



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

Date: Tuesday, 27 June 2023
Time: 9.00am
Location: Council Chamber, Third Floor
Office of the Waitaki District Council
20 Thames Street, Oamaru

Agenda Addendum (Public)

Council Meeting

27 June 2023

Alex Parmley
Chief Executive

Agenda Items

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AA AGENDA ADDENDUM ITEMS

4.1 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 30 MAY 2023

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Transformation Group Manager

Attachments: 1. Public Minutes of the Council Meeting held on 30 May 2023

RECOMMENDATION

That Council confirms the Public Minutes of the Council Meeting held on 30 May 2023, as circulated, as a true and correct record of that meeting.

UNCONFIRMED 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, 30 MAY 2023 AT 9.00AM

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

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

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Marty Pacey (Water Services Manager)
Michael Goldingham (Senior Assets Planning Engineer)

The Chair declared the meeting open at 9.00am and welcomed everyone present.

1 APOLOGIES

RESOLVED WDC 2023/072

Moved: Cr John McCone
Seconded: Cr Jeremy Holding

That the apology received from Deputy Mayor Hana Halalele be accepted.

CARRIED

The Chair advised that the Deputy Mayor was absent from this meeting because she was in Wellington for the Investiture Ceremony tomorrow morning where she would receive her Queen's Service Medal (QSM) for services to Pacific Health from the Governor-General, The Right Honourable Dame Cindy Kiro, GNZM, QSO.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PUBLIC FORUM

The Chair welcomed members of the Maheno Water Committee to the meeting. They included Mrs Barbara Small, Ken Keen (Past Chair), and Alan McKenzie.

Mrs Barbara Small thanked Council for the opportunity to address the meeting. She noted that there was a draft agreement between Council and the MWC currently on the table but that it was not

complete at this time because there were still things to be ironed out and a few mistakes in the draft that needed correcting.

Mrs Small briefed the meeting on the history of MWC. Key points included that the Maheno water supply had served the Maheno community for 85 years, and the members had paid for the water supply assets during that time; there had been no requirement for Oamaru ratepayers to subsidise the Maheno scheme with rates. There are currently 127 users of the scheme, which is not enough to fund and keep funding depreciation and the scheme has 'just scraped by'. The change in water regulations means that an upgrade to the Maheno water scheme is required, and the Maheno community cannot afford it. The Scheme supervisor needs to retire, which would leave the scheme without a qualified operator. If a contractor was to be engaged to look after the scheme it would cost up to \$90k a year. There are no salaries currently involved and there is no succession plan in place. Members of the community are not interested in running the scheme if any one of the MWC steps down. There are pressures on everyone today – both financial and social.

Mrs Small spoke about the Committee's understanding that development contributions would not need to be paid if members of the Maheno water scheme joined up and gave their allocation to Council by 30 April. That had been done. However, now Council was saying that Maheno ratepayers would have to be charged DCs after 1 July 2024, and that had not been communicated to its members and it was now a 'sticking point' for the MWC in the agreement discussions.

If the DCs were enforced next year, she believed that would be another 100% increase in water costs. There was also now an additional cost of \$50k for adding a running pump. We discussed this with officers and said our members would be happy to run the pump house for another year to allow time for members to be connected to the Hamnak line. However, that was 'arbitrarily charged' and no members had agreed to it, Mrs Small said. She added that they were told that would be covered by rate funding.

Mrs Small referenced the United Nations' General Assembly's recognition of safe drinking water being available to everyone without discrimination to have access to safe and physically acceptable and affordable drinking water for personal use. She asked Council to apply this standard and to recognise that Maheno ratepayers had limited means. There were still costings in the draft agreement that the MWC did not agree to. Mrs Small asked for a commitment from Council to work through the issues fairly.

The Chair thanked Mrs Small for her comments. He acknowledged the approach by the MWC and the work of officers to try and deal with Maheno water consumers as equitably and transparently as possible. Council was trying to work with the Committee the way it worked with everyone else. It was not appropriate to compare Maheno with other communities that have been ratepayers, because there were new development aspects involved for Maheno. Members of the Governance Team had not agreed to any waiving of DCs but were looking at ways to minimise the impact of DCs on consumers. Extra capacity had been built into the Hamnak line over time, and someone had to pay for it. If the people joining are not going to pay for it, then everyone else would need to.

Invited by the Chair to comment, Group Manager Paul Hope advised that the commitment to the MWC was based on the expectation at the time that Council would only be operating the scheme for 12 months and then it would be transferred to the new water entity. A commitment was given that DCs would not be charged in that 12 months; importantly, it was only ever a 12-month commitment on the understanding that the Scheme would be transferred to a new water entity and Council could not make a commitment on that entity's behalf. Understandably, the DC issue has become far more important now that there had been a decision to delay the creation of the water services entities by central government. Every piece of correspondence he had seen always limited the non-charge of DCs to 12 months. If Council was going to be taking responsibility for it longer than that, then the matter would have to go into the LTP next year.

The Chair noted that the UNGA provided rights to water, but that was not a right to free water.

Mrs Small responded that MWC was not asking for free water; just affordable water.

The Chair acknowledged that that came at a cost, and cost is apportioned as fairly as possible. Council would look at that and into some of the other details she had raised. There may be a decision

to subsidise the water charges, but that decision could not be made now without further information and analysis by officers. He sought to be very clear that Council could take over the Maheno water scheme on day 1. However, Council was not aware of the state of the scheme's assets and there were challenges in that, but it was willing to take it on because Maheno was part of our wider Waitaki community. The people that Council would engage to look after the scheme would come with a cost.

During further interactions, Mrs Small noted that MWC had only received the draft agreement from Council's lawyers on Thursday and had not yet had time to meet with the Maheno community. She believed they would be very disappointed to learn that the non-charging of DCs was just for 12 months. She mentioned that Reidston scheme consumers had not paid DCs. On that point, the Chair advised that DIA had paid the DCs for Reidston consumers, so Council did recover that cost. If MWC could find someone to do that for them, that would be appropriate too, but the important point to realise was that Reidston consumers had initiated that, not Council. Mrs Small said she understood that, and noted that as a community, Maheno knew that water needed to be paid for; that the supply would not be free; or that they should not expect to have to pay for it. They just did not want to pay more than any other ratepayer on the Hamnak line.

