



AGENDA

Extraordinary Council Meeting Tuesday, 4 March 2025

Date Tuesday, 4 March 2025

Time 3:00 pm

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1743330

Timaru District Council

Notice is hereby given that a meeting of the Extraordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 4 March 2025, at 3:00 pm.

Council Members

Mayor Nigel Bowen (Chairperson), Cllrs 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

Order Of Business

1	Apologies	5
2	Public Forum	5
3	Declaration of Conflict of Interest	5
4	Confirmation of Minutes	6
4.1	Minutes of the Council Meeting held on 4 February 2025	6
5	Schedules of Functions Attended	17
5.1	Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors	17
5.2	Schedule of Functions Attended by the Chief Executive	19
6	Reports	20
6.1	Affixing of the Common Seal	20
6.2	Presentation of Venture Timaru Limited Annual Report 2023/24	24
6.3	Venture Timaru Quarterly Report (1 July 2024 to 31 December 2024).....	59
6.4	Timaru District Holdings Limited Quarterly Report (1 July 2024 to 31 December 2024)	72
6.5	Actions Register Update	78
6.6	Appointment of Community Board Member to a Local Organisation.....	87
6.7	Rangitata Huts Reserve Camping Ground	89
6.8	Trade Waste Charging	100
6.9	Decision on Membership of Local Government New Zealand (LGNZ) for the period 1 April 2025 to 31 March 2026.	108
6.10	Local Elections 2025: Order of Candidate Names	110
6.11	Local Water Gone Well - TDC and Otago Southland Joint Group of Councils	114
7	Public Forum Items Requiring Consideration.....	148
8	Exclusion of Public.....	149
8.1	Public Excluded Minutes of the Council Meeting held on 4 February 2025	150
8.2	Venture Timaru Limited: Appointment of Chairperson and Director.....	150
8.3	Earth Quake Prone Building Update	150

- 1 Apologies**
- 2 Public Forum**
- 3 Declaration of Conflict of Interest**

4 Confirmation of Minutes

4.1 Minutes of the Council Meeting held on 4 February 2025

Author: Jessica Kavanaugh, Team Leader Governance

Recommendation

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

Attachments

- 1. Minutes of the Council Meeting held on 4 February 2025**



MINUTES

Ordinary Council Meeting Tuesday, 4 February 2025

Ref: 1743330

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 4 February 2025 at 2:00 pm**

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

In Attendance: **Community Board Members:** Gaye Broker (Temuka Community Board), Rosie Woods (Geraldine Community Board)

[Officers: Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Stephen Doran (Group Manager Corporate and Communications), Justin Bagust (Chief Information Officer), Nicole Timney (Manager of Property Services and Client Representative), Andrew Dixon (Group Manager Infrastructure), Ashlea Whyte (Finance Manager), Suzy Ratahi (Land Transport Manager), John Liddiard (Senior Accountant), Steph Forde (Corporate and Strategic Planner), Jessica Kavanaugh (Team Leader Governance)

1 Opening Prayer

David Duthie (Gleniti Baptist Church) conducted the opening prayer.

Clr Sally Parker led the waiata.

2 Apologies

No apologies were received.

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

Clr Stu Piddington requested- an update on the following items

- Strathallan Corner
- Stadium
- Theatre Royal
- Caroline Bay
- Showgrounds Entrance

6 Declaration of Conflicts of Interest

- Clr Stacey Scott declared a conflict of interest in item 9.3 Appointment of Clr Stacey Scott to Audit and Risk Committee and will sit back from the table during this item.

7 Confirmation of Minutes**7.1 Minutes of the Extraordinary Council Meeting held on 15 November 2024****Resolution 2025/1**

Moved: Clr Peter Burt

Seconded: Clr Michelle Pye

That the Minutes of the Extraordinary Council Meeting held on 15 November 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 Council Meeting held on 10 December 2024**Resolution 2025/2**

Moved: Clr Sally Parker

Seconded: Clr Owen Jackson

That the Minutes of the Council Meeting held on 10 December 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

8 Schedules of Functions Attended**8.1 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors****Resolution 2025/3**

Moved: Mayor Nigel Bowen

Seconded: Clr Owen Jackson

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

Carried

8.2 Schedule of Functions Attended by the Chief Executive

Resolution 2025/4

Moved: Clr Sally Parker

Seconded: Clr Peter Burt

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

Carried

9 Reports

9.1 Affixing of the Common Seal

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

Resolution 2025/5

Moved: Clr Michelle Pye

Seconded: Deputy Mayor Scott Shannon

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

12 December 2024 – Approval of Warrants

16 December 2024 – Approval of Warrants

20 December 2024 – Approval of Warrants

Carried

9.2 Actions Register Update

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

Budget Reallocation

Discussion included the time taken to complete this action, it is agreed a report to be presented at the 18 February 2025 Commercial and Strategy Meeting.

Subcontracting Across Council

It is agreed a report to be presented at the 04 March Council Meeting.

Underutilised Assets

It is requested for this action to remain on the action register until the Divestment of Property Policy is finalised and a firm understanding from Councillors of what the Council own.

Template for Financial Impact

Remain on the action register.

List of Council Owned Properties

Discussion included the link between this action and the underutilised assets.

Actions agreed for removal

- Social Housing
- List of Council Owned Properties
- Update on Resolution of Environment Canterbury Rates Error including Future Options.

Resolution 2025/6

Moved: Mayor Nigel Bowen

Seconded: Clr Owen Jackson

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

Carried

9.3 Appointment of Clr Stacey Scott to Audit and Risk Committee

Clr Stacey Scott withdrew from the table for this item.

Mayor Nigel Bowen spoke to the report to formally appoint Councillor Stacey Scott to be a member of the Audit and Risk Committee.

Support was shown by other councillors for the appointment, with her previous attendance and contribution being noted.

Resolution 2025/7

Moved: Deputy Mayor Scott Shannon

Seconded: Clr Peter Burt

That council appoints Councillor Stacey Scott as a member of the Audit and Risk Committee for the remainder of the triennium.

Carried

9.4 Three Month Provisional Financial Performance Report to 31 December 2024

The Finance Manager spoke to the report to provide the Council with a provisional financial performance update for Quarter 2 of the 2024/25 financial year, 1 October to 31 December 2024.

Noted is the typo in the covering report, point 6 should state a deficit up to 31 December 2024, and point 8 should state an operating expenditure of 65.792 million.

It was confirmed a debt ratio projection can be added to the report. Clarification was sought on the change in the calculation for this ratio which arose after the last audit. Clrs requested the change in the calculation be provided, additionally, further information on any changes be included in the report.

Discussion included better timing for budgets. Frustrations with the current finance system, reporting tool and the use of the system were expressed. The need to get the timing right for capital projects and the accountability of delivering the projects.

Further discussion included the realistic options and timing of implementing a finance system.

Clarification is sought on the no budget for cemetery land and the Winchester Camp Ground over budget which is confirmed is due to the timing of cash going out, and need to get better at explaining variances. Further clarification was sought on the parking and a historic consent that is no longer required.

It is requested to improve the headings for clarity.

Resolution 2025/8

Moved: Clr Michelle Pye

Seconded: Clr Peter Burt

That Council

1. Receives and notes the three-month provisional financial performance report update for the period 1 October to 31 December 2024.
2. Investigate an upgrade or new financial system and report back to the Council at the 04 March 2025 Council Meeting with an estimated cost and timeframes in order for this amount to be included in the Annual Plan 25/26.

Carried

9.5 Presentation of Aorangi Stadium Trust Annual Report 2023/24

The Chief Executive and Senior Accountant spoke to the report for Council to receive and note the Aorangi Stadium Trust's audited Annual Report for the financial year 1 July 2023 – 30 June 2024.

Discussion included the reversals of maintenance provisions and the requirement in the trust deed for any residual funds to go to charitable purposes. It is confirmed the audit process that has taken place on this Annual Report.

Resolution 2025/9

Moved: Mayor Nigel Bowen

Seconded: Clr Peter Burt

That Council receives and notes the audited Aorangi Stadium Trust Annual Report for 2023/24.

Carried

10 Consideration of Urgent Business Items

No items of urgent business were received.

11 Consideration of Minor Nature Matters

The following updates were provided;

Strathallan Corner

Discussion was had on the RFP process including the timeframes and the issues that arose. The current status of the project and confirmation of the Concept Design will be presented to the 18 February 2025 Infrastructure Committee meeting for consideration.

Aorangi Stadium

It was confirmed the contractor has completed the Geotech work, the tags in the original contract included the foundations. The design is now being progressed and once it is costed it will be presented to the Council at this stage, it looks to be within budget from the quantity surveyor.

Discussion included the outcome of the Geotech work and findings. The process of the concept design with the inclusion of the Steering Group feedback.

Theatre Royal

It was confirmed the Council has gone to the market for expressions of interest, and the tender evaluation team recommended one which is now signed off. Once the contract is developed the decision will be made if it is within the Chief Executives delegation or be required to be presented to the Tenders and Procurement Committee.

It was advised there have been specialists procured to remove mould and asbestos. Clarification was sought on the councillor's involvement around the process of the appointment prior to it being signed off and the makeup of the evaluation team.

Caroline Bay

The charge of \$20 for overnight parking was applied and 578 payments were made. Highlighted by officers were the lessons learned and the decision not to issue infringement notices in the first year. Concern was raised over the resolution made by elected members and the implementation of the resolution.

Officers noted it was not intended to be a campground and was created under a parking bylaw to be a parking space, and the delegation to the Group Manager Infrastructure and the Chair of the Infrastructure Committee was missed until later in the process. Noted is the Caroline Bay Association had no remit for allowing overnight parking or camping.

It was advised a discussion will be had with the Caroline Bay Association, selected Councillors and officers. The Chief Executive advised the Councillors that CPlay will be vested to the Council and a report will be presented and include the costs of maintenance.

Showgrounds Entrance - State Highway One Beverly Road to Showgrounds

The key point is that this stretch of road is a state highway and decision-making is with the New Zealand Transport Agency (NZTA) and the Council is the facilitator in the matter. It is advised variations are being sought to enable more time for modelling and the second relates to the dirt on site.

Discussion was had on the frustration from the community, and possible timeframes required to get a resolution.

The Land Transport Manager advised the area of the road that is coned off is protecting the water main, which is being replaced in February 2025 and will allow this section to reopen once the work is complete.

It is requested to get NZTA to speak to the councillors.

12 Public Forum Items Requiring Consideration

There were no public forum items.

13 Resolution to Exclude the Public

Resolution 2025/10

Moved: Mayor Nigel Bowen

Seconded: Clr Allan Booth

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

13.1 Public Excluded Minutes of the Extraordinary Council Meeting held on 15 November 2024

13.2 Public Excluded Minutes of the Council Meeting held on 10 December 2024

13.3 Land Purchase - 44 Trafalgar Street

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows at 3.25pm:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>13.1 - Public Excluded Minutes of the Extraordinary Council Meeting held on 15 November 2024</p> <p>Matters dealt with in these minutes:</p> <p>5.1 - Aorangi Stadium Redevelopment Stage 1</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 15 November 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 15 November 2024.</p>
<p>13.2 - Public Excluded Minutes of the Council Meeting held on 10 December 2024</p> <p>Matters dealt with in these minutes:</p> <p>13.1 - Building Consent Authority Reform</p> <p>13.2 - Divestment of Property Update</p> <p>13.3 - Appointment of Directors to Timaru District Holdings Limited</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 10 December 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 10 December 2024.</p>

<p>13.4 - Appointment of Directors to Venture Timaru Limited</p> <p>13.5 - Timaru District Holdings Limited and Venture Timaru Limited Director Fees</p> <p>13.6 - Section 17A Review - Council Social Housing</p>		
<p>13.3 - Land Purchase - 44 Trafalgar Street</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 or industrial negotiations</p>
<p>Carried</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.”

14 Public Excluded Reports

13.1 Public Excluded Minutes of the Extraordinary Council Meeting held on 15 November 2024

5.1 Aorangi Stadium Redevelopment Stage 1

13.2 Public Excluded Minutes of the Council Meeting held on 10 December 2024

13.1 Building Consent Authority Reform

13.2 Divestment of Property Update

13.3 Appointment of Directors to Timaru District Holdings Limited

13.4 Appointment of Directors to Venture Timaru Limited

13.5 Timaru District Holdings Limited and Venture Timaru Limited Director Fees

13.6 Section 17A Review - Council Social Housing

13.3 Land Purchase - 44 Trafalgar Street

15 Readmittance of the Public

Resolution 2025/11

Moved: Mayor Nigel Bowen

Seconded: Clr Stacey Scott

That the meeting moves out of Closed Meeting into Open Meeting at 3.58pm.

Carried

The meeting closed at 3.59pm.

.....
Mayor Nigel Bowen

Chairperson

5 Schedules of Functions Attended

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

Author: Alesia Cahill, Executive Support Manager

Authoriser: Nigel Bowen, Mayor

Recommendation

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

Functions Attended by the Mayor for the Period 17 January 2025 to 16 February 2025.

<i>21 January 2025</i>	Attended a site visit to the Taiko Road Landfill Attended Justice of the Peace training session
<i>24 January 2025</i>	Spoke with OJ on the Breeze for Mayoral Musings Attended SuperLocal25 and opportunities for Canterbury Regional Councils meeting
<i>25 January 2025</i>	Presented at the Sunsational closing event
<i>28 January 2025</i>	Attended Council Social Housing meeting Attended Council workshops
<i>29 January 2025</i>	Meet with SC Chamber of Commerce representatives for monthly update
<i>31 January 2025</i>	Attended Question and Answer meeting with Mayors & CE for MTFJs Attended Ceremonial Opening and Blessing of new Geraldine High School gymnasium
<i>1 February 2025</i>	Attended the Geraldine Peace Pole unveiling
<i>3 February 2025</i>	Played a tennis match vs. OJ on the Breeze to promote the World Tennis series
<i>4 February 2025</i>	Led Citizenship ceremony Chaired Council meeting Chaired People and Performance Committee meeting
<i>5 February 2025</i>	Attended Geraldine Fatigue stop
<i>10 February 2025</i>	Attended Sister Cities Subcommittee meeting Attended Temuka Community Board meeting
<i>11 February 2025</i>	Attended visit to Māra Kai, Community Garden Attended meeting with Canterbury EnviroSolutions Attended MTFJ membership meeting

- 12 February 2025* Attended Geraldine Community Board meeting
- 13 February 2025* Attended Civil Defence Emergency Management meeting
Attended Canterbury Regional Transport Committee meeting
Attended Canterbury Mayoral Forum working dinner
- 14 February 2025* Attended and Chaired Canterbury Mayoral Forum
- 16 February 2025* Presented trophies to winners at World Tennis Tour competition

In addition to this the Mayor met or spoke with 37 members of the public.

Functions Attended by the Deputy Mayor for the Period 17 January to 16 February 2025.

- 15 February 2025* Opened the 2025 Dahlia Show

Attachments

Nil

5.2 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 January 2025 and 16 February 2025.

<i>21 January 2025</i>	Attended a site visit to the Taiko Road Landfill
<i>27 January 2025</i>	Attended Chief Executives Forum
	Attended Civil Defence Emergency Management Coordinating Executive Group Meeting
<i>28 January 2025</i>	Attended Council Social Housing workshop
	Attended Council workshops
<i>29 January 2025</i>	Meet with SC Chamber of Commerce representatives for monthly update
<i>31 January 2025</i>	Attended Question and Answer meeting with Mayors & CEs for MTFJ
<i>3 February 2025</i>	Attended Rakitata Revival meeting
<i>4 February 2025</i>	Attended Council meeting
	Attended People and Performance Committee meeting
<i>11 February 2025</i>	Attended meeting with Canterbury EnviroSolutions
<i>13 February 2025</i>	Attended Canterbury Mayoral Forum working dinner
<i>14 February 2025</i>	Attended Canterbury Mayoral Forum

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

Attachments**Nil**

6 Reports

6.1 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:

30 January 2025 – Approval of Warrants

18 February 2025 – Approval of Warrants

24 February 2025 – Approval of Warrants

Purpose

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




Attachments

1. **Approval of Warrants - 30.01.25** [↓](#) 
2. **Approval of Warrants - 18.02.25** [↓](#) 
3. **Approval of Warrants -24.02.25** [↓](#) 



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

30/01/2025

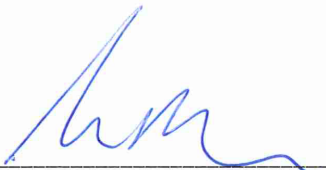
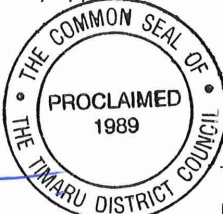
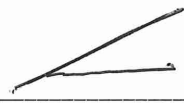
Date

Name	Title	Unit
	Enforcement Officer	Environmental Services
	Enforcement Officer	Environmental Services
	Enforcement Officer	Environmental Services
	Enforcement Officer	Environmental Services
	Enforcement Officer	Environmental Services
	Enforcement 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

18/2/2025




Date

Name	Title	Unit
[REDACTED]	Stormwater Engineer	Drainage and Water



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

24/02/2025

Date

Name	Title	Unit
	Enforcement Officer	Environmental Services

6.2 Presentation of Venture Timaru Limited Annual Report 2023/24

Author: Stephen Doran, Group Manager Corporate and Communications

Authoriser: Nigel Trainor, Chief Executive

Recommendation

That the Council receives and notes the audited Venture Timaru Limited Annual Report for the financial year 01 July 2023 – 30 June 2024.

Purpose of Report

- 1 To receive and note the audited Venture Timaru Limited Annual Report for the financial year 01 July 2023 – 30 June 2024. This includes a financial summary, non-financial monitoring indicator results and service level highlights for the year.

Assessment of Significance

- 2 This matter is considered to be of low significance in terms of Council's Significance and Engagement policy. This is a regular report to the Council on progress of Venture Timaru against its 2023.24 Statement of Intent (SOI) which is approved by Council annually.

Financial Results

- 3 This section summarises the key financial results for the year:
 - 3.1 Total Revenue was \$2.343m with \$1.588m sourced from Timaru District Council operational and event grants. Other funding sources \$755K were primarily via central government service and project contracts.
 - 3.2 The audited surplus for the year end 30 June 2024 is \$80,703 compared to the budgeted amount which was a deficit of (\$515). This surplus largely attributable to timing/underspend on central government contracts (MyNextMove Youth Initiative \$25K and Regional Apprenticeship Initiative \$44K) both able to be carried forward to ensuing year.
 - 3.3 As a non-profit organisation, Venture Timaru does not generate income or a dividend for its shareholder Timaru District Council.

Non Financial Performance Indicator Results

- 4 The monitoring indicator results for the year are as follows:

Indicator	Result
GDP Contribution - Timaru District vs NZ	Not Met: Timaru's economy shrank by 1.3% over the year to June 2023, behind the national decline of 0.2%. and the flat 0% growth of the Canterbury region.
Unemployment Rate – Timaru District vs NZ	Met: In line with a softening labour market seen nationally, unemployment rate trended up over the year to 3.7%. This is still lower than the Canterbury region (3%) and nationally (4.2%).

Housing Affordability (Timaru District vs NZ)	Met: As of June 2023 the Timaru District multiplier was 5.0x (median income \$107K with a median house price \$532K). Nationally the multiplier was 6.9%.
Visitor and Consumer Spend (Timaru District vs NZ)	Met: Tourism spend increased by 7.1% (to \$272m) for the year end to June 2024 compared to a national increase of only 1.8%. Consumer spend increased by 6.4% for the year end to June 2024 compared to a national increase of only 1.9%.

Service Highlights

- 5 The key service highlights for the year are detailed in the attached report. Of particular note due to Venture Timaru's involvement/facilitation include:
- 5.1 Largest ever cruise ship season in partnership with Primeport – seeing 13 ships visit bringing 19,445 international visitors and an estimated **\$3.60m economic benefit** to the district
 - 5.2 Major Events Fund support of 13 events (3 new) bringing an estimated **\$7.79m economic benefit** to the district
 - 5.3 Traitors NZ Reality TV show filmed locally showcasing our district to 500,000+ viewers nationwide and sold to 6 countries.
 - 5.4 Secondary school youth/future workforce engagements via 28 events/2,000+ students and 134 local businesses.
 - 5.5 Positioning the Towards 2050 Initiative which, via community wide engagement, will see a long term aspirational plan developed and implemented for our District focussed on people, place and economic prosperity.

Consultation

- 6 Consultation is not required on this matter. The Venture Timaru Annual Report year end results will be publicly reported in the Timaru District Council Annual Report.

Relevant Legislation, Council Policy and Plans

- 7 Venture Timaru Statement of Intent 2023/24 , Economic Development Strategy and Destination Management Plan.
- 8 Local Government Act 2002
- 9 Timaru District Council Long Term Plan 2021-31.

Financial and Funding Implications

- 10 There are no financial or funding implications as a result of reporting the year end results to Council.

Other Considerations

- 11 There are no other considerations.

Attachments

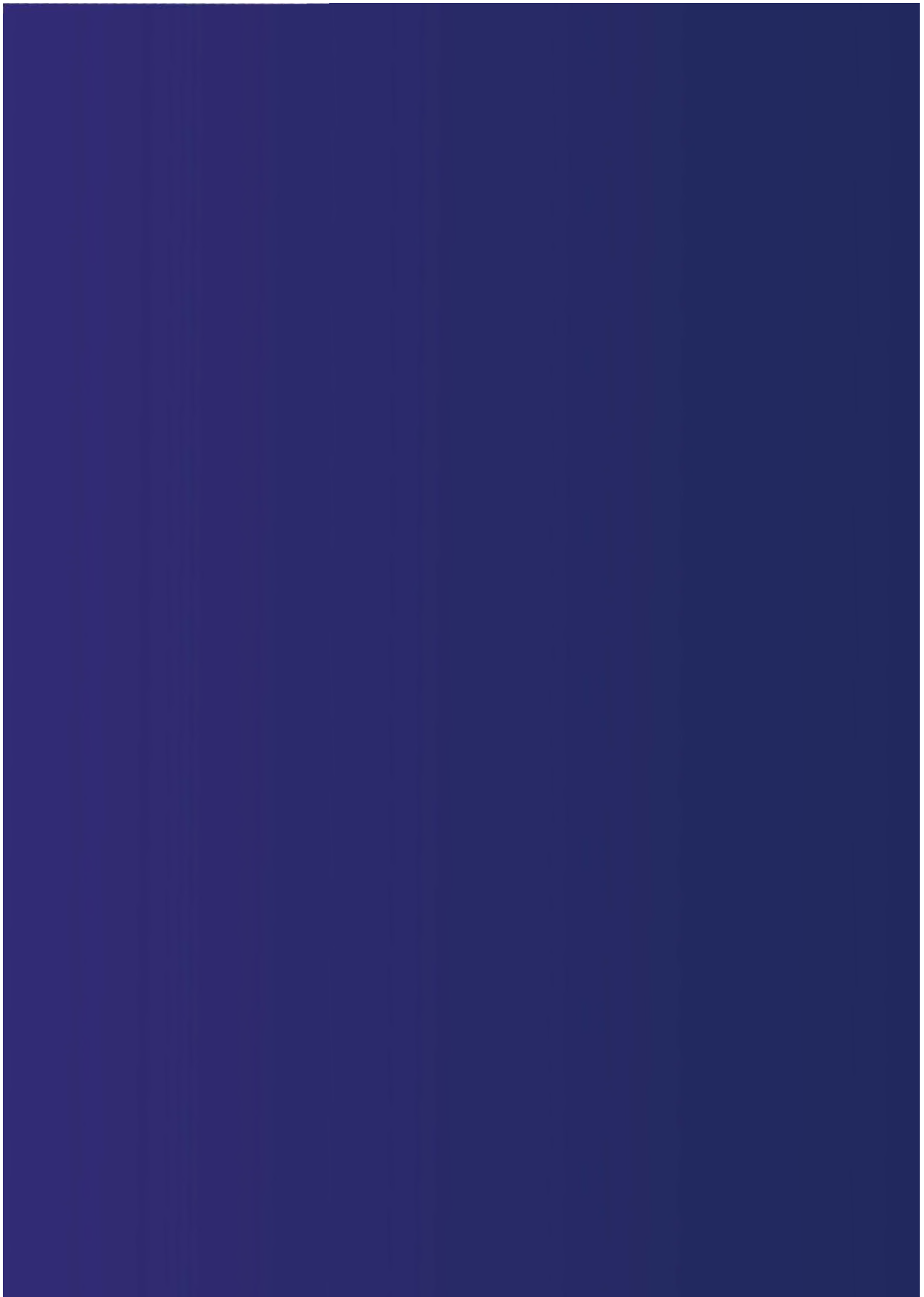
1. **Venture Timaru Annual Report 2023-24** [↓](#) 



Venture Timaru
DISTRICT - ECONOMIC & TOURISM AGENCY

Annual Report 2024

www.vtdevelopment.co.nz



Venture Timaru

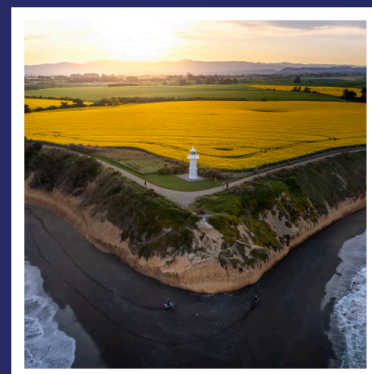
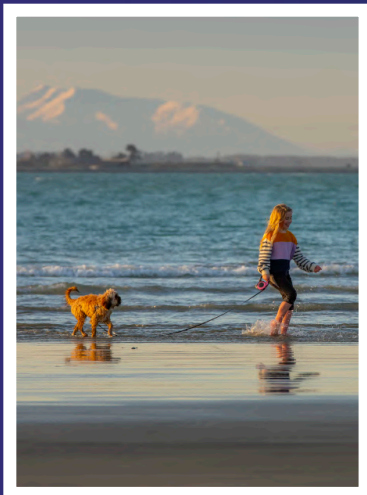
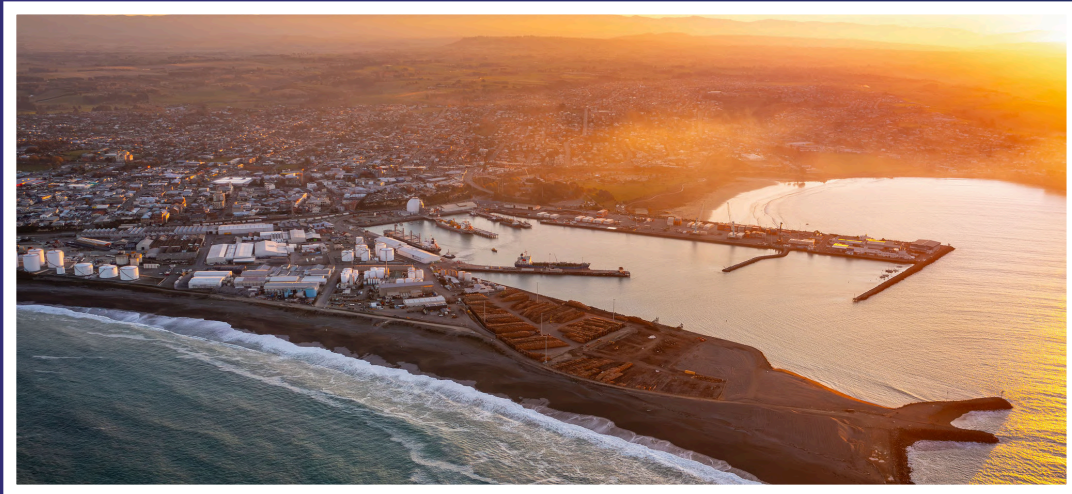
Annual Report 2023/2024

Report Contents

Highlights	5
Entity Information	6
Approval Financial Report	7
Chairman's Report	8
Chief Executive's Report	10
<hr/>	
Financial Statements	
Statement of Financial Performance	15
Statement of Financial Position	16
Statement of Cash Flows	17
Accounting Policies	18
Notes to the Performance Report	20
<hr/>	
Statutory Information	23
Auditor's Report	25

Venture Timaru

Annual Report 2023/2024



Venture Timaru
Annual Report 2023/2024

Highlights



Major Events Fund
13 events (3 new) supported
\$7.79m economic benefit



Attracted new ITF World Tennis
Tour event for February 2025
3,750 est attendees 7 days
International livestreaming
ATP/WTA rankings
Major Events Fund supported



Kaylee Bell Concert
6,000 people
Largest crowd at Soundshell
in years
Major Events Fund supported



MyNextMove saw:
28 events supported with
2,000+ students engaged with
134 local businesses



13 cruise ship visits
19,445 international visitors
\$3.60m economic benefit



Facilitated CBD Group Retailers
Business Connection Group
successful BID
application to enhance CBD
vitality & promotion



South Canterbury
Outstanding Food Festival
56 participating eateries



Hosted Traitors NZ reality show
500,000+ viewed nationwide
6 countries sold to and counting



Venture Timaru

Annual Report 2023/2024

Entity Information

Venture Timaru Limited
For the year ended 30 June 2024

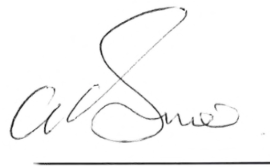
Legal Name of Entity	Venture Timaru Limited (Venture Timaru)
Entity Type & Legal Basis	The Company is incorporated in New Zealand under the Companies Act 1993. The Company is wholly owned by Timaru District Council.
Registration Number	2515190
NZBN	9429031496094
Entity's Purpose or Mission	The primary objective of the Company is to facilitate and support smart, sustainable economic development and to deliver tourism and business services for the district.
Entity Structure and Governance	The Company has six Directors who oversee the governance of the Company, a Chief Executive who is responsible for the day-to-day operations and reporting to the Directors, and seven staff who support the Chief Executive in delivering the Company's objectives. The Directors are appointed by Timaru District Council.
Main Sources of Entity's Cash and Resources	Operating grants received from Timaru District Council and government agencies are the primary sources of funding.
Directors	Anthony R Brien(Chairperson) Erin M McNaught (Deputy Chairperson) Allan P Booth Antony C Howey Stacey A Scott Logan S Hanifin
Shareholders	Timaru District Council 1,000 ordinary shares
Auditor	Nexia Audit Christchurch On behalf of the Auditor-General
Physical Address	2 Sefton Street East, Timaru, 7910
Postal Address	PO Box 560, Timaru, 7940

Venture Timaru
Annual Report 2023/2024

Approval of Financial Report

Venture Timaru Limited
For the year ended 30 June 2024

The Directors are pleased to present the approved financial report including the historical financial statements of Venture Timaru Limited for the year ended 30 June 2024.



