Council will not proactively inspect all buildings within the District.
8. Council will leverage its professional relationships with partner agencies (such as emergency services) and its existing workforce undertaking business as usual activities to identify potentially dangerous, affected or insanitary buildings.
9. Council will prioritise quickly and efficiently respond to any information received regarding potentially dangerous, affected or insanitary buildings.
10. Council will give priority to buildings that have been determined to be immediately dangerous. Immediate action will be required in these situations to remove the danger, such as prohibiting any person from occupying or using the building. If necessary, the building will be secured to prevent entry.
11. If a building presents an immediate danger or health hazard to people within and/or around it, or to surrounding buildings, Council may choose to invoke its powers under section 129 of the Act.

*Priorities and considerations of Council in acting on detected dangerous, affected or insanitary buildings*

11. Once an identified building is assessed and confirmed as dangerous, affected or insanitary, Council will determine how to act on a case-by-case basis based on the circumstances of the matter.
12. Council will consider the following factors when determining how a property owner is to remove a confirmed risk:
  - (i) Facilitating the safety and wellbeing of affected persons.
  - (ii) The ability for risks to be mitigated.
  - (iii) The potential unintended consequences of any decisions or actions.

*Application of the Policy to heritage buildings*

13. This Policy applies to heritage buildings in the same way that it applies to all other buildings.
14. Where Council receives information regarding buildings which have a heritage classification under Heritage New Zealand Pouhere Taonga and/or under the Operative District Plan, it will

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Dangerous, Affected and Insanitary Buildings Policy

consider seeking advice from Heritage New Zealand Pouhere Taonga and Council’s District Planning Unit.

- 15. Council will adhere to any relevant, heritage-related statutory requirements and processes.

*State of emergency*

- 16. Where a state of emergency has been declared (or following a state of emergency, when a transition period has been declared) the council may choose to exercise powers under the Civil Defence Emergency Management Act 2002 instead of or in addition to powers under the Building Act 2004.

*Costs*

- 17. Council may issue a notice under section 124(2)(c) of the Act requiring work to be carried out on dangerous or insanitary buildings to reduce or remove the danger, or to prevent the building from remaining insanitary. If work required under such a notice issued by Council is not completed or proceeding with reasonable speed, Council may invoke its powers under section 126 of the Act and apply to the District Court to gain authorisation to carry out building work required in the notice.
- 18. If Council carries out building work, it is entitled to recover costs associated with that work from the building owner, as set out in section 126(3) of the Act.

**Monitoring**

- 19. The success of this policy in achieving its purposes will be indicated by:
  - (i) MBIE Performance Monitoring Assessment Reports; and
  - (ii) Feedback from Council employees, partner agencies, stakeholders and owners of dangerous, affected and insanitary buildings.

**Reporting**

- 20. This policy will not be reported against on a regular basis.
- 21. The Environmental Services Committee will:
  - (i) Be advised if any dangerous, affected or insanitary buildings are detected in the district; and
  - (ii) Receive a report at the conclusion of the incident which indicates how this policy performed and any identified opportunities for improvement.

<b>Delegations, References and Revision History</b>	
<b>Delegations</b> Identify here any delegations related to the policy for it to be operative or required as a result of the policy	
<b>Delegation</b>	<b>Delegations Register Reference</b>
To determine whether a building is dangerous, including seeking advice from Fire and Emergency NZ (FENZ) - Building Control Officer Team Leader Approvals; Building	5.8

Control Officer Team Leader Inspections, Building Control Officer Team Leader Compliance					
To determine whether a building is insanitary. – Building Control Officer Team Leader Approvals; Building Control Officer Team Leader Inspections, Building Control Officer Team Leader Compliance		5.8			
Authority to take action in relation to dangerous and insanitary buildings. Building Compliance Officer, Building Compliance and Enforcement Advisor		5.8			
<b>References</b>					
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
<b>Title</b>				<b>Relevant Reference within Document</b>	
Building Act 2004				N/A	
<b>Revision History</b>					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1 (as the Earthquake-Prone, Dangerous and Insanitary Buildings Policy)	Building Advisory Services Manager	31 October 2006	Council	-	#383300
2 (as the Dangerous, Affected and Insanitary Buildings Policy)	Building Control Manager	27 November 2018	Environmental Services Committee	Within 12 months of adoption	#1209973
3	Building Control Manager	26 November 2019	Council	By November 2024	#1308032
4 – this document	Building Control Manager	TBC	Council	TBC	#1687446

## Appendix A: Procedures

### Detect

Once Council has received information regarding a potentially dangerous, affected or insanitary building, it will:

- Check the details of the property against Council records;
- Have an authorised officer undertake an inspection of the building in question. In doing this, Council may seek advice from Fire and Emergency New Zealand, or any other professional or organisation deemed appropriate by Council, such as structural engineer, Fire New Zealand representative, or legal counsel; and
- Prepare an inspection record.

### Assess

All inspections of potentially dangerous, affected or insanitary buildings will involve an assessment of the building's condition in terms of the definitions in sections 121 and 123 of the Act, and the current building code requirements. Inspection records will be prepared in all cases.

### Act

Once Council is satisfied that a building is dangerous, affected or insanitary, it will determine how to act, the actions necessary and timeframe permitted to resolve the risk, and any mitigations to be taken in the meantime.

In making these decisions it will consider the principles and factors outlined earlier in this policy, and may also:

- Consult with the owner of the affected building to further determine the circumstances and decide on an appropriate course of action.
- Inspect any building, except a household unit, to identify whether it is dangerous, affected or insanitary. Authorised officers are entitled at all times, during normal working hours, to inspect any building to identify any dangerous or insanitary buildings and are not required to inform or obtain approval for inspections to determine whether or not a building is dangerous or insanitary, unless the building is a household unit. In the case of a household unit Council must either obtain consent of the occupier of the household unit or an order from a District Court.
- Invoke its powers under Section 124, 126 or 129 of the Act where a mutually acceptable outcome cannot be reached, or where the situation requires.
- Inform complainants of the inspection results and Council's intended course of action to deal with the situation.

**Record keeping**

Any buildings identified as being dangerous or insanitary will have a requisition placed on Council's property database for the property on which the building is situated until the dangerous or insanitary condition is remediated.

In addition, the following information may be placed on any Land Information Memorandum (**LIM**):

- copies of any notices issued where a building is dangerous, affected or insanitary and requires evacuation of the building;
- copies of any letters sent to the owner, occupier and any other person where a building is dangerous or insanitary; and
- copies of any notices given under s 124(1) which identifies the work to be carried out on a building and the timeframe given to reduce or remove the danger or insanitary condition.





**Te Kāwanatanga o Aotearoa**  
New Zealand Government

# Timaru District Council

## Performance Monitoring Assessment Report of:

- Dangerous, affected, or insanitary buildings
- Certificates for public use

**May 2024**



Version control	
Original	22/05/2024

Assessment class	
High-level	✓
Detailed	

Assessment method	
Desktop	✓
On-site	

## Overview

### The assessment

Ministry of Business, Innovation and Employment (MBIE)’s Compliance and Assurance (C&A) team carried out a performance monitoring assessment of Timaru District Council (TDC). The assessment looked at territorial authority (TA) powers and obligations under the Building Act 2004 (the Act) in relation to:

- Dangerous, affected, or insanitary (DAI) buildings
- Certificates for public use (CPUs).

### This report

This report summarises the findings from the assessment and identifies any corrective actions or recommendations to improve performance. It also outlines what follow-up or compliance actions the C&A team plan to take as a result of the assessment.

### Mandate and purpose





MBIE’s responsibility as the central regulator in the building system is to enable and ensure the performance of TAs under the Act. To ensure this responsibility is met, MBIE’s regulatory activities are guided by a compliance strategy which sets out the following objectives:

- promote compliance
- develop a picture of risk using monitoring and analysis
- identify and respond to non-compliance.

Performance monitoring assessments are carried out under s204 of the Act and aim to achieve the objectives of the compliance strategy by collecting and analysing key performance data which can then be used to help the Council improve performance and allow the C&A team to take further action if required. The data collected across multiple councils can also be used to establish whether a broader response is required, for example the development of guidance on best practice.

### Performance findings

TAs are assessed against a series of performance indicators. A colour coding system is used to represent how the TA is performing against each indicator (the ‘performance finding’). Every performance finding has an associated ‘outcome’. The colours have the following meanings:

Colour	Performance finding	Outcome
	Satisfactory	No recommendation
	Improvement opportunity	Recommendation
	Concern	Strong recommendation
	Significant concern	Corrective action

### Disclaimer

Findings and associated outcomes are based on the information MBIE has received and involve an element of trust. We acknowledge they may not provide a wholly accurate picture of how the Council is performing in these areas.

### Acknowledgement

We would like to thank TDC’s building control management and staff for its cooperation and assistance during this performance monitoring assessment.

## Findings and outcomes

### Dangerous, affected, or insanitary buildings

#### 1. Tools to perform the function

<b>1A. Policies and procedures</b>	
<p><b>Findings</b></p> <p>TDC have a current policy for dangerous, affected, and insanitary (DAI) buildings which was approved on 26 November 2019. This document outlines the Council’s guiding principles and approach to evaluating and assessing DAI buildings, including those classified as heritage buildings and sets out Council’s priorities in performing these functions as required by s131(2).</p> <p>In terms of procedures for staff to follow for DAI buildings, on page 7 of the policy document, some high-level procedures are covered under the headings of ‘Detect’, ‘Assess’ and ‘Act’. TDC also provided a 13-step procedures flowchart for dangerous, affected, earthquake-prone and insanitary buildings (prepared as legal compliance guidance by SOLGM (Society of Local Government Managers)) which its staff follow, but again this at a high-level.</p> <p>However, while the documents cover most of the areas we consider need to be covered, there is room for improvement (see the ‘Outcome’ section below).</p>	
<p><b>Outcome: Strong Recommendation (SR-D-1A)</b></p> <p>We recommend TDC to consider including the following in its policy document:</p> <ul style="list-style-type: none"> <li>• stating the interaction between DAI buildings and other provisions of the Act (ie s112-116A)</li> <li>• the special consultative procedure in s83 of the Local Government Act 2002 when amending or replacing the DAI buildings policy</li> <li>• sending a copy of the policy to MBIE when adopted or amended as required by s132(3) (see section 3A for further detail)</li> <li>• the implications for other Council policies. For example, Council’s housing policy which may consider the case where the cost of short-term disruption arising from the evacuation of a building may be greater than the long-term danger</li> <li>• the economic impact of the DAI buildings policy. For example, the costs of any action required to reduce or remove dangerous or insanitary conditions in such buildings versus the broader social and economic context of the community</li> <li>• include s121A with the other referenced sections of the Act (under the ‘Assess’ heading on page 7)</li> <li>• expanding the existing version history to include all dates (specifically the originally created date).</li> </ul> <p>We recommend TDC develop and implement a detailed step-by-step procedures document to include the following:</p> <ul style="list-style-type: none"> <li>• identification and assessment of potential DAI buildings (including specific inspection check sheets)</li> <li>• recording and action to be taken for DAI buildings (eg building access to be restricted with fencing or hoarding, a subject matter expert to assist with determining a course of action)</li> <li>• consultation with owners of DAI buildings</li> <li>• serving s124 notices on owners of DAI buildings (taking into account s129 which gives TAs powers to take swift action to remove immediate danger or fix insanitary conditions)</li> </ul>	

<p>without first serving notice on owners). Processes should be transparent and in accordance with the Council’s overall policy on DAI buildings</p> <ul style="list-style-type: none"> <li>• serving notice on owners requiring work to be undertaken to reduce or remove danger or prevent buildings from remaining insanitary. In situations where building work is complex it would be appropriate for a TA to determine the nature of any remedial work in conjunction with building owners</li> <li>• follow-up or monitoring buildings which receive a s124 notice (including the uplifting of the notice)</li> <li>• managing the situation where owners fail to undertake work within a specific timeframe, including seeking court approval to enter a building and undertake any necessary work (which may include demolition of all or part of a building).</li> </ul> <p>Given that TDC infrequently issue s124 notices and have only done so twice in the last six years, it is important that the procedures for the above activities are sufficiently specific and detailed that it enables a person who has not worked in the job before to follow and adequately achieve the objective/task.</p> <p><b>Council comment</b> <i>None required</i></p>
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<p><b>1B. Staff resources</b></p>	
<p><b>Findings</b></p> <p>TDC advised that the following staff members are responsible for performing functions in relation to DAI buildings:</p> <ul style="list-style-type: none"> <li>• Building Control Officers</li> <li>• Building Compliance and Enforcement Officer</li> <li>• Building Team Leader Compliance</li> <li>• Building Control Manager.</li> </ul> <p>Each of these positions have delegated authority to issue s124 notices.</p> <p>Given that TDC rarely issue a s124 notice and the unique nature of each case, the Council did not offer an average timeframe to complete a DAI building investigation from initial complaint/notification through to inspection, assessment and, where applicable, issuing a s124 notice.</p> <p>Based on the TA data we have received so far, it is likely that TDC have an adequate number of full-time equivalent (FTE) staff to deal with any DAI buildings that are identified.</p> <p><b>Outcome: Satisfactory</b> <i>None</i></p> <p><b>Council comment</b> <i>None required</i></p>	

<p><b>1C. Inspection check sheet</b></p>	
<p><b>Findings</b></p> <p>TDC do not have a check sheet specifically for functions related to DAI buildings. TDC advised that its staff are required to take notes and photographs of the building for the purpose of assessing if the building is DAI and this is carried out on a case-by-case basis.</p> <p><b>Outcome: Strong Recommendation (SR-D-1C)</b></p> <p>In the interests of consistency, we recommend TDC develop a specific check sheet to inspect and assess potential DAI buildings.</p>	

