

Notice is hereby given that an Ordinary Meeting of Southland District Council will be held on:

Date: Wednesday, 20 July 2016
Time: 1pm
Meeting Room: Council Chambers
Venue: 15 Forth Street
Invercargill

Council Agenda

OPEN

MEMBERSHIP

Mayor	Mayor Gary Tong
Deputy Mayor	Paul Duffy
Councillors	Lyall Bailey
	Stuart Baird
	Brian Dillon
	Rodney Dobson
	John Douglas
	Bruce Ford
	George Harpur
	Julie Keast
	Ebel Kremer
	Gavin Macpherson
	Neil Paterson

IN ATTENDANCE

Chief Executive	Steve Ruru
Committee Advisor	Fiona Dunlop

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Full agendas are available on Council's Website
www.southlanddc.govt.nz

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting, -

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

6 Confirmation of Council Minutes

- 6.1 Meeting minutes of Council, 29 June 2016

Submission on Environment Southland's Proposed Water and Land Plan

Record No: R/16/6/9547
Author: Courtney Ellison, Senior Resource Management Planner - Policy
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Purpose

- 1 To seek Council's approval to lodge the Submission on the Proposed Water and Land Plan attached to this report with Environment Southland.

Executive Summary

- 2 On 3 June 2016, Environment Southland notified its Proposed Water and Land Plan for public consultation. The Water and Land Plan contains objectives, policies and rules that will affect Council activities, in particular the provision of water, wastewater and stormwater infrastructure.
- 3 Staff have prepared a draft submission addressing the key matters of relevance to Council in relation to the plan. The draft submission is attached for the Council's consideration. Submissions are due with Environment Southland by 1 August 2016.

Recommendation

That the Council:

- a) **Receives the report titled "Submission on Environment Southland's Proposed Water and Land Plan" dated 8 July 2016.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the draft submission to be lodged with Environment Southland by 1 August.**
- e) **Delegates authority to the Chief Executive to approve any minor additions/ changes to the submission prior to 1 August 2016.**

Content

Background

- 4 Environment Southland is required to give effect to the National Policy Statement for Freshwater Management. This will require them to work with the community to set limits on various attributes of water quality across the region. However, in the interim Environment Southland have produced its Proposed Water and Land Plan which is intended to 'hold the line' on existing water quality.
- 5 The Proposed Water and Land Plan will replace the current Regional Water Plan and Regional Effluent Land Application Plans as well as addressing some new matters. Staff have prepared a draft submission on the Proposed Water and Land Plan (Attachment A). The submission highlights the effects the plan will have on the wider community, before focusing on those particular parts of the plan that will affect Council directly, particularly in relation to how Council provides wastewater and stormwater infrastructure.
- 6 Due to the timeframe for preparing a submission and meeting the agenda deadlines for this Council meeting, it may be necessary to include additional information in the submission that was not available at the time this report was prepared. Staff do not envisage this would involve raising new issues, but would enable more evidence to be included around the potential costs and implications of the rules to support the existing comments outlined in the attached submission. For that reason, it has been recommended that the Chief Executive be given the delegation to approve any minor additions/changes to the submission prior to lodging the submission on 1 August.

Issues

- 7 The Proposed Water and Land Plan provides objectives, policies and rules relating to a wide range of issues including water quality and quantity, effluent, land use (farming, wintering and cultivation), land contamination, activities in river and lake beds, and biodiversity.
- 8 The potential implications are outlined more fully in the submission attached to this report, but generally the key issues of relevance to Council relate to:
 - The strong directive around maintaining and improving water quality and the implications of this in terms of discharges from Council's wastewater and stormwater networks;
 - The overall cost to our communities from an imbalanced approach to regulating all activities that generate adverse effects on our environment;
 - The consistency of the effluent rules with the New Zealand Standard (NZS 1547:2012) On-site Domestic Wastewater Management.

Factors to Consider

Legal and Statutory Requirements

- 9 Environment Southland is required to publicly notify the Proposed Plan for submissions and follow the process outlined in the Resource Management Act. This process includes the opportunity for further submissions, a hearing and the right to appeal the final decisions once they are released.

Community Views

- 10 The Proposed Plan is available for the public to comment on, therefore Council’s feedback has focused on the potential effects on Council and the community in a broader sense, rather than addressing the potential effects on individual industries and / or stakeholders, as these parties have the same opportunity to lodge their own submissions.

Costs and Funding

- 11 There is no cost for Council in preparing the submission on the Proposed Water and Land Plan, other than staff time.

Policy Implications

- 12 Council’s submission has considered the potential implications of the Proposed Water and Land Plan on the Proposed District Plan to ensure there is no duplication or inconsistencies.

Analysis

Options Considered

- 13 Council has the option to either lodge a submission on the Proposed Water and Land Plan, or not.

Analysis of Options

Option 1 - Lodge submission on the Proposed Water and Land Plan

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Lodging a submission allows Council to be involved in the process for the development of the Proposed Water and Land Plan going forward including speaking at a hearing and eventually appealing the decision should Council decide that was appropriate. 	<ul style="list-style-type: none"> None.

Option 2 - Do not submit on the Proposed Water and Land Plan

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> The potential impacts on Council services may not be fully understood or considered by Environment Southland. Changes to the plan to address the matters outlined in the draft submission are unlikely to be made, as Environment Southland may not have the scope to consider these matters. Council would be limited in its ability to be involved in the process going forward and seek amendments to the plan.

Assessment of Significance

- 14 While the implications of the Water and Land Plan could be considerable, preparing and lodging a submission on the Proposed Water and Land Plan is not considered significant in itself as it is not a decision that will have a major or long term effect on an individual town or the district, cultural impact or level of service. Nor will it have a financial impact that will exceed the threshold for financial significance.

Recommended Option

- 15 Option One, to lodge a submission on the draft Water and Land Plan is recommended as it will ensure Council's concerns with the implications of the plan on essential Council services are considered by Environment Southland through the formal consultation process.

Next Steps

- 16 Staff will lodge the submission with Environment Southland prior to the 1 August deadline.
- 17 Environment Southland will then be required to summarise the submissions they receive and notify this summary for further submissions. Following that submission period, a hearing will be held where Council will have the opportunity to speak to the hearing panel about the concerns raised in the submission.

Attachments

- A Submission on Water and Land Plan - July 2016 [View](#)

**SUBMISSION ON
ENVIRONMENT SOUTHLAND'S DRAFT WATER AND LAND PLAN
JULY 2016**

Thank you for the opportunity to make a submission on the Draft Water & Land Plan.

Southland District Council has responsibility for the management of our community water and waste services, provision of cemeteries, implementing on-site wastewater standards through the building consent process, and also has a role in managing land uses through our District Plan. Council therefore has a widespread interest in the provisions of the Proposed Water & Land Plan.

In terms of the water and waste infrastructure, Council manages:

- 18 sewerage schemes
- 28 stormwater networks
- 11 urban water supply schemes
- 11 rural water supply schemes (two used for drinking water for people, the remainder for stock)

Therefore Council has a significant number of consents and will be significantly affected by the proposed plan. This also raises concerns regarding the consequential impact to ratepayers. In addition Council operates water and wastewater scheme across all five indicative Freshwater Management Units which adds a significant layer of complexity and financial uncertainty when trying to understand implications to our ratepayers.

The key matters Council wishes to highlight, that have been discussed throughout the submission are:

- How equitable the requirements are across different activities that are discharging to water - where a more lenient approach is taken in regard to some activities, the implications of this in terms of additional regulation (and costs) for everyone in the future need to be considered;
- The affordability of the additional requirements imposed on existing activities - consideration needs to be given to how much some of these improvements will cost in relation to the improvements to water quality they will achieve. There should be a focus on changes that will make a measureable difference in the receiving environment;
- How the changes are phased over time for existing activities – for new activities / discharges rules can apply immediately, however for existing activities there needs to be a transition period to enable improvements to be made and expenditure planned for;

It is important for the Regional Council to recognise that there are limited funds in Council's Long Term Plan for wastewater and stormwater upgrades. To increase these amounts will have the potential to significantly adversely affect ratepayers if there is not an acknowledgement that improvements in line with the proposed plan are phased over a period of time. We would support further dialogue with the Regional Council around the prioritisation and timing of upgrades.