Anthony Brien (Chairperson)
Date: 25 September 2024



Erin McNaught (Deputy Chair)
Date: 25 September 2024

Venture Timaru

Annual Report 2023/2024

Chairman's Report

It is my pleasure to present the 2023-2024 Annual Report of Venture Timaru.

There is no shying away from the fact that economically, the past twelve months have been challenging for everyone in the Timaru District: businesses and residents alike. Still, as a District, and as best we can, we hold onto the view that better times are ahead, and we must use this time to prepare for them.

Looking back on how we progressed economically, things have changed. From an annual growth of 2.6% till March 2023, to ending June 2024 with a -1.3%. Our GDP champion sectors of agriculture, forestry, fishing, and manufacturing are areas where we need to improve innovation and productivity, and in continuing to support these sectors, we must continue to diversify our overall economy to enhance resilience. While these are challenging times, the Timaru District continues to add value to New Zealand as a nation and national exports.

Venture Timaru is also the district's regional promotional body, and despite the headwinds the tourism industry is experiencing, it is very pleasing to see that we continue to receive positive increases in tourism expenditure and economic impact. Residents and tourists have enjoyed the many events that have been brought to and showcased around the district in the past twelve months; it not only adds social vibrancy but also supports our local businesses and highlights why our district is such a great place to live, stay and play.

In our last annual report, we advised that as a district, we must grow economically and socially to compete with other regions of New Zealand to enjoy a sustainable standard of living. Achieving such a position requires a long-term strategic plan with ambitious goals, which involves significantly increasing our population. There are good reasons for such an ambitious goal of economic and population growth: the district has an ageing population (22.9% of our population is over 65 years of age), the ongoing need (and associated costs) to maintain the district's infrastructure, and ensuring the Timaru District has an economic and social environment that future generations want to make their home. Change is always challenging, and the goal is ambitious, but we must positively and proactively progress. Doing what we do now will not give us the gains needed for those who presently live here or those who want to in the future. As the world around us changes, our district must change.

Venture Timaru

Annual Report 2023/2024

While Venture Timaru has set an ambitious goal for a better future, everyone in the district has a part to play in shaping what it will look like and helping create it, and we will be reaching out to hear your thoughts and ideas to help bring it to life. It's a long-term plan that will continue to unfold as you add to it, but the goal is clear – to grow and diversify our district. While Venture Timaru will constantly drive this forward, please get involved; we can't do this alone.

I wish to thank the CE, Nigel Davenport, and the staff at Venture Timaru for another successful year carrying out the activities as detailed in the CE report.

Finally, I'd like to thank our board, which provides the governance and strategic oversight for Venture Timaru: Erin McNaught, Tony Howey, Allan Booth, Stacey Scott, and Logan Hanifin. Also, thank you to the Timaru District Council Mayor, Councillors, and staff for their continued support. We look forward to another exciting and positive year promoting economic development and tourism for our district.

Dr Anthony Brien
Chair
Venture Timaru



Venture Timaru

Annual Report 2023/2024

Chief Executive's Report

Venture Timaru operates as a Council Controlled organisation as the Economic Development and Visitor Agency for the Timaru District.

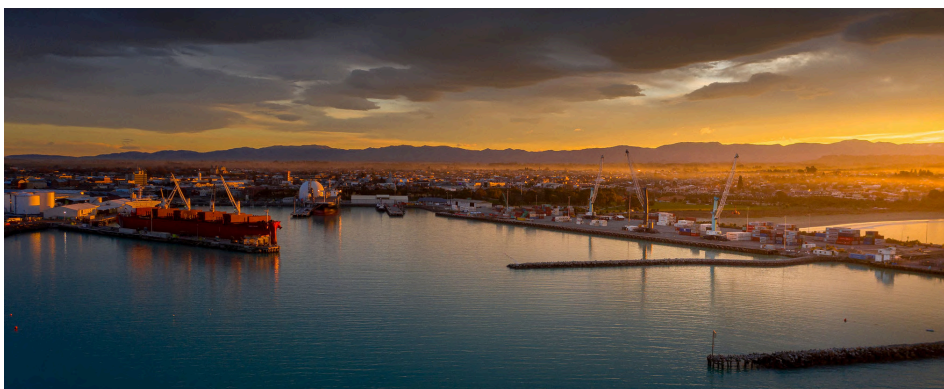
We submit our Statement of Intent annually to Timaru District Council outlining agreed work priorities which encompass our strategic priorities, objectives and associated key performance indicators.

Values

"Enable a vibrant and thriving community by cultivating the economic potential of our district".

Vision

- Collaborative - Mahi Tahi. We work in partnership with businesses and our community to develop creative solutions and initiatives that benefit all.
- Inclusive - Whakauru. We create an inclusive and welcoming environment for all, promoting diversity and equal access to opportunities in our district.
- Sustainable - Tauwhiro. We are committed to promoting sustainable practices, ensuring the long-term preservation of our natural resources, cultural heritage, and community well-being.
- Bold - Maia. We are passionate ambassadors that promote and celebrate all that's great about our district.
- Excellence – Kairangi. We are a dedicated and supportive team that delivers excellence in all aspects of our work by maintaining high standards of professionalism and integrity.



Venture Timaru

Annual Report 2023/2024

OVERVIEW OF LOCAL ECONOMY

Our economic performance continued to soften into the middle of the year off the back of inflationary pressures and a higher interest rate environment. Traditionally recording a steady GDP performance, this past year has seen a sustained period of decline. At -1.3% the decline in GDP in Timaru District was provisionally greater than the -0.2% decline recorded for both the Canterbury Region and New Zealand. The softening of Timaru's economy has been driven by a fall in transport, construction and manufacturing activity.

Further to this, our unemployment rate, which has long been one of the lowest in NZ, has risen to levels (3.7%) not seen since the immediate post COVID period 2020/21 and before that way back in 2017. Whilst our unemployment rate is below NZ's 4.2% and Canterbury's 4.1%, the fact remains our national economy is under a lot of pressure and the weakened labour market and tightening of immigration settings in recent times have flowed directly into our own local labour market.

Of note (source Infometrics) :

- job adverts nationally are 40% lower than they were a year ago (the biggest fall since 2009) and are at a level not seen since 2013.
- Employment confidence, surveyed per household, at its weakest since the survey started in 2004 (excluding COVID period)

Local businesses, who are looking to hire, are reporting a surge in the volume of job applicants, which pleasingly in some cases is actually matched by an increase in applicant quality which is somewhat of a positive. That said it is anticipated the weakened labour market nationally and locally will continue for a few quarters yet.

As tends to be the case locally, the colder winter months see a downturn in economic activity as there is an element of "hibernation", with this somewhat amplified by households concerns around employment security. Despite this, the districts consumer spending grew 6.4% over the year to June 2024, well ahead of national consumer spending growth of 1.9% and consumers price inflation of 3.3%. Further, tourism expenditure throughout 2023/24 increased 7.1% also well ahead of national tourism expenditure growth of 1.8%.

Venture Timaru

Annual Report 2023/2024

New house construction in Timaru eased 25% over the year to June 2024, as high interest rates have discouraged new mortgages around the country. However, dwelling consents were relatively strong in the June 2024 quarter with 46 issued, perhaps signalling “green shoots” just as interest rates are starting to be cut. House sale volumes continue to pick up from a trough, with 18% more houses sold in the year to June 2024 than the prior year, with values still rising, up 6.4%pa in the June 2024 quarter.

STRATEGIC PRIORITIES 2023/24

- Timaru District - Towards 2050 - Develop the 2050 plan.
 - Not progressed due to delays encountered with pre-positioning of this priority initiative with key local stakeholders. Pre-launch foundation work significantly progressed Q4 2023.24 in readiness for ignition early in the 2024.25 year.
- Diversity of Housing Stock - *Actively promote & facilitate investment in type-diverse housing developments*
 - Ongoing engagement underway with local residential developers on infill and new large scale residential opportunities being planned and progressed - totaling in excess of 800 new residential properties across our district.
 - Engaged by Council to champion a project to “Inspire and Excite” more inner and near city residential development within the Timaru City Centre bringing with it increased vibrancy and business opportunities. An initial draft of “Making it Happen – a guide to inner & near city residential development” developed by local professionals, has been reviewed by Council staff and the final editing is underway. The resource encompassing Council’s commitment to establishing a more enabling environment is to be launched Q1 2024.25 and will be supported by a database encapsulating new and proposed developments and benefits
 - Realisation plan to measure and celebrate the successful enhancement to the Timaru Central City environment.



Venture Timaru

Annual Report 2023/2024

- Venture Timaru has led the development and distribution of a “Future Housing Preference Survey” to obtain empirical data associated with where and how our existing and new to district residents wish to live. This data will help inform and direct future investment into residential options into the future.
- People Attraction - *Further amplify efforts to attract the people we need to grow and provide vibrancy to our district*
 - Variety of people attraction resources updated, distributed across business and industry and freely available on Venture Timaru Website – Attraction Toolkit
 - Showcasing Timaru document
 - Welcome to Timaru document – in multiple languages
 - New series of business & industry imagery
 - New “Why Timaru?” workforce attraction videography completed and now freely available.
 - New Business Development Manager role committed to and will be employed from Q1 2024.25 providing enhanced prioritised focus on business (and people) attraction.
 - A vibrant events calendar is key to attracting not only visitors but also new residents and businesses to the Timaru District. Venture Timaru again received, managed and distributed major event funding support, on behalf of the Timaru District Council, totaling \$230,000 into this sector. The average estimated ROI was \$30.00 for each \$1 invested – or an estimated Economic Benefit of \$6.90m. This past event season was highlighted by the return home by Kaylee Bell which saw 5,500-6,000 attendees at that concert.
 - 2023/24 Cruise Ship season completed with 13 ships bringing 19,000 international visitors to Timaru with an estimated Economic Benefit \$3.60m.
 - Successfully facilitated application to the Regional Events Promotion Fund for 4 local events which will generate an assessed Economic Benefit of \$2.16m

SUMMARY

As the Economic Development and Tourism agency for the Timaru District, Venture Timaru’s mandate is to support and grow our district “as one”, with an operational focus on delivering consistent district promotional and attraction activities, along with facilitated business support and project work to enhance economic performance.

We acknowledge the valued relationships and collaboration we have formed and continue to foster across our local community. We also thank the Timaru District Council Mayor, Councillors and staff for their ongoing support and engagement.

Nigel Davenport
Chief Executive

Venture Timaru

Annual Report 2023/2024

Monitoring Indicators (non-financial)

- ① **Gross Domestic Product – Growth – source Infometrics**

-1.3%	-0.2%	Timaru's economy shrunk by a solid 1.3% to June 2024, just above national decline of 0.2% according to Infometrics provisional GDP estimates.
Timaru District	New Zealand	

- ② **Unemployment Rate – Timaru District v NZ– source Infometrics**

3.7%	4.29%	Whilst below NZ levels, the local unemployment rate has increased as the labour market softens to levels not seen for many years.
Timaru District	New Zealand	

Increased levels of job applicants are being seen through the middle of 2024 as a result of the tightening of migration settings and job movements.

- ③ **Housing Affordability – source Infometrics/Corelogic**

4.75x	6.58x	For Timaru 4.75% the average household income buys you the average house value.
Timaru District	New Zealand	- average current house values (Timaru \$532K) and - average household incomes (Timaru \$106K)

For Timaru 4.75 times the average household income \$105.4 buys you the average house valued at \$501K. Household affordability reflects the true ability of a household to afford housing. A higher ratio, therefore, suggests that average houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

- ④ **Visitor & Consumer Spend - source Infometrics.**

Visitor Spend

\$272m	\$254m	Continuing to perform well with year on year increase in visitor spend since 2020. Noting the 2024 year saw an increase of 7.1% v NZ 1.85%.
2024	2023	

Consumer Spend

\$791m	\$751m	Indicator evidence local spend remains well ahead on national levels Timaru with an increase of 6.4% v New Zealand 1.9%. Although a noticeable softening as expected heading into the final June winter months quarter which evidences a challenging period for local retailers and hospitality in particular.
2024	2023	

Venture Timaru

Annual Report 2023/2024

Statement of Financial Performance

Venture Timaru

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue			
Funding from local government		1,588,296	1,400,709
Funding from central government		146,500	802,261
Service delivery contracts from central government		476,200	868,794
Interest and dividends		49,830	41,752
Other Revenue		82,241	85,031
Total Revenue		2,343,067	3,198,547
Expenses			
Employee related costs		652,440	576,200
Economic development - Administration & overhead costs		535,040	391,640
Tourism administration and overheads		337,259	298,623
Other Programmes		705,392	1,907,980
Provision for Tax		32,233	7,428
Total Expenses		2,262,364	3,181,871
Surplus /(deficit) for the year		\$80,703	\$16,676

Venture Timaru

Annual Report 2023/2024

Statement of Financial PositionVenture Timaru
As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current Assets			
Bank accounts and cash		311,819	545,448
Debtors and prepayments		153,441	101,039
Short term investments		825,275	494,796
Other Current Assets		-	31,261
Total Current Assets		1,290,535	1,172,544
Non-current Assets			
Plant & Equipment	8	38,048	39,961
Total Assets		1,328,583	1,212,505
Liabilities			
Current Liabilities			
Creditors and accrued expenses		228,725	71,914
Employee costs payable		54,248	54,983
Funding unallocated		505,721	626,423
Total Current Liabilities		788,694	753,320
Net Assets		539,889	459,185
Accumulated Funds			
Issued Capital	2	1,000	1,000
Accumulated Funds	2	538,889	458,185
Total Equity		\$539,889	\$459,185

Venture Timaru

Annual Report 2023/2024

Statement of Cash Flows

Venture Timaru

For the year ended 30 June 2024

	2024 \$	2023 \$
Cash Flows from Operating Activities		
Interest, dividends and other investment receipts	49,468	30,959
Cash receipts from other operating activities	2,444,528	2,535,313
GST	(42,668)	(38,303)
Payments to suppliers and employees	(1,477,459)	(2,688,924)
Cash flows from other operating activities	(873,532)	(772,067)
Income Tax	4,127	(38,790)
Total Cash Flows from Operating Activities	104,464	(971,813)
Cash flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	1,151	469
Receipts from sale of investments	435,920	746,293
Payments to acquire property, plant and equipment	(8,765)	(1,074)
Payments to purchase investments	(766,399)	(405,455)
Total Cash Flows from Invest Activities Financing	(338,093)	340,233
Net Increase / (Decrease) in Cash	(233,629)	(631,580)
Opening Cash and Cash Equivalents 1 July 2023	545,448	1,177,028
Closing Cash and Cash Equivalents 30 June 2024	\$311,819	\$545,448

Venture Timaru

Annual Report 2023/2024

Statement of Accounting Policies

Venture Timaru Limited

For the year ended 30 June 2024

'How did we do our accounting?'

Basis of Preparation

Venture Timaru Ltd is permitted by law to apply the Public Benefit Entity Simple Format Reporting- Accrual (Public Sector) standard and has elected to do so. A PBE may apply the standard if it does not have public accountability and has total annual expenses less than or equal to \$5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Income Tax is accounted for using the taxes payable method.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Trade & other receivables

Recorded at their estimated realisable value.

Property Plant & Equipment

Plant & Equipment are recorded at cost less accumulated depreciation. Depreciation is recognised using a diminishing value method over the estimated useful lives. Depreciation rates are between 10% and 50%.

Venture Timaru

Annual Report 2023/2024

Revenue (Grants)

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest is recognised on the accrual basis.

Trade & other payables

Recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Defined contribution Scheme - Kiwi Saver. Contributions to defined pension schemes are charged to the income statement in the year to which they relate. A provision is recognised for the amount expected to be paid for outstanding annual leave balances if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably. Non vesting benefits such as sick leave are not recognised.

Ability to Continue Operating

The company has sufficient liquidity and solvency to continue as going concern. The Board of Directors considers that the company has sufficient working capital and appropriate funding from Timaru District Council for a period of at least 12 months from the date the financial statements are approved.

Imputation Credit Account

Imputation credits available to shareholders at 31 March 2024 \$108,107 (Last year: 115,509).

Changes in Accounting Policies

As PBE Tier sizes have been amended, the Company has elected to revert to Tier 3 Public Benefit Entities from Tier 2. All other policies have been applied on a consistent basis with those of the previous reporting period.

Venture Timaru

Annual Report 2023/2024

Notes to the Performance Report

For the year ended 30 June 2024

① Expenses to disclose	2024	2023
Audit fees	11,500	10,452
Board fees	67,500	75,000
Depreciation	9,461	11,214
Total Expenses to Disclose	\$88,461	\$96,666

② Accumulated Funds	2024	2023
Opening balance	459,185	442,509
Accumulated surpluses or (deficits)	80,703	16,676
Total Accumulated Funds	\$539,889	\$459,185

③ **Leases**
The company leases office premises, motor vehicles and equipment

Commitments to lease or rent assets	2024	2023
Less than one year	\$64,810	\$72,156
Between one and five years	\$27,843	\$97,056
Over five years	-	-

④ **Directors Remuneration**

The directors received received the following remuneration during the year:

	2024	2023		
T Howey (Resigned as Chair)	\$14,584	T Howey (Chair)	\$15,000	
R de Joux (Resigned 6/12/23)	\$5,000	R de Joux	\$10,000	
A Brien (Chair)	\$10,416	A Brien	\$10,000	
S Scott	\$10,000	S Scott	\$10,000	
E McNaught	\$10,000	E McNaught	\$10,000	
K Te Raki (Resigned 1/11/23)	\$2,500	K Te Raki	\$10,000	
A Booth	\$10,000	A Booth	\$10,000	
L Hanifin (Appointed 6/12/23)	\$5,000			
	\$67,500		\$75,000	

Venture Timaru

Annual Report 2023/2024

⑤ Related Party Transactions

Description of Related Party Transaction	Description of Transaction	2024 Value of transaction	2023 Value of transaction
Timaru District Council - Shareholder	Economic Grant	\$720,000	\$640,000
Timaru District Council - Shareholder	Tourism Grant	\$395,000	\$350,000
Timaru District Council - Shareholder	Events Support	\$230,000	\$230,000
Bayhill Development Ltd- Director	Carparking	\$5,712	\$6,767
Aoraki Multicultural Council - Director	Major Events Support Fund	\$10,000	\$11,422
Matariki - Director	Major Events Support Fund	\$15,000	\$15,000
Timaru District Council	Timaru City Town Programme	\$195,000	\$0
Timaru District Council	Cruise Ship Support	\$19,744	\$0
Timaru District Council	Accounts Receivable	\$62,675	\$0

⑥ Contingencies

No contingent assets or liabilities exist at balance date for Venture Timaru Limited (Last year: Nil).

⑦

Subsequent Events

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year: \$195,000).

⑧

Property Plant and Equipment

	2024	2023
Office Fit-out		
Opening balance	10,614	11,905
Depreciation	(1,149)	(1,291)
Total Office fit-out	\$9,465	\$10,614

Furniture and Fittings

Opening balance	16,468	18,099
Purchases	1,151	1,074
Depreciation	(2,353)	(2,705)
Total Furniture and Fittings	\$15,266	\$16,468

Venture Timaru

Annual Report 2023/2024

	2024	2023
Plant and Equipment		
Opening balance	5,324	6,654
Depreciation	(1,065)	(1,330)
Total Plant and Equipment	\$4,529	\$(5,324)
Computers		
Opening balance	7,556	13,443
Purchases	5,146	-
Depreciation	(3,643)	(5,887)
Total Computers	\$9,059	\$7,556

Venture Timaru

Annual Report 2023/2024

Statutory Information

Directors

Venture Timaru Limited

Anthony R Brien appointed 1 April 2021 (Appointed Chairperson June 2024)

Erin M McNaught appointed 1 July 2019 (Appointed Deputy Chairperson June 2024)

Logan S Hanifin appointed 6 December 2023

Antony C Howey appointed 1 April 2021

Allan P Booth appointed 1 November 2019

Stacey A Scott appointed 1 April 2021

Entries made in the interests register

The following entries were recorded in the interests register of the Company:

Anthony R Brien (Chairman)

Mackenzie Tourism Industry Association - Board Member

AR and SM Brien Partnership - Director

Institute of Directors - Chartered Member

Lincoln University - Employee

Royal Federation of NZ Justices' Association - Director

Erin M McNaught (Deputy Chairman)

Aoraki Foundation Womens Fund - Advisory Board & Committee Member

ICCH Holdings Limited - Shareholder & Director

Industrial Controls Christchurch Limited - Shareholder, Director & Officer

Industrial Controls South Canterbury Limited - Shareholder, Director & Officer

Logan Hanifin

Fraser Park Enterprises Ltd - Director

Hanifin Holdings - Personal property investment

New Zealand Pet Foods - CEO

South Canterbury Rugby Board - Chairman

Venture Timaru

Annual Report 2023/2024

Statutory Information

Tony Howey

Alpine Fresh Ltd - Managing Director

Aoraki Multicultural Council - Committee Member

Farmers Mill Ltd - Director

Grainstor Ltd - Director

Meadowlinks Residents Association - Developer and Secretary

Opuha Water Ltd - Director

Seedlands Ltd - Director

Seedlands Property Ltd - Director

Timaru Bahá'i Community - LSA Chair

ViBERi New Zealand Ltd - Managing Director

Allan P Booth

Allan Booth Family Trust - Trustee

Bay Hill Developments - Shareholder & Director

STARWOOD - Shareholder & Director

TDC Councillor - Councillor

Timaru CBD Group - Executive member

Timaru District Council - Member of TDC Development and Investment Group - City Hub

Timaru Nationalist Trust - Board Member

Stacey A Scott

Scott & Associates (2007) Ltd - Director

Scott Farm Partnerships - Other

St Patricks Junior Netball - Treasurer

Timaru District Council - Councillor

Timaru District Council - Appointed Hearing Commissioner for Proposed District Plan

Timaru District Council - Chair of Community Services

YMCA Butler St Property Trust - Trustee

YMCA South & Mid Canterbury - Chair

**Nexia Audit Christchurch**

Nexia House
Level 4, 123 Victoria Street
Christchurch 8013

POSTAL
PO Box 4160
Christchurch 8140

T: +64 3 379 0829

nexia.co.nz

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF VENTURE TIMARU LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024**

The Auditor-General is the auditor of Venture Timaru Limited (the company). The Auditor-General has appointed me, Sam Naylor, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 5 to 12, that comprise the statement of financial position as at 30 June 2024, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 13 to 15.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector); and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 25 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

Nexia Audit Christchurch Partnership is affiliated with, but independent from Nexia (NZ) Limited. Nexia (NZ) Limited is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.co.nz/legal. Neither Nexia International nor Nexia (NZ) Limited provide services to clients.



We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter - Comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to the fact that the company included forecast financial information in its 2024 statement of intent which did not comply in full with the requirements of the Local Government Act 2002. As a result, the forecast financial information presented with the historical financial statements was limited to the statement of financial performance.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's Board approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.



As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 4, but does not include the financial statements and performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independence**

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

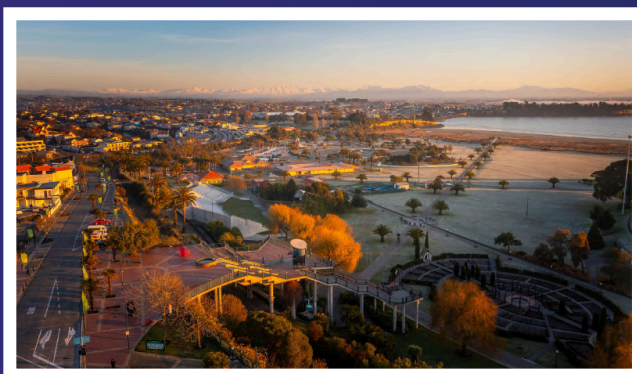
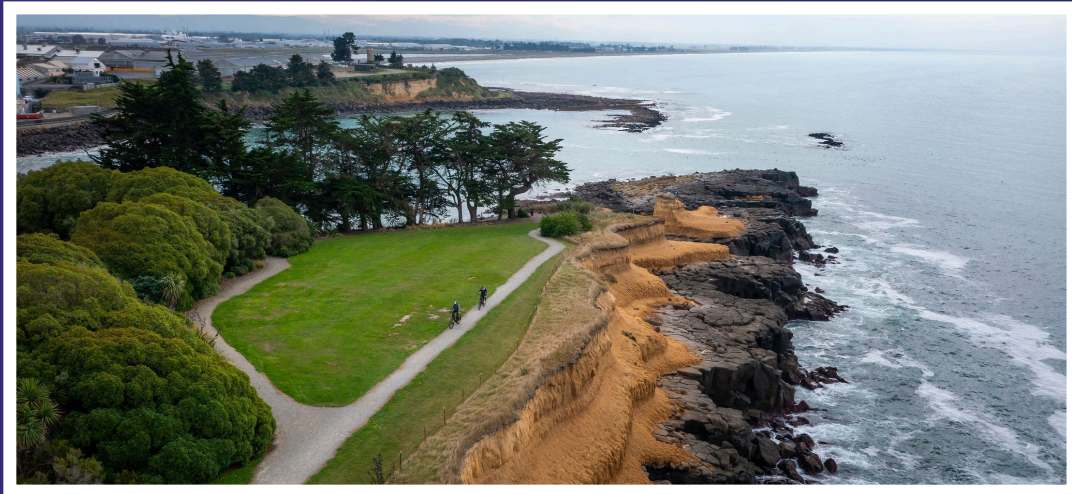
A handwritten signature in black ink, appearing to read 'S. Naylor'.

