

CONFIRMED MINUTES

**OF THE WAITAKI DISTRICT COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
AND VIA ZOOM VIDEO-CONFERENCE
ON TUESDAY, 13 JUNE 2023 AT 9.45AM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Hana Halalele (Deputy Chair), Cr Tim Blackler, Cr Brent Cowles (via Zoom), Cr Jeremy Holding, Cr Jim Hopkins, Cr Courtney Linwood, Cr Guy Percival, Cr John McCone, Cr Rebecca Ryan, and Cr Jim Thomson

IN ATTENDANCE: Alex Parmley (Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager and Acting Assets Group Manager)
Roger Cook (Heritage, Environment and Regulatory Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Joshua Rendell (Assets Operations Manager)
Kushla Tapper (Interim Rooding Manager) (via Zoom)
David Campbell (Heritage and Planning Manager)
Chelsea Clyde (Climate Change Advisor)

The Chair declared the meeting open at 9.45am and welcomed everyone present.

1 APOLOGIES

There were no apologies.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PUBLIC FORUM

Speaker 1: Ray Henderson (Agenda Items 4.1 and 6.1):

Mr Henderson shared his thoughts that Council was going in the wrong direction. He felt Council's assessment that the community had not understood the questions for the Economic Development consultation because they had not agreed with what Council was proposing was flawed and that it was the questions that were not well articulated. In addition, he had not found anywhere in the consultation document that the Oamaru Blue Penguin Colony would become a Council Controlled Organisation; he had assumed it would be subsumed into Council's operations. While he did not expect Council to stop, Mr Henderson said he did want Council 'to pause'.

Mr Henderson also noted that Council reports had referred previously to having to hire extra staff because central government kept devolving things to local government but without any funding to do it. He then referred to the Chief Executive's report to this meeting where it was mentioned that the government used to do some things, but that Council thinks it can do it better. He shared his concern that Council was 'trying to do too much, with too little money'.

The Chair acknowledged past references to central government devolving things to local government and noted that Council was adamant that new activities should come with funding. Council had submitted its concerns to the Future for Local Government panel as part of its review, and there is an expectation that there will be references to funding options coming with devolvment of responsibilities when the panel's report comes out next week.

Another Member shared his thoughts that Mr Henderson was pre-empting some of the discussions to follow at this meeting. As a Councillor, at no stage to date had they been asked to vote that the Oamaru Blue Penguin Colony would become a CCO. Mr Henderson responded that it was in the agenda papers, so he assumed it was going to happen. The Chair advised Mr Henderson that agenda reports were written by officers in accordance with policy and strategic directions. However, it was for Council to discuss and debate the matters during an official meeting before any decision could or would be made. Those discussions were still to be held at this meeting.

Speaker 2: Lisa Howard-Sullivan spoke on the topic of community feedback. She noted that Council referred to 'keeping things affordable' and suggested that, if some projects were removed from the work list, then rates would be lower. She cited the example of the Awamoa toilets and provided her reasons for that. Regarding the Better Off funding, she felt that staff were continuing to recommend non-deliverable projects and also saying that Council could change the projects list to include projects of a higher priority – she suggested Council could do that at this meeting.

Ms Howard-Sullivan shared her view that (a) 60% of submitters had voted against the OBPC becoming a CCO, and yet Council staff want to push ahead with it and then investigate partnership opportunities; and (b) 58% voted against closing Tourism Waitaki; and (c) Council had ignored feedback from the community on Forrester Heights. She wanted Council to consider what ratepayers are saying and be fiscally responsible because ratepayers cannot afford those rates.

In response to the claim that Council had ignored community feedback on Forrester Heights, the Chair stated for the record that Council had changed the recommendations so that they did address many of the concerns raised by submitters. Regarding the other matters raised, the Chair noted that he would not comment further because discussions relating to them were still to occur in the meeting today.

Ms Howard-Sullivan shared her view that people still believed Council wanted to sell Forrester Heights. The Chair responded that the decision was to look at it as part of the property strategy. He added that it may not be a decision that Ms Howard-Sullivan or perhaps others agreed with. However, he advised that Council had the right to consider all submissions and to make a decision in the best interests of the whole community. That is Council's responsibility, and it will remain Council's responsibility, and every three years, the community will decide whether to vote the Mayor and Councillors back in or not. That is democracy.

Another Member noted that, with 1,800 kilometres of road and less than 13,000 ratepayers, Waitaki could not afford to sit on assets that were not delivering benefits to the community. It was necessary to look at everything and deliver on what is needed; not what may be wanted.

A Member asked Ms Howard-Sullivan if she would agree that, in having to seek to relieve the burden on ratepayers, Council had a responsibility to look at other avenues of revenue. She answered 'yes' and noted that was why she was asking Council to go back to the funding from Affordable Water, because other councils had used it for existing projects that would otherwise have been used for rates. The Chair reminded Ms Howard-Sullivan that Council had already explained to the Ratepayers group the restrictions that the Department of Internal Affairs had put on expenditure of that funding.

