

KAIKŌURA DISTRICT COUNCIL MEETING

Date:	Wednesday 25 September 2024
Time	9.00am
Location	Totara, Council Chambers

AGENDA

1. Open with a Karakia

Kia wātea te Wairua, Kia wātea te tinana, Kia wātea te hinengaro, Kia wātea ai te mauri, Tuturu ōwhiti whakamaua kia tina, TINA!, Haumi e, Hui e, TAIKI E!

2. Apologies: Councillor L Bond, Councillor R Roche

3. Declarations of Interest

4. Public Forum

Public forums provide opportunity for members of the public to bring matters, not necessarily on the meeting's agenda, to the attention of the Council.

5. Formal Deputations

The purpose of a deputation is to enable a person, group or organisation to make a presentation to a meeting on a matter or matters covered by that meeting's Agenda.

6. Adjourn to Works & Services Committee meeting (9.30am)

Reconvene to the Council Meeting

7. Confirmation of Minutes:

7.1 Council meeting minutes dated 28 August 2024 page 4

8. Review of Action List

page 12

9. Matters of Importance to be raised as Urgent Business

10. Matters for Decision:

10.1	Footpath Renewal Funding	page 13
10.2	Infrastructure Procurement Processes	page 16
10.3	Treatment of Sponsorship Signs under the Signs Bylaw	page 51
10.4	Draft Reserve Management Plan for Consultation	page 72
10.5	Detailed Design & Timing Approval for the Wakatu Quay Roading	page 86
10.6	Update to Kaikōura District Council Standing Orders	page 95

11. Matters for Information:

11.1	Mayoral Verbal Update	
11.2	Elected Member Verbal Updates	
11.3	CEO Monthly Report	page 99
11.4	Audit NZ Report to the Council on audit of the LTP 2024-2034	page 102
11.5	Monthly Finance Report to 31 August 2024	page 121
11.6	Community Services Team Update Report	page 131
11.7	Kaikōura Youth Council Report	11.15am page 138
11.8	Planning Update Report	page 140

12. Public Excluded Session

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public excluded council meeting minutes dated 28 August 2024
- b) Re-appointment of independent member of the Finance, Audit & Risk Committee
- c) Waiau Toa / Clarence River Access Update
- d) Māori Land Blocks at Mangamaunu
- e) Harbour Financial Matters – verbal update

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public excluded council meeting minutes dated 28 August 2024	The minutes are being tabled for confirmation and include commercially sensitive information relating to harbour financial matters, Wakatu Quay Construction Contract and private information on IWK's Director Recruitment.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section 7(2)(a) protect the privacy of natural persons.
Re-appointment of independent member of the Finance, Audit & Risk Committee	The report includes remuneration and personal information included on CV relating to the re-appointment of the independent member.	Section 7(2)(a) protect the privacy of natural persons.
Waiau Toa / Clarence River Access Update	The report includes commercially sensitive project costs.	Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
Māori Land Blocks at Mangamaunu	The report contains private information relating to blocks of land.	Section 7(2)(a) protect the privacy of natural persons.
Harbour Financial Matters – verbal update	Verbal update on subject previously brought to Council around ongoing negotiations which is commercially sensitive	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Re-appointment of independent member & Māori Land Blocks at Mangamaunu: KDC has privacy obligations and release of personal information would breach those.

Waiau Toa / Clarence River Access Update: Publishing the information in the public would be detrimental to the negotiation ability of KDC.

Harbour Financial Update: We do not want to reveal the details of those negotiations. Information will be made publicly available in due course.

13. Close meeting with a Karakia

AUDIO RECORDINGS:

"Audio recordings will be made of this meeting for the purpose of assisting the minute taker to create accurate minutes. Audio recordings should not be taken of any confidential, public excluded or otherwise sensitive matters. The Chair of the meeting is responsible for indicating if/when recording should be stopped and restarted. While held, the audio recordings are subject to LGOIMA, they may be released in line with Councils LGOIMA processes and/or at the discretion of the meeting Chair. A copy of the guidelines and principals for the use of recordings is available on request"

**MINUTES OF THE KAIKŌURA DISTRICT COUNCIL MEETING HELD AT ON
WEDNESDAY 28 AUGUST 2024 AT 8.98 AM, TOTARA, COUNCIL CHAMBERS,
96 WEST END, KAIKŌURA**

PRESENT: Mayor C Mackle (Chair), Councillor V Gulleford (via MS Teams), Councillor T Blunt, Councillor J Diver, Councillor L Bond, Councillor K Heays

IN ATTENDANCE: W Doughty (Chief Executive Officer), P Kearney (Senior Manager Corporate Services), D Clibbery (Senior Manager Operations), B Makin (Executive Officer-Minutes)

1. KARAKIA

2. APOLOGIES

Apologies were received from Councillor R Roche and Deputy Mayor J Howden.

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

3. DECLARATIONS OF INTEREST Nil

4. PUBLIC FORUM

5. FORMAL DEPUTATIONS Nil

6. ADJOURN TO WORKS & SERVICES COMMITTEE MEETING

The meeting adjourned to the Works & Services Committee meeting at 9.00am.
The meeting was reconvened at 9.20am.

7. MINUTES TO BE CONFIRMED

7.1 Council meeting minutes dated 31 July 2024

RESOLUTION

THAT the Council:

- *Confirms as a true and correct record, the circulated minutes of a Council meeting held on 31 July 2024.*

Moved: Councillor T Blunt

Seconded: Councillor K Heays

CARRIED UNANIMOUSLY

8. REVIEW OF ACTION LIST

The Action List was reviewed and noted:

- Remove quarterly meetings with Local MP office as these have been scheduled regularly.
- Remove Wakatu Quay Governance Group celebration as this was held yesterday.

9. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS

Councillor K Heays raised a minor matter about communications to be included in the public excluded session due to commercial sensitivity.

Councillor T Blunt raised a minor matter about the Marlborough Regional Forestry to be included in the public excluded session due to commercial sensitivity.

10. REPORT FROM THE CHAIR OF THE FINANCE, AUDIT & RISK COMMITTEE

Councillor J Diver tabled the Report from the Chair of the Finance, Audit & Risk Committee.

The reports tabled to the Committee meeting reflected the interim results as a range of year-end adjustments are still being worked through. It was noted that the surplus is approx. \$600k, subject to year-end adjustments.

Council staff clarified that the \$2m was borrowed at a rate of 5.15% and is now on a term deposit for 6%.

The Council supported the inclusion of a summary page on the risk register.

RESOLUTION

That the Committee have received the reports and recommends that the Council approves the reports.

Moved: Councillor L Bond

Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

The meeting then moved to item 12.5 Monthly Finance Report to 31 July 2024

12.5 Monthly Finance Report to 31 July 2024

It was highlighted that the balance of the transitional funding (\$112,500) is to be used for Local Waters Done Well. Changes have been made to the report format and included financial insights. The NZTA indicative funding for the foot path programme was noted.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

11. MATTERS FOR DECISION

11.1 Takahanga Main Power Multisport Courts redevelopment update

P Kearney acknowledged S Wright for her work in sourcing other funding. The Opshop was acknowledged for their funding support. There is potential to use the community facilities reserve and the Opshop might be able to provide more funding to cover the shortfall, if further funding applications are unsuccessful.

RESOLUTION

THAT the Council:

- a) *Receives this report;*
- b) *Approves Option 1 Approve works to begin with current funding so that playable courts are achieved by end of 2024, with a known risk of \$25,000 shortfall that Council may need to bridge.*

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

11.2 Overview of Submissions for Representation Review Initial Proposal

RESOLUTION

That:

- a) *Council notes no submissions received on the initial proposal*
- b) *Council adopts the initial proposal as its final proposal*
- c) *Council notes that the final proposal will be publicly notified for 1 month as per the LEA01 requirements.*

Moved: Councillor K Heays
Seconded: Councillor J Diver

CARRIED UNANIMOUSLY

P Kearney was acknowledged for his work in completing the Representation Review.

11.3 Spatial Plan Decision for Notification

An amendment was put forward by Council staff to change ‘and rural residential strategy’ to ‘or rural residential strategy’ under item i.

The Planning Team were acknowledged for their extensive work with the draft Spatial Plan.

AMENDED RESOLUTION

That the Council approve the:

- 1. Notification and use of Special Consultative Process Local Government Act 2002.**
 - a. notify the draft Kaikōura Spatial Plan as attached in Appendix 1, subject to the following amendments:*
 - i. Document to be amended to reflect policy direction within the draft Canterbury Regional Policy Statement, mainly to reflect its role as a Spatial Plan, a Strategic growth plan or rural residential strategy,*
 - ii. To show the now operative Light Industrial Zone (LIZ) within the Spatial Plan,*
 - iii. Insertion of a foreword signed on behalf of the Mayor, Chief Executive Officer and TROK*
 - iv. Minor grammatical corrections such as typos, unnecessary repetition or correction of dates/timeframes*
 - v. Further refinement of spatial plan maps to improve legibility*
 - b. Use the special consultative process of the Local Government Act 2002 to seek feedback and hear comments on the Spatial Plan.*

Moved: Councillor T Blunt
Seconded: Councillor J Diver

CARRIED UNANIMOUSLY

11.4 Potential Reserve Management Plans (RMP): South Bay Racecourse/Domain, Top 10 Holiday Park and Takahanga Domain

South Bay Domain/Racecourse

The reserve covers an area from the racecourse up to the swimming pool. There is interest from a community group in setting up a skatepark/ pump track and mountain bike trails in the undeveloped area by the swimming pool.

The racecourse is leased to the Trotting Club who subleases it to other clubs such as the Pony Club, Cricket Club, AM&P etc. The RMP would need to honor the existing leases, any current obligations and ownership of buildings/sheds. With clear direction from the community, the RMP could provide a proactive approach for the reserve to be used to its full potential when the lease is up for renewal.

Takahanga Domain

Feedback from the community suggested incorporating into the Link Pathway and supporting other activities in active recreation rather than specifically rugby. Enhanced use means the reserve could allow other club activities.

Top 10 Holiday Park

Feedback from the community desired the holiday park to continue operating and for there to be beach access. Enhanced use of the reserve would allow amendments to the site where necessary if the holiday park wished to consider amendments to existing leases. The background of the site would be included in the draft RMP.

Council staff will be taking a proactive approach by meeting with key stakeholder groups in person (where possible), for feedback. The intention is to workshop the draft RMP's with the Council.

RESOLUTION

- a) *That the Council accept this report*
- b) *Notes that all submitters have been thanked for their input*
- c) *That the Council direct staff to develop a Draft Reserve Management Plan for the South Bay Domain/Racecourse Reserve in accordance with the Reserves Act 1977, for Option 1 (Enhanced use / Activities) with amendments as appropriate.*
- d) *That the Council direct staff to develop a Draft Reserve Management Plan for the Takahanga Domain Reserve in accordance with the Reserves Act 1977, for Option 2 (Enhanced use) with amendments as appropriate.*
- e) *That the Council direct staff to develop a Draft Reserve Management Plan for the Top 10 Holiday Park Reserve in accordance with the Reserves Act 1977, for Option 1 (Enhanced use), with amendments as appropriate.*

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting then moved to item 12.8 Planning Update Report.

12.8 Planning Update Report

Council staff advised that the Whale Trail consents were being processed externally.

The resource consent for Lindsay Developments Ltd on page 174 has progressed. Before notification goes out to the public the applicant would need to submit the proposal/designs which would include details on shading of other properties, privacy and height of the building.

Some resource consent discounts have been given due to delays with timeframes. LIMS are starting to increase and are consistent with last year.

It is anticipated that the draft Regional Policy Statement will be notified in December.

The RMP consultation documents will include maps of the reserve boundaries to avoid confusion between road reserves and recreational reserves.

The Planning Team are waiting to receive a subdivision application from the light industrial park developer. If it complies with the plan change then the application will be notified within 20 working days. Connecting services and rebuilding part of the Inland Road will need to be completed before titles can be issued.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting adjourned at 10.39am and reconvened at 11.10am

11.5 Discretionary Grants Fund – Criteria and Application Form

It was questioned if the discretionary grants fund would still be appropriate with the four wellbeing's being removed from the Local Government Act. Local authorities still have a responsibility to other sectors such as heritage and arts.

RESOLUTION

THAT the Council:

- a) Receives this report; and*
- b) Approves the changes to the discretionary grants fund criteria and application form (as per Attachments 1 and 2), subject to any amendments desired by the Council.*

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting moved to Item 12.7 Kaikōura Youth Council Report.

12.7 Kaikōura Youth Council Report

Kara from the Youth Council joined the table. The Youth Plan gives the youth a voice and will include items such as helping the rainbow community. There are 6 youth representatives on voice 1 and a good number of representatives in the events group.

The Chief Executive invited the Youth Council to be involved with the NZ Play Advocates when they come to Kaikōura in September 2024.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

12. MATTERS FOR INFORMATION

12.1 Mayoral Verbal Update

The Mayor has been working through the vast amount of information on Three Waters/Local Waters Done Well.

He attended the Powhiri for John Boswell, new CE at Marlborough District Council. The Mayor and CE met with John earlier this week and discussed shared service arrangements with the Hurunui and went over joint interests with Marlborough.

The Mayor attended the Super Local Conference in Wellington with the CE and Councillor Gulleford. He enjoyed the MTFJ breakfast and advised that funding was announced up to June 2026.

12.2 Elected Member Verbal Updates

Councillor T Blunt

Councillor T Blunt would provide the update in public excluded relating to the Marlborough Regional Forestry (as per the matter raised as urgent business).

Councillor J Diver

Councillor J Diver attended the RMP workshop on the Esplanade reserve. Good discussion was held with another attendee, and he found the project interesting.

Councillor L Bond

The Opshop's 10th year anniversary is approaching. Councillor L Bond is listing the projects that the Opshop has supported in the last 10 years and the list is quite considerable.

Councillor K Heays

Councillor K Heays reported quality discussions were held with the public on work being done by the Council. He will start scheduling a regular timeslot with the Operations team the Monday before each meeting to go through/visit the sites in the report to gain more insight. He opened this up to all elected members to join.

Councillor V Gulleford

Councillor V Gulleford advised that one special event has opposition, preference is not to hold a hearing. She also attended the LGNZ Super Local Conference and felt the changes the minister announced were directly towards larger councils.

RESOLUTION

THAT the Council receives the verbal updates from the Mayor and Councillors for information.

Moved: Mayor C Mackle
Seconded: Councillor K Heays

CARRIED UNANIMOUSLY

12.3 CEO Monthly Report

The Chief Executive highlighted in his report the replacement senior manager operations, Local Waters Done Well and the South Bay Forestry (on pages 132 and 133).

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

12.4 Three Waters Reform – “Local Waters Done Well”

The report provides an overview of the legislation and a high-level summary of the joint project with the Waimakariri DC and Hurunui DC. Update reports will be brought to the Council as the process moves forward.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

12.6 Community Services Update Report

The Community Development Officer's report has not been included due to sickness. A more detailed update will be provided on Ageing Well at the next meeting as more information will be available.

There is good collaboration between the Regulatory Team, Library and the High School with the reading to the neurodiverse (different ways of learning/struggle with mainstream) with George (therapy dog).

A Recovery Manager update was included in the report on page 153. Councils needs to have recovery plans in place and councils in New Zealand are generally under resourced in the recovery area.

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
 Seconded: Councillor K Heays

CARRIED UNANIMOUSLY

12.9 Building and Regulatory Update Report

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor T Blunt
 Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

13. RESOLUTION TO MOVE INTO COUNCIL PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public excluded council meeting minutes dated 31 July 2024
- b) Innovative Waste Kaikōura Ltd (IWK) Director Recruitment
- c) Wakatu Quay Construction Contract
- d) Harbour Financial Matters – verbal update
- e) Communications – matter of importance to be raised as urgent business
- f) Marlborough Regional Forestry - matter of importance to be raised as urgent business

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public excluded council meeting minutes dated 31 July 2024	The minutes are being tabled for confirmation and include commercially sensitive information relating to harbour financial matters, Māori land parcels and private information on the Chief Executive’s performance review.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section 7(2)(a) protect the privacy of natural persons.
IWK Director Recruitment	To receive CV and discuss recommended candidate(s) – the public are excluded for privacy reasons.	Section 7(2)(a) protect the privacy of natural persons.
Wakatu Quay Construction Contract	The report presents commercially sensitive competitive information to all tender respondents including the proposed successful company.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

		Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
Harbour Financial Matters – verbal update	Verbal update on subject previously brought to Council around ongoing negotiations which is commercially sensitive	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
Communications	Raised by Councillor K Heays - minor matter about communications to be included in the public excluded session due to commercial sensitivity.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information
Marlborough Regional Forestry	Raised by Councillor T Blunt - minor matter about the Marlborough Regional Forestry to be included in the public excluded session due to commercial sensitivity.	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

IWK Director Recruitment: KDC has recruitment privacy obligations and release of applicant’s details would breach those.

Wakatu Quay Construction Contract: Negotiation is yet to be completed and therefore publishing the information in the public would be detrimental to the negotiation ability of KDC which could lead to a less than optimal outcome.

Harbour Financial Update: We do not want to reveal the details of those negotiations. Information will be made publicly available in due course.

Moved: Councillor L Bond
Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

The meeting moved into the Public Excluded Session at 11.46 pm.
The meeting moved out of the Public Excluded Session at 12.37pm.

14. CLOSED OF MEETING

There being no further business, the meeting was declared closed at 12.37pm.

CONFIRMED _____ Chairperson
Date

THIS RECORD WILL BE HELD IN ELECTRONIC FORM ONLY

**ACTIONS FROM COUNCIL MEETINGS
AS AT 19 SEPTEMBER 2024**

OPEN ACTION ITEMS

	ACTION ITEMS	ASSIGNED TO	DUE	STATUS
1	<i>Carried Forward from previous Council:</i> Kaikōura Cycling Club		July 2024	Not received an update from Kaikōura Cycling Club since October 2023. EO emailed 04/07/24.
	<i>Quarterly Progress Reports from 1-Jul FY 24-25</i> Museum, Sports Tasman, Mayfair, Kaikōura Rugby Club – Takahanga Facility Project Team, TeHa, A&P Association, Wildlife Centre Trust, Takahanga Bowling Club, Kaikōura Red Cross Branch, Kaikōura Bowling Club, Miniature Rifle Club, Croquet Club, Netball Centre,	-	October 2024 February 2025 April 2025 July 2025	
2	Response to Public Forum speakers – July meeting	W Doughty / P Kearney	Ongoing	Responses sent. Following up further to J Ward on Trotting Club.

CLOSED ACTION ITEMS

	ACTION ITEMS	ASSIGNED TO	DUE	STATUS
	Arrange meeting with Local MP Office once New Government established – discuss Māori Wards, Freedom Camping funding, Audit costs	W Doughty / B Makin	Ongoing	Next meetings scheduled for 26 th August/7 th October
	Celebration with Governance Group when the detailed design is approved	W Doughty / B Makin	-	Scheduled for 27/08/24
	Workshop Discretionary Grants process and criteria for next year	W Doughty / B Makin	June 2024	Report included in August agenda.

Report to:	Council
Date:	25 September 2024
Subject:	Footpath Renewal Funding
Prepared by:	D Clibbery - Senior Manager Operations
Input sought from:	
Authorised by:	W Doughty – Chief Executive Officer

1. PURPOSE AND ORIGIN

The management of a shortfall of requested NZTA funding for footpath renewal and maintenance works is discussed.

2. RECOMMENDATION

It is recommended that

- a. Council approves an additional \$84,000 per year of local share funding required to enable the delivery of \$310,000 per year of footpath renewal and maintenance works as was proposed in Councils 2024-27 Long Term Plan.

3. BACKGROUND

Council has in the past under-invested in the maintenance and renewal of footpaths in the Kaikōura community.

Up to 2022 Council’s annual budget allocation for such works was just \$60,000, whilst at that time the estimated annual depreciation of those assets was approximately \$200,000.

The effect of this shortfall was very apparent in state of those footpaths, with many severely deteriorated and overdue for replacement. This was in turn reflected in low levels of community satisfaction with those assets, with footpaths obtaining the lowest scores of any Council activity in annual customer satisfaction surveys.

In response to this Council in its 2021-24 Long Term Plan approved increased annual expenditures of \$160,000 per year for the next 10 years, and a footpath improvement working group of community members was established who worked with Council staff to determine how this increased funding should be used, developing a prioritised list of paths for renewal.

A challenge which subsequently became apparent was higher than expected costs for path construction, that was related to a number of factors including the extremely high cost of meeting the traffic management requirements of NZTA when footpaths were constructed along the State Highway.

This resulted in some changes being made to the form and delivery of works, with the initial proposal that all new paths were constructed of concrete being revised to limit concrete path construction to Beach Road and the Esplanade, with less costly asphalt overlay paths being constructed elsewhere.

Despite these changes it did however become evident that it was desirable to invest more than \$160,000 per annum and during 2023/24 a greater amount was spent to keep the improvement program forward as planned, with the community’s appreciation of resultant improvements being apparent.

An opportunity to continue to invest in footpath improvements at a higher level with little or no cost to the community came through NZTA making a change to its funding policy which allowed footpath renewal work to qualify for subsidy, when previously it had not.

In preparing council's 2024-27 Long Term Plan it was therefore proposed that annual expenditure on footpath renewals and maintenance would be increased to \$310,000, comprising \$250,000 per year for footpath renewals and \$60,000 for maintenance.

With NZTA subsidy at 51% now being applicable to such works the cost to the community would be less than this, though it was recognised that the financial pressures on NZTA made it unlikely that such subsidy would be allocated on all of this \$310,000.

An assumption was made for LTP budgeting purposes that NZTA would provide subsidy on 80% of this amount, in line with the same assumption made for other activities in KDC's submitted 2024-27 roading program. If this level of financial assistance was received it would amount to an NZTA contribution of approximately \$127,000 per year towards footpath renewals and maintenance.

Unfortunately, whilst this 80% assumption has subsequently proved to be sound for the main road-related in KDC's submitted program, a much poorer result has been obtained for footpath works, with NZTA recently indicating that it will only provide subsidy at 51% on 27% of the proposed \$310,000, equivalent to a contribution of approximately \$43,000 per year.

As such there is a shortfall of \$84,000 per year for the funding of footpath works relative to what was indicated in the LTP.

4. POTENTIAL RESPONSES

There are in essence considered to be three potential responses to this funding shortfall, as follows:

- Retain the local share contribution as in the LTP, with approximately \$226,000 per year then being available for footpath renewals and maintenance.
- Increase the local share contribution by \$84,000 per year to provide the \$310,000 works budget in the LTP. **(recommended)**.
- Some intermediate between options a and b above.

Because of uncertainties regarding exactly what future works will be done at particular times, what those works will cost and what financial support may be available from NZTA beyond 2027 it is difficult to precisely estimate the impact that a current reduction of spending on the activity would have on the long-term achievements of this program of works.

A very general guide is however that it appears likely that renewals of concrete footpaths will have costs in the order of \$300 per linear metre, whilst renewals using asphalt overlays may cost around one-third of that.

If it is assumed that 70% of path renewals use asphalt, the average renewal cost of all paths is likely to be around \$160 per linear metre. As such cutting expenditure by \$84,000 per year would represent around 500 metres less footpath renewals per year.

An assessment of community footpaths conducted in early 2022 suggested that approximately 9 kilometres of footpaths would currently benefit from renewal, and that this should be undertaken over the next 10 years.

With the changes that have been made to the delivery of the footpath renewals program (restricted construction of concrete paths and optimisation of work delivery processes) the previously presented figures suggest that this target should be marginally achievable even with the previous budget of \$160,000 per year and should be easily achieved under option a. above.

It should however also be recognised that meeting this target does not address the fact that paths which are not currently considered to require renewal will be continuing to deteriorate during these

10 years and that as such this level of work may not represent a complete catch up of deferred renewals, particularly when the proposed expenditure is similar to the rate of depreciation of these assets.

On that basis it seems clear that something more than \$160,000 per year – and indeed probably more \$226,000 per year - is needed to both address the current backlog of renewals and provide a margin to reflect the further deterioration that will occur over the next 10 years.

Exactly defining precisely how much budget is required to cover both aspects difficult, but having \$310,000 per year is considered desirable as this figure is close to the sum of both the defined backlog program and calculated annual depreciation.

It is however recognised that annual depreciation is an average theoretical figure and could overstate the actual investment required in the short term. As such something less than \$310,000 might be sufficient to achieve the desired objectives, but it is difficult to be sure.

Because of that uncertainty it is recommended that that the full original program value of \$310,000 per year is retained. Doing so would require council's local share contribution in each of those years to be increased by \$84,000. Conversations will be held with NZTA with regard to funding for years 2 and 3 of the NLTP to see if additional subsidy is available.

5. FINANCIAL IMPACTS AND RISK

It is assumed that the proposed increased local share contribution would be debt funded. Any increased expenditures have potential risks in regard of community perceptions but in this case the known community concerns regarding the condition of footpaths would be expected to mitigate those risks.

6. RELEVANT LEGISLATION

No particular legislation is considered to be relevant to this matter.

7. COMMUNITY OUTCOMES SUPPORTED

The outcomes below are being supported



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Report to:	Council
Date:	25 September 2024
Subject:	Infrastructure Procurement Processes
Prepared by:	D Clibbery - Senior Manager Operations
Input sought from:	
Authorised by:	W Doughty – Chief Executive Officer

1. PURPOSE AND ORIGIN

Issues relating to the procurement of infrastructure services are discussed.

Attachments:

- a) Infrastructure Procurement Strategy

2. RECOMMENDATION

It is recommended that:

- a) The Council endorses the provided KDC *'Strategy for the procurement of transport, 3 waters, solid waste and community facilities infrastructure 2024-2027'* subject to any desired amendments.
- b) The Council resolves that a s17A review of the road maintenance activity is not required in accordance with s17A(3)(b) of the Local Government Act 2002, and that the conclusions of the previous s17A review for this activity remain valid.

3. BACKGROUND

Councils are required by NZTA to have a Procurement Strategy which outlines the purchasing processes that they will adopt to ensure that the Council's expenditure on activities supported by NZTA achieves best value for money and aligns with the requirements of NZTA's Procurement Manual. It appears that KDC first adopted such a strategy in 2010, but at that time NZTA indicated that improvement to the strategy was required and a more comprehensive strategy was put in place following the 2016 earthquake, which understandably had a strong focus on rebuild works, but which also extended to all types of Council infrastructure activities, including 3 waters, solid waste and facilities.

A further review was conducted in 2021, which removed the rebuild focus and introduced some more specific guidelines on how procurement processes should be structured in respect of balancing price and quality, supporting local suppliers, ensuring transparency and making those processes appropriately proportional to price.

NZTA now requires Council Procurement Strategy to be reviewed every three years, and such a review is due to be completed by 30 September 2024. Councillor endorsement of this strategy is desirable. A new draft Procurement Strategy has been prepared for 2024-2027 and has been submitted to NZTA for comment. This document retains much of the key general content from the previous strategy, but updates project information.

Those comments received from NZTA were generally positive with only a few minor amendments suggested, the key ones of which have been discussed with Councillors and have been incorporated into the document. A copy of draft strategy as it currently stands has been previously provided to Councillors.

4. ROADING s17A REVIEW

The potential need for a review of the delivery of KDC's road maintenance in accordance with the requirements of section 17A of the Local Government Act 2002 was also part of the procurement strategy discussion with NZTA.

Sections 17(2) (b) and (c) of the Act require that a local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions. Such reviews are generally required to be undertaken within 2 years before the expiry of any contract or other binding agreement relating to the delivery of that infrastructure, service, or regulatory function and at such other times as the local authority considers desirable, but not later than 6 years following the last review.

With the last s17A review of the road maintenance activity having been undertaken in 2018, and the North Canterbury Network Outcomes Contract (NCNOC) currently expected to expire in March 2026, a further review is now due on both counts.

Section 17A(3)(b) of the Act does however provide potential exemption from the need to undertake such a review if the local authority is satisfied that the potential benefits of undertaking a review do not justify the costs of undertaking the review.

The s17A review conducted in respect of road maintenance in 2018 was thorough and recent discussion with NZTA supported the view of KDC staff that the circumstances and opportunities relating to road maintenance have not significantly changed since that time (if anything the opportunities have decreased with the completion of the earthquake rebuild) and that the conclusion of that last review – that KDC’s road maintenance will be most effectively delivered as a component of the NCNOC – remains largely valid.

Whilst other local contractors can effectively undertake some components of the required works (as they currently do through sub-contract to Downer) there are other elements – in particular those related to the technical asset management requirements – which require skills and capabilities that are unlikely to be found outside the larger road maintenance contractors, but the small scale of KDC’s works is unlikely to attract a larger contractor if offered in isolation.

There has been recent discussion with NZTA of the potential for some minor routine road maintenance activities to be delivered separately from the NCNOC, this discussion has suggested that this is either not permissible under NZTA’s procurement policies or is otherwise impractical.

Because the current delivery of KDC’s road maintenance under the NCNOC is considered to be generally satisfactory and there appear to be few if any practical delivery models it is believed that there would be little if any value in undertaking a further s17A review of road maintenance. It is therefore suggested that Council should resolve in support of using the exemption provided by s17A(3)(b) of the Act.

5. OTHER s17A REVIEWS

KDC does not have any other current s17A reviews for other infrastructural activities.

Consideration was given to conducting a s17A review for 3 waters in 2020, but it was decided not to proceed as it appeared that some form of central government reform was likely to determine the way in which these services were delivered. Recent discussion with representatives of the Department of Internal affairs has confirmed that the preparation of Water Services Delivery Plans under the Local Waters Done Well program will remove the need for s17A reviews for these services.

A decision was made in 2019 not to prepare a s17A review for solid waste services because the need to prepare and periodically review a Waste Management and Minimisation Plan (WMMP) under the Waste Minimisation Act 2008 can in effect address all of the issues likely to be covered by a s17A review.

KDC last reviewed its WMMP in early 2021, and the legal requirement is that reviews are conducted at least every six years, so another is not due until 2027. It is however understood that Councillors would prefer to have a further review in the near future.

6. FINANCIAL IMPACTS AND RISK

Roading is KDC's most costly activity and as such optimising procurement of services supporting this activity can have significant financial impact.

It is however also important that these services are reliably delivered to a high standard and that suppliers are accountable if this does not occur. It is also vital that NZTA are satisfied with procurement methods being adopted and the works being undertaken as their financial support is essential.

7. RELEVANT LEGISLATION

Section 25 of the Land Transport Management Act 2003 puts in place requirements for procurement procedures, which in the case of local authorities are given effect through NZTA.