Section 32 Evaluation Report	
Topic	Support/Oppose
Diffuse nutrient discharges / farming	<p>While much of this submission focuses on the direct effects of the Plan on Council functions, Council also has an interest in the overall wellbeing of the communities in the Southland District. Therefore we also have a broader interest in the potential effects of these rules on our communities.</p> <p>While we note there is proposed to be an increase in regulation of farming activities our wider concern is the overall cost to our communities from the approach to regulating all activities that generate adverse effects on our environment.</p> <p>Cost now or cost later?</p> <p>The section 32 analysis considers four options for managing diffuse nutrient discharges (farming): (A) Status quo; (B) Engagement Option; (C) the Proposed Water and Land Plan; and (D) the Proposed Water and Land Plan version with dairy farming in the Oxidising physiographic also being a non-complying activity (rather than discretionary). Each of these options has been assessed for their effectiveness, however the option Environment Southland have proceeded with in the Water and Land Plan is rated the 3rd most effective out of the four options. What does this mean for communities, as opposed to farming? In order for those water quality objectives to be met, presumably greater improvements will need to be made by other discharge activities? Have the benefits and costs of shifting this responsibility been fully considered?</p> <p>It is acknowledged that there is further discussion of the options in terms of their efficiency, and that is where Environment Southland has argued that the preferred option is Option C. However even in the efficiency discussion, the key difference between Option C and D is stated as “cost now” or “cost later”. Council queries what is achieved by delaying the inevitable costs, and whether this is actually increasing the overall costs for everyone. Essentially allowing activities to continue to convert additional land to higher impact activities will likely mean that water quality will continue to degrade leaving territorial authorities (who are funded by the community) and other existing activities having to meet higher and higher standards, or greater proportional reductions at increasing cost.</p> <p>The section 32 analysis even acknowledges that Option D “lessens the cost and uncertainty during the FMU process compared to Option C”, so it is not clear how following the analysis of the efficiency and effectiveness of the different options, Environment Southland has come to the decision to proceed with Option C.</p> <p>The section 32 report outlines (on page 83) the physiographic zones that are most susceptible to nutrient loss under intensive land uses: Old Maitava, Oxidising, Riverine, Central Plains, Peat Wetlands. Yet only the Old Maitava and Peat Wetlands Physiographic Zones are subject to the more restrictive non-complying activity status (with the rest being discretionary) for new or expanding dairy farms.</p> <p>As highlighted on page 107 of the section 32 analysis, measures to address effects on water quality could be undertaken at the source or downstream, and the magnitude of the costs and who these fall on varies accordingly. Therefore if the farming rules are more relaxed than the science suggests they should be, the costs will be pushed onto downstream users, which could spread those costs onto Council. This then spreads the costs across the community and many of those ratepayer will also be dealing with other catchment mitigation costs.</p> <p>Overall, SDC’s concerns are that the plan could be delaying regulations at a greater long term cost for all parties that contribute to the overall discharges, including both Council and farmers.</p>

Section 32 Evaluation Report	
Topic	Support/Oppose
	<p>Decision Requested</p> <p>The section 32 does not support the differences in the regulatory framework either between the physiographic units or between different activities. Council seeks a comprehensive analysis be undertaken and the regulatory framework redrafted to reflect that result.</p>
Section 7.6 General Discharges	<p>This section of the section 32 report deals with the discharge rules that apply to, among other things, territorial authority’s wastewater and stormwater discharges. Council is particularly concerned about the level of analysis around the efficiency of the options, and the potential costs of the rules that have not been considered.</p> <p>The changes to the discharge rules and associated policies in the Proposed Water & Land Plan mean Council will need consents for several of the stormwater discharges that don’t currently need consent, and where consent is already required, the bar to obtaining consent is much higher. Council understands that in terms of the ‘effectiveness’ analysis these policies and rules would achieve those objectives. However there is no consideration of the costs of these rules to Councils (which then flows on to communities through rates) in terms of the efficiency of the Water & Land Plan approach, and the benefits that would be generated relative to the costs incurred.</p> <p>Individual costs to landowners for changes to the subsoil drainage rules have been recognised, but no other costs to individuals have been recognised. In terms of costs at the community level, only small costs to Environment Southland in terms of lost revenue and monitoring permitted activities have been identified.</p> <p>It is important the there are clear benefits that justify the costs involved in what can be significant investments to improve water quality. For example, for several years the Edendale wastewater scheme which discharges into the Maitai River was struggling to meet the required level of ammonia and dissolved reactive phosphorus (DRP) in the consent conditions. Council has spent \$450,000 on improving the discharge to meet the requirements. These conditions are now met, however over that entire period, measuring the water quality upstream and downstream of the discharge, there has been no discernible change. This also brings into question the fact that no account is taken of the scale of a discharge in relation to the receiving watercourse.</p> <p>While the section 32 analysis does not quantify the costs, SDC considers approximately 15 new consents may be required for stormwater discharges at a cost of up to \$20,000 per consent (for both the preparation and processing of the consent). This does not take into account any upgrades that would be required to meet the expectations of Objective 6 and Policy 15. Such costs are difficult to quantify with the current level of certainty around the regulatory framework but consideration still needs to be given to these potentially significant costs.</p> <p>SDC also has concerns around how the Water & Land Plan gives effect to the Proposed Southland Regional Policy Statement (PSRPS). The PSRPS contains some strong policy directives with regard to the protection of water quality however there are also some balancing policies and methods that recognise the importance of infrastructure to the community. For example Method INF.1 directs that Regional Plans include objectives, policies and methods that will “enable the development, use, maintenance and upgrading of infrastructure, whilst ensuring the management of any associated adverse effect”. Policy INF.2 of the PSRPS also clearly highlights that adverse effects of infrastructure should be avoided, remedied or mitigated, but also recognises the practical limitations that should be taken into account such as the functional, operation or technical constraints, whether there are any practical alternative designs and locations and whether good practice approaches in design and construction are being adopted. Policy WQUAL.6 also recognises the social, economic and cultural benefits from the use of water resources. These balancing</p>

Section 32 Evaluation Report	
Topic	Support/Oppose
	<p>policies appear to be missing from the overall policy framework of the Proposed Water & Land Plan and therefore fail to completely give effect to the RPS.</p> <p>SDC accepts that improvement to water quality need to be made and this means the discharges Council is responsible for will need to improve. However consideration needs to be given to how much some of these improvements will cost in relation to the improvements to water quality they will achieve and the expected timing for such improvements. From there the funding and improvements can be prioritised on those changes that will make the most difference. For example Council has \$36 million in planned expenditure available over the next 10 years. Would that be better spent on improvements to the wastewater or stormwater networks? Consideration should also be given to the timing. For example is it better to do this work now when upstream quality fails to meet standards or is it better to wait until standards are largely met so that a more realistic assessment of what level of improvement to council discharges is actually required. An example of this is actually currently being process for the renewal of the Nightcaps wastewater consent.</p> <p>Decision requested</p> <p>Further analysis be undertaken and the concerns around equitability and affordability outlined above be taken into account by decision makers when considering the rules in the Proposed Water & Land Plan.</p> <p>Further consideration is given to how the Proposed Water and Land Plan is giving effect to the PSRPS, in particular the balancing policies that recognise infrastructure such as Councils wastewater, stormwater and water supply networks.</p> <p>Specific amendments to the objectives and policies have been outlined further in this submission.</p>

Objectives	
Provision	Support/Oppose
Objective 6	<p>Objective 6 requires no reduction in water quality and the maintenance <u>and</u> improvement of water quality. Given that the terms are linked by 'and' rather than 'or' it can be read as essentially meaning water quality is always to be improved. It also refers to improvement in terms of water bodies that have been degraded by human activities, which would essentially be almost all of the water bodies in Southland, except those in the most remote areas.</p> <p>Council seeks clarity around what "improving" is intended to mean, and whether this is going to require all activities to improve the quality of water they are discharging into and to what extent improvement is required. We understand further clarity is likely to be provided through the Freshwater Management Unit objective and limit setting process, but in the interim, there is great uncertainty and potential cost implications.</p> <p>For example, in Nightcaps the discharge goes into the Wairio Stream. The upstream water quality is degraded and the downstream results are largely similar to the upstream results. The questionable/uncertain impact from the discharge makes it unclear how much of an upgrade is required on this discharge unless the upstream samples were to improve and consistently meet water quality standards.</p> <p>It is noted that the wording comes from the NPS for Freshwater Management, however that wording refers to improving the quality of water where they have been degraded 'to the point over being over-allocated'. This provides some context to understanding how water quality is to be improved. However the Objective in the</p>

Objectives	
Provision	Support/Oppose
	<p>Water & Land Plan lacks such context. It should also be noted that the latest proposals for the Freshwater Management Framework indicate that it is central government’s intention that council should have flexibility to maintain water quality to ensure it remains within a freshwater management unit. Council supports this concept and wishes to see it more clearly reflected within this policy. This could better align with the ‘band’ approach in the NPS-FM. The NPS-FM creates a band/range for each numeric attribute state which could allow for some reduction in the water quality provided it stays within the median range for that attribute state. For example, a river that has an attribute state of B for Nitrate (toxicity) can have an annual median of between 1 and 2.4 milligrams nitrate-nitrogen per litre. Hypothetically, if you had a water body with 1.5 milligrams per litre, and as a result of a discharge it increased to 1.7 milligrams per litre, it would still meet the requirements of that attribute state however it would not be giving effect to the objective.</p> <p>The Proposed Regional Policy Statement also states in Policy WQUAL.1 that discharges and land use activities are managed to maintain or improve water quality “to ensure freshwater objectives are met”. It is considered that this also provides some important context to how water quality should be maintained or improved. Therefore it is suggested similar wording is added to the end of this Objective, as outlined below.</p> <p>Decision Requested</p> <p>Amend the wording as follows:</p> <p>“There is no reduction in the <u>overall</u> quality of freshwater, and water in estuaries and coastal lagoons, by:</p> <ul style="list-style-type: none"> (a) maintaining the quality of water in waterbodies, estuaries and coastal lagoons, where the water quality is not degraded; and (b) improving the quality of water in waterbodies, estuaries and coastal lagoons, that have been degraded by human activities- <p><u>to ensure freshwater objectives are met.”</u></p>