After further brief discussion, Ms Howard-Sullivan agreed to provide a list of higher priority projects from the Ratepayers' Association's viewpoint and, at the request of the Chair, to take note of the DIA's requirements about what could and could not be included when compiling it. The Chair highlighted that Council had its own a list of projects to consider in the agenda today, and elected members would do that. However, given that the Ratepayers Association was claiming that Council

should be doing certain things and not doing others, they could find compiling their own priority list using the same DIA criteria an interesting process.

The Chair thanked speakers and then closed the Public Forum.

4 LEADERSHIP REPORTS

4.1 CHIEF EXECUTIVE'S REPORT - 13 JUNE 2023

The report, as circulated, updated the Governance Team on progress with delivery of the Key Performance Indicators (KPIs) set by Council for the Chief Executive for the year ending 30 June 2023.

Chief Executive Alex Parmley took the report as read and spoke briefly on specific KPIs.

KPI 2 Three Waters Reform (now known as Affordable Water): Mr Parmley noted that it was difficult for offices to plan too much until more detail was forthcoming about the new arrangements for Affordable Water. There had been more than 400 changes in the Bill and some important ones that Council had highlighted in its submission, including recommending the need for greater clarity about how relationship agreements will work in practice. The changes made clear that these will be enforceable, and that Councils and water entities would need to work together; Councils need assurances on how that will happen.

Another important change had been in regard to Council Controlled Organisations (CCOs) which had elements of delivering water services within their purview. It was now being recommended that CCOs with 85% or more of their revenue associated with water services would be the target group, and Mr Parmley advised that that did not cover Council's CCO (Whitestone Contracting Limited) and the element of the water services that they provided. He added that most CCOs would now not be included because of that change.

Mr Parmley spoke briefly about the Select Committee's recommendation of a development code and how development and growth would be supported within the code. He noted that Council had raised concern about water entities not being required initially to pay rates, but that had been changed and they would now have to pay rates which would be less of a burden on local ratepayers. Councils would also still continue to rate on behalf of the new water entities.

In summary, Mr Parmley acknowledged that the Select Committee had listened to the submissions and made some changes which had addressed at least some of Council's concerns.

KPI 4 – District Plan Review: Mr Parmley noted that Council was making progress on this but highlighted that there was a considerable amount of work to get through and there was a need to review the timetable. At this stage, he did not believe Council would meet the timeframe to notify the draft District Plan by the end of this calendar year. There would need to be either a change of timeframe, or more sessions with the sub-committee to provide feedback on the comments that had been received.

KPI 7 – Transformation: Mr Parmley commended staff on their commitment to improving the way things are done, acknowledging that a lot of that work has been done in addition to 'business as usual' (BAU). His concern is that not enough space had been made for Transformation work to occur. The Transformation schedule was close to the end of Phase 2 now, and Phase 3 would be about implementation and more resourcing would be needed for that. He would be sharing that with the Governance Team in the near future. Key to the future work would be a plan to engage with the community on the Transformation Programme.

During discussion, the matters below were clarified or highlighted.

On Three Waters (now Affordable Water): Asked whether Council was now connecting with Councils to the north following Council's decision to be part of the Canterbury / West Coast water entity, Mr Parmley advised that that was happening only through the existing Chief Executive and Mayoral Forums at the moment. There was no existing platform yet to have the same deep level

of engagement that Council had had in Otago and Southland to discuss shared resourcing and collaboration.

On **Transformation**, when asked what the IT projects were that would be initiated during Phase 3 and about whether 'community scepticism' should be added as a risk, Mr Parmley advised that there was always an intention to revisit the IT budget to see what Transformation implementation would require. That work was now underway, and it would be brought to Council in the next month or two. Regarding risks, what was listed was not the full scope. Communication and engagement are being planned with the community.

Also on **Transformation**, the update on what has been happening was appreciated. In noting that regular reporting on some of the financials had been part of the original decision to proceed, an update on Transformation budget expenditure was requested in the next Chief Executive's report. Mr Parmley acknowledged that and reported that the overall programme was on budget.

ACTION: Chief Executive Alex Parmley, with Deputy Chief Executive Lisa Baillie

On **KPI 6 Strategic Priority Delivery**: In response to a request for an update on progress in relation to climate change, Mr Parmley noted that this was an issue he wanted to discuss with the Governance Team. Because it involved the same group of people (staff) as the District Plan Review, it was unrealistic to do anything else in the climate change space. Asked for comment, Group Manager Roger Cook supported Mr Parmley's comment, and noted that the District Plan was the foundation plan for any environment plan, and there was a need to prioritise the continuation of the District Plan Review so that a better environment plan would be achieved. Chair of the DPR Sub-Committee, Cr Jim Thomson, also noted that Members of that Sub-committee were discussing having more workshops during Council's mid-year break in July to help catch up on the feedback workload. This was noted.

RESOLVED WDC 2023/086

Moved: Cr Jim Hopkins

Seconded: Cr John McCone

That Council receives and notes the information.