<p>We recommend, when implementing a specific DAI buildings check sheet, that any photographs taken during the inspection are provided with appropriate text/captions to assist and orientate any future reader.</p> <p>A suggested DAI buildings inspection checklist is available at <a href="#">Policy guidance for building officials   Building Performance</a></p>
<p><b>Council comment</b> None required</p>

**2. Capture of dangerous, affected, or insanitary buildings**

<b>2A. Capturing DAI buildings</b>	
<p><b>Findings</b> TDC is made aware of potential DAI buildings through complaints from members of the public, unrelated on-site inspections (eg building warrant of fitness) or notifications from Fire and Emergency New Zealand (FENZ).</p> <p>TDC has an internal register to track and record DAI buildings.</p>	
<p><b>Outcome: Satisfactory</b> None</p>	
<p><b>Council comment</b> None required</p>	

<b>2B. Determining DAI buildings</b>	
<p><b>Findings</b> In response to our question about how TDC determines if a building is DAI, TDC advised it assesses ‘with direct reference to sections 121, 121A and 123 of the Building Act 2004’. However, within in TDC’s policy document, under the ‘Procedures’ heading on page 7, it describes in a bit more detail how it will detect and assess potentially DAI buildings as follows:</p> <p><b>Detect</b></p> <p><i>Once Council has received information regarding a potentially dangerous, affected or insanitary building, it will:</i></p> <ol style="list-style-type: none"> <li>a. <i>Check the details of the property against Council records;</i></li> <li>b. <i>Have an authorised officer undertake an inspection of the building in question. In doing this, Council may seek advice from Fire and Emergency New Zealand, or any other professional or organisation deemed appropriate by Council; and</i></li> <li>c. <i>Prepare an inspection record.</i></li> </ol> <p><b>Assess</b></p> <p><i>All inspections of potentially dangerous, affected or insanitary buildings will involve an assessment of the building’s condition in terms of the definitions in sections 121 and 123 of the Act, and the current building code requirements. Inspection records will be prepared in all cases.</i></p>	

<p>According to the ‘Act’ section of the documented procedures in the DAI policy document, once TDC establishes that a building is classified as DAI and that a s124 notice is to be issued, it</p> <ul style="list-style-type: none"> <li>• consults ‘with the building owner to further determine the circumstances and decide on an appropriate course of action’</li> <li>• inspects as necessary</li> <li>• invokes its powers under s124, 126 or 129 of the Act where a mutually acceptable outcome cannot be reached, or where the situation requires</li> <li>• informs complainants of the inspection results and TDC’s intended course of action.</li> </ul>	
<p><b>Outcome: Recommendation (R-D-2B)</b>                  We recommend providing some examples after the words ‘any other professional’ under 7.1.b of TDC’s policy document. Consider including engineers of various disciplines (eg fire, structural, geotechnical). Perhaps In some cases, it may be appropriate to liaise with legal counsel for high-profile buildings or situations with a greater risk to public safety.</p>	
<p><b>Council comment</b>  <i>None required</i></p>	

<p><b>2C. Compliance of an issued DAI building notice</b></p>	
<p><b>Findings</b>                  The C&amp;A team reviewed <b>one</b> DAI building notice issued under s124 by TDC in September 2017 for a dangerous building (Hydro Grand Hotel).</p> <p>The s124 notice contained some good quality information and for the most part complied with the current legislation, specifically:</p> <ul style="list-style-type: none"> <li>• it referenced relevant sections of the Act, offences under s128A(1) of the Act, and was signed and dated</li> <li>• stated that the s124 notice was to be ‘affixed to all entrances of the building’</li> <li>• the owner and every person who has an interest in the land were referenced</li> <li>• the particulars of the dangerous conditions were clearly detailed</li> <li>• the work required to reduce or remove the dangers was clearly detailed</li> <li>• the entry into the building for a limited time was restricted to particular persons to carry out specific work, including inspections and monitoring</li> <li>• the timeframe to comply with the s124 notice was clearly stated</li> <li>• stated the grounds for issuing and referenced the professional assessment undertaken to determine the specific danger of the building.</li> </ul> <p>However, the s124 notice made no mention of whether a building consent was required to undertake the works to reduce or remove the danger. A notice issued under s124(2)(c) <b>must</b> state whether the owner of the building must obtain a building consent to carry out the work required by the notice as per s125(1)(e).</p> <p>In addition, a timeframe of two months to obtain a building consent and undertake all required works, to reduce or remove the danger, may not be reasonably sufficient for the owner to meet the requirements of s125(1)(d).</p> <p>As only the s124 notice was provided in the questionnaire response, it is unclear what supplementary evidence and assessment was undertaken before TDC issued the s124 notice. We are also unable to confirm if the notice was affixed to the building (s125(1)(b) refers) and whether the dangerous building was appropriately resolved.</p>	

<p><b>Outcome: Corrective Action (CA-D-2C)</b></p> <p>TDC need to assess its current s124 template to ensure it meets all the legislative requirements of s124 and s125 respectively and provide a copy to the C&amp;A team for review.</p> <p>We also recommend TDC ensure:</p> <ul style="list-style-type: none"> <li>inspection check sheets, supporting documentation and supplementary evidence (in the form of photos) are recorded for all s124 notices</li> <li>records include evidence that the s124 notice was fixed to building as required by s125(1)(b) and that a copy has been given to all relevant persons as required by s125(1)(c)</li> <li>all notices and warrants specify appropriate timeframes where required under s125(1)(d)</li> <li>in complex situations where disputes may occur between parties consider seeking legal advice before issuing s124 notices</li> <li>property files include details of works undertaken to resolve DAI building issues</li> <li>consider including offences under s368 for removing or defacing notices.</li> </ul>
<p><b>Council comment</b></p> <p><i>Please provide a comment about how Council is progressing towards implementing this corrective action and/or its intent to do so. See the 'Next Steps' section above for the time period in which this comment must be supplied.</i></p>

**3. Assurance that s124 procedures are taking place**

<p><b>3A. Reviewing council’s DAI buildings policy</b></p>	
<p><b>Findings</b></p> <p>TDC have a documented policy for DAI buildings which, according to TDC’s questionnaire response and the policy’s revision history, was originally adopted on 27 November 2018, and then amended on 26 November 2019 to include ‘affected’ buildings. It is not clear if TDC had a policy prior to 2018.</p> <p>The policy states that it must be reviewed at least every five years as required by s132(4), but it does not specify that any amendment or replacement of the policy must be in accordance with the special consultative procedure in s83 of the Local Government Act 2002 as required by s132(2).</p> <p>TDC advised it had not provided a copy of the most recent policy to MBIE as required by s132(3).</p>	
<p><b>Outcome: Corrective Action (CA-D-3A)</b></p> <p>If TDC amend its policy following a review, TDC must ensure that a copy of the amended policy is provided to MBIE as required by s132(3) of the Act. When providing a copy of the amended policy to MBIE, please also provide a copy to the C&amp;A team for our records:  <a href="mailto:TA_assessments@mbie.govt.nz">TA_assessments@mbie.govt.nz</a></p> <p>If the policy document existed prior to 2018, we would recommend that TDC expand the existing revision history to include when the policy document was first created (plus any reviews or amendments), so that the full development history of the policy document can be traced.</p>	
<p><b>Council comment</b></p> <p><i>Please provide a comment about how Council is progressing towards implementing this corrective action and/or its intent to do so. See the 'Next Steps' section above for the time period in which this comment must be supplied.</i></p>	

<b>3B. S124 notice – follow-up</b>	
<p><b>Findings</b></p> <p>TDC advised it follows the flow chart (prepared by SOLGM), as well as its DAI buildings policy document which contains some procedures under the headings ‘Detect’, ‘Assess’ and ‘Act’ (page 7 refers). TDC’s follow-up action is dependent on the situation and the associated risks. The Council also set timeframe reminders within its internal register and Outlook calendars.</p> <p>MBIE is of the view that the ‘Act’ section of the policy document does not wholly deal with the follow-up activity for an issued s124 notice.</p>	
<p><b>Outcome: Recommendation (R-D-3B)</b></p> <p>Given TDC seldom issue s124 notices, it is recommended it clearly documents all the procedures and tasks that are expected to be carried out when following-up on an issued s124 notice, including reinspection and removing the s124 notice once the required remedial work has been completed to the satisfaction of TDC.</p>	
<p><b>Council comment</b></p> <p><i>None required</i></p>	

**4. Enforcement**

<b>4A. Number of buildings classified as DAI</b>	
<p><b>Findings</b></p> <p>During the period 1 December 2020 to 1 December 2023, TDC had not received any complaints and/or notifications for potential DAI buildings.</p> <p>Although TDC advised <b>no</b> s124 notices had been issued during the above period, it had done so on two occasions in the last six years. TDC provided a s124 notice issued in September 2017 for a dangerous building (Hydro Grand Hotel). This demonstrated that TDC is prepared to use the appropriate legislative lever when necessary.</p>	
<p><b>Outcome: Satisfactory</b></p> <p><i>None</i></p>	
<p><b>Council comment</b></p> <p><i>None required</i></p>	

<b>4B. Enforcement</b>	
<p><b>Findings</b></p> <p>During the period 1 December 2020 to 1 December 2023, TDC <b>did not issue any notices to fix (NTFs) or infringement notices</b> for DAI buildings. The lack of NTFs and infringement notices reflects the fact that there have been no s124 notices issued in the three year period that was subject to this assessment.</p>	
<p><b>Outcome: Satisfactory</b></p> <p><i>None</i></p>	
<p><b>Council comment</b></p> <p><i>None required</i></p>	



**5. Public/owner information and assistance**

<b>5A. Public/owner information and assistance</b>	
<p><b>Findings</b></p> <p>Despite TDC advising us, via our questionnaire, that it did not provide on-line access to its current DAI buildings policy, this is not the case. The policy is available at <a href="https://www.timaru.govt.nz/council/publications/policies/dangerous,-affected-and-insanitary-buildings-policy">https://www.timaru.govt.nz/council/publications/policies/dangerous,-affected-and-insanitary-buildings-policy</a></p> <p>The policy contains a lot of useful general information about DAI buildings, but all this information is located in the ‘Policies’ section of TDC’s website, rather than under the ‘Building Overview’ section which includes some other TA functions (eg BWoFs, pool barriers). Currently, the ‘Building Overview’ section of TDC’s website contains no DAI buildings information.</p>	
<p><b>Outcome: Strong Recommendation (SR-D-5A)</b></p> <p>We recommend TDC to include a specific subject area for DAI buildings under ‘Building Overview’ on the ‘Services’ part of its website. This area on the website should include the following:</p> <ul style="list-style-type: none"> <li>• a link to TDC’s policy on DAI buildings</li> <li>• information on how the public should report a suspected DAI building</li> <li>• information on potential enforcement action for non-compliance of s124 notices</li> <li>• a link to MBIE’s current <a href="#">DAI buildings guidance</a> webpage.</li> </ul>	
<p><b>Council comment</b></p> <p><i>None required</i></p>	

## Statement of Proposal

Dangerous, Affected and Insanitary Buildings Policy

We are proposing to make some minor amendments and want to know what you think.

Submissions close on 22<sup>nd</sup> September 2024.

### Summary

All councils are required to have a Dangerous, Affected and Insanitary Buildings Policy. The policy outlines Council's approach to identifying and managing dangerous, affected and insanitary buildings within the district.

This Statement of Proposal is seeking public feedback on the draft policy to help inform Council's decision making.

**We invite your views and feedback via the submission process outlined later in this document.**

Submissions are invited from Monday 19<sup>th</sup> August 2024 to 11:59pm Sunday 22<sup>nd</sup> September 2024. At the end of this period, the Council will:

- Conduct hearings for anyone who wishes to speak in support of their written submission; and
- Consider the written and oral submissions; and
- Make decisions on the final policy.

This document has been prepared to meet the requirements of Sections 83 and 87 of the Local Government Act 2002.

All reasonable care has been taken to ensure that the contents of this document (including any links or references) are accurate at the time of publication.

### Contents page

[Insert]

### Background

The Building Act 2004 requires all councils to adopt and maintain a Dangerous, Affected and Insanitary Buildings Policy.

The policy has to outline:

- Council's approach to identifying and managing dangerous, affected and insanitary buildings within the district; and
- Council's priorities in doing this; and
- How the Policy will apply to heritage buildings.

Dangerous buildings are considered, under the ordinary course of events, likely to collapse or otherwise cause injury or death to any persons in the building or on another property. Note that the ordinary course of events does not include earthquakes; thus an earthquake prone building is not considered dangerous under the legislation and policy just because it is earthquake prone.

Affected buildings are considered such if they are either adjacent, adjoining or nearby a Dangerous Building. There cannot be an affected building without a dangerous building.

Insanitary buildings are considered offensive or to be injurious to health, in a state of disrepair, have no potable water or sanitary facilities.

These terms are formally defined in sections 121, 121A and 123 of the Building Act 2004.

The numbers of such buildings are small: in the past five years since the last policy review, there has been one dangerous building and no affected or insanitary buildings identified in the district.

The legislation establishes a clear principle: any identified danger has to be fixed (i.e. danger removed) within a reasonable timeframe. This reduces the amount of 'wiggle-room' available to councils in the policy.

The Building Control Unit is responsible for this policy at Timaru District Council. They are responsible for ensuring a safe residential and commercial environment for workers, residents and visitors to our District, in accordance with the provisions of the Building Act 2004.

Council also has a responsibility as a regulator and Territorial Authority to ensure the purposes of the Building Act 2004 are being met. This varies from inspecting and consenting building developments to the strict standards set by the legislation; to ensuring existing buildings are safe and hazards are dealt with.

The identification and rectification of dangerous, affected or insanitary buildings has a strong relationship with Council's strategy for a safe district. It is important that Council protects public health through a balanced, risk-based approach to ensure buildings are structurally sound, do not pose health risks, and perform their function without putting the health of residents, occupants and visitors at risk.