Sam Naylor

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand

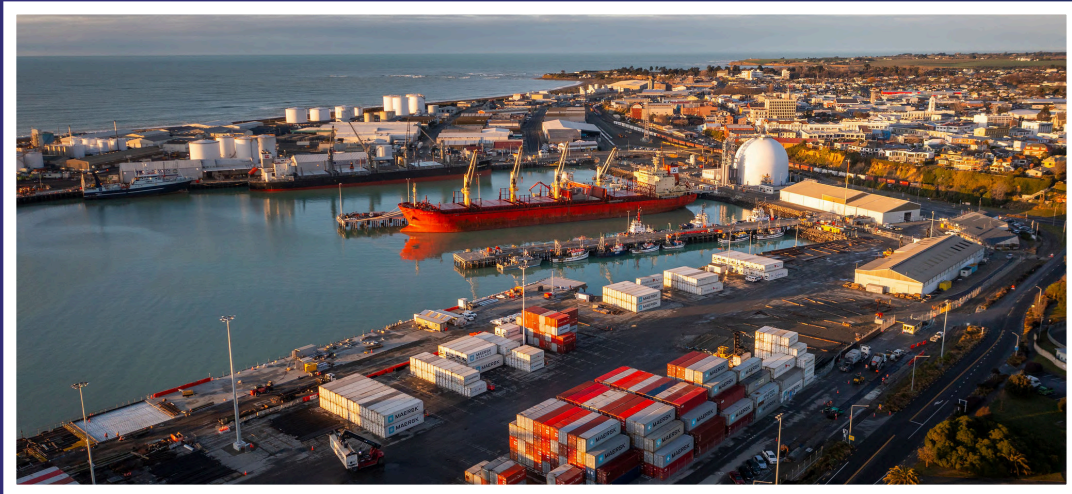
Venture Timaru

Annual Report 2023/2024



Venture Timaru

Annual Report 2023/2024







Venture Timaru
DISTRICT - ECONOMIC & TOURISM AGENCY

www.vtdevelopment.co.nz

6.3 Venture Timaru Quarterly Report (1 July 2024 to 31 December 2024)**Author:** Jessica Kavanaugh, Team Leader Governance**Authoriser:** Stephen Doran, Group Manager Corporate and Communications**Recommendation**

That Council receives and notes the Venture Timaru Quarterly Report for the period 01 July 2024 to 31 December 2024.

Purpose of Report

- 1 To present to Council, for information and as a requirement of the Statement of Intent (Sol) , the quarterly performance report of Venture Timaru (VT) for the period 01 July 2024 to 31 December 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 progress of Venture Timaru against its Statement of Intent (Sol) which is considered by Council annually.

Discussion

- 3 Venture Timaru's Quarterly Report for the period ending 31 December 2024 is attached. This update is provided to Council as a requirement of Venture Timaru's Statement of Intent (Sol) with Council and provided on a quarterly basis.
- 4 The financial statements and progress on the non-financial monitoring indicators to 31 December 2024 are also outlined in the attached report.
- 5 Highlights addressed in the report include: Make Timaru your Business campaign scoped and finalised for launch Q1 2025, A current new business opportunities sector breakdown, 2023/34 Cruise season benefits.
- 6 The Chief Executive of Venture Timaru will be in attendance to speak to the report.

Attachments

1. **Venture Timaru Quarterly Report to 31 December 2024** [↓](#) 



Quarterly Report to Timaru District Council
to 31 December 2024

OUR VISION:

To enable a vibrant and thriving community by cultivating the economic potential of our district.

WHAT WE DO:



Facilitate

- Communication
- Connectivity



Enable

- Collaboration
- Cooperation



Grow

- Capacity
- Community Wellbeing
- Creativity & Sustainability

YTD PERFORMANCE DASHBOARD:

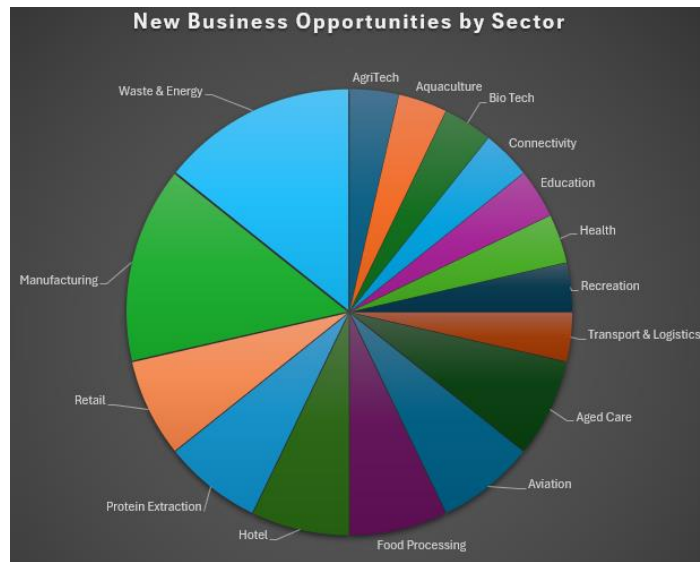
COMPLETED
ONGOING/W.I.P
NOT PROGRESSED
IMPROVEMENT NEEDED

SOI 3 Yr Operational Objectives	SOI Prioritised 2024/25 Activities	COMMENTARY (high level – achievement detail within report)	NEXT STEPS
Support EXISTING BUSINESS to innovate and grow.	Engage business and assist with future plans, challenges, barriers, productivity improvements, decarbonisation, access to enablers (power/water/workforce etc..) Key stakeholder participation in the development of a South Canterbury Energy Strategy.	<ul style="list-style-type: none"> Engaging with 20+ existing businesses monthly assisting where needed with introductions, identification & assistance with barrier removal and support with expansion plans. On steering group advocating for Sth Canty in developing a Canterbury Energy Stocktake and strategy. 	<ul style="list-style-type: none"> Ongoing reporting on value added by VT in engagements including elevation of strategic risks to existing business identified and action taken/elevated. Regional Energy stock take to be completed and report to Mayoral Forum by July 2025 to inform a future regional approach to energy. The report will identify and recommend areas of priority related to resources, demand, assets and networks.
Attract & assist NEW BUSINESS to the District.	Establish a Business & Investment attraction "hunter/gatherer" role Develop enhanced Business Attraction resources for the district. Assist TDHL to secure 100% tenancy for 13ha Washdyke Industrial Park.	<ul style="list-style-type: none"> Business Development Manager role appointed Sept 2024 and attraction resources updated Working closely with TDHL to promote industrial park now under development Prior barriers to attracting new business now largely overcome and "professionally predatory" attraction underway. 	Refer following report for more detail <ul style="list-style-type: none"> "Make Timaru our Business" campaign underway in active discussions with 23 new to district business opportunities with 10 of these at advanced stages Engaging with and report on a minimum of 10 new businesses or referral sources per month. Assisted with the establishment of 2 new retail & service businesses.
Assist business to attract, develop & maintain a skilled WORKFORCE	Renew workforce attraction resources for industry and recruitment agencies. Amplify activity to "Expose Educate & Excite" our future workforce on local career pathways. (MyNextMove student transition initiative) Workforce Training – facilitate improved alignment of local training delivery that meets the needs of local industry	<ul style="list-style-type: none"> Workforce attraction resources updated and distributed Engaging with Ara to explore opportunities for Timaru Campus to be an "education hub" with multiple providers delivering enhanced training and development to current and future workforce. 4 future workforce events undertaken involving 4 schools and 450 students 	<ul style="list-style-type: none"> MyNextMove contract up for renewal by June 2025, partnering with fellow providers Auckland, Hutt Valley and Dunedin Chambers to position with MSD and Education Ministers.
PROMOTE the district as a "destination of choice"	Own and implement a Caroline Bay Plan for the future that maximises visitor experience and community engagement. Further develop existing event offering and attract new in/out of season events. Develop a Cruise Strategy in partnership with Primeport, tourist operators and community to grow Cruise Sector by providing the best possible experience for all cruise visitors.	<ul style="list-style-type: none"> VT advised the responsibility for Caroline Bay Plan to remain with Council Commenced update of our Business Events resources Cruise Strategy commissioned Dec 2024 – working in partnership with Primeport and Tourist Operators International Tennis event secured for Feb 2025 – 2nd largest held in NZ. 	<ul style="list-style-type: none"> Cruise Strategy to be completed and implemented Q1 2025. Facilitating a huge 10 days of events in Feb 2025 with Intl Tennis, National Elite Road Cycling, Superbikes (return after 3 yrs), Classic Car Rally and Seaside Festival. Targeted attraction of business events and conferences to commence
Facilitate new to district INVESTMENT in Infrastructure & Community assets	Assist with identifying and processing key infrastructural opportunities of benefit to the district – (airport/port/ transport & logistics) Facilitate new residential development investment that provides typography diversity - property owner, developer, investor introductions. Coordinate and foster Central Government relationships to attract new investment to support local initiatives and prioritised projects.	<ul style="list-style-type: none"> Making it Happen resource completed (Inspire and Excite Inner/Near City Living in CBD) – with Council for review pending launch Assisted Kanoa engagement and endorsement of Opuha Water Regional Infrastructure Fund (RIF) Application Advocating for sub-region on Canterbury Housing Strategy and Canterbury Ambition – both mandated by Canty Mayoral Forum 	<ul style="list-style-type: none"> Assist Kanoa engagement and endorse Council RIF related to Airport Runway Extension. Need to ramp up engagement with local residential developers to progress diversity in housing across our district

ATTRACTING NEW BUSINESS

We acknowledge the need to amplify our efforts to attract new business to the District and achieve tangible outcomes in this space. Prior concerns with the lack of “project ready” land and access to energy have largely been allayed, giving us to confidence to ignite “professionally predatory” activities via an overarching Make Timaru your Business campaign which we detail below. Firstly we provide more detail on the existing with **23 new to district business opportunities of which 10 are at advanced stages:**

Current New Business Opportunities in various stage of negotiation – sector breakdown:



- The variety of current new business opportunities aligns to the inherent strength of our district which is the existing diversity of our industry sectors.
- We have obvious strengths and capability in our “sweet spot” sectors such as food processing (wet and dry), manufacturing, transport and logistics, however that hasn’t precluded us exploring opportunities in other aligned or new sectors.
- There is a prominence of a “future focus” within existing opportunities being progressed notably - biotech, protein extraction, connectivity, aquaculture, waste & energy, and the technology associated with one of the aviation opportunities.
- There is an identified opportunity for our district to lead the way with how we are processing our waste/by-products especially from our Food processing sector. The close proximity and well established trusted level of collaboration is the ideal foundation off which a variety of opportunities have been identified: anaerobic digestion, biofuels, biogas, vermicast, black soldier fly etc..

Current more advanced new business opportunities

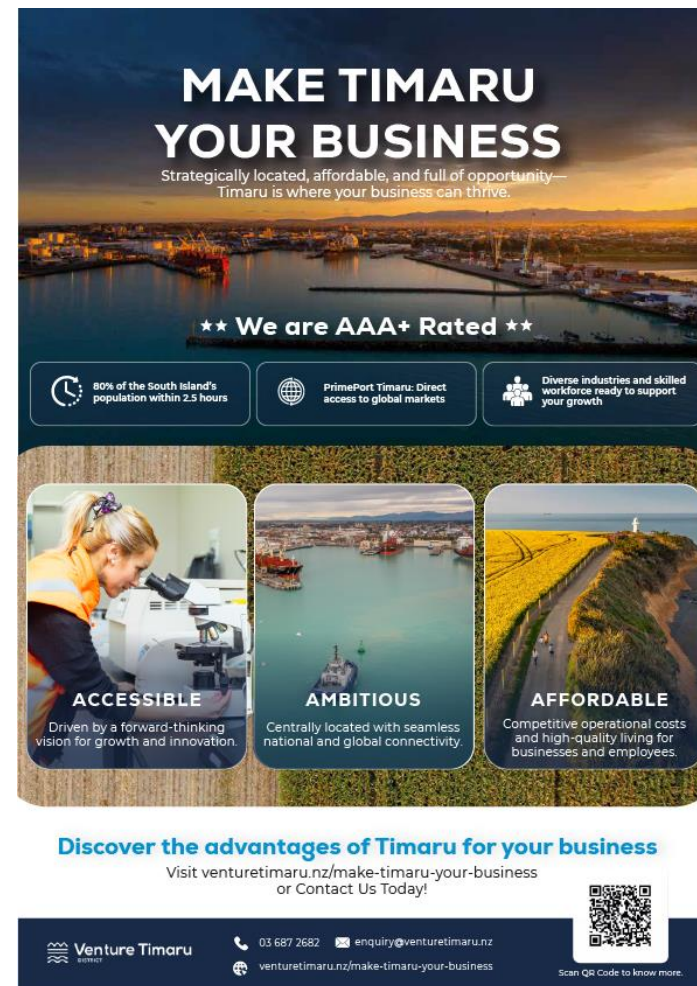
- **Aviation** – initiated introduction via ED professional network to NZ based/US funded advanced technology opportunity, positioning Timaru as an ideal South Island testing base for their operation. Visiting February to meet potential local partners and scope locations. Estimated FTE’s 15-20.
- **Protein Extraction** – introduced via VT contacts at NZ Trade and Enterprise post query from VT re international partners looking to invest in NZ. Existing Taiwanese operation who use microalgae and their proprietary technologies to develop 100% plant-based & sustainable alternatives protein for the food industry. Positioned with potential local partners, suppliers and equipment providers and visit being arranged late Feb/early March. Est FTE’s 25-30.
- **Food Processing** – discussions under NDA on potential greenfields operation. Working closely with TDHL on options. Est FTE’s 120
- **Recreation** – new business, globally popular and rapidly growing competitive/recreational sport, potential Caroline Bay location. Former Timaru resident is the lead ex UK. Working with Parks & Rec and Sport Canterbury. Teams call in coming weeks to progress. Favourable funding model. Est FTE’s 5
- **Aged Care** – two opportunities being progressed – traditional multi-faceted care facility as well as an innovative “unit-hub” model more suited to inner/near city living. Est FTE’s 50-60.

Make Timaru your Business Campaign.

To be ignited in Q1 2025 this multi-pronged campaign will see us prominently promote Timaru District as the place to do business.

1. **“HOOK” Teaser Tiles** – we have developed a range of teaser tiles/ads that will be promoted via our social media channels (Facebook and LinkedIn) and in print media – associations booklets and pamphlets. They will be utilised and boosted into target areas and along with the follow up “Why Timaru” pdf resource will also be used in in-person approaches to identified specific business targets and as importantly referrers from our network of organisations, associations, crown research institutes and academic institutions. The initial suite of these “teaser tiles” include such themes as
 - a. **Leading with Vision...Powered by Pioneers** - Emphasizes our legacy of trailblazers and its commitment to shaping a dynamic, prosperous future
 - b. **Where Collaboration fuels Innovation** - Highlights the power of our interconnected industries to drive progress.
 - c. **Diverse Industries & a Culture of Partnership** – again showcasing our established culture of varied sectors working together for shared success
 - d. **We’re AA+ Rated**
 - i. **Ambitious** – Driven by a forward-thinking vision for growth and innovation.
 - ii. **Accessible** – Centrally located with excellent national and global connectivity.
 - iii. **Affordable** – Competitive operational costs and cost of living for businesses and employees.
 - e. **Timaru - We’re here....Where RU?** – a variety of these tiles will include logos of well-known local businesses (with their approval) highlighting the diversity and quality of businesses who call Timaru District their home.
2. **“LINE” - Why Timaru pdf resource.** An impactful and informative resource to be accessed via dedicated Make Timaru your Business page on VT website once interest generated via above promotions which direct to the page via QR/weblink or direct to us in person at VT. This pdf will also be used in in-person targeted approaches and will also be distributed to local businesses to themselves use as they advocate to their own business networks to Make Timaru your Business.
3. **“SINKER” Timaru the Total Package** – an updated and individualised information memorandum that is tailored to each opportunities specific requirements. Think a proposal that, informed by meetings and site visits etc,,, provides an overview that covers all your requirements (and then some), making the decision to “Make Timaru your Business” a fait accompli.

As mentioned earlier we undertake from Jan 2025 to be engaging with a minimum of **10 new to district business opportunities or referral sources per month** to relentlessly target and secure new to district businesses.



December 2024 quarter – additional highlights of note	
<p>Support EXISTING BUSINESS to innovate and grow.</p>	<ul style="list-style-type: none"> • Part of steering group that coordinated community support and response to Smithfield closure. Pleasing to hear anecdotally that 500+/610 affected workers have found employment • Job Fair associated with the closure very well attended and received by workers and their potential new employers. • Virtual Reality Driver Simulator programme – facilitated in partnership with local and national partners (inc Council) – won big at the Economic Development of New Zealand National Conference and Awards. Winning the Technology Award and then taking out the Supreme Award. • Facilitating a group of local agri-sector leaders to meet with Barkers to explore opportunities to supply a variety of raw product (fruit and vegetables) locally to support their significant processing expansion now underway. • A large local well -established food processor and manufacturer, seen as one of the most efficient operations within their group, have opportunities to progress a significant expansion however their freight and distribution costs are reportedly the barrier (being some of the highest in their group). • Partnered with Chamber to bring Health and Safety Minister to meet with local businesses on nationwide consultation underway and also AirNZ to meet with frequent flyers to explore options to mitigate cancellations and best service South Canterbury. • Established a relationship with LINZ to promote in partnership the benefits of the enhanced data and GPS positioning satellite resource being installed locally across 2025. Introducing partners from a variety of sectors to help test the system.
<p>Attract & assist NEW BUSINESS to the District.</p>	<ul style="list-style-type: none"> • Business Development Manager appointed • Make Timaru your Business campaign scoped and finalised for launch Q1 2025 • Partnering with TDHL to help promote and attract new business to their new 13ha Washdyke Industrial Park • Engaging local business to act as advocates/promotors of Timaru District as the place to do business.
<p>PROMOTE the district as a “destination of choice”</p>	<ul style="list-style-type: none"> • Di Hay appointed to the board of Regional Tourism NZ providing an amplified local voice at a national level. • 2023/24 Cruise season Economic Impact/Benefit assessed at 3.60m from a season that saw 13 cruise ship visits/15,687 passengers/3728 crew. Equated to \$229.49 per passenger. • Twilight Night Market held Nov 22nd another huge success with large numbers attending and extremely positive feedback. • Destination Management Plan updated to reflect burgeoning cruise sector. • Awarded Active Transport Strategy project by Council to finalise Walk & Bike Trail resources – print, app and web – to be completed by March 2025 • VT nominated CPlay for the Trademe People’s Choice Playground of the year – as one of three finalists result will be known Feb 2025. • Events: <ul style="list-style-type: none"> • SI Masters Games – 11days/2000 competitors/\$370 avge daily spend/Major Event Fund Support \$24.9K - ROI \$1:\$75.14 - \$1.8m GDP Boost • 4 & Rotary – 3 days/2200 attendees/\$350 avge daily spend/ Major Event Fund Support \$14.6K - ROI \$1:\$31.92 - \$467K GSP Boost
<p>Facilitate new to district INVESTMENT in Infrastructure & Community assets</p>	<ul style="list-style-type: none"> • Assisting and endorsing Regional Infrastructure Fund applications by Opuha Water and Council – outcomes to be known Q1 2025.

Appendices

- 1. Financial Reports (actuals to budget) to 31 December 2024**
 - a. Financial Commentary
 - b. Profit & Loss
 - c. Balance Sheet
 - d. Cash Flow statements

- 2. Towards 2050 Update**

- 3. Economic Commentary**

- 4. Examples of print media and social media engagements**

- 5. Endorsements received**

		Venture Timaru		
		Profit & Loss Statement		
		1 July 2024 - 31 Dec 2024		
		YTD ACTUAL	YTD BUDGET	TDC SOI BUDGET
		31/12/2024	31/12/2024	2024/25
INCOME				
	Economic Development Grant - TDC	\$ 372,500	\$ 372,502	\$ 745,000
	Tourism Grant - TDC	\$ 204,000	\$ 204,000	\$ 468,000
	MyNextMove Contract - ex MSD	\$ 72,778	\$ 72,776	\$ 176,700
	Reg Apprenticeship Initiative - ex Kanoa (Provincial Development Unit)	\$ 195,851	\$ 195,851	\$ 300,000
	Major Events Funding - Tourism ex TDC	\$ 195,000	\$ 245,000	\$ 245,000
	Private Sector Partnership - TDC	\$ 1,687	\$ 1,688	\$ 13,000
	Regional Events Funding - Tourism ex Central Government	\$ 71,995	\$ 71,995	\$ 71,995
	Active Transport Strategy Trails - TDC	\$ 6,335	\$ -	\$ -
	Other Income - ED	\$ 10,250	\$ 10,250	\$ 20,500
	Other Income - Tourism	\$ 12,450	\$ 12,700	\$ 24,200
	Interest Income	\$ 20,171	\$ 19,200	\$ 40,000
TOTAL INCOME		\$ 1,163,017	\$ 1,205,962	\$ 2,104,395
EXPENDITURE				
	Development HR	\$ 222,941	\$ 232,986	\$ 461,010
	Development expenses	\$ 158,716	\$ 163,421	\$ 339,490
	Tourism HR & Expenses	\$ 205,242	\$ 214,763	\$ 517,200
	MyNextMove Contract - ex MSD	\$ 61,422	\$ 74,290	\$ 190,000
	Reg Apprenticeship Initiative - ex Kanoa (Provincial Development Unit)	\$ 195,851	\$ 195,851	\$ 300,000
	Major Events Funding - Tourism ex TDC	\$ 195,000	\$ 245,000	\$ 245,000
	Private Sector Partnership - TDC	\$ 1,687	\$ 1,688	\$ 13,000
	Regional Events Funding - Tourism ex Central Government	\$ 71,995	\$ 71,995	\$ 71,995
	Active Transport Strategy Trails - TDC	\$ 6,335	\$ -	\$ -
	Special Projects - ex VT Reserves	\$ 4,415	\$ -	\$ 95,000
TOTAL EXPENSES		\$ 1,123,604	\$ 1,199,994	\$ 2,232,695
Provision for taxation				
OPERATING SURPLUS/(DEFICIT)		\$ 39,413	\$ 5,968	(128,300).

Appendix 1: Financial Reports

Financial Commentary

- YTD tracking in line with budget noting:
 - Major Event Funding fully allocated as detailed within Sept 2024 quarterly report t council \$195K of \$245K distributed with residual to be distributed in Q1 for Jan – June 2025 events.
 - Development HR approx. \$10K below budget o/a new Bus Dev Mgr role not appointed until Sept 2024
 - Unbudgeted Active Transport Strategy project awarded to VT by Council \$50K – District Walk and Bike Trails. We consider we are well placed to deliver like-projects for council.
- We actively review and seek cost savings and efficiencies by reviewing our cost structures monthly.
- Whilst a number of our larger operational expenses are fixed (HR, Visitor Centres etc...) in the six months to Dec 2024 we have achieved savings in our variable costs across subscriptions, office administration and IT.

Actual v Budget Balance Sheet and Cashflow Statements follow.

Balance Sheet and Cash Flow Statements					
VENTURE TIMARU LIMITED			VENTURE TIMARU LIMITED		
Statement of Financial Position as at 31 December 2024			Statement of Cash Flows for the 6 months to 31 December 2024		
	Actual	Annual		Actual 6 mths to	Annual Budget
	31/12/25	Budget		30/9/2024	30/6/25
		30/6/25			
Assets			Cash Flows from Operating Activities		
<i>Current Assets</i>			Interest and dividends	21,309	40,000
Bank accounts and cash	257,000	297,000	Cash receipts from operating activities	1,230,795	2,040,000
Debtors and prepayments	24,700	39,500	GST	(95,454)	(41,000)
Short term investments	760,800	369,000	Payments to suppliers and employees	(1,264,224)	(1,660,000)
Other current assets	14,000	10,100	Cash payments for other operating activities		(804,000)
Total Current Assets	1,056,500	715,600	Income Tax	(10,889)	-
			Total Cash Flows from Operating Activities	(118,463)	(425,000)
<i>Non-Current Assets</i>					
Property, Plant and Equipment	33,700	35,000	Cash Flows from Investing and Financing Activities		
Total Non-Current Assets	33,700	35,000	Receipts from sale of property, plant and equipment	250	-
			Receipts from maturity of investments	173,703	410,000
Total Assets	1,090,200	750,600			
			Total Cash Flows from Investing and Financing Activities	173,953	410,000
Liabilities					
<i>Current Liabilities</i>			Net Increase/(Decrease) in Cash	55,490	(15,000)
Creditors and accrued expenses	54,900	98,000			
Employee costs payable	54,200	56,000	Bank Accounts and Cash		
Funding unallocated	401,800	185,000	Opening cash	201,536	312,000
Total Current Liabilities	510,900	339,000	Net change in cash for period	55,490	(15,000)
			Closing cash	257,026	297,000
Total Assets less Total Liabilities (Net Assets)	\$ 579,300	411,600			
Accumulated Funds					
Issued Capital	1,000	1,000			
Equity	578,302	410,600			
Total Accumulated Funds	579,300	411,600			



The Future Starts Here.

Shaping Timaru's Path to 2050

Background

An initial high level desktop report was carried out to explore the district's economic future and identify pathways for sustainable growth. The report evaluated key economic indicators and presented various scenarios for Timaru's development by 2050, offering insights into how different strategies could impact the district's prosperity.

The report evaluated key economic indicators and emphasised significant challenges posed by demographic shifts, particularly the aging population. Without action, Timaru risks economic decline, with stagnating job numbers and limited GDP growth. Maintaining the status quo is not an option, and to sustain current employment levels alone, the population must grow or innovate ways of 'working smarter not harder'.

By developing aspirational growth scenarios and working collaboratively on a community wide plan, we can create new opportunities and strengthen both the economy and the wellbeing of our community, ensuring a prosperous future.

Whats been happening?

Engagement Plan Launched

Engagement



20
Cross Sector Leaders At Launch

90
Business Consultations To Date

7
Sector Consultations To Date

46
Public Survey Completions February

Feedback



Survey respondents have indicated Workforce & Education, Community Wellbeing and Economic growth as the top 3 priorities.

An ageing population, health services, housing, regulatory environment and wealth gaps are common themes of key challenges.

There is an overarching emphasis on retaining youth within the district by creating better work and education opportunities and recreational activities.

Community Communications & Promotional Plan Launched February 2025



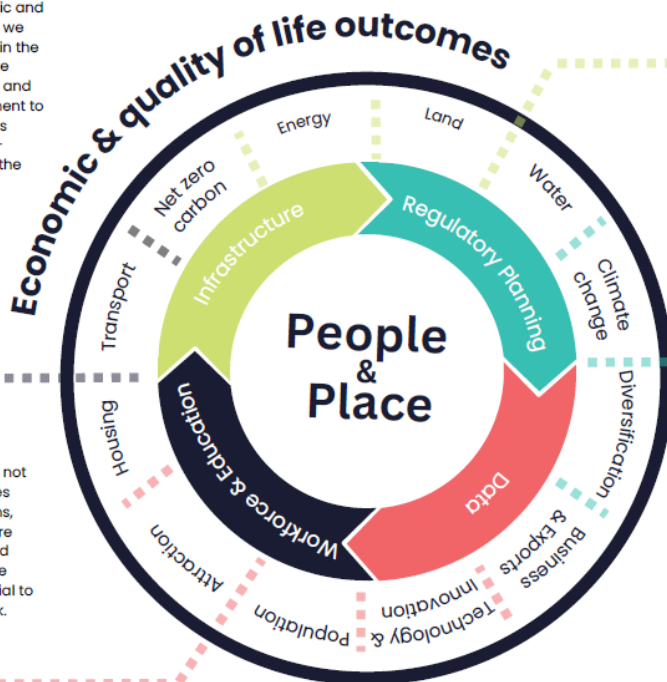
What we've learnt?