Policies	
Provision	Comments
Policy 14	<p>Preference for discharges to land</p> <p>Council generally accepts that, where possible, wastewater discharges should be to land rather than water. However this policy appears to apply to all discharges including stormwater discharges. Currently most stormwater across the region is discharged to water. Where achievable, it would require significant upgrades of infrastructure to dispose of this to land before entering water bodies. This would therefore have significant costs associated with it, which is exacerbated by the fact that Council has limited ability in some places to control what goes into reticulated stormwater systems. These comments are also relevant to a number of wastewater discharges where the nature of underlying soils will mean this is neither technically or financially a feasible option.</p> <p>For example, there can be natural watercourses of a poor water quality that enter existing stormwater reticulation and is then discharged to water. Council has responsibility for the reticulated stormwater assets, but it is difficult to attribute responsibility or manage the discharges into the reticulated system. Therefore Council could be imposed with the costs of improving the water quality that has been degraded from other activities. Council again queries whether the benefits of</p>

Policies	
Provision	Comments
	<p>this applying to stormwater outweigh the significant cost that would be incurred, and whether that investment could achieve better environmental outcomes if redirected elsewhere.</p> <p>Decision Requested</p> <p>“Prefer discharges to land, rather than direct discharges to water <u>where practicable.</u>”</p>
Policy 15	<p>Maintaining and improving water quality</p> <p>Part 1 of the policy states that essentially any reduction in water quality should be avoided for new discharges. Parts 2 and 3 of the policy also refer to avoiding discharges to land or land use activities that will reduce water quality <u>unless</u> the effects can be avoided, remedied or mitigated. It is considered that this same proviso of effects being avoided, remedied or mitigated should apply to discharges to water. This would still provide the policy with sufficient strength as the second half of the policy still requires those relevant water quality standards to be met, but it recognises that in some cases discharges to water could still be appropriate where the appropriate remediation or mitigation had been undertaken.</p> <p>Council is also concerned about the listing of the standards in the second half of the policy and questions whether Environment Southland intends for all of those standards to be met, or whether the requirement should be for at least one of those requirements to be met. As currently worded any discharge would have to ensure Drinking Water Standards are met, which goes beyond the minimum requirements of the NPS and such a standard of treatment should be something decided on through the community limit setting process. It would be more appropriate to refer to discharges to land meeting Drinking Water Standards at the point of nearest abstraction.</p> <p>Consideration should also be given to the discharge in the context of the catchment load. How much is any individual discharger expected to do, as they won't be able to resolve water quality issues on their own, particularly where their current discharge is only a small contributor to the catchment load?</p> <p>Council continues to have the following broader concerns:</p> <ul style="list-style-type: none"> • There is the potential for perverse unintended outcomes. For example, a new wastewater scheme may be established in an area where there are currently numerous failing septic tanks. The new wastewater scheme will create a new discharge with a measureable effect, but it is likely to have a much smaller impact on the environment than retaining the status quo with several discharges of potentially untreated or poorly treated wastewater. A recent example of this is at Curio Bay where a new wastewater scheme has been consented, which will create a discharge to water. However the overall outcome is an improvement from the current situation with the on-site wastewater system at the campground which cannot meet the demands from visitors, and several ageing individual systems attached to dwellings which could eventually connect to the wastewater scheme. • While the policy does provide some context of the water quality standards trying to be achieved, the policy does not provide any indication of what would be considered a 'reduction in water quality'. We could point to a number of examples such as the Ohai wastewater discharge where the discharge from our activity can be a significant contributor to flow in the receiving water and as such it would take significant unwarranted expenditure to try to meet this objective. The discharge from the Ohai Wastewater Treatment is amongst the highest quality discharges from any of Council's scheme yet the nature of the watercourse means it would never

Policies	
Provision	Comments
	<p>meet the standards without significant expenditure. The discharge goes into a transient watercourse that is dependent on climate conditions and of limited ecological value at that point. Similarly there are a number of examples where upstream quality does not meet the required standard so no matter what level of improvement was introduced to the discharge it would not achieve the desired outcome in terms of improving overall water quality.</p> <p>Council supports the intent of the plan to manage water quality but is concerned that there still needs to be a balance between that and economic activity. As such the timing of any improvement from individual activities is crucial to ensure appropriate outcomes are met.</p> <p>Decision Requested</p> <p>Amend the wording of the policy as follows: “Maintain and improve water quality by:</p> <ol style="list-style-type: none"> 1. Despite any other policy or objective in this Plan, avoiding new discharges to surface waterbodies that will reduce water quality beyond the zone of reasonable mixing <u>unless the adverse effects of the discharge can be avoided, remedied or mitigated;</u> 2. Avoiding point source and non-point source discharges to land that will reduce surface or groundwater, unless the adverse effects of the discharge can be avoided, remedied or mitigated; 3. Avoiding land use activities that will reduce surface or groundwater quality, unless the adverse effects can be avoided, remedied or mitigated; and 4. Avoiding discharges to artificial watercourses that will reduce water quality in a river, lake or modified watercourse beyond the zone of reasonable mixing; <p>So that:</p> <ol style="list-style-type: none"> 1. Water quality is maintained where it is better than the water quality standards specified in Appendix E “Water Quality Standards”; or 2. Water quality is improved where it does not meet the water quality standards specified in Appendix E “Water Quality Standards”; and 3. Water quality meets the Drinking Water Standards for New Zealand 2005 (revised 2008) <u>at the point of nearest abstraction;</u> and 4. ANZECC sediment guidelines (as shown in Appendix C of this Plan) are met.”
Policy 24	<p>Water abstraction for community water supply Support in part.</p> <p>The recognition of water abstraction for community water supplies is supported. Council queries how this would be applied in practice for example with new community water supplies in catchments where the water has been over allocated. For example, when Council was looking for a water supply for the Lumsden township we had to source a new supply from an alternative aquifer further away, because of over-allocation which in some cases may be an over-allocation on paper only.</p> <p>Decision Requested</p> <p>Clarification over how the policy would be applied to new community water supplies</p>

Policies	
Provision	Comments
	<p>in catchments where the water has been over allocated.</p> <p>Further guidance around defining the 'scale of the activity' and therefore the expectations around the scale and detail of the water demand strategy document.</p>
Policy 32	<p>Protect significant indigenous vegetation and habitat Neutral.</p> <p>Council does not oppose the content of the policy, but queries whether there are any methods/rules to support this.</p> <p>Decision Requested Amendments to clarify the relationship between the objective, policies and rules, as the objective and policy refer to dryland areas but the rules relate only to wetlands.</p>
Policy 40	<p>Determining the term of resource consents Support in part.</p> <p>This policy should also recognise and make it easier to apply for and have granted consents for the maximum term as allowed under the RMA. Council has recently applied for a number of consent renewals for wastewater discharges where the 35 year term sought has been reduced to 25 years with limited justification.</p> <p>There is often significant capital investments made on upgrades required by the consent. These investments are designed and expected to last a generation, so one generation is not paying the significant costs associated with multiple upgrades to the infrastructure. The duration granted should therefore reflect the expected life of the infrastructure that has been upgraded and serious consideration should be given to granting the maximum period as happens in other parts of the country.</p> <p>It is acknowledged that subclause (d) already refers to the permanence and economic life of any capital investment; however Council wishes to reiterate that consideration should be given to this in the implementation of the plan. Recent consent applications made by Council have not had the full 35 year term granted with often little justification or reasoning why.</p>
Policy 42	<p>Consideration of water permit application</p> <p>Council is particularly concerned with the wording in clause 1 of the policy stating that consents will not be granted if waterbodies are fully or would be fully allocated as a result of the application. With the policy as currently drafted it may be difficult to establish new community supplies in currently unreticulated towns in some areas, without potential significant additional expenditure required to find water from a more remote source. This has already happened in one instance when Council was required to source a new supply of water for the Lumsden township from an alternative aquifer further away. This concern is particularly relevant where there may be an over-allocation on paper, but the actual levels of water use mean the catchment is not over-allocated.</p>