*What does the policy cover or not cover?*

The policy applies to all types of buildings within the district – residential, commercial, industrial, ancillary and outbuildings. It does not include any reference to earth-quake prone buildings because, as of 2018, these are covered by sections 133AG - 133AY of the Building Act 2004.

*Where can I find further information?*

MBIE’s guidance for developing Dangerous, Affected and Insanitary Buildings Policies can be found [here](#) or at <https://www.building.govt.nz/assets/Uploads/building-officials/guides/dang-insan-guidance.pdf>

*Who can I contact at Council to discuss this further?*

If you have any questions about the policy or submission process, email: [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

Alternatively, contact us via telephone: 07 687 7200 and ask to speak to either Jayson Ellis or Brendan Madley.

**What is being proposed to change**

[This section will be completed once Council determines the content of the draft policy]

The proposed material amendments and their rationale are as follows.

Proposed amendment	Rationale	Location in draft policy

Note: the draft policy has been reformatted, so appears visually different from that adopted in 2019.

**Draft Policy**

[Insert policy here]

**Alternative Policy Options**

Council’s draft policy takes:

- a partially reactive identification approach

- prioritises/ considers the factors outlined in clause #12 when determining an enforcement approach
- does not treat Heritage buildings differently to non-heritage buildings, with the caveat that Heritage New Zealand Pouhere Taonga will be proactively consulted with

Council considers that these approaches, collectively, are appropriate, meet the legislative requirements, and provide Council with the flexibility to manage individual situations on their unique circumstances.

However, the policy could have aspects added, removed or changed. There are potential advantages and/ or disadvantages with making changes. The main alternative options are outlined below.

Options	Perceived advantages and disadvantages
<p><b>A different identification approach</b></p> <p>How active Council could be in trying to identify these buildings falls on a spectrum from passive (waiting to hear about issues through others) through to pro-active (actively and regularly checking whether buildings are dangerous, affected or insanitary).</p> <p>Council currently takes what we consider to be a partially reactive approach, where we do not actively and specifically ‘seek out’ these types of building issues but expect that we would likely detect them through other means</p> <ul style="list-style-type: none"> <li>- through our normal work programme e.g. building inspections and conducting Building Warrant of Fitness checks</li> <li>- through relationships with partner agencies e.g. Fire Emergency New Zealand</li> </ul>	<p>A more proactive identification approach might identify more dangerous, affected and insanitary buildings in the district than would otherwise be the case. If this occurred, it would be improving public safety.</p> <p>It would also have resourcing implications. We estimate that a proactive approach would require one additional full-time Council employee. Their checks would either identify dangerous, affected or insanitary buildings or, in the vast majority of instances, provide additional assurance to Council that they are safe and sanitary.</p> <p>It is difficult to quantify the resourcing implications for enforcing a proactive approach as it depends on the number of buildings “identified”. Once a building is “identified”, it can be a time and resource intensive process to work with the owner and other agencies to resolve the issue; often two or three people might work on this for several months.</p> <p>The salaries and other costs associated with these roles would need to be paid out of general rates, as no fee/ charge exists for such an activity and it would be unfair to charge for it as part of other fees/ charges, e.g. a building consent.</p> <p>Given the historically low rate of dangerous, affected or insanitary buildings identified in the district and the existing mitigation measures, we believe that a more pro-active approach would not add sufficient value to the safety of</p>

	<p>those in the district to justify the expense to ratepayers.</p>
<p><b>A different set of priorities/ factors to take into account when determining the enforcement approach</b></p> <p>The Building Act 2004 does not allow immediate physical safety to be compromised once a danger has been identified.</p> <p>Notwithstanding this, the legislation gives Council options about what factors it will take into account when deciding how to manage an identified issue, e.g. how long an owner has to resolve a danger and any safety measures that need to be taken in the meantime.</p> <p>The policy states that Council will make decisions on a case-by-case basis, and consider how best to facilitate safety and wellbeing, the ability to mitigate risk, and potential unintended consequences.</p> <p>For example, all other things being equal, Council would likely take a different enforcement approach to a dangerous residential hostel in an urban area compared to an unoccupied outbuilding on a farm. The farm owner would likely have more time to resolve the issue.</p> <p>However, the policy does allow Council to take into account the ability to mitigate risk and unintended consequences when making decisions, for example if the hostel residents were vulnerable and could be made homeless as a result of requiring their immediate eviction.</p>	<p>You may feel that there are factors that are not stated but should be taken into account, e.g. economic impacts on business; or that are included but should not be.</p> <p>You might feel that the same enforcement approach (e.g. time to resolve identified issue) should apply regardless of the circumstances of the danger.</p> <p>The policy could specify different factors for how residential, commercial, industrial, ancillary buildings (outbuildings intended to be occupied) and outbuildings (not intended for occupation) are treated.</p> <p>As a general rule, the more complicated the policy and process, the greater the cost. As outlined above, the cost of this activity is paid for by ratepayers out of general rates.</p> <p>We believe that the approach set out in the draft policy is pragmatic and sufficiently flexible to allow Council to adjust its decision making to fit the unique circumstances of the situation, and focus on the over-arching intent of the Act, being public safety.</p>
<p><b>A different approach to Heritage buildings</b></p> <p>Our policy states that Heritage buildings are treated the same as non-heritage buildings, but that Council will consider seeking advice from Heritage New Zealand Pouhere Taonga, and adhere to</p>	<p>We believe there is a disadvantage in the policy being too prescriptive in relation to Heritage Buildings because of the limited number of times such buildings likely to be identified as dangerous, affected or insanitary, and because each case will be situation-specific.</p>

<p>any relevant, heritage-related statutory requirements and processes.</p> <p>Because a principle of the Act is that any identified danger has to be fixed (i.e. danger removed) within a reasonable timeframe), there is little wriggle-room here for Council.</p> <p>The policy could require Council to consult with Heritage New Zealand Pouhere Taonga, rather than just consider seeking advice.</p> <p>Further, the policy could encourage Council to consult with the public if possible, e.g. if there is public interest, Council owns the building, and the circumstances mean that there is not imminent danger to safety.</p>	<p>Additionally, different heritage categories may affect the options available to the owner/s and Council.</p>
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**Have your say**

Let us know what you think about our draft policy.

You can do this by:

- Completing the online submission form at <https://www.timaru.govt.nz/tell-us/current-consultations>; or
- Completing the physical submission form at the end of this document and
  - Free-posting it back to Council; or
  - Scanning it and emailing it to [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz); or
  - Physically handing it into Council’s Main Building in Timaru, or a library/ service centre.

All submissions need to be received by the close of the consultation. This is 11.59pm Sunday 22<sup>nd</sup> September 2024.

*Privacy Statement*

All submissions are public information and will be included on Council’s website and/or in public documents located at Council offices and Libraries/Service Centres. This will include your name and, if applicable, the organisation you represent.

The contact information (phone number and/or email address and/or postal address) that you provide via the submission form will be accessible to and used by Council staff only for submission administration purposes; it will not be made publicly available. However, the

content of attachments you provide with your submission - including any private and contact information - may not be redacted. Please contact us via [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz) if you have any questions about this.

All information is held by Council in accordance with the Privacy Act 2020 and Council’s privacy policy – <https://www.timaru.govt.nz/site-info/privacy>. You have the right to access and correct personal information. Nothing in this Privacy Statement overrides, or will prevent Council meeting its obligations under, the Local Government Official Information and Meetings Act 1987 or any other relevant legislation.

If you have any questions about the policy or submission process, email: [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

Alternatively, contact us via telephone: 07 687 7200 and ask to speak to either Jayson Ellis or Brendan Madley.

Want to speak at a Hearing without making a written submission? You can do this – email or call us to arrange.

*Intended timeline*

Monday 19<sup>th</sup> August – Sunday 22<sup>nd</sup> September: Consultation period

Early October: Hearing, if required

31 October: Council deliberates and makes decisions on final policy

Note: This timeline may be impacted – and additional public consultation may be necessary – if the policy is amended as a result of submissions received (depending on the significance of any amendment/s).

**Submission Form (physical submission)**

*Complete this form to make a submission on the draft Dangerous, Affected and Insanitary Buildings Policy.*

*\*= we require your name and at least one method of contacting you*

*\*\*if you do not answer this question, we will assume that you do not wish to speak*

*First name\**

*Surname\**

*Organisation (if applicable)*

*Phone number\**



*Email\**

*Postal address\**

*Do you want to speak about your submission at a Council Hearing? \*\** Yes/ No

*Do you support the draft policy as presented?* Yes/ No

*Make any comments about why you do or do not support the policy.*

*What changes, if any, would you like to see in the policy?*

*Please use extra paper if you need more room, and attach these and any supporting documents with your submission.*

[Insert Privacy Statement here]

*Make your submission by:*

- 1) *Putting this form in a sealed envelope and posting it to*

*FreePost Authority Number 95136  
Policy Consultation  
Timaru District Council  
PO Box 522  
TIMARU 7940*

*or;*

- 2) *Scanning this form and emailing it to [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)*

*or;*

- 3) *Physically handing this form into Council's Main Building or a library/ service centre.*

*If you prefer to complete the submission electronically, go to <https://www.timaru.govt.nz/tell-us/current-consultations>*

*All submissions must be received by Council by the close of consultation, being 11:59pm Sunday 22<sup>nd</sup> September 2024.*

[Note: the online submission form will ask the same questions, but include the ability to upload electronic documents]

## 9.7 Policy review - Local Approved Products Policy

**Author:** Brendan Madley, Policy Advisor  
Debbie Fortuin, Environmental Compliance Manager

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

### Recommendation

That Council:

1. Receive and note the "Draft Local Approved Products Policy"; and
2. Rollover the policy without amendment or consultation.

### Purpose of Report

- 1 The purpose of this report is to present Council with the draft Local Approved Products Policy, and to seek decisions about the policy content and next stages of the policy review process.

### Assessment of Significance

- 2 The draft Local Approved Products Policy (LAPP) is assessed as being of low significance when assessed against Council's Significance and Engagement Policy. If any psychoactive substances were to be approved by central government, then this policy is considered to be of medium significance for key stakeholders including potential approved products retailers and public health organisations. No potential retailers have been identified. Public health organisations have been, and will continue to be, engaged with.

### Background

- 3 The Psychoactive Substances Act 2013 (the Act) defines a psychoactive substance or product as, "*a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the substance.*" They are also sometimes known as a 'legal highs' or 'synthetics'. This report refers to them as 'psychoactive products'.
- 4 The Act was introduced following national concern at the proliferation and health consequences of psychoactive products. Its purpose is, "*to regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances.*"
- 5 The legislation bans such substances by default and requires that they be approved by the Psychoactive Substances Regulatory Authority (the Authority) before they can be imported, manufactured or sold in New Zealand. Any approved psychoactive products could have no more than a low risk of causing harm.
- 6 Section 66 of the Act allows, but does not require, local authorities to adopt a policy relating to the sale of approved psychoactive products within its district. The policy needs to facilitate and reflect the purpose of the Act.
- 7 Such a policy may cover the location of premises from which approved psychoactive products may be sold within the District by reference to broad areas, proximity to other premises from

which approved products are sold, and proximity to premises or facilities within the District (for example kindergartens, schools, places of worship). The policy is not able to ban the sale of an approved psychoactive product in the District; rather, it can only restrict the location and density of shops selling the products. Any illegal or 'underground' activity is outside of the scope of the policy.

- 8 Council has, to date, chosen to have a LAPP. It was originally adopted in 2014 and last reviewed in 2019. The policy is now due for review; Section 69(4) of the Act states that the Policy must be reviewed every five years, and can only be materially amended or replaced by undertaking a consultation that meets the requirements of the Special Consultative Procedure (SCP).

### Discussion

- 9 Officers have communicated with the Authority and Health New Zealand Te Whatu Ora as part of the policy review to date, due to their roles in regulating psychoactive products and facilitating public health respectively.
- 10 In correspondence dated 26 June 2024, the Authority advised that there are currently no approved products nationally and that no products have been approved since the Act was introduced in 2013. A key reason is that 2014 legislation prohibits the testing of psychoactive products on animals to determine the level of harm, and the adjacent lack of an approved alternative to animal testing. Thus, it is unlikely that any psychoactive substances will be approved in the near future. The full correspondence is attached to this report.
- 11 In a meeting on 11 July 2024 and written correspondence dated 18 July 2024, Health New Zealand Te Whatu Ora concurred with the legislative context outlined by the Authority, advised that they felt the policy settings in the current LAPP remain appropriate, and opined that there is low public concern about products within the scope of the policy. The full correspondence is attached to this report.
- 12 Council should consider its risk appetite on this matter; the policy is currently irrelevant but, essentially, 'insurance' against a potential but currently non-existent issue. Does Council see value in retaining the policy and its associated controls in case a psychoactive product is approved?
- 13 The absence of a policy removes the ability of Council to restrict the location of premises that could sell these products. The risk of not having a policy may enable premises that could sell such products being established near sensitive sites, for example schools.
- 14 In prior reviews and despite the lack of approved psychoactive products, Council has felt that it was necessary to be mindful of the future and ensure proper controls were in place should any products be approved.
- 15 Council can look to the policies and actions of other local authorities to help inform its decision making.
- 16 Officers are aware that Whangarei and Waipa District Councils revoked their LAPPs when reviewed. By contrast, Gisborne District Council recently readopted their policy. Ashburton District Council, Waimate District Council and Hamilton City Council are currently reviewing their LAPPs; at the time of writing, there was no indication of their respective decisions.
- 17 Officers sampled 11 local authorities, being the Canterbury councils and Dunedin City Council. Of these, seven have LAPPs and four do not.
- 18 The policy content between the seven LAPPs is similar and consistent.