8. COMMUNITY OUTCOMES SUPPORTED

The outcomes below are being supported



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



**STRATEGY FOR THE PROCUREMENT
OF TRANSPORT, 3-WATERS, SOLID
WASTE AND COMMUNITY FACILITIES
INFRASTRUCTURE**

2024 - 2027

DOCUMENT MANAGEMENT

Purpose	To provide basic information about the document, outline the procedure for amendments, and describe the amendment history.															
Document information	<p>The following table provides basic information about the document.</p> <table border="1" data-bbox="296 719 1007 1128"> <tr> <td data-bbox="296 719 491 813">Document name</td> <td data-bbox="496 719 1007 813">Kaikōura District Council – Strategy for the Procurement of Transport, 3-Waters and Community Facilities Infrastructure.</td> </tr> <tr> <td data-bbox="296 819 491 860">Version</td> <td data-bbox="496 819 1007 860">V1 - Draft Document</td> </tr> <tr> <td data-bbox="296 866 491 907">Release date</td> <td data-bbox="496 866 1007 907">19 August June 2024</td> </tr> <tr> <td data-bbox="296 913 491 981">Document reference</td> <td data-bbox="496 913 1007 981">KDC Draft Infrastructure Procurement Strategy 2024_2027 v1.2.doc (Laser Fiche doc)</td> </tr> <tr> <td data-bbox="296 987 491 1028">Prepared by</td> <td data-bbox="496 987 1007 1028">Dave Clibbery</td> </tr> <tr> <td data-bbox="296 1034 491 1075">Document owners</td> <td data-bbox="496 1034 1007 1075">Senior Managers – Corporate Services and Operations</td> </tr> <tr> <td data-bbox="296 1081 491 1128">Review Date</td> <td data-bbox="496 1081 1007 1128">July 2027</td> </tr> </table>		Document name	Kaikōura District Council – Strategy for the Procurement of Transport, 3-Waters and Community Facilities Infrastructure.	Version	V1 - Draft Document	Release date	19 August June 2024	Document reference	KDC Draft Infrastructure Procurement Strategy 2024_2027 v1.2.doc (Laser Fiche doc)	Prepared by	Dave Clibbery	Document owners	Senior Managers – Corporate Services and Operations	Review Date	July 2027
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Approval	<p>This Strategy has been reviewed and approved by accountable officers in the table below:</p> <table border="1" data-bbox="296 1234 1007 1375"> <thead> <tr> <th data-bbox="296 1234 751 1279">Name & Title</th> <th data-bbox="756 1234 1007 1279">Date of Approval</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 1285 751 1326">Senior Manager Corporate Services</td> <td data-bbox="756 1285 1007 1326">12 September 2024</td> </tr> <tr> <td data-bbox="296 1332 751 1375">Senior Manager Operations</td> <td data-bbox="756 1332 1007 1375">12 September 2024</td> </tr> </tbody> </table>		Name & Title	Date of Approval	Senior Manager Corporate Services	12 September 2024	Senior Manager Operations	12 September 2024								
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Senior Manager Corporate Services	12 September 2024															
Senior Manager Operations	12 September 2024															
Endorsement	<p>This Strategy has been endorsed by the following:</p> <table border="1" data-bbox="296 1514 1007 1704"> <thead> <tr> <th data-bbox="296 1514 751 1559">Name & Title</th> <th data-bbox="756 1514 1007 1559">Date of Approval</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 1565 751 1606">Council</td> <td data-bbox="756 1565 1007 1606"></td> </tr> <tr> <td data-bbox="296 1612 751 1653">New Zealand Transport Agency</td> <td data-bbox="756 1612 1007 1653"></td> </tr> <tr> <td data-bbox="296 1659 751 1704"></td> <td data-bbox="756 1659 1007 1704"></td> </tr> </tbody> </table>		Name & Title	Date of Approval	Council		New Zealand Transport Agency									
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1. EXECUTIVE SUMMARY

This Strategy outlines the Council's intentions for the procurement of roading, 3-waters, solid waste and community facilities infrastructure services and physical works for the period 2024 to 2027.

The Strategy is set in the context of the Council's Procurement Policy that provides direction to staff on the principles required to conduct procurement activities and the Council's Delegations Manual.

The outcomes expected by implementation of this Strategy are intended to achieve the following Procurement Policy objectives:



The previous (2021 to 2024) Procurement Strategy encompassed the period during which there was a transition from the substantial rebuild activity that followed the 2016 earthquake to a less active "business-as-usual" (BAU) environment.

The only remaining substantial project to be completed relating to the earthquake rebuild is the construction of the Waiau Toa / Clarence Bridge which is estimated at approximately \$13 million. Council's BAU roading, 3-water, solid waste and community facilities operational programme is expected to expend around \$ 16.8 million over the coming three years through existing contracts. Capital works over the next 3 years are expected to have a total value of \$41.3 million, with approximately 75% of this associated with four major projects – the Wakatu Quay development, being delivered by the Kaikōura Marine Development Programme, the Clarence Valley Access project renewals or improvements of public toilets in Kaikōura and roading and wastewater works supporting new residential developments that are being supported by central governments infrastructure acceleration fund (IAF).

Specific procurement plans have already been developed and followed for the first three of these projects, which are now currently entering a final delivery phase.

Outside these three projects the most significant capital works planned to be undertaken in the next 3 years that will require procurement planning are the following:

- IAF projects – \$11.989 million
- Road surface resealing - \$1.768 million
- Road Pavement Rehabilitation - \$1.011 million
- Footpath renewals and improvements – up to \$750,000
- Jordan Stream Bridge Replacement – up to \$800,000
- Landfill Closure completion - \$597,000
- Link Pathway completion - \$568,000
- Airport 3 waters upgrades - \$334,000
- Water pipe renewals - \$213,000

This Strategy outlines the procurement methodology to be applied to deliver this programme fairly and openly and achieve the best value for money.

This Strategy will be monitored for achievement of the desired outcomes and updated as required in line with each Annual Plan. The Strategy will be formally reviewed in November 2026 as part of the preparation of the 2027 Long Term Plan.

2. RECOMMENDATIONS to NZTA

While the scope of this Strategy is not limited to transport, it is important to note that NZTA requires all road controlling authorities to submit a procurement strategy for endorsement and this endorsement once approved is for a maximum period of 3 years. This also fulfils the Council's obligations outlined in the Office of the Auditor General: procurement guidance for public entities but ensures that both ratepayers and taxpayers obtain best value for money.

It is recommended that the NZTA:

1. Endorses the Kaikōura District Council Procurement Strategy – August 2024 for the procurement of transport activities for the Kaikōura District Council (this document)

3. POLICY CONTEXT

3.1. INTRODUCTION

This document is the Strategy for the Procurement of Transport, 3-Waters, Solid Waste and Community Facilities Infrastructure and associated Services (the Strategy) for the Kaikōura District Council (the Council).

The development and implementation of this Strategy is influenced by Rule 10.4 of the NZTA Procurement Manual (the Manual) and Section 25 of the Land Transport Management Act 2003 for transport activities funded through the National Land Transport Programme.

NZTA requires all road controlling authorities to develop and submit a procurement strategy for endorsement. This not only fulfils the requirements of the Office of the Auditor General, but ensures that ratepayers and taxpayers obtain best value for money from its transport activities.

3.2. STRATEGIC OBJECTIVES AND OUTCOMES

The Council's Long Term Plan 2024-2027 outlines the following goals in relation to the provision of infrastructure:

3.2.1. Roothing

▪ *To provide a transport network for the safe and reliable movement of people and goods throughout the District, connecting communities and accessing property.*

Sub-Activities include: roads and bridges; footpaths and cycleways; and streetlights.

3.2.2. 3-Waters

- *To provide clean potable water for our communities in the Kaikōura District.*
- *To provide a reticulated sewerage network and treatment facilities which meets environmental standards*
- *To provide a reticulated urban stormwater network to prevent surface flooding causing harm to residents and their property*

Sub-activities include: urban and rural water supply; sewage collecting, treating and disposal; and stormwater collection and disposal, in defined areas.

3.2.3. Community Facilities

- *To provide fit for purpose facilities which meet a broad range of community social and recreational needs and which are not provided by central government and cannot be readily provided by the private sector*

Sub-activities include: parks and reserves; public toilets, community properties; library; airport and harbour.

3.2.3. Solid Waste

- *Our community has effective, efficient and affordable means of managing solid waste*

Sub-activities include: Refuse Collection and Disposal and Recycling and Waste diversion

3.3. OBJECTIVES AND OUTCOMES FOR THE PROCUREMENT STRATEGY

The Council's primary objective for this procurement strategy is to 'enable the delivery of the Council's infrastructure programme on time, and at the best value for money'. In addition to the primary objective, the Council also requires infrastructure procurement to achieve, or contribute towards, the achievement of the following outcomes:



The measures the Council is taking to ensure that the outcomes are achieved are set out below.

Demonstrate Value for Money	
The Council's understanding and position	Council use of resources effectively, economically, and without waste, with due regard for the total costs and benefits will contribute to the outcomes the Council is trying to achieve. In addition, the principle of value for money for procuring goods, services or works does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership [or whole-of-life cost].
Methods of promotion	<p>The Council will:</p> <ul style="list-style-type: none"> ▪ Utilise suitably experienced and qualified staff to undertake lead roles in procurement and contract management ▪ Use an effective asset management planning regime to identify the work programme and provide a whole-of-life approach to asset management. ▪ Ensure that the overriding criteria for procurement decision making is the total cost of ownership over the whole of life of the asset. ▪ Include an appropriate balance of financial and non-financial selection criteria in procurement decision making. ▪ Select procurement methods and forms of contract that consider the scale [complexity and risk] of the procurement. ▪ Undertake monitoring on a regular basis during the duration of a contract to ensure value for money is being achieved. ▪ Conduct a Section 17A review of Transport, 3-Waters and Community Facilities delivery as required under the Local Government Act 2002.

Be Fair and Legally Compliant	
The Council's understanding and position	The Council recognises that fair and consistent behaviour in the procurement activity is essential to secure the confidence and best value from suppliers, and that it is consistent with legislative requirements.
Methods of promotion	The Council will: <ul style="list-style-type: none"> ▪ Ensure that the process for evaluating and awarding contracts is fair and un-biased consistent with the Policy and the Office of the Auditor General: Procurement guidelines for public entities. ▪ Ensure that all procurement decisions and their basis are formally documented. ▪ Ensure that staff follow the requirement of all relevant legislation, policy and guidelines.

Encouraging efficient and effective competition	
The Council's understanding and position	The Council recognises that the development of competitive supply markets will ensure sustainable and resilient sources of supply. These are often at a localised level.
Methods of promotion	The Council will: <ul style="list-style-type: none"> ▪ Ensure that suppliers are engaged by way of open tender unless there is good reason to do otherwise. ▪ Ensure that at the expiry of a contractual agreement, the goods, services or works are retendered unless there is good reason to do otherwise. ▪ Ensure that the time allowed for the supply market to respond to tenders is appropriate to enable a good level of complete and comprehensive responses. ▪ Ensure that prospective suppliers are aware of the procurement programme.

Manage Risk	
The Council's understanding and position	Council understands that financial, safety and environmental risks are very much influenced by the procurement activity.
Methods of promotion	The Council will: <ul style="list-style-type: none"> ▪ Ensure that procurement documents clearly detail the safety and environmental risks associated with the services. ▪ Ensure that procurement processes assess the capability of each provider to adequately address environmental and health and safety risks. ▪ Ensure that chosen delivery models and contract documentation are appropriate to manage financial risk. ▪ Monitor this Strategy annually against the Annual Plan and update every three years in alignment with the Long-Term Plan

Support Sustainability	
The Council's understanding and position	Council recognises that the preservation of competitive supply markets will ensure sustainable and resilient sources of supply.

Methods of promotion	<p>The Council will:</p> <ul style="list-style-type: none"> ▪ Ensure that a range of contracts are available to the supply market either directly or indirectly through sub-contract requirements. ▪ Ensure that bundling of services to achieve scale economy alone does not lead to a monopoly situation due to the District's remote location. ▪ Value suppliers who demonstrate continued value for money
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Promote Local Wellbeing	
The Council's understanding and position	The Council recognises that the local supply market relies heavily on involvement with Council activity and supports that market where appropriate.
Methods of promotion	<p>The Council will:</p> <ul style="list-style-type: none"> ▪ Encourage utilisation of local sub-contractor supply market ▪ Proactively foster relationships and build supply market capability at a localised level. ▪ Ensure that a range of contracts are available to the local supply market either directly or indirectly through sub-contract requirements. ▪ Promote an increase in local supply market capability. ▪ Promote the retention of specialist skills within the District to operate and maintain essential services. ▪ Where appropriate give preference to local suppliers in a manner and to a degree that is likely to reflect the general view of the local community.

Promote good Contract and Supplier Relationship Management	
The Council's understanding and position	Council understands that collaboration and engagement with the supplier market when combined with consistent, clear and fair contract management will result in less waste and greater value from the supply chain.
Methods of promotion	<p>The Council will:</p> <ul style="list-style-type: none"> ▪ Ensure that the forward works programme is communicated to the market as soon as possible after it is finalised by the Council. ▪ Ensure that all contracts require contract meetings at appropriate intervals between the Council and supplier representatives. ▪ Undertake supplier evaluation and provide feedback at appropriate intervals for all contracts ▪ Encourage feedback from suppliers to enable continuous improvement ▪ Only utilise suitably experienced and qualified staff to undertake lead roles in contract management.

Provide Transparency and Accountability	
The Council's understanding and position	Council undertakes procurement in an open environment and provides clarity around the accountability for all procurement decisions.
Methods of promotion	<p>The Council will:</p> <ul style="list-style-type: none"> ▪ Publish the upcoming procurement programme on its website ▪ Publish the outcome of procurement activities on its website ▪ Include in its Delegations Manual the details of the officer accountable for making each procurement decision.

3.4. OTHER RELEVANT FACTORS

This Strategy has been developed, and must be read, in conjunction with the Council's overarching Procurement Policy and the Council's Delegations Manual. Where an approach is different to the approaches outlined in the Council's Procurement Policy and this Strategy, a specific procurement plan will be prepared and will detail the strategic background to the proposal for authorisation by the Chief Executive.

3.5. CURRENT LEGISLATION, POLICIES AND DOCUMENTS

The following policies and documents are relevant to this Strategy and shall be considered by staff in all procurement activities:

- Kaikōura District Council Long Term Plan 2024 – 2034
- Kaikōura District Council Procurement Policy
- KDC Council Report of 28 October 2020 – 'Procurement Approaches'
- Kaikōura District Council Delegations Manual
- Kaikōura District Council District Plan
- Road Efficiency Group – Kaikōura District Council Smart Buyer Self-Assessment
- Regional Land Transport Strategy
- Government Policy Statement on Land Transport Funding
- Local Government Act 2002
- Land Transport Management Act 2003
- NZTA Procurement Manual.

4. PROCUREMENT PROGRAMME

4.1. LONG TERM PLAN AND INFRASTRUCTURE STRATEGY

Council has the Long-Term Plan 2024-2034 (LTP) which includes the capital projects that are proposed during the course of the LTP period. To populate the capital projects contained within the LTP, a 30 Year Infrastructure Strategy (IS) has been developed that details which assets need to be replaced over the next thirty years. This IS has been developed and fine-tuned using the 2023/24 Three Waters and Transport asset management plans. These AMPs were undertaken in-house with external peer review and assessment by Audit NZ when auditing the draft LTP.

4.2. EARTHQUAKE REBUILD

4.2.1. Background

The Council's procurement activity for the previous three years has been dominated by the rebuild requirements arising from the 2016 Kaikōura earthquake. The earthquake resulted in around \$40M of capital expenditure being required across horizontal infrastructure and a further \$1.75M of repairs being required on buildings and facilities.

These physical works required ranged from small minor repairs to individual large, complex projects.

During this time, Council implemented a Rebuild Group to manage the rebuild programme under the leadership of a Rebuild Director. With the rebuild now largely complete, Council has returned to a “business as usual” approach.

The earthquake rebuild has left a positive legacy of infrastructure renewals and improvements that continues to benefit the community. This is reflected in the modest extent of renewals and improvements planned for the next 3 years.

The only rebuild project that remains incomplete is the re-establishment of reliable access to properties in the Waiau Toa/Clarence River valley following the destruction of the bridge across the river at Glen Alton during the earthquake.

This project has proved to be extremely challenging, facing a range of technical, environmental and cultural problems, which have resulted in extensive delays and changes of direction.

At the time of preparing this strategy Council is continuing to work with NZTA towards a solution, and is optimistic that it may be possible to enter the delivery phase in 2025.

Table 1 – Roading Rebuild Projects

Project	Value		Date	Complexity	Risk	Term
Waiau Toa / Clarence River Bridge	\$13.63M		Early 2025	H	H	2 years

4.3. BUSINESS AS USUAL

4.3.1. Background

The Council has current contracts for road maintenance, three waters operations and maintenance, solid waste operations, toilet maintenance and reserves maintenance. Some of these contracts expire within the coming three years.

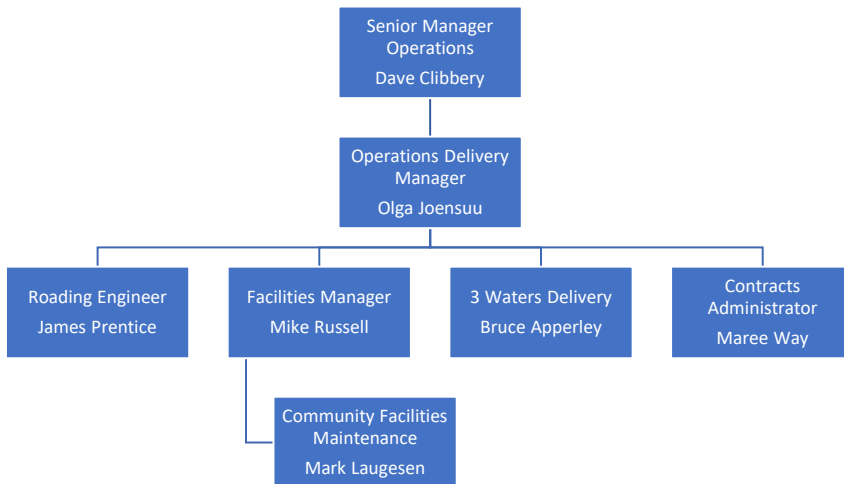
Several infrastructure and facilities renewal and upgrade projects are planned over the coming three years.

The procurement programme for these activities is detailed below.

4.3.2. Professional Services

Council currently has seven FTE staff working in the Operations / Works and Services team as shown in the organisational chart below:

These staff are all directly involved in the procurement and contract management of the contracts detailed above. They hold varying engineering qualifications and have significant experience in these roles



4.3.3- Physical Works

Rooding

The Council manages public roads (excluding State Highways and other roads designated to the NZ Transport Agency), bridges, footpaths, cycleways, roadside drainage, traffic facilities and street lighting within the District. The Council maintains approximately 208km of local roads and 46 bridges.

The Council has a maintenance contract with Downer (NZ) Ltd that is a variation of the North Canterbury State Highway Network Outcomes Contract (NOC). The associated contractual agreement concluded on 30 June 2024, which was the proposed expiry date of the North Canterbury NOC.

The road maintenance contract includes all rooding and footpath related maintenance and bridge repairs, with periodic maintenance renewals and resealing also potentially undertaken subject to negotiation of acceptable pricing.

The Council currently utilises MainPower for the operation and maintenance of street lights as a monopoly supplier and this agreement is envisaged to continue. The extent of work required under this contract has greatly diminished following the replacement of all luminaires with LED units in 2021.

The Council has an agreement with KiwiRail for the maintenance of level crossings as a monopoly supplier, this agreement is envisaged to continue.

Table 2 details the procurement programme.

Table 2 – Roading BAU Activities

Project	Value	Date	Complexity	Risk	Term
KDC Roading Network Management & Maintenance	\$ 10M	July 2024 – March 2026	M	M	3 years

Three Waters and Solid Waste

The Council manages the water supply, wastewater collection, treatment and disposal and stormwater collection and disposal in the District.

The water supply network consists of water supply schemes at Kaikōura Urban, Ocean Ridge, Kincaid, Fernleigh, Oaro and Peketa area and a rural water supply scheme on the East Coast (Clarence).

The wastewater network consists of wastewater schemes for Kaikōura and Ocean Ridge.

The stormwater network consists of an open drain and reticulated network for Kaikōura and Ocean Ridge.

The current operation and maintenance contract for these works is undertaken by Innovative Waste Kaikōura (IWK), a council controlled organisation (CCO) of KDC.

This contract was awarded to IWK in 2020 through a negotiated process, recognising that the small and very isolated nature of the services, combined with the need for specialist technical skills and knowledge (including knowledge of local assets) made it almost inevitable that the personnel delivering the contract would not change, even if the contractor holding the contract did.

It was initially agreed that this contract would be for a period of three years commencing at 1 June 2020, but it was subsequently recognised that the reform of 3 waters previously and currently proposed by central government creates significant uncertainty regarding how these services will be delivered in the future, and for this reason no new procurements of such routine operation and maintenance services are intended to be undertaken until the selected reform is implemented. The existing contract will therefore be extended until that time.

Minor repair and replacement works will also be procured through the Three Waters Operations and Maintenance Contract.

Major renewal works and upgrades will be undertaken via a competitive tender process.

Table 3 details the procurement programme.

Table 3 – Three Waters BAU Activities

Project	Value	Date	Complexity	Risk	Term
Physical Works – 3 Waters BAU	\$2.4 million	2024 - 2027	L	L	3 years

Solid Waste

The Council manages a Resource Recovery Centre in Kaikōura incorporating a refuse transfer station, provides services for kerbside refuse and recycling collection and litter bins.

Small recycling stations are also provided at Clarence, Kekerengu and on the Inland Road.

The services are performed by Innovative Waste Kaikōura a Council Controlled Trading Organisation wholly owned by Kaikōura District Council.

A new contract for these services (which includes some changes to current levels of service) was awarded to IWK for the period from 1 October 2021 to 30 June 2026 following a competitive tender process.

It is currently expected that an extension of the existing contract beyond the period covered by this procurement strategy will be negotiated with IWK.

Community Facilities

The Council manages parks and reserves, public toilets, community properties including the Memorial Hall, Cuddon building, Scout hall, Civic Centre, housing for the elderly, airport and harbour assets.

The Council has an existing contract for parks and reserves maintenance, including grass mowing, garden maintenance, weed control and various other minor duties. The current contract with Kaikōura Property Maintenance was awarded in 2022 following an open tender process and has an initial term of 5 years which expires on 30 June 2027. The contract has potential for two further term extensions of 3 years subject to the mutual agreement of the Principal and Contractor. The contractor is currently performing well and at present it seems likely than an extension would be granted.

The Council has two existing maintenance contracts for toilet cleaning and maintenance. The current larger contract for these services in Kaikōura and at Raramai on State Highway 1 south of Kaikōura is held by Innovative Waste Kaikōura, having been awarded following an open tender process in 2024.

This contract has an initial term of 23 months which expires on 30 June 2026, but the contract may be subsequently extended for a further 3 years to 30 June 2029 subject to mutual agreement of the Principal and Contractor.

A much smaller contract exists for the maintenance of a single public toilet at Rakautara on SH1 north of Kaikōura. This contract was awarded in 2021 to Barry Ian Campbell by means of a competitive tender, with the contract term expiring in June 2025. It is envisaged that a further extension to the term of this contract may be negotiated because the small extent and isolation of the works is likely to result in very limited competition.

The Council undertakes some minor building maintenance with in-house resources. Other minor maintenance works requiring external building, plumbing, electrical, painting or drainlayer resources is typically offered to a preferred supplier of each of these trades, the selection of which has based upon analysis of previous community-wide invitation for expressions of interest in providing such services to Council, which took account of hourly charge rates and apparent capability.

The only substantial building and facilities maintenance, improvement and construction works that may require a mores structured procurement plan are those listed in Table 4. These will be procured in accordance with the Procurement Policy and Guidelines.

Table 4 – Community Facilities BAU Activities

Project	Value	Date	Complexity	Risk	Term
Airport – 3 waters upgrades	\$ 334,000	2026 - 2027	M	L	2 years
Community sports courts	\$ 168,000	2025 - 2026	L	L	1 year

4.4. IDENTIFICATION OF ANY PENDING HIGH-RISK OR UNUSUAL PROCUREMENT ACTIVITIES

In the previous 2021-24 Procurement Strategy six discrete projects were identified for that period which had medium-high risk and an estimated value in the order of \$1 million or above.

These projects were the Waiiau Toa/Clarence Valley access, Wakatu Quay redevelopment, Link Pathway construction, Kaikōura Landfill Closure, Refuse Transfer Station Construction and NCTIR Haul Road Repairs.

All but one of those projects have either been largely completed or are in a delivery stage following a procurement process.

The exception to this is the Waiiau Toa/Clarence Valley access (bridge) project, where a preferred contractor has been selected through a competitive process, but a significant change to project scope is being proposed that is likely to require some form of additional assurance process to ensure that the preferred contractor’s pricing for this revised scope remains competitive.

It is currently envisaged that such assurance could be obtained through independent estimation of price by quantity surveyors.

The Waiiau Toa/Clarence Valley access project continues to face challenges in respect of funding, and progress remains dependent on the support of NZTA.

Looking forward there is only one other project forecast for the next 3 years that has a comparable level of risk and value, which is the Infrastructure Acceleration Fund (IAF) works intended to support accelerated residential development in Kaikōura.

This specific project is outlined in Table 5 below.

Table 5 - Table of high/medium-risk or unusual procurement activities

Project	Summary	Estimated Total Value
IAF Project	Roading, footpath and wastewater system upgrades to support new residential development.	\$11.9 million

This project is jointly funded by Kainga Ora, a private property developer and KDC, with the latter only a very minor financial partner contributing around 1.5% of the total value.

A specific procurement plan will not be developed for this project, but will be conducted in general conformance with the principles set out in section 6.1.1 of this strategy, though with greater reliance on non-price attributes in tender evaluation processes, recognising that certain elements of these work are of large scale and a relatively specialised nature that makes them better suited to larger contractors based outside the District.

5. PROCUREMENT ENVIRONMENT

5.1. SUPPLY MARKET

The Kaikōura District spans from the Haumuri Bluffs in the south to the Kekerengu Valley in the North, covering 2,048 square kilometres of diverse landscape. The inland boundary of the District is the Clarence River and the Inland Kaikōura Range, climbing 2,885 metres and snow covered for much of the year.

Kaikōura District is isolated and far from other district centres. Subsequently, a local supply market has developed to provide capability and capacity to supply the Council with maintenance and capital works requirements.

5.1.1. Physical Works

The local supply market is currently sub-contracted through the existing maintenance contracts and consists of the following suppliers:

Table 6 - Table of local supply market contractors – Roading

Contractor	Core activities
Downer Ltd	All aspects of roading, footpath, excavation and drainage works and plant hire
Fissenden Bros Ltd	Most aspects of roading, footpath, excavation and drainage works and plant hire
Nigel Ross Contracting	Most aspects of roading, footpath, excavation and drainage works and plant hire
Kevin Rush Excavating	Excavation and drainage works and plant hire
AJ Drainage Ltd	Drainage contracting, all of 3 waters and plant hire
Owen Jellyman (OJ's)	Small Excavator works, slips, drainage and landscaping
Road Metals	Crushing and Aggregate supplies, plant hire
T C Nicholls Ltd	Asphalt and Chip Sealing
Surfacing Solutions Ltd	Asphalt and Chip Sealing
Kaikoura Transport Ltd	Bulk Transport, earth works and plant hire
SprayMarks	Road marking and removal, signage manufacturing and traffic management

Table 7 - Table of local supply market contractors – 3-Waters

Contractor	Core activities
Innovative Waste Kaikōura	Drainage, trenching, underground services, water, wastewater and stormwater supply and treatment, control and monitoring
Total Water	Drainage, trenching, underground services, water, wastewater and stormwater reticulation
AJ Drainage	Drainage, trenching, underground services, labour hire. Equipment including trucks and excavators.
Fissenden Bros	Road works, aggregate supply, heavy construction. Equipment including trucks, excavators and bulldozers.
Nigel Ross Contracting	Road works, aggregate supply, heavy construction. Equipment including trucks, excavators and bulldozers.
Road Metals	Aggregate supply. Equipment hire including trucks and excavators.
Kevin Rush Excavating	Road works, heavy construction, aggregate supply. Equipment including trucks, and excavators.
Owen Jellyman	Small construction, equipment including truck and excavators.
Liquid Action Ltd	Water treatment and reticulation works
John Diver Electrical	General electrical, power and control
Chambers Electrical	General electrical, power and control
Kaikōura Liquid Waste	Suction trucks.

Table 8 - Table of local supply market contractors – Community Facilities

Contractor	Core activities
AJ Drainage	Drainage Issues and Public Toilet maintenance
Chambers Electrical	Routine and reactive electrical maintenance and issues
Innovative Waste Kaikōura	Toilet Cleaning and town rubbish bins
Mike Gould Builders	Pensioner housing maintenance
Jason Jellyman Builders	Civil Building general maintenance
Nigel Gibb Plumbing	Public facilities plumbing
Kaikōura property Maintenance	Lawn mowing and garden maintenance
BC Design & Fabricate	Fitter welder and fabrications
Hedge Trimming Kaikōura	Scrub cutting and large scale mowing

The local supply market is heavily reliant on the Council for its workload due to the isolated location and small local economy. This situation has become more so as the rebuild of SH1 and the Railway has now been completed and NCTIR have departed the district. The Council's procurement activity will look to secure availability of its programme to local resources through sub-contracting requirements in contracts and a number of medium-small scale work packages. While the capacity and capability of the local supply market has generally increased in response to the Kaikōura earthquake, there are some specific physical works projects and maintenance contracts that require capability, capacity and/or technical skills that are not available in the local market.

5.1.2. Professional Services

Professional Services suppliers are generally located away from Kaikōura and currently supply services on a visiting basis. This gives access to the capability, capacity and technical skills of a wider supply market and enables the Council to proceed with its activities in a timely manner but often inefficiently.

The scale of the activity within the district is insufficient to support the required skills and experience of a full time consultancy and therefore relies heavily on the in-house Works and Services unit.

5.2. CURRENT PROCUREMENT SPEND AND PROFILE

An overview of existing contractual arrangements is outlined below based on the 2023/24 financial year. In evaluating its existing contracts, the Council has divided contracts into:

- Large contracts with expenditure over \$500,000
- Medium contracts with expenditure between \$100,000 and \$500,000
- Small contracts with expenditure less than \$100,000

Table 9 - Contractual Agreements 2023/24 – Maintenance & Physical Works

Supplier	Services provided	Contract size
Downer (NZ) Ltd	Roading maintenance	Large
Innovative Waste Kaikōura Ltd	3-waters maintenance, solid waste management, toilet cleaning	Large
BG Contracting	Roading and footpath works for IAF project	Large
Nigel Ross Contracting	Roading maintenance (sub-contractor) and general earthworks	Medium
Fissenden Brothers Ltd	Roading maintenance (sub-contractor) and general earthworks	Medium
Kaikōura Property Maintenance Ltd	Parks & reserves maintenance	Medium
Bens Tree Services	Path and Landscaping works	Medium
Mercury	Electricity	Medium
Kevin Rush Excavating Ltd	Roading maintenance (sub-contractor)	Small
MainPower Ltd	Street light maintenance	Small

Kiwi Concrete Ltd	Landscaping & concreting	Small
RAMM Software Ltd	Asset management software	Small
KiwiRail Ltd	Level crossing maintenance	Small

Table 10 - Contractual Agreements 2023/24 – Professional services

Supplier	Services provided	Contract size
Stantec	Engineering consultancy – wastewater treatment and water & wastewater reticulation issues for IAF project	Medium
Beca	Engineering and environmental consultancy – Waiau Toa/Clarence Access Project	Medium
KPMO	Project Management advisor for IAF and Waiau Toa/Clarence Access Project	Medium
WSP	Asset valuation peer reviews and three waters advise, bridge assessments	Small
Vitruvius	Engineering consultancy – preliminary bridge and road design for IAF project	Small
Gaia Engineers	Geotechnical design works for IAF	Small
Opus	Building & bridge assessments	Small
Earthtech	Landfill Closure Planning	Small
Food and Health Ltd	Water testing	Small

5.3. PROJECTED COUNCIL SPEND

5.3.1. Rebuild Programme

The only remaining earthquake rebuild work is the Waiau Toa / Clarence Bridge project. This project, which has been underway since 2017, has been beset by a range of technical, cultural and financial challenges, and at the time of preparing this strategy considerable uncertainty remains regarding how and when delivery will occur.

Table 11 outlines the current financial parameters for this project, but forward projections remain uncertain in respect of both values and timing of expenditure.

Table 11 - Waiau Toa / Clarence Bridge Capital Programme

	Total Programme Estimate	Total spent to date (JULY 2024)	Programme Estimate 24/25	Programme Estimate 25/26	Programme Estimate 26/27
Waiau Toa / Clarence Bridge	\$13,600,000	\$2,190,000	\$2,000,000	\$8,053,000	\$1,337,000

5.3.2 Business as Usual Programme

Tables 12 & 13 outline the Council's BAU works programme for infrastructure and community facilities from 2024/25 to 2026/27. This programme and the estimates outlined are based on the draft 2024-34 Long Term Plan.