Rules – Discharge	
Provision	Comments
Rules 5 & 6	<p>Rule 5 - Discharges to surface waterbodies that meet water quality standards</p> <p>Rule 6 - Discharges to surface waterbodies that do not meet water quality standards</p> <p>Under rule 6, if a discharge reduces the water quality below the water quality standards in Appendix E at the downstream edge of the reasonable mixing zone it would be a non-complying activity. However the wording of rules 5 and 6 make it unclear what activity status applies where the water quality upstream of the discharge already breaches water quality standards. If it is the intention that discharges into water bodies that do not meet the water quality standards immediately upstream of the discharge will be non-complying, no matter the effect the discharge has, this would have a significant impact on Council's discharges.</p> <p>For example, Tuatapere discharges into the Waiau River. It is a small discharge into a large water body within overall no impact, but the upstream water quality can exceed water quality standards. Therefore when Council comes for a consent renewal this could change the discharge to a non-complying activity making it harder to get consent.</p> <p>Council considers a non-complying activity status is inappropriate for an essential function such as the discharge of wastewater where it is sufficiently treated. It is inevitable that this discharge will be required as communities will continue to produce wastewater, and a non-complying activity status sends a signal that this activity is not appropriate. Council does not consider it should be penalised when the quality of the discharge itself could be exactly the same in two different places but in one scenario the existing water quality meets the required standards so only a discretionary consent is required, and in the other it does not meet water quality standards so the discharge is considered a non-complying activity.</p> <p>Decision Requested</p> <p>A specific discretionary activity rule for community sewerage schemes discharging to water (given there is a specific rule for community sewerage schemes discharging to land) OR clarify that the non-complying rule applies where it's the discharge reducing water quality not the existing quality of the surface waterbody that affects the activity status.</p>
Rule 8	<p>Discharges of surface water</p> <p>Council also seeks clarity around what the activity status is if those conditions of the controlled activity are not met.</p>
Rule 13	<p>Discharges from installed subsurface drainage systems</p> <p>Rule 13 provides for discharges from on-farm tile drains as a permitted activity which have the potential to result in measurable effects beyond the zone of reasonable mixing. Council queries how this can be permitted but other discharges such as those from a reticulated stormwater network are required under other rules to meet much higher standards. Council does not wish to oppose Rule 13, but seeks some clarity from Environment Southland, as to how this distinction, and the consequential impacts in terms of the regulation imposed on other activities, is justified.</p> <p>Decision requested</p> <p>As outlined in the comments above on the section 32 analysis, Council seeks a comprehensive analysis be undertaken on the equitability and benefits and costs of the rules and the regulatory framework redrafted to reflect that result.</p>

Rules – Discharge	
Provision	Comments
Rule 15	<p>Discharge of stormwater</p> <p>Rule 15 makes all stormwater discharges from a reticulated system a discretionary activity. Council has a number of examples where there are open drains/modified water courses running through urban areas that originate well outside the urban boundary and as such reasonable levels of contaminants have the potential to have built up before they reach the urban boundary. There is therefore the potential for water quality standards to have been compromised prior to any inputs from the urban stormwater system. However through this rule, it appears Council would be required to cover the costs of increased treatment and consenting processes. This concern comes from the definition for reticulated system which includes channelled networks for collecting stormwater.</p> <p>Examples of this include areas of Dipton and Lumsden where modified ditches originate several kilometres upstream of towns so can already contain high levels of contaminants by the time they pass into the township boundary. Similar concerns have been raised by other Territorial Authorities.</p> <p>Decision Requested</p> <p>SDC is seeking clarification over how this will be addressed and where the responsibility will lie for those contaminants entering the reticulated system. Practically, monitoring upstream and downstream is the only way to determine whether the effects of stormwater connections are being mitigated.</p> <p>The specific changes to the objectives and policies outlined earlier will go some way to addressing these concerns outlined in relation to Rule 15.</p>
Rule 17	<p>Dust Suppressants</p> <p>SDC does not typically use dust suppressants, however we do issue permits for their use on our roading network. This permit notes that it does not authorise application in circumstances where the dust suppressant may enter water.</p> <p>While we do not consider this is the intent of the rule, we do wish to confirm that this rule would not apply to bitumen which is sometimes applied to our gravel roads, which in essence acts as a long term dust suppressant.</p> <p>Decision requested</p> <p>The rule be amended to specifically exclude bitumen from being considered in the rule.</p>

Rules – Effluent and Sludge	
Provision	Comments
General	<p>SDC supports the overall direction of the effluent rules but there are some provisions which require further clarification and amendment as outlined below.</p> <p>Decision requested</p> <p>SDC wishes to ensure there is consistency between NZS1547:2012 'On-site Domestic Wastewater Management' ('the Standard') and the rules proposed in the Draft Water and Land Plan.</p>
Rule 26	<p>Discharges from on-site wastewater systems</p> <p>The rule and associated definition for 'domestic wastewater' do not provide for cafes or restaurants, as the definition specifically excludes commercial kitchen wastes. Given the context of development in Southland, there are several commercial kitchens that would be located in areas where a reticulated wastewater system is not available and waste has to be disposed of on-site. The recent changes to the Food Act 2014 also provide for commercial in-home kitchens which means they will be part of a domestic wastewater system which could be disposed of on site.</p> <p>On-site wastewater disposal from commercial kitchens is provided for in the New Zealand Standard and therefore it is considered appropriate for it to be provided for as a permitted activity within the Water and Land Plan, provided relevant conditions are complied with.</p> <p>Decisions Requested</p> <p>Amend the definition for domestic wastewater as follows: "For the purposes of this rule, domestic wastewater is limited to effluent derived from dwellings, business buildings, institutes and the like, and consisting of toilet wastes and wash waters from kitchens bathrooms and laundries, but excluding commercial laundry and commercial kitchen wastes."</p> <p>Part (a) of the rule includes a criteria that the discharge cannot exceed 1,250 litres per day. In previous versions of the Draft Water & Land Plan there was also a volume limitation in relation to new systems considered under part (b) of the rule. This appears to have been removed, but it is considered that this should be reinserted to make it clear the permitted volume of discharges (refer to the new (i) below). Anything over that volume should require consent to ensure the environmental effects of high volume discharges outside the scope of the standard are monitored and maintained.</p> <p>A previous version of the Draft Water & Land Plan also had what was essentially a vertical separation distance of 900mm between the bottom of the soil infiltration surface and the mean seasonal high ground water table and any perched water. This appears to have been removed, and Council suggests this should be reinserted in the plan as a criteria of that permitted activity. Rules 27 and 28 continue to have those minimum requirements so including it in Rule 26 will provide consistency across the rules.</p> <p>A small amendment to the terminology in (vi)(5) of Rule 26(b) is also suggested to ensure the terminology is consistent across the plan, in particular the reference to tile drains which have been included within the term 'subsurface drainage systems' in Rule 13.</p>

Rules – Effluent and Sludge	
Provision	Comments
	<p>Decision Requested</p> <p>Amend the wording of the rule as follows:</p> <p>“(b) The discharge of treated domestic wastewater, onto or into land in circumstances where a contaminant may enter water from a new on-site wastewater system or a replacement of an existing system is a permitted activity provided the following conditions are met:</p> <ul style="list-style-type: none"> (i) <u>The discharge does not exceed 14,000 litres per week; and</u> (ii) the treatment and disposal system is designed and installed in accordance with Sections 5 and 6 of New Zealand Standard AS/NZS 1547:2012 – On-site Domestic Wastewater Management; and (iii) the treatment and disposal system is operated and maintained in accordance with the system’s design specification for maintenance or, if there is no design specification for maintenance, Section 6.3 of New Zealand Standard AS/NZS 1547:2012 – On-site Domestic Wastewater Management; and (iv) the discharge does not result in wastewater being visible on the ground surface; and (v) the discharge does not contain any hazardous substance. (vi) the on-site wastewater system is not used for the disposal of wastewater from chemical toilets; (vii) the discharge is not within: <ul style="list-style-type: none"> (1) 20 metres of any surface waterbody or artificial watercourse, excluding interception drains which benefit the on-site wastewater system; (2) 50 metres of the coastal marine area or any natural state waters; or (3) 50 metres of any bore or well used for potable or stock water supply; (4) the microbial health protection zone of a drinking water supply site identified in Appendix J, or where no such zone is identified, then 250 metres of the abstraction point of a drinking water supply site identified in Appendix J; or (5) 20 metres of any tile drain <u>subsurface drainage system</u>.”