The Chair reiterated that, if the DCs were not paid, then someone else had to pay them.

Mrs Small advised that Maheno ratepayers felt they were being treated in a biased way, as they had paid for the Maheno scheme in the same ways as others had. The Chair noted that Council had maintained the assets for other schemes, and depreciation had been accounted for alongside that. That said, he saw a need for Council to put together the relevant information to ensure there is clarity around what people have been paying. He acknowledged the work the MWC had done and the financial benefit the Maheno community had derived from that. However, the district's other ratepayers had not had that benefit and Council had to be mindful of that, too.

The Chair then asked Mrs Small if the MWC was prepared to carry on if the connection of the scheme could not take place in six months. Mrs Small answered "yes". They had a timeline and expected that to be considered. If Council was determined that DCs must be paid by scheme users, the MWC wanted to see that the new changes were able to be affected even if they did not agree with them. She sought a commitment from Council that it would act in the in the best financial interests of the Maheno community. The Chair said Council would do its best to act in the best interests of all its consumers – and that was the difference. Council was not in a position to be able to subsidise everyone. That is one of the concerns around all of the water reforms occurring at this time.

Asked by a Member whether the delay in handover of assets to the new ten water entities would mean that any DCs left payable would be taken over by the new entities as a debt, Mr Hope advised that there had been no change indicated to the approach on that matter – if there was a debt in place, it would pass across. There were also other options arising from the Revenue and Financing policy that could be introduced to assist with this matter through the LTP. Council has an RFP that it needs to comply with. The offer arrangement that has been offered to MWC is the most appropriate in those circumstances.

The Chair acknowledged the advice that any debt made by water consumers would be assumed by the relevant water entity. That is why Council could hold things for 12 months. He advised Mrs Small that Council could not confirm what would happen after that time, but that it would try to be as reasonable as it could. He assured Mrs Small that Council understood the MWC's concerns, and it would try to do its best for Maheno but would also need to be mindful of affordability for all.

Speaker 2: Mr Ray Henderson said he was "very worried" about Three Waters (now Affordable Water), especially given the General Election in October. Through the Annual Plan submission hearings, there had been discussions about putting off activities because the world could change. And yet, some projects had been brought forward. He suggested to Council that the optimum thing to do would be to delay any project that has not yet been started and any that are way beyond budget.

Regarding workshops, the Ratepayers Association still wanted these to be open and had asked for them to be, as was happening elsewhere in the country. The Association had submitted a LGOIMA request for a list of Council workshops for the last year and the items listed totalled 68. He said that

the Mayor had indicated on at least two occasions that he (the Mayor) also wanted that to happen, but it has not happened yet. Mr Henderson felt that Council used to be open, and there was a need for it to be so again so that ratepayers had information to be able to sensibly submit to hearings and any consultation. He noted that, "if it does not happen very, very soon, the Ratepayers Association will raise it with the Ombudsman".

Regarding the list of 68 workshops, the Chair noted that about half of them were not workshops at all, they were information sessions, one of them was a site visit, but they had been included because of the broader definition that the Ratepayers Association had used in its request. The Chair acknowledged that Council did not blame the Ratepayers Association for saying there were 68 as Council had been using the term "workshop" for anything other than a formal, decision-making meeting, and that was probably not the best approach which was now being remedied. Regarding open workshops, the Chair said he did support some of them being open to the public, but he also had some concerns that some elected members may be more reticent about speaking at them, which may be one of the compromises to occur going forward. Mr Henderson referred to the consultation on the harbour plan, where a public workshop had been held in the Inkbox at the Oamaru Opera House. It had been an open environment and interactive. The culture at Council now had changed, he felt, and that sort of discussion would be held behind closed doors. The Chair advised that he had made the decision to hold that workshop in public and would make the same decision again today. The consultant had brought back something that Council did not agree with.

The Chair closed the Public Forum and directed the meeting to Agenda Item 4.1.

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 9 MAY 2023

RESOLVED WDC 2023/073

Moved: Cr Jim Hopkins

Seconded: Cr Brent Cowles

That Council confirms the Public Minutes of the Council Meeting held on 9 May 2023, as circulated, as a true and correct record of that meeting.

CARRIED

5 DECISION REPORTS

5.1 MAHENO WATER SUPPLY AGREEMENT WITH MAHENO WATER COMMITTEE

The report, as circulated, sought Council's approval of the draft legal agreement with the Maheno Water Committee to record the terms and conditions of the transfer of the Maheno Water Supply over to Council. The Chair highlighted that the legal agreement, in its current but unfinished state, had been circulated separately in the Agenda Addendum for this meeting.

Group Manager Paul Hope advised that a decision on this matter was 'reasonably time critical', so that a rate could then be included in the Annual Plan. If no rate was able to be included, then there would be no funding available for the Maheno Water Committee. While it could be delayed for 12 months and fully resolved through the Long Term Plan (LTP) process, the Committee had advised that it was not prepared to operate for another 12 months, and therefore a decision is required at this meeting. Mr Hope added that the circumstances had changed quite significantly with the delay of the creation of the Water Services entity by central government. However, all material that he had seen had referred to a 12-month period for those reasons. There had never been a cancellation of development contributions (DC). Rather, there had simply been a 'no requirement to pay them for the first 12 months'. To try and include that in a legal agreement

would be very difficult as it would place a limitation on Council for future funding of water. Regarding the request for fair treatment, what has been done has been treated consistent with the supply of water rates elsewhere. Council needs to take a position at this meeting and then that needs to be inserted into the agreement, for it then to be signed off in the next period. Officers have taken it as far as they can under RFP and consistent with what Council had previously agreed and with the consultation document for the Annual Plan. Members of the community outside of Maheno may be impacted and Council needs to take a position at this meeting with regard to what areas can still be negotiated as terms in the agreement and what parts are our 'bottom line'.