- 18.1 All only allow retail premises to operate from either central business zones (as stated in their Operative District Plans) or defined central city boundaries.
- 18.2 All include reference to sensitive sites, though the definitions differ slightly.
- 18.3 All restrict retail premises from being within a certain distance from defined sensitive sites, though the distance requirements differ from between 50 metres to 100 metres.

### Options and Preferred Option

- 19 **Option One (preferred)** – Propose to rollover the policy without amendment or consultation.
- 20 Officers propose no material amendments to the policy. The visual changes to the policy’s appearance are due to reformatting to align with Council’s current policy template. Further, a section in the 2019 policy (the Introduction) that does not contain policy content has been removed.
- 21 Given the lack of approved psychoactive products, the LAPP has not been tested against its objective; however, it also means that there is no evidence to suggest that the policy is not fit for purpose, or that amendments to the policy are appropriate at this time. Engagement to date with Te Whatu Ora suggests that a roll-over is appropriate.
- 22 Officers consider that replicating Council’s previous risk-averse approach to psychoactive substances is reasonable; in other words, there are no meaningful disadvantages to retaining a “just-in-case” policy.
- 23 A disadvantage of this option is that it may be beneficial to hear any community views via a consultation process. However, officers consider that this is not a significant disadvantage; see the “Consultation” section of this report for further information.
- 24 Rolling-over or adopting a policy without consultation is permitted if the matter is deemed of “low” significance. Again, further information is contained in the “Consultation” section of this report.
- 25 **Option Two** – Propose amendments to the draft policy prior to approving it for consultation.
- 26 Council may identify improvements to the draft policy and determine that it requires amendment prior to public consultation. The advantages and disadvantages of this option are dependent on the amendments made.
- 27 Possible amendments could include changes to the area/s that retail premises could be located, the definition of sensitive sites, and distance requirements between retail premises and sensitive sites.
- 28 An amended policy would need to be consulted on in accordance with the SCP.
- 29 This option means that Council would get the opportunity to reconsider the policy in several months after receiving public feedback.
- 30 **Option Three** – Propose to revoke the policy.
- 31 Council may determine that the policy is redundant given the lack of current approved psychoactive products, or that a policy and associated controls is not appropriate even if any psychoactive products were to be approved. An advantage of this is that it would reduce the workload associated with a policy review in five years’ time, or earlier if required.
- 32 A disadvantage is that it would mean that Council may not have an active policy in place to regulate sale if a psychoactive product is licenced (unless a replacement policy has been

redeveloped, consulted on, and adopted before the licence comes into effect). The Authority has been unable to state prospective approval timeframes, and therefore officers cannot advise of the likelihood of this risk occurring.

- 33 A proposal to revoke the policy would need to be consulted on in accordance with the SCP.
- 34 This option means that Council would get the opportunity to reconsider the policy in several months after receiving public feedback.

### **Consultation**

- 35 Council is required to undertake a SCP consultation that meets the requirements of s 83 of the Local Government Act 2002 (LGA) if it wishes to propose amendments to, or the revocation of, the policy.
- 36 However, if Council proposes no amendments, it only needs to undertake engagement that is consistent with its Significance and Engagement Policy. The Significance and Engagement Policy provides the option to either “Inform” or “Consult” when the level of significance is deemed to be “low”.
- 37 Further, the Significance and Engagement Policy states, “circumstances in which Council will not engage include... where Council deems that it already has a comprehensive understanding of the views and preferences of the interested or affected persons.” Officers assess that any consultation is unlikely to be able to provide any meaningful feedback given the lack of approved psychoactive products, therefore Council can be considered to have an existing, comprehensive understanding of community views. It is noted that community interest is likely low on the basis of Te Whatu Ora feedback and given that the 2019 consultation received no submissions.
- 38 In this instance, because of the assessed low significance and likely lack of meaningful public feedback, officers’ preferred option is to rollover the policy without consultation and “inform” the public of the decision.
- 39 If Council deems that consultation is appropriate:
  - 39.1 A Statement of Proposal or Consultation Document will be drafted accordingly. The content would be similar to the 2019 consultation (relevant pages attached for reference; ignore references to the two other policies that were consulted on at the same time). It is recommended that Council delegate the approval of the final consultation material to the Chief Executive.
  - 39.2 It is proposed that any consultation would use standard engagement methods, with the public advised of the consultation via the Council website, the Timaru Courier Noticeboard page, and Council’s social media channels. Further information will be made available at the Main Council Building, libraries and service centres.
  - 39.3 The consultation would run between the middle of August and middle of September. A Hearing, if necessary, would be scheduled for late September or early October, prior to final decisions being made by Council in late October.

### **Relevant Legislation, Council Policy and Plans**

- 40 Psychoactive Substances Act 2013

**Financial and Funding Implications**

- 41 The cost of the policy review, including any prospective consultation, is being met within existing budgets. No overspend is expected.

**Other Considerations**

- 42 Officers note that a review of the policy would be instigated if there are any relevant legislative changes or if the Authority advises that a product is actively being considered for approval.

**Attachments**

1. **Draft Local Approved Products Policy** [↓](#) 
2. **Psychoactive Substances Regulatory Authority correspondence** [↓](#) 
3. **Te Whatu Ora correspondence** [↓](#) 
4. **2019 Multi-consultation Statement of Proposal** [↓](#) 

# Local Approved Products Policy



<b>Approved by:</b>	Timaru District Council
<b>Group:</b>	Environmental Services
<b>Responsibility:</b>	Environmental Compliance Manager
<b>Date adopted:</b>	<b>TBC</b> The policy becomes effective the day after the date of adoption
<b>Review:</b>	Every 5 years or as required This Policy does not cease to have effect because it is due for review, or being reviewed
<b>Consultation:</b>	Required (Special Consultation Procedure) for any amendment or revocation
<b>Policy Type</b>	Council External Operational

## Policy Purpose

1. To provide guidance to the Psychoactive Substances Regulatory Authority (PSRA) as to which locations it is appropriate to grant retail licences for approved products to be sold within the Timaru District.
2. To minimise the harm to the community caused by psychoactive substances by defining the permitted location of retail premises.
3. To minimise the exposure and potential for harm to vulnerable members of the community, from the sale of the psychoactive substances.
4. To minimise the potential for adverse effects from the sale of psychoactive products to sensitive sites and residential areas.
5. To ensure that Council and the community have influence over the location of retail premises in the District.

## Scope

6. This policy applies to any application for a licence as defined in the Act to sell approved products from a retail premise from the date that this policy comes into force.
7. This policy does not apply to retail premises where internet sales only, are made or to premises where the sale of approved products is by wholesale only.
8. This policy does not limit the number of retail premises or restrict the issue of new licences. Provided the applicant meets the policy criteria and the provisions of the Act.
9. The requirements of the Resource Management Act 1991 and the Hazardous Substances and New Organisms Act 1996 must be met in respect of any premises holding a licence.

## Definitions

10. Act: Means the Psychoactive Substances Act 2013.

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Local Approved Products Policy

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11. Approved location: Means an area where premises from which approved products may be sold are permitted to be located.
12. Approved Product: Means a psychoactive product approved by the Authority under Section 37 of the Act.
13. Authority: Means the Psychoactive Substances Regulatory Authority (PSRA) established by Section 10 of the Act.
14. Central Business District: Means the area of Timaru defined by the operational Timaru District Plan Commercial 1A zone.
15. Childcare facilities: Means premises (public and private) where children are cared for or given basic tuition and includes a crèche, day or after-school care, pre-school, kindergarten, kohanga reo or play centre. This term excludes a school.
16. Educational Institution: Means institution as defined by the Education Act 1989 and amendments describing Schools, kindergartens, early childhood centres and tertiary education institutions.
17. Licence: Means a licence, as defined by the Act.
18. Psychoactive Product or product: Means a finished product packaged and ready for retail sale that is a psychoactive substance or that contains one or more psychoactive substance.
19. Psychoactive substance: Means a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance and defined further in s.9 of the Act.
20. Regulations: Means regulations made under the Act.
21. Retailer: Means a person engaged in any business that includes the sale of products by retail.
22. Retail Premises: Means premises for which a licence to sell approved products by retail has been granted by the Authority.
23. Sensitive Site: Means sites which are used by people who are, or may be, more vulnerable to the influence of the sale of psychoactive substances. Includes:
  - (i) District Court; Department of Corrections; Medical Centre;
  - (ii) Any premises occupied by a central social welfare agency such as Work and Income or Housing New Zealand;
  - (iii) Specialist Treatment and Support Service facility;
  - (iv) Any place of worship, school, childcare facilities, or other educational institution;
  - (v) Any property located in the residential zone in the operative Timaru Council District Plan;
  - (vi) Any Council Owned library, museum, recreational facility, public toilets;
  - (vii) King George Place, Strathallan Corner, Piazza, Caroline Bay and Landing Services.



- 24. Specialist Treatment and Support Services: Means externally funded mental health, problem gambling, alcohol and other drug specialist treatment and or support service.

**Policy Statements**

*Broad Areas*

- 25. The retail premises selling psychoactive substances shall be restricted to the Commercial 1A Zone as defined by the operative Timaru District Council District Plan.
- 26. Retailers shall be restricted to areas in the Commercial 1A zone that are covered by CCTV. Any retailer wanting to sell approved products from an area not covered by security cameras will require to negotiate a reasonable financial contribution to the installation of a camera based on Councils assessment of the balance of private/public good.

*Proximity to Other Premises and Sensitive Sites*

- 27. Licences for the sale of approved products will not be issued in respect of premises which are within 100 metres of premises for which a licence has been issued or premises which are within 100 metres of a sensitive site.
- 28. The 100 metre exclusion zone shall be measured from the public entrance of the applicant’s premises and extend 100 metres in either direction along the thoroughfare on which the premises is situated. The measurement of the 100 metre exclusion zone shall also include any perpendicular intersecting thoroughfares and the opposite side of any such thoroughfare which falls within the 100 metre exclusion zone.
- 29. Following the adoption of this Policy, if an organisation or entity which falls within the definition of a sensitive site operator moves within the specified buffer zone distance of a retail premises, there is no requirement for the retail premises to move premises outside the approved buffer distance.

Delegations, References and Revision History					
<b>Delegations</b> Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
<b>Delegation</b>			<b>Delegations Register Reference</b>		
N/A					
<b>References</b> Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
<b>Title</b>			<b>Relevant Reference within Document</b>		
Operative District Plan - <a href="https://www.timaru.govt.nz/services/planning/district-plan/district-plan-online">https://www.timaru.govt.nz/services/planning/district-plan/district-plan-online</a>			#14, #26		
<b>Revision History</b> Summary of the development and review of the policy					
<b>Revision</b>	<b>Owner</b>	<b>Date Approved</b>	<b>Approval By</b>	<b>Next Review</b>	<b>Doc Ref</b>

#1687762  
Local Approved Products Policy

Page 3 of 5

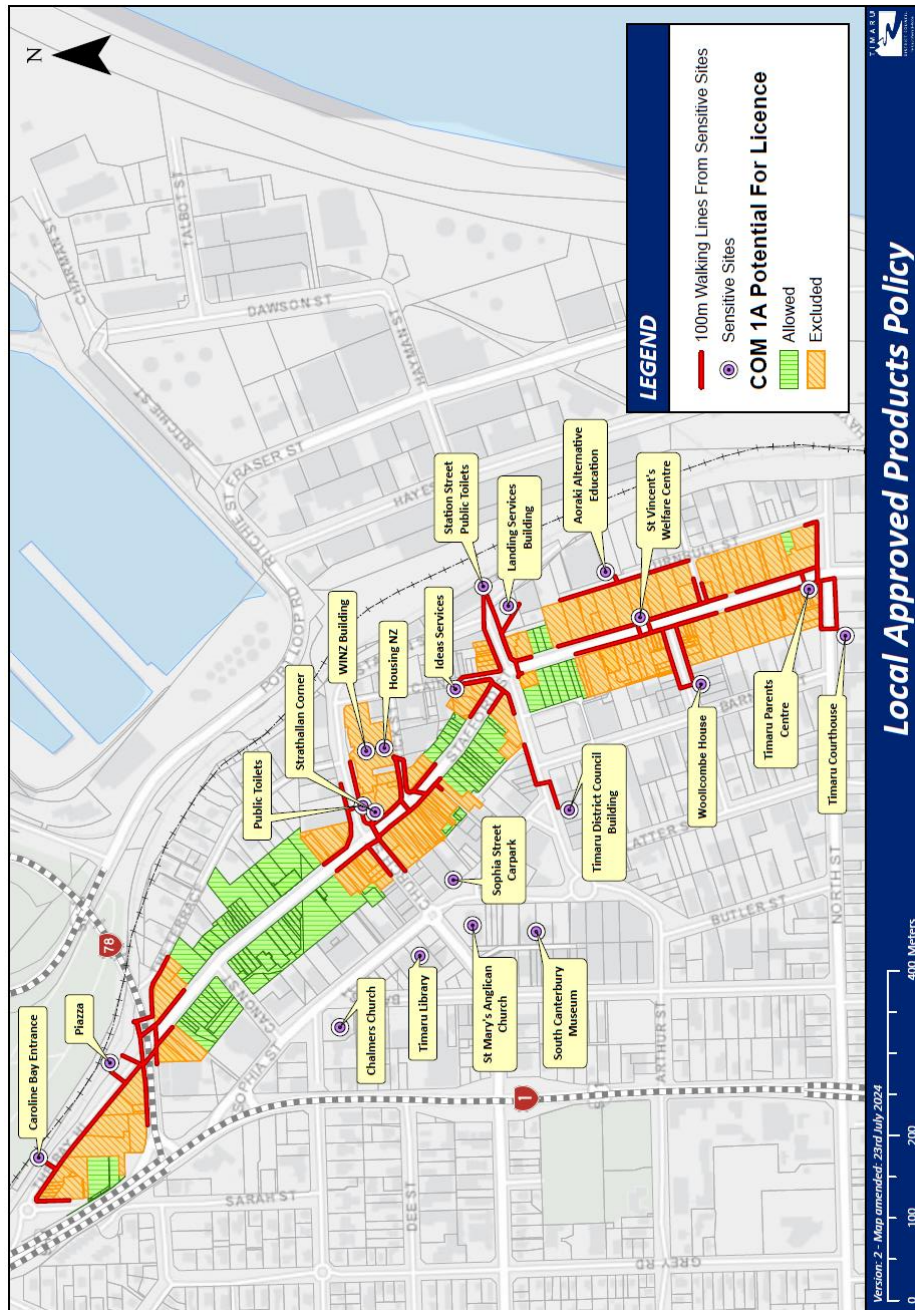
1	Environmental Health Manager	9 December 2014	Council	5 years December 2019	#947780
2	Environmental Compliance Manager	26 November 2019	Council	November 2024	#1334832
3 – this document	Environmental Compliance Manager	TBC	Council	TBC	#1687762

#1687762  
Local Approved Products Policy

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**Appendix A: Map**

The map below is indicative and for explanatory purposes to identify sensitive sites at the date of adoption. It is not part of the policy.