CARRIED

5 RECOMMENDATIONS FROM COMMITTEES REPORTS

5.1 RECOMMENDATIONS OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 30 MAY 2023

5.1.1 CONSIDERATION OF WAITAKI DISTRICT HIGH LEVEL CLIMATE CHANGE PROJECTIONS AND CLIMATE CHANGE RISK FRAMEWORK

The report, as circulated, sought the Committee's recommendation to Council for the adoption of the Waitaki District Climate Change Risk Framework, Part 1: Climate Change Projections. Additional Officer comments had also been provided in the agenda report, along with a revised recommendation for Council's consideration.

Group Manager Roger Cook noted that the one amendment agreed at the Performance, Audit and Risk Committee Meeting had been made, and that while other changes had been suggested, there had been no Chair's ruling on those. He added that it was important to note that the Climate Change Commission used the affirmative language "will". However, if Council agreed to changing those references to "may", then officers would make those changes.

One Member noted that the suggested changes they had made at the PAR Committee Meeting for such changes from "will" to "may" had also received a response (from a different officer) that they could be made. They believed that Committee Members at the time took that discussion to

mean that those changes would be made. Mr Cook confirmed that officers are prepared to change it, and indeed they did get as far as making some of the changes but a subsequent discussion with the PAR Chair confirmed that he had not ruled on those changes at the PAR meeting. If a decision of Council today requested that those changes be made, then they would be made.

Heritage and Planning Advisor David Campbell suggested that the Member could sit with officers to consider the other suggested changes. The Chair urged caution on that, because there was a risk that not all members of the Governance Team would agree with what one Member was proposing. He asked the Member to identify specific references where change was being proposed. A summary of the ensuing discussion is provided below.

References are to the content of Council's Climate Change Risk Framework as attached to the agenda report to this meeting.

- (a) Executive Summary, paragraph 2, second line (page 24 of the agenda papers to this meeting) – the reference to “will” be facing to be replaced with “may” be facing

- (b) Page 25, third paragraph, second line: “will” present risks to be replaced with “may” present risk.

(The Member's rationale for proposing these changes was that the presumptions are predicated on RCP 8.5 which is under challenge. He referred to the much more conditional references to climate change on pages 30 and 39 of the agenda papers, namely: “climate change ... which is likely to ...”; and “... climate change is also influencing the likelihood...”

- (c) Page 30 – suggestions to moderate the language to reflect changes in farming practices.

In response the Chair noted that he was not reading the “will” references in the same way on pages 24 and 25 (ie (a) and (b) above). The risks were already happening, so Council “will” face them. The active part for Council was about how to deal with what might happen or could happen and the active part for Council was in preparing for what might happen. Similarly with the risks; climate change will present risks does not mean that it will happen but there is a risk that things will happen. On the farming change (c) above), the Chair said he was more inclined to have some moderation in the language used.

- (d) Page 22 – high level change projections should be accompanied by an asterisk to note that they are based on RCP 8.5 which is under challenge.

- (e) Addition – request that the Paris Accord includes a reference to article 2 which specifically says “... in a manner that does not exclude food production”, because for an area like Waitaki, that was of particular importance.

Mr Campbell responded that the risk framework is using terminology that assumes a negative; that there might be a low risk. However, any subsequent adaption might play out differently. That does not mean that the positives have not been discussed or considered; this is about the risks. Mitigation and adaption might be risks to address later on, but they are not part of the risk assessment, and he did not believe they should be included here. The Chair suggested that the risk might be that we do not consider the opportunities that may arise from a changing climate.

Regarding the asterisk (point d), the Chair agreed that that was needed. It was pointed out that page 7 of the report did reference that as a footnote. The request was made for the footnote and asterisk to be referenced at the beginning as well.

ACTION: Group Manager Roger Cook, with Climate Change team

Another Member supported the change from “will” to “may” because it did not lock Council in and covered both options. The Chair noted that Council would consider what might happen. It is not saying that we will deal with sea level rise; it is saying that we will deal with the risks of that. As time goes on, we would be derelict in our duty not to consider the risks. We will be mindful of the risks and the Council of the day will decide about whether it reacts to them.

Another Member concurred with the Chair's comments, and supported the updated Climate Change Risk Framework as it appears as an attachment to this meeting agenda report. They believed it signals the intention that Council is prioritising climate change and how we can mitigate those risks because we would be remiss if we did not. It was also important to be clear about Council's intentions because that may assist with sourcing Central Government funding. Council had employed a resource to specifically support its climate change aspirations, so the risk framework needed to reflect that prioritisation and resourcing.

MOTION

Deputy Mayor Hana Halalele moved the report's recommendations, and Cr Tim Blackler seconded the motion.

Discussion on the motion

The Member who had proposed the changes said they would not debate the need to make the changes on page 24. They acknowledged that there had been agreement accepted here by the Chair to make the change on page 22. They suggested adding opportunities as well as risks to the reference under discussion on page 25. And, on page 43, if there could be some moderation to the language relating to New Zealand includes following commitments all of which involve actions to reduce emissions, or wording like that, and that the fourth bullet there included recognition of article 2 of the Paris Agreement because it was fundamentally important that it should not be left out by a country where primary food production is so central to what we do.