Cr Jim Hopkins raised a Point of Order relating to the receipt of the draft legal document in the Agenda Addendum and whether there was a need to receive that first. With the leave of the Chair, the Governance Advisor explained that the draft legal document was referenced in the report in the main agenda, and it was noted there that it would be following separately. Therefore, the legal agreement had been signalled as a part of the agenda and therefore it did not need to be formally received separately. The Chair agreed with that advice, and ruled, in response to the Point of Order, that Council could proceed to discuss it at this meeting.

There was brief discussion on the highlighted red text in the draft legal agreement and the fact that it stated various elements 'will not be imposed before 1 July 2024 but it did not state that they will be imposed after 1 July 2024. When asked if there would be an automatic application from 1 July 2024, Mr Hope advised that it was "not an absolute, because Council would need to review the Development Contributions (DC) policy as part of the LTP first.

It was suggested that the Governance Team needed to know more about the whole context of the decision around water. With a loan sitting there for the extra capacity on the line, if everything went to the new entity, then that debt would go with it, and it would be up to the entity to decide how to deal with the debt. It was further clarified that Council did not know at this time what a minimum threshold would be. Mr Hope advised that Council could give an indication relating to Oamaru water and of what DCs would need to be paid under the current policy. However, that would not be helpful under the agreement, and Council could not give any level of certainty other than this is what we are going to charge in 12 months' time.

Regarding the current position, Chief Executive Alex Parmley advised that the Policy stipulates that the community receiving the service has to pay for it and Council had already signalled that, because of the water reforms, it would need to have an open discussion with the community about that. If there is to be a move to a different model – where other communities subsidise the water cost for the one benefitting from it, that would be a breach of current Policy. Whilst Council wanted to help with the scheme and recognised the potential burden on the Maheno community as part of the transfer, Council needed to be mindful that moving away from the policy would pose a risk without first going out for consultation.

MOTION

Based on that discussion, Cr Jim Hopkins said he would move the report's recommendation, and Mayor Gary Kircher seconded it from the chair.

Discussion on the motion:

The Chair noted that Council was trying to help a community through a difficult position, and he acknowledged the Committee's good work to date. He also highlighted that Council was finding out, for all its water schemes, that they could not be run in the future as they had been run in the past; there were increased compliance standards, challenges around testing water much more frequently, and the like, and they were difficult for volunteers to continue to manage. It was necessary to run the schemes as best and affordably as possible, but there were costs involved and if one party did not pay for them, then another party had to.

RESOLVED WDC 2023/074

Moved: Cr Jim Hopkins
Seconded: Mayor Gary Kircher

That Council:

1. Approves the draft legal agreement with the Maheno Water Committee to transfer the Maheno Water Supply over to Council, subject to any minor amendments agreed by Council; and
2. Instructs officers to inform the Maheno Water Committee that the legal agreement has been approved; and
3. Delegates to the Chief Executive the power to sign the agreement on Council's behalf.

CARRIED

The Chair thanked members of the Maheno Water Committee for sharing their concerns with Council. He acknowledged that those concerns were understood, but also that Council had a responsibility to look at the district as a whole as it was working through this matter. He thanked staff for the time and effort they had expended to reach the current point and he hoped that discussions would continue to proceed well from here.

5.2 KEY DIRECTIONS FOR THE 2023-24 ANNUAL PLAN

The report, as circulated, sought Council's consideration of the additional information requested by the Governance Team arising from the 2023/24 Annual Plan hearing of submissions and deliberations held on Tuesday 16 May 2023, and to provide final direction to officers on changes to the draft 2023/24 Annual Plan.

Group Manager Paul Hope highlighted the decisions that needed to be made (in the report recommendations) and the process for achieving that (outlined on page 22 of the agenda papers).

Prior to discussions, the following summary of rates elements was acknowledged for the record:

- Rates as proposed for community engagement – **8.06%**
- Total rates requirement prior to this Key Directions Council Meeting – **7.95%**

Discussion on the report and attachments followed, and a summary of the outcomes is provided below.

Economic study of OWCT – There was some support for proceeding with this. Officers suggested it would be better to discuss that once the Economic Development Agency had been established because such a study would fall to that entity to conduct it and investigate funding opportunities. One Member expressed concern that that would essentially postpone the economic study for around 12 months, to allow sufficient time for the EDA to be established and settle in.

Decision – return to this topic

Shuttle Service to Dunedin: The St John solution could be at least a year away, and none of the longer-term solutions would happen immediately, either.

Decision: Leave in for now. Officers to find out from St John what their intended timeframe is and whether any delay was the result of a need to seek volunteers or fundraising, or whether a Council donation would help speed things up. In addition, Governance Team members to liaise with operators and consider options and potential funding (including a subsidy) for a service at some later stage. That would need to include the Otago Regional Council which rated for such services, and it was noted that would be more of a longer-term option.

Awamoa Park Toilet: It was clarified that the Memorial Oaks had been considered as part of discussions on this facility, but it was not known whether the Heritage Advisor had been involved. Concern was raised about why any of the road reserve might be required because that had not been part of the discussions to date.

Decision: More information is required.

Waitaki Sports and Events Centre – Elected Members wanted more information about the operating cost and loan and how it would be shared across the district, as well as about the status of funding from the Trust. At this point, detail around how the money would come into Council and how it would be expended would be helpful. Mr Hope advised that there needed to be a realistic amount in the Annual Plan about what would be treated as revenue and what would be expended. This was more of a technical process. Because it is embedded in the Annual Plan, it has a number of accounting impacts even though that would not affect rates. Accordingly, there needed to be an amount that has a project along with it in order for work to be able to continue. Importantly, it did not commit Council at this time to any particular contribution.

Decision: More information is required.

Ahuriri Community Board submission – The issue of **dust on Settlement Road** was repeated year after year. Cr Cowles had circulated some information on a range of products that may be effective in suppressing dust, and it was proposed that Council commence an experimental trial with identified products on exemplar roads within the existing roading budget. Chief Executive Mr Parmley advised that Council did not have any spare funding to allocate to such a trial. If Council made a commitment to that proposal today, it would need to be on the basis that it would be uncosted and officers would need to bring back a proposal about what could be done and what would need to not be done in order to fund it. Two other Members spoke in support of the proposal. A user-pays option would also put forward as a potential solution.