Consultations to date have revealed the following learnings,

- **People-Centric Economic Growth**
Growth should be approached with a people-centric focus, balancing economic development with sustainability and well-being. Innovation should prioritize solutions that benefit both people and the environment, ensuring sustainable outcomes for future generations.
- **Community and Place at the Heart of the Vision**
The vision should place people and place at the center, aiming to create a sustainable, thriving community where all residents can thrive. A holistic approach to infrastructure and services will ensure long-term social, economic, and environmental resilience.
- **Population Decline and Innovation as a Response**
Given the population decline, driven by lower fertility rates, an innovative mindset is essential. Leveraging technology and automation will help maintain economic viability while creating new value and addressing both environmental and social challenges.
- **Dynamic, Long-Term Vision for Future Generations**
The plan should be designed with future generations in mind, ensuring strategies remain dynamic and adaptable to future needs. This will involve sustainable infrastructure, education, and environmental protection, providing opportunities for future residents.
- **Addressing the Aging Population**
With a growing aging population, it is crucial to focus on age-friendly infrastructure and workforce solutions. Emphasizing training and automation will help ensure a balanced, skilled workforce and accessible environments for older residents.
- **Workforce Development and Education**
With fewer young people under 30, it is recommended to prioritize workforce development and education. Creating opportunities to attract, retain, and upskill talent will help ensure a workforce adaptable to emerging industries and global challenges.
- **Adopting a 'Can Do Timaru' Mindset**
A 'Can Do Timaru' approach is recommended to encourage competition and diverse perspectives. Thinking big, challenging the status quo, and fostering innovation in workforce, infrastructure, and sustainability will drive long-term growth.
- **Agility in Responding to Change**
It is essential to maintain agility in responding to emerging challenges and opportunities. Innovation, sustainable infrastructure, and workforce adaptability will keep the community competitive and resilient, aligned with evolving global and local needs.

A Dynamic Framework

This framework is dynamic and will continue to evolve as we engage and collaborate in the coming months. We move forward with open minds and an unwavering commitment to developing a vision that is aspirational, community-driven, and designed for the benefit of all.



Productivity
Growth in labour productivity over time can imply an increase in the efficiency and competitiveness of the economy.

Employment Growth
Positive employment growth shows that businesses in a region are confident in their activity and outlook to expand their workforce. Job creation provides new opportunities for the population to earn an income, contribute to the local economy, and choose how they live their lives.

Unemployment Rate

Tracking unemployment not only highlights challenges but also enables solutions, paving the way for a more prosperous, inclusive, and dynamic economy where everyone has the potential to thrive in meaningful work.

Population Growth

A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad.

Measuring Success

Adopting datasets is a crucial tool for measuring success, identifying opportunities, and ensuring resilience, adaptability, and agility towards 2050. The initial measures we have implemented contribute to both economic growth and overall wellbeing. Moving forward, Level 2 datasets will be integrated alongside the plan's key milestones.

Whats Next?

Milestones & Plan Formulation - **First Draft Due 30 June 2025**



Continued Engagement



12 Community Workshops & Events	40 Business Consultations by 30 June	24 Sector Consultations By 30 June
---	--	--

Insights



<p>Timaru's growing diversity, driven by Pacific, Asian, and MELAA communities, requires proactive strategies in workforce, education, and housing. <i>Nils Macfarlane, Multicultural Aoraki</i></p>	<p>We need to take a proactive approach to our aging population, focusing on workforce flexibility, innovative housing, AI adoption, and intergenerational collaboration. <i>Christ Thomas, Age Concern South Canterbury</i></p>	<p>Long-term solutions to promote wealth, including workforce development, affordable childcare, and reducing inequality are required for families to thrive. <i>Carolyn Copper, PSSC</i></p>
--	--	---

Read the full insights, vtdevelopment.co.nz/towards-2050/surveys,-consultations-and-feedback

Appendix 3 : Economic Commentary and Monitoring Indicators

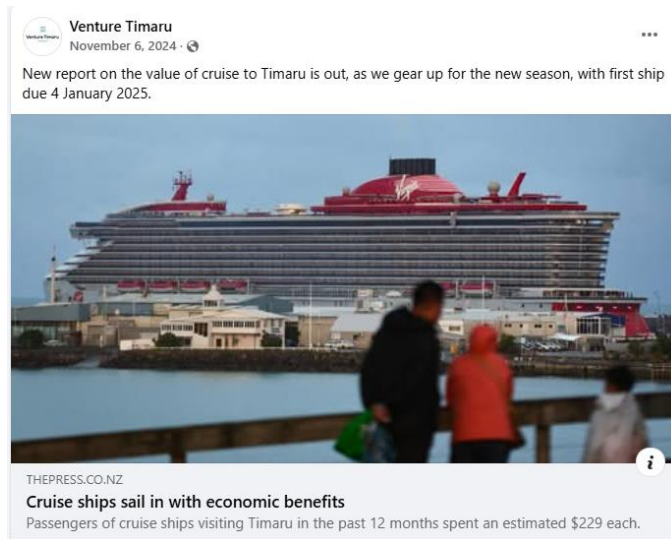
The end of the year saw the district continuing to face some challenging economic times, largely matching the downturn being experienced nationally.

That said there are signs that economically we are starting to rebound

- transport and logistics operators are very busy, food processors and manufacturers are well into their traditionally busy processing season and the construction sector is starting to see new activity across both commercial and residential sectors.
- pleasing also to see new to district investment in the two developments at the Humphries Corner site (commencing) and the former Hopkinsons site (completed).
- Consumer spending in Timaru remains relatively buoyant despite the December closure of Alliance Smithfield. Timaru’s consumer spending rose 3.4% in the year to December 2024, compared to 0.2% nationally and 1.1% across Canterbury. December 2024 quarter spending rose 1.4%pa, compared to a 0.5% decline nationally .


At time of writing we awaited release of the December quarters economic data from our provided Infometrics.

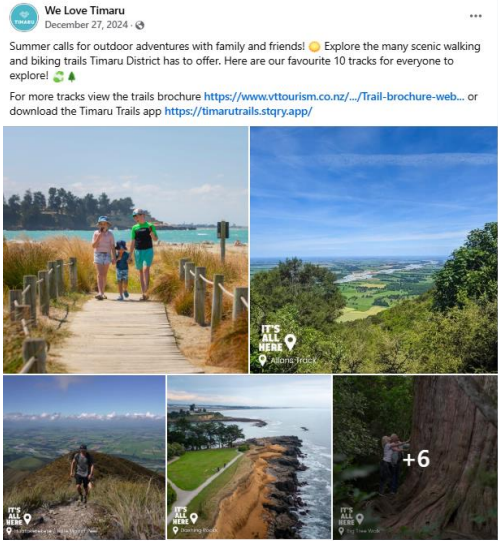
Appendix 4 : Examples of print media and social media engagements



Driving success for Venture Timaru project at national awards







Appendix 5 : Feedback/Endorsements

Simon Carter: *We are immensely grateful for the ongoing support of Timaru District Council and Venture Timaru as one of the major funders of our staple events: the South Island Masters Games, Brews on the Bay, and the Timaru Seaside Festival. Venture Timaru's proactive and community-driven approach has been instrumental in bringing these events to life. Their dedication to fostering local growth and creating dynamic opportunities for the region is unparalleled. Their commitment to helping organisations like ours succeed reflects their vision of a vibrant, thriving Timaru. We are proud to partner with such a forward-thinking and passionate organisation that consistently goes above and beyond to support local initiatives.*

Grainstor: *I just wanted to take a moment to thank each of you and your teams for the tremendous effort and energy that went into making yesterday's Job Fair a success. The sense of community among local and even some not-so-local businesses was incredibly heartening, and it was clear how much thought went into the planning and execution of the event. The "have fun" mantra set at the briefing genuinely captured the spirit of the day. The positive energy and organization on-site were the foundation of a welcoming environment that allowed everyone to focus on connections and opportunities. I'm pleased to share that Farmers Mill welcomed a new team member today and we're hoping to extend another offer later this week. We're also all acutely aware of the distressing news surrounding the closure of the Alliance Smithfield meat works plant, and our thoughts are with those affected by this change. It's reassuring to know that with initiatives like yesterday's fair, there are avenues of support and opportunity for impacted workers. Thank you once again for everything you've done to bring this event to life. It was an inspiring day, and we're grateful for the chance to be a part of it.*

Silver Fern Farms: *Kia Ora team, Just a quick message from us here at Silver Fern Farms to thank you all for the hard work you put into yesterday's job fair. We spoke with some amazing people and managed to connect with around 25-30 people that we are hopeful we can match with suitable employment. It is amazing to see everyone is good spirits as well considering the circumstances - its brilliant support you are offering. Thank you very much for all your efforts and allowing us to be a part of it. Thanks again from all of us here at Silver Fern Farms 😊*

6.4 Timaru District Holdings Limited Quarterly Report (1 July 2024 to 31 December 2024)**Author:** Jessica Kavanaugh, Team Leader Governance**Authoriser:** Stephen Doran, Group Manager Corporate and Communications**Recommendation**

That Council receives and notes the Timaru District Holding's Limited Quarterly Report for the period 01 July 2024 to 31 December 2024.

Purpose of Report

- 1 To present to Council, for information and as a requirement of the Statement of Intent (Sol) the quarterly performance report of Timaru District Holdings Limited for the period 01 July 2024 to 31 December 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 progress of Timaru District Holdings Limited against its Statement of Intent (Sol) which is considered by Council annually.

Discussion

- 3 Timaru District Holding Limited's quarterly performance report for the six-month period 01 July 2024 to 31 December 2024 is attached. This update is provided to Council as a requirement of Timaru District Holding Limited's Statement of Intent (Sol) with Council and provided on a quarterly basis.
- 4 Following the presentation of the Statement of Intent 2024/25 to Council at the July 2024 meeting, key areas of focus for Timaru District Holdings Limited are intergenerational investments, property portfolio, and new investments and diversification.
- 5 The activity updates for the period and commentary on the financial statements are outlined in the attached report.
- 6 The Chair and General Manager of Timaru District Holdings Limited will be in attendance to speak to the report.

Attachments

1. **Timaru District Holdings Limited Quarterly Report to 31 December 2024** [↓](#) 



The Chief Executive
Timaru District Council
nigel.trainor@timdc.govt.nz

11 February 2025

Dear Nigel

Report for period 1 July 2024 to 31 December 2024

Please find attached the TDHL half yearly report for the period 1 July 2024 to 31 December 2024. The report is prepared in accordance with the 2024/2025 Statement of Intent which can be found [here](#) and contains the financial statements, activity updates and commentary for the financial year to 31 December 2024.

The statements show that as at 31 December, TDHL's operational performance is tracking ahead of budget. However, forecast year end EBITA is negative to budget due to moving the Showgrounds settlement into the next financial year.




Further to this, it is now anticipated that incorporated Alpine Energy Ltd surplus will be negative to budget. This is a non-cash incorporation but impacts on the Net Profit and carries through to the financial performance targets, which are now forecast not to be met.

From an activity perspective, LGFA accession was completed in December 2024, representing a significant enabler to TDHL's diversification pathway and ability to pursue new investment opportunities.

Regards

A handwritten signature in blue ink, appearing to read 'Frazer Munro', is written over a light blue horizontal line.

Frazer Munro
General Manager

tdhl.co.nz 
admin@tdhl.co.nz 
PO Box 178 Timaru 7910 

2024/25 Half Yearly Report

Report for the period 1 July 2023 to 31 December 2024

Activity and Performance Targets

The specific 2024/25 Activity and Performance Targets for TDHL are set annually in the **Statement of Intent** and are designed to support the higher-level Strategic Priorities and Outcomes. An assessment of TDHL's achievement against the activity targets is set out below:


<p>Intergenerational Investments</p> <p>Annually undertake at least one workshop with each associate on Board skills matrix, succession planning, strategic outlook and financial performance.</p> <p>+</p> <p><input checked="" type="checkbox"/> Complete and ongoing. Workshops undertaken December 2024 and February 2025.</p>	<p>Property Portfolio</p> <p>Achieve a three-year rolling average return on investment of 7% or greater for Port property held for investment purposes.</p> <p>+</p> <p><input checked="" type="checkbox"/> To be calculated at the end of the 2024/25 year.</p>	<p>New Investments and Diversification</p> <ul style="list-style-type: none"> Complete construction of Stage 1 of Lyndon Street. Review Capital Structure <p>=</p> <p><input checked="" type="checkbox"/> On track. Lyndon construction commenced, Capital review complete.</p>	<p>Shareholder Return</p> <ul style="list-style-type: none"> Pay a dividend to TDC of \$1.2m. Hold at least one workshop with Council per annum. Achieve statutory compliance <p><input checked="" type="checkbox"/> Dividend to be considered at the end of financial year. Workshop held 27 Aug. 2024 compliance achieved</p>
<p>Relationships + Partnerships</p> <p>That the TDHL Chair and/or GM presents the quarterly reports to Council. That TDHL undertakes an external Board Review</p> <p><input checked="" type="checkbox"/> On track. Chair and GM presented reports at 1 July, 17 September and 10 December Council meetings. Workshop held 27 August. Achieved - external Board review completed and shared with Council.</p>			

Timaru District Council 

- TDHL would like to thank the Mayor and Councillors for their attendance at the December AGM.
- LGFA accession was successfully completed in Dec.
- Engagement continues with Council, officers and Venture Timaru on opportunities and matters of joint interest.
- The Chair, deputy Chair and General Manager will provided Councillors with a Strategic update in February 2025.

Alpine Energy 

- The TDHL Board and new LineTrust Trustees meet in December to discuss further collaboration.
- Aaron Bethune was appointed as an Alpine director in late Dec, effective 1 January.
- The Shareholders issued a collective Letter of Expectations to Alpine in February.
- Alpine continues to engage with the Commerce Commission to remedy the price path correction.

PrimePort Timaru 

- A collective TDHL and Port of Tauranga Letter of Expectations was sent to PrimePort in November.
- The PrimePort Chair presented to the February TDHL Board meeting.
- Work on the joint District Plan Review submission and attendance at hearings continues.

Property Portfolio 

- In November construction works were completed on the restoration works at 117 Stafford St - the Union Bank building.
- Lyndon Street extension construction commenced in January with expected completion date of March / April 2025.

Financial Performance Targets	Measure	2024/25 SOI Target	Forecast
<p>An assessment of TDHL's achievement against the performance targets is set out to the right.</p> <p><i>The financial statements for the six months ending 31 December 2024 are below.</i></p>	EBITA	\$2,341,051	⊗ \$2,078,252
	Net Profit to S/H funds	6.8%	⊗ 4.7%
	Net tangible assets per share	\$6.40	⊗ \$6.25
	Earnings per share	\$0.45	⊗ \$0.30
	Dividends per share	\$0.04	⊙ \$0.04
	Shareholder funds to total assets	86%	⊙ 85%

Profit and Loss – For the 6 months ended 31 December 2024

- The year to date operating profit of \$695k is positive to budget of \$654k, as is the net income to date of \$521k against budget of \$400k.
- A \$750k dividend was received from PrimePort in October
- As detailed in the cover letter, as a result of moving the Showgrounds settlement to next financial year, forecast full year other income is reduced, resulting in reduced earnings before interest and tax.
- Further to this and as illustrated in the financial performance targets above, reduced forecast incorporation of associate surplus (which is a non-cash incorporation) results in the forecast full year Net Income being below budget. TDHL continues to work with the associates to update and refine the forecasts

PROFIT & LOSS	2023/2024 (YTD)	2024/2025 (YTD)	Budget 2024/2025 (YTD)	Budget 2024/2025 (Full Year)	Forecast 2024/2025 (Full Year)
Revenue	\$1,606,528	\$1,770,765	\$1,799,437	\$3,555,086	\$3,582,182
Cost of Sales	\$421,790	\$480,302	\$518,970	\$987,315	\$1,016,075
Gross Profit	\$1,184,737	\$1,290,462	\$1,280,467	\$2,567,771	\$2,566,108
Expenses	\$502,737	\$595,086	\$626,421	\$2,124,716	\$1,246,233
Operating Profit	\$682,000	\$695,376	\$654,046	\$443,055	\$1,319,875
Other Income	\$1,228,639	\$750,000	\$750,000	\$1,900,000	\$750,000
Earnings Before Interest & Tax	\$1,910,639	\$1,445,376	\$1,404,046	\$2,343,055	\$2,069,875
Interest Income	\$94,810	\$18,279	\$0	\$39,768	\$32,232
Interest Expenses	\$988,225	\$941,899	\$1,003,485	\$2,051,372	\$1,663,042
Earnings Before Tax	\$1,017,224	\$521,756	\$400,561	\$331,451	\$439,065
Tax Expenses	\$0	\$0	\$0	-\$117,195	-\$117,195
Earnings After Tax	\$1,017,224	\$521,756	\$400,561	\$448,646	\$556,260
Incorporation of Associate Surplus	\$0	\$0	\$0	\$13,376,850	\$8,601,839
Net Income	\$1,017,224	\$521,756	\$400,561	\$13,825,496	\$9,158,099
Retained Income	\$1,017,224	\$521,756	\$400,561	\$13,825,496	\$9,158,099

Movements in Equity – For the 6 months ended 31 December 2024

Movements in Equity	2024/2025 (YTD)
Equity - Opening Balance	\$185,525,003
Current Year Earnings	\$521,756
Equity Dividends Paid	\$0
Total Equity	\$186,046,759

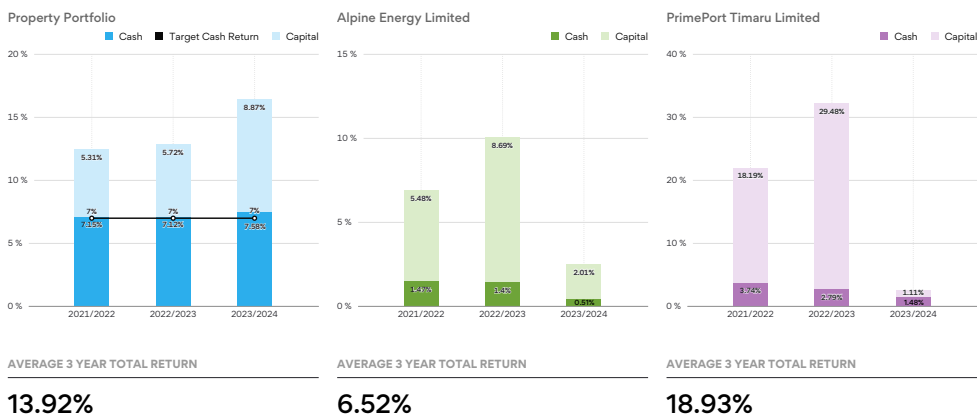
Balance Sheet – As at 31 December 2024

BALANCE SHEET	2023/2024 (YTD)	2024/2025 (YTD)
ASSETS		
Cash & Equivalents	\$552,080	\$630,500
Accounts Receivable	\$160,980	\$185,473
Other Current Assets	\$147,643	\$1,278,886
Total Current Assets	\$860,703	\$2,094,860
Investments or Other Non-Current Assets	\$208,261,944	\$214,552,471
Total Non-Current Assets	\$208,261,944	\$214,552,471
Total Assets	\$209,122,647	\$216,647,331
LIABILITIES		
Accounts Payable	\$822,070	\$187,221
Tax Liability	\$873,089	\$619,024
Other Current Liabilities	-\$18,930	\$113,713
Total Current Liabilities	\$1,676,230	\$919,958
Long Term Debt	\$27,080,613	\$29,680,613
Total Non-Current Liabilities	\$27,080,613	\$29,680,613
Total Liabilities	\$28,756,843	\$30,600,571
EQUITY		
Retained Earnings	\$130,182,394	\$136,858,817
Current Earnings	\$1,017,224	\$521,756
Other Equity	\$49,166,186	\$48,666,186
Total Equity	\$180,365,804	\$186,046,759
Total Liabilities & Equity	\$209,122,647	\$216,647,331

Statement of Cash Flows - For the 6 months ended 31 December 2024

	2023/2024 (YTD)	2024/2025 (YTD)
OPERATING ACTIVITIES		
Rentals	\$1,799,628	\$1,971,170
Interest received	\$94,810	\$18,279
Dividends Received from Alpine Energy	\$942,279	\$0
Dividends Received from Primeport	\$757,500	\$750,000
	\$3,594,217	\$2,739,448
Payments to suppliers and employees	(\$1,321,959)	(\$1,395,094)
Interest Payments & Line of Credit	(\$858,245)	(\$927,969)
	(\$2,180,204)	(\$2,323,063)
Cash Flow from Operating Activities	\$1,414,013	\$416,385
INVESTING ACTIVITIES		
Capital Works	(\$2,524,386)	(\$740,094)
Cash Flow from Investing Activities	(\$2,524,386)	(\$740,094)
FINANCING ACTIVITIES		
Dividends Paid	(\$500,000)	\$0
Change in Long Term Debt	(\$1,000,000)	\$767,976
Term Deposit	\$0	(\$800,000)
Cash Flow from Financing Activities	(\$1,500,000)	(\$32,024)
Change in Cash & Equivalents	(\$2,610,373)	(\$355,733)
Cash & Equivalents, Opening Balance	\$3,162,454	\$986,233
Cash & Equivalents, Closing Balance	\$552,080	\$630,500

Segmented Portfolio Return 2021/22 to 2023/24



The Property Portfolio returns include property available to lease on commercial terms. Legacy properties (e.g. 1 Unwin Street) and Capital Projects (e.g. Martin Street) are excluded from the calculation. FY24 returns based on all properties' owned by TDHL are as follows; Cash 4.74%, Capital 5.87%, Total 10.61%.



- The graphs above show the last 3 years return from each of TDHL's investment sectors. The top graph shows percentage return and the lower graph shows absolute/dollar return.
- These show the strong cash and capital returns generated from the property portfolio and the predominance of the capital return that is generated by Alpine and PrimePort. It is important to note that Alpine and PrimePort are subject to 3 to 5 yearly asset revaluation cycles that results in a lumpy capital return profile. TDHL is required to revalue its property portfolio annually.
- The 2023/24 year presented challenging trading considerations for both associates which was further impacted by changes to tax legislation.

6.5 Actions Register Update

Author: Jessica Kavanaugh, Team Leader Governance

Authoriser: Stephen Doran, Group Manager Corporate and Communications

Recommendation

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

Purpose of Report

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

Assessment of Significance

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

Discussion

- 3 The actions register is a record of actions requested by Councillors. It includes a status and comments section to update the Council on the progress of each item.
- 4 There are currently 12 items on the actions register.
- 5 8 items are marked as ongoing.
- 6 No items are marked as completed and are proposed to be marked as removed at the next meeting.
- 7 4 items are marked as removed and will be taken off the list at the next meeting.

Attachments

1. **Council Actions Required** [↓](#) 

Information Requested from Councillors (Council)

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

Information Requested	Budget Reallocation Trial				
Date Raised:	17 October 2023			Status:	On Going
Issue Owner	Chief Financial Officer	Due Date:	When presented	Completed Date:	
<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> <p>September 2024 Update: This will remain on here until such time it is used for a report at which time we will review layout for approval for on going use.</p> <p>January 2025 Update: A formal process for this is still being developed. GMs will continue to bring papers to council when required.</p> <p>04 February 2025 Council Meeting: This action was requested and agreed to be presented at the 18 February 2025 Commercial and Strategy Meeting.</p> <p>Update: A verbal update was given at the 18 February Commercial and Strategy Meeting. The new Senior Finance Business Partner will look at implementing a process with managers after understanding the organisation through the Annual Plan process.</p>					

Information Requested	Investigate Subcontracting Across Council				
Date Raised:	12 December 2023			Status:	On Going
Issue Owner	Group Manager Infrastructure	Due Date:		Completed Date:	
Background:					

#1595414

The Councillors requested a report on sub-contracting across council where sub-contracting is occurring with the consideration to if these services can be delivered in-house.

Examples include – Street sweeping, rubbish collection.

March 2024 Update: The Infrastructure Group is looking at alternative ways of carrying out various services, starting with the s17a review of Parks. Some of the identified opportunities will be included within the report on underutilised assets.

May 2024 Update: Direction has now been received on Parks and Recreation services. Review of Public Place Waste Disposal is being carried out – seeking direction if there are other areas Councillors would like reviewed.

July 2024 Update: Officers met on 23 May to discuss potential efficiencies in the delivery of services across different groups. These included the use of in-house services across groups or consolidation of individual contracts within groups to take a Council wide approach. Examples are use of in-house parks resources for Council property grounds maintenance, consolidation of public refuse bins collection to gain economies of scale, or consolidation of cleaning services into a Council wide contract rather than contracts in individual groups. The outcome is to initiate the development of a 5 year delivery plan for services that can be delivered in house or packaged in a different way to ensure the best community outcomes.

August 2024 Update: Request for a road map to come back to Council.

September 2024 Update: The first business case (street sweeping) is being finalised for the group to review. This template will then be used for the other services that have been identified as there being potential opportunity for review. The list so far includes General Cleaning, Building Maintenance, Graffiti, Gardening, Commercial Waste, Public Place Waste and Security. The purpose of having a 5 year plan is around looking at contracts that may not be due to expire for some time but to have a plan for when they do expire.

October 2024 Update: The Street Sweeping business case has been completed with a recommendation to retain the status quo contracting this out. Business cases are currently being prepared for cleaning and electrical services. This will be an ongoing project over several months as we work through various services. Is Council seeking continued updates or comfortable that this piece of work is being managed and can be removed from the actions register.

December 2024 Update: Further investigation is underway connected to the action below “Investigate Small Trades’ and a report will be brought to Council on 4th February.

February 2025 Update: A review is currently being carried out around public place waste and how this service is delivered.

04 February 2025 Council Meeting: This action was requested and agreed to be presented at the 04 March 2025 Council Meeting. This action is now linked to the “Investigate Small Trades” and will be tabled at the 4 March 2025 meeting.

#1595414

March 2025 Update: Currently working through implications for existing contract if street sweeping were to be brought in-house. Current contractual arrangement not due to expire till June 2028.

Information Requested	Investigate Small Trades				
Date Raised:	12 December 2023			Status:	On Going
Issue Owner	Group Manager Property	Due Date:	4 th February 2025	Completed Date:	
<p>Background:</p> <p>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"> • Are we getting competitive pricing with a preferred supplier. • Do we get to a level whereby in-house provision of the particular trade could be the better way forward. <p>Update: Investigation is in progress and will return to council once complete.</p> <p>September 2024 Update: This is underway, working on electricians, plumbers, cleaners as a starting point.</p> <p>December 2024 Update: Further investigation is underway connected to the action above 'Investigate Suncontracting Across Council' and a report will be brought to Council on 4th February.</p> <p>January 2025 Update: Work has been completed and a business case being developed with outcome of investigation. This will come to Council for the 4th March 2025 meeting.</p> <p>February 2025 Update: A report on Plumbing, Electrical, Building and Painting is being presented at 4 March Meeting. A report on cleaning will return to Council aafter further investigation.</p>					

Information Requested	Underutilised Assets – Quarterly Report				
Date Raised:	12 December 2023			Status:	Completed
Issue Owner	Group Manager Property	Due Date:	10 December 2024	Completed Date:	January 2025

#1595414

Background:

The Councillors requested an investigation on assets that are not being utilised that could be sold. For example small pieces of land.

Update:

A property list has been sent to the Programme Delivery Manager for Infrastructure to check off and add or delete any properties, as well as note if they are available for possible sale/divestment. Manager of Property Services and Client Representative is working on the vertical property list. This should be tabled at the next meeting.

March 2024 Update: Work is continuing on this to present to Council for consideration.

26 March 2024: The Councillors agreed to merge this action with the following: Background: 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.