Table 12 – BAU Capital Programme

	Total Programme	Programme Estimate 24/25	Programme Estimate 25/26	Programme Estimate 26/27
Roading	\$4.6m	\$1.5m	\$1.6m	\$1.5m
Water Supply	\$1.3m	\$0.3m	\$0.4m	\$0.6m
Wastewater	\$1.1m	\$0.5m	\$0.3m	\$0.3m
Stormwater	\$0.05m	\$0.01m	\$0.01m	\$0.03m
Solid Waste	\$0.6m	\$0.4m	\$0.2m	\$0.06m
Community Facilities	\$1.8m	\$1.2m	\$0.2m	\$0.4m
Total	\$9.5m	\$3.9m	\$2.7m	\$2.9m

Table 13 – BAU Operational Programme

	Total Programme	Programme Estimate 24/25	Programme Estimate 25/26	Programme Estimate 26/27
Roading	\$5.2m	\$1.7m	\$1.7m	\$1.8m
Water Supply	\$3.3m	\$1m	\$1.1m	\$1.2m
Wastewater	\$1.8m	\$0.6m	\$0.6m	\$0.6m
Stormwater	\$0.2m	\$0.06m	\$0.07m	\$0.07m
Solid Waste	\$1.3m	\$0.4m	\$0.5m	\$0.5m
Community Facilities	\$4.9m	\$1.6m	\$1.6m	\$1.7m
Total	\$16.7m	\$5.4m	\$5.6m	\$5.9m

*Operational cost only. Excludes finance cost or depreciation and overheads.

5.4. PROCUREMENT PROGRAMMES OF OTHER ORGANISATIONS

The following organisations are procuring or may procure significant projects that may attract suppliers away from the Council's roading and 3-waters infrastructure projects.

- NZTA
- Hurunui District Council
- Marlborough District Council
- Marlborough Roads
- KiwiRail

The Council are mindful that the activities of the organisations outlined above, if procured simultaneously, could place undue pressure on the supply market to respond to tender opportunities and ultimately undermine the Council's ability to obtain best value for money. The Council will continue to collaborate with other organisations to gain visibility of their forward work programme and will take this into consideration when procuring physical works and maintenance requirements.

The Council shares IT resource with Hurunui DC under a shared service arrangement.

Councils' current inclusion in the NZTA road maintenance NOC contract enables the Council to gain efficiency in the procurement and management of road maintenance activities and achieve improved co-ordination of programmes.

6. APPROACH TO DELIVERING THE WORK PROGRAMME

6.1. PROCUREMENT APPROACH & DELIVERY MODELS

6.1.1. General

Because of the small size of its organisation and its resources, a very limited local market for services and the variable scale of the activities and projects that it undertakes, Council adopts a relatively flexible approach to procurement. The type of procurement approaches that might typically be employed in other larger local authorities have the potential to be cumbersome and inefficient in the Kaikoura environment.

In the past there has been extensive use of relatively informal procurement processes, where services were often obtained through negotiation with single preferred local suppliers.

In recent times it has however become apparent that this approach has not been yielding best value, and efforts have been made to better balance issues of price, quality and risk. The approach now being adopted attempts to address four key issues as follows:

Issue 1 : Balancing Price and Quality

Excessive emphasis on either price or non-price ('quality') attributes can have adverse effects on the community. Too much emphasis on 'quality' can result in acceptance of excessively high prices, and it is often difficult to precisely and reliably assess the 'quality' of different tenders or other offers of service.

General Approach

In evaluating contract tenders using a weighted attribute method the applied weighting on 'quality' attributes should be based on an assessment of likely variations of 'quality' in financial terms, and in general the weighting placed on non-price ('quality') attributes should be in the range between 10% and 40%.

Issue 2: Encouraging Local Suppliers

Council has expressed a desire to support the local economy in procurement decisions but recognises that it must also achieve good value for ratepayers.

General Approach

'Local' suppliers are defined as those which:

- a). Have their primary operating base within the Kaikōura District; or
- b). Have an operating base within the Kaikōura District, have held a current KDC contract for ongoing service delivery for at least 2 years and the majority of their team working on that contract reside in the Kaikōura District.

For comparative assessment purposes prices offered by a 'local' supplier will be given a 5% advantage over other prices offered by a supplier who could not meet this 'local' definition.

For example if a 'local' supplier offered KDC a price of \$100,000, it would be considered as being \$95,000 when it was compared with other prices from suppliers that were not local.

This approach will generally be taken where the source of funding for works and services is entirely from within the community or the approach is not in conflict with the procurement policies of other external funders such as NZTA.

Issue 3: Procurement Approaches should be Scale Dependent

A 'one size fits all' approach to procurement is not appropriate, and larger procurements warrant greater efforts to maximise value.

General Approach

The following procurement methods shall generally be employed dependent on the likely value of the procurement.

Up to \$10,000

General conformance with the principles of KDC Procurement Policy. Initial invitations to price directed to potential local suppliers. Obtaining multiple prices preferred, even if only indicative.

\$10,000 - \$40,000

At least two quotations to be obtained unless waived by the CEO or relevant Senior Manager. A written brief is preferred to ensure consistency. Initial invitations to price directed to potential local suppliers.

\$40,000 - \$100,000

At least three tenders to be invited based on a written brief approved by the CEO or relevant senior manager unless waived by the CEO. Initial invitations to price directed as considered most appropriate, not just to potential local suppliers.

Over \$100,000

Open tenders with a detailed specification to be called by public notification and advertisement unless waived by the CEO and Mayor, with the reason for the waiver recorded in writing.

Some degree of flexibility is required in the application of this approach, since the range of suppliers that is realistically available to KDC for some specialised goods and services is limited, in part because of the relatively isolation of the community. Whilst attempt should be made to obtain multiple competitive quotes or tenders for higher value procurement it is recognised that in some cases this may not be achievable.

Regardless of the price quantum or the apparent level of competition, in every case relevant Council staff must be satisfied that an offered price represents fair value for it to be accepted, and if such fair value cannot be obtained locally, then the reach of the procurement should be extended.

Issue 4: Need for transparency in respect of larger procurement decisions

Large procurement decisions should come from groups of people within the Council organisation rather than individuals and should be appropriately documented.

General Approach:

Procurements between \$40,000 and \$100,000

Written proposed awarding report to be presented to internal group containing relevant manager, at least one senior manager and CEO to demonstrate achievement of good process and value.

Procurements between \$100,000 and \$2 million

Written proposed awarding report to be presented to internal group containing relevant manager, at least one senior manager, CEO and Mayor to demonstrate achievement of good process and value.

Whilst in these cases it will still be the CEO who signs off on the procurement decision, there will be an opportunity for group discussion before that occurs.

Procurements over \$2 million

For procurements which exceed the value of the CEO's delegated authority the same type of written proposed written awarding report required for procurements over \$100,000 shall be presented to full Council, who shall make the awarding decision by resolution.

General Comments – Procurement Issues

The approaches to the 4 issues identified previously are guidelines rather than firm rules, and application of them is not always straightforward because of the relatively unusual circumstances of the community.

It has for example been found that most local contractors are unwilling or unable to respond effectively to tenders which require submission of non-price attributes, with a resultant reduction in competition that has supported elevation of prices when quality weighted tenders are conducted.

For this reason the general preference is now to use a lowest price conforming methodology (potentially including pass/fail conformance with some critical non-price attributes) in most circumstances.

Despite such challenges it continues to be believed that these approaches are appropriate responses to the procurement issues faced by Council.

6.1.2. Professional Services and Staged Procurement

No professional services providers are based locally and securing services on individual engagements is often inefficient, reducing the potential for staged procurement of design and construction works to be undertaken in an effective way, particularly where the project is relatively small.

The general approach taken is to limit use of such external professional services to projects that have high levels of complexity and/or associated risk.

It is believed that sufficient capability currently exists within the small Council team to deliver the majority of proposed projects within the next three years (with the notable exceptions of the Wakatu Quay Redevelopment and the potential construction of the Waiiau Toa/ Clarence bridge) without substantial use of external professional assistance.

It is however recognised that this situation could easily change through staff turnover or increased work volumes and that Council must maintain awareness for such a potential change and be willing to adjust the approach to procurement if necessary.

6.1.3. Roading Maintenance

The Council manages public roads [excluding State Highways and other roads designated to the NZTA], bridges, footpaths, cycleways, roadside drainage, traffic facilities and street lighting within the District. The Council maintains approximately 208km of local roads and 46 bridges.

In 2018 Council undertook a detailed assessment of delivery options as a S17a review under the requirements of the Local Government Act. This assessment clearly demonstrated that the option that provided the greatest value and benefit was a collaboration with NZTA to become part of their Network Outcomes Contract (NOC). The main reasons driving this outcome are:

- Efficiency in the delivery of management activities
- Efficient access to specialist services – road marking, reseals, roughness survey
- Efficient access to support services – bridge inspection, geotechnical assessment
- Efficient access to a wider resource pool based locally
- Effective collaboration and prioritisation of emergency response
- One Network approach

The road maintenance contract includes all routine roading and footpath related maintenance together with bridge repairs, periodic maintenance renewals and resealing, though Council currently believes that it is not committed to awarding these latter non-routine items under this contract.

Downer (NZ) Ltd were awarded the road maintenance contract by approval from NZTA to vary the existing NZTA Contract 63189 (North Canterbury NOC) to include the Kaikōura District Council roading network from 1 July 2018. This variation had an initial term to 30 April 2022 with two one-year rights of renewal with a term expiring no later than 30 April 2024, to align with the expiry of the NOC contract.

NZTA has however subsequently advised Downer that the term of the North Canterbury NOC would be extended, and accordingly Council has been in discussion with Downer for a corresponding extension of its local road maintenance contract.

At the time of preparing this strategy it has been informally agreed that Downer will continue to deliver KDCs routine road maintenance activities until the end of the NOC term, which is currently expected to be 30 March 2026. Staff of KDC and Downer are currently working towards the formalisation of this contract extension.

How this service may be delivered after March 2026 is not clear.

Commented [AH1]: Please confirm whether KDC intends to undertake a further LGA s17a review or whether the recommendation is not to on the basis on 17a (3) (b) "is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review".

Conduct of a further review of delivery options is currently due under section 17A (2) of the Local Government Act 2002, but the conclusion of the previous s17A review is believed to largely remain valid, and it will be recommended to Council in the near future that they resolve that a further review is not justified, on the basis of s17A(3)(b) of the Act.

6.1.4. 3-Waters Physical Works

With the three waters earthquake repairs completed, Council returned to a business-as-usual approach to three waters maintenance and capital replacement, but potential for further change quickly emerged with the introduction of the proposed 3 waters reform programs by central government.

The prospect of substantial changes in the near future to the way three waters are delivered, managed and regulated has almost certainly even further reduced the competition that might have existed for a re-tender of the Council contract for the routine operation and maintenance of these services.

For this reason it is proposed to negotiate extensions of the existing contract until such time as the newly reformed arrangements are implemented, which is expected to be not later than September 2026.

As part of the Labour government’s proposed 3 waters reforms Council was previously granted \$1.9 million of funding to be used for improvement of those services, and this funding was fully utilised during the last 3 years to bring services up to required standards.

With that work done only relatively modest amounts of renewal and improvement works are now expected to be required in the next 3 years.

The only substantial projects currently planned to be undertaken are detailed in Table 14.

Table 14 - 3 Waters Projects

Project	Value	Complexity	Risk	Supplier Selection
Three Waters Pipe Renewals	\$ 213,000	L	L	Lowest Price Conforming
Kincaid Water Treatment Plant Upgrade	\$100,000	M	M	Multiple priced quotes

The works will be undertaken via a mixture of selected tenderers and open tendering.

6.1.5. Solid Waste and Community Facilities

With procurement processes for the substantial projects referenced in the previous version of this strategy now largely complete, the only substantial project of this type for which procurement will be undertaken during the next 3 years is for earthworks to complete the closure of the Kaikōura Landfill.

Procurement for this will be as detailed in Table 15 below.

Table 15 – Community Facilities and Solid Waste Projects

Project	Value	Complexity	Risk	Likely Supplier Selection
Landfill Closure – final earthworks	\$4,00,000	L	L	Open Tender

6.2. COLLABORATION WITH OTHER APPROVED ORGANISATIONS

This Strategy envisages that the Council may seek to collaborate with other approved organisations for the delivery of roading maintenance where that approach positions the Council to best achieve the outcomes outlined in this document.

The Council currently collaborates with NZTA if opportunities to gain efficiency benefits such as reseal programming are realised.

The Council will participate in All-of Government collaborative procurement opportunity for the provision of electricity.

6.3. EMERGENCY WORKS

Practical considerations, the need to respond in a timely manner and Council’s remote location mean that the Council need to utilise existing contractual arrangements to respond to emergency incidents and natural events.

In an emergency or natural event, it may not be possible for the Council to satisfy the principle of open and effective competition throughout the procurement process. The Council may therefore dispense with parts of the procurement process if it needs to react quickly to genuinely unforeseen events.

Response is the immediate action required to:

- Protect life, property, or equipment immediately at risk; or
- Where there is a need to restore standards of public health, welfare, or safety without delay

As far as possible maintenance contracts will include provisions and a price basis for initial response to emergencies and natural events to ensure value for money.

Procurement of services for recovery from emergencies and natural events will be procured in accordance with the Policy and NZTA requirements.

6.4. SPECIFIC PROJECT STRATEGIES

As stated previously the Council has considered specific project strategies for those projects that have been identified as high value, high risk and/or unique as identified in Section 4.4 - *Table 7 - Table of high-medium risk or unusual procurement activities.*

6.4.1 Road Resealing

Whilst it is routine and technically straightforward resealing is the one of the highest cost activities to be delivered in the next 3 years.

When Council’s road maintenance began to be delivered under the NOC contract with Downer it was initially believed that this contract committed KDC to awarding major non-routine road renewal works such as reseals to Downer.

It did however subsequently become apparent that there was not such a commitment, and that when Downer initially delivered such works this may not have provided best value.

An open tendering and a lowest price conforming awarding approach has therefore been adopted in recent times because of the relative simplicity of this work (not requiring detailed design or specification) and the competitive nature of the market for such work.

Council does however remain open to the potential for resealing to be delivered by Downer as a variation to the NOC contract, providing that Downer's offered rates and other terms for the work are assessed as providing good value for money.

If this cannot be achieved the works will be awarded by open tender, typically based on a lowest price conforming approach with a few non-price attributes assessed on a pass/fail basis.

6.4.2 Road Pavement Rehabilitation

Similar comments to those made for resealing in the previous section also apply to pavement rehabilitation.

Works may be awarded to Downer as variations to the NOC contract if the offered rates and terms are assessed to represent good value for money. If they do not these works (which generally have package values in excess of \$200,000) will be awarded through open tendering, typically based on a lowest price conforming approach with a few non-price attributes assessed on a pass/fail basis.

6.4.3 Jordan Stream Bridge

The existing bridge over the Jordan Stream on Puhi Puhi Road was permanently closed at short notice in 2024 when it was found to be structurally unsound and unrepairable.

It is proposed to replace this bridge with another permanent structure, but the type of that structure has not yet been determined with both bridge and culvert options being considered.

External engineering consultants will be required to complete the option selection and design, and procurement of these services will be by invitation

If a bridge solution is selected procurement for construction is likely to be through an open tender based on a relatively loose specification, evaluated on a weighted attribute basis.

6.4.4 Landfill – Final Closure Works

With the construction of the refuse transfer station now complete, and a significant amount of the landfill area closed as part of this, only an area of approximately 1 hectare of landfill remains to be finally capped.

External professional services have already been procured to prepare the closure design, and all that will then be required is a simple bulk earthworks exercise, which a number of local contractors would be able to do.

The procurement approach for this work would be open market tender, evaluated on a lowest price conforming basis.

6.5. SUPPLIER SELECTION METHODS

Supplier selection will follow the requirements of the Policy and will be consistent with the Office of the Auditor General: Procurement guidance for public entities and the NZTA procurement manual. A procurement plan will be developed for significant procurement activities that will outline the supplier selection method and rationale.

6.6. ADVANCED COMPONENTS, CUSTOMISED PROCUREMENT PROCEDURES OR VARIATIONS TO PROCUREMENT RULES

6.6.1 Alternative procurement processes

Where exceptional or large projects may require alternative procurement processes to be considered and used [such as private public partnerships], the Council will consider these on a case by case basis and will consult and seek endorsement from relevant stakeholders, where necessary. In some cases, it may be necessary to deviate from this Strategy, in which case approval from NZTA will be sought prior to proceeding with procurement.

At this stage no alternative procurement processes are envisaged within the upcoming three years.

6.7. CONTRACT MANAGEMENT

Contract management will be undertaken as a combination of internal and external resources to achieve the greatest efficiency and to right size the skill levels required.

Large and complex infrastructure projects may utilise external professional services. Small-Medium projects and routine works will be directly managed by in-house resources. At present the only projects in the next 3 years that are considered likely to require external management are the Wakatu Quay Redevelopment and the Waiau Toa/Clarence bridge project.

Council will continue to manage contract administration and payment processes and will maintain documentation for each contract in its contract management system.

7. IMPLEMENTATION

7.1 INTERNAL PROCUREMENT PROCESSES

The Policy outlines how goods, services and works should be procured by the Council. This Policy has been developed with reference to the Office of the Auditor General's: Procurement guidance for public entities (Controller and Auditor General, 2008).

7.1.1 Policy Objectives

The objectives of the Policy are to provide clear direction to management and employees in relation to procurement activities. Specifically, the Policy establishes a decision-making framework that:

- Delivers best value for money through the most appropriate supplier;
- Ensures procurement is conducted in a transparent and accountable manner;
- Ensures open and effective competition;
- Appropriately manages risk e.g. health and safety, contractual, financial and operational;
- Supports sustainability;
- Ensures procurement activities are conducted in accordance with the Council's legal obligations;
- Promotes efficient procurement practices and their continuous improvement.

7.1.2 Policy Principles

The Policy outlines the principles that should be taken into consideration when procuring goods, services and works for, and on behalf, of the Council. Those principles include:

- Value for money
- Transparency and accountability
- Encouraging open and effective competition
- Managing risk
- Thinking strategically
- Supporting sustainability
- Promoting local economic wellbeing
- Fairness and lawfulness
- Contract and supplier relationship management

Council has adopted a procurement policy and put in place procurement processes to ensure that they are aligned with:

- NZTA Procurement Manual
- Mastering Procurement: A structured approach to strategic procurement guidance from the Ministry of Business, Innovation and Employment and
- Accepted good public sector procurement practices.

Several procurement processes are undergoing improvement including:

- Improving the contract management system
- Monitoring, review and documentation of contractor performance
- Standardised tender and contract documentation

7.2 PERFORMANCE MEASUREMENT

The Council collects information on its procurement activities through the following methods:

- Reviews of existing contractual agreements
- Ongoing maintenance of project files with all key information
- Regular contract control group meetings with suppliers
- Supplier de-briefs following procurement activities
- Internal discussions between technical staff
- Stakeholder feedback including regular meeting with NZTA.
- Networking with other approved organisations
- Industry forums

The present system obtains the information requested by NZTA under Section 11 of the NZTA Procurement Manual, and sufficient information to enable the Council to monitor progress against its own procurement outcomes as outlined in this document.

The Council will undertake regular reviews of the quality and quantity of information obtained, and the results of any audits, to ensure that the Council is working towards meeting the outcomes envisaged in the Strategy. Additional information gathering methods and exercises will be added as and when required.

7.3 PERFORMANCE MONITORING

The implementation of this Strategy will be monitored by reviewing the past year's procurement activities and processes against this document. This review will be reported to the Council's elected members at the end of each financial year.

The supply market will be monitored by measuring the following:

- The number of tenders per procurement activity;
- The spread of prices received from the tenders for procurement activity;
- Stakeholder feedback in relation to existing contractual agreements and procurement activities.

7.4 PROCUREMENT STRATEGY REVIEW

This Strategy will be reviewed annually as part of the development of each Annual Plan to ensure that there are no significant changes to the Long-Term Plan that are inconsistent with this Strategy. As part of this review the previous year's procurement programme and existing contracts will be considered against achievement of value for money of the procurement process and the services being delivered through that process.

This Strategy will be reviewed and updated every three years commencing in November 2026 to ensure alignment with the Council's Long Term Plan and Land Transport Programme and submitted to NZTA for endorsement.

7.5 COMMUNICATION PLAN

The Council has identified the following stakeholder groups that may be interested in this Strategy:

- Current and potential Consultants
- Other approved organisations
- NZTA
- KiwiRail
- IPENZ, ACNEZ, New Zealand Contractors Federation.

To ensure that the Strategy is accessible to a wide audience of interested stakeholders in an open and transparent manner it will be available from the Council's website www.Kaikoura.govt.nz

A Notice will be loaded onto GETS providing a hyperlink through to the Council's website so interested parties know the Strategy is available for downloading.

7.6 IMPLEMENTATION PLAN

The procurement of Transport, 3-Waters, Solid Waste and Community Facilities Infrastructure and associated Services will be undertaken in accordance with this Strategy through instruction from the Senior Manager Operations and/or the Asset Manager.

7.7 COUNCIL OWNERSHIP AND INTERNAL ENDORSEMENT

The Strategy is jointly owned by Council's Senior Managers Corporate Services and Operations. The Senior Manager Operations and the Asset Manager are jointly responsible for the implementation of the Strategy and the achievement of, and/or contribution towards, the outcomes outlined in this document.

Report to:	COUNCIL	
Date:	25 September 2024	
Subject:	Treatment of Sponsorship Signs under the Signs Bylaw	
Prepared by:	D Clibbery – Senior Manager Operations	
Input sought from:		
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

changes are proposed to be made to council’s signs bylaw in respect of the regulation of signs showing the sponsors of clubs and societies.

Attachment:

- a) Draft Signs Bylaw (proposed amendments)

2. RECOMMENDATION

It is recommended that:

- a. Council approves the changes to Council’s Signs Bylaw 2023 that are proposed in this report, with the revised bylaw to take immediate effect

3. BACKGROUND

At Council’s meeting of 31 July 2024 there was discussion regarding how signs displayed by sponsors of clubs and societies at the sites where those clubs and societies conduct their activities should be managed under Council’s Signs Bylaw, which currently has a general prohibition of any ‘off-site’ signs.

At that meeting Council resolved that staff should explore amendment to the bylaw in the form of the presented Option D, which would give existing clubs and societies permission to retain sponsorship signs of the same total area as they had at a previous date and would permit any approved club or society to display sponsorship signs of up to a certain defined total area.

4. PROPOSED AMENDMENTS TO BYLAW

In response to this previous resolution amendments are proposed to a number of different sections of the Signs Bylaw as follows:

Inclusion of a definition of ‘Sponsorship Sign’ (page 5):

Sponsorship Sign means a sign that is located on the primary site where the activity of a Club or Society is conducted, and which identifies another party which is providing sponsorship of that Club or Society.

Inclusion of a definition of ‘Club or Society’ (page 2).

This is required to limit the potential for sponsorship sign provisions to be used to inappropriately circumvent other provisions of the bylaw.

Club or Society means an organisation that is judged by Council to be for the general public’s recreation or entertainment, where there are no significant barriers to participating and funds are not used for the private benefit of owners, shareholders, members, beneficiaries or anyone else associated with the club or society.

Addition of the following words to the definition of ‘Sign’ (page 5):

and which has content that is reasonably discernible with the naked eye from a road or any public place.

The purpose of this change is to exclude signs that are only meaningfully visible from inside the club or society’s premises from the general provisions of the bylaw, for example small sponsorship signs on the individual tees at the golf course.

This provision is also believed to provide useful clarity in the broader application of the bylaw.

Revision of the wording of section 8.(A).1. of the bylaw, adding the underlined words below:
The following signs are Prohibited:

1. Off-Site signs other than signs for temporary events for which approval for the signs has been obtained from Council or where the signs are sponsorship signs that are approved under Part V Table 1 of this bylaw.

This links to the following proposed underlined changes to Part V Table 1 (Signs with Approval in all areas) below (retaining the other sign type category conditions for approval unchanged).

Sign Type	Conditions for Approval (All conditions must be satisfied, and the sign must not be a prohibited sign under Part IV of this Bylaw)
Signs Granted Amnesty	All existing permanent signs established before 1 September 2023 except off-site signs <u>(other than where those signs are sponsorship signs)</u> , sandwich boards, flatboards, flags and any signs that are prohibited under any of clauses 8A(1) to 8A(9) inclusive, 8A(15), 8B or 8C of Part IV of this bylaw. Such approvals under amnesty will however cease when the sign is renewed, modified or replaced.
Sponsorship Signs	<p><u>Permitted to be established after 1 September 2023 where:</u></p> <ul style="list-style-type: none"> • <u>The total area of such sign(s) on the site do not exceed 1 square metre; and</u> • <u>No more than two such sponsorship signs are displayed by a particular sponsoring party anywhere in the Kaikōura District.</u> <p><u>Exemptions may apply where naming rights for particular council-controlled public facilities are granted by Council.</u></p> <p><u>Note: The total area of approved sponsorship signs will be excluded when determining permitted total sign areas under Tables 2 to 6 of this Part.</u></p>

5. RELEVANT LEGISLATION & DELEGATED AUTHORITY

Section 156 of the Local Government Act 2002 is relevant to this matter.

The proposed amendments to the Signs Bylaw are of relatively limited extent and are relaxations of existing provisions.

As such it is believed that these changes can be made by a resolution of Council without the need for use of the special consultative procedure of the Act, in accordance with s156(2) of the Act.

- (2) Despite subsection (1), a local authority may, by resolution publicly notified,—
 - (a) make minor changes to, or correct errors in, a bylaw, but only if the changes or corrections do not affect—
 - (i) an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies; or
 - (ii) an existing status or capacity of any person to whom the bylaw applies:

6. COMMUNITY OUTCOMES

The issue discussed in this report relates to the following community outcomes:



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



Kaikoura District

Signs Bylaw

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Please read PART III (Page 6) to understand the application of this bylaw

PART I - INTRODUCTORY

1. TITLE

This bylaw shall be cited as the Kaikoura District Signs Bylaw 2023.

2. COMMENCEMENT

This bylaw shall come into force on 10th December 2023.

3. PURPOSE

The purpose of the bylaw is to ensure that signs are erected, maintained and displayed in a manner that does not present a hazard or a danger to public safety or create nuisance.

Note: Waka Kotahi New Zealand Transport Agency as a road controlling authority has its own bylaw for the control of signs on State Highways. Signs on State Highways are however also subject to the provisions of this Council bylaw.

PART II - INTERPRETATION

4. DEFINITIONS

In this bylaw:

Access Way has the same meaning as in Section 315(1) Local Government Act 1974.

Approved Sign means a sign that meets the relevant criteria of Part V of this Bylaw and is not a Prohibited Sign under Part IV of this Bylaw.

Banner means any sign made of flexible material, suspended in the air and supported on more than one side by poles, ties, or cables.

Building has the same meaning as in Section 8 of the Building Act 2004.

Building Mounted Sign means any publicly visible sign that is attached immediately parallel to or is painted directly on the face or roof of a building including signs on the face of a veranda.

Business Zone for the purpose of this bylaw is as described in the Kaikoura District Council proposed and subsequently operative District Plan and planning maps.

Captive Balloon means a non-powered balloon for advertising purposes, which is tethered to a site or structure on a site.

Club or Society means an organisation that is judged by Council to be for the general public's recreation or entertainment, where there are no significant barriers to participating and funds are not used for the private benefit of owners, shareholders, members, beneficiaries or anyone else associated with the club or society.

Construction Sign means a sign providing information on construction, development, building or demolition work being conducted, or proposed to be conducted on a site.

Council means the Kaikoura District Council.

Commercial Zone for the purpose of this bylaw is as described and delineated in the proposed and subsequently operative Kaikoura District Plan and Planning maps.

Commercial Sexual Services has the same meaning as defined in the Prostitution Reform Act 2003

Community Facilities means facilities providing essential community services on a not-for-profit basis.

Directional Sign means a sign which provides direction to a particular commercial activity, industrial zone or public facility:

Display includes:

- To construct or maintain
- To cause, permit or allow to be displayed.

District means the area for the time being administered by the Kaikoura District Council

Enforcement Officer means any person appointed by the Council under Clause 11 of this bylaw to carry out all or any of the functions of an Enforcement officer under this bylaw.

Flashing Sign means a sign with lights or any other forms of illumination which flash, move, rotate, scintillate, blink, flicker or have any similar visual effect or which varies in intensity or in colour, or which uses intermittent electrical pulsations. These signs are prohibited.

Flatboard Sign is a portable flat publicly visible sign which is not self-supporting, which is leant flat against a vertical building wall or fence or other structure to which it relates, and which does not significantly intrude into a footpath or other public space.

Footpath has the same meaning as in Section 315(1) of the Local Government Act 1974.

Flag means a sign intended for the purposes of advertising or to attract attention but which is usually mounted on a flagpole or similar device and which is usually made from fabric, textile or cloth. National flags are not considered flags for the purpose of this bylaw.

Freestanding Sign means any publicly visible sign that is fixed on or into the ground and that is standing on its own, independent of any building for its primary support. Includes signs fixed to fences.

Illuminated Sign includes:

- Any sign the whole or any part of which is illuminated by any means and
- A sign on a light of any kind.

Mixed Use Zone for the purpose of this bylaw is as described and delineated in the proposed and subsequently operative Kaikoura District Plan and Planning maps.

Moving Signs means a sign which physically moves or appears to move in whole or in part. This excludes captive balloons, flags or banners. Moving signs are prohibited.

Noise Sign Any device that attracts attention and notice in an aural manner. Noise signs are prohibited.

Occupier has the same meaning as in the Local Government Act 1974.

Offsite Sign is a sign which does not relate to goods, services or events that are available or take place at the site where the sign is located.

Owner has the same meaning as in the Local Government Act 1974.

Person includes a corporation sole, a body corporate, and any unincorporated body of persons.

Prohibited sign means a sign prohibited by Part IV of this bylaw.

Protruding Sign a publicly visible sign attached to a building which extends beyond the boundary of the site to which the sign relates into a space above a public place, but does not include signs on the face of or under verandas, sandwich boards or flatboards.

Public Place includes any place that, at any time, is open to or is being used by the public, whether of right or not, and whether for free or for payment of a charge.

Road Boundary of a site means a boundary of a site contiguous to a boundary or proposed final boundary of any legal road (other than an access way or service lane).

Road has the same meaning as in Section 315(1) of the Local Government Act 1974.

Sandwich Board means a publicly visible one or two sided sign that is self supporting and portable, which is located on a footpath or other public space outside the premises to which it relates.

Service Lane has the same meaning as in Section 315(1) of the Local Government Act 1974

Sign - for the purpose of this bylaw includes:

- Any name, figure, character, outline, display, device, delineation, announcement, design, logo, painting or other artwork, poster, handbill, hoarding or any other thing of a similar nature which is intended to attract attention and convey a message, and includes;
- All material and components comprising the sign, its frame, background, structure, any support and any means by which the sign is attached to any other thing;
- A banner, captive balloon, flag, flashing sign, flat board, sign, illuminated sign, moving sign, roof sign, sandwich board, streamer or other similar object;

and which has content that is reasonably discernible with the naked eye from a road or any public place.

Site - In this bylaw, "site" means:

- When used in relation to land, means any land which is lawfully permitted to be used for an activity and which; If it is under the Land Transfer Act 1952, is contained in one Certificate of Title; or; If it is subject to a Unit Plan under the Unit Titles Act 1972 is, the whole of the land comprised in a Unit Title on the Plan; or If the land is not subject to the Land Transfer Act or Unit Titles Act is the whole of the parcel of land last acquired under one instrument of conveyance.
- "Site" includes the air space above land or water.
- A "site" intersected by a road, river or railway line shall constitute one site.
- If a "site" is used for any activity in conjunction with any other site or sites, then for the purpose of this bylaw all sites are deemed to be one site if: o the sites adjoin one another; or o the sites are intersected by a road, river or railway line.

- If any “site” is crossed by a zone boundary under the District Plan, the site is deemed to be divided into two or more sites by the zone boundary.
- Where a "site" is situated partly within the district of the Council and partly in an adjoining district, then the part situated in the district shall be deemed to be one site.