In response, the Chair reiterated that this is about the risk of missing those opportunities and the risk of not looking at the positive things. If some wording could be added, not necessarily there but somewhere, that would be good. Asked by the Chair if that could be done, Mr Campbell and Climate Change Advisor Chelsea Clyde nodded in agreement. The Chair then confirmed that he was ruling that that was a request from Council for those additions to be considered.

ACTION: Climate Change team

RESOLVED WDC 2023/087

Moved: Deputy Mayor Hana Halalele

Seconded: Cr Tim Blackler

That Council adopts the Updated Draft Climate Change Risk Framework, Part 1 – Climate Change Projections, as attached to this Recommendation of the Performance, Audit and Risk Committee Meeting held on 30 May 2023 report, with amendments agreed at this meeting.

CARRIED

6 DECISION REPORTS

6.1 NEW WAYS TO ENABLE ECONOMIC DEVELOPMENT IN WAITAKI

The report, as circulated, sought Council's approval to set up two new Council Controlled Organisations, one as an Economic Development Agency to implement the *Uplifting Waitaki: Hāpaitia te Waitaki Economic Development Strategy* incorporating tourism promotion and destination management, to act as a partnership vehicle for enabling economic growth; and the other for the Ōamaru Blue Penguin Colony. It also sought Council's agreement to investigate Partnership opportunities to grow the Ōamaru Blue Penguin Colony as a cornerstone attraction for the district.

At the invitation of the Chair, Chief Executive Alex Parmley highlighted the key points in the report. He acknowledged that the strategy is ambitious and that it would require more resources than this Council has. A partnership approach would be required to take forward this work. The

Governance Group had recommended an Economic Development Agency not just for any economic growth but growth that was sustainable and inclusive of the wider community. Regarding the economic development consultation, he believed that what was consulted on was not understood. Council heard from the business community and that was not reflected in the feedback received. Our analysis of feedback in the context of the strategy's direction is to continue to establish an Economic Development Agency (EDA) as a Council Controlled Organisation (CCO) and to disestablish Tourism Waitaki Limited (TWL). Included in the recommendations was the development of a communications plan which was a key piece of work.

Regarding the Oamaru Blue Penguin Colony (OBPC), Mr Parmley advised that, if Council accepted the recommendation to create a CCO which would include the activities currently carried out by TWL, then the OBPC needed to be recognised as an important asset. There had been consultation on investigating a partnership. And to be clear – there was no proposal to sell the colony; this was not a privatisation as was reported by others. There was misreporting by some, for example; when looking at sealing the carpark beside the OBPC, there were suggestions that that was part of the privatisation and part of the selling which was not true.

Mr Parmley suggested to Council that it consider the feedback provided, which had referenced the experience, the values and alignment with the community, the commitment to maintaining the colony's leadership and research role; the appetite to broaden the conservation offer of the colony (it was already known that they reach beyond the framework of the colony with what they do) and to consider the feedback from other conservation entities. If Council did accept the recommendation to investigate potential partnerships, then Mr Parmley suggested that Council engaged with the community again. There had been no assumption made by Council that the partner would necessarily be a commercial entity. Other conservation entities have expressed interest, but no discussions have been held with them to date. A Council decision to establish a CCO for the OBPC in no way limits Council from pursuing a partnership. Agreement to investigate partnerships does not mean that you are agreeing to any partnership.

The Chair thanked Mr Parmley for his comments. He added that Council tried to be as open and non-committal as possible with communications for the Annual Plan because it was accused all the time as having secret agendas and that we are selling assets. He believed there was a genuine attempt relating to this consultation to keep it open and allow a discussion to happen that would focus on what the benefits would be; the communications were specific on that. In addition, there had been numerous comments made along the way about Council wanting to ensure that the OBPC research work would continue, and the value Council attributed to that work. Perhaps there was a need to provide some examples in future engagement on issues, although that could create its own risk that some would pick it up as being what Council would be doing rather than to consider it as just an example for illustrative purposes.

The Chair said he wanted to test the room and proposed a new motion, as follows:

MOTION

Mayor Gary Kircher moved: "That Council agrees that it will not sell the OBPC and that it remains an important conservation facility." Cr Jim Hopkins seconded the motion.

Discussion on the motion:

Cr Jim Hopkins raised a Point of Order, asking if the new motion should be added as a new point 6 to the existing five recommendations in the report. The Chair responded that, given some of the commentary being shared in the wider community, he wanted to do it now and separately, to show Council's definitive position on this matter. This was acknowledged and the motion was put to the meeting.

RESOLVED WDC 2023/088

Moved: Mayor Gary Kircher

Seconded: Cr Jim Hopkins

That Council agrees that it will not sell the OBPC and that it remains an important conservation facility.