Rules – Effluent and Sludge	
Provision	Comments
	<p>Reference to 'potable' water</p> <p>Council supports the addition of wording relating to stock water supply. However Council remains concerned with the use of the term 'potable' and considers it would be more appropriate for the setback in this rule to apply to bores generally. This would provide a more 'whole of aquifer' approach, which is consistent with Objective 8 which refers to the quality of water in <u>aquifers</u>.</p> <p>Council's concerns come from situations where a disposal field has been allowed in close proximity to a bore because that bore itself is not used for drinking water, but there are other bores nearby that are used for drinking water and access the same aquifer. One example has been where a bore 19 metres from a discharge didn't meet the definition of potable under the drinking water standard, but the water was used for hand washing and school supply. The rules did not prevent the discharge from being sited closer than 50m without resource consent, however if the wording was changed as suggested below, there would be the ability to consider those matters through the consent process.</p> <p>Decision Requested</p> <p>Amend the wording as follows:</p> <p>(vi) the discharge is not within ... (3) 50 metres of any bore or well used for potable or stock water supply;</p> <p>Similar amendments should also be made to Rule 27(a)(v)(3), Rule 28(a)(v)(3) and Rule 29 (a)(ix)(3).</p>
	<p>Sub-clause (f) refers to the discharge of raw sewage being a prohibited activity. Council seeks clarification that this only relates to raw sewage from an on-site wastewater system which is the activity Rule 26 relates to.</p> <p>Decision requested</p> <p>Amend wording of rule 26(f) as follows: "Despite Rule 26(a) to (e), the discharge of untreated domestic wastewater, raw sewage from on-site wastewater systems, or effluent from mobile toilets, into surface or groundwater is a prohibited activity."</p>
Rule 32	<p>Effluent Storage</p> <p>Council supports the inclusion of all types of storage of agricultural effluent in this rule, rather than just ponds.</p> <p>Decision Requested</p> <p>Retain the approach that the agricultural effluent storage rule relates to any type of storage.</p>
Rule 33	<p>Community Sewerage Schemes</p> <p>Council is concerned about the value and feasibility of the testing method outlined in subclause (a)(i)(2). These concerns include:</p> <ul style="list-style-type: none"> The drop test generally requires a fixed volume of effluent over the testing period. This is impractical for a community wastewater pond that needs to have effluent continually arriving at and being discharged from the pond. Communities will continue to generate wastewater and therefore the wastewater will need to go somewhere. If the pond is closed off, this would mean either the discharge of untreated wastewater to the environment or a backup in the network with risk of flooding to property from manholes etc,

Rules – Effluent and Sludge

Provision	Comments												
	<p>both of which would be unacceptable outcomes.</p> <ul style="list-style-type: none"> • Before setting allowable limits it is important to understand what is normal leakage from a pond in good condition, as even polyethylene lined ponds experience some leakage from the seams and clay lined reservoirs will have more leakage. • The drop test allows a volume of infiltration to be estimated, therefore if the key parameter is the volume of leakage, the threshold for passing the test should not be based just on the level drop but also on the surface area of the pond. • If some form of testing is to be adopted, the frequency of testing needs to be considered. The testing methodology in Appendix P refers to desludging being undertaken in the previous year, which infers it could be required after desludging, but it is not clear if this is required every time after ponds have been desludged. <p>Council also queries whether Chartered Professional Engineers will provide a certification that a pond is “structurally sound” because of the liability implications this creates. We suggest they may be more inclined to instead verify that it passes normal tests which they could provide documentation for to verify this.</p> <p>The uncertainty around the timing and frequency of the drop test has been highlighted above, but Council has broader concerns around how the rule is to be applied. For example, if Councils existing wastewater ponds exceed those levels outlined in subclause (a)(i)(2) will we be required to obtain a non-complying resource consent, and what benefit does that provide in relation to the significant expense that could result from this approach. We can also point to examples where ponds are right next to wetlands that are often designed to lose a portion of effluent through their base.</p> <p>There is also no clarification provided in the rule that this doesn’t include wetlands, which can be used for storage/treatment.</p> <p>Decision Requested</p> <p>“Amend the wording as follows:</p> <p>(a) The discharge of effluent or bio-solids onto or into land, in circumstances where contaminants may enter water, from a community sewerage scheme is a discretionary activity, provided the following condition is met:</p> <p>(i) any pond, tank or structure used to store the effluent or bio-solids prior to discharge is certified <u>verified</u> by a Chartered Professional Engineer as:</p> <ol style="list-style-type: none"> (1) being structurally sound <u>meeting the requirements of the New Zealand Standard;</u> (2) meeting the relevant pond drop level outlined below, when tested in accordance with the methodology in Appendix P. <table border="1" data-bbox="523 1711 1267 1921"> <thead> <tr> <th>Maximum Depth of Pond (m) excluding freeboard</th> <th>Maximum Allowable Pond Level Drop (mm per 24 hours)</th> </tr> </thead> <tbody> <tr> <td><0.5</td> <td>1.2</td> </tr> <tr> <td>0.5 to 1.0</td> <td>1.4</td> </tr> <tr> <td>1.0 to 1.5</td> <td>1.6</td> </tr> <tr> <td>1.5 to 2.0</td> <td>1.8</td> </tr> <tr> <td>>2.0</td> <td>2.0</td> </tr> </tbody> </table> <p>(2) [a replacement testing methodology is currently being developed by MWH and can be included in the submission prior to lodging it with ES.]</p>	Maximum Depth of Pond (m) excluding freeboard	Maximum Allowable Pond Level Drop (mm per 24 hours)	<0.5	1.2	0.5 to 1.0	1.4	1.0 to 1.5	1.6	1.5 to 2.0	1.8	>2.0	2.0
Maximum Depth of Pond (m) excluding freeboard	Maximum Allowable Pond Level Drop (mm per 24 hours)												
<0.5	1.2												
0.5 to 1.0	1.4												
1.0 to 1.5	1.6												
1.5 to 2.0	1.8												
>2.0	2.0												

Rules – Effluent and Sludge

Provision	Comments
	(b) The discharge of effluent or bio-solids onto or into land, in circumstances where contaminants may enter water, from a community sewerage scheme that does not meet the condition of Rule 33(a) is a non-complying activity.”

Rules – Land Contamination

Provision	Comments
Rule 48	<p>Cemeteries</p> <p>Council wishes further consideration to be given to the implications of this rule on our cemetery assets. A map of the ground water levels across the region was provided by Environment Southland to Council which indicates in most townships the depth to water is less than three metres. This means the extension of any of the existing cemeteries boundaries will require resource consent or new cemeteries to be developed near the township will require resource consent.</p> <p>Council also seeks clarity around what the consent process would consider or involve. Council is required to provide one metre of cover over the top of a grave, therefore there will be limited ability to control the depth of graves through consent conditions.</p> <p>Decision Requested</p> <p>Consideration be given to amending the required depth to groundwater, and clarity be provided around the expectations of the consenting process.</p>

Definitions

Provision	Comments
Community sewerage scheme	<p>Clarification is required that this applies to both public and private sewerage schemes ie, those owned by councils as opposed to those under the control of a body corporate.</p> <p>Decision Requested</p> <p>“A scheme that collects and treats sewage from more than three sites which are predominantly residential housing, but may include a component of industrial and trade process effluent. <u>It includes both Council operated and privately operated schemes.</u>”</p>
Reasonable mixing zone	<p>It is understood Environment Southland was trying to provide more certainty around the term ‘reasonable mixing zone’ because of its use within the rule framework and the desire to have more certainty around the activity status that will apply.</p> <p>However such a prescriptive definition will provide problems at a number of our sites where the discharge is to a narrow channel of watercourse. As such the potential mixing zone could be substantially reduced requiring the need for some form of intervention which may not necessarily be justified especially in areas where the upstream limits are already being exceeded.</p> <p>For example, in Ohai the discharge from the wastewater scheme into a tributary of the Orauea Stream, essentially is the entire ‘flow’ of that waterway and does not mix with other waters until some way down the Stream. The discharge permit has a</p>

Definitions	
Provision	Comments
	<p>reasonable mixing zone that extends from 5 metres upstream of the treated sewage outfall to 50 metres downstream of the outfall. Council would consider it overly restrictive to be penalised by having to move discharges or introduce significant upgrades where such discharges are existing, especially if there is limited ecological value at that time.</p> <p>The term 'reasonable mixing zone' is used in Rule 5 (discretionary activity) and Rule 8 (controlled activity), but is not used in relation to any permitted activities. Therefore it is considered that some discretion or flexibility within the definition may be appropriate. Reviewing the approach taken elsewhere in the country it appears a case by case approach to determining the reasonable mixing zone through the consent process may be appropriate in some circumstances.</p> <p>Decision Requested</p> <p>Amend wording as follows:</p> <p>“When determining the size of the zone of reasonable mixing, minimise the size of the area where the relevant water quality standards are breached. The zone shall not be larger than:</p> <ul style="list-style-type: none"> (a) for river and artificial watercourse locations with flowing water present at all times; <ul style="list-style-type: none"> (i) no longer than 10 times the width of the wetted channel or 200 metres along the longest axis of the zone (whichever is the lesser), and (ii) occupies no greater than two-thirds of the wetted channel width at the estimated 7 DMALF for that location; <u>or</u> (b) For river and artificial watercourse locations, with intermittent flows, no longer than 20 metres at times of flow and 0 metres at no flow; <u>or</u> (c) When within a drinking water supply site identified in Appendix O, 0 metres; <u>or</u> (d) <u>A distance determined as appropriate through a consent application.”</u>
Sewage and Raw Sewage	Council notes there are two separate definitions for sewage and raw sewage, and queries whether there is a need for the separate terms?

General Decision Requested

Overall Council requests that changes be made to the Water and Land Plan as outlined in our decisions requested above, or other wording that will have similar effect.

General Comments

Council is also conscious that there is still uncertainty around the future limit setting process and what restrictions that will impose in addition to the rules outlined in this Proposed Water & Land Plan. The process for this and how different sectors will be expected to contribute to the reduction in nutrients is still unknown and therefore creates concerns for Council in terms of the levels of investment that may be required now under these rules. This has implications for our communities and the level of certainty we can provide them around potential costs they are likely to incur (through rates), or the implications for levels of service they receive. Council again wishes to reinforce its concerns about the equitability and affordability of the proposed policy and regulatory framework.