Sponsorship Sign means a sign that is located on the primary site where the activity of a Club or Society is conducted and which identifies another party which is providing sponsorship of that Club or Society.

Under Veranda Sign means a sign attached to the under side of a veranda

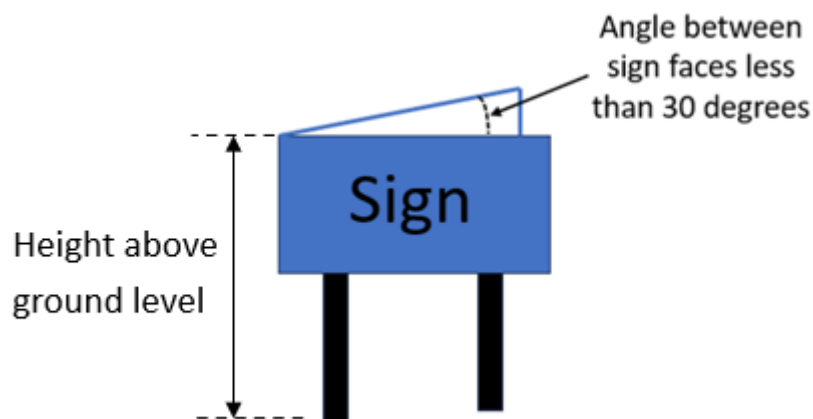
Vehicle has the same meaning as in the Land Transport Act 1998.

Veranda means a roof of any kind which extends out from a face of a building and which continues along the whole of that face of the building.

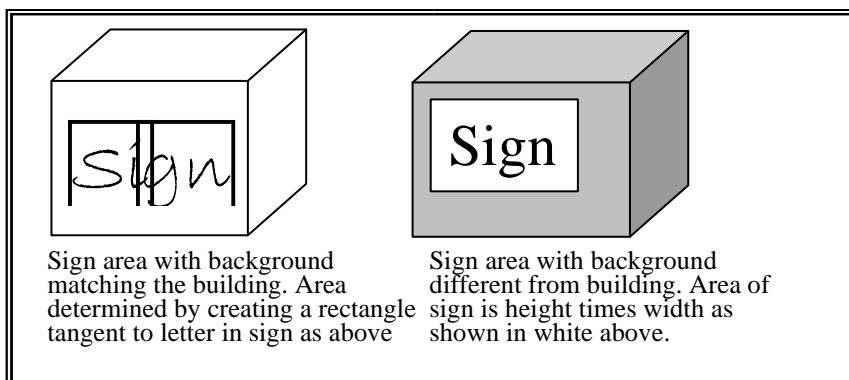
Veranda Face has a corresponding meaning and includes the whole or part of the area of the veranda that is parallel or perpendicular to a road or access way.

5. DETERMINING AREA OF SIGNS

1. Where a sign is double sided and the angle between the two faces is less than 30 degrees, the area of the sign will be considered to be that of a single face. If the angle between faces is more than 30 degrees the area will be considered to be the sum of the areas of both faces.



2. If a sign is displayed on a wall or window or roof the area of a sign means the area actually or notionally enclosed, as the case may be, by the outside of a line drawn around the sign as indicated in the following figure:



6. OTHER LEGISLATION

A reference in this bylaw to any statute, regulation, plan or bylaw (unless the context otherwise requires) includes reference to all later statutes, regulations, plans, changes to plans and bylaws made in amendment or substitution of the statute, regulation, plan or bylaw cited.

Compliance with this bylaw does not remove the need to comply with any Act, regulation, rules of law or any operative or proposed regional or district plan under the Resource Management Act 1991 or any other bylaw.

This bylaw shall have full force and effect unless inconsistent with any Act, regulations or the provisions of any operative or proposed regional or district plan under the Resource Management Act.

PART III - CONTROL OF SIGNS

7. CONTROL OF SIGNS

No sign shall be displayed unless it:

1. Is not a Prohibited sign under any provision(s) of Part IV of this bylaw; and either
2. Meets all the criteria to be an approved sign of that particular type in any area of the Kaikōura District in accordance with Table 1 of Part V of this bylaw; or
3. Meets all the criteria to be an approved sign of that particular type in the area where it is to be displayed, in accordance with the relevant Table 2,3,4,5 or 6 of Part V of this bylaw.

PART IV - PROHIBITED SIGNS

8. PROHIBITED SIGNS

A. The following signs are Prohibited:

1. Off-Site signs other than signs for temporary events for which approval for the signs has been obtained from Council **or where the signs are sponsorship signs that are approved under Part V Table 1 of this bylaw.**
2. Signs erected without Council permission on Council controlled land.
3. Signs erected on land without permission of the landowner
4. Flashing signs or flickering and flashing lights used for advertising.
5. Moving signs.
6. Signs causing direct glare.
7. Signs creating any optical illusion.
8. Noise signs.
9. Signs attached to a tree unless the sign identifies the species of tree and/or its classification under the District Plan.
10. Building Mounted signs for which any part of the sign extends for more than 200mm above the height of the nearest part of the roof of the building to which they are attached.

11. Signs on properties along roads with posted speed limits over 50 kph which meet any of the following criteria:
 - a. Have lettering with a height of less than 160mm or display more than 6 words and/or symbols, or have a total of more than 40 characters.
 - b. Are less than 100 metres from an official sign or traffic signal.
 - c. Are on the State Highway and are not at right angles to road or otherwise positioned to avoid vehicle headlights reflection.
 - d. Are on State Highway and are illuminated.
12. Signage that is in, or is visible from, a public place, and that advertises commercial sexual services.
13. Illuminated signs that:
 - a. Result in light spill greater than 3 lux at any point 2 metres inside any adjacent property; or
 - b. Are internally illuminated and have luminance that exceeds 100 candelas per square metre measured at any point 2 metres from the sign between the hours of sunrise and sunset.; or
 - c. Are illuminated outside the hours of the activity for which the sign relates; or
 - d. Are illuminated by an external upward or laterally facing light source, or a source which is not entirely focussed on the sign.
14. Signs that extend beyond the boundary of the site to which the sign relates unless they are explicitly permitted in this bylaw.
15. Signs in, on or attached to any vehicle or trailer parked in or visible from any road or public space for the principal purpose of advertising. Signage on vehicles that are primarily used for transport or conveyance is however permitted – see Table 1 for further details.
16. Signs attached to buildings where either:
 - I. The total area of signs attached to the walls of the building that are visible from an adjacent public place exceeds 45% of the total area of those visible walls; or
 - II. The total area of signs attached to the roof of the building that are visible from an adjacent public place exceeds 45% of the total area of that visible roof;

Unless either:

 - III. Such areas of signs on a particular building have been approved by a resolution of Council on the basis that these areas of signs include elements such as murals that are considered to have aesthetic merit and are of a nature that is appropriate and complementary to the character of the Kaikōura community; or
 - IV. The building in question is a wall-less cover over a petrol station.

- B. Notwithstanding any other provision of this bylaw or any permit issued under the bylaw, no sign shall be displayed if:
 - 1. That display or manner of display is or is likely to be harmful or dangerous; or
 - 2. In the reasonable opinion of an enforcement officer offensive, objectionable, indecent, obscene, threatening or insulting.
- C. Notwithstanding any other provision of this bylaw no sign shall be displayed if the sign:
 - 1. Obstructs the view of any driver or pedestrian of any corner, bend, intersection, access or vehicle crossing; or
 - 2. Obstructs, obscures or impairs the view of any driver or pedestrian of any traffic sign or signal; or
 - 3. Resembles or is likely to be confused with any traffic sign or signal; or
 - 4. Uses reflective materials that may interfere with the vision of any driver or pedestrian; or
 - 5. Creates a hazard to road users or pedestrians.

PART V - APPROVED SIGNS

For certain types of signs the criteria for approval are the same regardless of where the signs are to be located within the Kaikōura District. The approval criteria for these signs are listed in the following Table 1. For other types of signs the approval criteria for those particular types vary between different areas within the District. The approval criteria for these types of signs in these different areas listed in the following Tables 2 to 7.

In every case for a sign to be displayed it must both meet all the relevant conditions in the relevant table and must not have characteristics that make it a Prohibited Sign under Part IV of this Bylaw

Table 1: Signs with Approval in all areas

Sign Type	Conditions for Approval (All conditions must be satisfied, and the sign must not be a prohibited sign under Part IV of this Bylaw)
Minor Temporary Sign	<ul style="list-style-type: none"> • Single sign per site, less than 1 square metre, display permitted for not more than 1 month in total in any 12-month period. • Sign must relate to goods, services or events that are available or take place at the site where the sign is located. • Shall not be illuminated.
Temporary Signs for specific events or activities (if not covered by other sign types)	<ul style="list-style-type: none"> • Permit required from Council. Issue of such a permit will be subject to any conditions considered appropriate by relevant officers of Council. • Conditions will include maximum display period of four months in any 12-month period, signs to be removed within 2 days of the completion of the event or activity to which the sign relates. • Shall not be illuminated.
Property For Sale Signs	<ul style="list-style-type: none"> • One sign per real estate agent per site, maximum sign area 1.1 square metres • Maximum of three signs in total on any site • If the property is for sale by auction one sign only with a maximum area of 2.2 square metres • All Property for Sale (or ‘Sold’) Signs to be removed within 2 weeks of the sale being completed • Shall not be illuminated
Vehicle Signs	<p>Signs on or attached to vehicles are permitted provided that the display is incidental to the principal use of the vehicle as a means of transport or conveyance. ‘Incidental to the principal use’ means the vehicle has a current registration and warrant of fitness and is used in the day to day operation of the business, with the vehicle displaying the signs in the exact location where that business is being conducted.</p> <p>No vehicle shall be visible to the public for the sole purpose of advertising. Signs shall not be illuminated.</p>
Construction Signs	<ul style="list-style-type: none"> • A single freestanding sign with a maximum area of 1.5 square metres. Shall not be illuminated. • May be displayed not more than 14 days before works commence, and not more than 14 days after works are completed.

Table 1 (Continued): Signs with Approval in all areas

Sign Type	Conditions for Approval (All conditions must be satisfied, and the sign must not be a prohibited sign under Part IV of this Bylaw)
Directional Signs	<p>Only permitted where in the view of Council’s Roading Engineer the sign is likely to significantly contribute to effectively directing people to community facilities or reducing traffic congestion (for example identifying a route that avoids the town centre) or improving traffic safety. If approved such signs shall:</p> <ul style="list-style-type: none"> • Be coloured to a recognised international standard; and • Be not greater than 225mm by 1.2metres in size; and • Contain only the name of the facility to which it relates; and • Not be illuminated.
Election Signs	<ul style="list-style-type: none"> • Only permitted in accordance with the current provisions of the Electoral Act 1993 and the Electoral (Advertisement of a Specified Kind) Regulations 2005. This Bylaw does not give any permissions for the display of election signs beyond those provided by these Regulations. • Election signs will not be permitted to be erected on Council controlled land. • Shall not be illuminated.
Legally Authorised Signs	<ul style="list-style-type: none"> • Signs required to be displayed by any other legislation or discharging a statutory function and displayed in accordance with the provisions of that legislation. • Public information signs on public lands that are displayed with the approval of the relevant managing authority (KDC, ECan or DoC)
Signs Authorised by Resource Consents	<p>All signs displayed in accordance with any resource consent (whether granted before or after the commencement of this bylaw and including any deemed resource consent under Part XV of the Resource Management Act 1991). May not be illuminated unless this is permitted by a condition of the resource consent.</p>
Signs Granted Amnesty	<p>All existing permanent signs established before 1 September 2023 except off-site signs (other than where those signs are sponsorship signs), sandwich boards, flatboards, flags and any signs that are prohibited under any of clauses 8A(1) to 8A(9) inclusive, 8A(15), 8B or 8C of Part IV of this bylaw. Such approvals under amnesty will however cease when the sign is renewed, modified or replaced.</p>
Sponsorship Signs	<p>Permitted to be established after 1 September 2023 where:</p> <ul style="list-style-type: none"> • The total area of such sign(s) on the site do not exceed 1 square metre; and • No more than two such sponsorship signs are displayed by a particular sponsoring party anywhere in the Kaikōura District. <p>Exemptions may apply where naming rights for particular council-controlled public facilities are granted by Council. Note: The total area of approved sponsorship signs will be excluded when determining permitted total sign areas under Tables 2 to 6 of this Part.</p>

Table 2: Conditions for Signs to be approved in Mixed Use Zone (Part of Beach Road, Wakatu Quay)

To be approved signs must satisfy all conditions below for the relevant type of sign and must not be a prohibited sign under Part IV of this Bylaw.

Sign Type	Maximum Number of Signs	Maximum Total Area (for all signs of this type per business)	Height above ground level (any part of sign)		Other Conditions
			Minimum	Maximum	
Free Standing Sign	No Limit	3 square metres or 10 square metres for retail buildings with footprints of more than 1500 square metres	No Limit	3.5 metres	Must be entirely within site to which the sign relates.
Building Mounted Sign	No Limit	Generally 45% of wall or roof areas - see Part IV 8(16) for further details	No Limit	200mm above adjacent roof height ₁	
Under Veranda Sign	1 per business	Not applicable	2.3 metres		Any part of sign at least 1 metre away from veranda of adjacent building or business.
Protruding Sign	1 per business	1 square metre	3 metres	Lesser of 4metres or adjacent roof height ₁	Must not project into the public place by more than 1 metre over a footpath. No projection permitted over roads or service lanes.
Sandwich Board	1 per business	Not applicable			Maximum sign height of 800mm, maximum sign width of 600mm. Must be against kerb edge, perpendicular to the kerb. Must provide 2 metres clear pedestrian passage. Shall not be illuminated.
Flatboard	1 per business	1 square metre			Must be placed flat against the exterior of the site to which it relates. Shall not be illuminated.
Flag	1 per business	2 square metres		3.5 metres	Must be entirely within site to which the sign relates, not on the footpath. Shall not be illuminated.

₁ The height of every part of the sign relative to the point on the roof closest to it.

Table 3: Conditions for signs to be approved in Business Zone (West End, Killarney to Brighton Street Blocks)

To be approved signs must satisfy all conditions below for the relevant type of sign and must not be a prohibited sign under Part IV of this Bylaw.

Sign Type	Maximum Number of Signs	Maximum Total Area (for all signs of this type per business)	Height above ground level (any part of sign)		Other Conditions
			Minimum	Maximum	
Free Standing Sign	No Limit	2 square metres	No Limit	2.5 metres	Must be entirely within site to which the sign relates
Building Mounted Sign	No Limit	Generally 45% of wall or roof areas - see Part IV 8(16) for further details	No limit	200mm above adjacent roof height ¹	
Under Veranda Sign	1 per business	Not applicable	2.3 metres		Any part of sign at least 1 metre away from veranda of adjacent building or business
Protruding Sign	1 per business	1 square metre	3 metres	Lesser of 4metres or adjacent roof height ₁	Must not project into the public place by more than 1 metre over a footpath. No projection permitted over roads or service lanes.
Sandwich Board	1 per business	Not applicable			Maximum sign height of 800mm, maximum sign width of 600mm. Must be against kerb edge, perpendicular to the kerb. Must provide 2 metres clear pedestrian passage. Shall not be illuminated
Flatboard	1 per business	1 square metre			Must be placed flat against the exterior of the site to which it relates. Shall not be illuminated
Flag	1 per business	2 square metres		3.5 metres	Must be entirely within site to which the sign relates, not on the footpath. Shall not be illuminated

¹ The height of every part of the sign relative to the point on the roof closest to it.

Table 4: Conditions for signs to be approved on Churchill Street or Esplanade east of Brighton Street

To be approved signs must satisfy all conditions below for the relevant type of sign and must not be a prohibited sign under Part IV of this Bylaw.

Sign Type	Maximum Number of Signs	Maximum Total Area (for all signs of this type per business)	Height above ground level (any part of sign)		Other Conditions
			Minimum	Maximum	
Free Standing Sign	No Limit	2 square metres	No Limit	2.5 metres	Must be entirely within site to which the sign relates
Building Mounted Sign	No Limit	2 square metres	No Limit	3.5 metres	
Under Veranda Sign	1 per business	Not applicable	2.3 metres		Any part of sign at least 1 metre away from veranda of adjacent building or business
Protruding Sign	1 per business	1 square metre	3 metres	Lesser of 4metres or adjacent roof height ₁	Must not project into the public place by more than 1 metre over a footpath. No projection permitted over roads or service lanes.
Sandwich Board	1 per business	Not applicable			Maximum sign height of 800mm, maximum sign width of 600mm. Must be against kerb edge, perpendicular to the kerb. Must provide 2 metres clear pedestrian passage. Shall not be illuminated
Flatboard	1 per business	1 square metre			Must be placed flat against the exterior of the site to which it relates. Shall not be illuminated
Flag	1 per business	2 square metres		3.5 metres	Must be entirely within site to which the sign relates. Not on the footpath. Shall not be illuminated.

₁ The height of every part of the sign relative to the point on the roof closest to it.

Table 5: Conditions for signs to be approved in the Kaikōura Peninsula Tourism Zone

To be approved signs must satisfy all conditions below for the relevant type of sign and must not be a prohibited sign under Part IV of this Bylaw.

Sign Type	Maximum Number of Signs	Maximum Total Area (for all signs of this type per business)	Height above ground level (any part of sign)		Other controls
			Minimum	Maximum	
Free Standing Sign	One freestanding sign per building or at the entrance to Scarborough Street	2 square metres	No Limit	3.5 metres	Must be located within the building platforms as designated in Appendix O of the Kaikoura District Plan with the exception of the entrance at Scarborough Street, which must be entirely within the site. All illumination shall be hooded and directed solely at the sign. No illumination of the sign may occur between 23:00 and sunrise.
Building Mounted Sign	No Limit	5 square metres	No Limit	3.5 metres	Must be located within the building platforms as designated in Appendix O of the Kaikoura District Plan with the exception of the entrance at Scarborough Street, which must be entirely within the site. All illumination shall be hooded and directed solely at the sign. No illumination of the sign may occur between 23:00 and sunrise.
Under Veranda Sign	Not Permitted				
Protruding Sign	Not Permitted				
Sandwich Board	Not Permitted				
Flatboard	1 per business	1 square metre			Must be placed flat against the exterior of the site to which it relates. Shall not be illuminated
Flag	1 per business	2 square metres		3.5 metres	Must be entirely within site to which the sign relates, not on the footpath. Shall not be illuminated.

No sign shall be able to be read with the naked eye from South Bay Reserve or any point of the Department of Conservation walkway between South Bay Reserve and Point Kean.

Table 6: Conditions for signs to be approved in all other areas (Urban and Rural)

To be approved signs must satisfy all conditions below for the relevant type of sign and must not be a prohibited sign under Part IV of this Bylaw.

Sign Type	Maximum Number of Signs	Maximum Total Area (for all signs of this type per site)	Height above ground level (any part of sign)		Other controls
			Minimum	Maximum	
Free Standing Sign	No Limit	Tourism & hospitality businesses - 2 square metres Other activities – 1 square metre	No limit unless sign projects over boundary of site	2.5 metres	
Building Mounted Sign	No Limit	Tourism & hospitality businesses - 2 square metres Other activities – 1 square metre	No Limit	3.5 metres	
Under Veranda Sign	Not permitted				
Protruding Sign	1 per site	1 square metre	3 metres	Lesser of 4metres or adjacent roof height ¹	Must not project into the public place by more than 1 metre over a footpath. No projection permitted over roads or service lanes.
Sandwich Board	Not permitted				
Flatboard	Not permitted				
Flag	1 per site	2 square metres		3.5 metres	Must be entirely within site to which the sign relates, not on the footpath. Must not be illuminated.

¹ The height of every part of the sign relative to the point on the roof closest to it.

PART VI - GENERAL OBLIGATIONS

10. CONSTRUCTION, MAINTENANCE AND CURRENCY OF SIGNS

All signs displayed under this bylaw other than temporary signs shall be designed and constructed to good professional standards and maintained in a good condition.

All signs shall be appropriately secured to minimise potential hazards.

Obsolete, damaged or severely deteriorated signs shall be removed by the owner.

If a building consent is required it must be obtained prior to the placement of the sign.

PART VII - MONITORING AND ENFORCEMENT

11. ENFORCEMENT OFFICERS

1. The Council may, by resolution, appoint any of its officers to act as an enforcement officer to carry out any of the functions of an enforcement officer under this bylaw.
2. Every enforcement officer who exercises or purports to exercise any power under this bylaw shall carry and produce, on demand, a warrant and evidence of the officer's identity.

12. POWERS OF ENTRY

Any enforcement officer duly authorised by the Council may at all reasonable times enter any land to see if the provisions of the bylaw are being observed or to exercise the powers of the Council under Clause 14.

13. NOTICE OF NON-COMPLIANCE

If a sign is displayed which is in contravention of any provision of this bylaw an enforcement officer of the Council may give notice in writing to the owner, or occupier, or both, of the site where the sign is displayed requiring, as the enforcement officer thinks fit:

1. The removal of the sign; or
2. The repair of the sign; or
3. Other specified work to be taken to ensure compliance with this bylaw or any permit issued under this bylaw, within the time specified in the notice.

Any person who fails to comply with the requirements of any notice within the time specified in the notice commits an offence against this bylaw.

14. REMOVAL OR ALTERATION OF SIGNS

If any person fails to comply with the requirements of any notice then the Council, or any officer or agent of the Council, may pull down, remove, or alter the sign and recover from any person who failed to comply with the notice all expenses incurred by the Council in connection with the pulling down, removal or alteration of the sign.

The exercise of the powers contained in this clause shall not excuse any person from liability for any other penalty for that breach of this bylaw.

15. OFFENCES

Every person commits a breach of this bylaw who:

1. Displays any sign or does, causes to be done, permits, or allows to be done, anything in breach of or otherwise than provided for by this bylaw; or
2. Fails to comply with any notice served on that person under this bylaw; or
3. Obstructs or hinders any officer, employee or agent of the Council in the performance of any duty or function under this bylaw; or

16. PENALTIES

1. A person who commits a breach of this bylaw is liable on summary conviction to a fine not exceeding \$500.00 and, where the breach is a continuing one, to a further fine not exceeding \$50.00 for every day on which the breach is continued.
2. Where a person commits a continuing breach of this bylaw, then, a District Court may, on application by the Council, grant an injunction restraining the further continuance of that breach by that person.

PART VIII - MISCELLANEOUS

17. DELEGATIONS

1. Except where this bylaw provides that a resolution or special order of the Council is required, all actions required to be done by the Council under this bylaw may be undertaken by any officer, employee or agent of the Council to whom authority has been lawfully delegated.
2. Proof of such delegation may be established by:
 - Reference to the instrument of delegation; or
 - Production of an identity card indicating the general terms of the holder's delegated authority; or
 - Any other reasonable means.

18. REPEALS

On the commencement of this bylaw, the Kaikoura District (Signs) Bylaw 2011 shall be repealed.

THE RESOLUTION BY WAY OF SPECIAL CONSULTATIVE PROCEDURE TO MAKE THIS BYLAW was passed by **THE KAIKŌURA DISTRICT COUNCIL** at a meeting of the Kaikōura District Council held on the 6th day of September 2023 and confirmed following minor amendment at a subsequent meeting of the Council held on the 29th day of November 2023. By a resolution passed by the Council on the 29th day of November 2023 the said Bylaw was ordered to come into effect on the 10th day of December 2023.

This Bylaw confirmed by Council on 29/11/2023

Mayor Date

Chief Executive Date

Report to:	Council
Date:	25 September 2024
Subject:	Draft Reserve Management Plan for Consultation
Prepared by:	Z Burns – Planning Officer
Input sought from:	M Hoggard – Strategy, Policy and District Plan Manager
Authorised by:	P Kearney - Senior Manager Corporate Services

1. SUMMARY

This report provides an update on the drafting of the Reserve Management Plan for the Kaikōura Esplanade Reserve.

Attachment:

- a) Draft proposed Esplanade Reserve Management Plan

2. RECOMMENDATIONS

It is recommended that:

- a) The Council receives this report for information.
- b) The Council endorse the Draft Reserve Management Plan for the Esplanade Recreation Reserve to be advertised for consultation/feedback from the public.

3. BACKGROUND

The planning department has been directed, since July 2024, to prepare Reserve Management Plans for 5 different reserves, the Esplanade Recreation Reserve, South Bay Forest Reserve, South Bay Domain/Racecourse, Takahanga Domain and the Top 10 Holiday Park Reserve that supported mixed or enhanced uses.

Whilst Drafting a Reserve Management Plan for the Kaikōura Esplanade Recreation Reserve, Council held 6 public workshops to gather a better understanding of the input provided by the public which was over and above the 100+ submissions received during the initial feedback process.

Using the initial feedback submissions, public workshop input, direction from the Council, the Planning department has been able to complete a draft Reserve Management Plan for the Esplanade Recreation Reserve to put out to the Public for consultation in order to provide a final document to be made operative.

The draft reserve management plan has been reviewed by external Reserves Act process experts including a legal review.

The consultation for this draft reserve management plan will run for 2 months with hearings and deliberations expected in December 2024 but which will be finalised in due course.

4. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose

Attachment a)
Kaikōura Esplanade Recreation Reserve Draft Reserve Management Plan



Kaikōura Recreation Reserve

Reserve Management Plan Draft



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1. Introduction

1.1. Purpose of Reserve

The Kaikōura Recreation Reserve is gazetted as a Recreation Reserve on page 36 in the 1982 Gazette: *“4249 square metres, more or less, Section 468, Town of Kaikōura, reserve for recreation purposes by all Gazette Notice 48425. S.O Plan 4665.”*

A Reserve Management Plan is required by Section 40 of the Reserves Act 1977.

1.2. Legal Description and Location

Section 468 Town of Kaikōura

The Kaikōura Recreation Reserve is located along the Esplanade, across from 184 to 208 Esplanade, as shown in Appendix 1.

1.3. Physical and Natural Features

The Kaikōura Recreation Reserve is located on the waterfront of the Esplanade at Gooches Beach in the Kaikōura Township. The reserve is approximately 4249m² of flat area that has a steep pea gravel step down onto the beach area.

The area is currently grassed, containing a playground, skateboarding ramp and the former Lion’s Pool site. There are some barbeques and water fountains next to the playground as well as toilets and showers. The former pool currently occupies approximately 50% of the site area, being the pool and associated fenced area and building, as well as the northern area of the reserve, which was reserved for a diving area. The changing rooms, showers and toilets are the only publicly available facilities between West End and Jimmy Armers Beach and are frequently used. Public parking along the Esplanade is good and has previously supported parking for the disused

pools complex and continue to service the playground and access to the beach.

Currently the reserve contains a range of plantings including a coprosma hedge that provides some shelter to the picnic area, and planter boxes that provide a physical barrier between the reserve and the road.

1.4. History and Present Use

The reserve and its environment have been impacted by the 2016 Kaikōura Earthquake. The neighbouring Gooches Beach is now shallower, which has changed its useability, and a previously sandy beach is now reinforced by pea metal to stabilise foreshore erosion, affecting its attractiveness as a swimming beach. The site was previously dominated by the former Lion’s pool – a community pool that was severely damaged by the earthquake . The damaged pool has remained unrepaired, and the community pool has been relocated onto the Peninsula off Scarborough Street.

Kaikōura District Council was appointed as the domain board of the Kaikōura Domain by NZ Gazette 1909. The Kaikōura Recreation Esplanade Reserve was added to the Kaikōura Domain by the NZ Gazette in 1966, which after the Reserves Act 1977 was enacted, was designated as a recreation reserve. In 1982, the NZ Gazette legally classified the Kaikōura Domain as recreation reserve and officially named it the Kaikōura Recreation Reserve.

1.5. District Plan Provisions

The Kaikōura Recreation Reserve is technically zoned as General Rural Zone, which covers all the rural land in the district from hill and high country to plains. It is generally characterised by low-density rural development and a wide range of rural activities. The description of the zone provided in the District Plan states *‘areas used predominantly for primary production activities, including intensive indoor primary production. The zone may also be used for a range of activities that support*

primary production activities, including associated rural industry, and other activities that require a rural location’.

Despite the zoning of the reserve, across the road is medium density residential zone, which provides for housing, also provides for visitor accommodation.

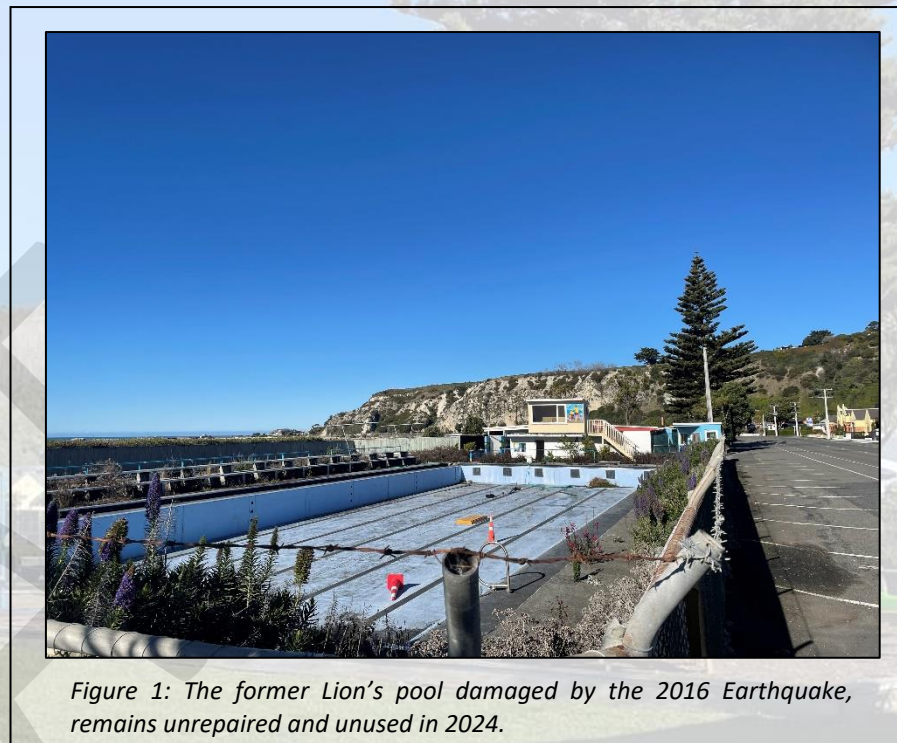
The reserve is designated for the purposes of a swimming pool (Swimming Pool KDC-5). Furthermore, as a facility that previously stored pool chemicals, it is also considered a potentially contaminated site. Any change in land use may require investigation of potential contamination.

1.6. Public Consultation

Prior to the drafting of a Reserve Management Plan for the Esplanade Kaikōura Recreation Reserve, Council sought suggestions from the public for potential future uses of the reserve to assist in creating objectives for the utilisation of the space and how it is managed.

A month long period saw a wide range of suggestions, and to further understand these, public workshops were conducted for the public to further express their priorities. The suggestions provided by the public are as follows:

- Demolish the old pool
- Leave it as it
- Establish hot pools
- Barbeques
- Wet play area/splash pads
- Upgrading toilet and changing room facilities
- Area for local vendors/commercial opportunities
- Picnic area/enhanced family activities
- Native planting
- Shading



1.7. Iwi Consultation & Iwi Management Plan

The Reserve neighbours the Statutory Acknowledgement area for Te Tai o Marokura, being the Kaikōura Coastal Marine Area and is acknowledged as such under the Ngāi Tahu Claims Settlement Act 1998.

As set out in the Iwi Management Plan, although activities may be considered permitted within the coastal environment, there may be adverse effects on the landscape and areas of cultural significance.

'Building activities need to be considered in terms of the surrounding landscape. In the Kaikōura area, Te Rūnanga o Kaikōura seeks to avoid

compromising, as consequence of residential development, the natural and cultural values associated with certain places.'

The policies and issues raised in the Iwi Management Plan relate to encouraging development and growth of the town, but managing it so that the cultural landscape is maintained, and the public can be informed of the significance of area.

Furthermore, the New Zealand Coastal Policy Statement, policy 2, provides guidance for implementing Te Tiriti o Waitangi.