CARRIED

Discussion continued on the agenda report with a focus on the charitable status of TWL. Asked if Council could change the TWL constitution, Mr Parmley confirmed that officers had sought legal advice on that issue and that advice had recommended that Council could not change the charitable framework. A Member noted that it had been recommended and that constitutions of organisations could be changed. Mr Parmley reiterated that officers were acting under legal advice that Council could not change the charitable status of Tourism Waitaki 'by law'. The reference to 'historic liabilities' was also queried, with Mr Hope advising that it was a general concern rather than anything specific. TWL had been set up as a charitable company which restricted which could be done with surpluses. It had been set up a long time ago when there were different priorities in place, and that status was not fit for purpose as an EDA framework.

Other queries relating to the report's recommendations were raised. Regarding recommendation 2, why, when setting up an EDA for Waitaki, was there a specific reference to 'tourism promotion and destination management' when an EDA should be for all community development matters, including for other important sectors (eg agriculture) which is the largest earner for the Waitaki district. On recommendation 4, one Member felt that that it would be more beneficial to bring the OBPC in-house in the short-term; and on Recommendation 5 – while setting up a CCO was supported by this Member, they felt that the transitional governance group should be completely removed from political influence; Council's ability was to appoint directors to a CCO and that should be enough in this case as it is for the current four CCOs.

Another Member view in response was that recommendation 2's reference to tourism promotion and destination management was because it was mentioned in the ED Strategy, but it was not meant to be exclusive, and the importance of other sectors like agriculture were relevant and topical for the reason stated and also given Council's ongoing support for North Otago Irrigation Company, for example. As for the idea of bringing the OBPC in-house, it was a matter for Council to discuss the advantages and disadvantages of that and make a decision today at this meeting.

On the matter of governance group membership, Mr Parmley noted that the governance group which had overseen the development of the strategy and consultation with stakeholders had included elected members, and officers felt it was important in terms of accountability for the future governance group to include elected members as well.

Concerns about the funding shortfall in a few years' time were shared by several Members, and one suggested that it should be Council's issue to make the pathway easier for businesses to grow. In response to that comment, Mr Parmley spoke about the Performance Management Framework (PMF) that Council was developing as part of the Transformation Programme for find a balance that would ensure there was a move away from a siloed approach and to make this a more welcoming environment for businesses to be established. Transformation was much more focused on customer outcomes than dealing with individual requests. It could be done, but it was not a 'given' at this stage; there was a need to work through the organisation's transformation to ensure that that happened.

Invited to share their views, other Members highlighted the following: (i) uncertainty about whether having two CCOs would be beneficial or whether it would simply add another level of complexity for the OBPC; the Long Term Plan (LTP) budgets had some sources of funding for the EDA set up, TWL contract funding grants, placemaking and the ED strategy, but there were questions about what was from rates or Better Off Funding, and concerns about what funding source would be available from the third year onwards. It was noted that the OBPC had been a significant source of income for TWL until COVID, and it was queried whether that income would provide income for

the EDA if the OBPC was brought in-house? Mr Parmley advised that the OBPC income was bouncing back but it had not been assumed to be in the mix. If Council decided to proceed today, the governance group would need to be appointed and it would have the responsibility to cast forward a ten-year horizon for the ED and what its income sources would be. At the moment, the OBPC income sits with TWL, but it is not a committed source of income for the EDA.

Business and Attraction Recovery Manager Mel Jones noted that there had been very little investment in the OBPC in the last few years, so if there was profit available there, it would be important to see what the OBPC needed for any necessary improvements. That was queried by a Member, who questioned why TWL had not utilised the Strategic Tourism Fund income from the OBPC if it had been there and then acknowledged that it was a question to be directed to TWL rather than for this meeting.

A Member reiterated that they were 'very reluctant' to proceed because of the lack of future funding. Some other members concurred. Mr Hope reminded Members that Council would still control the amount of funding that went into the EDA. If Council did set it up as a CCO, the EDA would need to develop a business plan including multiple funding streams to set out what it was wanting to achieve. Council would still have ultimate control over economic growth through the budget it allocated and invested in that activity, just as it did with other activities. However, he highlighted that that was not the purpose of this report, because the business plan development was the next stage in the process. Council will control how much it invests in this activity, as it does with other activities.

The Chair advised that he was hearing concerns from Members about leaping straight to the CCO model. He noted that there had already been small steps taken to recruit additional people and to have them in Council to progress the ED strategy, so perhaps Council should progress the EDA via that process and set up an advisory group to direct the EDA's activity and include iwi in that? There would also be an opportunity to identify whether other partners were willing to come in and help with funding and be part of that governance group. That would help identify funding sources and, at that point, Council could then set up the CCO. The Chair shared his personal view that he was not convinced that Council needed to take the 'big leap' at the moment, especially given the concerns about funding for years 3, 4, and 5 when there was no clarity on where money would come from. He was also concerned that there was funding available for activities to be carried out within Council, but it was now being assumed that that funding and those activities would be handed over to a CCO, meaning that Council itself would have limited input to how it was expended. There were still unanswered questions, too – how soon could partners be identified who could contribute to the CCO, and how did Council unbundle the OBPC from within TWL?