Council is disappointed that it is again having to raise a number of the same issues that were identified in previous consultation processes with Environment Southland as there has been very little change to the notified version to address the issues that have previously been raised. There has been no justification included in the section 32 report to explain why no changes have been made given the inequities between the cost of compliance relative to the overall benefits created in each catchment.

Pre-Election Report 2016

Record No: R/16/6/9141
Author: Katherine McDonald, Corporate Planning and Performance Advisor
Approved by: Rex Capil, Group Manager Community and Futures

Decision Recommendation Information

Background

- 1 The Southland District Council Pre-Election Report is attached for your information.
- 2 The Pre-Election Report is a mandatory requirement and must be prepared by the Chief Executive of the local authority and contain information required by Clause 36 of Schedule 10 of the Local Government Act (2002).
- 3 The report must be completed and published no less than two weeks before nomination day of the general election. The nomination day for the 2016 local elections is 12 August 2016 therefore Pre-Election Report must be published by 29 July 2016.
- 4 The Pre-Election Report must be politically neutral and must not contain a statement or photograph of any elected member of the local authority.
- 5 The purpose of the Pre-Election Report is to provide information to promote public discussion about the issues facing Southland District Council and to encourage informed debate in the lead up to the October 2016 triennial local body elections.

Report

- 6 The legislation states that the Pre-Election report must contain:
 - (1) (a) for the three financial years immediately preceding the date of the election,—
 - (i) the funding impact statement referred to in [Clause 30](#); and
 - (ii) a summary balance sheet based on the financial statements referred to in [Clause 29\(1\)\(a\)](#) that discloses public debt and financial assets separately; and
 - (iii) a statement that compares—
 - (A) rates, rate increases, and borrowing with the quantified limits specified in the financial strategy; and
 - (B) returns on investments with the quantified targets for returns on those investments specified in the financial strategy; and
 - (b) for the three financial years immediately following the date of the election,—
 - (i) the information included in the funding impact statement in accordance with [Clause 15\(2\)\(b\) and \(c\)](#); and
 - (ii) a summary balance sheet based on the forecast financial statements referred to in [Clause 12\(1\)](#) that discloses public debt and financial assets separately; and
 - (c) the major projects planned for the three financial years immediately following the date of the election.

- (2) Despite Sub Clause (1)(a), the information to be included in the pre-election report for the financial year ending in the same year as the election in accordance with that sub clause may—
 - (a) be based on estimated information; and
 - (b) need not be audited.
- 7 The Policy and Planning Team created a timetable to manage the development of the Pre-Election Report that was approved by the Executive Leadership Team in February 2016. The report has been reviewed and approved by the Chief Executive.
- 8 The Pre-Election Report will be made available on the Southland District Council website and printed copies will be available at all Council offices and libraries. An advertisement will publically advertise the availability of the Pre-Election Report in the Southland Times and The Advocate.

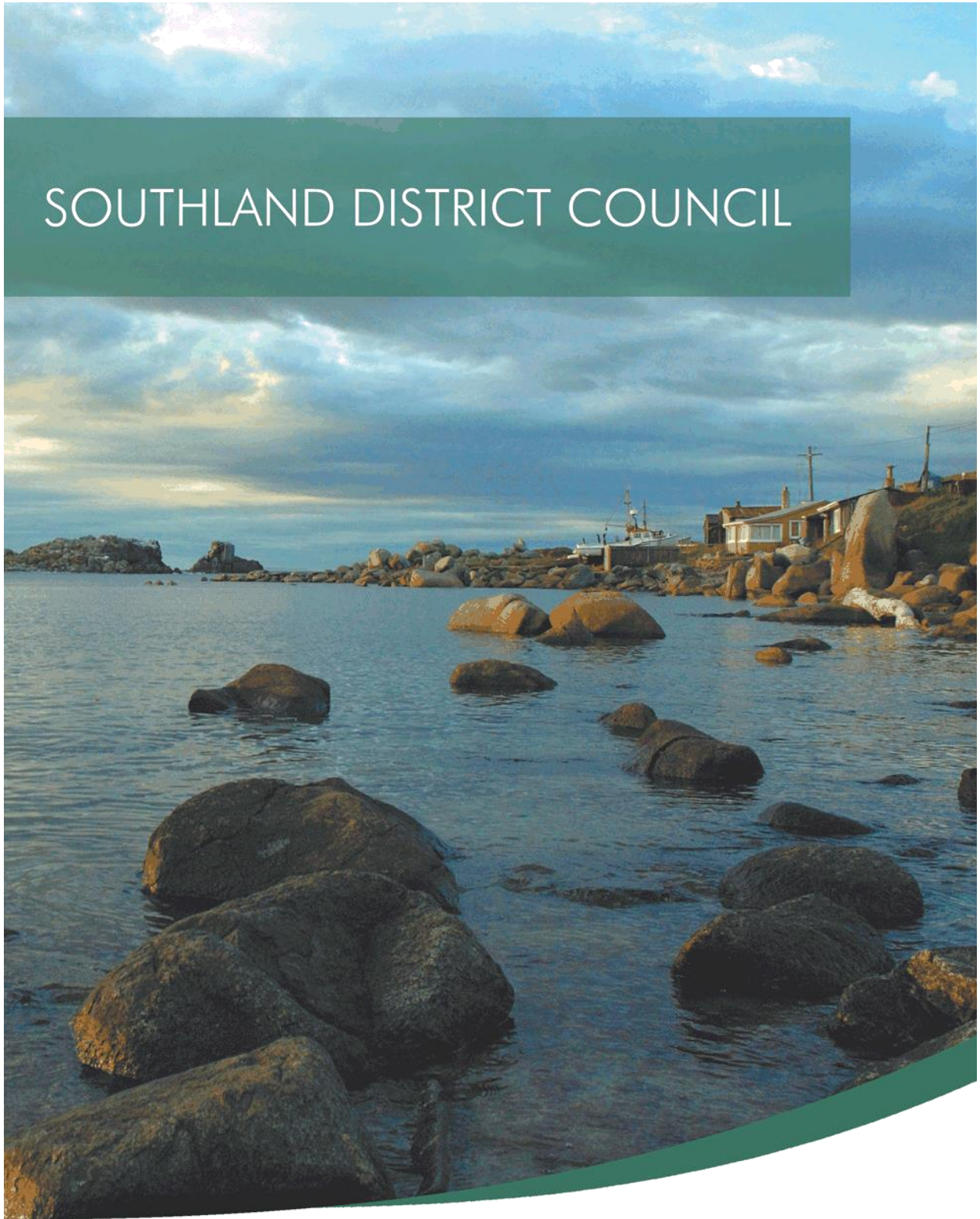
Recommendation

That the Council:

- a) **Receives the report titled “Pre-Election Report 2016” dated 12 July 2016.**

Attachments

- A Pre-Election Report 2016 [View](#)



Pre-Election Report



Chief Executive Introduction

Welcome to Southland District Council's Pre-Election Report.

Its aim is to stimulate informed debate about the issues facing Southland District and Council during the election campaign.

The Local Government Act 2002 requires Council to produce this report, to promote transparency of our financial position and projections for the future.

The report focuses on what Council has achieved in the past three years in terms of financial sustainability. It highlights the main projects we aim to complete and our funding projections for the next three years.

This report contains a funding impact statement and balance sheet for 2013-2014 and 2014-2015, and estimated figures for 2015-2016, as well as forecast figures for the current year and next three years 2017-2018, 2018-2019 and 2019-2020 – as taken from our Annual Plan 2016-2017 and Ten Year Plan 2015-2025.

Historical information has been obtained from audited documents, but it is important to note the information taken from the 2015-2016 Annual Report has not been audited as that was taking place at the time this document was being produced.

Now more than ever, Southland District Council faces major long-term strategic challenges. Southland is changing, and so is Council.

Demographic changes in Southland mean Council has to think hard about how it delivers its services, and where it delivers them. A declining and ageing population is making Council's rating base smaller. Communities are being asked to evaluate their expectations of what services Council provides, while keeping rates affordable.

We are having ongoing conversations with communities throughout the District about how they see their future. It is vital Council engages with communities so that we make sure we are providing the right services and infrastructure as we plan for the next 30 years.

The Te Anau wastewater issue continues to be a major priority for Council. We have a 25-year consent to pipe treated sewage 19km to the Kepler Block near Te Anau Airport Manapouri. This has been appealed to the Environment Court.

Council has employed an independent engineering consultancy to peer review the Kepler option, and is still considering alternatives. Finding the right option at the right price is a complex process and will take time.

Stage two of the Around the Mountain Cycle Trail remains in Council's Annual Plan pending the outcome of the Environment Court appeal.

If the consent is confirmed with conditions that are acceptable then we will need to finalise the forecast cost and seek decisions on how this is to be funded from Council. If consent is declined then Council will need to stand back and reassess its options for the project.

Costs and likely benefits will influence the final decisions.

Meanwhile, an independent review identified shortcomings in Council processes that are being rectified as part of our ongoing work.