Guidance provided by Te Rūnanga o Kaikōura in their input prior to the drafting of the plan recommended co-ordination with iwi for input on potential designs and information on history of the reserve.

1.8. New Zealand Coastal Policy Statement

The NZCPS 2010 has provided Council's with the guidance for development and use of land within the Coastal Environment, which align with some of the objectives and policies referred to in the Kaikōura District Plan.

The NZCPS list the following objectives:

1. To safeguard the integrity, form, functioning and resilience of the coastal environment and sustain its ecosystems, including marine and intertidal areas, estuaries, dunes and land.
2. To preserve the natural character of the coastal environment and protect natural features and landscape values.
3. To take account of the principles of the Treaty of Waitangi, recognise the role of tangata whenua as kaitiaki and provide for tangata whenua involvement in management of the coastal environment.
4. To maintain and enhance the public open space qualities and recreation opportunities of the coastal environment.
5. To ensure that coastal hazard risks taking account of climate change are managed.

6. To enable people and communities to provide for their social, economic, and cultural wellbeing and their health and safety, through subdivision, use, and development.
7. To ensure that management of the coastal environment recognises and provides for New Zealand's international obligations regarding the coastal environment, including the coastal marine area.

2. Vision/Direction

The intended future and direction for the Kaikōura Esplanade Recreation Reserve, provided by Council, has been to enable enhanced and mixed-use of the area, whilst maintaining and managing the Reserve appropriately for the public to enjoy.

3. Objectives and Policies

3.1. Recreation

The Reserves Act 1977 states that reserves classified as recreation reserves, for the purpose of providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreation activities.

3.1.1. Objectives

- a) Provide for the existing and future recreational activities, whilst maintaining an anticipated level of amenity for the surrounding environment
- b) Ensuring the playground and facilities are maintained and upgraded to ensure public enjoyment.
- c) Provide for amenities available to the public which enhance the district.



The South-East end of the Reserve looking North towards the playground and former pool



The current toilet and changing room facility from the beach/coastal environment



The Reserve Playground, looking towards the South-East end of the reserve



View from the Northern boundary point where the pathway stops, looking toward the old pool site

3.1.2. Policies

- a) Manage development of the reserve in accordance with community needs.
- b) To recognise the Recreation Reserve as an important part of the network of recreational facilities in the Kaikōura Esplanade area.
- c) Support community initiatives to increase local self-sufficiency (picnic areas, bathrooms, community facilities, etc).

3.2. Use and Development

The uses and development of the Reserve is important to consider, ensuring that it remains available to the public and encourages the sustainable use of the reserve.

3.2.1. Objectives

- a) Enable mixed use of the reserve without sacrificing the enjoyment of the reserve.
- b) Continue to use the reserve as a community focal point
- c) Provide for a range of uses year-round
- d) Control any development of the site.
- e) The Reserve shall be managed to ensure the coastal character and amenity is enhanced and maintained.

3.2.2. Policies

- a) New development will be designed to meet the needs of existing users and be future proofed to facilitate multiple uses
- b) Design and characteristics of any proposed structures and layout shall be approved by the administering body.
- c) Any proposed buildings shall consistent with the height control area along the waterfront of Esplanade.
- d) The Reserve is maintained to an appropriate standard.

Actions to implement

A decision shall be made for the use of the pool site and surrounding area to enable any redevelopment and the space be utilised to its full potential.

3.3. Environment

Consideration of the environment is not particularly related to the immediate and physical environment but also may consider the cultural and social factors of the environment. There are some documents already in place to support this, such as the National Coastal Policy Statement and the iwi management plan

3.3.1. Objectives

- a) Manage existing vegetation and encourage planting of indigenous vegetation
- b) Quality of environment to be maintained
- c) Integration of cultural design
- d) Encourage sustainable waste management

3.3.2. Policies

- a) Co-ordination with Te Rūnanga o Kaikōura for input for design
- b) Encourage building design that does not detract from the surrounding environment.

3.4. Rentals and Leases

To enable for utilisation of the area and provide for enhanced use of the reserve, rentals and leases are an important aspect. Rentals and Leases can enable community supporting activities. The objectives and policies will ensure that public recreation is retained and moderated.

3.4.1. Objectives

- a) To require leases, or a similar arrangement, to be established where organisations have erected or intend to erect a building on the reserve.

Section 54 allows the Council to lease any area set apart under s 53(1)(h) for baths to any person or body. A lease “may require the lessee to construct, develop, control, and manage the baths ... or other facilities for public recreation or enjoyment”. Schedule 1 provides guidance of buildings/structures that may be constructed including any fixing of admission charges.

Note: Although the Reserve Management Plan and Reserves Act 1977 may provide for the potential of activities to take place, it does not withhold the requirement for a resource consent if an activity is not permitted under the Operative Kaikōura District Plan or other Council Policies, Plans and Bylaws.

- b) Enable opportunities for potential development that support the economic, social and cultural development of the community that could be commercial in nature.
- c) The nature and amenity of the reserve shall be utilised to its fullest extent but managed appropriately to ensure use of the reserve.

3.4.2. Policies

- a) The Kaikōura District Council may charge a fee for the use of any part of the Kaikōura Recreation Reserve where the user gains a special benefit that is not available to other domain users, or where there are costs to the Council associated with a particular event.
- b) No less than 30% of the Reserve shall be used for recreational activities
- c) Rentals and leases shall be supportive of the community

3.5. Accessibility and Information

Due to the nature of Reserves and the significance of the area, it is important to ensure the public access and enjoyment of the Reserve is retained. The reserve is of social and cultural significance, therefore, information gathered with Te Rūnanga o Kaikōura and other community

stakeholders can help educate and inform visitors to the reserve about the significance of the area.

3.5.1. Objectives

- a) Manage public access into the reserve in a way that seeks to protect existing values whilst catering for enhanced mixed use opportunities
- b) To provide sufficient signage to facilitate public use and enjoyment of the outdoor recreational environment.
- c) Provide information of the significance and history of the Reserve.

3.5.2. Policies

- a) The number and size of signs in the reserve shall be kept to a minimum to avoid visual detractor from the “natural” environment, give clear positive guidance to assist public enjoyment, and may provide interpretive information of areas of interest and/or historical importance.
- b) All development within the reserve shall be designed to be accessible to all people.
- c) Engage with Community organisations to provide informative and safety signage for the reserve
- d) Ensure that signs are compliant with Councils Signs Bylaw

Actions to implement

- The Council will work with the Community to provide information for areas of interest and/or historical importance in association with mana whenua/hapū.

3.6. Other

3.6.1. Objectives

- a) Prevent adverse effects from Hazardous Substances on the environment or the community.

- b) Provide for and encourage community initiatives and events
- c) Mitigate for the effects of climate change and rising sea levels.

3.6.2. Policies

- a) Avoid using land affected by Hazardous Substances where community health could be affected.
- b) Community initiatives and events will be supported appropriately to ensure the Reserve is utilised.
- c) Any new structures/activities provided at the Reserve will be designed with consideration of potential threats as a consequence of climate change.

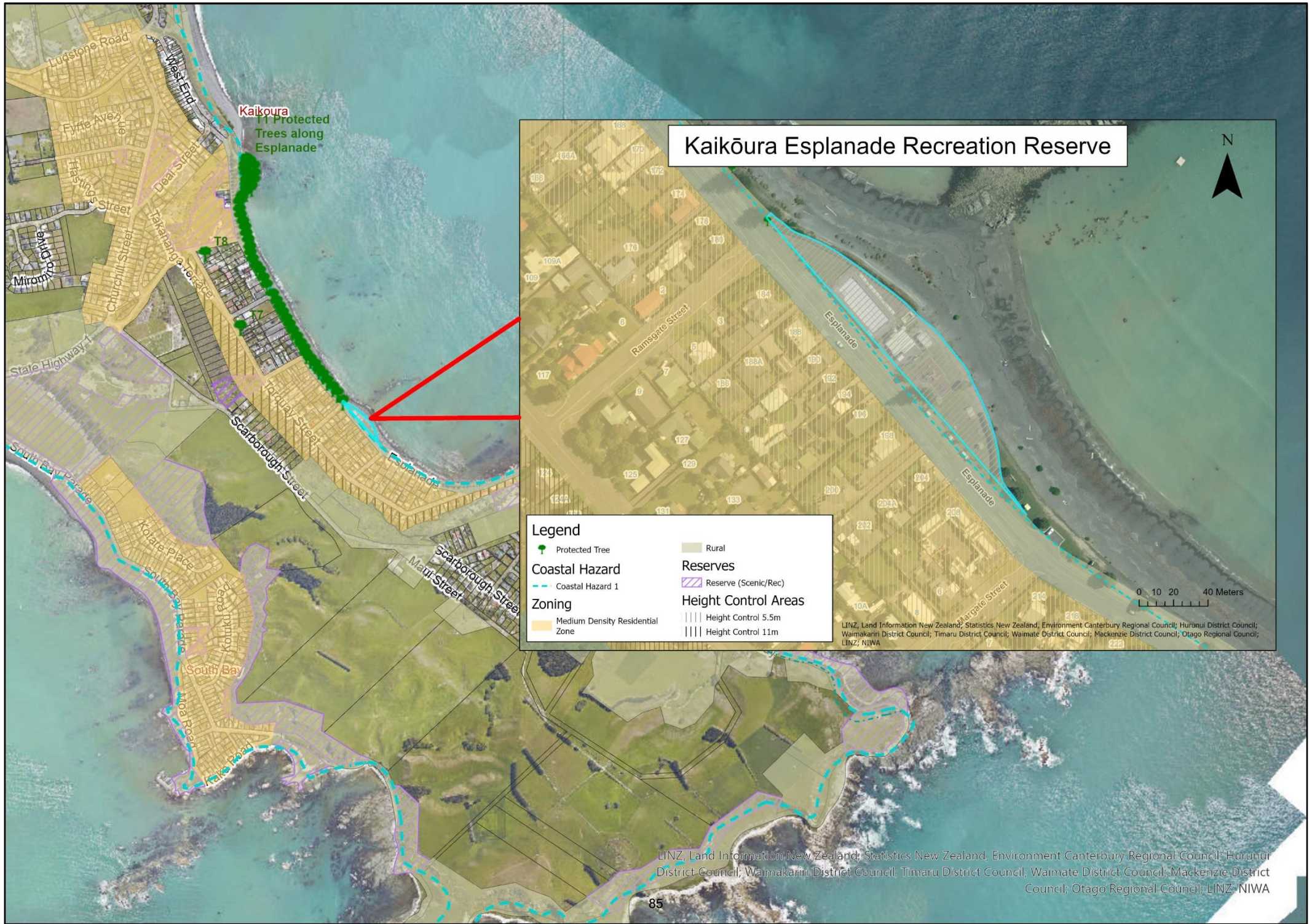
Other Relevant Plans, Policies and Bylaws

- Kaikōura District Plan
- Current Annual Plan
- Current Long-Term Plan
- Waste Management Protocol
- Signs Bylaw
- Dog Control Bylaw
- Trading in Public Places Policy
- Structures, Works and Items in Public Places Bylaw
- Canterbury Regional Policy Statement
- Traffic and Parking Bylaw
- New Zealand Coastal Policy Statement
- Smoke Free Public Places Policy

Appendix 1

Maps





Kaikōura
11 Protected Trees along Esplanade

T8

Report to:	Council	
Date:	25 September 2024	
Subject:	Detailed Design & Timing Approval for the Wakatu Quay roading	
Prepared by:	C Sturgeon – KMDP	
Input sought from:	J Prentice – KDC Roothing Engineer, O Joensuu – KDC Operations Delivery Manager	
Authorised by:	W Doughty - Chief Executive Officer	

1. PURPOSE

This report seeks the Council’s approval to confirm the finalisation of detailed design for the roading and parking associated with the Wakatu Quay development.

2. RECOMMENDATION

It is recommended that the Council:

- (a) Receive this report;
- (b) Approves the completion of detailed design for the road network and parking surrounding Wakatu Quay;
- (c) Notes that project procurement and implementation will be transferred to the KDC roading team;
- (d) Approves option 2 - commencement of roading to occur during construction, with procurement to commence late October 2024;
- (e) Notes that updates on roading procurement and construction contracts will be communicated to Council prior to commencement of construction.

3. BACKGROUND & CONTEXT

The Kaikōura District Council (KDC) has been managing the Wakatu Quay project as part of the Kanoa funded Kaikoura Marine Development Programme (KMDP).

Alongside the planned construction of a hospitality building and civil infrastructure development, the project is upgrading the surrounding roading network to meet the needs of the development and as a result the requirements of the resource consent.

Whilst not directly included in the scope of the site and building detailed design, wider roading design is a key linked deliverable to the Wakatu Quay project.

As agreed with MBIE the KMDP programme included the roading and parking design to meet the resource consent. Implementation of the roading design is proposed to be handed to the council operations team for implementation. Road alteration would then become part of the KDC 2025 roading deliverables funded via the Wakatu Quay project budget.

4. DETAILED ROADING DESIGN

4.1 Road Design

The KMDP Project team has been working with the external design team in the production of detailed design drawings for the road surrounding the Wakatu Quay development. This design incorporated required additions as stipulated in the development resource consent and it is required to be completed prior to the opening of the Wakatu Quay development.

Recent design updates of 80% and 95% have been presented and discussed with Council during recent workshops. A summary of the roading development is attached to this document. A full detailed design document is available to councilors as needed.

The changes of note since the completion of 95% design to completed detailed design include:

1. The right hand turn from Avoca Street onto the Esplanade outside of the Pier Hotel and making it easier for traffic to enter the zone
2. The drop-off location at Wakatu Quay ensuring sufficient space was identified for this action
3. The local resident entrances along Wakatu Quay road.

The project has been working closely with the Council roading engineer to ensure design is in line with KDC expectations and meets resource consent stipulations.

Detailed sketches are included at the end of this document

5. IMPLEMENTATION

5.1 Council Roding team to coordinate and deliver approved roading design

As the proposed alterations to the area surrounding Wakatu Quay reside within the purview of the KDC Roding team the KMDP project proposes that the design, procurement and project delivery be handed to the Council team. KMDP will retain financial management and liaise with the Council team on budget and relevant items but for all practical purposes will be handed to Council for implementation.

As discussed with the Council Operations team this activity will form part of their 2025 roading plan and will be subject to their normal procurement and implementation processes.

5.2 Implementation timeframe

The KDC roading team has given consideration to the optimal implementation timeline, balancing this against operational health & safety, impact on local residents and logistics relating to the wider Wakatu development.

OPTION 1 – Complete Roding works before site construction

This option considers undertaking the roading activity prior to the main civil and building construction occurs on the site.

Benefits	Issues	Impact Assessment
<ul style="list-style-type: none"> • Fully functional one-way prior to construction • Likely reduction of dust & debris for extended period 	<ul style="list-style-type: none"> • Potential for road damage during construction • Significant disruption to residents at beginning of summer • Significant impact on current agreed construction timelines • Delay in construction will exceed MBIE agreed parameters 	<ul style="list-style-type: none"> • High - Procurement add an additional 3-4 Months • High - Higher long-term impact on residents • High – Increased Project Mgmt. costs with change in construction • High – Possible loss of sub-contractors due to delay

Timing implications

Procurement for roading has yet to occur and would have the greatest impact on timelines pushing site construction till March 25 and likely opening date April 26. This is unlikely to be acceptable to Kanoa as would require further changes to the agreed funding milestones..

Tentative Timings		
Roding Procurement	Nov 24	Dec 24
Roding construction	Jan 25	Feb 25
Site Civil works	Mar 25	Apr 25
Building construction	Apr 25	Dec 25
Landscape	Oct 25	Jan 26
Tenant Fitout	Jan 26	Mar 26
Open		Apr 26

Financial Implications

It is difficult to calculate accurate costs implications from the current anticipated plan. High level cost estimate for option 1 would be:

- Extended programme to include procurement ahead of construction \$80,000
- Cost for realignment of construction agreements, new sub-contractors due to time delay 1-2% contract price \$40-60,000

OPTION 2 Complete roadworks during construction

This option schedules roading to occur upon completion of Civil construction and heavy building structural work prior to landscape activity.

Benefits	Issues	Impact Assessment
<ul style="list-style-type: none"> • Total project time including procurement within agreed plan • Larger Civil works completed, moved to remaining exterior and interior construction • Optimal timing, less impact on tourist season, within KDC sealing window • Separation between Roding and other works and potential Health & Safety risks 	<ul style="list-style-type: none"> • If not actively managed potential for interference between construction groups however work is mainly isolated. • Risk to road if heavy construction vehicles required during remaining site build • Roding construction occurs at end of tourist season may have some impact 	<ul style="list-style-type: none"> • High – Impact on residents is still high although is somewhat reduced with approach • Med – Procurement occurs whilst construction commences • Med – Requires closely engagement between KDC Roding and Lead Contractor on timings

Timing Implications

Procurement would commence late October/November 24 and run in parallel to the commencement of construction. Procurement undertaken by KDC Roding and not directly linked to the construction timeline.

Important to integrate site construction timeline with agreed roading contractors for programme alignment. Risk to programme if Civil construction is delayed and has flow on impact on road construction.

Tentative Timings		
Site Civil works	Oct 24	Nov 24
Building Construction	Oct 24	July 25
Roding Procurement	Nov 24	Dec 24
Roding Construction	Feb 25	Mar 25
Landscape	July 25	Sept 25
Tenant Fitout	Aug 25	Oct 25
Open		Nov 25

Financial Implications

None in addition to the current programme estimates

OPTION 3 – Roothing to occur upon completion of site build programme

This option considers roading work to occur once site build and landscaping completed.

Benefits	Issues	Impact Assessment
<ul style="list-style-type: none"> • Little risk of new road damage as all construction completed 	<ul style="list-style-type: none"> • Longer project duration for residents with current road condition. • Resource consent condition is that roading must be completed prior to opening, any delay unable to be absorbed 	<ul style="list-style-type: none"> • High – Impact on residents Additional 8 months with current road • Med – Overlap with Landscape completion likely to increase combined timings • Med – Delay will potentially push tenant fit out into 2026

Tentative Timings		
Site Civil works	Oct 24	Nov 24
Building Construction	Oct 24	July 25
Roothing Procurement	Feb 25	April 25
Roothing Construction	Oct 25	Nov 25
Landscape	July 25	Oct 25
Tenant Fitout	Aug 25	Nov 25
Open		Dec 25/Jan 26

Financial Implications

Similar to option 1 it is difficult to calculate accurate cost implications from the current anticipated plan. Any delays in the completion of roading would prevent tenant from opening for business and therefore would have some potential flow-on effects. Additional costs estimate would be reduced: Extended programme to accommodate elongated fitout \$20-30,000

Conclusion

On the balance of programme impacts, health & safety management and additional costs **option 2** is considered the most effective plan. Identified risks will need to be carefully considered when choosing a preferred roading contractor. Actual timings and finer plans will be refined once a roading contractor is identified and appointed.

6. FINANCIAL IMPLICATIONS AND RISKS

The Wakatu Quay project has allocated funding from the total project budget to accommodate for required roading and parking changes.

An budget amount plus a contingency is included in the current project budget estimate.

Detailed designs have been released to the Quantity Surveyor with estimates provided and within budget

Detailed costs will be better understood once released to market. The successful construction partner, plans and contracts will be presented to Council prior to commencement.

7. SIGNIFICANCE AND ENGAGEMENT POLICY

The Wakatu Quay project is considered a significant development and the Council's financial commitment was subject to a special consultative process in September 2023.

The project has been actively included in the 2024-2034 Long Term plan and contribution has been allowed for in the current budget forecasts.

The Council has previously considered and endorsed the continuation of the project under its significant and engagement policy.

Further Information:

No additional information is pertinent at this time.

8. RELEVANT LEGISLATION

8.1 Policy and Legislation

NIL

9. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Environment

We value and protect our environment



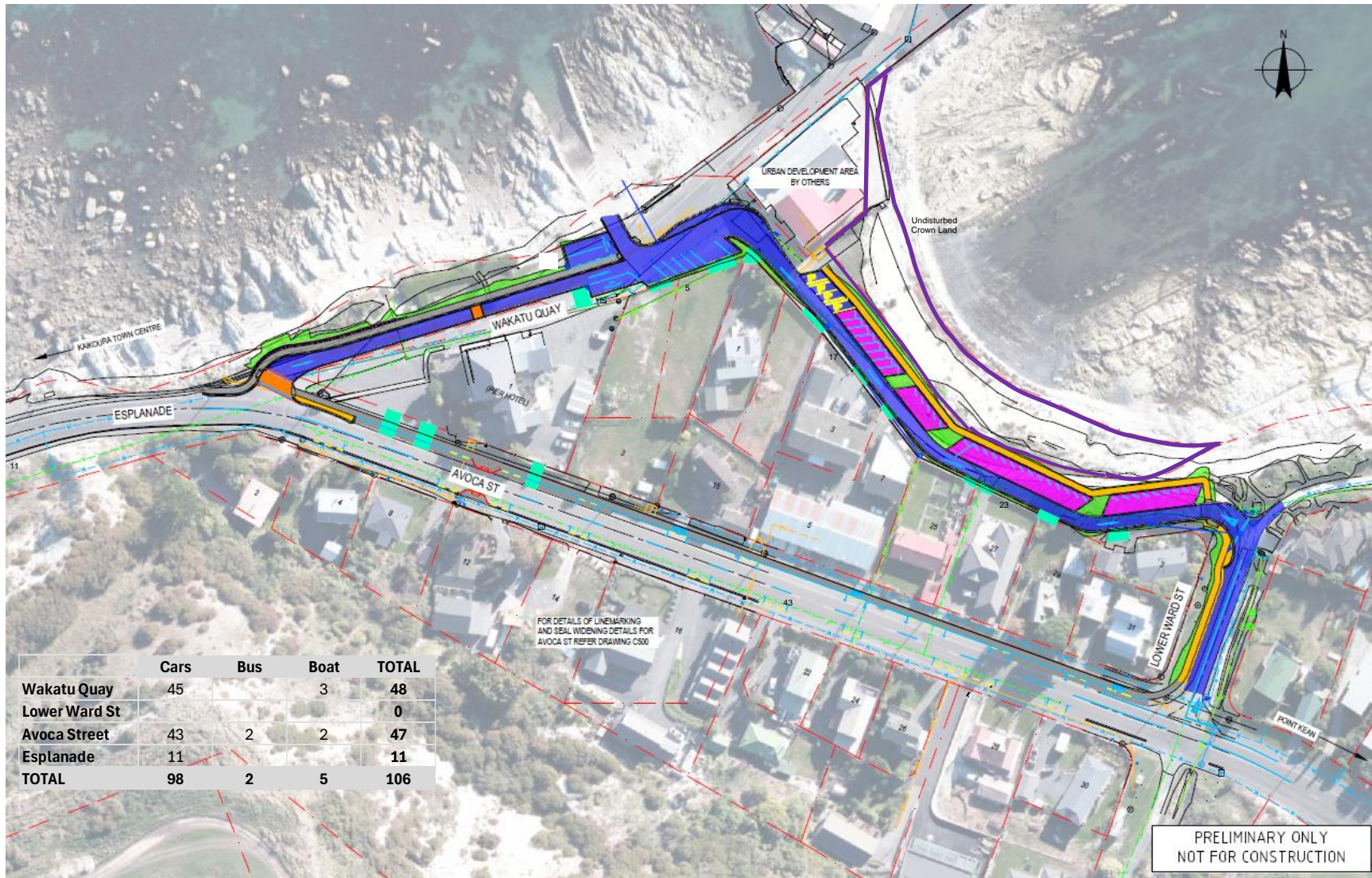
Future

We work with our community and our partners to create a better place for future generations

Design – Overview

Points of note:

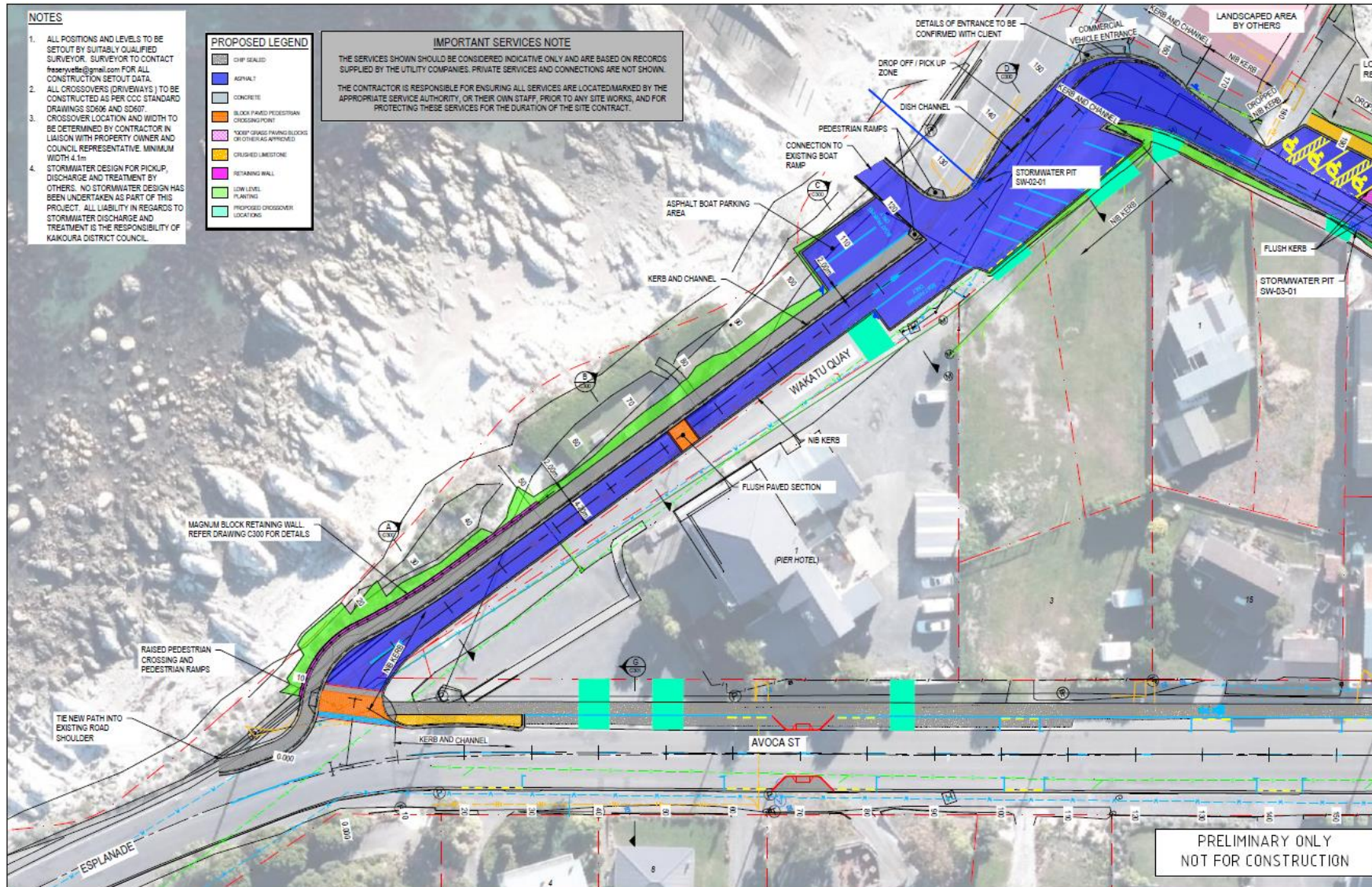
- Park provision meets resource requirements 96 parks adjacent to the development
- Design includes road upgrades, footpaths and safety measures



Design – Esplanade towards Wakatu Quay

Points of note:

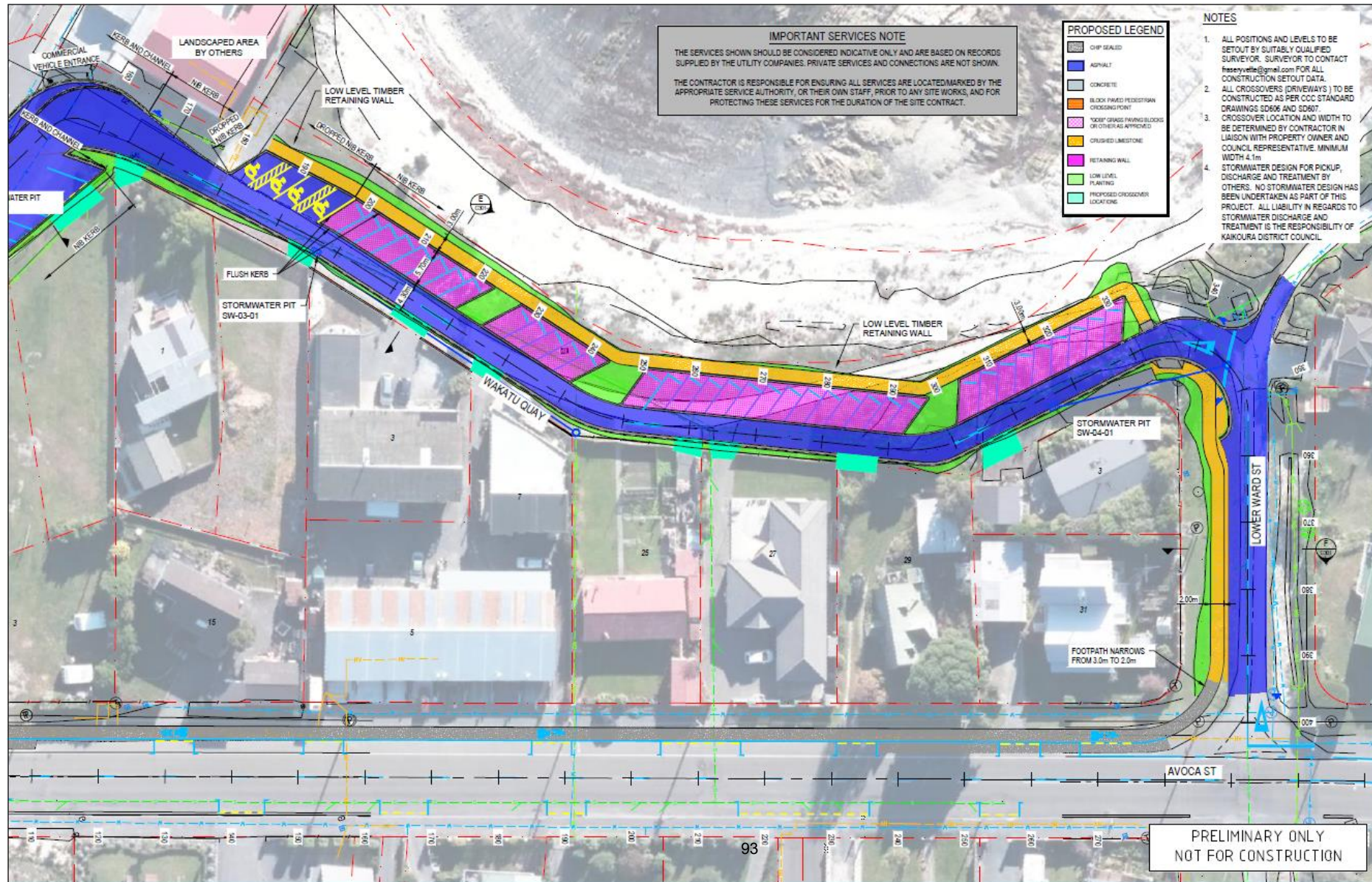
- Raised pedestrian crossing at entrance reducing speed to 30km/hr. Curved entrance to reduce entrance speed



Design –Wakatu Quay road

Points of note:

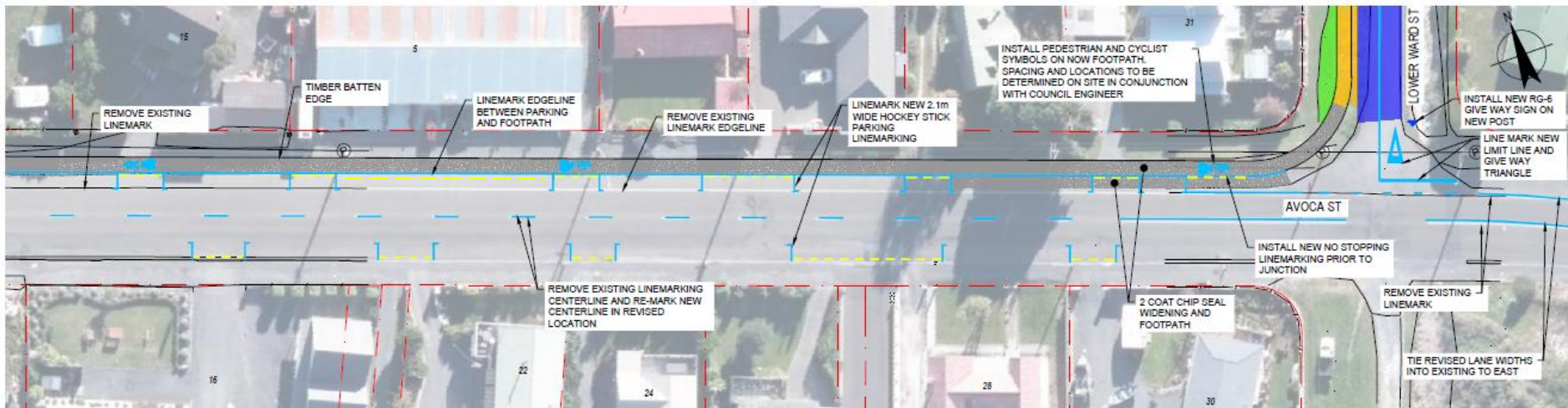
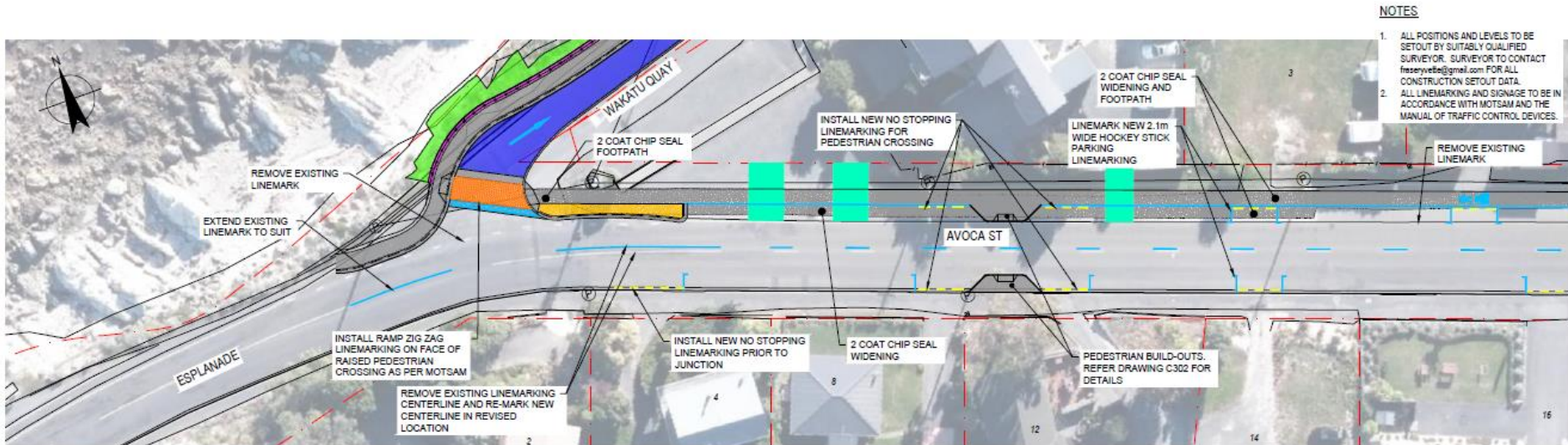
- “GOBI” block installed in carpark spaces to promote natural grass development over time
- Footpath along waterfront in crushed limestone in keeping with area
- No encroachment onto crown land and beach. All improvements within road reserve
- All entrances to residents highlighted.
- Give way at WQ/Lower ward street junction extended to provide for best available safe visibility



Design – Avoca Street

Points of note:

- Wide hockey stick style line marking to reduce the volume of lines
- Footpath on north side of road
- Pedestrian build out for safe crossing
- Altered centre line.