May 2024 Update: The report on underutilised assets is being presented to the May Council meeting.

July 2024 Update: Next report going to the 13 August Council meeting for an update and next group of properties for review.

July 2024 Update: Requested is for a clearer process moving forward, including, information of advertising the assets, and assets put back on the table for discussion. This Action will be subject further discussion between CE and Officers.

August 2024 Update: Request for an update to be presented at the 17 September Council meeting

October 2024 Update: Development of a draft property divestment policy which will be presented to Council in December alongside an update on progress of sale of assets as agreed in prior Council resolutions.

December 2024 Update: Draft Divestment of Property Policy being presented to Council for consideration at December 10th Council Meeting. Suggest removal from Register with agreed quarterly reports on underutilised assets to be presented to Council starting March 2025.

January 2025 Update: Recommend that this action can be removed, a report will come to Council each quarter with updates on divestment of properties and assets in general.

04 February 2025 Council Meeting: This action was requested to remain on the action register until the Divestment of Property Policy is finalised and a firm understanding from Councillors of what the Council own.

11 February 2025 – Divestment of Assets will now take the form of a quarterly report to Council with an update of assets for sale, proposed assets for confirmation and resolution. Next report will be 1 April 2025.

#1595414

Information Requested	Template for Financial Impact				
Date Raised:	12 December 2023			Status:	On Going
Issue Owner	Chief Financial Officer	Due Date:	When presented	Completed Date:	
<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>September 2024 Update: This will remain on here until such time it is used for a report. At this time we will review layout for approval for on going use.</p> <p>January 2025: No further update. Financial considerations section is a mandatory sections in the new agenda management tool.</p> <p>February 2025: Further work has gone into development of a template for the Financial and Funding Implications section of the decision making report. Once internal feedback has been collated and implemented, this will be circulated to Councillors for feedback.</p>					

Information Requested	Social Housing				
Date Raised:	7 March 2024			Status:	Completed
Issue Owner:	Group Manager Property	Due Date:	10 December 2024	Completed Date:	January 2025
<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>					

#1595414

July 2024 Update: Report will be going up to the September Council meeting.

August 2024 Update: request to stay on the actions register until papers have been presented to Council September meeting

October 2024 Update: A Workshop has been scheduled for 19th November, which will be followed by a report to Council in December.

December 2024 Update: Workshop presented on 3rd December and reports included in December 10th Council meeting.

January 2025 Update: Following the 17A Paper, it was agreed that a working group explore what housing options are required in the district. A report will come back to Council on 1 April 2025. Recommend that this action can now be removed.

Information Requested	List of Council Owned Properties			
Date Raised:	26 March 2024		Status:	Completed
Issue Owner:	GM Property/ GM Infrastructure	Due Date:	TBA	Completed Date: December 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>August 2024 Update: request for a full list of all council assets, including underutilised to come back to Council.</p> <p>October 2024 Update: List has been compiled of all Council Property and work is ongoing in the Infrastructure Group to investigate purpose/ use of land parcels with limited information other than rating unit number.</p> <p>December 2024 Update: GM Property – This list is attached to the Policy report in December 10th Council Meeting. Suggest removal from register or update to reflect ongoing investigation of Infrastructure into purpose/ use of land parcels.</p> <p>A full list of Council owned properties was tabled in December 2024. This will now form part of the divestment property quarterly report and can be removed.</p>				

#1595414

Information Requested	Monthly Financials				
Date Raised:	13 August 2024			Status:	Completed
Issue Owner:	Chief Financial Officer	Due Date:	January 2025	Completed Date:	January 2025
<p>Background: Councillors requested for monthly financials with reforecasting and a list of issues that Council is aware of including those with uncertain costs associated. This action was discussed in item 9.3 (Interim 2023/24 KPI and Draft Financial Performance Report to 30 June 2024).</p> <p>September 2024 Update – When monthly financials are completed for the month, these will be circulated. The first reforecast will be done for the six monthly accounts (January 2025).</p> <p>January 2025 Update: Financials are currently being worked on and will be emailed to elected members when complete and presented to Commercial and Strategy Committee on 18 February.</p>					

Information Requested	Vertical Infrastructure Maintenance Report (Quarterly)				
Date Raised:	22 October 2024			Status:	Ongoing
Issue Owner:	Chief Executive/ GM Property	Due Date:	4 February 2025	Completed Date:	
<p>Background: Councillors requested quarterly reporting on the status of Council owned vertical infrastructure, including community facilities, to allow for oversight on the sufficiency of budget allocated to operating costs.</p> <p>December 2024 Update: Report on progress will be presented to Council on 4th February 2025.</p> <p>January 2025 Update: The report is in draft pending discussion internally and will be reported on at the 4th March 2025 meeting.</p> <p>February 2025 Update:</p>					

Information Requested	Update on resolution of ECan Rates Error including future options				
Date Raised:	22 October 2024			Status:	Completed
Issue Owner:	CFO/ GM Corporate and Communications	Due Date:	September 2025	Completed Date:	4 February 2025

#1595414

~~Background: Mayor Nigel Bowen requested that a report be brought back to Council with information on the progress of resolving the rating issue, benefits of providing this service on behalf of Environment Canterbury and that officers look into options to invoice the rates separately.~~

~~November 2024 Update: Finance Manager presented verbal update to Commercial and Strategy Committee on 19th November with progress to date. GM Corporate and Communications agreed to bring invoice formatting and colour coding options to separate TDC and ECan portions back to Council to consider for implementation in the 2025/26 financial year.~~

~~February 2025: A new bill model will be designed for Instalment 1 in FY 2025/26 to ensure that people have a clearer understanding of their rates charges, and what goes to each body. Request removal from register.~~

Information Requested	Report on Parking			
Date Raised:	04 February 2025		Status:	
Issue Owner:	Group Manager Infrastructure	Due Date:		Completed Date:
Background: Councillors requested a paper on what the Timaru District Council are paying for the deck above Kathmandu.				
March 2025 Update: Report is currently being prepared to present to Councillors.				

Information Requested	NZTA to speak at Council Meeting			
Date Raised:	04 February 2025		Status:	
Issue Owner:	Group Manager Infrastructure	Due Date:		Completed Date:
Background: Councillors requested that NZTA speak to the Council regarding issues on Statehighway one (Showgrounds)				
March 2025 Update: Invitation is being extended to NZTA to speak with Council				

#1595414

6.6 Appointment of Community Board Member to a Local Organisation

Author: Jessica Kavanaugh, Team Leader Governance

Authoriser: Stephen Doran, Group Manager Corporate and Communications

Recommendation

That Wayne O'Donnell be appointed as a voting member to the Geraldine District Foundation.

Purpose of Report

- 1 To confirm the appointment of a Geraldine Community Board member as a voting member to the Geraldine District Foundation.

Assessment of Significance

- 2 This report is of low significance in terms of the Council's Significant and Engagement Policy as there are no financial implications or changes to the level of service.

Background

- 3 Community Boards make appointments to various local organisations, voting positions need to come to Council for approval.
- 4 A report was tabled at the Geraldine Community Board meeting held on 12 February 2025 where Wayne O'Donnell was recommended to be appointed as a member (with voting rights) to the Geraldine Districts Foundation.
- 5 There is only one member appointed from the Geraldine Community Board to the Geraldine District Foundation, under the Dead of Trust.

Discussion

- 6 The Geraldine District Foundation term of appointment is three years, however due to the end of the current triennium in October 2025 this appointment will be valid until October 2025.
- 7 In the new triennium, a new appointment will be undertaken for the term of three years.

Options and Preferred Option

- 8 To appoint Wayne O'Donnell to the Geraldine District Foundation (preferred option).
- 9 To appoint another Geraldine Community Board member to the Geraldine District Foundation.
- 10 Not appoint any Geraldine Community Board member to the Geraldine District Foundation.

Consultation

- 11 No wider consultation is required. The purpose of the appointment is to ensure a Community Board representative and perspective is available to be presented at meetings of the

respective organisations, and in turn to keep the Community Board informed of the respective organisations' plans and activities.

Relevant Legislation, Council Policy and Plans

12 Local Government Act 2002

Financial and Funding Implications

13 There are no financial implications arising from the appointment.

Other Considerations

14 There are no further considerations.

Attachments

Nil

6.7 Rangitata Huts Reserve Camping Ground

Author: Nicole Timney, Group Manager Property
Andrew Feary, Property Facilities Officer

Authoriser: Nigel Trainor, Chief Executive

Recommendation

That Council:

1. Receive and note the report.
2. Discuss options for installation of an above ground or below ground septic tank system or revert camping site to a self-contained site.

Purpose of Report

- 1 The purpose of the report is to discuss and confirm the decision to install an above ground or below ground septic tank system or revert the campground to a self-contained campground for the Rangitata Reserve Campground area.

Assessment of Significance

- 2 The decision to install a new septic system or revert to a self-contained campground is of low to medium significance under Council's Significance and Engagement Policy. There would be a change in the level of service if moving from full facilities for camping to self-contained and there is public interest in this decision, with further comment likely to be received in the upcoming consultation process for the Rangitata Reserve Management Plan.

Background

- 3 In November 2023 a blockage in the pipework of the campgrounds below ground septic tank system was reported to Council. On investigation it was discovered that the main four chambers of the system below ground had been breached by high ground water levels and due to age, had rusted out in the bottom of each chamber.
- 4 The breaching of the water and subsequent continued high-water levels into the chambers had caused a flow on effect with blockages of the pipe work from the septic tank system to the ground pit area.
- 5 Officers met with the Lessees at the time to look at options for repair or replacement. A below ground system or an above ground system. A below ground system given the timing of the event meant that the camp could not operate due to the requirement for consents for repair works or a new system entirely, this was also a high-cost solution. An above ground system was priced and did not require any consents.
- 6 The cost of an above ground system installation consisting of two 20,000 litre tanks only at that time was estimated to be approximately \$34,000 and in accordance with the lease agreement the Lessees would be required to pay the balance of any cost for a new system over and above a \$10,000 contribution from Council.

- 7 The Lessees at the time determined that this was not a cost-effective option for them due to the cost of removal of solids at regular intervals. They requested to be able to run the campground until the end of the summer season, being Easter Weekend and then relinquish the lease back to Council. This was enabled with the assistance of Council funds for hireage of ablutions blocks.
- 8 The following table outlines the last three years of costs to Council to maintain the continued operation of the campground, enabling the Lessees at the time to operate through the 2023-2024 season through to handover and now the current Lessee as a self-contained campground for the current season straddling 2024-2025.

Rangitata Campground	2024/2025	2023/2024	2022/2023	
	\$113.50			Self Contained vehicles only signs x 2
	\$3,976.55			Septic tank site investigation
	\$2,009.29			Reinstallation of caravan supply boxes
	\$1,311.70			Removal of caravan supply boxes
	\$1,889.80			Boarding up of ablution block in preparation for mothballing
		\$6,002.00		Hire of temporary ambution block
		\$3,650.00		Hire of temporary ambution block
		\$5,167.89		Hire of temporary ambution block
		\$5,733.57		Hire of temporary ambution block
		\$358.00		Refilling of water tanks
		\$4,153.76		Hire of temporary ambution block
		\$1,486.50		septic tank pump out
		\$306.25		septic tank pump out
		\$1,727.38		Investigatingseptic tank issues
		\$1,280.00		Clearing septic tank blockage
		\$4,163.20		Installing stormwater drainage
			\$2,417.01	Leaking HWC
Total	\$9,300.84	\$34,028.55	\$2,417.01	

- 9 It should be noted that the lease terms for the campground on the reserve land were set at just under \$1,000 per annum so the campground overall has been running at a loss over the last two seasons with the septic tank issues and has been subsidised by rates.

Discussion

- 10 There have been numerous discussions over the last year regarding the future of the campground with past Lessees, campground users and hut holders. This has included several Local Government Official requests for information (LGOIMA) regarding the opening and closing of the campground, details of the issues with the septic tank and work on gathering information to determine costs of fix or replacement.
- 11 A full investigation into the options was commissioned and a report, Attachment 1, outlines the possible design flow numbers (occupancy numbers being 120 for peak periods and 80 for normal periods which would also capture weekend users) and an estimate of costs for two options, with costs based on 175 days use each year:
 - 11.1 Above ground holding tank solution – The requirement for a dual pump system to pump water to two 30,000 litre above ground tanks. Cost is estimated at \$125,605 for the installation of a pump station, holding tanks and emergency storage. Cost of disposal, depending on camp usage could be as high as \$157,600 per season based on assumed user numbers. This could be significantly less if user numbers were lower. For instance,

50 users per day would bring the cost of emptying down to approximately \$130,000 for 157 days of the campground open season.

To note that there are further costs not allowed for, and this option would possibly require a dewatering and disposal consent. Possible that these works could be done by discharging to the foreshore without a consent.

11.2 Onsite Treatment and Disposal System – Below ground system, like the original system but a new design. Cost is estimated at \$449,750 but will require additional costs for concrete anchoring to ground and twice-yearly maintenance and running costs.

To note that there will be further costs and time associated with applications to Environment Canterbury for required consenting activities.

- 12 Environment Canterbury have been contacted for advice regarding above and below ground options and have confirmed that an above ground system should not require consents, though advice in the attached report comments about possible consents for a dewatering and disposal consent if required depending on design. A new below ground system would require a full consent based on the new design with a likelihood that it would be granted, though we cannot guarantee without putting in a consent and going through the process.
- 13 There is an upfront cost to Council for a full replacement of the underground system with few costs thereafter. An above ground system requires less upfront costs but costs thereafter each year for removal of waste.
- 14 The campground opened for season 2024-2025 in late December with a license for self-contained caravans, motorhomes or camping. This was the only cost-effective alternative to keep the campground open for the season other than closing the campground down for the summer leaving the area exposed to freedom camping.
- 15 There have been teething issues for regular users of the campground with caravans in gaining self-contained status due to the timing of confirmation of opening of the grounds, but this is being worked through with the current campground Lessee.
- 16 For discussion is the overall cost of each option and whether Council feels that there could be a return on capital investment over time. The most cost-effective option is self-contained camping requiring no further capital input to remain open each season other removal of some assets and the below ground tank system which would then be backfilled.
- 17 The above ground or below ground option would necessitate a substantial lease increase, if based on a return of capital over ten years, making each option probably non-viable to any party to lease. The above ground system would require a return each year of approximately \$13,000 and the below ground system \$45,000 before rental and opex charges were applied.

Options and Preferred Option

- 18 Option 1 – Proceed with an above ground septic tank solution noting the approximate cost as per attachment of \$125,605 for a pump, 2 x 30,000 litre tanks and an emergency tank. Costs to be recovered over a ten-year lease scenario with any prospective Lessee or an agreed financial contribution from Council.
- 19 Option 2 – Proceed with a repair or replacement of the below ground system at a cost of \$449,750 with costs to be recovered over a ten-year lease scenario with any prospective Lessee. This option is less likely to be viable for any prospective Lessee and Council will have to financially support this option.

- 20 Option 3 – Proceed with a self-contained designated site with the removal of old buildings and assets not required. This is the most cost-effective option for Council and any prospective Lessee.

Consultation

- 21 Consultation has been occurring with some Hut holders, previous Lessee, current Lessee and campground users over the last twelve months.
- 22 The consultation process for the Rangitata Reserve Management Plan includes the campground and public are invited to comment on the campground as part of that review process which is currently open for submissions.

Relevant Legislation, Council Policy and Plans

- 23 The Local Government Act 2002
- 24 Timaru District Council Long Term Plan 2024 2034
- 25 South Rangitata Reserve Management Plan 2003
- 26 Reserves Act 1977

Financial and Funding Implications

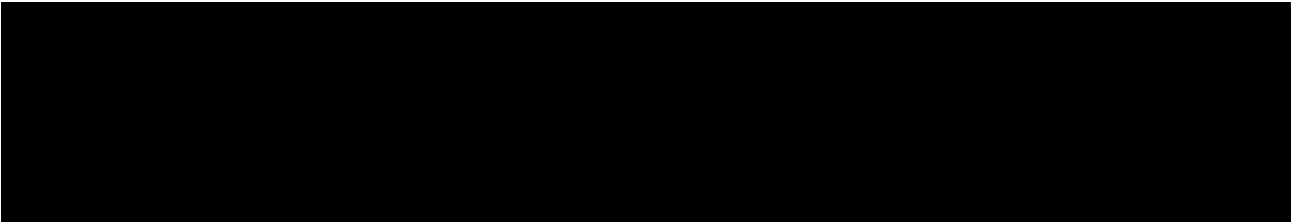
- 27 The financial implications have been noted through the paper regarding costs for above and below ground options for septic tanks.
- 28 Any financial contribution for this work will need to be notified in the Annual Plan 2025-2026.

Other Considerations

- 29 There are no further considerations.

Attachments

1. **250224-Concept Design & Pricing for Rangitata South Campground_Redacted** [↓](#) 



24 February 2025

Timaru District Council
2 King George Place
TIMARU, 7910

Attention: Nicole Timney & Andrew Feary

Dear Nicole & Andrew

Subject: Rangitata South Campground Wastewater System

Introduction

Following on from our earlier indicative pricing, this report provides more robust pricing and is based on preliminary designs and supplier estimates of key components. This is still an estimate, and final costs would only be established following detailed design.

This report looks at the cost of two different options:

- A holding tank solution where the waste would be trucked to the TDC wastewater management facility in Washdyke, and
- A full Oasis Clearwater treatment system design to meet the requirements for a discharge to ground – similar to that used in the Winchester Campground.

Design Flows

The sizing of systems largely revolves around the flows generated at the campground. This is dependent on the number of people staying at the campground. The campground is open between Labour Weekend and Easter every year (Approximately 175 days).

TDC estimate the peak number of people staying at the camp between 100 and 120. For the purposes of this report we have assumed that there would be a maximum occupancy of 120 people per day in the campground going forward.


Outside of peak occupancy, TDC estimate the number of residents in the park during a 'normal' operating day at 70-80 people per day – this is only relevant for the waste disposal estimates for the holding tank option.

Peak occupancy is assumed to occur as follows:

- Labour Weekend – 3 Days
- Christmas Period – 25 Days
- Waitangi Weekend – 3 Days
- Easter – 4 Days
- **Total – 35 Days**

This leaves 140 Days of 'normal' occupancy.

New Zealand Standard 1547 (NZS 1547) is the standard for onsite domestic wastewater management. Table H4 defines the domestic wastewater flows from commercial premises in New Zealand. For fully serviced (kitchen, ablution, bathroom) campgrounds with a full water supply then the design flow is 130 litres/person/day.



Document: Concept Design & Pricing for Rangitata South Campground

TABLE H4
TYPICAL DOMESTIC WASTEWATER DESIGN FLOW ALLOWANCES
- DOMESTIC WASTEWATER FROM COMMERCIAL PREMISES - NEW ZEALAND

Source	Typical wastewater design flows (L/person/day)	
	On-site roof water tank supply	Reticulated community or a bore-water supply
Motels/hotels		
- guests, resident staff		220
- non-resident staff		30
- reception rooms		20 – 30
- bar trade (per customer)		20
- restaurant (per diner)		25 – 30
Tearooms/lunch bars (per customer)		
- without restroom facilities	10	15
- with restroom facilities	15	25
Community halls		
- banqueting	20	30
- meetings	10	15
School (pupils plus staff)		15 – 30
Rural factories, shopping centres	30	50
Camping grounds		
- fully serviced	100	130
- recreation areas	50	65
NOTE: These flows should be used for design purposes unless past experience demonstrates lower actual flows. Design flows should be based on the maximum figure in the range unless justification for lower values can be provided by way of actual water use data. Although guidance is provided for flow allowances for non-household activities, this Standard does not provide specific requirements for commercial loads, for example in commercial kitchens and laundries (see 1.9 definition of domestic wastewater).		

Therefore:

- Peak Flows – 120 Occupants * 130 l/p/d = 15,600 litres per day (15.6m³/day)
- Normal Flow – 80 Occupants * 130 l/p/d = 10,400 litres per day (10.4m³/day)

Holding Tank Solution

This solution involves pumping the waste from the ablution block into above ground holding tanks. The existing septic tank would be replaced with a dual pump, pump station which would pump the waste into 2 x 30,000 litre above ground industrial holding tanks. It is recommended that these tanks be fitted with an odour control system. The layout of the scheme is presented in Figure 1.

Date:24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

Document: Concept Design & Pricing for Rangitata South Campground



Figure 1: Holding Tank Arrangement

In the event of a power cut or a pump failure it is essential to have emergency storage available. The recommended standard is for 24 hours of peak flow storage. As this site is only used for half a year and the estimate duration of peak flows is only 35 days then we have priced to provide ~18 hours of storage for the peak flows. We have allowed for the installation of 2 x 2.050m dia manholes for emergency storage.

Installation

Installation of the pump system and the underground emergency storage would require sheet piling of the excavations and dewatering of the excavations. Sheet piles would be driven around the proposed excavations and the material within the area removed using an excavator and/or a hydrovac. The excavated material would be disposed of in an appropriate location close to the campground.

Dewatering pumps would be required and will pump the water to the foreshore. We anticipate that there will be a lot of ground water to be managed.

With the excavations complete and dewatered the emergency storage and pump station will be installed. These will require precast concrete anchors to ensure the buoyancy forces created by the high groundwater area counteracted.

Plumbing and electrical work will be completed at the same time and the entire area backfilled with excavated material and remediated.

Date:24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

Document: Concept Design & Pricing for Rangitata South Campground

Wastewater Disposal

With 15.6m³ of waste generated per day during peak occupancy transport and disposal of the waste is a significant cost. We have assumed that the wastewater will be carted by a truck and trailer unit with a capacity of around 16m³. During peak occupancy, this works out at about one truckload per day or three trips every third day with two tanks installed. During 'normal' occupancy the disposal rate reduces to about three trips every fifth day.

Disposal of the waste at TDC's wastewater treatment facility will also incur a charge. The 2024/2025 price is currently \$15.70 per cubic metre which has been allowed for in our pricing. The cost of disposal typically increases year on year and these increases have not been factored into our assessment.

To facilitate truck and trailer operations, some minor track works may be required to ensure the vehicle can manoeuvre around the site without having to reverse into a confined area or reverse where there could be members of the public in the area.

Holding Tank Cost Estimate

Our estimate to install the holding tanks is **\$125,605 + GST** which includes installation of the pump station, holding tanks and emergency storage. This also includes sheet piling, dewatering and additional anchoring for the installation of the underground infrastructure.

The waste disposal costs are estimated at **\$157,600 + GST** per year. This is based on a truck and trailer unit completing three trips every three days during peak occupancy and completing three trips every five days during 'normal' occupancy. Included in the above figure are the operating and maintenance costs for the pump system which we have estimated at around \$6,000 per year.

The holding tank solution has a lower up front cost, but the ongoing costs are higher than that for onsite disposal. The following items are not included in our pricing:

- The pump station will have a monitoring system that would be installed in the ablutions block. We have not allowed for any remote access or remote alarm monitoring systems.
- We have not allowed for the full 24 hours of emergency storage (allowed for 18 hours only of peak flow).
- We have not allowed for any track extension works that may be required to facilitate the emptying of the above ground tanks by a truck and trailer unit.
- We have not allowed for disposal of the excavated material (during construction) more than 5km off site.
- We have not allowed to obtain a dewatering and disposal consent. It is assumed that these works could be done by discharging to the foreshore without a consent.
- We have not allowed to deal with any contaminated ground.

Onsite Treatment & Disposal Solution

The onsite treatment and disposal system will have a much higher upfront installation cost, but will have much lower operating costs. As there will be a discharge of treated wastewater to ground then a discharge consent will be required from Environment Canterbury. Early discussions should be held with ECan (prior to any application being made) to ensure that there is a possible pathway for consent approval and to determine the consultation requirements.

To treat 15.6m³ per day a combined SAFE 20 system is required (this is the same that was installed at Winchester Campground). The SAFE systems are a multi-stage treatment solution (primary, secondary, aeration and clarification chambers) with an additional pump chamber to move the treated wastewater to the disposal field. The SAFE 20 general arrangements are shown in Figure 2 and a conceptual layout plan shown in Figure 3.

Date: 24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

Document: Concept Design & Pricing for Rangitata South Campground

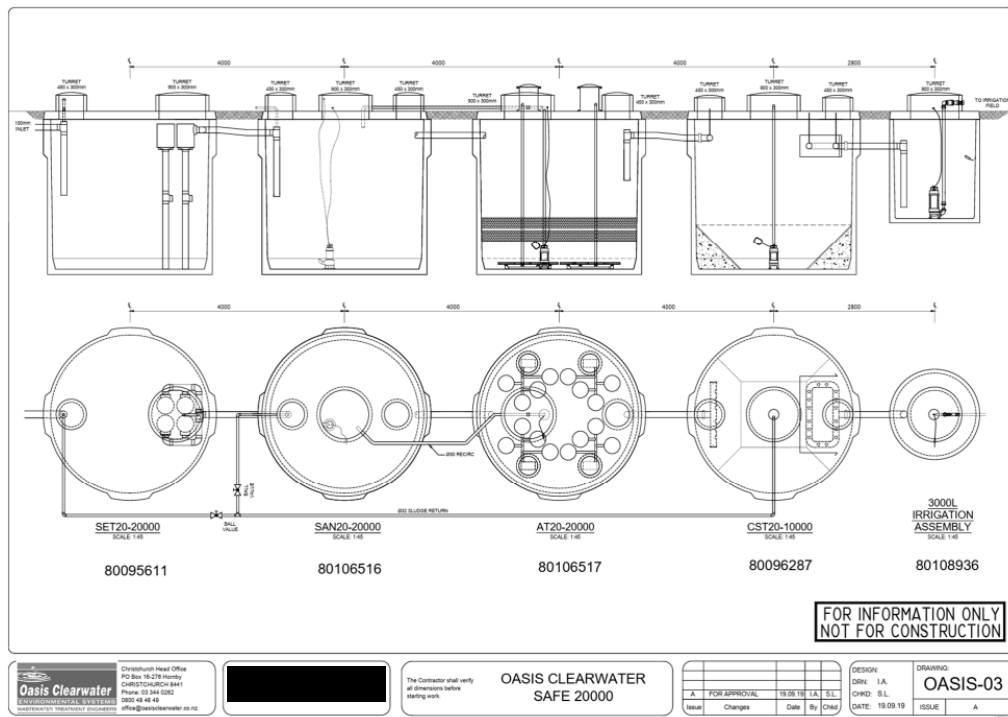


Figure 2: Oasis Clearwater SAFE 20 Treatment System



Figure 3: Campground Onsite Treatment System and Disposal Field

Date: 24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

Document: Concept Design & Pricing for Rangitata South Campground

It is envisaged that the treatment system would be installed in a similar location to the existing septic tank.

Treated wastewater would be pumped to an elevated filter bed before dispersing into the underlying gravels. Using a coefficient of permeability of 100mm per day through the filter bed then the minimum filter bed area required is 160m². A typical filter bed section is shown in Figure 4.