In response to those two questions, Mr Parmley advised that officers did not have any authority to have progressed those answers yet, because Council's decisions were needed first. This would be a staged process. It was already known that there were some organisations who had expressed interest in partnering with Council, and there were likely others in the business community including Business South. Other EDAs were successful in leveraging other funding. That did not guarantee that Waitaki's EDA would be successful, however, because if there was a decision to keep it in-house, then that would change the dynamics of the partnership offering. Council could decide to take that route, but there would be a need to recognise that it would limit what could be achieved in terms of the ED strategy. Although that could not be quantified right now, Mr Parmley cautioned that it was not an option without consequences.

Asked about unbundling the OBPC, Mr Hope advised that Council still owned the assets. There would be a need to terminate the lease and assume control of the assets. TWL owned the improvements inside the structure, but that was a relatively minor matter than could be achieved. The Chair thanked Mr Hope for his answer.

In response to the discussion, the Chair shared his thoughts that Council should have an interim step – bring the ED function in-house but also instruct staff to go and have those conversations with the intention that, when potential funding partners for the CCO were found, then a CCO could be established if that was the best structure for those partners. He believed that would be the best

approach – not the major step-change referred to in the ED Strategy, but an important step-change.

Mr Parmley sought clarification on whether the intention was for Council not to disestablish TWL, or for it to propose that tourism functions are brought in-house? The Chair confirmed the intention was to move as much as possible in-house. TWL had 4-5 directors who are remunerated, and they were contracting out most of their administration functions. To bring that in-house would not take too much more, he believed, to ensure that there would be more focus on the various pillars of the ED Strategy.

Mr Parmley shared his view that it would take a lot more because Council would need to increase its staff to perform TWL functions. There was no capacity in-house currently to do that, or to commission it. The Chair acknowledged that he totally understood that.

Another Member sought clarification on what ‘bringing the CCO in-house’ would mean from an operational perspective. Mr Parmley advised that there would need to be a review of the ED strategy to see what was achievable. It would depend on whether the context was to bring it in-house and leave it in-house, or to do that as a temporary measure. Until that was understood, he was not able to determine at this time what that could mean.

A Member highlighted that there was no business plan for the EDA yet, and there was a need for some form of how the workflow first because they remained very nervous about going any further. They felt the OBPC matter was separate and should be discussed separately.

Another Member queried whether Council Members were starting to shift the focus from governance to operational and their reading of the ED Strategy was about the excitement of being involved as a partner with Council which could be lost with the approach being discussed. They believed that the success of the EDA rested with partners in the community, and they were comfortable with proceeding to establish the EDA, but agreed there was no rush to do that for the OBPC. If Council was going to be brave for the Waitaki district, they felt that the sooner the EDA was up and running, the sooner achievements could be pursued and delivered.

Another Member shared that they were not quite comfortable about why some Members felt it would be better to have the TWL in-house. One response was that the OBPC was ‘the goose that laid the golden egg; it was an income producer’. However, their concern was about committing to shifting it somewhere in haste, whereas if more time was taken, other options (eg partnership opportunities) could be explored. The Member who had shared their discomfort noted that the income from the OBPC was going back to the community anyway, and it would be a new way of working that could bring broader outcomes and more visitors and revenue.

A Member response at this point was to acknowledge there were several pots of money involved. Previously, the OBPC had funded the CCO operation. That income could be used to spread across a new CCO if that was to be set up, but equally it could be used for the overhead function here now. TWL had staff in graphic design, but did they need a whole person, or could it be shared across other functions? There would be an opportunity to look at the efficiencies of spreading that activity more widely within all of Council’s operations.

At this point, the Chair advised that there was too much on the go at the moment for Council to make a decision today. He wanted staff to bring back a more detailed report on a ‘step-up activity’ within Council and what that would take and to look at bringing the OBPC in-house for the short term. His concern was the risk to ratepayers if Council set up a CCO and then did not get any partners. He wanted to look at how the time could be utilised to get on with the activities and what Council wanted the EDA to deliver but allow that to occur in more a staged way than what was proposed in the officer report to this meeting.

A different Member shared his ‘intense frustration’ and a feeling of ‘de ja vu’. They noted that a lot of money had been spent on the ED Strategy; that Council had adopted it; and had engaged people to implement it. The Strategy said Council would establish a CCO, and that it would be supported by Council and other people. It would also have funding from Council and potentially from other people and that it may be able to make decisions with less influence from Council. The recommendation today was simply to set up an EDA, which they felt could be agreed in principle

because it did not dictate when it would be set up or what partners might be involved. They had grave concerns about the OBPC being set up as a CCO now. However, the idea of scrapping the EDA and setting it up as an in-house facility was a 'very expensive process'.

ALTERNATE MOTION

The Chair moved an alternate motion to the officer report recommendations, as follows:

That Council:

1. Notes the Special Consultative Procedure submissions and how matters raised in the deliberations have been addressed;
2. Requests a further report on how Council can stage the implementation of the Economic Development function, with the intention of becoming a Council Controlled Organisation in due course;
3. Agrees to bring the Oamaru Blue Penguin Colony in-house; and
4. Requests the Chief Executive to investigate opportunities for funding partners in the Economic Development Agency.

Cr Jim Hopkins said he would second the motion, with the addition of "in the short-term" added to the end of point three. The Chair agreed to that addition.