PRELIMINARY ONLY
NOT FOR CONSTRUCTION

Report to:	Council	File #
Date:	25 September 2024	
Subject:	Update to Kaikōura District Council Standing Orders	
Prepared by:	Becky Makin - Executive Officer	
Input sought from:	Will Doughty - Chief Executive Officer	
Authorised by:	Will Doughty - Chief Executive Officer	

1. SUMMARY

The purpose of this report is to update the Standing Orders to allow members joining meetings remotely to be counted as part of the quorum.

Attachments

- a) Track Changes to Standing Orders definition & sections

2. RECOMMENDATION

That the Council:

- a) Receives this report and its attachment;
- b) Updates the Kaikōura District Council Standing Orders definitions and sections outlined in the report to allow for members joining a meeting remotely to be counted as quorum;
- c) Adopts the Kaikōura District Council Standing Orders effective from 1 October 2024, subject to amendments as desired by the Council.

3. BACKGROUND

Council uses audiovisual technology for participating in meetings, however members that have used this technology have not been able to be counted as quorum as, until recently. While the Local Government Act allowed for audio and audio visual presence, it did not allow for quorum inclusion.

The government responded to the unique circumstances presented by COVID-19 and Cyclone Gabrielle by allowing members who attended remotely to be counted towards quorum. This allowed councils to continue to carry out their business.

The Local Government Electoral Legislation Act 2023 amended Schedule 7 s25A(4) of the Local Government Act 2002 to allow for members joining meetings remotely to be counted as quorum. This change will come into effect on 1 October 2024 when the temporary settings for severe weather allowances expire on 30 September 2024. Councils will have to amend their standing orders by 1 October 2024 to allow for remote participation, if that is what they want to do.

It should be noted that with any changes proposed for the Standing Orders, a majority vote of 75% must be achieved by members present.

4. OPTIONS

There are two options for consideration in this report. The first is to not update the Standing Orders (remain status quo) and the second is to adopt updated standing orders to allow for members joining a meeting remotely to be counted as quorum (recommended option).

Option 1 – Do not update the Standing Orders (remain status quo)

The standing orders as they currently stand allows for members to join meetings remotely but are not counted towards quorum. Fully online meetings would not be able to continue after 1 October 2024. However, there is more chance of losing quorum when holding mixed online/in person meetings.

Option 2 – Adopt updated Standing Orders (recommended option)

This option enables democratic local decision making and action by allowing members to join remotely to be counted as quorum. This means that members can continue to represent the community even though they cannot be physically present at a meeting.

Updating the standing orders will reflect the practice that has been happening since COVID-19 lockdowns and current legislation. There are times when members may need to attend meetings remotely, and this would provide an ability for that to continue beyond the repeal of the Severe Weather Emergency Legislation Act.

The following changes to the Standing Orders are recommended in order to allow remote participants to be counted as quorum and to clarify the process to request to attend by audio or audio visual link.

5. RECOMMENDED UPDATES

Recommended updates are clearly identified in the attachment. Additions are included below in bold, italics and underlined, and deletions struck out.

Clause	Recommended Update	
Definitions	Remove the word 'physically'. Include wording to allow for audio or audio visual link.	Present at the meeting to constitute quorum means the member is to be physically present <i>either</i> in the room, <i>by audio or audio visual link.</i>
11.1 (a) and (b)	Remove the word 'physically' from parts (a) and (b) of the clause.	'The quorum for a meeting of the council is: (a) Half of the members physically present, where the number of members (including vacancies) is even; and (b) A majority of the members physically present, where the number of members (including vacancies) is odd.'
13.8	Remove the word 'not' from the clause.	Members who attend meetings by electronic link will not be counted as present for the purposes of a quorum.
13.9	Remove 'determined by the number physically present'.	Where a meeting has a quorum, determined by the number physically present , the members attending by electronic link can vote on any matters raised at the meeting.
20.7	Remove the word 'physically' from the clause. Include instructions for remote attendance in public excluded cases.	Members with a financial interest should physically withdraw themselves from the table unless the meeting is in public excluded in which case, they should leave the room <i>(or disconnect from the audio or audio link if they have joined remotely).</i>

6. OTHER UPDATES CONSIDERED

Clause 13.10 provides that if the chairperson is attending by audio, or audio-visual link, then chairing duties will be undertaken by the deputy chair, or a member who is physically present.

To allow for a smooth running of a meeting, it is not recommended that chairing duties are undertaken by audio, or audio-visual link.

Clause 13.13 provides that the chairperson may direct that an electronic link should be terminated where: (c) It is distracting to the members who are physically present at the meeting.

As above, to allow for a smooth running of a meeting, it is not recommended to remove this clause. However, should option 2 be approved, the chair should be mindful if a meeting will have a quorum when terminating an electronic link (where members are attending remotely).

7. COMMUNITY VIEWS

N/A

8. FINANCIAL IMPLICATIONS AND RISKS

There are no financial risks associated with this decision.

9. RELEVANT LEGISLATION

Legislation

The Council has the power to make this decision under the Local Government Act 2002, Schedule 7, Clause 25A(4).

The Local Government Electoral Legislation Act 2023 amended schedule 7 of the Local Government Act 2002.

Policy

This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

10. COMMUNITY OUTCOMES SUPPORTED



Services

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Attachment a) - Track Changes to Standing Orders definition & sections

Definitions:

Present at the meeting to constitute quorum means the member is to be ~~physically~~ present either in the room, by audio or audio visual link.

11.1 Council meetings/~~Ngā hui Kaunihera~~

The quorum for a meeting of the council is:

- (a) Half of the members ~~physically~~ present, where the number of members (including vacancies) is even; and
- (b) A majority of the members ~~physically~~ present, where the number of members (including vacancies) is odd.

LGA 2002, ~~sch~~ 7, cl 23(3)(a).

13.8 Member's status: quorum/~~Te tūnga a te mema: kōrama~~

Members who attend meetings by electronic link will ~~not~~ be counted as present for the purposes of a quorum.

LGA 2002, sch 7, cl 25A(4).

13.9 Member's status: voting/~~Te tūnga a te mema: te pōti~~

Where a meeting has a quorum, ~~determined by the number physically present~~, the members attending by electronic link can vote on any matters raised at the meeting.

20.7 Financial conflicts of interests/~~Ngā take taharua ahumoni~~

Every member present at a meeting must declare any direct or indirect financial interest that they hold in any matter being discussed at the meeting, other than an interest that they hold in common with the public.

No member may vote on, or take part in, a discussion about any matter in which they have a direct or indirect financial interest unless an exception set out in s 6 LAMIA applies to them, or the Auditor-General has granted them an exemption or declaration under s 6.

Members with a financial interest should ~~physically~~ withdraw themselves from the table unless the meeting is in public excluded in which case, they should leave the room (or disconnect from the audio or audio link if they have joined remotely).

Neither the chairperson, nor the meeting, may rule on whether a member has a financial interest in the matter being discussed. The minutes must record any declarations of financial interests and the member's abstention from any discussion and voting on the matter.

LAMIA, ss 6 & 7.

Report to:	Council
Date:	25 September 2024
Subject:	CEO Monthly Report
Prepared by:	W Doughty - Chief Executive Officer
Input sought from:	
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

To provide the Council with an update on major work streams and other activities.

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. COUNCIL ACTIVITY – KEY FOCUS AREAS

Overview

My focus this month has mainly been external with a number of forums and training. I attended the two-day Emergency Management Controller refresher training, so that I can provide alternate controller support to the organization as required. It was a good personal reminder of the importance of the controller role (and all emergency management roles) and the importance of staying current with knowledge and thinking and not to leave it for a rainy day!! I also attended the Canterbury Mayoral Forum, Taitaura conference and Taitaura CE forum. It was useful to connect with colleagues from around the country and share top of mind issues facing all Councils.

It is fantastic to see a number of pieces of work that have been in train for a while on the agenda for decision this month. This includes the draft reserve management for the reserve on which the old lions pool site was located. The team have undertaken some good engagement with the community to get to this point. The consultation period will run for two months if the draft is approved. It was fantastic this month to receive the news that DarkSky International has officially designated Kaikōura as an International Dark Sky Sanctuary. Kaikōura is only the twenty-second location globally to earn this recognition and the third in New Zealand alongside Aotea Great Barrier Island and Stewart Island/Rakiura. This has taken a lot of hard work from the Kaikoura Dark Sky Trust and working group members over the last four years led by the Chair Nicky McCarthur. It has personally been a privilege to have been part of this initiative from the outset. The Sanctuary area covers 98% of the District, but excludes the township. A separate Community status application is underway for the remaining area of the District. Separately, the private plan change for lighting management is being considered by independent commissioners in September with a view that it will be fully operative in the District Plan by Christmas.

The main sections of the link pathway work are on track to be completed in the next two months. We will now turn our mind to any further finishing in terms of signage or other opportunities with any remaining project funding. It is timely as we have the Sports NZ play advocates from around the country undertaking a fieldtrip to Kaikoura 23rd to 25th September. They are intending to connect with a number of organisations and stakeholders during their visit. The group will present their initial ideas to elected members around how Kaikōura District Council can sustainably create more playful outcomes for local Tamariki at a workshop following the Council meeting on the 25th.

The finance team have started the audit process for the annual report for 2023/24. It is anticipated the final report will be available for the October Council meeting. It is very pleasing to confirm that we have entered into a contract for services with Datascope for our ERP system replacement. This is a joint implementation project with Hurunui which will mean we run the same operating systems. Implementation is scheduled for a go live on 1st July 2025. There is a lot of work to be done internally by all the teams to work through the implementation stages, but it will be worth the effort come 1st July 2025. A separate monthly financial report is included on the agenda.

Local Water Done Well.

The Water Services Preliminary Arrangements Bill has now received Royal assent which means all Councils across the country must deliver an approved Water Services Delivery Plan by 5th September 2025. Kaikōura, Waimakariri and Hurunui councils are continuing to work together to explore a number of options that could be considered under the delivery plan. The North Canterbury Waters project is well resourced and underway. Outputs from the initial work are anticipated to be provided before Christmas. Ultimately, Council will need to make a formal decision around service delivery arrangements before the delivery plan is submitted to government for their final approval. There will be opportunities to seek community feedback and input before any final decision is made. At this stage this is anticipated to be undertaken in the first quarter of next year.

South Bay Forestry

The harvest of the South Bay radiata pine forest remains on hold pending the approval of an archaeological authority from Heritage NZPT. The application was submitted at the end of August and we are anticipating to hear back in October. A revised date for the harvest to commence has not been confirmed at this point as this is dependent on both the authority being granted, contractor availability and well as other factors. Once a date has been confirmed this will be clearly communicated to the public well in advance.

Council Team

We have been successful in appointing Mark Davis to the Three Waters Technician role for a fixed term of 12 months with a view that this could be made permanent depending on final water service delivery arrangements. Mark starts on the 21st October. This is at a technician level and so we are working with Waimakariri Council around providing any additional strategic planning and specialist support that may be required over that period. Applications for the senior manager operations role close on the 22nd September and a process is in place to hopefully have a suitable replacement for Dave on board by the new year. Interviews are currently being undertaken for the HR Generalist role. HR advisor support for Becky and the generalist has also been put in place with support from the Hurunui HR manager. The engagement of an HR generalist was as a direct result of feedback from the staff survey undertaken earlier in the year and staff working group.

Stewart McConchie is finishing up in the Regulatory Facilities Officer role on the 4th October. Paula Egan is also finishing up in the LIM and Planning Administrator Role on the 4th October. We wish them both well with their next steps. Temporary cover arrangements for the LIM officer role have been put in place and we will be actively looking to replace both roles.

Currently five vacancies are open at Council:

- a) Building Control Officer (has been vacant for close to two years)
- b) Senior Manager Operations
- c) Human Resources Generalist
- d) Regulatory Facilities Manager
- e) LIM and Planning Administrator Role

The personal objectives and plans for each team member for the year ahead have now been completed and incorporate some actions from our internal strategic focus. Individual team action plans for the year ahead are being developed and will be in place in October. Our annual staff development day is scheduled for the 17th October 2024.

Focus areas for the next three months

- a) Implementation of year one of the Long Term Plan.
- b) Continued internal strategy implementation and training.
- c) North Canterbury Waters - LWDW

4. COMMUNITY OUTCOMES SUPPORTED



Community

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Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Report to:	Council
Date:	25 September 2024
Subject:	Audit NZ Report to the Council on audit of the LTP 2024-2034
Prepared by:	P Kearney – Senior Manager Corporate Services
Input sought from:	
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is to present the Report to Council from Audit New Zealand relating to the Long-Term Plan (LTP) 2024-2034 and sight of probable cost impacts.

This Audit report is over and above the Audit opinion provided as part of the LTP adoption as at 26th June 2024; this report includes Audits review of the overall LTP process and their proposals for where Council could consider improvements.

Attachment:

a) Report to the Council on the audit of Kaikōura District Council Long Term Plan 1 July 2024 to 30 June 2034 (“the Report”)

2. RECOMMENDATION

It is recommended that this report is received for information.

3. SUMMARY

As indicated at the adoption of the LTP on 26th June 2024, AuditNZ issued an unmodified Audit opinion for the LTP.

The Report, however, does include:

- i) An emphasis of matter paragraph relating to the unbalanced budget for 8 of the 10 years of the plan
- ii) Notes that the consultation document (CD) as per clause 45 of schedule 1AA of the Local Government Act 2002 did not contain a report from the auditor general (this was expected as Council opted for an unaudited CD) and that Audits opinion of the plan does not contain any assurance on the consultation document or information within.

Overall, the audit reports notes satisfaction that the plan provided a reasonable basis for long term and integrated decision, that the information and underlying assumptions were reasonable as well as providing a reasonable basis for accountability to the community.

Recommendations

There were 4 key recommendations within the report largely relating to Infrastructure planning and information:

- i) That the Infrastructure Strategy financial disclosures include inflation
- ii) That procedures are implemented to ensure the completeness of asset information arising from subdivisions and other relevant asset information
- iii) That an independent review of Councils roading data is undertaken
- iv) That the Asset Management Plans are aligned to the financial model

Overall KDC Management is satisfied with the content of the LTP Audit Management Report and have addressed the recommendations made in the report. Most of the recommendations are not difficult

to action. The most material takeaway is for Council to ensure planning and preparation for the LTP starts as early as possible.

4. FINANCIAL IMPLICATIONS AND RISKS

The Audit Management Report is to aid prudent financial stewardship and improving financial and non-financial performance reporting for planning and Audit purposes in order that the community has trust in our reporting framework.

The agreed budget with Audit NZ for the LTP audit was \$75,600 (excluding GST and disbursements) which was in line with our established budget of \$78,000. Since completion of the work Audit NZ has written seeking recovery of an additional \$17,500 excluding GST of costs equating to 66.5 hours of audit time for additional matters found during the audit process. This apparently only represents 11% of the total audit overrun costs (\$173,566 excluding GST). The CEO has requested a full breakdown from AuditNZ of the total costs for the Audit.

5. SIGNIFICANCE OF DECISION

This decision is not considered significant in terms of Council’s Significance and Engagement Policy.

6. RELEVANT LEGISLATION

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

7. COMMUNITY VIEWS

No community views were sought in relation to this report

8. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Report to the Council on the audit of

Kaikōura District Council’s
long-term plan for the period
1 July 2024 to 30 June 2034

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Key messages

We have completed the audit of Kaikōura District Council's (the Council's) long-term plan (the plan) for the 10-year period commencing 1 July 2024 to 30 June 2034. This report sets out our findings from the audit and draws attention to areas where the Council is doing well and where we have made recommendations for improvement.

Audit report

We issued an unmodified audit report dated 26 June 2024.

We included an emphasis of matter paragraph in the audit report drawing attention to the disclosure in the plan outlining the financial prudence of an unbalanced budget for eight of the ten years of the plan.

In accordance with clause 45 of schedule 1AA of the Local Government Act 2002 (the Act), the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Matters identified during the final audit of the plan

Council's underlying information

We reviewed Council's underlying information including its financial model, financial strategy, infrastructure strategy, performance framework, significant forecasting assumptions in the plan and asset management plans (AMPs). We determined that the plan documents were reasonable and supported. We also confirmed that Council's consultation decisions were appropriately reflected in the plan.

We are satisfied that the plan adequately describes the activities of the Council, and the community outcomes. The plan has a long-term integrated and co-ordinated focus for decision making and should provide a basis against which the Council can be measured and held accountable by the community.

NZ Transport Agency Waka Kotahi (NZTA) funding

NZTA released their 2024-2027 indicative funding allocation for continuous programmes on 6 June 2024. Council has not made any adjustments for the funding in its plan. We are satisfied that the financial amount or consequential impact on Levels of Service is not material. This has been included as an uncorrected misstatement in the plan, refer to Appendix 1.

Recommendations

We have included recommendations for improvement in areas relating to Council's Asset Management, and infrastructure strategy for consideration by the Council.

Thank you

We would like to thank the Council, management and staff for the assistance received during the audit.

A handwritten signature in black ink, appearing to read 'Dereck Ollsson', enclosed in a thin black rectangular border.

Dereck Ollsson
Appointed Auditor
23 August 2024

1 Our audit report

1.1 We issued an unmodified audit report

We issued an unmodified audit report on 26 June 2024. This means we were satisfied that:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 21 to 24 of Part 4 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of schedule 1AA of the Act, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Emphasis of Matter – unbalanced budget

Without modifying our opinion, we also included an emphasis of matter paragraph on achieving a balanced budget by the Council. Further details are contained in section 2.2 of this report.

1.2 Unadjusted financial differences

The forecast information underlying the plan is free from material misstatements, including omissions.

During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. Unadjusted financial differences are documented in Appendix 1.

2 Areas of audit emphasis

2.1 Council meeting the purpose statement

The purpose of a long-term plan, as described in section 93(6) of the Act, is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long-term focus for the decisions and activities of the local authority; and
- provide a basis for accountability of the local authority to the community.

We reviewed Council's underlying information including its financial model, financial strategy, infrastructure strategy, performance framework, significant forecasting assumptions in the plan and AMPs. We are satisfied that the plan adequately describes the activities of the Council, and the community outcomes. The plan has a long-term integrated and co-ordinated focus for decision making and should provide a basis against which the Council can be measured and held accountable by the community. We also confirmed that Council's consultation decisions were appropriately reflected within the plan.

2.2 Financial strategy and financial prudence – Unbalanced budget

The Council is funding its operations through a combination of rates (including targeted rates), grants and subsidies and debt. The Council has limited investments and is not expecting dividends from its council-controlled organisation. Fundamentally, Council's financial strategy remains unchanged from 2021.

Council has a small rate payer base and limited sources of other revenue. Council is conscious of the need to control rates increases and ongoing sustainability. User payments, external funding, and debt will be sourced wherever these are more appropriate.

Council plans to meet its rates and debt limits throughout the plan period. Additionally, Council's proposed budgets have allowed for sufficient headroom in compliance with the Local Government Financing Agency (LGFA) covenants.

Unbalanced budget

Under the Act (section 100), Council is required to set a balanced budget where operating revenue is at least equal to operating expenditure. Council may only operate an unbalanced budget where this can be shown to be financially prudent.

Clause 14 of schedule 10 of the Act requires that the plan include a statement of the reasons for the resolution and any other matters considered. In addition, it must disclose a statement of the implications of the decision.

On 26 June 2024, Council passed a resolution prior to adopting its plan, recording its view on why the operating deficits were prudent.

As noted in section 1.1, without modifying our opinion, we also included an emphasis of matter paragraph on achieving a balanced budget by the Council. The Council is not planning to meet the balanced budget benchmark from years 2027 to 2034 of the plan. This is because the Council is not funding depreciation on its assets. The Council explains the reasons why it considers this is financially prudent and describes how it plans to achieve a balanced budget beyond the 10 years of this plan.

2.3 Assumptions – NZ Transport Agency Waka Kotahi (NZTA) funding

Council has recognised two significant funding streams for grants from the NZTA. This includes:

NZTA 2024-27 National Land Transport Programme (NLTP) – indicative funding for continuous programmes

NZTA released their 2024-27 indicative funding allocation for continuous programmes on 6 June 2024 as part of developing the 2024-27 National Land Transport Programme (NLTP). The continuous programmes relate to Local Road Pothole Prevention, Local Road Operations, and Local Road Improvements - Bridge and Structure Renewals. The funding allocation excludes funding for footpath and cycleway maintenance and renewals and regional road safety promotions which are expected to be confirmed in August 2024. This funding represents around 26% of Council's overall NZTA funding for the first three years of the plan.

We consider this to be better information than the information Council previously used when developing the plan and expected the 2024-2034 plan forecasts to reflect this. We accept that the estimate of a \$203,000 NZTA funding shortfall across the first three years of the plan was not material for adjustment and have included this in our unadjusted financial differences contained in Appendix 1. At a funding assistance rate of 51%, this equates to a project cost of \$398,000.

Management has advised that the expected implications of the funding shortfall will be additional debt funding. No change to the programme of works is expected.

Glen Alton Bridge over the Clarence (Waiau-Toa) River

This bridge is planned to replace the bridge destroyed in the 2016 earthquake. It is estimated to cost \$11.4 million over the first three years of the plan (2024/25 to 2026/27).

Costs have been classified as renewal capital expenditure within Council's Rooding Funding Impact Statement. The project has suffered delays due to the inability to obtain the required consents and procurement of materials.

As outlined in the plan assumptions, Council has assumed a 95% funding rate from NZTA. The NZTA Board approved this funding on 14 December 2022. This project is approximately 74% of Council's NZTA funding allocation for the first three years of the plan.

We assessed that Council's disclosure in the plan for the NZTA funding assumptions are reasonable and supportable, with a stated "medium" level of uncertainty.

We are satisfied that these costs and the NZTA funding has been applied consistently throughout the underlying information, including its application in the financial model.

2.4 Infrastructure strategy

We confirmed that the infrastructure strategy is compliant with the requirements of the Act. The infrastructure strategy appropriately articulates the strategy for the Council's infrastructure over 30 years.

The strategy meets the purpose of an infrastructure strategy which is to:

- Identify significant infrastructure issues over the period of the strategy; and
- Identify the principal options for managing those issues and their implications.

We raised several areas for improvement which were subsequently adjusted by the Council. The most significant matter related to Council not inflating the dollar value of capital and operational expenditure in the infrastructure strategy. This has been clearly disclosed in the plan.

We have raised a recommendation for the inflation of financial information within the infrastructure strategy as an area for improvement in section 3 below.

2.5 Quality of asset-related forecasting information (including condition and performance information of critical assets)

We are satisfied that the asset management practices and planning for the core infrastructure activities (including three waters and transport), are sufficiently robust, and that the Council has sufficient knowledge of the condition of assets for long-term planning.

We assessed that the significant risks and issues have been appropriately reflected in Council's infrastructure strategy.

Overall, we assessed that the levels of renewals in relation to depreciation are reasonable. While there are significant gaps between the levels of planned renewals and the depreciation expenses, these are largely due to the significant renewals undertaken by Council as a response to the 2016 Kaikōura earthquakes.

As a result, we have concluded that the asset management practices, and the asset-related financial forecasts provide a reasonable basis for the information and strategies to be included in the plan.

We have recommended areas for improvement in section 3 below.

2.6 Other significant projects within the plan

All significant capital projects are planned within the first three years of the plan and require third party funding.

In addition to the Glen Alton Bridge over the Clarence (Waiau-Toa) River explained in section 2.3 above, these include:

Infrastructure Acceleration Fund (IAF) – roads and shared pathways from Ludstone Road through to Ocean Ridge

Council has a contract with Kainga Ora for a maximum of \$7.8 million for the total project cost, fully estimated at \$14.78 million. Landowner or developer contributions are estimated at \$3.2 million as the project progresses.

The plan has budgeted costs of \$13.4 million over the first two years of the plan. These costs were developed by consultants in conjunction with Council. Currently, enabling works are underway with progress dependent upon the developer progressing as planned.

Wakatu Quay project

In 2021, Council was granted \$10.88 million from the Provincial Growth Fund (now Kanoa) which included up to \$9.88 million to develop the Wakatu Quay and up to \$1 million for a feasibility study on the development opportunities for the South Bay Harbour.

The Ministry of Business, Innovation, and Employment (MBIE) has committed to providing the remaining funds for the project subject to key milestones. The most critical milestone was the investor funding of \$0.8 million which Council has committed to cover via loan funding.

The plan has budgeted costs of \$6.9 million over the first two years of the plan.

We consider that the capital programme as outlined in the plan is achievable. While uncertainties may arise over significant projects, appropriate disclosure has been made in the plan assumptions.

2.7 Delivery of capital programme

In our assessment of Council's ability to deliver its capital programme. We considered Council's historical performance and forecasts within the plan 2024-2034.

Following the November 2016 earthquake there has been significant replacement of core infrastructure, funded by Central Government. The earthquake recovery programme was delivered substantially on time and within budget.

Within the 2024-2034 plan, Council's capital programme includes addressing the backlog in roading for which borrowings will be utilised as funding.

Other than the significant projects noted in sections 2.3 and 2.7 above, Council assumes that the level of uncertainty of projects within scheduled timeframes is low and projects completion within budget is medium. We assessed this as reasonable.

2.8 Performance framework

We assessed the forecast performance reporting, including the performance reporting framework and confirmed the Council has included information required by clauses 1, 2, and 4 of the Act and the Non-Financial Performance Measures Rules 2013.

The forecast performance report:

- Is clear and has the appropriate level of aggregation of activities, and
- Includes the mandatory performance measures.

Due to the drinking water "rules" per the Non-Financial Performance Measure 2013 being superseded, Council subsequently adjusted the drinking water performance measure to reflect compliance (for bacteria and protozoa), against both the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022.

We assessed that there is appropriate alignment and consistency to other information in the plan such as the assumptions, financial strategy and infrastructure strategy.

2.9 Response to climate change

Council disclosed "a significant effect on the District", and that the level of uncertainty around this assumption as "Medium" for climate change.

Areas of risk identified includes rising sea levels and the impact of rainfall. We note that the 2016 earthquake did result in a significant uplift to coastal areas which has mitigated the risk and future impact of sea level rises.

The Council will consider climate change impacts in planning for infrastructure assets. Council is also in the process of consulting on changes to its Natural Hazards Plan.

For severe weather events, Council has maintained a minimum of \$2 million buffer in its borrowing capacity, in addition to expected government subsidies that would be provided in the event of severe weather events. Additional funding for major costs to remedy damage to Council infrastructure will, where necessary, be debt funded.

We are satisfied with Council's disclosure of climate change implications within its plan, which includes its infrastructure strategy and assumptions.

3 Recommendations

3.1 Inflation within the infrastructure strategy

Recommendation

To incorporate inflation in the financial disclosures contained within the infrastructure strategy.

Finding

The infrastructure strategy should incorporate inflation in its financial estimates as recommended in the Taituarā Dollars and Sense Guide 2024.

The infrastructure strategy must link to demographic data, geographic data and economic data including price changes. All these data sources are needed for other aspects of the plan and should therefore be consistently applied in the infrastructure strategy, which is part of the plan.

Council's disclosures within its infrastructure strategy were largely uninflated whereas Council's disclosure of capital categories by group of activity within the Financial Strategy were inflated. Whilst this was clearly disclosed in the plan, the disclosure does not align with the recommendations of the Taituarā Dollars and Sense Guide and results in comparability issues within the plan.

While we acknowledge that inflated amounts were shown within Part 2: Council Activities section of the plan, it is recommended that Council disclose inflated amounts throughout the infrastructure strategy.

Management comment

Recommendation accepted. This is a straightforward change.

3.2 Completeness of asset information relating to subdivisions and other relevant asset information

Recommendation

Implement procedures to ensure the completeness of asset information contained in Council's plan arising from upcoming subdivisions and other relevant asset information.