RE: Question re timeframe for an approved product being available for sale

Taylor Jillings [REDACTED]  
on behalf of  
Psychoactives <psychoactive@health.govt.nz>

Wed 26/06/2024 11:54

To: Brendan Madley <Brendan.Madley@timdc.govt.nz>

Kia ora Brendan,

Thank you for your query.

The Psychoactive Substances Amendment Act 2014 prohibits the consideration of animal testing by the Psychoactive Substances Expert Advisory Committee (the Committee) when assessing if products are of a low risk of harm and therefore able to be approved. The Committee agreed that alternatives to animal testing have not yet reached a stage where they can allow a robust assessment to determine no more than a low risk of harm. As a result, no psychoactive substances have been able to be approved for sale.

It is unlikely that the Authority will receive any applications for product approval of a psychoactive substance, or for sale of psychoactive substances in the foreseeable future. If such applications were to be received, they would likely be declined.

If the Committee changed their position on animal testing, we would notify councils of this change, however we cannot guarantee how much advanced warning you would have. We do note that anyone wishing to sell an approved psychoactive product needs to first apply for product approval which is considered by the Committee, and then any retailers wishing to sell products would need to apply for a licence. Retailers are unable to apply for a licence unless a product has been approved. All of these processes would take time, and without previous examples or experience it is difficult for us to give you a concrete timeframe on this process.

I hope this information is helpful. Please let me know if you have any further questions.

Ngā mihi,

**Taylor Jillings (He/Him)**  
Advisor | Regulatory Practice and Analysis | Medsafe | Manatū Hauora  
Email: [REDACTED]  
Manatū Hauora, 133 Molesworth Street Thorndon, Wellington 6011



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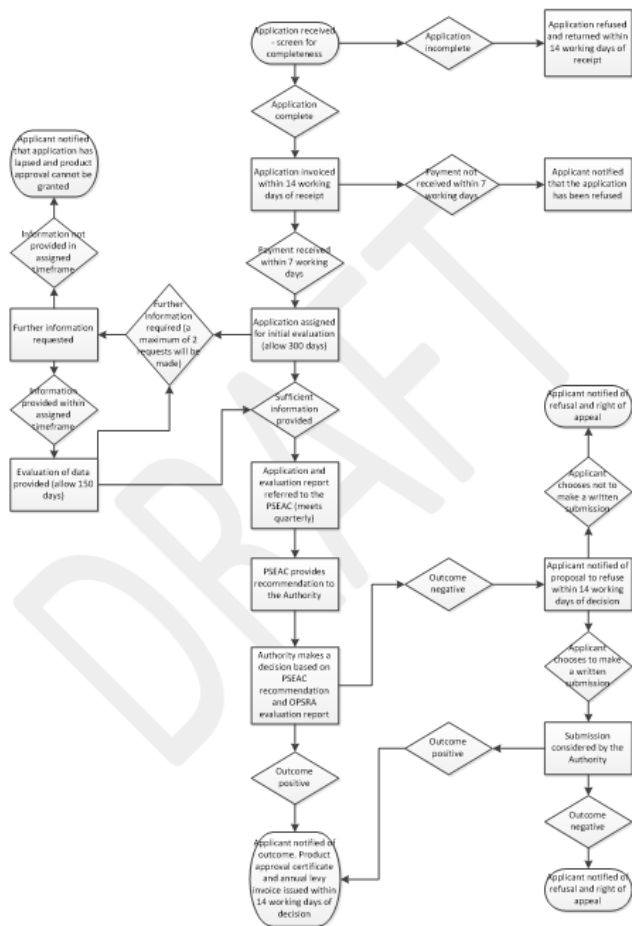
**From:** Brendan Madley <Brendan.Madley@timdc.govt.nz>  
**Sent:** Tuesday, 25 June 2024 9:40 am  
**To:** Psychoactives <psychoactive@health.govt.nz>  
**Subject:** Question re timeframe for an approved product being available for sale

Good morning,

Timaru District Council is currently beginning a review of our Local Approved Products Policy.


I am wondering what the timeframe is between a product being approved by the Authority, and it coming onto the market. Is it immediate, or is there a phase in period? The below diagram (p 14 Psychoactive Substances Product Approval Guidelines 16 Jan 2015) references 14 days for the invoice, but I am unsure if that also applies to being available for sale.

Figure A: Overview of the product approval process



Thank you in advance for your help.

Kind regards,  
Brendan

**TIMARU**  
 **Brendan Madley** | Senior Policy Advisor  
 Timaru District Council | PO Box 522 | Timaru 7940  
 P: +64 3 684 1992 | Cell: [REDACTED] | W: [www.timaru.govt.nz](http://www.timaru.govt.nz)



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**FW: Feedback on the TDC LAPP**

Andrea Grant [REDACTED]

Thu 18/07/2024 12:05

To: Brendan Madley &lt;Brendan.Madley@timdc.govt.nz&gt;

Cc: Carmen Cunningham [REDACTED]; Cheryl Brunton [REDACTED] &gt;

Kia ora Brendan,

Dr Cheryl Brunton and I have collated the information from our discussion and the feedback from the Psychoactive Substances Regulatory Authority.

As a starting point, Council might be particularly interested in the following:

- What do you think the legislative context of the LAPP is/ likelihood of a product being approved, and why?

At present, there are no products approved for sale under the Psychoactive Substances Act (2013), or any products awaiting assessment by the Psychoactive Substances Regulatory Authority (PSRA). If a retail licence were to be granted, the applicant would have to show compliance with their council LAPP (if the council has one in place). However, it is very unlikely that any manufacturers would submit a product for approval.

The Psychoactive Substances Amendment Act 2014 prohibits the consideration of animal testing by the Psychoactive Substances Expert Advisory Committee (the Committee) when assessing if products are of a low risk of harm and therefore able to be approved. The Committee agreed that alternatives to animal testing have not yet reached a stage where they can allow a robust assessment to determine no more than a low risk of harm. As a result, no psychoactive substances have been able to be approved for sale since 2014.

The PSRA have advised that it is unlikely that the Authority will receive any applications for product approval of a psychoactive substance, or for sale of psychoactive substances in the foreseeable future. If such applications were to be received, they would likely be declined.

If the Committee changed their position on animal testing, the PSRA would notify councils of this change, however, the Authority cannot guarantee how much advanced warning councils would have. The Authority notes that anyone wishing to sell an approved psychoactive product needs to first apply for product approval which is considered by the Committee, and then any retailers wishing to sell products would need to apply for a licence. Retailers are unable to apply for a licence unless a product has been approved.

- Do you believe the current LAPP (content-wise) is fit for purpose? What changes would you suggest, if any, and why?

The objectives of the Timaru District Council's LAPP current LAPP are still valid and reasonable. The policy restricts the location of stores selling approved products to the Commercial 1A Zone and imposes an exclusion zone within 100 metres of sensitive sites, which are clearly defined in the policy. These exclusion zones are also specifically identified on the map which is part of the policy. These exclusions serve to protect people who are, or may be, more vulnerable to the influence of the sale of psychoactive substances. This approach is both comprehensive and pragmatic. While the likelihood of there being products approved in the foreseeable future is very low, the present policy would still be fit for purpose were any products to be approved. Our only suggestion is that map in the policy be reviewed to ensure that there have been no changes to the location of sensitive sites, or new sensitive sites established since the map was updated in 2021 .

- Do you think the community is likely to hold views on this topic and policy, and why?

The issue of synthetic cannabis use caused great community concern throughout New Zealand about a decade ago and was part of the reason this legislation was originally promulgated. Since those products were banned community awareness and concern have waned and in our opinion, there is unlikely to be public concern about such products now. However, there is public concern around issues like the medicinal (and non-medicinal) use of cannabis and vaping, particularly amongst young people. It is possible that if Council chose to carry out community consultation about its LAPP, some members of the community might be confused and think that vaping and/or medicinal cannabis were

in scope, which they are not as they are each regulated under other legislation in which Council has no role in policy or enforcement.

Many thanks,  
Ngā mihi,  
Andrea

**Andrea Grant** ([she/her](#))

Nutrition and Oral Health Promoter | Community and Whānau Wellbeing  
Kaitoko Hauora mō ngā niho oraka  
National Public Health Service, South Canterbury | Te Waipounamu

waea toronga: [REDACTED] | waea tika : [REDACTED]

īmēra: [REDACTED] kei te mahi: Mon-Thurs

18 Woolcombe Street, Timaru | PO Box 510, Timaru 7940 |



[www.wavesouthcanterbury.co.nz](http://www.wavesouthcanterbury.co.nz)

# 2. Local Approved Products Policy

## What is Being Proposed

Council has reviewed the Local Approved Products Policy and believes no changes are necessary at this time. We would like to know if you think that the policy is appropriate, or if you think we need to make some changes to make it more effective.

## Background

The Psychoactive Substances Act 2013 regulates the manufacture and sale of psychoactive substances, also known as 'legal highs', in New Zealand. The Act was introduced to ensure manufacturers of these products underwent safety and risk testing, and to minimise the potential harm caused by psychoactive substances. Under the Act, councils are able to adopt a policy detailing the locations of premises from where approved products may be sold.

Under the legislation, Council does not have the power to prohibit the sale of 'legal highs'. This is regulated by the Psychoactive Substances Regulatory Authority (PSRA). The PSRA issues licences to people and businesses wanting to import, manufacture and sell psychoactive substances in New Zealand. All products must also undergo a rigorous approval process. The products must pose no more than a low risk of harm to users, and go through a process similar to that required for new medicines. If a product meets these strict criteria it is classified as an approved product.

In 2014 Council adopted a policy addressing the licencing and control of retailers wanting to sell approved products or legal highs. Council recognised that within the community there was considerable concern about the availability, effects and usage of these substances. Council further recognised a need to be mindful of the future and to ensure proper controls were in place for any potential development in this particular sector of retail.

<p><b>What are Psychoactive Substances?</b></p> <p>A psychoactive product or substance refers to a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect in an individual who uses the substance. They can also sometimes be known as 'legal highs' or 'synthetics'.</p>	<p><b>Approved Products in the Timaru District</b></p> <p>Broadly, the current policy restricts retail outlets of approved psychoactive substances to Commercial Zone 1A in Timaru. Legal highs cannot be sold in other townships or in rural areas. Council cannot ban shops that sell legal highs. The law only permits our policy to restrict the location and density of shops selling legal highs.</p> <p>As at 31 May 2019 there were no approved products in Timaru or New Zealand, and no applications for approval have been received since the Psychoactive Substances Act was introduced in 2013.</p>
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## Options

While it is Council's preferred option to maintain the existing Local Approved Products Policy, there are a couple of other options available:

**Revoke the policy:** The legislation does not require Council to have a policy. As there are currently no approved products in New Zealand, or any applications for approval, it could be concluded that it is unnecessary to have such a policy. However, Council would prefer to maintain the policy in the event that some psychoactive substances are approved in the future.

**Amend the policy:** Council's policy cannot ban psychoactive substances, or regulate them to such an extent that it effectively creates a ban, however the locations where approved products can be sold can be amended. Council is confident that the current policy provides the appropriate restrictions for potential retailers of approved products.

## Do you support any of these other policy options? Tell us on Page 22



## Local Approved Products Policy



### 1. Introduction

- 1.1 The Psychoactive Substances Act 2013 (the Act) came into force on 18 July 2013. It seeks to regulate the importation, manufacture, sale, supply and possession of psychoactive substances. These are the active ingredients in party pills, energy pills and herbal highs.
- 1.2 The purpose of the Act is to regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances.
- 1.3 To achieve this, the Act provides for licences to be issued by the Psychoactive Substances Regulatory Authority (PSRA) for the right to retail psychoactive substances. Sections 66 – 69 of the Act allows territorial authorities to develop a policy for their area which outlines where retail outlets of approved psychoactive substances can be located. The Act refers to these policies as Local Approved Products Policy.
- 1.4 The Act defines what a Council Local Approved Products Policy (LAPP) can address:
  - 1.41 Location of premises from which approved products may be sold by reference to broad areas within the district.
  - 1.42 Location from which approved products may be sold by reference to proximity to other premises from which approved products is sold within the district.
  - 1.43 Location of premises from which approved products may be sold by reference to proximity to premises or facilities of a particular kind or kinds within the district (for example, kindergartens, early childhood centres, schools, places of worship, or other community facilities).