Discussion on the motion:

The Chair advised that his motion would allow Council to get on with what it had agreed to deliver. Council already had an ED function that had helped create the Geopark, Neat Places etc so it could continue to work on strategy implementation. But there was a need to get to the right reasons for setting up a CCO and that may be six months or even two months down the track. He felt Council needed the set up to be at a pace that Council could cope with and that it could afford. Asking the Chief Executive to investigate partnership funding opportunities was about setting up an EDA as a CCO. The OBPC was a valuable asset to the district, as many submissions had highlighted especially with regard to the scientific value it provided.

A different view raised concerns about other submissions and affordability.

Using his Right of Reply, the Chair felt that the alternative motion did not ignore other submissions. Rather, they had been taken into account, and that it proposed a necessary step in the process to find out how best to progress the creation of an EDA in a way that Council could afford.

At a Member's request, the Chair read out his motion again and then put it to the meeting.

RESOLVED WDC 2023/089

Moved: Mayor Gary Kircher

Seconded: Cr Jim Hopkins

That Council:

1. Notes the Special Consultative Procedure submissions and how matters raised in the deliberations have been addressed.
2. Requests a further report on how Council can stage the implementation of the Economic Development function, with the intention of becoming a Council Controlled Organisation in due course;
3. Agrees to bring the Oamaru Blue Penguin Colony in-house in the short term; and
4. Requests the Chief Executive to investigate opportunities for funding partners in the Economic Development Agency.

CARRIED

The Chair apologised to staff and noted that this decision had been a tricky one for Council and there was a need to get it right. If it took a few weeks to get another report, then it would be time well spent. Mr Parmley advised that it would take a few months, not weeks, before such a report could be brought back to Council. The Chair noted that if that was what it would take, then that would have to be okay. He thanked Mr Parmley and staff for the work that had been done to date.

6.2 BETTER OFF PROGRAMME RECONFIRMATION

The report, as circulated, sought Council's reconfirmation for the use of funds from the Three Waters Better Off Funding Programme.

Chief Executive Alex Parmley advised the meeting, especially for the benefit of newly-elected Councillors, that the Better Off Programme of work had been agreed by the former Council and a lot of thought had gone into it. The Department of Internal Affairs (DIA) had set the project criteria which included some restrictions that had caused frustrations at the local level. For Waitaki, many of the projects were about implementing the economic development strategy and the housing strategy. Mr Parmley noted that it was open to this Council to change its mind on what the programme contains. However, he advised that any changes be considered carefully with regard to their impact and implications for the local community, and that changes would need the approval of DIA.

There was brief discussion on the housing appointment, with support given by several Members so that Council's Housing Strategy could be progressed. It was highlighted that Council had made increasing opportunities for housing a priority and that it would benefit many of Waitaki's communities. This comment was endorsed, with the addition that Council had been missing opportunities without a dedicated housing resource and now that the appointment had been made, it was hoped that good progress on the work involved would follow.

The Waihemo Community Board's stated preference that the Puketapu Track should receive the Better Off funding assigned to Palmerston placemaking was highlighted. It was noted also that the Better Off funding allocation of \$225k for Otematata placemaking was 'remarkably close' (as a figure) to the \$230k local contribution requirement now facing the Community-Led Development Programme in Otematata to leverage the grant of \$700k from the DIA for placemaking. It was queried whether a change would need to be made to make their project fit the original proposal which referenced the Otematata Masterplan.

Assets Operations Manager Joshua Rendell acknowledged that there were elements of the CLDP programme that are already incorporated into the Otematata Masterplan so it may be possible to use some of the Better Off Funding for that. Mr Parmley added that it would be important for the Ahuriri Community Board to consider holistically what projects Council could support to ensure that some of the wider ambitions for placemaking are achieved as well.

Regarding housing and subsidies for development contributions (DCs) and utilities, it was suggested that more work should be done first on the DC policy before contemplating having a fund which subsidised those costs.

It was also noted that some of the Better Off funding allocated to the health proposal could be utilised to help fund the patient shuttle that St John was setting up. Mr Parmley added that Council was awaiting a hospital project plan before a decision could be made on that. He also shared his belief that a patient shuttle plan was being developed and that government funding may be available on that, so he suggested that be left where it is at this time.

Other comments from Members included that (a) there are a number of tenders going through Te Whatu Ora and there was an opportunity to coordinate the RFS. Council needed to be mindful of those opportunities and to whether it needed a coordinated approach to realising them to be better able to support health initiatives for our community; and (b) whilst accepting Mr Parmley's suggestion on the patient shuttle plan, it was also important to consider that there could be differences in timelines between the two approaches and if the Government-funded patient

transfer initiatives were too far into the future, Council may need to look at something for the shorter term.

It was confirmed that officers had not relied on tranche 2 funding for any of the projects put forward.

RESOLVED WDC 2023/090

Moved: Cr John McCone

Seconded: Deputy Mayor Hana Halalele

That Council reconfirms its commitment to the projects previously endorsed for the Better Off Programme, noting comments that have been made in this meeting.