Finding

Appendix 1 includes a financial difference relating to the non-recognition of the additional capacity required for wastewater infrastructure related to the development of the Ocean Ridge and Vicarage View subdivisions within Council's plan.

While we acknowledge that Council processes identified the omission, we recommend that Council implement procedures to ensure the completeness of asset information contained in the plan when preparing for community consultation.

Management comment

The omission was caused by an unusual circumstance, where additional assets were being created without any financial impact on Council or the community, and as such it was believed that this work was in effect similar to a private development which would not be relevant to the LTP.

It is now understood that despite this such works need to be reflected in the LTP given the flow through on Councils financial statements.

3.3 Independent review of roading data confidence

Recommendation

Undertake an independent expert review of Council's data confidence of roading assets.

Finding

Council does not have recent confidence ratings on the quality of its roading data. No rating surveys have been undertaken since the 2020 survey.

Council's previous three-year programme has been largely focused on renewing the poor surfaces and pavements identified.

Management comment

A pavement ratings survey was conducted in November 2023, and a further such survey will be conducted in late 2024. Other improvements to roading asset information are also underway, as part of the transition of data to NZTA's Asset Management Data Standard (AMDS).

3.4 Alignment of projects within asset management plans to the plan

Recommendation

Update Council's AMPs to align with the plan.

Finding

In our review of Council's Roading and 3 Waters AMPs, we found that financial information and level of service information was not aligned to the financial model or Council's performance framework within its plan.

Management advised that AMPs prepared by council's engineering staff provide a base of technical information which guide, but do not necessarily dictate, the development of the

infrastructure strategy and the plan. All changes are reflected in the infrastructure strategy and therefore Council did not consider it necessary to update the AMPs.

We consider it good practice to align AMPs to the plan. The AMPs contain the detailed information that forms the foundation of the development of Council's plan.

Management comment

Whilst it is possible to retrospectively amend the AMPs to align with the plan, it is believed that the AMPs should ideally be live dynamic documents that are modified as needed to reflect changing circumstances, whilst the LTP reflects a more fixed plan at a particular point in time. In addition, management hold the belief that the AMP should reflect an asset lifecycle rather than take an affordability lens which the financial strategy would dictate. The argument could be why not simply develop an Infrastructure plan based purely on financial affordability which over time would hide the true gap in asset management requirements.

Regardless of the above, to achieve the desired alignment of AMPs and LTP at the time of LTP adoption in future it will be necessary to commence consideration of infrastructure issues earlier in the LTP preparation process, to provide sufficient time for feedback amendments to be made to the AMPs. To be able to do so is likely to require additional human resources relative to those which were available in 2023/24.

4 Quality and timeliness of information provided for audit

The development of the plan is a significant and complex project. We acknowledge the tight timeframes to finalise the plan after the Council deliberations.

We are grateful to the staff for the way they constructively worked with the audit team to provide information, respond to queries, and make improvements to the plan. There however, remained some inefficiencies in the plan.

Inefficiencies affecting the plan emanated from internal Council factors and external factors affecting the Local Government Sector, including:

- the indicative funding announcement by the NZTA;
- Council changes made to the capital asset listing and cost estimates for capital projects;
- consistency issues between the AMPs, infrastructure strategy and Financial Strategy, including reconciliations and amendments required to the plan due to uninflated dollar values being included in the infrastructure strategy;
- identification of omitted wastewater upgrades;
- the closure of the Jordan Stream Bridge in May 2024 and subsequent amendments to the capital project estimations; and
- multiple corrections to the plan, including corrections for the flow of information through the plan.

We plan to seek approval from the Office of the Auditor-General (OAG) to negotiate an additional fee recovery.

We would like to thank management for their professionalism and assistance throughout.

5 Publication of the plan on the Council's website

We provided clearance on 26 June 2024 for the final plan document to be published on the Council's website.

Appendix 1: Unadjusted financial differences

Unadjusted financial differences

	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
1	NZTA: Waka Kotahi subsidy \$203			Borrowings \$203
2			Wastewater Upgrade (Ocean Ridge / Vicarage Views) \$540	Borrowings \$540

Explanation for uncorrected differences

1 This relates to the shortfall on the NZ Transport Agency Waka Kotahi Indicative Funding for Continuous Programmes due to the inflationary impact over the first three years of the plan.

Management has advised that the expected implications of the funding shortfall will be additional debt funding. No change to the programme of works is expected.

The inflationary impact is an estimation and immaterial, this has therefore not been adjusted in the plan.

2 This relates to additional capacity required for wastewater related to the development of the Ocean Ridge and Vicarage View subdivisions. This totals \$540,000 in the first three years of the plan.

These unadjusted misstatements also flow through to other disclosures within the plan.

Council considers either the financial amount or consequential impact on Level of Service as immaterial for each individual year and in aggregate over the term of the plan.

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor General. We are responsible for expressing an independent opinion on the plan and the disclosures required under the Regulations. This responsibility arises from sections 94 and 259C of the Local Government Act 2002.</p> <p>The audit of the plan does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Assurance and Auditing standards	<p>We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Information</i>. In meeting the requirements of this standard, we considered particular elements of the Auditor-General’s Auditing Standards and the International Standard on Assurance Engagements 3400: <i>The Examination of Prospective Financial Information</i> that were consistent with those requirements.</p> <p>Our work cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit of the Council’s plan and all other legally required external audits, we completed an assurance engagement pursuant to the Council’s debenture trust deed. These engagements are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the audit.</p>

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

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Report to:	Council
Date:	25 September 2024
Subject:	Finance Report to 31 August 2024
Prepared by:	S Poulsen - Finance Manager
Input sought from:	C Kaa - Management Accountant
Authorised by:	P Kearney - Senior Manager Corporate Services

1. SUMMARY

The purpose of the report is to provide a summary of the Council's financial performance and financial position to the end of August 2024.

The last two months have produced an operating surplus of \$4.89 million, which is \$1 million better than the budget for the year to date. Grants & subsidies (for opex and capex) collectively account for \$647k worth of this variance, with unexpected funding towards Local Water Done Well (to cover transition expenses), and revenue in advance for the Community Courts and the Wakatu Quay development.

This report is for information only.

Attachment:

a) Finance Agenda Statements to 31 August 2024.

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. FINANCIAL INSIGHTS FOR THE YEAR AHEAD

The Wakatu Quay building consent has been granted in September. The project is about to kick into the construction phase, with the project team predicting visible works at the site over the next few months. We are currently holding around \$4 million in grant revenue ready for this project.

The IAF project and the Glen Alton (Clarence River) Bridge will continue to distort overall financial performance due to the scale of the projects and the significant delays both are experiencing.

NZTA have given their final decision on funding (excluding any additional funding requirements for Glen Alton bridge), and as reported last month, this shows that there are shortfalls from the budgeted subsidies of \$45k for roads, plus another \$251k for footpaths – spread over the next three years. We are still waiting for NZTA's decisions on funding for low cost/low risk work.

Building consent applications have slowed down, however the building team now have capacity to process consents for Hurunui District Council, and so we expect some revenue to flow from time spent in processing. This arrangement is on a cost-only basis, and is a fantastic initiative between the two Councils.

4. STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE ("PROFIT & LOSS")

4.1 Operating revenue

- Resource consent fees are currently running at around half the budget target.
- Dog registrations are still very slow to come in, at only around 80% of budget target.
- The intended revenue from IWK to cover transfer station costs has yet to be invoiced, as a three-monthly process has now agreed between both parties (the first invoice will be issued to IWK for the three months from July to September).

4.2 Grants & subsidies – capital

- Last month we showed that we hold \$4.2 million from PGF for the Wakatu Quay project, and \$202k for the Takahanga Mainpower Multisport Courts.
- In August we also received funding from the Kaikōura Community OpShop to put towards the Multisport Courts.

4.3 Direct operating expenses

- Personnel expenses (salaries, wages, and honoraria) are still under budget at this stage, and are unlikely to self-adjust until the end of October.
- Admin & Office expenses are \$50k under budget due to our own rates to pay on properties we own, which hadn't been input for payment yet (rates are due on 20 September).
- Professional services includes public liability insurance, as reported last month the premiums were more than double the cost from last year. The invoice for an extensive legal issue was paid in August. Those two costs put us \$62k over budget for professional services.
- Grants paid out includes a payment to Kaikōura Healthcare of \$39k for a community support worker – we hadn't received the funding ourselves in order to pay out in August, and so that payment was withheld; now in September we have received those funds and can pass it on to Healthcare this month.
- Repairs and maintenance across the four activity types is related to budget timing.
- All other direct operating expenses are very close to budget.

4.4 Indirect operating expenses

- Depreciation will continue to be much lower than budgeted because the budget forecast has been calculated based estimated completion times which haven't been achieved (such as the Clarence River bridge, Wakatu Quay, and other projects). The Council does not set its rates to cover the cost of depreciation, and so the variance has no cash impact.
- Overheads and internal charges are budgeted as negative expense because staff time is intended to be allocated to capital projects, which transfers the cost from operating to capital.

5. STATEMENT OF FINANCIAL POSITION (“BALANCE SHEET”)

5.1 Current assets

- Cash includes the loan raised last month to refinance a loan maturing in April next year, in the meantime the surplus cash has been invested in a term deposit. We are also holding higher than normal cash balances having received those grants for Wakatu Quay. With that project about to enter construction phase, we can expect cash balances to decrease.
- Trade & other receivables appear relatively high because we have invoiced the first rates instalment for the year, those rates are due on 20 September.

5.2 Non-current assets

- Valuations are now in for forestry and investment property, however at the time of writing this report we had not received the revaluation report for three-waters at 30 June for the Annual Report. We expect that revaluation to increase the value of property, plant and equipment.

5.3 Current liabilities

- Of the \$2.5 million in Trade & other payables, only \$745k is creditors at the time of preparing this report. The remainder is rates held on behalf of Environment Canterbury (\$538k), consent deposits and bonds (\$294k), GST liability (\$235k), accruals, contract retentions, and purchase order commitments (\$696k).
- The current portion of the landfill provision provides for final capping work in the 2025 year.

5.4 Non-current liabilities

- As mentioned last month, we have \$9.3 million in loans with the intention to repay \$2 million in April 2025.
- The non-current provisions refer to landfill aftercare which is forecast to be a liability for the next 80 years.
- Other term liabilities are Environment Canterbury's share of the Marlborough Regional Forestry joint venture, which we hold on their behalf.

6. STATEMENT OF CASHFLOWS

As for last month, cash from normal operating activities is negative which is due to Council's first rates instalment not invoiced until August, and the bulk of cash receipts are due on 20 September. This is in line with operating cash performance in the prior year. During July, over \$4.6 million was received in grants for capital work, most of which is held for Wakatu Quay.

7. CAPITAL PROJECTS

The below table identifies the top 10 projects by planned value, for year one of the Long-Term Plan 2024-2034, and the actual spend for the year so far.

Project	Planned \$000s	Spent \$000s	Spent %
IAF project	6,439	164	3%
Wakatu Quay	3,891	67	2%
Glen Alton (Clarence River) Bridge	2,000	121	6%
Sealed road resurfacing	562	-	0%
Landfill closure & transfer station reconfiguration	400	21	5%
Link Pathway	400	31	8%
West End toilets	390	-	0%
Roading sublayer rehabilitation	330	-	0%
Jordan Stream bridge	300	14	5%
Footpaths	250	10	4%
Other capital projects	1,937	387	20%
	14,962	815	5%

The amounts in this table are limited to budget and actual spend during the 2024/2025 financial year, and don't include previous year(s).

8. FINANCIAL IMPLICATIONS AND RISKS

Monthly monitoring and reporting on the Council financials are required as there is a risk that the Council's financial position could deteriorate with an increase in debt levels; lowered credit rating; or that revenue flows are lower than budgeted, and expenditure is higher than projected.

9. SIGNIFICANCE OF DECISION

This report is for information only; however, it may form the basis upon which other decisions are made (those which have a financial impact).

10. RELEVANT LEGISLATION

The Local Government Act 2002 states that a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

11. GLOSSARY OF TERMS USED IN THE FINANCIAL STATEMENTS:

Statement of Comprehensive Revenue & Expense	
Revenue	
Rates revenue	General and targeted rates, plus penalties, less remissions.
Water meter charges	Invoiced twice a year calculated on water meters attached connected to properties, showing water consumption per m ³
User fees & charges	Fees for goods and services we provide (consent fees, lease revenue, slipway fees, etc)
Grants & subsidies	Grants received for operating costs such as MSD funding for a family violence coordinator, NZTA subsidies for road maintenance and cleaning public toilets, Mayors Taskforce for Jobs, etc.
Development contributions	A fee charged to developers on subdivisions and commercial buildings so they contribute to capital upgrades that are required to service their development and associated infrastructure.
Interest revenue	Interest earned on term deposits and on-call savings accounts
Gains	Increases in the value of investment property, or the surplus over and above the book value of an asset if sold
Other revenue	Infringement fees, petrol tax, waste minimisation levy, insurance claims, logging sales, and MRF revenue
Grants & subsidies – capital	Grants for capital expenditure, such as funding for the Wakatu Quay development, NZTA subsidies for road renewals, etc
Direct Operating Expenses	
Personnel	Salaries, wages, honoraria, staff leave, and Kiwisaver contributions
Personnel-related expenses	Training & conference expenses including travel & accommodation, Fringe Benefit Tax, workplace support, medical insurance, safety gear.
Admin & office expenses	Subscriptions, stationery, bank fees, advertising, postage, rates, etc
Contractors	External resources – building consent processing, cemetery plot preparation, mowing, freedom camping ambassadors, etc
Professional services	Legal advice, consultancy, valuation fees, audit fees, insurance premiums, treasury advice, design fees, accreditation expenses.
Grants & donations	Payments to organisations such as the Museum, KITI, Te Ha, etc.
IT & telecommunications	Software licences and support, phones and cell-phones, internet, website, computer consumables, printer/copier lease, etc
MRF	Marlborough Regional Forestry joint venture (our 11.5% share of expenses)
Utilities	Electricity, cleaning expenses, fuel and vehicle expenses

Project expenses	Project management, waste minimisation projects, environmental projects, back-scanning project, and other specific project expenses
Repairs & maintenance	Building maintenance, playground repairs, elevator servicing, wharf maintenance, vandalism repairs, tools & equipment. Road drainage and seal maintenance, pothole repairs, etc. Kerbside recycling and rubbish collection service, transfer station operating expenses, rubbish pickups, town rubbish bin services. Water services scheduled maintenance and unplanned repairs.
Statement of Financial Position	
Cash & cash equivalents	Bank accounts and term deposits: note - includes long-term deposits
Trade & other receivables	Debtors. Includes rates, leases, and other invoices, and is the amount that ratepayers and customers still must pay to the Council.
Prepayments & inventory	Bills we have paid in advance (such as insurance and subscriptions), plus stock on hand.
Current financial assets	The loan from the Council to Innovative Waste – the amount that will be paid back within 12 months.
Other current assets	Assets held for sale (e.g. the Esplanade land – former Council office)
Intangible assets	Software systems that we own (rather than hold a licence to use)
Forestry assets	Standing trees, valued annually at the likely return if logged and sold
Investment property	Wakatu Quay – valued annually. The Council has classified this as an investment property because it expects the land to generate a return
Property, plant & equipment	All other assets – land, buildings, roads & bridges, wharves, water and wastewater infrastructure, vehicles, office equipment, library books.
Trade & other payables	Creditors. The balance of bills we haven't paid yet, and other amounts we must pay within 12 months (GST, refundable bonds, ECan's share of rates revenue, etc).
Employee liabilities	Annual leave owing to employees
Landfill provision – current	An estimate of the cost that will be incurred within the next 12 months to secure and cap the site.
Current portion of term debt	Loans (or portion of loans) that must be repaid within 12 months
Provisions	An estimate of the cost that will be incurred to secure and cap the site beyond the next 12 months, and to keep maintaining the site ongoing.
Borrowings – non-current	The balance of loans that don't need to be repaid within 12 months
Other term debt	Our share of Marlborough Regional Forestry debts, and any other long-term liabilities
Public equity	A type of equity that records accumulated surpluses and deficits, and other movements in equity not recorded below.
Asset revaluation reserve	A type of equity that records movements in property, plant and equipment values.
Special funds & reserves	A type of equity that records funds set aside for specific purposes (such as grants, targeted rates, development contribution funds, etc)

12. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

we work with our community and our partners to create a better place for future generations

KEY INDICATORS

AS AT 31 AUGUST 2024

OPERATING RESULT

operating surplus/(deficit)

\$4.89m

\$1,002k favourable v/s year to date budget of \$3,888k

OPERATING COSTS

costs to deliver existing levels of service

\$3.22m

\$356k favourable v/s year to date budget of \$3.57m

TOTAL EXTERNAL BORROWING

total borrowings from bank

\$9.30m

\$2,000k unfavourable v/s full year budget of \$7.3m

INTEREST ON DEBT

cost to service debt

\$49k

\$20k favourable v/s year to date budget of \$69k

CAPITAL EXPENDITURE

cost of new &/or replacement of assets

\$0.82m

\$133.7K unfavourable v/s year to date budget of \$681.5K

DEVELOPMENT CONTRIBUTIONS

received for district growth

\$31.2k

\$3.4k favourable v/s year to date budget of \$28k

LONG TERM PLAN MEASURES

DEBT AFFORDABILITY BENCHMARK

financing expenses as a % of rates

1.9%

8.1% favourable v/s council approved limit of 10.0%

EBID

earnings before interest and depreciation

\$5.75m

\$761K favourable v/s year to date budget of \$4.99m

BALANCED BUDGET BENCHMARK

revenue equal or greater than expenses

252%

152% favourable v/s council benchmark of 100%

BORROWINGS TO EQUITY

Term loans as a % of equity

3.13%

0.85% unfavourable v/s full year budget of 2.27%

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE PERIOD ENDED 31 AUGUST 2024

	BUDGET	BUDGET YTD	ACTUAL	YTD VARIANCE
	2025	YTD	YTD	
		31/08/2024	31/08/2024	31/08/2024
	\$	\$	\$	\$
REVENUE				
Rates revenue	10,537,555	2,634,390	2,646,390	12,000
Water meter charges	229,600	-	440	440
User fees & charges	1,922,856	430,832	391,163	(39,669)
Grants & subsidies	991,880	108,181	268,085	159,904
Development contributions	61,559	27,781	31,229	3,448
Interest revenue	57,489	9,582	32,999	23,417
Gain	88,200	-	-	-
Other revenue (1)	685,001	29,178	28,491	-687
Total Operating Revenue	14,574,140	3,239,944	3,398,798	158,854
Grants & Subsidies - Capital	14,046,867	4,220,831	4,708,073	487,242
Total Revenue	28,621,007	7,460,775	8,106,871	646,096
DIRECT OPERATING EXPENSES				
Personnel	4,126,431	700,708	534,935	(165,773)
Personnel Related Expenses	342,958	69,929	64,639	(5,290)
Admin & Office Expenses	452,374	102,097	51,498	(50,599)
Contractors	621,402	72,181	77,909	5,728
Professional Services	1,517,867	396,787	459,203	62,416
Grants/Donations	736,084	304,293	343,650	39,357
IT & Telecommunications	811,735	111,241	100,940	(10,301)
MRF	119,676	9,973	12,650	2,677
Utilities	716,573	112,791	106,238	(6,553)
Project Expenses	259,832	125,410	139,745	14,335
Repairs & Maintenance - Facilities	482,574	53,023	57,131	4,108
Repairs & Maintenance - Roading	1,368,522	263,726	228,050	(35,676)
Repairs & Maintenance - Waste	352,000	58,128	59,223	1,095
Repairs & Maintenance - Water	787,800	122,197	106,633	(15,564)
Other Expenses	574,096	11,381	17,880	6,499
Total Direct Operating Expenses	13,269,924	2,513,865	2,360,325	(153,540)
INDIRECT OPERATING EXPENSES				
Depreciation	6,238,922	1,028,246	808,063	(220,183)
Financing expenses	392,361	69,304	49,115	(20,189)
Overheads and Internal Charges	(196,378)	(38,174)	-	38,174
Total Indirect Operating Expenses	6,434,905	1,059,376	857,178	(202,198)
Total Operating Expenses	19,704,829	3,573,241	3,217,503	(355,738)
Operating surplus/(deficit)	(5,130,689)	(333,297)	181,295	514,592
TOTAL COMPREHENSIVE REVENUE & EXPENSE	8,916,178	3,887,534	4,889,368	1,001,834

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	BUDGET to year end \$	ACTUAL 31/08/2024 \$	ACTUAL 31/08/2023 \$
ASSETS			
<i>Current assets</i>			
Cash & cash equivalents	1,682,415	6,469,332	2,011,431
Trade & other receivables	1,956,405	3,291,446	2,583,452
Prepayments & inventory	254,081	3,353	(110,768)
Current financial Assets	20,000	20,000	20,000
Other Current Assets	330,000	330,000	330,000
Total current assets	4,242,902	10,114,131	4,834,115
<i>Non-current assets</i>			
Intangible assets	-	33,731	60,318
Forestry assets	2,520,931	2,752,051	2,400,887
Investment property	7,477,534	3,000,000	2,940,000
Financial Assets	206,500	301,500	171,500
Property, plant & equipment	316,712,143	294,658,722	288,248,605
Total non-current assets	326,917,108	300,746,003	293,821,309
TOTAL ASSETS	331,160,010	310,860,135	298,655,424
LIABILITIES			
<i>Current liabilities</i>			
Trade & other payables	1,611,807	2,503,930	1,896,570
Employee liabilities	257,367	227,794	193,265
Landfill Provision - current	-	388,680	579,887
Current Portion of term debt	1,000,000	-	-
Total current liabilities	2,869,174	3,120,405	2,669,722
<i>Non-current liabilities</i>			
Provisions	224,575	382,133	224,575
Borrowings – non-current	6,300,000	9,300,000	5,300,000
Other term debt	482,928	545,169	482,928
Total non-current liabilities	7,007,503	10,227,302	6,007,503
EQUITY			
Public equity	143,790,195	126,949,557	119,648,366
Asset revaluation reserve	175,115,415	166,570,625	166,524,581
Special funds & reserves	2,377,723	3,992,246	3,805,251
Total equity	321,283,333	297,512,428	289,978,198
TOTAL LIABILITIES & EQUITY	331,160,010	310,860,135	298,655,424

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2024

	BUDGET to year end \$	ACTUAL 31/08/2024 \$	ACTUAL 31/08/2023 \$
OPERATING ACTIVITIES			
Receipts from rates	10,767,157	2,646,390	2,367,799
Interest received	57,489	32,999	12,154
Receipts from other revenue	16,871,284	2,857,948	444,257
Payments to employees & suppliers	(13,937,592)	(7,238,055)	(3,880,822)
Interest paid	(392,362)	(49,115)	(32,511)
Goods & services tax (net)	-	(452,705)	(504,291)
Net Cash from Operating Activities	13,365,976	(2,202,538)	(1,593,414)
INVESTING ACTIVITIES			
Grants received for capital work	-	4,708,073	794,702
Purchase of investment property	(3,890,816)	-	-
Sale of property, plant & equipment	-	-	148,082
Purchase of property, plant & equipment	(13,007,991)	(818,162)	(608,919)
Purchase of forestry assets	-	-	-
Purchase of intangible assets	-	-	-
Purchase/Sale of non-financial assets	-	(95,000)	5,000
Purchase of current-financial asset	-	-	-
Payment into term deposits	-	-	-
Net Cash from Investing Activities	(16,898,807)	3,794,911	190,783
FINANCING ACTIVITIES			
Movement in borrowings	-	2,000,000	-
Net Cash from Finance Activities	-	2,000,000	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(3,532,831)	3,592,373	(1,402,631)
OPENING CASH	5,215,246	2,876,959	3,414,063
CLOSING CASH BALANCE	1,682,415	6,469,332	2,011,431

Report to:	Council	File #
Date:	25 September 2024	
Subject:	Community Services Team Update	
Prepared by:	S Haberstock – Community Services Manager	
Input sought from:	Community Services Team and partners	
Authorised by:	P Kearney – Senior Manager Corporate Services	

1. SUMMARY

The purpose of this report is to keep the Mayor and Councillors informed of the activities delivered by the Community Services Team and showcasing the strong partnerships we have with the Kaikōura community. The report this month includes activity updates for August/September.

2. RECOMMENDATION

It is recommended that the Council receives this report for information.

3. ACTIVITY UPDATES

1. Community Development

i. Government goals and wellbeing objectives

Section 26KB of the Public Finance Act requires the Government to explain, in the fiscal strategy report, how wellbeing objectives have guided the Government's Budget decisions. As stated in the Budget Policy Statement, the Government's overarching goals for its term of office are to:

- Build a stronger, more productive economy that lifts real incomes and increases opportunities for New Zealanders.
- Deliver more efficient, effective and responsive public services to all who need and use them - in particular, to restore law and order and improve health outcomes and educational achievement.
- Get the government's books back in order and restore discipline to public spending.

These goals are also the Government's wellbeing objectives, as meeting these objectives is the most important contribution the Government can make to the long-term social, economic, environmental and cultural wellbeing of New Zealanders. They have clearly guided the Government's Budget decisions despite the signalled intention to remove the four wellbeing from the Local Government Act. This means the educational outcomes of Te Hā o Mātauranga are more important than ever. Please see a detailed report below.

a) *Community Development and Community Groups*

ii. Te Hā o Mātauranga (THOM)

Vicki Gulleford, Sarah Beardmore and Susi Haberstock joined the Runanga meeting on Sunday 8 September 2024. We gave a presentation on where Te Hā o Mātauranga is and potential changes in the Alternative Education space. THOM has two main values:

1. A strong commitment to strength-based practice – we view everyone who comes through our door as a taonga (treasure).
2. Transparency – we believe transparency implies openness, ongoing communication and public accountability.

The current staff

- Vicki Gulleford & Sarah Beardmore – Coordinators
- Elbie Burnett – Youth Coach, Kaikōura Youth Council Coordinator
- Aysia McMillan - Employment Coordinator

- Mark Paterson – Employability Coach, Youth Mentoring, Youth Development
- Joey Paterson – Driving Coordinator
- Jane Throssell – Learning Tutor
- Rob Roche – Driving Instructor and Defensive Driving
- Jo Dell/Renee Wood – REAP

What we do

- Education Support
- Mayor’s Taskforce for Jobs
 - Employability coordinator
 - Driving Coordinator
- Youth Employability Programmes
- Youth Development programme
- Youth Services
- Driving instructor, Defensive Driving
- Road Safety
- Youth Council
- Youth Mentoring
- Adult Education (through a strategic partnership with REAP Marlborough)
- Community Shed and Garden

Education Support for Rangatahi

Since Te Hā o Mātauranga was opened in 2017, we supported rangatahi who became disengaged from school. Until 2021, we had no formal funding for this role. In 2021 we were funded for 15 hours a week to provide a learning tutor for students on Te Kura (the correspondence school) to help engage them with their teachers and schoolwork.

This funding came to an end in 2023. This year we have continued supporting rangatahi who have come to us and requested support. However, in 2023 Kaikōura High School was funded through the MOE for Alternative Education support for the first time. The school is retaining the funding on site to provide alternative education opportunities there.

Consequently, we are reviewing what we will offer in 2025, thinking we may focus only on the 16 plus youth, providing a localised programme that will cater to those students that are looking for a more practical, life skills-based programme. We are in the process of preparing to reach out to whānau and the community for their feedback about what we offer next year.

Feedback

We are preparing a survey that will give us guidance on what people are feeling about our proposed change of education focus and we welcome any feedback, aspirational direction, and/or questions.

Mayor’s Taskforce for Jobs (MTFJ)

Kaikōura District Council devolved the MTFJ contract to Te Hā o Mātauranga. This is an MSD contract aimed at placing 30 young people into sustainable employment (over 91 days) over the current year.

Last year the target was 38 people, and we supported 47 into sustainable employment.

MTFJ brings in courses such as Class 2 (HT), entrepreneurship, beauty/lash, fire warden, LCQ and more.

Currently, we are running a Youth Employability programme with our MSD Clients with weekly updates to the case manager. One youth has left for work, one has started work experience, one is doing driver licensing and another two have started in traffic management training.

Traffic Management was a success with all 5 people attending the theory. They are now ready to do their mentoring and practical. Truck licensing had 100% pass rate.

While placements were slow, we have now placed 2 youth into sustainable employment and 3 young people into work experience in their desired areas of work.

Driver licensing was also a little slower this month with 1 learner license pass, 2 restricted and 20 driving lessons delivered through our instructor.

ii. Other community group updates

Takahanga Sports Courts

We are awaiting a start date from the contractor for works. Hopefully this will be near the end of September 2024 with works anticipated to be completed within 4-6 weeks of that date. All tennis and netball equipment has been ordered and is set to arrive shortly.

Pensioner Housing

A flat has become available so a new tenant will be chosen by the committee in the coming weeks. This flat will require some refreshing such as painting and carpeting and could include double glazing so unknown time frame for a new tenant to move in at this stage.

Otago Medical Students

Seven Otago Medical students visited at the end of August where they sat in on the start of Council meeting and then had a session with the Community Development team learning about our community, housing, organisations that we collaborate with and how we work together in a small town. A great bunch of interested students with some keen to be in a small town such as ours. They shared their favourite part was being in the Council meeting and seeing how local government works in action.

Aging Well Kaikōura (AWK)

- Alison Moore conducted two Focus Group sessions at the beginning of September 2024 with 20 participants. These were well received, and we got some valuable insights into what the community wants to see in future. These will add background to the statistics incorporated into our strategy document due in October.
- Expressions of interest letters were sent by AWK to ten rest home/care providers recently.
- The search for a piece of suitable land close to town and amenities for an Abbeyfield continues.

Te Whare Putea

Te Whare Putea manages the Kaikōura Community Foodbank, based at the Heartlands Centre. Donations are made at New World Supermarket and by churches or collections at community events. Funds to stock the foodbank are donated from a range of individuals, groups and organisations. People needing Foodbank assistance are interviewed by one of their staff to work out their needs. In the past 12 months they have supported over 600 people in the Kaikōura Community with food parcels. Donations are always needed and at the Community Networkers this month, Te Whare Putea encouraged more people to donate. Items to donate include:

- breakfast items (cereal, bread, butter, milk)
- school lunch items (bread, spreads, fruit, cheese, crackers, plain biscuits)
- main meals (easy preparation items, pasta, rice, eggs, tinned goods, sausages, mince etc)
- basics (tea, coffee, Milo, flour, tinned fruit, general baking items)
- sanitary needs (toilet paper, women's needs, shampoo, soap etc)
- baby nappies and wipes
- cleaning products (laundry powder, dish wash liquid, detergent)
- pet food

Kaikōura Violence Free Network

We were successful in securing another year of Violence Free funding from MSD. This means we have \$32,000 for the provision of local family violence prevention coordination activities that improve outcomes for families, including (but not restricted to) developing local, effective joined-up responses to family violence.

The aim is building relationships in and outside the family violence sector, sharing knowledge and resources to improve service capacity through training, mobilising communities to change attitudes and behaviour towards family violence. There will be three funding rounds.

b. Community Events

Funding Workshop

A funding workshop was held at Heartland Services on Tuesday 10th September. This was well attended by community members and a number of funders spoke about funding streams and opportunities. This included Rata Foundation, Te Putahitanga o Te Waiponamu, Sport Tasman, Internal Affairs and KDC.

Festival of Adult Learning celebration

A morning tea event was held at Te Hā o Mātauranga on Friday 6th September as part of the Celebration of Adult Learning Week. This was attended by interested community members and some good discussion took place around our current adult learning situation along with suggestions for improvements and overcoming some of the barriers that some people face. Te Hā o Mātauranga has a contract with REAP Marlborough to deliver some courses and their coordinator was present along with Te Ha and Community Development staff.

2. Kaikōura Emergency Management

We are starting preparations for Exercise Pandora running on the 5th of November. We will run a 12 hour 2-shift session that day mimicking Day 3 of an Alpine Fault Earthquake. This will assume that a state of emergency condition has already been declared and our first responders have been deployed. As a Council, we will start to look at roading, water, utility lifelines and community welfare.