Another issue demanding Council's attention is the Haast-Hollyford road.

There are a wide range of opinions within Southland on whether this road should be built, and we continue to consult our communities on the matter.



It is vitally important that Council carefully consider all aspects of the proposal, as ultimately Council would own the road, and carry the financial risks and responsibilities that come with ownership, irrespective of the contractual arrangements that it might have in place with the developers of the road.

As with all our activities, Council's final decision will need to be based on a comprehensive assessment of the project, whether it meets the future needs of the District and whether it is affordable over the long term.

I encourage anyone who has an interest in their community and is a team player to put their name forward for election. Council provides a wide range of services which add significantly to Southlanders' quality of life.

The role of councillor or community board member is demanding, challenging and rewarding. Get involved.

Steve Ruru

CHIEF EXECUTIVE

Southland District and its challenges

Southland District communities are spread throughout 11 percent of New Zealand’s land mass and connected by 6.5 percent of the nation’s roads.

At the 2013 Census 29,613 people lived in the district, less than 1 percent of the New Zealand population in a 30,198 km² area.

Each of Southland’s 28 communities has a special character, ranging from the popular coastal township of Riverton and the bustling tourist destination of Te Anau, to the tranquillity of Oban.

Council’s own structures enable these diverse communities to manage their local priorities.

Southland District Council has a strong system of devolved representation and community engagement. The District is represented by eight community boards, 19 community development area subcommittees, one community trust, 12 councillors and the mayor.

Of the total population, 2,829 usual residents (about 10 percent) identified as Maori, an increase of 8.1 percent since the 2006 Census. The ethnic makeup is becoming increasingly diverse, with particular growth in residents who identified as Asian (3.9 percent). Of the 11.5 percent of people in Southland District who were born overseas, the most common birthplace was the Philippines.

The population is also expected to age significantly over the next 20 years. In 2013, 14 percent of Southland District residents were aged 65 and over.

Southland District has affordable housing and low unemployment compared with the national and regional averages. The median wage in Southland District is also slightly higher than the national average. However, Southland District has one of New Zealand’s least diversified economies. This is a key factor in the loss of youth, who look for high-quality jobs compatible with their qualifications.

Trends in the dairy industry have been a recent challenge for Southland District’s economy, with low global prices generating significant financial pressure for dairy farmers. By contrast, the tourism industry is experiencing significant growth, which presents both opportunities and challenges for the Southland District.

Council’s biggest challenge remains the widening gap between the rising cost of providing core services and the small population able to help fund it.

Southland District Council is having conversations with ratepayers about this and many other issues relating to delivery of services and infrastructure.



3



Key Issues

1. Around the Mountains Cycle Trail

The Around the Mountains Cycle Trail began in 2010 as one of the Prime Minister’s Quick Start projects. Council decided to build the trail because it believed it would bring economic benefits to the communities along the trail and into Southland. Council has a partnership with Government, which has contributed \$4.5 million to the trail. We have also received funding from the Lotteries Commission (\$1 million) and Community Trust of Southland (\$250,000).

Stage one from Kingston to Mossburn was built and opened in 2014. A further consent has been sought for the upper Oreti River section and was granted by commissioners in 2015. That consent has been appealed by Fish & Game and the Environment Court hearings are going on at the moment.

The cost of the trail has increased markedly from \$8 million to an estimated \$14 million. An independent investigation into why these costs have increased is under way. It is due out late July.



2. Te Anau Wastewater Discharge Project

At present Te Anau wastewater is treated and discharged into the Upukerora River. When Council got its last discharge consent from Environment Southland more than 10 years ago, it was clearly indicated that this approach would not continue to be accepted. Work began on investigating options and land discharge became the preferred option. A number of alternate land-based discharge sites were looked at before the Kepler block beside Te Anau Airport Manapouri was bought in 2008.

A working group made up of key stakeholders was involved in the work from the beginning. Consent to discharge treated wastewater by centre pivot irrigators was granted by commissioners in 2014. This consent has also been appealed to the Environment Court. A project committee was established in 2015 to work through a peer review process.

The peer review found the consented option was still appropriate and relevant but also identified two other options which could also be appropriate. Work continues with consideration of the alternatives identified and mediation on the appeal has been held and adjourned to enable further technical detail on another option to be developed.

3. Haast Hollyford Highway

Building a road between Haast and the Hollyford Road has been proposed several times in the past 60 years. A group on the West Coast has proposed this again and has asked for Council to agree in principle. Council has supported the concept of developing the road and also agreed that it will support it going through the established land transport planning processes, which is required if it is to get central Government support. Council is looking to work with Haast Hollyford Highway Ltd, Westland District Council and the NZ Transport Agency to agree on the work that needs to be completed to advance the project.



4. Roothing

Council spends \$27 million a year on the District roading network, the second biggest in the country. The level of funding that we receive from the NZ Transport Agency to assist with the maintenance of our roading network is reducing, putting pressure on rates particularly as we try to maintain roads to meet the expectations of our communities.

To ensure that we keep rates affordable we need to continue looking for innovative ways to prioritise spending on the roads that are the most important to our communities in terms of their economic and social needs. This also means that lower-use roads may not see the same level of maintenance as they have seen in the past.

5. Community Futures

Council is looking at who our communities will be in the future to make sure that we are providing the right services and infrastructure. This information will help us plan for the community facilities and other infrastructure work we will need to complete in the next 30 years. It will also help us understand the demographic profile of the people who will be living in our communities.

So far, we have held workshops in Ohai and Nightcaps to discuss the implications of population change. We have also had research undertaken by demographers from the University of Waikato and the University of Sheffield.

To move this project forward, Council will be looking at how the lifetime costs of different infrastructure compare across the District. We will also be working with residents and ratepayers to find out what is important in their areas and how they see the future of their communities.

6. Community Governance

Council is talking to our Community Boards and CDAs about how Southland District should be represented in the future. Local involvement in the decisions affecting our District is important and the needs, aspirations and make-up of our communities means Council has to consider how best to serve and engage with them. Proposals on how our communities will be led will be discussed with elected members this year and then inform the representation review which we must do next year.

7. Tourism



2016 has seen a boom in tourist numbers in the south and the predictions are that this will continue. Milford Sound, in particular, has had about 100,000 more visitors this year than previously. Freedom camping has increased and so have the issues surrounding it. Council is aware of the need to be proactive in tourism management and is working with other agencies, particularly in the Milford area, to look at how best to manage the expected future growth. Development of a heritage centre at Curio Bay, along with improved facilities at the camping ground, is well under way.

Shared Services

Southland District Council continues to work with other councils in Southland and the Clutha District Council to make efficiencies and cost savings on behalf of ratepayers through shared service arrangements.

Emergency Management Southland, which manages region-wide civil defence preparedness and emergencies, is an example of an effective shared service.

Another is Venture Southland, which promotes and manages tourism, economic development and events in Southland.

There have been more than 50 inter-council collaborative projects in the past 16 years, among them WasteNet Southland, the Southern Rural Fire Authority, Road Safety Southland, the Southland Regional Heritage Committee, some environmental health services and the charter of understanding with Ngai Tahu.

SoRDS

The Southland Regional Development Strategy (SoRDS) was initiated by the Southland Mayoral Forum and was launched in October 2015 as a joint initiative between councils, iwi, business and community organisations.

It is an economic and social development strategy and action plan, with the primary aim of increasing Southland's population by 10,000 to 105,000 by 2025.

There are nine action teams and more than 90 people involved, most of them volunteers.

Council has been fully involved from the outset. We are acknowledged as a delivery agency in the strategy and are represented in the ease of doing business action team, which Council Chief Executive Steve Ruru leads.

Council's Financial Report

The following financial statements cover the past three years and the next four years. They show how Council is managing its finances in comparison with the Financial Strategy adopted as part of the Ten Year Plan 2015-2025.

Council is in a sound financial position and is constantly looking for efficiencies and innovative ways to save money.

The financial information brings together figures previously published in our Ten Year Plan 2015-2025, Annual Plans and Annual Reports as well as updated financials, based on the latest forecast information. While this is not an audited report, much of the information contained in it has been audited. In particular, the 2013-2014 and 2014-2015 financial information has been audited via the respective Annual Reports and the 2017-2018, 2018-2019 and 2019-2020 financial and major projects information via the Ten Year Plan 2015-2025. Information from the 2016-2017 Annual Plan is also included, but this document is not audited.

6

Financial Tables

2013-2014 and 2014-2015 numbers are from Council's audited Annual Reports.

2015-2016 numbers are forecast results for the year ended 30 June 2016.

2016-2017 numbers are from Council's 2016-17 Annual Plan.

2017-2020 numbers are from the Ten Year Plan 2015-2025, adjusted for the following significant adjustments:

- \$8.3 million decrease in cash, predominantly as a result of additional costs associated with the Around the Mountain Cycle Trail and early replacement of Winton water mains, \$5 million of which will be funded by increasing long-term borrowings.
- \$50.3 million decrease in property, plant and equipment as a result of major asset revaluations being lower than previously forecast, offset by the increased expenditure on AMCT and Winton water mains.
- \$4.5 million decrease in funds available for investment.