Decision: Officers to prepare a proposal on dust suppression options for specific roads, including costs.

Uniform Annual General Charge (UAGC) – Federated Farmers had requested an increase. Mr Hope believed it was currently around 18%. If that was increased to 30% as Federated Farmers had submitted, then the overall increase in individual properties' rates would be too high due to around 80% of the residential rates requirements in 2023-24 then being a fixed charge. Mr Hope said his team would be monitoring the UAGC closely over the next 12 months.

Decision: No change

Hampden wastewater treatment – It was noted that the officer report stated that for this work to be done, something else would have to be deferred. The Chair said he believed the work had to be done, which was supported by Councillors.

Decision: To be included

Tūhura Otago Museum contribution – It was noted that the Dunedin City Council had confirmed an increased contribution of 5%, and it was suggested that our Council should do the same (an increase of 5%) which would save \$1k.

Decision: Agree to increase contribution by 5%

Parking – Mr Hope explained that item 1 would be returning to the status quo that has been in place – two hours free parking, and then charging, with the discussion to also consider increasing the parking charge once resumed; item 3 would be to utilise the existing reserve to limit the impact on the Oamaru business rate. All would have a positive impact on the Oamaru business rate primarily. A Member raised the question that, given the rates examples used in the consultation document, should not there have been an automatic decrease? However, that was shown in the report. Mr Hope advised that the first five items had been included because they had been given general support during the deliberations. They need a specific decision first, however, and then that would go into the equation before they could be included in the final budget. Mr Parmley added that the other options had been included because there was no emergent direction from

discussions at the deliberations and officers could not proceed to include or exclude them until a Council decision was made at this meeting.

Other key comments made during discussions included that (i) the proposed increase in item 2 would be \$1 per hour; and (ii) that there was a need to keep working on the long-term solution for parking in Oamaru. Regarding (ii), a Member noted that there was strong support for continuing the two hours free parking, but equally there was support for increasing the charge after that which would provide additional revenue. Reserves could be used to assist with the transition, and it was noted that staff had done some work on options and technology had been considered as well. The Member thought it was time for Council to 'stop kicking the can down the road on parking and deal with it'. The intention should be to get through winter and allow people to appreciate the couple of hours free parking before increasing the charge after that free period.

Cr Holding left the meeting at 10.51am and returned at 10.54am.

Group Manager Roger Cook sought clarification on whether the free parking was to start from 10.00am onwards and to go through to midday. The Chair believed that would be problematic, and stated his preference for two hours in total and suggested a timeframe from 9.00am to 11.00am would make more sense.

Mr Cook asked if officer calculations on what that would mean for permit holders would help inform Council's discussions, one Member shared their surprise that off-street parking could be at a premium and noted that if the proposal was to apply to permit holders, there would be a cost. It was suggested that that detail be dealt with separately. Officers would bring back recommendations to the 27 June 2023 Council Meeting accordingly.

Palmerston Tracks and North Otago Mountain Biking Club – One Member noted that this was a good case where austerity was needed, because it involved \$7.5k increase in funding. They noted that there were many opportunities like this one, where items could be classified as 'nice to have', rather than 'need to have'. They supported maintaining the \$17k budget but noted that the extra \$7.5k was symbolic of spending where Council could not afford to spend at these difficult economic times. Another Member sought to argue differently and suggested an increase of \$3k instead due to the increased area looked after by the Club, to the benefit of the wider public.

Another Member asked if that would place pressure on maintenance requirements. In response, it was suggested that it was a 'chicken and egg' situation. There was some support to increase funding for tracks where viable but 'not with an open chequebook'. There was a need to identify what was affordable to do with the money in place, but also to find the right balance. It was clarified that the increase in tracks funding was possibly in response to inflation, and it was noted that an initial grant had come from the North Otago Mountain Biking Club with the rest from the Waihemo Community Board (it was acknowledged that the Board's funding was from ratepayers as well).

Another Member felt that the request for additional funding was unreasonable and if Council was trying to be constrained, then the increase should be pulled back to \$3k.

Decision: An increase of \$3k only

OWCT – The increase in visitor centre funding of \$50,000 was supported.

Decision: Increase as proposed

Geopark – One Member suggested to their colleagues around the table that there had to be more hard-nosed decisions between what is needed and what is wanted. They felt there had to be some input from those who were requesting income, because Council is not a bank and it had to supply funds to the whole district. The Geopark was now in place and internationally recognised so funding could not be denied, but there was a need to look at the whole operation, it was suggested.

Otago Museum – it was acknowledged that this had been agreed earlier in the conversation.

Community Board requests for budgets for members to attend conferences – one of the community board councillors spoke in support of this request because it would be beneficial to provide some formal training to community board members and to have the opportunity to discuss

with other communities what they were doing and to bring other ideas and thinking back to their own board table discussions. This was acknowledged.

Decision: Yes, increase as proposed.

Parks for small dogs – There was support for adding this item for LTP discussions but not to be added to rates.

Decision: Agreed as above (not rates-funded).

OWCT – Regarding the request for a Council grant to offset the loan, it was suggested that a grant of \$21k be offered that is funded from ground rents (ie a non-rates grant to offset loan interest. This was supported by one Member. Another Member acknowledged that the Trust was doing a great job, but noted it was ironic that Council was giving the Trust money to cover interest on a loan that had been there for a while. They felt there was a serious need for Council to revisit how the Trust worked with Council. The Chair agreed with that point but noted that it would not happen before the end of June when the Annual Plan needed to be adopted.

A different Member felt that Council still needed to have an honest and provocative conversation with the Trust. The Trust had spent a lot of money on refurbishing the Criterion's kitchen, and in theory, the Trust should be generating income from those expenses, they believed. They also felt that the Trust should be able to cover mortgage and interest charges.

The Chair noted that the Trust would have had a discount on their land rent from Council if they had applied for it, but they had not due to changes in personnel and a loss on institutional knowledge. Council wanted them to invest in the buildings and wanted to see the buildings used. It is expensive to operate historic buildings. He then asked for a show of hands in favour of allocating \$21k from ground rents to the Trust and declared the count to be 6 – 3 in favour.