### 2. Objectives

- 2.1 This LAPP will provide guidance to PSRA as to which locations it is appropriate to grant retail licences for approved products to be sold within the Timaru District.
- 2.2 The objectives of this policy are to:
  - 2.21 Minimise the harm to the community caused by psychoactive substances by defining the permitted location of retail premises.
  - 2.22 Minimise the exposure and potential for harm to vulnerable members of the community, from the sale of the psychoactive substances.
  - 2.23 Minimise the potential for adverse effects from the sale of psychoactive products to sensitive sites and residential areas.
  - 2.24 Ensure that the Council and the community have influence over the location of retail premises in the District.

### 3. Scope

- 3.1 This policy applies to any application for a licence as defined in the Act to sell approved products from a retail premise from the date that this policy comes into force.
- 3.2 This policy does not apply to retail premises where internet sales only, are made or to premises where the sale of approved products is by wholesale only.
- 3.4 This policy does not limit the number of retail premises or restrict the issue of new licences. Provided the applicant meets the policy criteria and the provisions of the Act.
- 3.5 The requirements of the Resource Management Act 1991 and the Hazardous Substances and New Organisms Act 1996 must be met in respect of any premises holding a licence.

## Local Approved Products Policy continued...

### 4. Definitions

<b>The Act</b>	Means the Psychoactive Substances Act 2013
<b>Approved location</b>	Means an area where premises from which approved products may be sold are permitted to be located
<b>Approved Product</b>	Means a psychoactive product approved by the Authority under Section 37 of the Act.
<b>Authority</b>	Means the Psychoactive Substances Regulatory Authority (PSRA) established by Section 10 of the Act.
<b>Central Business District</b>	Means the area of Timaru defined by the operational Timaru District Plan Commercial 1A zone.
<b>Childcare facilities</b>	Means premises (public and private) where children are cared for or given basic tuition and includes a crèche, day or after-school care, pre-school, kindergarten, kohanga reo or play centre. This term excludes a school.
<b>Educational Institution</b>	Means institution as defined by the Education Act 1989 and amendments describing Schools, kindergartens, early childhood centres and tertiary education institutions.
<b>Licence</b>	Means a licence, as defined by the Act.
<b>Psychoactive Product or product</b>	Means a finished product packaged and ready for retail sale that is a psychoactive substance or that contains one or more psychoactive substance.
<b>Psychoactive substance</b>	Means a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance and defined further in s.9 of the Act
<b>Regulations</b>	Means regulations made under the Act.
<b>Retailer</b>	Means a person engaged in any business that includes the sale of products by retail.
<b>Retail Premises</b>	Means premises for which a licence to sell approved products by retail has been granted by the Authority
<b>Specialist Treatment and Support Services</b>	Means externally funded mental health, problem gambling, alcohol and other drug specialist treatment and/or support service.
<b>Sensitive Site</b>	Means sites which are used by people who are, or may be, more vulnerable to the influence of the sale of psychoactive substances. Includes: <ul style="list-style-type: none"> <li>■ District Court; Department of Corrections; Medical Centre;</li> <li>■ Any premises occupied by a central social welfare agency such as Work and Income or Housing New Zealand;</li> <li>■ Specialist Treatment and Support Service facility;</li> <li>■ Any place of worship, school, childcare facilities, or other educational institution;</li> <li>■ Any property located in the residential zone in the operative Timaru Council District Plan;</li> <li>■ Any Council Owned library, museum, recreational facility, public toilets;</li> <li>■ King George Place, Strathallan Corner, Piazza, Caroline Bay and Landing Services.</li> </ul>

### 5. Broad Areas

- 5.1 The retail premises selling psychoactive substances shall be restricted to the Commercial 1A Zone as defined by the operative Timaru District Council District Plan.
- 5.2 Retailers shall be restricted to areas in the Commercial 1A zone that are covered by CCTV. Any retailer wanting to sell approved products from an area not covered by security cameras will require to negotiate a reasonable financial contribution to the installation of a camera based on Councils assessment of the balance of private/public good.

**Local Approved Products Policy continued...**

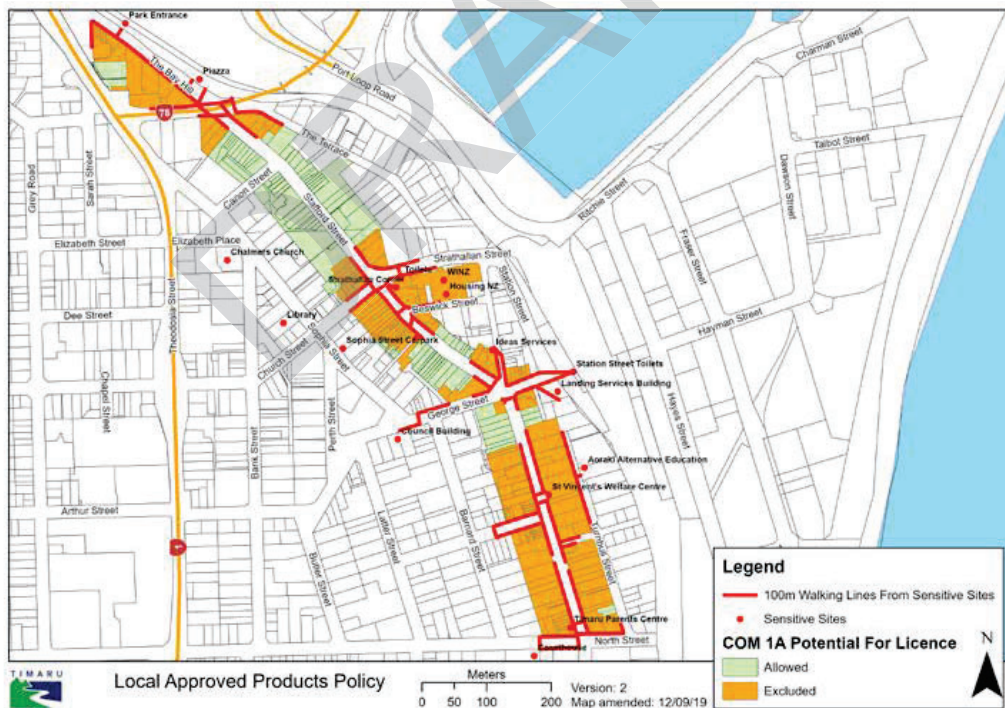
- 6. **Proximity to Other Premises and Sensitive Sites**
  - 6.1 Licences for the sale of approved products will not be issued in respect of premises which are within 100 metres of premises for which a licence has been issued or premises which are within 100 metres of a sensitive site.
  - 6.2 The 100 metre exclusion zone shall be measured from the public entrance of the applicant’s premises and extend 100 metres in either direction along the thoroughfare on which the premises is situated. The measurement of the 100 metre exclusion zone shall also include any perpendicular intersecting thoroughfares and the opposite side of any such thoroughfare which falls within the 100 metre exclusion zone.
  - 6.3 Following the adoption of this Policy, if an organisation or entity which falls within the definition of a sensitive site operator moves within the specified buffer zone distance of a retail premises, there is no requirement for the retail premises to move premises outside the approved buffer distance

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- 7. **Review**
  - 7.1 This Policy will be reviewed:
    - every five years as required by the Act; or
    - at the request of Council; or
    - in response to District Plan Zoning changes; or
    - in response to legislative changes; or
    - in response to any issues that may arise.

**Map**

The map included is indicative and for explanatory purposes to identify sensitive sites. It is NOT part of the policy.



**Tell us what you think of this policy on Page 22**

# 4. Have your say

**Let us know what you think about our draft policies**

You can do this by:

- Going to the Council website [www.timaru.govt.nz](http://www.timaru.govt.nz) and completing the online feedback form
- Filling out the submission form at the end of this document with your feedback and Freepost it back to Council (instructions on the next page)
- Scanning your feedback form and emailing this to: [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

## Want More Information?

**Submissions close 5.00pm Monday 11 November 2019**

If you have any questions about the draft policies, you can contact:

**Gambling Venue Policy and Local Approved Products Policy**  
Debbie Fortuin, Environmental Compliance Manager ([debbie.fortuin@timdc.govt.nz](mailto:debbie.fortuin@timdc.govt.nz))

**Dangerous, Affected and Insanitary Buildings Policy**  
Jayson Ellis, Building Control Manager ([jayson.ellis@timdc.govt.nz](mailto:jayson.ellis@timdc.govt.nz))

If you have any questions about the consultation process, please contact Mark Low or Fabia Fox at [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

Telephone: 03 687 7200

## Timeline

**Timeline for considering the draft policies.**

**9 October 2019 – 11 November 2019:**

**Consultation period**

**11 November 2019:**

**Submissions close**

**26 November 2019:**

**Council considers submissions (public hearings if required)**

**10 December 2019:**

**Council decision on Gambling Venue Policy; Local Approved Products Policy; and Dangerous, Affected and Insanitary Buildings Policy**

# Policy Review Consultation

## Submission Form

### Your details

First name: .....

Last name: .....

Organisation (if applicable): .....

Phone (landline or mobile): .....

Email address:\*

Postal address:\*

.....

.....

.....

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

### Your feedback

Do you want to speak about your submission at a Council Hearing? (tick a box)\*\*:

Yes     No

\*\*must complete. If you do not complete, we will assume you do not wish to speak.

Which policy are you providing feedback on? (tick as many as apply)

Gambling Venue Policy                       Local Approved Products Policy  
 Dangerous, Affected and Insanitary Building

### Gambling Venue Policy

Do you support the draft Gambling Venue Policy as presented? (tick a box):

Yes     No

Comments:

.....  
.....  
.....

What changes, if any, would you like to see in the Policy?

.....  
.....  
.....  
.....

## How to return this form via FreePost

Complete Your details and Your feedback sections

Put your form in a sealed envelope and address to:

FreePost Authority Number  
95136  
Policy Review Consultation  
Timaru District Council  
PO Box 522  
TIMARU 7940

Thank you.

**Local Approved Products Policy**

Do you support the Local Approved Products Policy as presented? (tick a box):

Yes       No

Comments:

.....  
.....  
.....

What changes, if any, would you like to see in the Policy?

.....  
.....  
.....  
.....

**Dangerous, Affected and Insanitary Buildings Policy**

Do you support the draft Dangerous, Affected and Insanitary Buildings Policy as presented? (tick a box):

Yes       No

Comments:

.....  
.....  
.....

What changes, if any, would you like to see in the Policy?

.....  
.....  
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.....

**Need more room?**

Please use extra paper if required and attach with your submission.

**Submissions are public information**

Submissions made to Council, including submitters' name, will be included in papers available to the Council, media and the public.

If requested, Council is legally required to make all written and electronic submissions available to the public including the name and contact details of the submitter, subject to the provisions of the Local Government Official Information and Meetings Act 1987.

If you believe there are compelling reasons why your contact details or submission should be kept confidential, please contact us.

**9.8 Public consultation on future provision for performing arts in Timaru District**

**Author:** Stephen Doran, Group Manager Corporate and Communications  
Beth Stewart, Group Manager Community Services

**Authoriser:** Nigel Trainor, Chief Executive

**Recommendation**

That Councillors

- Receive and discuss the content of the attached draft consultation document and provide feedback;
- Endorse the options outlined in the content of the draft consultation document and agree to take them out to public consultation;
- Agree a timetable for consultation; and
- Delegate authority to the Mayor and Chair of Community Services Committee to provide final sign off and public release of the edited, completed, and designed document.

**Purpose of Report**

- 1 The purpose of this report is to present for discussion and endorsement the content of the draft consultation document, *Providing a fit-for-purpose Performing Arts Venue in Timaru*. This report seeks approval from Councillors to put the agreed options out to public consultation during the month of September 2024.
- 2 Officers also request that Council delegate authority to the Mayor and Chair of Community Services Committee for final approval and public release of the edited, completed, and designed document.

**Assessment of Significance**

- 3 This matter is considered high significance with regards to Council's Significance and Engagement Policy as it refers to a number of the Council's strategic assets; is of high community interest; and has impacts on wellbeing, financing and rating, and levels of service.

**Background**

- 4 At the Extraordinary Council meeting on 16 July 2024 Council made the decision to not to proceed with the proposed Theatre Royal and Heritage Facility (TR&HF) project located on Stafford Street.
- 5 Timaru District Council is now seeking public feedback on which alternative options to consider for the provision of a performing arts facility in the Timaru District.
- 6 Feedback from the 2018-2028 and 2021-2031 Long-Term Plans (LTP) indicated a strong preference from the community to provide a functional and fit-for-purpose theatre for both local and visiting shows. While not specifically listed as a project for consultation in the 2024-2034 LTP, numerous submissions reiterated a preference for a theatre, emphasising the value that such a venue plays in developing, promoting and supporting performing arts in the Timaru District.

- 7 Of submitters who made specific reference to a theatre, 62% of those wanted some form of theatre in the district.
- 8 In deciding not to proceed with the proposed TR&HF project, council officers were tasked with exploring and presenting alternative options for the provision of a performing arts venue in Timaru, to be considered for public consultation.
- 9 Four potential options have been scoped by officers. One option provides for the development of a multipurpose, co-located facility which includes the theatre, museum and library activities as well as bookable multifunctional public spaces for events, conferences and meetings; two options include the provision of a theatre only (one being an upgrade of the existing Theatre Royal, and the other the provision of an entirely new theatre on a different site – both with no provision for the redevelopment of the museum or library in the current LTP period); and the fourth option proposes to close the Theatre Royal permanently, sell the site and adjacent land, and provide no performing arts venue in the foreseeable future, with no planned upgrades for the library or museum in this LTP.