CARRIED

6.3 HAVEN STREET MOERAKI - VEHICLE CLASS RESTRICTION

The report, as circulated, sought Council approval for a short section of Haven Street, Moeraki, to be reclassified to exclude all vehicle traffic.

It was clarified that residents would still continue to have access to their properties.

RESOLVED WDC 2023/091

Moved: Cr Jim Thomson

Seconded: Cr Jim Hopkins

That Council approves the re-classification of a short unstable portion of Haven Street, Moeraki, between the access ways to 82 and 86 Haven Street, to exclude and prevent vehicle access in the area.

CARRIED

6.4 COPINSHA STREET PALMERSTON - VEHICLE CLASS RESTRICTION

The report, as circulated, sought Council approval for Copinsha Street, Palmerston, to be reclassified to exclude heavy traffic, by applying a vehicle class restriction.

A Member asked if anything was being considered for Stronsa Street as well, given that heavy traffic may use that as an alternative route if restrictions are in place for Copinsha Street. In response, Interim Roading Manager Kushla Tapper noted that Stronsa Street was already a recommended route for heavy vehicles, and it had been strengthened and widened, with access also provided to the adjacent hotel for parking purposes.

Ms Tapper sought to correct an error in her report – the reference to ‘restrict class 4’ should have read ‘.... class 4 and 5’. She explained that Class 5 is a combination truck, and it needed to be included as well.

When asked about potential risk at the intersection between Copinsha and Tiverton Streets, Ms Tapper advised that the risk is relatively low because most of the traffic went via Stronsa Street.

RESOLVED WDC 2023/092

Moved: Cr Jim Thomson

Seconded: Mayor Gary Kircher

That Council approves the re-classification for Copinsha Street, Palmerston, to exclude Class 4 (heavy trailers) and Class 5 (combination truck) to prevent large vehicles using this as a standard route.

CARRIED

7 MEMORANDUM REPORTS

7.1 NORTH OTAGO IRRIGATION COMPANY LIMITED UPDATE

The report, as circulated, provided the latest update from the North Otago Irrigation Company Limited (NOICL), along with historical information relating to the loan agreement between Council and NOICL as context for Council to consider the public excluded report on that matter at this meeting. NOICL's Chief Executive Andrew Rodwell and Commercial Manager Stephen Craig-Pearson, and Chief Financial Officer Amanda Nicholls were all present in the Council Chamber for this agenda item.

The Chair welcomed NOICL representatives. Mr Rodwell gave a brief Powerpoint presentation to the meeting. Mr Rodwell highlighted the company's equity position, with debt-to-equity ratio balance at a 'very comfortable level'. Operations were very 'customer-focused'; although their company was comprised of 'shareholders', they were considered as 'customers'. Mr Craig-Pearson briefed the meeting on the company's work to maximise the investment lifespan, which had been incredibly positive for the team as staff were enjoying the opportunity to build their skills and the company was benefitting from having less reliance on outsourced contractors who did not necessarily have the company's long-term interests at heart. It also provided an outward focus to the company, and there were examples of that in the presentation (eg protecting fish habitat through a substantial fish survey with NIWA).

Cr Jim Hopkins left the meeting at 12.04pm and returned at 12.06pm.

When asked about the status of shares, Mr Rodwell advised that not all shares had been sold yet, but it was proposed to sell those remaining via tender as a priority. Any proceeds from the sale of shares would be used to retire debt.

Mr Rodwell summarised the company's position as "strong, well governed and well managed". He noted that it was important for it to remain strong and for the strong leadership in environmental management to be maintained, as well as continuing to run on cooperative principles for the company's member shareholders. He highlighted that everything the company did was for its shareholders.

The Chair thanked Mr Rodwell and Mr Craig-Pearson for their presentation and attendance at this meeting, and especially for their emphasis on the environmental management. He noted that the company's performance was "great" and thanked them also for helping the Kurow Duntroon Irrigation Company during their troubled development. It was pleasing to see that they had sought NOICL's help, and that NOICL was able and willing to assist them.

RESOLVED WDC 2023/093

Moved: Cr Jim Hopkins

Seconded: Cr Jim Thomson

That Council receives and notes the information, including the latest update report from the North Otago Irrigation Company Limited.

CARRIED

8 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2023/094

Moved: Cr Jim Thomson

Seconded: Deputy Mayor Hana Halalele

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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 | Ground(s) under section 48 for the passing of this resolution |
|--|---|--|
| 9.1 - North Otago Irrigation Company Limited Commercial Review PE | s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |

CARRIED

9 PUBLIC EXCLUDED SECTION

The Public Excluded Minutes apply to this section of the meeting.

10 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2023/096

Moved: Cr Tim Blackler

Seconded: Cr Guy Percival

That Council resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

CARRIED

11 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, Council decided not to release any previously public excluded information under this agenda item in the Public Minutes of this meeting.

12 MEETING CLOSE

The Chair declared the meeting closed at 12.56pm.

CONFIRMED at the Additional Council Meeting held on Tuesday, 4 July 2023.

.....
CHAIRPERSON