Decision: Include a grant of \$21k

Sealing of eastern and western ends of District Road – One Member queried the proposed allocation of \$250k to do all or one end of District Road. They noted that the sealing policy required residents to contribute before Council would commit to some sealing, and suggested Council should commit only to engage with them about it. The Chair acknowledged that and also that it would be loan-funded, and he was happy to support that view and for it to be reflected in the officer report.

Puketapu Track – It was noted that the Waihemo Community Board wanted to switch Better Off Funding to this from the Palmerston CBD project. Mr Hope sought an indication from Council that they would support officers talking to DIA to negotiate that switch. The Chair acknowledged that it is an economic development project for Palmerston either way, and it was the Board's preference to make the switch. Mr Parmley suggested the matter be discussed in the context of the Better Off Funding, to which the Chair agreed.

Ahuriri Community Board items – Ahuriri Ward Councillor Brent Cowles spoke to these. Regarding the footpath to the Kurow bridge, it was noted that there was funding in the amenity rate which could be used for that, so there would be no rating impact on that. With regard to the building resilience items, they too could be included because the funding was already there and there would be no rating impact for them, either.

Waihemo Community Board creating a new footpath on a feeder street to the school (ie Copinsha Street) – It was noted that three had previously been approved to be done, but there was only enough funding for two. It was suggested that the Palmerston amenity rate could be used to fund a substantive part of this work, and loan-fund the rest.

Decision: Amenity rate to be used, and loan-funding as required.

Hampden Sewerage Scheme – It was noted that the Hampden community was waiting on this, so it had to be done. Officers had suggested that, if Hampden proceeded, then another scheme would have to wait. The project for Duntroon's wastewater treatment was selected for delay because it had a similar allocation of staff time and resource. Asked if Ohau was another option instead of Duntroon, Mr Hope advised that Ohau would require vastly more staff resources, so it was already being delayed.

Decision: Add in Hampden sewerage scheme; delay Duntroon.

Waitaki Sports and Events Centre – The money expected from grants had not been received this year. The decision on whether to contribute \$10M or \$15M was conditional and dependent on figures yet to be received, so it would be delayed until 13 June, or perhaps even the 27 June Council Meeting.

Decision: Delayed pending receipt of more financial information

Shuttle Service –

Decision: To be left in for now.

As a consequence of decisions taken thus far in the meeting, the revised rates requirement was now sitting at **7.95%**.

Mr Hope advised that there were no other items that would have a rates impact, so 7.95% was now proposed to be the rates increase that Council would put into the Annual Plan. That was an overall increase only; every individual ratepayer would see a movement quite different to that.

The meeting moved on to the project schedules.

Three Waters – this was confirmed.

Duntroon waste water – to be removed.

Asked whether the FTE figures stated for project delivery were based on what was achievable, inclusive of carry forward projects, Mr Hope advised that it had been prepared on that basis. However, 12 months would be a long time in the Waters space and retaining staff, and recruiting and retaining contractors, would be critical factors so they were the best understanding on current availability in the market and internally. Things that would be carried forward in the Waters space were already underway – eg Kakanui, which had an 8-12 month delivery programme. The concerns raised in the Public Forum were mostly around cost increase, and in response Mr Hope advised that any project that went outside of budget limits would come back to Council to defer the decision. The reticulation work was a 'best estimate' only at the moment, and regular updates would be provided to the Governance Team as work progressed.

Regarding emergency management works, the proposed project allocation was at \$100k. One Member suggested that that should be directed to building resilience in communities, given the need to make sure that halls were ready to be communication centres and had star lamps and satellite phones, and allowed for power to continue. The Chair suggested that up to \$250k be allocated from the Disaster Fund to invest in building that resilience. Another Member supported that suggestion.

Decision: the Chair ruled that it be included.

It was clarified that the \$1M on backflow prevention would be for on-demand supplies and not on restricted ones.

The details of how the \$1M would be spent on Asset Group roading matters would be provided in due course.

The Chair directed the meeting back to the report recommendations and sought a mover and seconder for them noting that agreed changes had been made during discussions on this item and that that would be reflected in a slightly reworded recommendation 2.

The Chair also noted that he had intended to move an additional motion to acknowledge that decisions on Council's proposed contribution to the Sports and Events Centre would be made later, but he believed that that comment had already been captured and acknowledged in the preceding discussion.

RESOLVED WDC 2023/075

Moved: Cr Brent Cowles
Seconded: Cr Courtney Linwood

That Council:

1. Receives further information as requested at the hearings and deliberations held on Tuesday 16 May 2023; and
2. Agrees the final changes to the draft 2023/24 Annual Plan as discussed at this meeting in advance of its adoption on 27 June 2023 as recorded in the Summary of Movement in Projected rates (Attachment 2), and noting the proposed revision of the 3 Waters project delivery programme (Attachment 3); and
3. Pursuant to section 95 (2A) of the Local Government Act 2002, agrees that the proposed 2023/24 Annual Plan does include significant or material differences to Year 3 of the 2021/2031 Long Term Plan; and
4. Instructs officers to make final changes to the draft 2023/24 Annual Plan based on the resolution of recommendations 1 and 2 above; and
5. Notes that the draft 2023/24 Annual Plan will be presented to Council for adoption at the Council Meeting scheduled for 27 June 2023.

CARRIED

5.3 WATER ENTITY MEMBERSHIP

The report, as circulated, sought a decision of Council about whether it has a preference to be in the Canterbury/Westland Water Entity (Entity I) or the Otago/Southland Entity (Entity J).

Group Manager Paul Hope noted that this was a 'relatively brief report on an important item'. He acknowledged that Waitaki's membership choice came down to the potentially different impact of each on the financial line. The 'absolute numbers' were certainly debatable, but the quantum between the two was very clear. Waitaki would be better off financially if it joined the Canterbury / Westland Water Entity (Entity I).

It was clarified that:

- The figures stated were an estimate of where average residential water accounts would get to after 20 years, as a per annum number. While they would not show in accounts in the first 12 months, they would rapidly get to that level.
- Officers have communicated with the Runaka but had not had a formal response back yet, so it was not possible to state one way or the other at this time.