### Discussion

- 10 Council officers are proposing the following four options for public consultation. Having scoped several potential options for feasibility, officers consider that three of the options provide a practical, fit-for-purpose venue that can be delivered within the Council's current debt cap. There is also a fourth option to stop all work on these projects and sell the Theatre Royal site and adjacent land for future development.
- 11 Officers seek Council's endorsement to take these four options out for public consultation in the month of September 2024, with the presentation of the submissions to the Council on 22 October 2024.
- 12 The options being presented are:
  - 12.1 **New Multipurpose Civic Centre:** This option proposes a new multipurpose civic centre built on the site of the current Timaru library. This will contain a new theatre, museum and library as well as potential multipurpose meeting rooms for public use, council meetings, conferences and events.
  - 12.2 **Theatre Royal Upgrade:** This option proposes an upgrade of the existing Theatre Royal on Stafford Street to make it fit-for-purpose for modern performing arts shows. This option retains the heritage status of the building and allows for necessary internal upgrades, new seating, a new fly system within the existing stagehouse, as well as earthquake strengthening and improved accessibility. It would be suitable for both local and touring productions.
  - 12.3 **A New Theatre:** This option proposes to build a new, fit-for-purpose theatre on a council owned site in the city centre, such as the area behind the Theatre Royal on Barnard Street. This option provides an appropriately sized, purpose-built and modern proscenium or auditorium style theatre, suitable for local and touring shows. Both front of house and backstage would be fully accessible.
  - 12.4 **Permanently close the Theatre Royal and sell the site for redevelopment.** This option proposes to permanently close and sell the Theatre Royal site and adjacent land for redevelopment, and to not progress any further project to provide a public performance arts venue in Timaru at this time. Under this option small and medium sized theatres



and auditoriums in schools will remain the only options for performing arts venues in the district, pending any future decision.

- 13 The draft consultation document notes some of the advantages and disadvantages of each of the proposed options. Initial scoping has also been undertaken to provide some high-level cost indications of both capital and operational expenses for each option.
- 14 It is important to note that the costings for these options are estimates only, based on information available at the time of writing. Due to the nature of how these projects are funded, the variation in operational costs, and the differences in individual rates bills it is difficult to provide an accurate estimate of the effects on specific and individual rates bills.
- 15 Where we have described an effect on rates, it is an estimate in the year 2028 solely based on the difference between the options and the budget of the original TR&HF project in the LTP. Any operational expenses may vary depending on what operating model is developed for the facilities.
- 16 The first three options are debt funded, so the total capital cost of each project is projected over a long period of time to ensure intergenerational equity. The difference in debt repayment between the highest estimated priced option of \$67 million, and the lowest estimated priced option of \$30 million, equates to approximately \$2 million per year at current interest rates. Further detail on the cost variations for each option are included in the Financial and Funding Implications section of this report.
- 17 In the draft consultation document, officers have clearly stated areas of 'known unknowns' and the effects they may have on the project. There may be 'unknown unknowns' which may arise which could have further effect on rates over time.
- 18 There will be no statement of preference attached to any of the options presented to the public.

### **Options and Preferred Option**

- 19 The preferred option for this paper, is that Councillors endorse the options in the content of the draft consultation document, and agree to take the options out to public consultation for four weeks during the month of September. Council also agrees to delegate authority to the Mayor and Chair of the Community Services Committee to approve final sign off and public release of the edited, completed, and designed document.
- 20 Councillors may also elect to disagree with the content of the draft consultation document attached and provide further comment or detail for inclusion. Under this option a fully designed document may be presented at a future Council or Standing Committee meeting. This would result in a postponement of the consultation period until October 2024, with the presentation of the results from the consultation to occur at the 10 December 2024 Council meeting.
- 21 Councillors may also elect to pause the public consultation process until a future resolution to proceed is determined. This would likely result in a delay of any public consultation to 2025.

### **Consultation**

- 22 Officers propose to take a final version of the attached draft consultation document out to public consultation for a period of 4 weeks, during the month of September. A report detailing the results of the consultation will be presented to the 23 October 2024 Council meeting.

**Relevant Legislation, Council Policy and Plans**

- 23 Consultation provisions in the Local Government Act 2002
- 24 Significance and Engagement Policy
- 25 Timaru District Long Term Plan 2024-34

**Financial and Funding Implications**

- 26 All consultation options have been budgeted with the assumption that no further funding will be received from government or that any money will be required to be repaid at this time. Any changes to this assumption would be reflected in the capital cost of the projects.
- 27 As noted above, each of the options have high level cost estimates and overall impacts on rates provided in the Draft Consultation Document. These vary from the figures provided in the 2024-2034 LTP. They are as follows:

**Table 1: Overall Estimated Rates Variation per Option**

Option	Estimated budget	Debt Effect	Difference in rates from current LTP in 2028:	Comments
<b>New multipurpose Civic Centre containing a new library, museum, theatre and meeting rooms.</b>	\$69.8 million.	+\$67 million, Peak debt to revenue ratio in 2028: 2.46	0.4% lower.	This option is unlikely to qualify for central government funding
<b>Theatre Royal Upgrade</b>	\$30 million	+\$30 million, Peak debt to revenue ratio in 2028: 2.23	1.8% lower.	This option could qualify for central government funding
<b>A New Theatre</b>	\$33.8 million	+\$33.8 million. Peak debt to revenue in 2028: 2.26	1.4% lower.	This option is unlikely to qualify for government funding.
<b>No public theatre and sell site for redevelopment.</b>	Unknown	Likely to be lower		

- 28 These figures have been estimated using the following table which notes the overall costs for the individual business units as well as an in-house and outsourced delivery model for theatre component, some minor changes have been made to get to final figures in part one:

**Table 2: New Consultation Options Modelling**

Performing Arts Venue Options \$ estimated using FY2028	In house Theatre delivery model			Outsourced Theatre delivery component model		
	Option 2 Library MBIE out	Option 3 Refurb Theatre	Option 4 New Theatre	Option 2 Library MBIE out	Option 3 Refurb Theatre	Option 4 New Theatre
Capital Cost Build	63,000,000	29,500,000	33,000,000	63,000,000	29,500,000	33,000,000
Capital Costs FF&E	500,000	500,000	500,000	500,000	500,000	500,000
Total Capex	63,500,000	30,000,000	33,500,000	63,500,000	30,000,000	33,500,000
Museum FF&E	3,700,000			3,700,000		
Library	2,000,000			2,000,000		
Café	350,000		350,000	350,000		350,000
Civic areas	750,000			750,000		
MBIE Contribution						
Donations	1,560,000			1,560,000		
Sale Land	1,300,000			1,300,000		
Total Loans	67,440,000	30,000,000	33,850,000	67,440,000	30,000,000	33,850,000
Depreciation 50 Years	1,260,000	590,000	660,000	1,260,000	590,000	660,000
Depreciation 10 years	730,000	50,000	85,000	730,000	50,000	85,000
Total Depreciation	1,990,000	640,000	745,000	1,990,000	640,000	745,000
Interest	3,709,200	1,650,000	1,861,750	3,709,200	1,650,000	1,861,750
Future Capital		3,244,301	0		3,244,301	3,244,301
Revenue model	1,205,652	1,205,652	1,205,652	378,241	370,587	370,587
OPEX	6,930,252	8,153,238	8,153,238	5,532,919	6,509,316	6,509,316
Depreciation	1,990,000	1,067,086	1,172,086	1,990,000	1,067,086	1,172,086
Interest	3,709,200	2,198,013	2,409,763	3,709,200	2,198,013	2,409,763
Rates required to breakeven	11,423,800	10,212,685	10,529,435	10,853,878	9,403,829	9,720,579
Revenue LTP	1,063,134	1,063,134	1,063,134	1,063,134	1,063,134	1,063,134
OPEX LTP	8,074,379	8,074,379	8,074,379	8,074,379	8,074,379	8,074,379
Depreciation LTP	1,799,814	1,799,814	1,799,814	1,799,814	1,799,814	1,799,814
Interest LTP	2,974,346	2,974,346	2,974,346	2,974,346	2,974,346	2,974,346
Rates required to breakeven	11,785,405	11,785,405	11,785,405	11,785,405	11,785,405	11,785,405
Difference	361,604	1,572,719	1,255,969	931,526	2,381,576	2,064,826
Change in rates against LTP	-0.4%	-1.8%	-1.4%	-1.1%	-2.7%	-2.3%
Net borrowings FY2028	409,153	371,213	375,703			
Net Debt to Revenue	2.46	2.23	2.26			

29 The cost associated with delivering the public consultation will be approximately \$4,000 including advertising. While there is no specific budget for this consultation, it can be accommodated within existing communications and engagement budgets.

**Attachments**

- Draft Consultation Document**  



## Draft Consultation Document for Comment.

### Providing a fit for purpose performing arts venue in Timaru.

Timaru District Council is now seeking your feedback on how we should provide facilities for performing arts in the district.

Feedback from the Long-Term Plan (LTP) showed a significant proportion of submitters wanted some form of theatre for both local and visiting shows, and that it values the role a performing arts venue plays in promoting and developing the arts in the Timaru District, particularly for our youth.

Councillors committed to explore alternative options, and are now asking what you think about three build options that are considered practical, fit for purpose, and can be delivered within the Council's current debt limit. There is also an option to stop all work on these projects and sell the theatre site for redevelopment.

We are not focusing on any particular design at this stage. We'd like your guidance on the approach you prefer, but if you have other ideas please share them with us in the comments box.

#### **[BOXED OUT] important note about rates:**

- Calculating the effect of any decision on your rates bill is difficult due to how these projects are funded. The full cost of any project is spread out over a long period of time, so will not impact rates bills immediately. The decision to proceed with a cheaper project or stop the project will not create an immediate or large reduction in rates.

The lending difference between the highest budgeted option at \$67 million, and the lowest at \$30 million is around \$2 million a year at current interest rates. Where we have quoted an effect on rates, it is based solely on the difference this project will make in 2028 to the budget set in the LTP for the original project. This will be also dependent on the operating model developed.

All budgets in this document are only estimates, and may rise or fall as the project is developed and any external funding is confirmed.

### **New multipurpose Civic Centre containing a new library, museum, theatre and meeting rooms.**

- **Estimated budget: \$69.8 million.**
- **Debt effect: +\$67 million. Peak debt to revenue in 2028: 2.46**
- **Unlikely to qualify for government funding.**
- **Difference in rates from current LTP in 2028: 0.4% lower.**

This option would see a new multipurpose civic centre built on the site of the current library. This will contain a new theatre, museum and library as well as spaces for meetings, groups, conferences and events.

This project enables the Council to replace three ageing facilities with a single modern one, which will have a longer life and be more cost-efficient to run than the facilities operating independently.

Building this centre would require the demolition of the current Timaru library building, and a temporary library being set up elsewhere in the city until the new facility is opened. The Theatre Royal would be permanently closed and both the building and land marked for future sale and redevelopment.

**Pros:**

- Offers three brand new facilities in a single, modern building.
- Offers an appropriately sized theatre, with modern fly systems and accessible changing rooms for local and visiting performances.
- Adds a centre with high public activity just off the main street of the CBD.
- Consolidation of several Council services into a 'one stop shop,' allows for efficiency and innovation in operations.
- Frees up land in south Stafford Street to be sold for redevelopment.

**Cons:**

- Most expensive capital option, brings Council very close to self-imposed debt cap.
- Permanent closure of Theatre Royal and likely demolition of a heritage listed building.

**The things we don't know:**

- The likelihood of retaining central government funding.
- Costs of library demolition and site remediation.
- Cost and disruption of temporary relocation of library.
- Overall build time.
- Availability of fundraising for museum.
- How much any income from sale of Theatre Royal site.
- The full cost of operating the facility, though noting it is likely to be cheaper to run than three stand-alone facilities.

**Cost Implications**

It's important to note that at the time of consultation, any specific figures are only estimates. Project costs are likely to vary during the design and procurement phases.

#### **Capital – the cost to build it**

An independent review of some sample costings indicates that this option would cost around \$69.8 million dollars, which would be mostly debt funded over a long period of time. This would take the Council close to, but still under, the 2.5 times annual revenue debt cap set in the 2024-34 Long Term Plan. There would be no need for extra funding to be found in future for refurbishment or replacement of the museum or Library.

#### **Operational – the cost to run it**

This option would be more cheaper and efficient to run, through having more modern services such as lighting and heating as well as the ability to have shared workforce across the single facility. Having a more flexible set of facilities would also enable a wider range of events such as conferences to provide income to offset the cost of building and operating the centre.

#### **Timelines**

Estimated to open in early – mid 2027

## **Theatre Royal Upgrade**

- **Estimated Budget: \$30 million**
- **Debt Effect: +\$30 million, Peak debt to revenue ratio in 2028: 2.23**
- **Could qualify for government funding.**
- **Rates difference from LTP in 2028: 1.8% lower.**

This option would upgrade the heritage Theatre Royal to a fit for purpose standard. It includes internal upgrades, new seating, a new fly system within the existing stagehouse, as well as earthquake strengthening and resolving of some access issues. It would be suitable for both local and touring productions, but would still have some of the limitations of the current building.

Simpler options for upgrading the changing rooms would be investigated as part of this project.

Although this is a cheaper option up front, when adding in the repair, refurbishment or replacement of the museum and library; both options could cost similar to – or more than – as the multipurpose facility in the long term.

#### **Pros**

- The community gets an upgraded, fit for purpose theatre.

- The largest capacity auditorium option.
- Protects a Category 2 listed heritage building through earthquake strengthening.
- Likely to be the quickest and most affordable option.
- Some design work done from the previous project can be adapted.
- Consents are already in place for much of the work required.

**Cons**

- It's an old building, which carries a higher risk of unexpected issues.
- Will still have usability, access and people flow issues reflecting the age of the building.
- Being mostly used in the evening, it may not deliver regeneration benefits to the south Stafford Street area.
- Fewer revenue streams than a multipurpose facility.
- Designs in place will need amending.
- Does not provide for a new museum.