The Secondary EOC (Tar Depot) is being prepared as our base of operations.

The EMO team will be reaching out to the schools to do assemblies on preparedness prior to the Christmas shutdowns. Gayle McMillan and Alison Moore will conduct these using age-appropriate materials and practicing Drop – Cover – Hold and Evacuations.

Additional training sessions have been made available in October to staff that missed them last time. All staff are being encouraged to complete them before Pandora kicks off.

Recovery Manager update:

Collaboration and Information Sharing – what we are currently working on.



- Sort recovery file sharing pre-event and in event.
- Regional recovery hui (monthly 1 hour on-line and 3 monthly in person)
- Group recovery managers on-line hui (fortnightly)
- Work nationally with other Groups and NEMA on three priorities:
 - Pre-disaster recovery plan
 - Training materials
 - Tools and templates

3. Kaikōura District Library

As public libraries continue to evolve from information repositories into community hubs, they play a crucial role in promoting social inclusion. While homeless people have a right to civic participation, often they are subject to negative stereotypes and can face a range of barriers preventing them from equal access to library services.

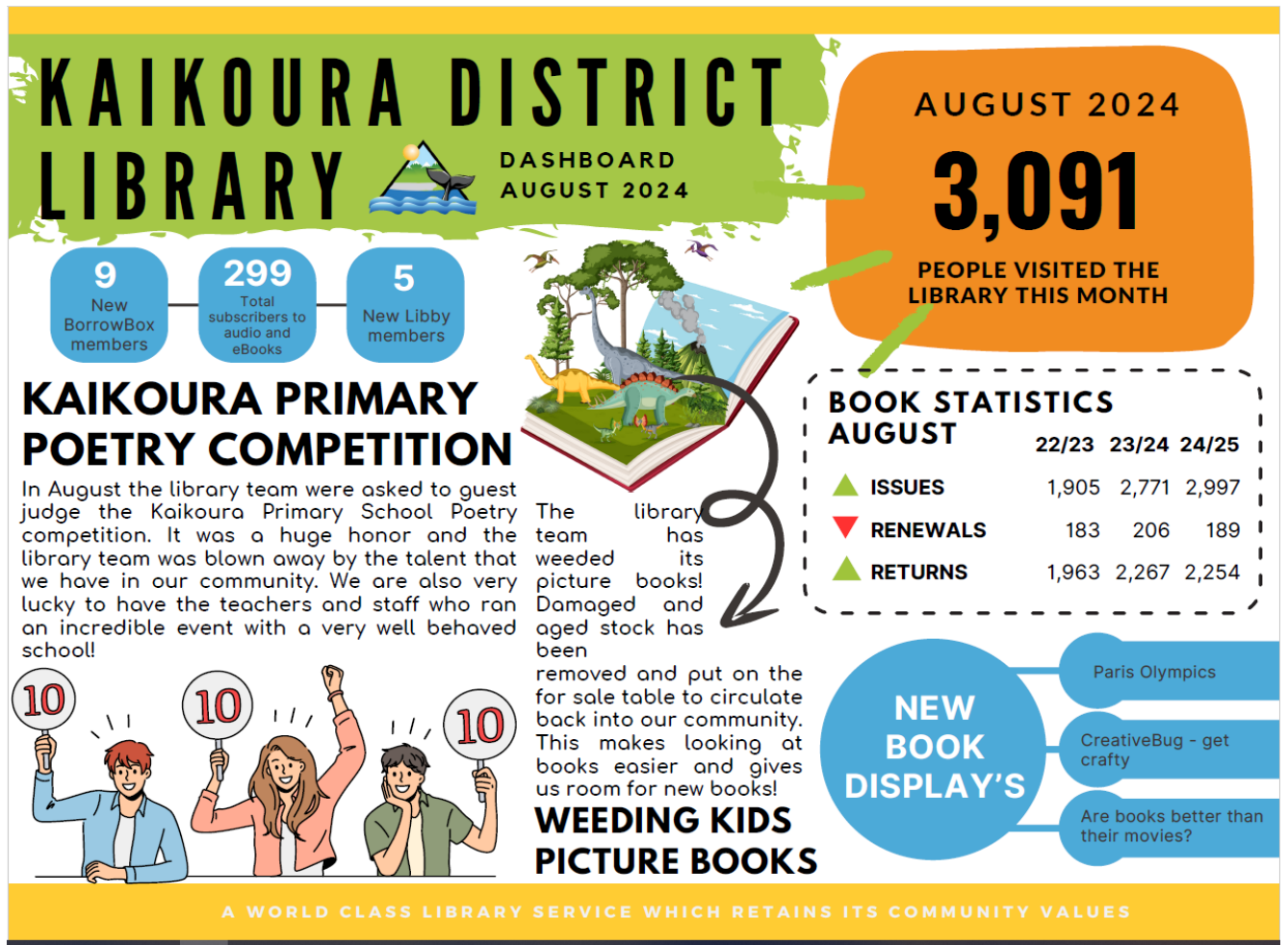


Homeless people are often labelled as a homogenous group, instead of people who are experiencing homelessness, but who also have varied needs, motivations, skills, and interests. Current research emphasises that consultation with target groups is important when developing targeted services, instead of making assumptions about what they need. The information needs of a homeless library user depends on their specific situation, just like any other customer.

Aotearoa has one of the highest rates of homelessness in the OECD. So, it is more important than ever for our library to ensure we contribute towards the social inclusion of our growing homeless

customers by providing a safe space, with our well-trained, non-judgemental, and welcoming staff, equitable treatment, and library services that include input from homeless customers themselves.

Our monthly statistics are captured in the dashboard below. It is pleasing to see our monthly issuing statistics keep growing and the numbers of people visiting our library is also increasing:



4. FINANCIAL IMPLICATIONS AND RISKS

None – expenditure remains within budgets.

5. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose

Report to:	Council	File #
Date:	25 September 2024	
Subject:	Kaikōura Youth Council	
Prepared by:	Kaikōura Youth Council and Staff	
Input sought from:		
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

We have had a full-on two months and are in the middle of Youth Week 2024! We have a lot of cool things happening this week and more training and events to look forward to!

2. RECOMMENDATION

It is recommended that this report is received for information.

3. BACKGROUND

Kaikōura Youth Council (KYC) are a group of young people making a difference to the Kaikōura community. They have been active in Kaikōura since 1999 and meet regularly after school at Te Hā o Mātauranga – Learning in Kaikōura, to work on youth issues, organise events and bring Kaikōura's youth together.

KYC aims to help Council engage with the youth of Kaikōura by facilitating a pathway of communication and representing youth in Council matters. All their work is to improve the ways of well-being (social, environmental, cultural and economic) for the youth of Kaikōura.

KYC's vision statement is Kaikōura youth are optimistic, confident and make valued contributions.

4. DISCUSSIONS

4.1- Te Wiki o Te Reo Māori

KYC is running games in KHS during Te Wiki o Te Reo Māori on Thursday 19th September.

4.2- Mental Health Awareness Week

KYC is putting on a movie at the Mayfair for Mental Health Awareness week. It is a free entry for youth and is a great opportunity for young people to take a break and spend time with their friends.

4.3- Model Parliament

Anna and Fateha went to NZMP to experience life as a politician. They were put into different Parties, Roles and Ares. They created modifications to a Mock Bill and learnt about the ins and outs of Parliament.

4.4- Halloween Quiz Night

We are going to be putting on a Halloween themed Quiz night for the community on the 24th of October. It will be a gold-coin donation to cover costs. There will be a range of prizes including a best-dressed prize. We will also be providing dinner.

4.5- Survey

We wrote a survey asking youth at Kaikōura high school about the youth plan and if they would like to be a part of helping Kaikōura with it.

4.6- Youth Hub

We have been in discussion about possibly creating a Youth hangout space.

4.7- AGM

KYC had their AGM on the 29th of August. We now have a new leadership team.

5. COMMUNITY OUTCOMES SUPPORTED



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We promote and support the development of our economy



Services

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Environment

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Future

We work with our community and our partners to create a better place for future generations

Report to:	Council
Date:	25 September 2024
Subject:	Planning Update Report
Prepared by:	Z Burns – Planning Officer
Input sought from:	P Egan – LIMs & Administration Officer F Jackson – Policy Planner M Hoggard – Strategy, Policy and District Plan Manager
Authorised by:	M Kearney – Senior Manager Corporate Services

1. SUMMARY

This report provides a high-level update of what is occurring in the planning department.

The key aspects to note are:

- Resource Consents are being processed by external consultants
- LIM numbers remain consistent with occasional influxes
- Central Government reforms remain a work in progress
- Canterbury Regional Policy Statement review continues

Attachments:

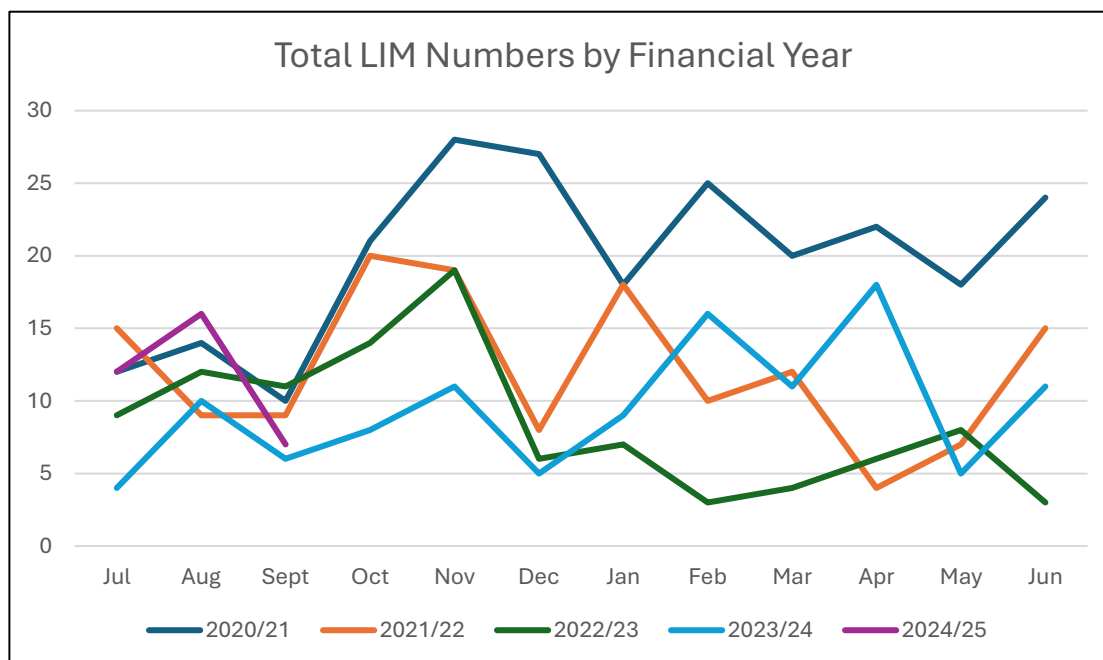
- Resource consents in progress

2. RECOMMENDATIONS

It is recommended that the Council receives this report for information.

3. BACKGROUND

3.1. Resource Consent Status



A majority of resource consents continue to be processed by external consultants to allow staff to be focused on policy development (Reserve Management Plans, District Plan, Spatial Plans and Review of regional plans) this will impact revenue generation for the planning department.

Since the previous Council update, there has been an application to extend the Ocean Ridge Subdivision along Ingles Drive to create an additional 22 allotments as provided by the outline plan. The application has been referred to as “Highgate” by the developers. The Light Industrial Park has also been submitted which seeks the creation of 52 commercial Lots, we are processing this internally.

In terms of general processes subdivision consents in the rural zone are being placed on hold under section 91 of the Resource Management Act, this defers the application pending an additional consent. This ensures that when a subdivision is created it will have the ability to discharge to ground in the rural environment, rather than pushing the discharge consent onto future purchasers. Currently, other parts of Canterbury are seeing discharge consents being refused and holding tanks being installed, which can often result in other long-term problems, staff are keen to avoid such problems occurring within the Kaikōura District.

LU1964, for Chapman Lindsay Developments Limited is currently on hold at the request of the applicant. The applicant was advised that the application for 9 new apartment units on the Esplanade breach the height control area, site coverage, etc and will need to be publicly notified. With news of the Spatial Plan being open for public consultation, the applicant has requested that the application be placed on hold to wait for feedback on the spatial plan as it may provide support for the application.

3.2. Land Information Memorandums

LIM numbers from August saw a spike towards the end of the month. The total number for August was 16 LIMs, being the most LIMs in the last 4 years for August. So far, for September, there have been 7 (seven) LIM applications.

In the last two months there have only been two commercial LIM applications.

3.3. District Plan Review

The Planning team intends to bring a report to the next Council meeting to gain direction on the review of the District Plan.

3.3.1. Plan Change 5

The section 42A report was published on the 4th September, in line with the RMA requirement of 15 working days ahead of a hearing. The Commissioners Panel are currently considering the report. The applicant, Kaikōura Dark Sky Trust supports the 42A report and a hearing may not be necessary. There were 38 submissions in total for the notification of the plan change, all of which in support of the proposal.

The s42A report agrees with the findings of the Section 32 Report, and concludes that PC5 achieves the purpose of the RMA and recommends no changes to what was provided in the section 32 evaluation report.

3.4. Spatial Plan

The draft Kaikōura Spatial Plan was publicly notified on 12th September. It will be available for public comment for a month, until 5pm on Friday 18th October 2024. Council will be holding drop in sessions on the 19th and 26th of September from 12:30 to 1:30pm and 5pm to 6pm. These drop in are intended to provide an opportunity for people to ask questions prior to making submissions. These have been advertised online via the website and Facebook. Material is available on the Council public notices website. The Spatial Plan submission process closes on 5pm 18th October 2024.

3.5. Reserve Management Plan

A draft Reserve Management Plan for the Esplanade Reserve has been developed with input and guidance from Tregaskis-Brown. This will be publicly advertised for period of two months. In the meantime, a draft for the South Bay Forest Reserve is being developed.

Workshops for the South Bay Domain/Racecourse and the Takahanga Domain reserves will be run in preparation for the respective Reserve Management Plans.

3.6. Draft Canterbury Regional Policy Statement

Initial feedback has been provided to Environment Canterbury the focus of this feedback has been:

- Regionally significant infrastructure (Kaikōura Marine Facilities)
- Flooding – egress and flood free location
- Waste Water Disposal
- Wild Fire
- Māori Land

A productive meeting occurred on 13th September that was attended by Environment Canterbury, Hurunui District Council and Kaikōura Council staff. A bespoke policy has been suggested to address concerns raised about regionally significant infrastructure, a draft is currently in development. The other aspects raised are likely to see changes made. Staff are currently awaiting a future draft.

4. Relevant Legislation

Resource Management Act 1991 (RMA) remains the relevant legislation.

4.1. Legislative Reforms Update

4.1.1. Government recommends fast-track bill changes

The environment select committee is currently reviewing the bill changes recommended by the cabinet, which are as follows:

- Projects applying for fast-track approval will be referred to by an expert panel by the minister for infrastructure alone, who will be required to consult the MfE (Ministry for the Environment) and any other relevant portfolio Ministers as part of that referral process.
- Final decision on projects will be with an Expert Panel.
- Expert panel will include expertise in environmental matters – including an iwi authority representative, when required by Treaty settlements,
- Applicants will be required to include information on previous decisions by approving authorities, in their applications for the referring minister to consider.
- Timeframes for comment at the referral and panel stages will be extended in order to give parties, more time to provide comments.
 - Currently, under section 15 of the FTA Bill, the responsible agency must decide whether the referral application is complete within 10 working days after receiving it.

The Environmental Select Committee will decide whether to accept these recommendations before delivering its report. The FTA bill could become law in late 2024.

4.1.2. Fast-track project application details released

Government announced that 384 applications to list projects in Schedule 2 of the Fast-track approvals bill (FTA Bill) were assessed by an independent fast-track projects advisory group by 2 August.

Applications were for:

- 40% urban development projects (152 applications)
- 24% infrastructure projects (92 applications)
- 18% renewable energy projects (71 applications)

- 8% aquaculture and primary industry projects (29 applications))
- 5% mining projects (21 applications)
- 5% quarrying projects (19 applications)

61 of these applications were in the Canterbury region, more than any other region in the country.

4.1.3. Second resource management amendment bill announced

Govt announced plans for a 2nd bill to make targeted amendments to the RMA. The bill is due to be introduced to Parliament later this year and could become law in 2025.

The key proposals being considered are:

- **Infrastructure**
 - Amend consent info requirements/requests and support decision makers in effective consent conditions
 - Extend default lapse period for designations from 5 to 10 years
 - Extend scope of who may be a requiring authority
 - Remove or simplify alternatives test, and reduce assessment and information requirements
 - Extension of certain coastal permits for port companies by 20 years
- **Housing**
 - Councils to demonstrate compliance with 30-year housing growth targets
 - A process to allow tier 1 councils to opt-out from implementing MDRS (medium density residential standards) into relevant residential zones.
 - Processes for Councils that have not yet completed MDRS and NPS on urban development related plan changes
 - Providing central government with new powers relating to compliance with housing and business development capacity assessments
 - Exploring additional intervention powers to support implementation of the Going for Housing Growth Plan
 - Enable better heritage management.
- **Emergencies and Natural Hazards**
 - Improvement to emergency provisions, including a new regulation making power for emergency responses
 - Ability to decline land-use consents, or attach conditions, where there are significant risks of natural hazards.
 - Rules relating to natural hazards have immediate legal effect (from notification)
- **System Improvements**
 - Efficient cost-recovery by local authorities
 - Targeted improvements to compliance and enforcement
 - Technical improvements to DOC functions to manage discharges, compliance and enforcement.

The government has indicated it will make further farming and primary sector package announcements in coming months.

4.1.4. Next step on Electrify New Zealand announced

Coalition government has outlined its plan to make it easier and cheaper to consent, build and maintain renewable electricity generation, distribution and transmission.

It is a key part of the gov't's plan to grow the economy, strengthen energy security and reduce emissions to achieve Net Zero 2050.

Electrify NZ plan involves fundamental changes to planning and regulatory settings. The proposed plan would:

- Est. a one-stop fast-track approvals and permitting regime
- Reduce consent and re-consenting processing times
- Extend default lapse periods for consents from 5 to 10 years
- Increase the default consent duration for consents to 35 years.

The govt. plans to make these changes through the 2nd RMA Amendment bill later this year. It also plans to:

- Amend NPS for Renewable Electricity Generation and Electricity Transmission, so they are more directive and enabling of renewable electricity and transmission
- Develop further national direction to enable a range of energy and infrastructure projects (including NPS-infrastructure and subsequent standards for different types of energy generation and infrastructure)
- Introduce a Bill to enable a regime for offshore renewable energy to be in place by mid-2025 to give developers greater confidence and certainty
- Update a variety of regulatory settings, so NZ's infrastructure system can cope with the economy-wide shift to electrification.

4.1.5. National direction for Natural Hazards announced

A two-phase approach to direct councils to consistently manage risks from floods, landslides and other natural hazards when planning new land use activities.

102 submissions received, resulting in an overall support for the intention of the proposal. Some submissions considered that it would be more workable to make changes once rather than repeatedly. The Central Government have decided to progress National direction for Natural Hazards through a single instrument, to be in place by mid-2025. This will occur as part of phase two of the RMA reform programme.

There will be further opportunity to contribute to development of natural hazards policy through public consultation process for phase two.

4.1.6. Highly Productive Land Policy Amendments

Changes to NPS for Highly Productive Land (HPL) 2022 will come into effect on 13 September – enabling new renewable energy projects, indoor primary production & greenhouses.

Further changes to NPS-HPL will be considered as part of the Government reform of the resource management system.

4.1.7. Changes to free up more capacity for housing

Requirements for Councils to free up more capacity for housing are decided by the Government as part of its Going for Housing Growth Plan. Changes will be made through amendments to the RMA & NPS on Urban Development. Formal consultation on the detailed design changes will occur in early 2025.

Please note this relates to Tier 1 & 2 centres but often this has a flow-on effect for Kaikōura.

5. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Environment

We value and protect our environment



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Future

We work with our community and our partners to create a better place for future generations

ATTACHMENT A

1. Active and deferred Resource Consent, Flood Hazard Certificates and Other Consent Applications to 19 September 2024

“Deferred” applications are applications which have been placed on hold either on a request by the applicant or by Council requesting further information to better understand the effects of the proposed activity. Where applications are deferred the statutory processing clock (working days) is placed on hold.

Appendix I

No	RC ID	Applicant Name	RC Description	RC Location	Status / Notes	Days
1.	1632	D & R NZ Ltd	Land Use (Mixed use building development)	26-36 West End	No change from June 2021 Council meeting. Deferred (s 92). Waiting for further information Neighbour's approval was requested in September 2019 further information was requested in October 2019. A reminder was sent to applicant on the 20/07/2020. A follow up email has been sent in July 2021. Interim invoice has been sent. Further follow up has since taken place (June 2023 and the applicant has more recently come to the office to discuss) and proposal has been reduced. Council will not continue to process until payments have been cleared.	10
2.	1777	John Drew	Relocation of building platform, boundary setbacks breached.	1481 D State Highway 1	The matter has been passed on to our enforcement team. On 30 th May 2023 a geotechnical report has been provided, staff are still awaiting the landscape assessment, the application remains on hold. A further follow-up letter has been sent 1 st March 2024 requiring an update by 31 st March 2024.	18
3.	1797	Elisha Dunlea	Two lot subdivision	190 Mt Fyffe Road	Applicant had originally withdrawn application but have now asked to have the application put back on hold under s 92(1) as the consent was ready to be issued. Processed by RMG. Council staff need to speak with the applicants about this consent. Council has followed up with the applicant on 21 st June 2023, 7 th July 2023, 18 th September 2023 and again on 9 th February 2024.	11
4.	1870	Mark Baxter	Outdoor Dinning Area – Temporary Activity	21 West End	On hold by the applicant - Limited notification has closed, a submission has been received from the neighbour, plans are to be amended and neighbour has said they will give approval provided fence built This application was limited notified, therefore, it remained active until the applicant requested the application to be placed on hold due to discussions with the affected party. The adjoining neighbour	65

					has agreed by email to provide written approval final documents are awaited. Processed in house	
5.	1889	Kaikōura District Council	Earthworks in flood hazard area for Clarence/Waiatoa Bridge	Road reserve	Placed on Hold by Applicant Being processed by Resource Management Group S37 Issued for March 2024	195*
6.	1892	Anthony Lund	Build a three bedroom dwelling with attached garage that intrudes the recession planes on north, East and West boundary of the property	148 South Bay Parade	Deferred Being processed by LMC	15
7.	1908	Moanna Farms Ltd	Earthworks within landscape area	20 Moana Road	Deferred – awaiting payment Follow-up email sent 19 th March 2024	-
8.	1925	Fisher and Farr	Visitor accommodation and construction of a residential unit in the Fault Avoidance/awareness overlay	12B Louis Edgar Pl	Deferred Being processed in house Awaiting structural engineer information, flood hazard assessment and further neighbour approvals. Illegal plumbing works are also being investigated, enforcement may be required.	16
9.	1930	David Hamilton	4 lot subdivision and amalgamation locating a building platform in the fault avoidance area	759 Mt Fyffe Road	Deferred Processed in house Draft officers report prepared for review, draft conditions provided to the applicant Delay due to complexity Conditions under discussion with the applicant	102
10.	1941	Brent Proctor	2-lot subdivision of land locating in the non-urban flood assessment area within mapped highly productive land	30 Old Beach Road	Deferred at applicant's request Processed in house Limited Notified Legal advice received regarding NPS-HPL, awaiting information about rural amenity of the site	61
11.	1942	Brent Proctor	Land Use – non-compliance with district plan standards in the general rural zone and transport standards	30 Old Beach Road	Deferred at applicant's request Processing in house Limited Notified Pre-decision meetings taking place Legal advice received regarding NPS-HPL, awaiting information about rural amenity of the site	61
12.	1949	Kainga Ora	Land Use – non-compliance with medium-density residential area	5 Kiwi St	Granted Processed in house Limited Notification closed on 15/08/24 – no submissions made	42
13.	1950	Kainga Ora	Subdivision – non-compliance with minimum lot sizes	5 Kiwi St	Granted Processed in house Limited Notification closed on 15/08/24 – no submissions made	42

14.	1952	Maram Community Trust	2-lot subdivision	8 Margate St	Deferred Being processed in house Neighbour approvals required	17
15.	1954	Margetts	2-lot subdivision & amalgamation	21 Mt Fyffe Rd	Deferred Processing in house Awaiting approval from mainpower	17
16.	1956	Benjamin Jurgensen	2-lot subdivision	290 Red Swamp Rd	Deferred Being processed externally (PLANZ) Regional Consent required for onsite wastewater discharge	20
17.	1959	Collins	3 lot subdivision	222-228 Ludstone Rd & Lot 1 DP 48 Red Swamp Rd	Deferred Processing externally (RMG) Regional Consent required for onsite wastewater discharge	6
18.	1960	Collins	Residential activity on a site less than 2ha	222-228 Ludstone Rd & Lot 1 DP 48 Red Swamp Rd	Deferred Processing externally (RMG) Regional Consent required for onsite wastewater discharge	6
19.	1962	Nenkova	Visitor accommodation for 8 guests	13 Austin St	Granted Processing externally (PLANZ)	19
20.	1963	Virgo Fisheries Ltd	3-lot subdivision	167 Torquay St	Granted Processing externally (RMG)	15
21.	1964	Chapman-Lindsay Developments Ltd	Construction of 9 apartment units	162-164 Esplanade	Deferred Processing internally Will be publicly notified Deferred at applicant's request	15
22.	1965	Marlborough Kaikōura Trail Trust	Earthworks and structures associated with the construction of a cycle trail between tirohanga and kekerengu which forms part of the Whale Trail	Section 1 SO 7346, Lot 1 DP 946, SO 5281, Lot 1 DP 10979, Lot 1 DP 418536	Deferred Potential for other consents from Ecan Processing externally (RMG)	-
23.	1966	Marlborough Kaikōura Trail Trust	To build, operate & maintain a cycle trail bridge over the Kekerengu River which forms part of the Whale Trail	State Highway 1	Deferred Potential for other consents from Ecan Processing externally (RMG)	-
24.	1967	Mainpower NZ Ltd	Raramai Electricity sub-transmission line upgrade to upgrade the current 33kV electricity sub-transmission line to a 66kV line. The upgrade involves replacing 9 existing poles, the removal of one pole, the upgrade of existing access tracks and the construction of new	State Highway 1	Granted Processing externally (PLANZ)	20

			access tracks. The proposed works are located along State Highway 1 within the corridor and within privately owned land located at 1200 State Highway 1			
25.	1968	Robert & Jan Curle	Retrospective boundary activity	67 Torquay Street	Deferred Processing internally Awaiting for all neighbour approvals and signed site plans	10
26.	1969	Usmar	4 Guest Visitor Accommodation	51 Deal Street	Withdrawn Processed externally (PLANZ)	9
27.	1970	Cargill Station Ltd	Create 22 new lots along Ingles Drive	Ingles Drive, Ocean Ridge	Active Processing externally (PLANZ)	7
28.	1971	Chen	5 Guest Visitor Accommodation	201A Beach Road	Active Processing externally (PLANZ)	15
29.	1972	Aitken	4 Guest Visitor Accommodation	178 Brunells Road	Active Processing externally (PLANZ)	3
30.	1974	Kaikōura Business Park Limited	Subdivision 52 Lot Industrial subdivision	69 Inland Road	Active Processing internally	1
31.	1975	Kaikōura Business Park Limited	Land use 52 Lot Industrial subdivision stormwater system	69 Inland Road	Active Processing internally	1
32.	1976	Trevor Smith	Earthworks in Archaeological Area	15 Avoca Street	Active Processing externally (PLANZ)	1
33.	1977	Kylie Burrows	Earthworks in Archaeological Area	13 Makura Road	Active Processing externally (PLANZ)	1

*Section 37 Used – allowing doubling of timeframes

Resource Management (Discount on Administrative Charges) Regulations 2010

Was the application notified?	Was a hearing held?	Number of working days
Yes—public notification	Yes	130
	No	60
Yes—limited notification	Yes	100
	No	60
No	Yes	50
	No	20

July 2024 to 12th September 2024 Resource Consent Compliance issued within Timeframes

Percentage within timeframes	Percentage outside of timeframes
85.7%	14.3%

2. Notified consents

There remains to be only one notified consent:

- i. Mark Baxter has partly constructed the wall between the existing ROW [Right of Way] in an effort to obtain neighbours approval. The application still remains on hold at applicants request.

3. Monitoring

Regular meetings are now occurring with Jo York (Regulator Team Leader) regarding visitors accommodation and non-compliance with planning issues.

4. Road Stopping

No applications in process

5. General

- Project Information Memorandum processing is ongoing
- Land Information Memorandum processing is ongoing
- National Monitoring System (NMS) Data reporting is underway.

Report to:	Council	File #
Date:	25 September 2024	
Subject:	Building and Regulatory Update	
Prepared by:	J York – Regulatory Services, Team Leader	
Input sought from:	R Harding – Senior Building & Regulatory Administration Officer, F Buchanan – Regulatory Administration Officer	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

This is a routine report on recent activity in the BCA and regulatory areas of Council.

2. RECOMMENDATION

It is recommended that this report be received for information.

3. SUMMARY STATISTICS

BUILDING AND REGULATORY STATS



4. BUILDING CONTROL

The following apply for the period April 2024

- Building Consent applications received **2**
- Building Consents issued **6**
- Code Compliance Certificate applications received **9**
- Code Compliance Certificates granted **10**
- Building Inspections conducted **77**
- Inspection failed percentage **48%**

5. SALE AND SUPPLY OF ALCOHOL ACT 2012

Notable events

- Variation to the licences area granted by the District Licencing Committee for The Pier Hotel after and extensive refurbishment. Collaboration with Glenn Vaughan from the Building Team was integral to a smooth transition for the business operator.
- On Licence – Temporary Authority issued for new owners of Boutique Hotel
- 1 Compliance check with no issues
- The Hop special Licence applications have been received and issued
- Ongoing communication with Police. No matters of concern related to On-licence premises in the district

6. FOOD ACT 2014

- New Registrations – 0
- Completed Verifications – 5
- 4 food business attained acceptable outcome and 1 unacceptable outcome
- Continued liaison with key MPI senior staff has been maintained. This included updates on technical matters for verifiers to focus on
- MPI's oversight programme also continues.
- Liaison has been maintained with Jo York and Ian Shaw regarding Environmental Health, Alcohol Licensing and Food Safety matters
- Our FHS team meet regularly with MPI and ensure that the Council meets its obligations. Overdue verifications are sometime inevitable due to a number of reasons, but this is closely monitored by FHS administrators
- Food and Health Standards verifiers have continued to maintain their MPI required Continuous Professional Development Programme (CPD)
- Food and Health Standards have prepared a 3-hour workshop to upskill the Kaikoura food business operators on MPI changes and verifier requirements associated with the implementation of the template Food Control Plans. The purpose of the presentation is to prepare and support food operators to improve their verification outcomes. At this stage we are looking at the workshop happening in early November.

7. HEALTH ACT 1956

- A boil water notice in place for a local property while ongoing capital works are being undertaken on the water supply.
- A successful site visit to Peketa Campground and meeting new operators, Food and Health Standards are providing on going guidance to ensure they are prepared for the upcoming season and compliant with all regulations

- Registered Premises: Annual inspections of premises registered under the Health Act will commence next month

8. REGULATORY SERVICES AND PARKING AND FREEDOM CAMPING

The focus for the regulatory team for the next month.

- 9000 campervans have visited Kaikoura Freedom Camping spots from start of January 2024 to current date
- Visitor Accommodation letters and education has shown an increase in consent applications, regulatory will continue to monitor these as the summer season approaches
- 90% of known dogs in the district are registered

9. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all/the following community outcomes.



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We communicate, engage and inform our community



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We promote and support the development of our economy



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Our services and infrastructure are cost effective, efficient and fit-for-purpose



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