One Member suggested that, on that basis, and "sadly", Canterbury was looking like the better option for Waitaki. Most of the district's water source is coming from the top, and without the source, there could be no reticulation, so Council did not have too many options.

MOTION

Cr Jim Hopkins then moved the report's recommendations, and Cr Courtney Linwood seconded the motion.

Discussion on the motion:

One Member's view was that joining Entity I "made sense". The big fundamental difference is the cost. Some are concerned that Christchurch would have a lot of sway in that entity. Equally, Dunedin could have similar sway in the Otago/Southland entity. However, the way the representative groups are being set up, every Council would now have a voice, and only one voice each. That was more than what was offered under Central Government's previous model.

However, the voice was not weighted by population, so Waitaki would have as much say as Christchurch if it joined the northern entity, and as much say as Dunedin if it went south.

One Member suggested to the meeting that, given the considerable comments from the ratepayers including the new group about the 'unpalatable option' in relation to its imposition from central government, the key issue was that, in terms of finances, Entity I is half the cost. They hoped that, for those members of the public who wanted Waitaki District Council to be mindful of costs, that they would understand why Waitaki would choose Canterbury/Westland over Otago/Southland for that reason.

Asked about the level of confidence in the figures in the report, Mr Hope advised that he was "very confident" about the relative difference stated, as the figures were largely driven by population.

RESOLVED WDC 2023/076

Moved: Cr Jim Hopkins

Seconded: Cr Courtney Linwood

That Council:

1. Communicates to the Minister of Local Government that the Waitaki District Council has a preference to join the Canterbury/Westland Water Entity (Entity I) and thanks the Minister for the opportunity to have input into this decision; and
2. Instructs the Mayor and Chief Executive to communicate this decision as soon as practicable to the Minister and the Department of Internal Affairs.

CARRIED

5.4 ADOPTION OF THE PROPERTY STRATEGY

The report, as circulated, sought Council's adoption of a new strategic direction for the delivery of improved outcomes and services for Council property management. Mr Duncan Mitchell, a representative of consultant entity TwentyTwo, participated in the discussion on this agenda item via Zoom.

Chief Executive Alex Parmley introduced the report and highlighted that no property would be considered surplus until Council resolved to make it surplus. There would be a process to achieve that result.

The Chair left the meeting at 11.49am, and Cr Jim Hopkins assumed the role of Chair.

Mr Parmley also advised that the Property Strategy did not include parks and reserves because that was another whole task in itself and was made difficult by numerous different types of reserves.

A Member shared their concern that Forrester Heights had been listed as "surplus" in the strategy document and, noting that it was a decision of the previous Council, asked if the decision could be revisited. Mr Parmley advised that it was listed as 'surplus' because of that previous Council decision and revisiting it would require another decision paper to be brought to Council. Two other Members agreed that it may be premature to identify Forrester Heights as surplus given that no final decision to sell it had been reached.

Another Member was concerned about Council being asked to make a decision on a property strategy that excluded parks and reserves, which meant that the full portfolio of Council properties was not available for consideration.

Mayor Gary Kircher returned to the meeting at 11.53am and resumed the role of Chair.

Property Co-Manager Lori Butterworth advised that Forrester Heights being listed as 'surplus' was a holding pattern only, and the Governance Team would be kept up to date about possible solutions for it through the investigations. It was there because there had been a resolution to

investigate options for selling it. The Chair acknowledged this as a “legitimate approach”, given that no other uses for the land had been agreed.

Another Member highlighted that property activity was costing ratepayers a lot of money. There was probably a lot of property that was not needed and to which ratepayers had to contribute through their rates. Those issues of affordability could be slightly elevated now that Council had a UNESCO Geopark within its property portfolio which would also have costs.

It was noted that Holmes Wharf was listed as ‘strategic’, but it was suggested it could also be ‘commercial’. Officers noted that that property would be unlikely to ever pay for its own costs.

A correction to the previous named “Steam Café” was requested.

ACTION: Property team

When asked, Property and Assets Officer Mathew Scott clarified that the “Portfolio Snapshot in Scope” had been created by the consultant at the outset of the property strategy development before moving into the current classification. A number of the 410 sites were from the fixed value register. 159 sites had since been classified as part of the strategy.

Asked if that was the whole portfolio of property owned by Council, Mr Parmley reiterated that it did not include parks and reserves at this stage, which included a lot of property, was a complex area, and would constitute a massive piece of substantive work.

It was acknowledged that parks and reserves did include leases that were out for grazing, some of which provided revenue to Council. A concern raised was that the property strategy before Council should cover everything, not just the pieces that the Property Department looked after. They were keen to see Council progress all of its properties through the classification process, and once the template had been set by Council, then staff would be able to proceed with the work involved. Other Members supported that view, noting their understanding of the need to make a start with something first.

It was suggested that a GIS overlay showing all Council properties would be beneficial, and the identification of which ones were in scope of the strategy and which ones were currently outside of scope.

The reference on page 189 of the agenda papers to “In future, Council may consider opportunities to sell or repurpose” was highlighted as something not to lose sight of, because further enhancements could be made.

The practicalities of the implementation road map were raised. When asked about the process that would be involved if the Governance Team did decide to move something to ‘surplus’, Assets Operations Manager Joshua Rendell advised that a report would need to come to a Council Meeting with a case for that move, and it would require a decision of Council before action could be taken. Another Member asked if that decision would be approved in principle that something would be ‘surplus’ because, if Council had not yet gone out to the market to achieve something, it would not know what might be yielded from the process. In that case, would there be a feedback loop available? Mr Parmley said the simple answer would be ‘probably’. If it was a small piece of property, Council could state that, if it delivered “x”, then it could be done via him and his team (by delegation). But for a bigger property, it would come back to Council for a decision. Ms Butterworth noted that a list of properties that might be considered for sale would be provided to Council in such circumstances. The Chair acknowledged that the ‘devil would be in the detail’ and it would be important for Council to see that list.

Ms Butterworth further explained that, through the strategy implementation process, officers would also be creating draft policies, and through reporting, Council would be able to determine how best they are achieved (eg GIS maps). It would be a collaborative process.