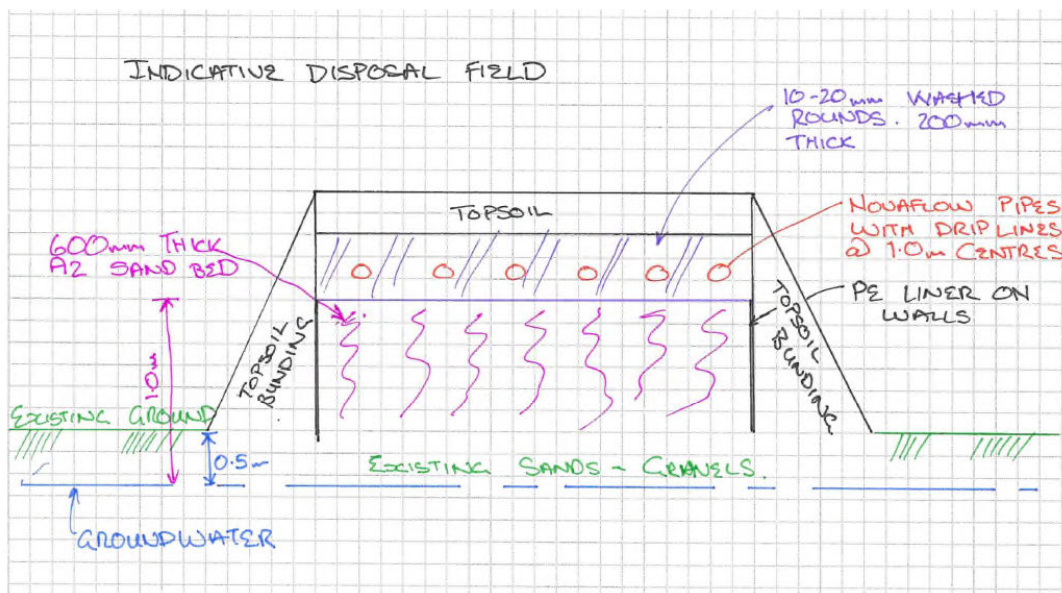


Figure 4: Typical Wastewater Disposal Field

Treatment System Cost Estimate

The following cost estimate is a combination of supplier estimates, prices from previous installations and an estimate of the plant and labour required to complete the installation.

We have obtained supplier estimates for some of the key costs including:

- Wastewater Treatment System.
- Consent preparation and documentation.
- Sand and stone for the disposal field.
- Pump station

Our estimate to install an Oasis Clearwater SAFE 20, Pump Chamber, and disposal field is **\$449,750 + GST** which includes the necessary plant, materials and labour for the sheet piling, dewatering, crantage, plumbing and site remediation. The estimate also includes a \$30,000 allowance for additional concrete anchoring to ensure the system is not ejected from the ground when the system is emptied for maintenance. A system like this will require twice yearly maintenance and have ongoing electricity costs. These are estimated at around \$7,500 per year.

We have only allowed for preparation of a consent application and a low level of interaction with ECan and to undertake external consultation. The cost estimate does not consider if the consent becomes notified or is processed through the Environment Court.

Date: 24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

Document: Concept Design & Pricing for Rangitata South Campground

Occupancy Limits

For these estimates to be valid and to ensure system functionality, occupancy should initially be restricted to 120 people during peak times. The flows are based on the relevant New Zealand Standard. By monitoring flows over time, it may be found that water usage at this site is significantly lower than the Standard. If this is the case, then occupancy rates could be increased to ensure the system is fully utilised.

Summary

We have carried out preliminary designs and provided robust cost estimates for both options. The holding tank option has a lower up front investment but higher long term operating costs. Onsite treatment has a much higher initial investment but low operating costs.

The risks to the pricing include consenting activities and site work activities that may be required to facilitate truck movements around the site for unloading operations.

Thank you very much for the opportunity to look at this project in more detail and please let us know if you need any further information. We would be very much interested in installing the infrastructure should the opportunity arise.

[REDACTED]

[REDACTED]

[REDACTED]
ENGINEER

Date: 24 Feb 2025

R:\Contract Files\COUNCIL - TIMARU DISTRICT\82310-TDC-INF-Rangitata Motor Camp WW\Concept Design & Pricing for Rangitata South Campground.docx

6.8 Trade Waste Charging

Author: Andrew Lester, Drainage and Water Manager
Grant Hall, Principal Three Waters Specialist

Authoriser: Andrew Dixon, Group Manager Infrastructure

Recommendation

1. That this report be received and noted.
2. That Council supports in principle, Option 2 (preferred), that is a combination of increases in both current trade waste charges and the targeted sewer rate for the 2025/26 financial year to bridge the anticipated funding gap.
3. That Council Officers commence discussions with industries with current trade waste agreements regarding proposed trade waste charges increases.
4. That Council Officers investigate the option of expanding trade waste charging to all industrial and commercial users that discharge waste of differing composition to domestic waste.
5. That a further report be presented to the April Council meeting on the outcome of discussions with existing agreement holders and the scope of potential trade waste charges for other industries.

Purpose of Report

- 1 The purpose of this report is to provide an overview of the Timaru District Council wastewater treatment strategy and in particular how trade waste from the major industries in Timaru is treated, the costs attributed to that service, and the cost recovery mechanisms. The reduction in trade wastes in the 2025/26 year due to the closure of Alliance Group Ltd in Timaru will have a significant impact on the trade waste charges, which Council will need to consider when making Annual Plan deliberations.

Assessment of Significance

- 2 This matter is considered to be of medium significance in terms of the Timaru District Council Significance and Engagement Policy. Although consistent with Council policies the degree of impact on industries and commercial dischargers with additional trade waste charges is high.

Background

The Wastewater Treatment Strategy

- 3 The recent closure of the Alliance Group Smithfield meat processing facility has resulted in the loss of a significant trade waste customer and subsequent revenue. This development has prompted a review of trade waste charging for Council.
- 4 Timaru District Council's (TDC) wastewater treatment strategy was developed in the early 2000's and consists of separating the conveyance of Timaru's industrial (trade waste) and domestic wastewater discharges. As presented in Figure 1, the domestic and light industrial wastewater from Timaru is conveyed to the Aorangi Rd wastewater treatment plant and

treated in oxidation ponds, with it then combined with treated wastewater conveyed by pipeline from Temuka, Geraldine and Pleasant Point, in a further pond and wetland.

- 5 The combined treated domestic wastewater is blended with milliscreened trade waste from Timaru's major industries, and the blended wastewater is then discharged through the existing ocean outfall.

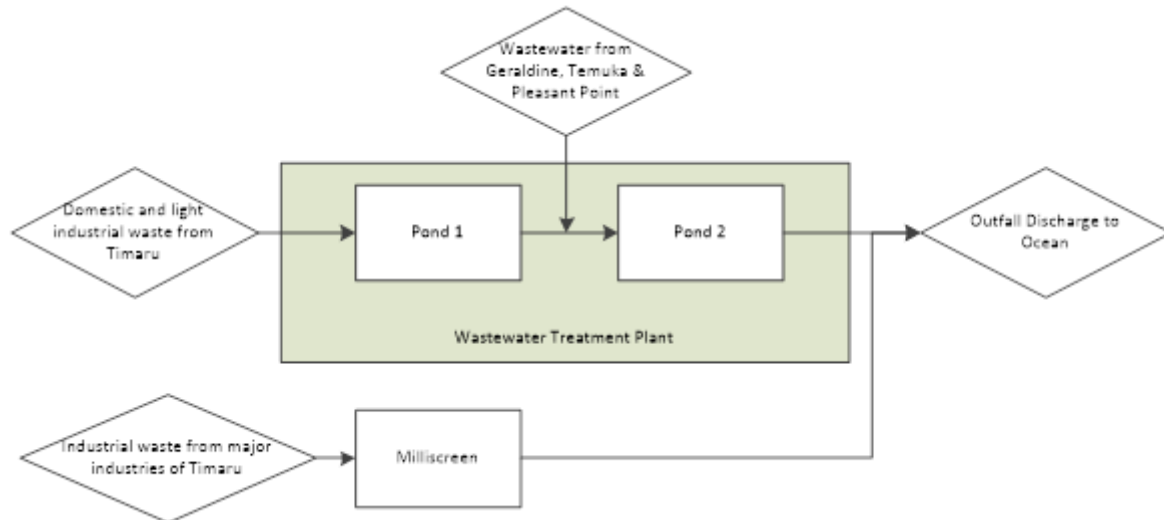


Figure 1 – Wastewater Network Configuration

- 6 A resource consent for the ocean outfall discharge of the effluent sets 'effluent trigger values' for specific contaminants in the combined treated industrial and domestic wastewater.
- 7 To ensure compliance with the discharge consent limits, TDC could have simply assigned all major industries with TDC's own discharge consent conditions. This would have had a significant financial impact on some industries that would require advanced levels of treatment. Therefore, trade waste agreements were developed with different individual discharge requirements for each major industry, which would result in TDC complying with the outfall resource consent conditions while attempting to avoid burdening industries with potentially cost prohibitive trade waste treatments.

Trade Waste Contaminant Limits

- 8 TDC developed a calculation model for assessing the impacts of applying various contaminant concentration limits to each of Timaru's major industries on overall compliance at the ocean outfall. The model uses existing trade waste and discharge monitoring data to predict future system compliance on a monthly basis.
- 9 The model is represented by Figure 2 and is described as follows: Wastewater from the domestic (X) and industrial (Y) sources combine to form the final discharge stream (Z). The combined industrial stream (Y) is a blend of the trade wastes from each of the individual industries (y_n). The industrial stream is 'diluted' by the treated domestic stream, thus the allowable concentrations in the combined industrial stream (Y) may be higher than the actual consent condition trigger concentrations (Z).

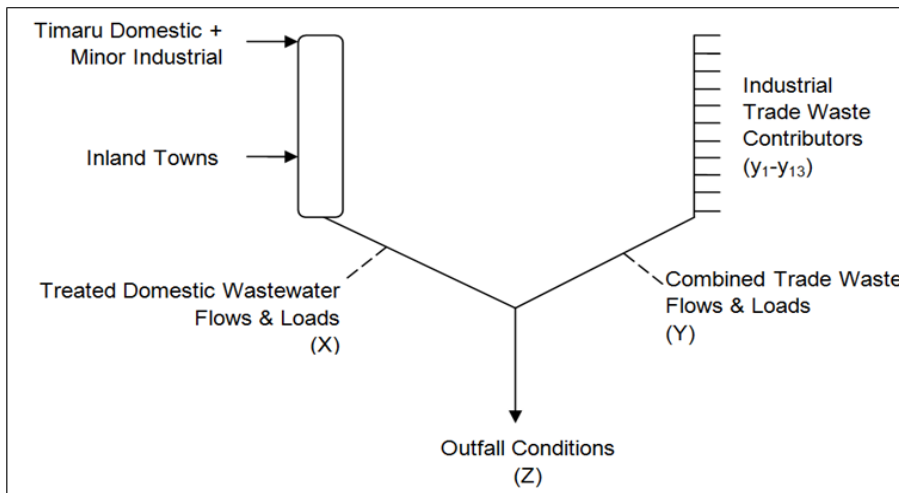


Figure 2 – Wastewater System Representation

Trade Waste Services Costs

- 10 The implementation of the wastewater strategy has resulted in significant capital cost and debt, along with major asset depreciation costs. Due to the separation of the systems these costs are generally able to be attributed to trade waste services and the domestic wastewater services.
- 11 Figure 3 shows how trade waste costs can be categorized as either fixed or variable costs.

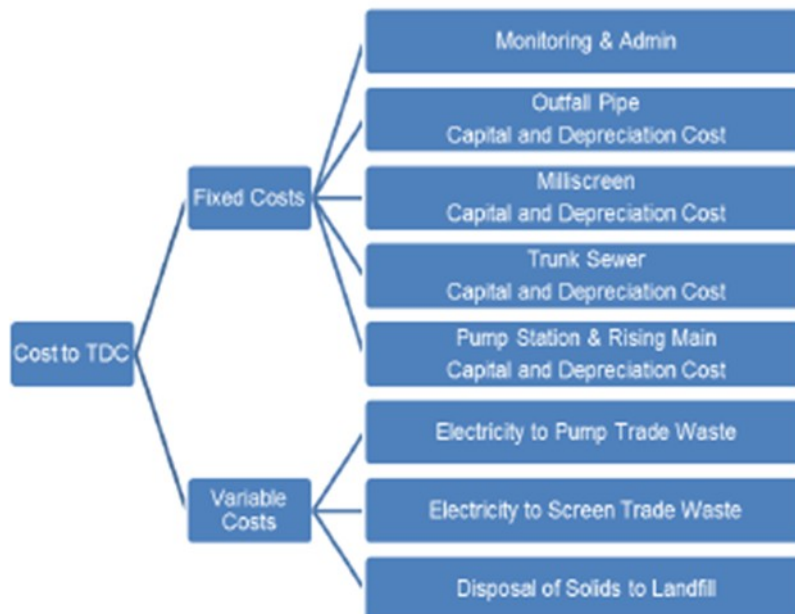


Figure 3 – Trade Waste Cost Categories

- 12 The industries charged trade waste are only those directly connected to the separate industrial sewer pipeline. This is generally the major industries from the Port to Washdyke.
- 13 The fixed costs are around 80 - 90% of the total trade waste related costs, largely capital and depreciation costs. The costs incurred from this investment are largely fixed in the sense that they will remain constant even if the number of industries discharging to the network varies or the volumes of wastes those industries discharge varies.

- 14 The other portion of costs are variable (i.e. there will be lower costs if industries discharge less waste volume). These include trade waste pumping costs and the costs of disposing of solids collected at the milliscreening facility. The variable trade waste costs are 10 - 20% of the total trade waste costs.

Cost Recovery Strategies

- 15 Figure 4 presents a schematic of cost recovery mechanisms previously investigated, which are discussed further.

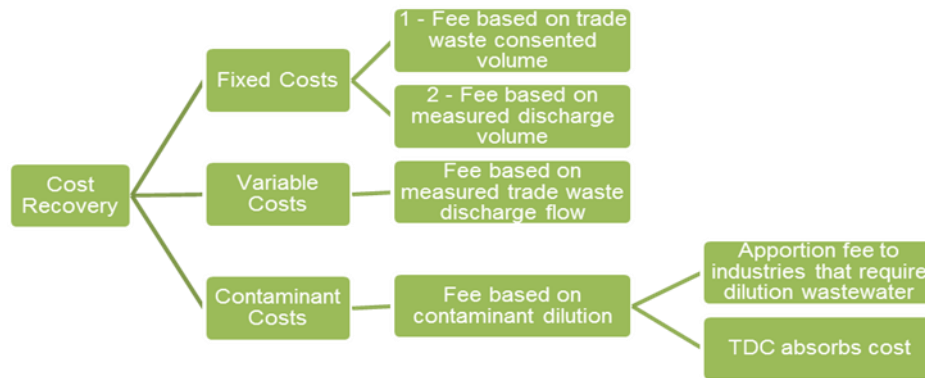


Figure 4 – Cost Recovery Schematic

- 16 Two mechanisms for the recovery of fixed trade waste costs were investigated, which were (1) to recover the fixed costs by charging each industry at a unit rate based on the volume of trade waste they are consented to discharge or (2) to recover the fixed costs by charging each industry based on their measured discharge volumes.
- 17 To avoid the risks associated with recovering a fixed cost on a variable basis the option of recovering the fixed costs based on the consent median volume was adopted.
- 18 Only one mechanism was investigated and adopted to recover the variable costs and that is to charge industries at a unit rate based on the actual measured volumes of waste that they discharge.
- 19 It is common practice to include a component of charging based on the contaminant loads discharged. This is usually applied to situations where there is a combined domestic and industrial wastewater treatment plant. This can also provide a method for encouraging management of contaminant loads discharged by industries and for recovering the costs of treating those loads.
- 20 However, there is some constraint in relation to the fees or charges prescribed by a Local Authority in that they should not recover more than the reasonable costs incurred by the Local Authority for the matter for which the fee is charged.
- 21 The domestic wastewater is required to have the level of treatment to meet the biological standards for discharge. Although the treated domestic wastewater provides dilution of the trade waste contaminants, it was not considered to be justifiable to recover any domestic treatment costs based on the level of trade waste contaminants - although benefit is able to be gained from using treated domestic wastewater for trade waste dilution, trade waste is not the cause for the domestic treatment and should not necessarily compensate for the cost of domestic treatment.

- 22 Also, the industrial wastewater is not treated other than milliscreening and a contaminant charge was not considered significant or justifiable, and therefore no contaminant charge was adopted.
- 23 The non-domestic premises (such as industrial, light industrial, commercial and institutional premises) that discharge to the domestic wastewater stream are currently charged on the number of equivalent toilet pans with no additional trade waste charges. There has not been the resource to monitor the volume or the strength of the waste from the many non-domestic premises.

Trade Waste Charging Formula

- 24 The trade waste charging formula is divided into two components. One component is aimed at recovering the fixed costs of TDC providing the trade waste infrastructure and the other component is aimed at recovering the variable costs. The charging formula is therefore as follows:

$$\begin{aligned} \text{Total fee (\$/annum)} = & \quad \text{Fixed Charge Rate (\$/m}^3\text{)} \times \text{Total Consented Median Discharge} \\ & \quad \text{Volume (m}^3\text{/day)} \times 365 \text{ (days/annum)} \\ & \quad + \\ & \quad \text{Variable Charge rate (\$/m}^3\text{)} \times \text{Total Measured Discharge Volume} \\ & \quad \text{(m}^3\text{/annum)} \end{aligned}$$

Revenue and Financing Policy

- 25 The current Wastewater Revenue and Financing Policy states that the user charges (trade waste charges and other user sewer charges) should be 20 – 30% of the funding of the Sewer Activity operating expenditure.
- 26 The 2025/26 Sewer operating expenditure budget is \$14.25M, which equates to user charges of \$2.85 – \$4.28M. The Special Waste charges are about \$200k, resulting in the Trade Waste charges able to sit in the \$2.6 - \$4 M range

Discussion

- 27 Trade waste control and charging is enabled under the Timaru District Consolidated Bylaw 2018.
- 28 The 2024/25 year fixed charge rate is \$0.98/m³ and the variable charge rate is \$0.17/m³, both inclusive of GST.
- 29 The trade waste revenue budget for the 24/25 year is \$3.7 M exclusive of GST, and the current forecast is \$3.7 M. This includes the forecast reduced discharge volumes from Alliance Group Ltd for the second half of the 24/25 year, as the industries are contracted for the fixed charge for the full year and the fixed charge makes up around 90% of the trade waste revenue.
- 30 For the 2025/26 year Alliance will not be charged for trade waste. Although there will be the addition of trade waste discharges from other industries and there may be some minor increases from other existing trade waste discharges, there will be a significant reduction in the consented median discharge.
- 31 The reduction in trade waste revenue for 2025/26 based on current charges and targets is estimated to be \$1.0 M excluding GST.

- 32 The 2024-34 Long Term Plan budget for Trade Waste charges for 25/26 is \$3.959 M excluding GST. Therefore, based on the forecast trade waste discharges for 25/26, the trade waste charges would need to increase by around 45% to meet the budget target of \$3.959 M.
- 33 An increase in the variable charge of 15% to 20%, which is more in line with the actual increase in the variable costs, results in the need for an increase in the fixed charge of around 48% to meet the budget target. This is shown in Table 1 below.

	Current charges	Option 1
Variable charge	\$0.17	\$0.20 (18% increase)
Fixed charge	\$0.98	\$1.45 (48% increase)
25/26 forecast Total TW Charge	\$2.73 M	\$3.95 M

Table 1 – Option 1 – Combined 45% increase in Trade Waste charges

- 34 This level of increase in trade waste charges would result in increased charges for actual industries ranging from \$20,000 per year for small discharges (with consented peak discharges of 100 m³/d and actual discharges of 15,000 m³/year) up to \$270,000 for large discharges (consented peak of 1,500 m³/d and actual discharge of 400,000 m³/y).
- 35 An alternative funding option is to decrease the target for the trade waste revenue and to make up the difference by an increase in the Targeted Rate for all consumers connected to the sewer.
- 36 The substitution of the trade waste charges could be seen as a district wide benefit rather than to just those that are connected to the sewer and therefore an alternative funding option could be an increase in either (or both) of the General Rate or the Uniform Annual General Charge, although this is not necessarily consistent with the concept of ring-fencing the sewer financials.
- 37 If the fixed and variable trade waste charges were increased to \$1.18 and \$0.20 incl GST respectively, (which is a 20% increase), this would result in a forecast trade waste revenue of \$3.28M. If the \$680,000 shortfall of the forecast trade waste revenue of \$3.959M was recovered from the Sewer Targeted Rate, based on the 2024/25 rates this would result in an approximate \$35 increase in the Sewer Rate, from \$356 to \$391, equivalent to an 9.7% increase. This example is highlighted in Table 2.
- 38 The following Table shows examples of the increases in the sewer rate required to meet the funding target of \$3.959M, if the trade waste charges are increased by 5% to 35%:

Trade Waste Charge increase	5%	10%	15%	20%	25%	30%	35%
Fixed charge /m ³	\$1.03	\$1.08	\$1.13	\$1.18	\$1.23	\$1.27	\$1.32
Variable charge /m ³	\$0.18	\$0.19	\$0.20	\$0.20	\$0.21	\$0.22	\$0.23
Trade Waste rev \$M	2.87	3.02	3.16	3.28	3.42	3.54	3.68
Revenue shortfall \$M	1.09	0.94	0.80	0.68	0.54	0.42	0.28

Additional Sewer targeted rate	\$56	\$48	\$41	\$35	\$27	\$21	\$14
% increase to target rate	15.6%	13.6%	11.5%	9.7%	7.7%	6.0%	4.0%

- 39 All of the scenarios presented in Table 2 meet the requirements of the Wastewater Revenue and Financing Policy.
- 40 A 20% increase in trade waste charges for Option2 would result in increased charges for actual industries ranging from less than \$10,000 per year to around \$120,000 per year.
- 41 A further option (Option 3) is to also recover trade waste charges from the many non-domestic premises that discharge waste that consists of non-domestic contaminants, that is subsequently treated in the domestic wastewater treatment system. In effect this is how most other Councils charge for trade waste in a combined domestic/industrial wastewater treatment system.
- 42 There are a number of trade waste cost recovery strategies and mechanisms that could be implemented. A common method is to categorise each of the premises into the type of business, the likely type and strength of the wastewater, and the size (and typical volumes of waste). A standard charging regime is then applied to each of the categories to cover the average quantity and quality treatment costs for that category. There is likely to be a requirement to monitor and have special charges for specific industries that discharge to the domestic system.
- 43 Additional Trade Waste resource would be necessary within TDC to maintain and operate the non-domestic trade waste monitoring and charging system and processes.
- 44 A detailed investigation on the identification and registration of all non-domestic premises in the district is required, along with a determination of the domestic system conveyance and treatment costs that can be attributed to the non-domestic wastes and then reasonably recovered, in order to confirm the financial viability of this option.

Options and Preferred Option

- 45 There are three options that can be considered by Council.
- 46 Option 1 is to recover the revenue loss resulting from the closure of Alliance Smithfield meat processing plant through increased charges on other trade waste customers. This can be done with increases in both fixed and variable charges but is generally a 45% increase in trade waste costs for these industries (\$20k to \$270k depending on the discharge volume) .
- 47 Option 2 (Preferred) is to increase the current trade waste charges on the current trade waste industries to partially recover the revenue loss and the remainder recovered by the general community with an increase in the sewer targeted rate. A 20% increase in trade waste charges would require a 9.7% increase in sewer rate in addition to the LTP forecast increase.
- 48 Option 3 is to increase the current trade waste charges and expand the customer base by implementing trade waste charges on other non-domestic type of industrial and commercial wastewater dischargers. The non-domestic wastewater dischargers (such as food businesses) qualify as trade waste customers due to the strictly non-domestic content of their discharges (such as fats, oils and grease content). Charges could be fixed annual fee or volumetric or waste strength based or a combination of these.
- 49 The Timaru District Consolidated Bylaw has provision for Council to set fees and charges for the supply of trade waste services including those methods set out in Option 3.

- 50 Considerable investment and time would be necessary for the implementation and on-going system and process maintenance of a trade waste charging scheme for Option 3.

Consultation

- 51 No consultation has taken place with any Trade Waste discharge industries to date.

Relevant Legislation, Council Policy and Plans

- 52 Local Government Act
53 Timaru District Consolidated Bylaw 2018.
54 Water Services Act 2021 and the Local Government (Water Services) Bill
55 Timaru District Council Long Term Plan, including the Wastewater Revenue and Financing Policy

Financial and Funding Implications

- 56 These are outlined in the discussion and options of this report.

Other Considerations

- 57 There are no other matters for consideration.

Attachments

Nil

6.9 Decision on Membership of Local Government New Zealand (LGNZ) for the period 1 April 2025 to 31 March 2026.**Author: Stephen Doran, Group Manager Corporate and Communications****Authoriser: Nigel Bowen, Mayor****Recommendation**

That Council

1. Considers and agrees its decision on membership of Local Government New Zealand (LGNZ) for the period 1 April 2025 to 31 March 2026; and
2. Delegates to the Mayor the responsibility to advise LGNZ of the decision to retain or withdraw from membership.

Purpose of Report

- 3 This report is to seek Council's decision on renewing membership of LGNZ for the coming year.

Assessment of Significance

- 4 In terms of Council's Significance and Engagement Policy, this matter is of low significance as it does not affect levels of service, strategic assets directly, or rates.

Background

- 5 LGNZ is a membership body established in 1988 to represent councils and to lead best practice in the local government sector.
- 6 LGNZ's priorities are focused on; Inclusion in ensuring everyone is able to participate in the local government process; Advocacy in championing local communities and influencing central government; Building capability for councils providing development opportunities; and connecting people across local government networks.
- 7 Council has been a member of LGNZ with the exception of the period 4 October 2021 to 8 November 2022.

Discussion

- 8 At Council's meeting 26 March 2024 it was resolved (Resolution 2024/36) that Timaru District Council renew its membership of Local Government New Zealand.
- 9 The annual membership subscription for the year 1 April 2024 to 31 March 2025 was \$66,679.32. It is expected that membership fees, based on Council's population base, will remain at a similar rate for the next financial year, with an adjustment for inflation.
- 10 Council has accessed LGNZ's learning and development hub for policy advice, induction training and development of elected members.

Options and Preferred Option

- 11 Council has the options of either remaining a member of LGNZ or withdrawing its membership.
- 12 Consideration around withdrawal would need to factor options for professional development, induction training, and networking opportunities including the regional forum and LGNZ Annual Conference, which Elected Members are asked to consider in their deliberations.
- 13 Elected Members are requested to debate and confirm their preferred option, including options for training and development.

Relevant Legislation, Council Policy and Plans

- 14 Not applicable.

Financial and Funding Implications

- 15 Membership has been budgeted for in the Long Term Plan 2024/34.

Other Considerations

- 16 There are no additional or further considerations.

Attachments

Nil

6.10 Local Elections 2025: Order of Candidate Names**Author:** Stephen Doran, Group Manager Corporate and Communications**Authoriser:** Nigel Trainor, Chief Executive**Recommendation**

That the Council resolves that the names of candidates for the 2025 Timaru District Council triennial elections and any subsequent by-elections are to be arranged on the voting papers in:

1. Alphabetical order of surname; or
2. Pseudo-random order; or
3. Random order

Purpose of Report

- 1 The purpose of this report is to seek a decision on the order in which the candidates' names are to be arranged on the voting documents for the 2025 Timaru District Council triennial elections and any subsequent by-elections.

Assessment of Significance

- 2 This matter is considered of low significance under the Council's Significant and Engagement Policy. The decision is one for Council to make under the Local Electoral Act and Regulations 2001.

Background

- 3 Clause 31 of the Local Electoral Regulations 2001 allows the Council to make a decision about the order in which candidates' names appear on the voting documents.
- 4 There are three options available should the Council choose to make this decision:

4.1 Alphabetical order of surname

Candidates' names are listed alphabetically by surname

4.2 Pseudo-random order

Candidates' surnames are randomly selected and the order selected is the order appearing on all voting documents.

If a local authority has determined that pseudo-random order is to be used, the Electoral Officer must state, in the public notice required, the date, time and place at which the order of the candidates' names will be arranged. Any person is then entitled to attend when the order is decided.

4.3 Random order

This is where all candidate surnames are randomly selected by using computer software and the order of surnames is different on each voting document.

Discussion

- 5 Where a resolution is to be made, it must be made before the further public notice of election is advertised (approximately mid-August). However, as an administrative decision, this can be made earlier.
- 6 Where a resolution is not made approving one of the three options, the Local Electoral Regulations require that candidates’ names are arranged in alphabetical order of surname. The resolution made applies to all Timaru District Council elections (i.e. Mayor, Council & Community Boards).
- 7 In 2022, all local authorities represented on the Timaru District voting documents resolved to use random order.