**What we don't know**

- Exact timeline and how much rework of design would be required.
- Whether we could retain some of the MBIE funding, which could significantly offset the overall build cost.
- Plans for what to do with the land adjacent to the theatre, which would no longer be needed.

**Cost Implications**

It's important to note that at the time of consultation, any specific figures mentioned are only estimates. Project costs are likely to vary during the design and procurement phases.

**Capital – the cost to build it**

Based on the previous project, we estimate that refurbishing the theatre alone would cost around \$30 million. This only covers the theatre.

Plans would also have to be made for refurbishment or replacement of the Museum in the medium to long term, and repair or replacement of the Timaru Library in the long term. Neither of these projects are budgeted for, and could bring the overall price to be similar to – or greater than – a multipurpose centre.

**Operational – the cost to run it**



Depending on the operations model chosen the overall operational costs of the theatre could be relatively low. There are no opportunities for efficiencies gained through co-location with other facilities, and fewer revenue opportunities from non-performance uses of the theatre and other building spaces.

#### **Timelines**

Estimated to reopen in mid-late 2026.

### **A New Theatre**

- **Estimated Budget: \$33.8 million**
- **Debt Effect: +\$33.8 million. Peak debt to revenue in 2028: 2.26**
- **Unlikely to qualify for government funding.**
- **Rates difference from LTP in 2028: 1.4% lower.**

This option would build a new and fit for purpose theatre built on a council owned site in the city centre, such as the flat area on Barnard Street.

This would provide an appropriately sized, purpose built and modern theatre suitable for local and touring shows. Both front of house and backstage would be fully accessible.

Although this is a cheaper option up front, when adding in the repair, refurbishment or replacement of the museum and library; both options could cost similar to – or more than – the multipurpose facility in the long term.

#### **Pros**

- Delivers a modern, fit for purpose theatre.
- Back and front of house would be fully accessible.
- Ability to design for alternative uses, such as small conferences.
- Opportunity for lower operational costs through modern building systems.
- Theatre will be built to current standards regarding earthquake strength.
- Frees up land in south Stafford Street to be sold for redevelopment by others.

#### **Cons**

- Permanent closure of Theatre Royal and likely loss of heritage listed building.
- Smaller number of seats than the Theatre Royal.

- Being primarily used in the evening, and situated off the main street, it may not deliver significant regeneration benefits.
- Has more limited revenue streams than a full multipurpose facility.
- Does not provide for a new museum.

**What we don't know**

- Whether this project would attract MBIE funding.
- The timeline for a new design and build. Likely to be the slowest option as would be at the earliest stage of any of the options.
- How much income could be provided by the sale of Theatre Royal to offset overall cost.

**Cost Implications**

It is important to note that at the time of consultation, any specific figures mentioned are only estimates. Project costs are likely to vary during the design and procurement phases.

**Capital – the cost to build it.**

Based on the previous project, we estimate that building a new theatre would cost around \$33.8 million. Note that this only covers the theatre; provision would also have to be made for refurbishment or replacement of the Museum in the medium to long term, and repair or replacement of the Timaru Library in the long term. Neither of these projects are budgeted for here, and could bring the overall price to be similar to – or greater than – a multipurpose centre.

**Operational – the cost to run it.**

Depending on the operations model chosen the overall operational costs would be relatively low. Through use of design the theatre could offer some facilities for alternative income such as conference use, but there are no opportunities for efficiencies gained through co-location with other facilities, and fewer revenue opportunities from non-performance uses of the theatre and other building spaces.

**Timelines**

Unknown. Could be 2-3 years for development and build.

**No public theatre and sell site for redevelopment.**

- **Estimated Budget: TBC**
- **Debt Effect: TBC**
- **Unlikely to qualify for government funding.**

- **Rates difference from LTP in 2028: TBC**

This option would be to permanently close and sell the Theatre Royal site and adjacent land for redevelopment.

Small and medium sized theatres and auditoriums in schools would be the only options for performing arts in the district, subject any future council direction.

The museum and library would continue to operate at their current site with no additional provision for upgrades or maintenance outside of normal budgets.

**Pros**

- This is the lowest cost option, with any income put towards offsetting disposal costs.
- Would offer the largest debt headroom for council of any of the options.
- Frees up a large piece of CBD land for redevelopment.

**Cons**

- Would leave Timaru District as one the few communities of its size that doesn't have a large performing arts venue.
- The community would have to travel elsewhere to attend major concerts and plays.
- Local theatre groups and other users will have to work with smaller venues, which will limit the types of show they can produce.

**What we don't know**

- Whether we would have to repay any money to MBIE.
- If there is any commercial appetite for developing the land on Stafford Street.
- Effects of zoning on any redevelopment.
- What income would be received from the sale of the site.

**Cost Implications**

It's important to note that at the time of consultation, any specific figures mentioned are only estimates.

**Capital – the cost to build it**

There would be no further capital outlay on the building. The costs of disposal of the sites, and the non-cash write offs of assets and existing expenditure on the project would have to be accounted for.

Although there would be no future costs attached to the theatre, provision would also have to be made for refurbishment or replacement of the Museum in the medium to

long term, and repair or replacement of the Timaru Library in the long term. Neither of these projects are budgeted for here.

#### **Operational – the cost to run it**

There would be no ongoing operational costs to this option.

#### **Timelines**

Site would be put up for sale shortly after the final decision was made.

#### **Have your say**

Let us know what you think.

You can do this by:

- Completing the online submission form at <https://www.timaru.govt.nz/tell-us/current-consultations; or>
- Completing the physical submission form at the end of this document and
  - Free-posting it back to Council; or
  - Scanning it and emailing it to [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz); or
  - Physically handing it into Council's Main Building, or a library/ service centre.

All submissions need to be received by the close of the consultation. This is [X].

#### *Privacy Statement*

All submissions are public information and will be included on Council's website and/or in public documents located at Council offices and Libraries/Service Centres. This will include your name and, if applicable, the organisation you represent.

The contact information (phone number and/or email address and/or postal address) that you provide via the submission form will be accessible to and used by Council staff only for submission administration purposes; it will not be made publicly available. However, the content of attachments you provide with your submission - including any private and contact information - may not be redacted.

All information is held by Council in accordance with the Privacy Act 2020. You have the right to access and correct personal information. Nothing in this Privacy Statement overrides, or will prevent Council meeting its obligations under, the Local Government Official Information and Meetings Act 1987, or any other relevant legislation.

Submissions close [date and time].

If you have any questions about the policy or submission process, email: [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

Alternatively, contact us via telephone: 07 687 7200 and ask to speak to [X].

Want to speak at the Hearing without making a written submission? You can do this – email or call us to arrange.

*Timeline*

[X]: Consultation period

[X]: Hearing, if required

[X]: Deliberations

[X]: [Entity] makes decisions on final policy

Note: This timeline may be impacted – and additional public consultation may be necessary – if the policy is amended as a result of submissions received (depending on the significance of any amendment/s).

**Submission Form (physical submission)**

Complete this form to make a submission on [X].

\*= required

\*\*if you do not answer this question, we will assume that you do not wish to speak

First name\*

Surname\*

Organisation (if applicable)

Phone number

Email\*

Postal address\*

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

Yes/ No

Do you support the Draft [X] as presented?

Yes/ No

Make any comments about why you do or do not support the policy.

What changes, if any, would you like to see in the policy?

Please use extra paper if you need more room, and attach these and any supporting documents with your submission.

[Insert Privacy Statement here]

Make your submission by:

- 1) Putting this form in a sealed envelope and posting it to  
FreePost Authority Number 95136  
Policy Review Consultation  
Timaru District Council  
PO Box 522  
TIMARU 7940

or;

- 2) Scanning this form and emailing it to [submission@timdc.govt.nz](mailto:submission@timdc.govt.nz)

or;

- 3) Physically handing this form into Council's Main Building or a library/ service centre.

If you prefer to complete the submission electronically, go to <https://www.timaru.govt.nz/tell-us/current-consultations>

All submissions must be received by Council by the close of consultation, being [X].

[Note: the online submission form will ask the same questions, but include the ability to upload electronic documents]

**9.9 Removal of Encumbrance on Lot 1 Deposited Plan 302425**

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

**Authoriser:** Nigel Trainor, Chief Executive

**Recommendation**

That Council:

1. Removes the encumbrance on Lot 1 Deposited Plan 302425, with cost recovery for the removal borne by Bayhill Developments Limited, or
2. Retains the encumbrance on Lot 1 Deposited Plan 302425.

**Purpose of Report**

- 1 To determine if the encumbrance on Lot 1 Deposited Plan 302425 (the property) should be removed.

**Assessment of Significance**

- 2 This is considered on low significance in terms of the Timaru District Council Significance and Engagement policy as the matter impacts few people and the impact in the community is low. It is also consistent with Council processes.

**Background**

- 3 The owner of the property at Lot 1 Deposited Plan 302425, Bayhill Developments, located on the Bay Hill, as shown below, has applied to Council for an encumbrance regarding parking provision to be removed.



- 4 The property is an area of 1129 square metres that fronts State Highway 1 but has no direct access to the Highway. The Rateable value of the property is \$370,000 and is currently used for private car parking.
- 5 The property was formerly owned by Council and was operated as a public car park. The historical events relating to this property are as follows:
  - 2002 - Council applies for resource consent to establish a public carpark at the property to relieve the parking pressure in the area.
  - 2003 – Resource consent to establish public carpark granted.
  - 2016 – Council received a report considering the possible sale of the property due to the carpark being underutilised. It was resolved:
    - *That the Council sell The Bay Hill carpark subject to a covenant that the land be retained for carparking purposes.*
    - *That the land be sold by public auction.*
  - In 2017 Timaru District Council sold the property to Bayhill Developments Limited.
- 6 The property is subject to an encumbrance in favour of Council that:
  - i. Is for a term of 999 years beginning on 17 November 2017;
  - ii. Creates a covenant between the registered owner and Council that requires the registered owner to:
    - Not erect any building on the property;
    - Not use any part of the land for any purpose other than car parking; and
    - Retain and maintain all landscaped areas on the Property that were in place at the commencement of the encumbrance in 2017.

### Discussion

- 7 On 11 March 2024 Bayhill Developments Limited wrote to Council seeking the removal of the encumbrance. The reason given to remove the encumbrance is that the resource consent condition requiring the provision of 35 car parks at the property was due to District Plan requirements, which have now been removed by the National Policy Statement.
- 8 A resource consent has been issued to Bayhill Developments Limited to develop land on the corner of Port Loop Road and at the Bay Hill, including the property. The resource consent has been varied several times (most recently 14 March 2019), and currently includes a requirement for 35 car parks to be provided at the property. This requirement was imposed due to scale of the development, and the District Plan rules.
- 9 In February 2022 minimum parking requirements were removed from the District Plan to comply with direction from the National Policy Statement for Urban Development 2020.
- 10 No variation to the resource consent has been received by Council. Bayhill Developments Limited will (if they develop) need to comply with the resource consent condition requiring car parking at the property or seek a variation. This is a matter for Bayhill Developments Limited. Any decision by Council to remove the encumbrance does not prevent Council from ensuring evidence of adverse effects are appropriately managed.



- 11 The encumbrance restricts the development opportunities. It's removal may increase the property's value but Officers do not have evidence of the value to Bayhill Developments Limited of removing the encumbrance.
- 12 There is not currently any data available around parking requirements in the area but it is noted that there are no known parking capacity issues. When the car park was in Council ownership the usage of the car park was very low.

### **Options and Preferred Option**

#### **13 Option 1 - Remove the encumbrance on Lot 1 Deposited Plan 302425**

Council removes the encumbrance from the property title. It is recommended that Bayhill Development Limited covers all costs of the removal of the encumbrance.

#### **14 Option 2 - Retain the encumbrance on Lot 1 Deposited Plan 302425**

Council declines the request from Bayhill Developments Limited to remove the encumbrance. The property was purchased with the encumbrance in place and there is no explicit requirement for Council to change stance in relation to this.

### **Consultation**

- 15 Consultation is not required in relation to this matter.

### **Relevant Legislation, Council Policy and Plans**

- 16 Resource Management Act 1991
- 17 Local Authorities (Members' Interests) Act 1968

### **Financial and Funding Implications**

- 18 There are no financial implications from the removal process if these costs are borne by Bayhill Developments Limited.

### **Other Considerations**

- 19 Members are reminded of their obligation to consider the Local Authorities (Members' Interests) Act 1968.

### **Attachments**

Nil

**10 Consideration of Urgent Business Items**

**11 Consideration of Minor Nature Matters**

**12 Public Forum Items Requiring Consideration**

### 13 Exclusion of Public

**Recommendation**

That the public be excluded from—

- \*(a)the whole of the proceedings of this meeting; or
- \*(b)the following parts of the proceedings of this meeting, namely,—

**13.1 Council Property - Under Utilised Assets**

**13.2 Public Excluded Minutes of the Council Meeting held on 30 July 2024**

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p><b>13.1 - Council Property - Under Utilised Assets</b></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>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>
<p><b>13.2 - Public Excluded Minutes of the Council Meeting held on 30 July 2024</b></p> <p><b>Matters dealt with in these minutes:</b></p> <p>12.1 - Public Excluded Minutes of the Council Meeting held on 1 July 2024</p> <p>12.2 - Public Excluded Minutes of the Extraordinary Council Meeting held on 16 July 2024</p>	<p>Section 48(1) of the Local Government Official Information and Meetings Act 1987.</p>	<p>The public excluded minutes of the meeting held on 30 July 2024 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987.</p> <p>The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 30 July 2024.</p>

12.3 - Aorangi Road Land		
<p>*I also move that <a href="#">[name of person or persons]</a> be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of <a href="#">[specify]</a>. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because <a href="#">[specify]</a></p> <p>.</p> <p>*Delete if inapplicable.</p>		

**Note**

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

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