Another Member suggested that some of the building categorisations were based on current use, so storage would be ‘operational’ whereas a building like Community House that is delivering on many of Council’s wellbeing outcomes for the community would be ‘strategic’. That would not change until Community House gets a new home (something bigger would be needed). That would be a detail, but a concerning detail if that is not sorted. The Drill Hall also provided

community outcomes and would need a specific process that would consider what would happen to the 100-200 people who are using that currently? The RSA building could potentially have strategic or commercial opportunities but was currently sitting in “Other Assets”. Areas around the harbour that are nominally at least identified as opportunities for commercial development would require getting the balance right between public and commercial areas but there was no mention of that. Is that something that the Harbour Area Sub-Committee could develop to better seek out where those people could be? The Member felt that there was a need to look at how those sorts of issues were approached, and this document is not what they were expecting in that regard. “Parks and reserves” should be in there because they are strategic, but they would always be wanted to be there for public recreation. Other assets Council was managing were leased out which meant a commercial aspect. With that in mind, if something was adopted by Council today it would be as a stage one strategy; with a stage two expectation that there are other aspects still to be covered.

Mr Parmley noted that a lot of issues had been raised during that commentary. He advised that this was a strategy, not a plan, and there was a whole programme of work yet to be developed which would take years to be completed. It would not be this Council that would agree to that; it would be a future one. Part of that process is working through whether something in one category can be moved to another. Taking the RSA building as an example, it was classified as operational now, but the notes say that it has potential to be more strategic. Therefore, if the strategy is approved today, then that would be the direction of work to be explored. Officers would come back with a plan about how to move items forward and how engagement with the Governance Team would occur. Council would still need to agree any changes.

Another Member welcomed the strategy as the start of the process and noted that there was a lot more work to be done. Further along, they acknowledged that there would be opportunities for the Governance Team to make political decisions on the future of particular buildings and that was what they had been elected to do. This is the starting point, not the finishing point. There would be many opportunities for Council to consider and realise going forward.

MOTION

Cr Jim Hopkins moved the report’s recommendations and Cr Jeremy Holding seconded the motion.

Discussion on the motion:

The question was raised about whether comments and questions could be incorporated into the strategy now. Mr Parmley sought clarification on which ones specifically. He felt they would be better resolved through the ongoing discussions that would inform another report to a future meeting. The commitment to quality design was put forward as an example. Ms Butterworth advised that it would be difficult to commit to that today without exploring further the implications of the suggestion. Instead, it could be proposed during the investigations and addressed as matters progressed.

The need for some recategorisation was highlighted. 29 Aln Street had originally been bought as a site for community housing but was now residential accommodation; the Drill Hall, Community House, and the RSA needed to be listed as strategic rather than sitting in Other Property because they were too important to be in the “other” category. Ms Butterworth advised that the RSA was in the “other” group to recognise its complexity.

The Chair asked the meeting if there was support for the Drill Hall, Community Hall, and the RSA buildings to be reclassified as strategic. One Member agreed; another suggested that Council could simply commit today to saying it was not on the market and reserving the categorisation for a later discussion. They felt the logic of the current classification was valid and should stay.

Views for the reclassification included that Council was trying to transform and stop working in silos, prepare itself to be a “Future for Local Government” leading council, and having other organisations helping to deliver on community wellbeings. The Drill Hall was delivering on physical

wellbeing and so it had a strategic purpose. There was a need to get away from silo thinking and to link strategies together.

Mr Parmley advised that, if there was a desire of Council to use some buildings more strategically, then engagement with the Governance Team would facilitate that. Nothing would be changed without their involvement.

One Member used the Harbour Endowment land's current classification as commercial for illustrative purposes. Noting the discussion earlier in the meeting regarding the repurposing of the ground rental, they asked whether it would sit under a commercial classification, or should it be classified as strategic based on the service it is providing? A Member responded that they felt it should still be commercial. Another felt that Council did not need to be as concerned about such subtleties at this stage, and in response the Member who had raised this topic shared their concern that, if Council did not deal with the subtleties, then the strategy may not work. There was a need to link to other strategies for the purposes Council had within the local government framework. A third Member acknowledged what was being said but believed that the task for Council today was to accept the document as a 'beginning document'. There was no support from other Members for the reclassification of buildings at this time.

RESOLVED WDC 2023/077

Moved: Cr Jim Hopkins

Seconded: Cr Jeremy Holding

That Council:

1. Adopts the Property Strategy presented at Attachment 1; and
2. Notes the High-level Implementation Plan included as Attachment 2.

CARRIED

5.5 INTERIM SPEED MANAGEMENT PLAN

The report, as circulated, sought Council approval for Waitaki District Council's Draft Interim Speed Management Plan (ISMP) (Attachment 3) so that it can be submitted to Waka Kotahi for certification.

Network Infrastructure Engineer Rodger McGaw advised that officers had completed the action points from the ISMP Hearings held on 2 May 2023. They had met with Weston School and the Principal was happy to have the variable speed limit. They had also met with Five Forks School who were also happy with the proposed 60 km speed limit. Council's feedback had also been provided to Waka Kotahi.

Other matters clarified during brief discussion on the report are summarised below.

State Highway matters would be noted in Council's submission to Waka Kotahi's own interim speed management plan later in the year.

Regarding early childhood centres falling outside of the scope of Council's ISMP, Mr McGaw confirmed that officers had sought agreement from Weston School to extend the speed limit to the Weston early childhood centre, and that had been agreed. In Council's full speed management plan later in the year, Council would be creating zones, and it could look at including kindergartens in the outlying areas of those.

A new or revised National Policy Statement was expected to be released in June, which would take account of some of the changes Government will make. Officers had sought advice from Waka Kotahi on the possible impacts of that.

One Member acknowledged the time, patience and effort of officers that had gone into this process and the ISMP which had been produced.

RESOLVED WDC 2023/078

Moved: Cr John McCone

Seconded: Cr Brent Cowles

That Council:

1. Approves the attached Waitaki District Council Draft Interim Speed Management Plan (ISMP) 2023 to be submitted to Waka Kotahi New Zealand Transport Agency for certification; and
2. Acknowledges that Waka Kotahi certification is required before any speed changes can be made. Once certification is achieved, officers can initiate the speed reductions outside Phase One schools, as per the consultation document.