Options and Preferred Option

- 8 Under the regulation, the following options are available to Council:
 - 8.1 Alphabetical Order of Surname
 - 8.2 Pseudo-Random Order (i.e. one randomised order for all voting documents)
 - 8.3 Random Order (i.e. all voting documents have a different order)
- 9 Advantages and disadvantages of each option are outlined in the following table.

Options for order of Candidates Names	Advantages	Disadvantages
<i>Alphabetical Order by Surname</i>	Voters may be familiar with names being listed alphabetically from Parliamentary elections so may find it easier to find the names of the candidates for whom they wish to vote. The order of candidates on the voting document will match the alphabetical listing of candidates in the candidate directory.	It could be perceived that candidates with a surname starting at the ‘A’ end of the alphabet may have an advantage over candidates with a surname starting at the ‘Z’ end of the alphabet, since they will be at the top of the voting paper.

<i>Pseudo-random order of candidate names</i>	With candidate names appearing in mixed order, the perception of alphabetical advantage or bias is removed.	Once randomly selected the candidate names would still be ordered in the same order on all voting papers. This still leaves the opportunity of perceived advantage for those names appearing at the top of the list. The order of candidates on the voting document doesn't match the alphabetical listing of candidates in the candidate directory (candidate profile statements) and may create voter confusion as specific candidate names are not easily found.
<i>Random order of candidate names</i>	Candidates will have equal opportunity to be at the top of the voting paper, and all candidates will be listed at the top of some voting papers and at the bottom of other voting papers. With candidate names appearing in mixed order, the perception of alphabetical advantage or bias is avoided.	The order of candidates on the voting document doesn't match the alphabetical listing of candidates in the candidate directory (candidate profile statements) and may create voter confusion as specific candidate names are not easily found.

Consultation

- 10 Consultation is not required on this matter. The legislation provides discretion for Council to decide the method for naming order on Timaru District Council & Community Board voting papers.

Relevant Legislation, Council Policy and Plans

- 11 Local Electoral Regulations 2001 (Clause 31)
12 Local Electoral Act 2001

Financial and Funding Implications

- 13 There are no additional costs generated from any of the options selected in conducting the election.

Other Considerations

- 14 Environment Canterbury make their own decision on names order on voting papers relevant to their candidates.

Attachments

Nil

6.11 Local Water Gone Well - TDC and Otago Southland Joint Group of Councils**Author: Stephen Doran, Group Manager Corporate and Communications****Authoriser: Nigel Trainor, Chief Executive****Recommendation**

That the Council:

1. Receives the report and accepts the level of significance.
2. Agrees to enter into the Otago Southland Joint Group of Councils Commitment Agreement.
3. Authorises the Chief Executive to sign the Otago Southland Joint Group of Councils Commitment Agreement, a draft of which is set out in Attachment 1 on behalf of Council, including any minor amendments that are required when finalising the document for signing.
4. Agrees to rely on the alternative requirements for decision-making and consultation set out in sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024 in accordance with section 58(a)(i).

Purpose of Report

- 1 To consider authorising the signing of a Joint CCO Commitment Agreement with Waitaki District Council, Central Otago District Council, Clutha District Council and Gore District Council.

Assessment of Significance

- 2 The Significance and Engagement Policy does not require consultation on the signing of the agreement in and of itself.
- 3 However, the water services delivery model is considered significant in regards to community interest, impact on Councils capability and capacity, cost to council and impact on ratepayers and potential changes to the control of a Strategic Asset.
- 4 The Significance and Engagement Policies of the Group of Councils and the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 and Bill 3, require the water services delivery model options to be presented for community engagement and feedback.
- 5 It is intended that consultation will be coordinated across the Group of Councils, with consistent content developed in collaboration with the individual councils, approved by the individual Council and conducted via each Council using their existing community engagement channels, processes and relationships.
- 6 Outcomes would be collated and presented back to each Council to inform decision making and whether to proceed with the preferred delivery model. A summary of the consultation would also be included in the WSDP.

Background

- 7 The Water Services Preliminary Arrangements Act 2024 sets out the new requirements for water services delivery in New Zealand. The Local Government (Water Services) Bill has also been introduced into parliament and will likely set the enduring framework for water delivery if it is passed into law later this year.
- 8 This paper presents a summary of progress to develop a Joint Water Services Organisation by the Central Otago, Clutha, Gore & Waitaki District Councils (the 'Group of Councils') as an option to consider alongside other practicable delivery model options.
- 9 the options, consult with the community, secure required Council approvals and prepare a Council Approved Water Services Delivery Plan (WSDP) to the Minister of Local Government by 3 September 2025. This paper makes recommendations in relation to consultation under the Water Services Preliminary Arrangements Act 2024.
- 10 To support this work, a Commitment Agreement Template has been developed by the DIA, for Councils to modify and adopt as they work to develop and establish a Joint Operating Organisation for Water Services. The Commitment Agreement Template has been populated to meet the requirements of the Group of Councils.
- 11 The paper also presents councillors with the option for Timaru District Council to sign this commitment agreement and contribute to the development of this model with a view to create a Water Services Organisation covering the five councils.
- 12 The purpose of this paper is to seek that the Council authorises the Chief Executive to enter into the Commitment Agreement as appended to this paper subject to any minor drafting changes that are required when the document is finalised.
- 13 In February 2024, the Coalition Government introduced and passed legislation to repeal all laws relating to the previous Government's water services entities. The new approach, Local Water Done Well (LWDW), is designed to address New Zealand's long-standing water infrastructure challenges while maintaining local decision-making flexibility. Councils, in consultation with their communities will determine how their water services are delivered, provided they meet economic, environmental, and regulatory requirements.
- 14 Government statements have made it clear that water service providers must operate more like independent utility businesses, similar to telecommunications or electricity providers. Regardless of whether services remain in-house or are managed by a Council-Controlled Organisation (CCO), they must be structured and operated differently, with direct accountability to customers, regulators, and ratepayers and shareholders.
- 15 The Water Services Preliminary Arrangements Act 2024, enacted on 2 September 2024, requires councils to submit a Water Services Delivery Plan (WSDP) to the Department of Internal Affairs (DIA) by 3 September 2025. Each WSDP must define a financially sustainable delivery model with 10 years of financial information and undergo public consultation before formal adoption. The Government has introduced financial arrangements allowing CCOs to borrow up to 500% of their water revenue from the Local Government Funding Agency (LGFA).
- 16 On 10 December 2024, the Local Government (Water Services) Bill (Bill 3) was introduced to Parliament. The Bill sets out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework and is expected to be enacted in June 2025.

- 17 In February 2024, the Otago-Southland Mayoral Forum directed Chief Executives to establish the Otago-Southland LWDW Working Group to explore a Regional Delivery Model. As part of this, the Morrison Low report, "Local Water Done Well Review," was completed and presented to Otago-Southland councillors in November 2024. It found that without structural changes, future water service delivery would become unaffordable, with 76% of residential users in the region facing doubled water bills within 10 years. Additionally, workforce shortages and infrastructure demands would require regional coordination to avoid inefficiency and competition. The report concluded that a joint asset-owning entity would be the most effective solution.
- 18 From that work, a subgroup of Otago Southland Councils has formed, comprising Central Otago, Clutha, Gore and Waitaki District Councils. This Group of Councils is working to investigate creation of a Joint Water Services CCO.
- 19 Councils in Otago and Southland have a history of working together on water service challenges, as a district with a similar blend of rural and urban water Timaru could be a compatible fit in this collaboration.

Discussion

Group of Councils - Project Formed

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

Presenting the options and agreeing a preferred delivery model to take out for consultation.

- 21 A view of the water organisation delivery model options, with supporting pros and cons is planned to be presented to the April Council Meeting for decision on a preferred delivery services model and options to consult on.
- 22 Current modelling is predominantly based on existing Council long-term plans and infrastructure strategies with some adjustments to reflect a reduction in potential costs for wastewater treatment plant upgrades.
- 23 Further work is required in order to present a view of the water service delivery models and their relative strengths and weaknesses. The work includes:
 - 23.1 External review of Council Asset Management Plans and associated Long Term Budgets to test and align planning and costing assumptions.
 - 23.2 Draft wastewater standards are released mid-February 2025. These may mean future investment requirements can be reduced. Potential impact of these to be assessed for each Council.
 - 23.3 Progress Joint CCO design and update modelling to reflect design options. For example, approach to Price Harmonisation.
 - 23.4 Seek DIA and Water Services Authority - Taumata Arowai review of financial modelling and option analysis.

DIA Joint Commitment Agreement

- 24 The DIA WSDP Team have provided a Commitment Agreement Template which sets out how councils can work together to develop and establish a joint water organisation. It lists the key

activities and programme, allocation of roles and sharing of resources, accountability measures and the governance structure during the period where councils are assessing the delivery options, deciding on a preferred delivery and through to establishment of a joint water organisation.

- 25 The agreement provides for individual Councils to withdraw from the agreement at any time. Logical points for Councils to assess their continued participation are set out below. The consequences of withdrawal for the remaining Council's is largely unknown. However, the Commitment Agreement deals with some of the immediate financial considerations.
- 25.1 Provision of Water Service Delivery Models Options Analysis for Councils to decide on their preferred Water Service Delivery Model
 - 25.2 Review of Consultation and Stakeholder engagement outcomes
 - 25.3 Review & Approval of the Water Services Delivery Plan
- 26 The Commitment Agreement template has been completed by the project team and an external legal review conducted to help inform council decision making. The Commitment Agreement is provided as Attachment 1.

Consultation & Decision Making

- 27 The Water Services Preliminary Arrangements Act 2024, provides an alternative consultation requirements and decision-making pathway to that provided via the Local Government Act 2002 (Alternative Consultation and Decision-Making Requirements).
- 28 Councils are required to adopt the Alternative Consultation and Decision-Making Requirements when considering the preferred model or arrangement for delivering water services in its WSDP. These requirements are summarised as -
- 28.1 Must consult once but may consult further if certain conditions are met
 - 28.2 Make the following information publicly available:
 - 28.2.1 Proposed model or arrangement (with explanation and reasons for the proposal)
 - 28.2.2 Analysis of reasonably practicable options
 - 28.2.3 How proceeding (or not) with the proposal would affect council rates, debt, water charges and levels of service
- 29 If the alternative consultation pathway is taken there is no need to consult further on required amendments to the Long-Term Plan to give effect to the water services delivery model if Council has already consulted on a proposed model and is satisfied that the community has a good understanding of its implications and that the Council understands the community's views. All other relevant LGA 2002 requirements still apply (e.g. principles of consultation).
- 30 For a Council decision whether to establish, join or amend a Water Services CCO there is the ability to consult either via the LGA 2002 Part 6 pathway or use the Alternative Consultation and Decision-Making Requirements. The Alternative Consultation and Decision-Making Requirements include consideration of the following:
- 30.1 Impact of the Joint Water Services CCO on the communities in the joint service area (as well as the impact on the authority's district)
 - 30.2 Views of people in the joint service area (as well as the views of people in the authority's communities)

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

Strategic Consistency

- 31 The requirements of LWDW requires the Group of Councils to revisit their respective Long-Term Plans and associated supporting strategies (including Financial & Asset Management Strategies), to ensure that water service delivery complies with the Local Water Done Well legislation requirements.
- 32 The options analysis completed to date includes consideration of impacts on the current LTPs. Impacts of the selected options will be further defined and put forward for community feedback through the planned consultation. Following decision making, amendments to Annual and/or LTPs will be made from FY 26/27.

Risk Analysis

Risk	Impacts
DIA does not approve the WSDP and requires the document to be revised.	DIA requires the Group of Councils to alter the WSDP DIA requires the Group of Councils to change the Operating Model Design DIA requires other Councils to join the Group of Councils.
DIA does not approve the Group of Councils WSDP – and appoints a Crown Facilitator or Water Services Specialist	Reputation risk for Councils Reduction / loss in decision making control
Individual Councils do not approve of progressing with a Joint CCO approach.	Group may become unviable Individual Councils may not be able to complete a compliant WSDP Risk of DIA intervention with associated loss of decision-making control
WSDP Plan and Implementation Tasks are more complex / extensive than estimated	Potential increase in project budget Additional Council resource commitments
Continuing uncertainty for the Council 3 Waters teams as to how their work and roles may be affected	Potential loss of key staff Increasing difficulty to recruit staff
Local Government Election processes during Oct 2025.	Potential delay to key decisions – administration period may then impact Re-litigation of decisions by new Council New Councillors require up skilling in LWDW requirements
The Group of Councils is not fully compliant with new legislative requirements – within the required timeframes	Reputation risk for Councils Cost and time to rectify Potential DIA or Regulator Intervention

Risk	Impacts
3 Waters legislative investment requirements impact on wider Council investment capacity	Impending increase in 3 Waters costs impacting affordability and Council investment in other areas
Ratepayers do not appreciate the impending costs increases for 3 Waters Services – irrespective of the delivery model adopted	Increasing affordability issue for larger group of ratepayers Negative publicity and reputation risk for Councils
Changes to legislation through Bill 3 may require additional resource commitments and amendments to arrangements.	Cost and time associated with rework Potential increase in project budget Additional Council resource commitments

Options and Preferred Option

- 33 As noted, the project team is working to compile a view of practicable water service delivery model options, assess these against investment objectives and provide a view of their relative merits and drawbacks, impact of each to the ratepayer and Council debt and any impact on service levels. That analysis will be presented to the March Council meetings for decision to confirm the preferred option and options to consult on.
- 34 A summary of the options associated with the decisions requested in this paper is presented below.

Decision 1 – That Council receives the report and accepts the level of significance.

Decision 2 – For the council to decide whether or not to approve entry to the Commitment Agreement.

Option	Advantages	Disadvantages
Group of Councils draft their own commitment agreement	- Tailored for the group of Councils requirements	- Significant cost and time to draft a bespoke agreement - Likely greater DIA scrutiny of a bespoke agreement and less willing to provide support to the Group if required. - Impact on WSDP delivery timeframe
Group of Councils adopt the DIA Template as modified in Attachment 1. Recommended	- Comprehensive and low cost to adapt to specific Group of Council requirements - DIA supported approach - Defined agreement entry and exit process. - Legal review completed	- If the Joint CCO preferred option is not adopted by a member Council, time and cost to exit the Agreement.

Option	Advantages	Disadvantages
Group of Councils proceed without a Commitment Agreement.	<ul style="list-style-type: none"> - Avoided costs to adapt, complete legal reviews and secure Council decisions. 	<ul style="list-style-type: none"> - Project work is complex and costly – lack of an agreement increases the risk of poor governance, disputes and failure to deliver required outcomes. - Increased risk of DIA intervention

Decision 3 – That Council authorises the Chief Executive to sign the draft Otago Southland Joint Group of Councils Commitment Agreement as set out in Attachment 1 on behalf of Council, including any minor amendments that are required when finalising the document for signing.

Decision 4 - For the Council decision whether to establish, join or amend a Water Services CCO there are two consultation options. Note that the proposed model for delivering water services is required to be consulted on using the alternative consultation requirements in the Local Government (Water Services Preliminary Arrangements) Act 2024.

Option	Advantages	Disadvantages
Consult via LGA 2002 Part 6 consultation requirements	<ul style="list-style-type: none"> - Established decision making framework. - Allows wider Joint CCO Council & Community views to be included in Council Decision Making 	<ul style="list-style-type: none"> - Requires consultation to be split between two processes which creates inefficiency, complexity and potential confusion in decision making. - Consultation processes can be costly in terms of resource and financial cost. Running multiple processes will cost more. - Given the number of significant decisions that will be required and decisions that require statutory consultation, the public may become fatigued with consultation. - No ability to narrow consultation, if doing so would not comply with the LGA requirements.

Option	Advantages	Disadvantages
<p>Consult via Local Government (Water Services Preliminary Arrangements) Act 2024 alternative consultation requirements Recommended</p>	<ul style="list-style-type: none"> - Aligns CCO decision making with consultation on the proposed model for delivery of water services – offering a single consistent framework that is comparatively more efficient to adopt. - Potential to avoid the need to consult on required LTP changes for the proposed model and for transfer of strategic assets if the water infrastructure is defined as a strategic asset in the Council’s significance and engagement policy. - Consultation Process is tailored for consideration of selecting a water service delivery model and will be sufficiently detailed so that the public are well informed about the full process being consulted on. - Only one consultation process required therefore saving resources and cost. - Retain the ability to consult more broadly than the alternative arrangements prescribe. 	<ul style="list-style-type: none"> - Possible perception that consultation / decision making is not as robust as via the LGA 2002.

Consultation

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

Relevant Legislation, Council Policy and Plans

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

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

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

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

Financial and Funding Implications

38 The costs for the Group of Councils Joint Project, including community consultation and approach to apportionment are detailed within the Commitment Agreement. Project costs to develop, consult on and submit a Water Services Delivery Plan for a Joint Water Services CCO, are estimated to be \$540k and would be equally apportioned between the Councils.

39 As noted, the Commitment Agreement provides for individual Councils to exit the Agreement. They will be liable for and are only liable for costs incurred, committed or budgeted (but unpaid) costs that cannot be avoided by the remaining Councils.

40 In selecting the preferred delivery model, the financial implications for ratepayers and impact on overall Council debt and non 3 waters budgets will be included in the Pros and Cons analysis to be presented to Council and for community feedback through the planned consultation.

Other Considerations

41 None

Attachments

1. **Otago Southland Joint CCO Comittment Agreement - DRAFT** [↓](#) 

Commitment Agreement

PARTIES

Central Otago District Council

Clutha District Council

Gore District Council

Waitaki District Council

DRAFT

515085.1#10054525v5

CONTENTS

SCHEDULE 10
 Agreement Details.....0
 SCHEDULE 20
 Agreement Terms and Conditions0
 1. DEFINITIONS AND INTERPRETATION0
 2. PROJECT OVERVIEW.....2
 3. KEY ACTIVITIES3
 4. PROJECT GOVERNANCE5
 5. COST SHARING.....6
 6. TERM.....7
 7. DISPUTE RESOLUTION8
 8. CONFIDENTIALITY AND INFORMATION DISCLOSURE9
 9. INTELLECTUAL PROPERTY RIGHTS10
 10. NOTICES10
 11. GENERAL11
 SCHEDULE 30
 Scope and Project Plan.....0
 SCHEDULE 40
 Funding Commitment Plan **Error! Bookmark not defined.**
 SCHEDULE 51
 Commercial Terms Sheet1

AGREEMENT dated

xx February 2025

PARTIES

Central Otago District Council

Clutha District Council

Gore District Council

Waitaki District Council

together, the "**Councils**".

INTRODUCTION

- A. The Councils have each voted to proceed with the planning for a joint operating model between the Councils in respect of the Service Areas.
- B. The Councils are required to submit a Water Services Delivery Plan ("**WSDP**") to the Secretary for Local Government (Department of Internal Affairs) by 3 September 2025 on how water services will be delivered in the Council's district as required under the Local Government (Water Services Preliminary Arrangements) Act 2024.
- C. The Councils commit to working together to:
- (a) plan and develop a joint operating model for the delivery of water services for each Council's community to inform a WSDP; and
 - (b) establish a WO for the joint operating model in accordance with a WSDP adopted by the Councils (subject to community consultation).
- D. Each Council agrees to undertake the activities and responsibilities allocated to it in this agreement to achieve the Objectives.
- E. The Councils have entered into this agreement to record the terms of their commitment to achieve the joint operating model and Objectives.

SIGNATURES

SIGNED for and on behalf of

Central Otago District Council

By:

Signature of Authorised Signatory

Signature of Authorised Signatory

Name of Authorised Signatory

Name of Authorised Signatory

Date

Date

Clutha District Council

By:

Signature of Authorised Signatory

Signature of Authorised Signatory

Name of Authorised Signatory

Name of Authorised Signatory

Date

Date

Gore District Council

By:

Signature of Authorised Signatory

Signature of Authorised Signatory

Name of Authorised Signatory

Name of Authorised Signatory

Date

Date

Waitaki District Council

By:

Signature of Authorised Signatory

Signature of Authorised Signatory

Name of Authorised Signatory

Name of Authorised Signatory

Date

Date

SCHEDULE 1

Agreement Details

<p>Commencement Date <i>(Clause 6.1, Schedule 2)</i></p>	<p>This agreement commences on the date it is last signed by all Councils.</p>
<p>Expiry Date <i>(Clause 6.1, Schedule 2)</i></p>	<p>This agreement expires on:</p> <p>Establishment of the WO in accordance with LG(WS) Act unless terminated earlier in accordance with the terms of this Agreement.</p>
<p>Service Areas <i>(Background A)</i></p>	<p>The Districts of Central Otago, Clutha, Gore and Waitaki.</p>
<p>Councils Executive Group <i>(Clause 4, Schedule 2)</i></p>	<p>Members: The members of the Councils Executive Group are:</p> <ul style="list-style-type: none"> • Central Otago District Council member: Mayor (or his/her delegate) and one elected representative. • Clutha Council member: Mayor (or his/her delegate) and one elected representative. • Gore Council member: Mayor (or his/her delegate) and one elected representative. • Waitaki Council Member: Mayor (or his/her delegate) and one elected representative. <p>Optional observers (non-voting): Chief Executive of each District Council (or his/her nominee).</p> <p>Meetings: The Council Executive Group will meet every second week.</p> <p>Quorum: At least one voting representative of each District Council.</p>
<p>Project Steering Group <i>(Clause 4, Schedule 2)</i></p>	<p>Members: The members of the Project Steering Group are:</p> <ul style="list-style-type: none"> • Central Otago District Council member: Peter Kelly • Clutha Council member: Steve Hill • Gore Council member: Deborah Lascelles • Waitaki Council Member: Alex Parmley <p>Meetings: The Project Steering Group will meet weekly</p> <p>Project Budget: The Project Steering Group is required to approve any expenditure that exceeds the Project Budget.</p>

<p>Project Team <i>(clause 4 and 5.2, Schedule 2)</i></p>	<p>Members: The members of the Project Team are:</p> <ul style="list-style-type: none"> Central Otago Council member: Julie Muir Clutha Council member: Jules Witt Gore Council member: Jason Domigan Waitaki Council Member: Paul Hope <p>Meetings: The Project Team will meet weekly.</p> <p>Project Budget: The Project Team has authority to approve costs up to the agreed Project Budget. Costs that exceed this amount will require approval by the PSG.</p>	
<p>Initial Contribution <i>(clause Error! Reference source not found., Schedule 2)</i></p>	<p>Each Council will contribute an Initial Contribution of \$26,500 – to provide for consulting services during January/February 2025.</p>	
<p>Address for notices <i>(clause 10, Schedule 2)</i></p>	<p>Central Otago District Council</p> <p>1 Dunorling St. Alexandra, 9320</p> <p>Email: peter.kelly@codc.govt.nz</p> <p>Attention: Peter Kelly</p>	<p>Clutha District Council</p> <p>1 Rosebank Ter, Balclutha 9230</p> <p>Email: steve.hill@cluthadc.govt.nz</p> <p>Attention: Steve Hill</p>
	<p>Gore District Council</p> <p>29 Bowler Avenue, Gore, 9710</p> <p>Email: dlascelles@goredc.govt.nz</p> <p>Attention: Debbie Lascelles</p>	<p>Waitaki District Council</p> <p>20 Thames Street, Oamaru, 9400</p> <p>Email: aparmley@waitaki.govt.nz</p> <p>Attention: Alex Parmley</p>

SCHEDULE 2**Agreement Terms and Conditions****1. DEFINITIONS AND INTERPRETATION**

1.1 **Definitions:** In this agreement the following definitions apply:

"**Agreement Details**" means Schedule 1 of this agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a statutory public holiday in the Service Area(s) identified in the Agreement Details, New Zealand.

"**Commencement Date**" has the meaning given to that term in the Agreement Details.

"**Confidential Information**" means any of the following (whenever it was obtained):

- (a) all information of a confidential nature (reasonably determined) obtained by one Council from another Council under or in connection with this agreement;
- (b) all information relating to the operations and affairs of another Council; and
- (c) all information obtained by a Council in respect of all activities or information undertaken, produced or discussed under the umbrella of the Project.

"**Councils**" means the councils who are named as counterparties to this agreement and who continue to be a participant of this agreement.

"**Existing Material**" means, in respect of any Council, all documentation and other materials used or provided by the Council under or in connection with this agreement that are:

- (a) owned by, or licensed to, that Council prior to the date of this agreement; or
- (b) developed independently from this agreement by that Council, and that are not developed, commissioned or created under or in connection with this agreement.

"**Expiry Date**" has the meaning given to that term in the Agreement Details.

"**Initial Contribution**" has the meaning given to that term in the Agreement Details.

"**Intellectual Property Rights**" means, in respect of any person, all intellectual and industrial property rights and interests (including common law rights and interests) owned or held by that person, or lawfully used by that person, including:

- (a) patents, trade marks, service marks, copyright, registered designs, trade names, symbols and logos;
- (b) patent applications and applications to register trade marks, service marks and designs; and
- (c) formulae, methods, plans, data, drawings, specifications, characteristics, equipment, designs, inventions, discoveries, improvements, know-how,

experience, software products, trade secrets, price lists, costings, brochures and other information used by that person.

"**LGOIMA**" means the Local Government Official Information and Meetings Act 1987.

"**LG(WS) Act**" means Local Government (Water Services) Act 2024 as enacted or to be enacted under clause 1 of the Local Government (Water Services) Bill 11.

"**LG(WSPA) Act**" means the Local Government (Water Services Preliminary Arrangements) Act 2024.

"**Objectives**" has the meaning given to that term in clause 2.1.

"**Scope and Project Plan**" has the meaning given to that term in clause 4.6(a).

"**Submission Date**" means the date the WSDP is submitted by the Councils to the Secretary for Local Government (Department of Internal Affairs) in accordance with section 18 of the LG (WSPA) Act.

"**WO**" means the water organisation (as defined in the LG(WS) Act) to be established by the parties to this agreement.

"**WSDP**" has the meaning given to that term in paragraph B of the Introduction section of this agreement.

1.2 **Interpretation:** In this agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa, and a gender includes other genders;
- (c) another grammatical form of a defined word or expression has a corresponding meaning;
- (d) reference to a party, person or entity includes:
 - (i) an individual, firm, company, trust, partnership, joint venture, association, corporation, body corporate, , estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, agent, successor, permitted assign, executor, administrator or other representative of such party, person or entity.
- (e) a reference to dollars or \$ is to New Zealand currency and excludes every tax and duty;
- (f) a reference to a clause or schedule is to a clause or schedule of this agreement;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

- (h) references to the word 'include' or 'including' are to be construed without limitation;
- (i) references to any form of law is to New Zealand law, including as amended or re-enacted;
- (j) a reference to a document or instrument includes reference to that document or instrument as novated, altered, supplemented, or replaced from time to time;
- (k) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form (including email);
- (l) any obligation falling due for performance on or by a day other than a Business Day shall be performed on or by the Business Day immediately following that day; and
- (m) an obligation not to do something includes an obligation not to allow or cause that thing to be done.

2. PROJECT OVERVIEW

2.1 **Objectives:** The key objectives of this agreement ("**Objectives**") are:

- (a) for the Councils to continue to work closely, collaboratively and successfully to plan and develop a WSDP that meets each Council's needs and objectives for their respective communities;
- (b) to facilitate the Councils making decisions in a timely manner to ensure a joint operating model can progress in a timely way to meet the requirements for submissions of the joint WSDP and other requirements under the LG(WSPA) Act and the LG(WS) ACT;
- (c) to enable the Councils to consider how they would operate together in a way that facilitates an effective and efficient use of the Councils' resources, providing optimum benefit to the parties' ratepayers; and
- (d) to effectively establish a WO for the joint operating model in accordance with a WSDP adopted by the Councils.

2.2 **Relationship principles:** The Councils will:

- (a) work together collaboratively and in good faith;
- (b) ensure communication between them is open, proactive, transparent and inclusive, to avoid any surprises;
- (c) make every effort to understand the other Council's needs and objectives for the joint operating model, and make all reasonable endeavours to ensure the joint operating model meets such needs and objectives;
- (d) raise any issues that arise in connection with this agreement at the earliest opportunity, for joint resolution;
- (e) resolve disagreements between them promptly and amicably; and

- (f) as a courtesy and in the interest of clear and consistent communication, consult with the other Councils before commenting publicly on the joint operating model or this agreement.

3. KEY ACTIVITIES

3.1 Council responsibilities: Each Council will:

- (a) work with the other Councils to:
 - (i) develop and document the Council's technical, operational, legal and other requirements for the joint operating model ("**Requirements**") and to agree reasonable and realistic timeframes for delivery of the joint operating model; and
 - (ii) plan and design the joint operating model to meet the Requirements, including at such time(s) required by the other Councils;
- (b) implement and make decisions in relation to matters for the project within the indicative timeframes listed in the Scope and Project Plan;
- (c) provide subject matter experts where relevant to assist with the development and design of the joint operating model;
- (d) provide a dedicated single point of contact for that Council for the management of the project delivery (ideally a project manager, who will also be the person authorised to make decisions (for example, approvals of proposed public comments on the project) on behalf of that Council);
- (e) provide a dedicated and senior level 'sponsor' for the project;
- (f) attend those meetings agreed by the Councils as appropriate or necessary for the effective governance of and/or the delivery of the joint operating model;
- (g) where there are any changes in Government policy or direction, which affects the purposes and activities of this agreement, inform the other Councils of those changes at the earliest possible opportunity thereafter, and the Councils agree to renegotiate, where necessary, any aspects of this agreement that has been or will be affected by this policy change; and
- (h) fund and provide resources to undertake the project under this Agreement; and
- (i) be responsible for complying with any requirements to undertake consultation or reporting in respect of its own council and local government processes.

3.2 Council individual responsibilities not affected: Each Council acknowledges that the Councils' commitment to the obligations under this agreement does not limit or pre-empt each Council's own obligations as local government authorities at law, including in respect of decision-making responsibility and public consultation obligations.

3.3 Lead council responsibilities:

- (a) The Councils unanimously agree that the Waitaki District Council will be the project lead ("**Lead Council**") with the following responsibilities:
- (i) holding contributions from each Council in a nominated account;
 - (ii) managing project expenditure and tracking against the Project Budget;
 - (iii) preparing agendas and scheduling governance meetings for the project; and
 - (iv) preparing reporting for governance meetings for the project.
- (b) The Project Steering Group ("**PSG**") may, from time to time, agree to replace the Lead Council, after which time, the relevant Council will assume the responsibilities of the Lead Council under this Agreement.

3.4 Development expectations and timelines:

- (a) Each Council acknowledges that the other Council(s) will be providing funding and resources to develop and design the joint operating model, and has an interest in ensuring a consistency of approach in the development and design of the joint operating model.
- (b) Accordingly, any Council may submit a request to the other Council(s), for consideration and agreement by all the Councils, to:
- (i) adjust expected timelines and/or reprioritise resources allocated to the development and design of the joint operating model as necessary to manage resource and funding constraints, subject to not compromising the achievement of the Objectives; and/or
 - (ii) change the Requirements that are not reasonably viable in order for a Council to meet its own needs, and the Councils will work together to agree and implement any agreed change to the joint operating model, including any consequential changes to the Requirements for that joint operating model.

3.5 Project communications: The Councils agree that media releases, public announcements and public disclosures by any Council relating to this agreement or its subject matter (including informational or promotional, but not including any announcement intended solely for internal distribution or any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of such Council) shall be co-ordinated with, and approved by, all Councils, provided that this does not apply to any media release, public announcement or public disclosure made by a Council (the "**Announcing Council**"):

- (a) which does not identify any other Council to this agreement; or
- (b) about the Announcing Council's business and operations or the Announcing Council's Confidential Information, excluding anything about or in connection with this agreement.

- 3.6 **Government communications:** The Councils agree that no Council may communicate directly with the Department of Internal Affairs in relation to the content of the joint WSDP without the prior written consent of the other Councils.
- 4. PROJECT GOVERNANCE**
- 4.1 **Governance structure:** The governance model for the project comprises the following:
- (a) Councils Executive Group ("**CEG**");
 - (b) Project Steering Group ("**PSG**"); and
 - (c) Project Team.
- 4.2 **Decisions made by the governance groups:**
- (a) Each Council will be responsible for their own decision-making using the Project Team's advice and assistance.
 - (b) The CEG, PSG, and Project Team will make decisions on a consensus basis.
 - (c) Where consensus is not possible, decisions will be escalated to the next governance level, with final decisions to be made by the Council members of the CEG.
- 4.3 **Meeting administration:** Each of the governance meetings will be scheduled by the Lead Council, who will circulate agenda items and decisions to be discussed ahead of the meeting date.
- 4.4 **Councils Executive Group:** The CEG shall be responsible for:
- (a) overseeing the executive direction of the project;
 - (b) addressing issues that have been escalated to it by the PSG; and
 - (c) keeping informed on the project by information provided from the Project Team.
- 4.5 **Project Steering Group:** The PSG shall be responsible for:
- (a) providing strategic directions and decisions on the project;
 - (b) addressing issues that have been escalated to it by the Project Team;
 - (c) reviewing and approving any proposed changes the direction of the project;
 - (d) appointing members to the Project Team;
 - (e) ensuring the strategic direction of the project continues to align with the Objectives and each Council's obligations under this agreement; and
 - (f) approving the Project Budget.
- 4.6 **Project Team:** The Project Team shall be responsible for:

- (a) preparing a detailed scope of work and project plan (including project milestones) to deliver on the Objectives ("**Scope and Project Plan**"). The Scope and Project Plan may take the form set out in Schedule 3. The project plan and progress against the Scope and Project Plan will be reported to the PSG and CEG on a monthly basis;
 - (b) developing and maintaining a Project Budget and submitting same for approval by the PSG;
 - (c) engaging external expertise as required;
 - (d) preparing stakeholder/engagement framework ensuring all appropriate parties are included on an ongoing basis;
 - (e) preparing and attending workshops with the Councils' elected members as required to achieve the project and Objectives;
 - (f) preparing consultation packs in collaboration with individual Councils to support each Council's required consultation processes;
 - (g) running and/or supporting consultation processes as required;
 - (h) developing a joint WSDP in accordance with legislative requirements and each Council's requirements; and
 - (i) any of matters required under a terms of reference agreed for the Project Team.
- 4.7 **Commercial Terms Sheet:** The parties agree to work in good faith to complete the terms sheet set out at Schedule 5 that will outline the key commercial terms relating to the WO.
- 5. COST SHARING**
- 5.1 **Cost sharing principles:** The Councils agree to fund the costs of the project in equal parts in accordance with the Project Budget set out in Schedule 4 (as amended from time to time in accordance with this clause 5) (**Project Budget**).
- 5.2 **Project Team delegation:** The Project Team have authority to spend up to the approved Project Budget. Costs that exceed the approved Project Budget and any other amendments to the Project Budget will require approval by the PSG (and, for the avoidance of doubt, the provisions of clause 4.2(c) shall apply).
- 5.3 **Council Exit:** If a Council exits this agreement pursuant to clause 6.3:
- (a) contributions made by the Council on or prior to the date of exit (including the Initial Contribution) are not recoverable by the exiting Council;
 - (b) that Council remains responsible for their share of all costs incurred up to that date; and
 - (c) that Council remains liable to pay its share of any committed or budgeted (but unpaid) costs to the extent such costs cannot be reasonably mitigated or avoided (without penalty) by the remaining participating Councils.

6. TERM

- 6.1 **Term:** This agreement commences on the Commencement Date and continues until the Expiry Date, unless terminated earlier by all Councils in accordance with clause 6.2.
- 6.2 **Termination by agreement:** This agreement may be terminated at any time with immediate effect by agreement of all current Councils to this agreement for any reason, including if there is a material change of law or policy direction that affects the Councils' obligations under the LG(WSPA) Act and LG(WS) ACT.
- 6.3 **Council withdrawal:**
- (a) Subject to clauses 5.3 and 6.3(b), any Council may withdraw its participation in this agreement at any time prior to the Submission Date by giving written notice to the other Councils.
 - (b) Before a Council exercises its withdrawal right under subclause (a), that Council must use reasonable endeavours to:
 - (i) provide as early as possible notification to the other Councils that the Council is considering, or intending to withdraw from the Project, including to provide the other Council(s) with sufficient time to respond to and agree on any public releases in accordance with clause 3.5; and
 - (ii) provide the other Council(s) an explanation for the withdrawing Council's reason(s) for the withdrawal.
 - (c) Where any Council breaches a material obligation, or persistently does not perform its obligations, under this agreement, then the other Council(s) may request that such Council withdraws its participation from this agreement, in which case the parties will promptly discuss the next steps following such request.
- 6.4 **Effect of termination:** In addition to any other rights, powers or remedies a Council may have under this agreement or at law:
- (a) if this agreement ends or is terminated, the following will apply:
 - (i) each Council is released from its obligations under this agreement, except clauses 3.5 (Project communications); 5.3 (Council Exit); 6 Term); 7 (Dispute Resolution); 8 (Confidentiality); 9 (Intellectual Property); 10 (Notices); and 11 (General) that shall survive expiry or termination of this agreement;
 - (ii) each Council retains the rights and obligations it has accrued under this agreement as at the date of expiry or termination; and
 - (iii) each Council must return any Confidential Information of another Council in its possession to that other Council or, if requested by the other Council, destroy the Confidential Information, except to the extent that it is required to retain the Confidential Information in order to meet its legal, contractual and governance obligations.
 - (b) if a Council withdraws its participation in this agreement:

- (i) clause 6.4(a) will apply only in respect of that Council; and
- (ii) this agreement continues in force as between the remaining Councils.

7. DISPUTE RESOLUTION

7.1 **Notice in writing:** If a Council claims that a dispute has arisen, that Council must give written notice to the PSG. The written notice must specify the nature of the dispute.

7.2 **Negotiation:**

- (a) On receipt of a notice delivered in accordance with clause 7.1 and before any Council may refer a dispute to mediation, the PSG must, in good faith and acting reasonably, do their best to resolve the dispute quickly and efficiently through negotiation.
- (b) If the PSG has not resolved the dispute within 10 Business Days of receipt of the notice delivered in accordance with clause 7.1, the dispute shall be escalated to the CEG for resolution.
- (c) If the dispute has not been resolved by the CEG within 10 Business Days (or within such other period as agreed by the Councils) of the date of escalation under clause 7.2(b), any Council may submit the dispute to mediation in accordance with clause 7.3.

7.3 **Mediation:**

- (a) If the Councils do not resolve the dispute by negotiation, the Councils must, in good faith and acting reasonably, do their best to resolve the dispute by participating in mediation with an independent mediator.
- (b) If the Councils do not agree on a mediator, then the mediator will be appointed by the New Zealand Dispute Resolution Centre.
- (c) The Councils must mediate the dispute in accordance with principles agreed between them or, if no agreement can be reached, the New Zealand Dispute Resolution Centre Mediation Rules.
- (d) Unless the Councils agree otherwise, the mediator's fee and any other costs of the mediation itself (such as for venue hire or refreshments) will be shared equally between the parties, but the parties will each pay their own costs of preparing for and participating in the mediation (such as for travel and legal representation).

7.4 **Arbitration**

- (a) If the dispute has not been resolved within 40 Business Days (or within such other period as agreed by the parties) of the dispute being referred to mediation, any Council (the "**Initiating Council**") may refer such dispute to binding arbitration by issuing a written notice ("**Arbitration Notice**") to the other Council(s) (together with the Initiating Council, the "**Disputing Council(s)**") for final resolution in accordance with the provisions of this clause 7.4 and in accordance with the provisions of the

Rules of Arbitration of the New Zealand Dispute Resolution Centre, as amended or modified from time to time ("**NZDRC Rules**").

- (b) The arbitral panel shall consist of one arbitrator. The arbitrator will be appointed by the agreement of the Disputing Council(s) or, failing agreement within 10 Business Days of the date of the Arbitration Notice, in accordance with the NZDRC Rules.
 - (c) The seat of arbitration shall be Waitaki, New Zealand and the arbitration shall be conducted in the English language.
 - (d) The award of the arbitration shall be in writing and must include reasons for the decision.
 - (e) The award of the arbitration shall be final and binding on the Councils. No Council may appeal to the High Court under Clause 5 of the Second Schedule of the Arbitration Act 1996 on any question of law arising out of an award.
 - (f) The award shall allocate or apportion the costs of the arbitration as the arbitrator deems fair.
 - (g) Neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Councils of their respective obligations under this agreement.
- 7.5 **Implementation of agreement:** The Councils must do whatever is reasonably necessary to put into effect any negotiated or mediated agreement, arbitral award or other resolution. This includes exercising voting rights and other powers as required.
- 7.6 **Rights and obligations during a dispute:** During a dispute, each Council must continue to perform its obligations under this agreement.
- 7.7 **Interlocutory relief and right to terminate:** This clause does not restrict or limit the right of a Council to obtain interlocutory relief, or to immediately terminate this agreement where this agreement provides such a right.

8. **CONFIDENTIALITY AND INFORMATION DISCLOSURE**

- 8.1 **Confidentiality:** Each Council will keep confidential and secure all Confidential Information, and no Council shall disclose the other Councils' Confidential information to any person, or use the other Councils' Confidential Information, other than:
- (a) to the extent that use or disclosure is necessary for the purposes of giving effect to or exercising the rights and benefits of this agreement (which for the purpose of each Council, may involve disclosure to that council's elected members and staff);
 - (b) if the discloser of the information has obtained the prior written approval of the providing Council to the use or disclosure;
 - (c) if the use or disclosure is required by law including under the Local Government Official Information and Meetings Act 1987 ("**LGOIMA**"), or the Local Government Act 2002, provided that prior to that Council making a disclosure, that Council will

use reasonable endeavours to promptly consult in good faith with the other Councils:

- (i) regarding the requirement under which that Council is required to disclose the Confidential Information; and
 - (ii) so that the other Councils are informed to arrive at a view on whether those Councils would also be required to make such disclosure if a request is made of them; or
- (d) in relation to disclosure, if the information has already become public, other than through a breach of an obligation of confidentiality by one of the Councils or another third party.

8.2 **LGOIMA:** Each Council acknowledges that the other Council(s) are subject to the LGOIMA. Accordingly, notwithstanding anything else in this agreement, each Council agrees to cooperate fully in providing the other Council(s) with any documents or other information that the other Council is required to provide pursuant to a request made under the LGOIMA.

9. INTELLECTUAL PROPERTY RIGHTS

9.1 **Existing Intellectual Property Rights:** Notwithstanding any of the provisions of this agreement, each Council or its licensors retain ownership of all Intellectual Property Rights, including in Existing Material belonging to that Council or its licensors at the Commencement Date ("**Existing Intellectual Property Rights**").

9.2 **New Intellectual Property Rights:** Any new Intellectual Property Rights which are created as a result of, or in connection with, the provision of the Services or Deliverables, or otherwise in connection with this agreement, shall be jointly owned by the Councils, unless otherwise agreed by the parties.

9.3 **Licence:** If any Council's Existing Intellectual Property Rights is included in any new Intellectual Property Rights, then that Council grants to the other Council(s) and the other Councils accept, anon-exclusive, non-transferable, royalty-free licence during the term of this agreement to use the Council's Existing Intellectual Property Rights for the purposes of giving effect to and performing its obligations under this agreement. That licence will expire immediately on expiry or termination of this agreement.

10. NOTICES

10.1 **Giving notices:** Any notice or communication given to a Council under this agreement is only given if it is in writing and sent in one of the following ways:

- (a) Delivered or posted to that Council at its address and marked for the attention of the relevant department or officer (if any) set out in Schedule 1.
- (b) Emailed to that Council at its email address and marked for the attention of the representative set out in Schedule 1.

- 10.2 **Change of details:** If a Council gives the other Councils three Business Days' notice of a change of its postal address or email address, any notice or communication is only given to that Council if it is delivered, posted or emailed to the latest postal address or email address.
- 10.3 **Time notice is given:** Any notice or communication is to be treated as given at the following time:
- (a) If it is hand delivered, when it is left at the relevant address.
 - (b) If it is sent by post, five Business Days after it is posted.
 - (c) If it is sent by email, on the date and at the time at which it enters the recipient's information system, as evidenced (if required by the recipient, where delivery is disputed) in a confirmation of delivery report from the sender's information system which indicates that the email was sent to the email address of the recipient.

However, if any notice or communication is given on a day that is not a Business Day or after 5pm on a Business Day in the place of the Council to whom it is sent it is to be treated as having been given at 9am on the next Business Day.

11. GENERAL

- 11.1 **Capacity:** The Parties each warrant and represent to each other that they have full power and authority to enter into this agreement and that all authorisations and approvals that are necessary or required in connection with the execution of this agreement have been obtained.
- 11.2 **No partnership, joint venture:** Nothing in this agreement shall create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between any of the Councils, and a Council may not make, or allow to be made, any representation that any such relationship exists between any of the Councils. A Council shall not have authority to act for, or to incur any obligation on behalf of, any other Shareholder, except as expressly provided for in this agreement.
- 11.3 **No privity:** Other than as expressly provided for in this agreement, this agreement is not intended to confer a benefit on any person or class of persons who is not a party to it.
- 11.4 **Counterparts:** This agreement is deemed to be signed by a Council if that Council has signed or attached that Council's signature to any of the following formats of this agreement:
- (a) an original;
 - (b) a photocopy; or
 - (c) an electronic copy,
- and if every Council has signed or attached that Council's signature to any such format and delivered it to the other Council(s), the executed formats shall together constitute a single binding agreement between the Councils.
- 11.5 **Electronic signing:** A Party may sign this agreement by way of the application of that Party's (or its relevant signatory's) electronic signature in accordance with Part 4 of the Contract and Commercial Law Act 2017.

- 11.6 **Entire agreement:** This agreement contains everything the parties have agreed in relation to the subject matter it deals with. No Council can rely on an earlier written agreement or anything said or done by or on behalf of another Council before this agreement was executed.
- 11.7 **Severance:** If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.
- 11.8 **Further assurance:** Each Council shall make all applications, execute all documents and do or procure all other acts and things reasonably required to implement and to carry out its obligations under, and the intention of, this agreement.
- 11.9 **Variation:** No variation of this agreement will be of any force or effect unless it is in writing and signed by each Council to this agreement.
- 11.10 **Assignments and transfer:** A Council must not assign or transfer any of its rights or obligations under this agreement without the prior written consent of the other Councils.
- 11.11 **Costs:** Except as otherwise set out in this agreement, each Council must pay its own costs and expenses, including legal costs and expenses, in relation to preparing, negotiating, executing and completing this agreement and any document related to this agreement.
- 11.12 **Waivers:**
- (a) A waiver of any right, power or remedy under this agreement must be in writing signed by the Council granting it. A waiver only affects the particular right, obligation or breach for which it is given. It is not an implied waiver of any other right, obligation or breach or an implied waiver of that right, obligation or breach on any other occasion.
 - (b) The fact that a Council fails to do, or delays in doing, something the Council is entitled to do under this agreement does not amount to a waiver.
- 11.13 **Governing law:** This agreement is governed by the laws of New Zealand and the Councils submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement.

SCHEDULE 3

Scope and Project Plan

Activities and Decisions	Indicative Timeframes
<p><u>Project initiation phase</u></p> <ul style="list-style-type: none"> • Agree project approach, high level plan, budget and cost allocation. 	10 Feb 2025
<p><u>Design phase</u></p> <ul style="list-style-type: none"> • Agree preferred service delivery model • Agree financial projections for the service delivery options • Agree approach to public consultation • Council decisions on consultation options and information to be made publicly available 	<p>End March 2025</p> <p>End April 2025</p>
<p><u>Planning phase</u></p> <ul style="list-style-type: none"> • Undertake public consultation • Prepare joint WSDP • Plan arrangements for the WO, including governance structures and financial arrangements • Each Council ensures internal endorsement for joint WSDP • Chief Executives from each Council certify information provided by that Council 	<p>End April to End May 2025</p> <p>Deliberations-Decisions</p> <p>June – July 2025</p> <p>August 2025</p>
<p>Submit the joint WSDP (with certification) to the Secretary for Local Government for acceptance. The WSDP may require amendments and resubmission for acceptance.</p>	3 September 2025
<p><u>Implementation phase</u></p> <ul style="list-style-type: none"> • Councils adopt the accepted WSDP • Publish the adopted WSDP • Execute the corporate documents required to establish the WO • Establish the WO • Set up operational arrangements for the WO 	<p>After acceptance of the WSDP under the LG(WSPA) Act</p> <p>Planning assumption – Work commences on Joint CCO setup early 2026 for 1 July 2027 establishment</p>

SCHEDULE 4

Project Budget

Project Budget	\$ 548,976
-----------------------	-------------------

	Equal Share	Cost	Rounded
Central Otago District Council	25.0%	\$ 137,244	\$ 137,000
Clutha District Council	25.0%	\$ 137,244	\$ 137,000
Gore District Council	25.0%	\$ 137,244	\$ 137,000
Waitaki District Council	25.0%	\$ 137,244	\$ 137,000
	100.0%	\$ 548,976	\$ 548,000

Budget	Total
Project Delivery & Governance Support	\$ 199,000
Consulting Support - Financial Modelling & Analysis	\$ 42,000
Consulting Support - Initial Assessment	\$ 8,500
Consulting Support - CCO definition	\$ 3,500
Consulting Support - Options Update for decision / Consultation Content	\$ 15,000
Consulting Support - WSDP Content	\$ 15,000
Communications Support	\$ 89,480
Design & Printing	\$ 10,000
Consulting Support - Asset Mgt Plan and Long Term Plan Baselineing & New Env't Standards	\$ 15,000
Legal - Commitment Agreement & Decision Paper Review	\$ 20,000
Legal - Comms Content Review	\$ 10,000
Legal - WSDP Review	\$ 10,000
Legal - Ad Hoc Advice	\$ 20,000
	\$ 457,480
Contingency 20%	\$ 91,496
Sub Total	\$ 548,976

SCHEDULE 5

Commercial Terms Sheet

Term	Agreed position	Template document clause reference
General		
Name of the WO		<ul style="list-style-type: none"> All template documents
Matters which require the approval of shareholders.		<ul style="list-style-type: none"> Single council shareholder: Constitution, Schedule 2 Multiple shareholders: Shareholders' Agreement, Schedule 1; Schedule 2, clause 5.1(b); and Schedule 3
Service Area(s) where the WO will provide "water services".		<ul style="list-style-type: none"> Commitment Agreement: Background, paragraph A Shareholders' Agreement: Schedule 1; Schedule 2, clause 1.1; and Schedule 6
Constitution (single- and multi-shareholder WOs)		
Whether Shareholders will be able to require changes to and approve the Water Services Strategy.		<ul style="list-style-type: none"> Clause 3.2
Maximum number of directors.		<ul style="list-style-type: none"> Clause 12.2
Preferred method of appointing/removing directors, including: <ul style="list-style-type: none"> Will directors be appointed by the shareholders directly or a by a Shareholder Council? Will directors be appointed proportionate to the shareholding of each council, or some other methodology (please specify) 	Single director per shareholder	<ul style="list-style-type: none"> Clause 12.3(a)
Directors' term of appointment and maximum number of terms a director can be appointed for.	Term - 3 years	<ul style="list-style-type: none"> Clause 12.6

Quorum for board meetings.		<ul style="list-style-type: none"> Schedule 2, clause 3.1(a)
Skills the directors are required to have.		<ul style="list-style-type: none"> Clause 12.5 Schedule 3
Shareholders' Agreement		
Initial shares to be issued and shareholding for each shareholder.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 2.2
Price payable for each share in the WO issued.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 2.3
Principles that any further shares must be issued in accordance with.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 9.3
The name, registered office and address for service of the WO.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 2.4
The initial business set up, operational steps and transactions to be undertaken by the WO and Councils.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 3.2
The initial directors of the WO.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 4.2
Whether to establish a Shareholders Council, and if yes, confirmation that the Terms of Reference in Schedule 4 apply.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 6.1 Schedule 4
Membership of the Shareholders Council (where established), including the total number of members, the initial membership, and the number of members for a quorum at meetings.		<ul style="list-style-type: none"> Schedule 4
Number of missed Shareholders Council meetings missed before a new representative will be appointed.		<ul style="list-style-type: none"> Schedule 1 Schedule 2, clause 6.6

Matters to be included in the Statement of Expectations.		<ul style="list-style-type: none"> • Schedule 1 • Schedule 2, clause 8.1(b)
Interest rate payable on payment default by any party under the Shareholder's Agreement.		<ul style="list-style-type: none"> • Schedule 1 • Schedule 2, clause 12.3
Time period before publication to provide the agreed Statement of Expectations to the Chairperson of the Board, the Chief Executive of the Company and the Shareholders Council (must be no more than one month).		<ul style="list-style-type: none"> • Schedule 1 • Schedule 2, clause 8.1(c)
Deed relating to Indemnity, Access and Insurance		
Individuals who will be indemnified under the Deed.	[All directors and senior executives of the WO.]	<ul style="list-style-type: none"> • Parties to the Deed
Transfer Agreement		
Responsibilities to be transferred to the WO; Responsibilities which won't be transferred		<ul style="list-style-type: none"> • Appendices 1 and 2 of Schedule 2
Assets to be transferred to the WO; Assets which won't be transferred		<ul style="list-style-type: none"> • Appendices 1 and 2 of Schedule 2
Employees and Contractors to be transferred to the WO		<ul style="list-style-type: none"> • Schedule 2, clause 5
Contracts to be novated to the WO; Contracts which won't be novated		<ul style="list-style-type: none"> • Appendices 1 and 2 of Schedule 2
Matters of Shared Interest which Council and the WO will work together on		<ul style="list-style-type: none"> • Schedule 3
Ad hoc services to be provided by Council to WO		<ul style="list-style-type: none"> • Schedule 1 • Schedule 4, clauses 2 and 4
Ad hoc services to be provided by WO to Council		<ul style="list-style-type: none"> • Schedule 1 • Schedule 4, clauses 2 and 4

Date of commencement		<ul style="list-style-type: none"> • Schedule 1 • Schedule 5, clause 1.1
Date on which the transfer will take effect		<ul style="list-style-type: none"> • Schedule 1 • Schedule 2, clause 7.1
Purchase price/limitation of liability		<ul style="list-style-type: none"> • Schedule 1 • Schedule 2, clauses 3.1 and 11.2
Party (as between the Council and the WO) who will collect the water charges		<ul style="list-style-type: none"> • Schedule 1 • Schedule 3, clause 2
Council's Representative and Interface Governance Group Members		<ul style="list-style-type: none"> • Schedule 1 • Schedule 3, clause 4.2 • Schedule 3, clause 4.3

DRAFT

7 Public Forum Items Requiring Consideration

8 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,—

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

8.2 Venture Timaru Limited: Appointment of Chairperson and Director

8.3 Earth Quake Prone Building Update

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>8.1 - Public Excluded Minutes of the Council Meeting held on 4 February 2025</p> <p>Matters dealt with in these minutes:</p> <p>13.1 - Public Excluded Minutes of the Extraordinary Council Meeting held on 15 November 2024</p> <p>13.2 - Public Excluded Minutes of the Council Meeting held on 10 December 2024</p> <p>13.3 - Land Purchase - 44 Trafalgar Street</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 4 February 2025 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 4 February 2025.</p>
<p>8.2 - Venture Timaru Limited: Appointment of Chairperson and Director</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>To protect a person’s privacy, including the privacy of deceased persons</p>
<p>8.3 - Earth Quake Prone Building Update</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</p>	<p>To enable Council to carry out commercial activities</p> <p>To prevent use of the information for improper gain or advantage</p>

	disadvantage, commercial activities s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	
<p>*I also move that [name of person or persons] be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of [specify]. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because [specify]</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.”