CARRIED

The meeting was reconvened at 1.36pm and the Chair directed discussion to Agenda Item 5.6.

5.6 COUNCIL LETTERS OF SHAREHOLDER EXPECTATION TO COUNCIL CONTROLLED ORGANISATIONS FOR FY 2023-2024

The report, as circulated, sought approval of the Letters of Shareholder Expectation for each of Council's four Council Controlled Organisations (CCOs).

Group Manager Paul Hope advised that three of the letters were reasonably consistent with those sent the previous year because Council had set out some longer term objectives in those letters and achieving the outcomes was not realistic in one year.

Mr Hope acknowledged and welcomed the input of Chief Financial Officer Amanda Nicholls this year, and in particular the important changes to the letter of shareholder expectations to Tourism Waitaki Limited this year, because of the potential impact on that agency of proposals in the Economic Development Strategy.

Mr Hope advised that drafts of the letters had been sent prior to this meeting to each of the four CCOs, with the intention that they would draw on their content and incorporate it into their Final Statements of Intent for FY 2023/2024 which were scheduled to be formally received at the Council Meeting scheduled for 27 June 2023.

RESOLVED WDC 2023/079

Moved: Cr Jim Hopkins

Seconded: Cr Jeremy Holding

That Council:

1. Approves the attached Letters of Shareholder Expectation for FY 2023-2024 for Council Controlled Organisations, with any agreed minor amendments, for:
 - a) Whitestone Contracting Limited; and
 - b) Tourism Waitaki Limited; and
 - c) Omarama Airfield Limited; and
 - d) Waitaki District Health Services Limited.

CARRIED

5.7 2022/2023 CAMP SEASON

The report, as circulated, updated Council on the 2022/2023 Camping season.

Questions and requests for more information were raised by Members, as summarised below.

- a) What is the capacity of Waitaki's campsites in terms of total site nights and the current utilisation, as well as the infrastructure capacity limits?
- b) How many consultants and contractors were employed and for how long for the \$25k allocated to this work?
- c) Is there any analysis available at the end of the season regarding income loss from having fewer locals or fewer visitors compared with previous years and what was the impact of COVID?
- d) How many Waitakians camped on the other side of the lake that promotional initiatives could be directed to in order to encourage them back to the Waitaki side?

Recreation Manager Lindsay Hyde undertook to provide that information.

ACTION: Recreation Manager Lindsay Hyde

Regarding costs, it was noted that Waimate had lower camping fees than Waitaki, and that season ticket sales were flat. Two of the sites were popular and four were not. Asked whether specific marketing strategies or discounts might help increase the other less popular campsites, Mr Hyde acknowledged that the two most popular ones were the largest by far. Popularity came down to consumer choice. When the marketing programme was reviewed for next year, initiatives could be altered to target particular market sectors.

On whether enhanced services (eg provision of shower blocks) would attract more campsite users, Mr Hyde advised that a survey two years ago had included questions on additional facilities but it was focused on current usage so that could be worth reviewing when facilities were renewed. Some sites were also coming to the end of their use-by life, so that would also be a factor in future reviews.

It was acknowledged that New Zealanders "take everything except the kitchen sink" (and sometimes including it!) on a camping trip because it was part of the overall 'Kiwi camping experience'.

Group Manager Paul Hope suggested that, looking ahead, the ability to generate remote power (eg via solar) may open up more possibilities to cater for slightly different target markets. Putting in power infrastructure would be cost-prohibitive, but there would be a need to keep evolving what was being offered to campers to keep pace with what urban visitors required.

RESOLVED WDC 2023/080

Moved: Cr Jim Hopkins

Seconded: Cr John McCone

That Council:

1. Receives the Waitaki Lakes Camping Report and Freedom Camping update for the 2022 /2023 season; and
2. Notes the information contained within.

CARRIED

6 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2023/081

Moved: Cr Jim Hopkins

Seconded: Cr Tim Blackler

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
7.1 - Public Excluded Minutes of the Council Meeting held on 9 May 2023 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)(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
7.2 - Camps Management Contract PE	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) 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	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
7.3 - Contract 734 - Parks Maintenance Contract PE	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	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

	<p>who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	
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CARRIED

7 PUBLIC EXCLUDED SECTION

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

8 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2023/085

Moved: Cr Courtney Linwood
Seconded: Cr Rebecca Ryan

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

9 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 agreed to release the following previously public excluded information under this agenda item in the Public Minutes of this meeting.

7.3 CONTRACT 734 - PARKS MAINTENANCE CONTRACT PE

RESOLVED WDC 2023/084

Moved: Cr Jim Hopkins
Seconded: Mayor Gary Kircher

That Council:

1. Approves a one-year extension for Contract 734 to Downer (NZ) Limited from 1 July 2023 to 30 June 2024.

CARRIED

10 MEETING CLOSE

There being no further business, the Chair declared the meeting closed, at 2.19pm.

TO BE CONFIRMED at the Council Meeting to be held on Tuesday, 27 June 2023.

.....
CHAIRPERSON

UNCONFIRMED

4.2 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 13 JUNE 2023

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Transformation Group Manager

Attachments: 1. Public Minutes of the Council Meeting held on 13 June 2023

RECOMMENDATION

That Council confirms the Public Minutes of the Council Meeting held on 13 June 2023, as circulated, as a true and correct record of that meeting.

UNCONFIRMED 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 Roading 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 devolvement 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 18,000 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 be used for the Better Off funding going 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 examples were included 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
<p>9.1 - North Otago Irrigation Company Limited Commercial Review PE</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>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>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</p>

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.

TO BE CONFIRMED at the Council Meeting to be held on Tuesday, 27 June 2023.

.....
CHAIRPERSON

UNCONFIRMED

**All of the following items are covered in the main agenda papers already published
(please refer to those papers for relevant details):**

- 7 RESOLUTION TO EXCLUDE THE PUBLIC**
- 8 PUBLIC EXCLUDED SECTION**
- 9 RESOLUTION TO RETURN TO THE PUBLIC MEETING**
- 10 RELEASE OF PUBLIC EXCLUDED INFORMATION**