Balance Sheet

The Balance Sheet shows the value of assets owned by Council. It also shows how Council has funded the acquisition of those assets. Council can fund its assets either by borrowing or from equity Council has built up over the years. Council's main asset is its property, plant and equipment, for example, roads, water and sewage treatment plants.

BALANCE SHEET	ACTUAL		ESTIMATE		ANNUAL PLAN		FORECAST	
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
TOTAL EQUITY	1,390,342	1,386,039	1,403,733	1,422,574	1,454,883	1,491,297	1,529,358	
Current assets								
Cash and cash equivalents	11,577	9,658	4,730	(2,780)	(3,278)	(3,456)	(1,554)	
Current financial assets	786	1,302	782	302	266	266	266	
Other current assets	8,515	10,926	10,603	7,532	8,423	8,706	8,954	
	20,878	21,886	16,115	5,054	5,412	5,515	7,666	
Non-current assets								
Property, plant and equipment	1,364,491	1,361,737	1,381,411	1,413,302	1,449,384	1,491,840	1,528,115	
Non-current financial assets	5	5	5,524	1,004	1,004	525	525	
Other non-current assets	16,243	14,154	12,884	17,161	15,959	15,735	15,440	
	1,380,739	1,375,896	1,399,819	1,431,467	1,466,347	1,508,101	1,544,080	
TOTAL ASSETS	1,401,617	1,397,782	1,415,934	1,436,521	1,471,759	1,513,616	1,551,747	
Current Liabilities								
Borrowings	15	6	6	-	62	66	70	
Other current liabilities	11,074	11,567	12,041	12,853	11,318	11,831	11,970	
	11,089	11,573	12,047	12,853	11,380	11,897	12,040	
Non-current liabilities								
Borrowings	5	-	-	937	5,336	10,269	10,198	
Other non-current liabilities	181	170	155	158	159	153	152	
	186	170	155	1,095	5,495	10,422	10,350	
TOTAL LIABILITIES	11,275	11,743	12,202	13,948	16,875	22,319	22,390	
NET ASSETS	1,390,342	1,386,039	1,403,733	1,422,574	1,454,883	1,491,297	1,529,358	

*** Note**

- 2015-2016 Balance Sheet above has been prepared from estimated year end numbers
- 2015-2016 Balance Sheet above has been prepared before year end adjustments/procedures
- The forecast years include adjustments from prior years greater than \$2 million, in accordance with Council's Significance and Engagement Policy

Funding Impact Statement

The Funding Impact Statement shows how Council intends to fund its activities, both operational and capital, in the future. Funds are applied to either operating expenditure covering the ongoing costs required for Council to operate, for example, electricity, insurance and staff costs, or to capital expenditure on major assets that will last for a long period of time, for example, water treatment plants and roads.

FUNDING IMPACT STATEMENT	ACTUAL		ESTIMATE	ANNUAL PLAN		FORECAST	
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding							
General rates, uniform annual general charges, rates penalties	27,305	28,329	13,781	14,282	14,212	14,514	14,719
Targeted rates	12,326	12,789	28,368	29,258	30,737	32,009	33,370
Subsidies and grants for operating purposes	7,058	6,954	7,216	7,201	7,193	7,237	7,307
Fees and charges	3,409	3,536	3,330	3,501	3,870	3,991	4,076
Interest and dividends from investments	362	472	425	81	295	168	75
Local authorities fuel tax, fines, infringements fees and other receipts ¹	4,487	4,053	4,713	4,336	3,971	5,171	4,624
Total operating funding	54,948	56,133	57,833	58,659	60,278	63,089	64,171
Applications of operating funding							
Payments to staff and suppliers	38,155	37,720	41,493	43,309	42,403	43,100	44,651
Finance cost	58	148	4	20	20	356	352
Other operating funding applications	3,723	3,697	4,922	4,036	3,904	3,957	4,035
Total applications of operating funding	41,936	41,565	46,419	47,365	46,326	47,413	49,038
Surplus (deficit) of operating funding	13,012	14,568	11,414	11,294	13,952	15,676	15,133
Sources of capital funding							
Subsidies and grants for capital purposes	11,470	9,663	6,255	9,644	8,957	9,819	10,447
Development and financial contributions	47	53	128	115	453	-	-
Increase (decrease) in debt	(17)	(15)	-	937	5,399	(64)	(68)
Gross proceeds from sale of assets	375	121	117	94	72	133	145
Lump sum contributions	-	-	-	-	-	-	-
Total sources of capital funding	11,875	9,822	6,501	10,790	14,880	9,888	10,524
Applications of capital funding							
Capital expenditure							
- to meet additional demand	80	227	329	81	3,050	3,143	-
- to improve the level of service	10,753	6,988	5,399	19,809	10,417	9,312	4,348
- to replace existing assets	11,246	16,722	12,797	15,871	14,777	18,999	19,302
Increase (decrease) in reserves	770	844	(3,971)	(3,744)	2,398	974	1,079
Increase (decrease) in investments	2,038	(391)	3,361	(9,933)	(1,810)	(6,864)	929
Total applications of capital funding	24,887	24,390	17,915	22,084	28,832	25,564	25,657
Surplus (deficit) of capital funding	(13,012)	(14,568)	(11,414)	(11,294)	(13,952)	(15,675)	(15,133)

¹ Includes all other operating funding from sources not identified above

***Note**

- 2015-2016 Funding Impact Statement above has been prepared using estimated year end numbers
- 2015-2016 Funding Impact Statement above has been prepared before year end adjustments/procedures
- The variation in rates funding subsequent to 2014-2015, is as a result of changes in classification methodology

Financial Strategy

Council’s Financial Strategy balances a requirement to maintain infrastructure to acceptable standards while recognising the burden that rate increases place on ratepayers.

Council wants to give certainty to ratepayers about future rate movements and does this by imposing a maximum rate increase cap, of the Local Government Cost Index plus 2 percent. Council aims to keep rates well below this cap, by carefully managing costs, the services we provide and by always looking for more efficient ways to deliver our services. Council will also look for other sources of funding, including maximising our returns from forestry.

It is important that Council maintains a healthy balance sheet with low to modest levels of debt until we have a clearer picture of how we might best meet the long-term infrastructure needs of our communities. In the past there has not been a need to use external debt. In coming years Council is expecting to borrow externally to fund the Te Anau wastewater disposal project. Council has set a limit on debt of 100 percent of revenue, which it believes is conservative and will provide the ability to fund any unforeseen events, such as a natural disaster or emergency.

Year	RATES INCREASE	CPI LGCI Limit			Rates Increase	Compliance
		CPI	LGCI	Limit		
2013-2014		2.40%	3.46%	6.29%	3.69%	✓
2014-2015		2.40%	3.17%	5.96%	3.04%	✓
2015-2016		1.70%	2.04%	4.04%	3.44%	✓

*Rates increases for the 2013-2014 and 2014-2015 financial years are limited to LGCI +2.5% in accordance with the 2012-2022 Long Term Plan

*Rates increases for the 2015-2016 financial year are limited to LGCI +2.0% in accordance with the Ten Year Plan 2015-2025

*Rates increases differ to what is published in the relevant Annual Plans and Long Term Plans due to actual rates collected being used for years 2012-2013, 2013-2014 and 2014-2015.

*Rates collected for the 2015-2016 period are based on the estimated financial statements.

*CPI and LGCI rates are as per the relevant LTP. 2013-2014 and 2014-2015 rates are from the 2012-2022 Long Term Plan, 2015-2016 rates are from the Ten Year Plan 2015-2025.

Year	BORROWINGS LIMIT	Total Revenue	Total Borrowings	Borrowing Limit	Compliance
		(\$000)	(\$000)	(\$000)	
2013-2014		71,181	20	106,771	✓
2014-2015		66,484	6	99,726	✓
2015-2016		64,577	5	64,577	✓

*Borrowings for the 2013-2014 and 2014-2015 financial years are limited to 150% of Councils total revenue in accordance with the 2012-2022 Long Term Plan

*Borrowings for the 2015-2016 financial years are limited to 100% of Council’s total revenue in accordance with the Ten Year Plan 2015-2025

*2015-2016 revenue and borrowings are based on estimated financial statements.

Accounting Method

When preparing its financial information Council applies Generally Accepted Accounting Practice (GAAP). One of the key principles of GAAP is to record assets at a fair value. Fair value is either an estimation of market value of assets where it exists, for example, forestry assets, or the cost in current dollar terms to replace certain assets where there is no readily available market value, for example, roads. Some lesser value assets are valued at historical cost.

Major Projects

The table below shows the major projects scheduled for the current year and the three financial years following elections. For the purpose of this report major projects include all projects over 10 percent of the \$2 million significance threshold (for planned projects) from the Significance and Engagement Policy. The table shows each project's annual cost for the four years.

This table is not a full list of Council's projects. A full list can be found in Council's Annual Plan, Annual Report or Ten Year Plan for the respective periods.

PROJECT	2016-2017	2017-2018	2018-2019	2019-2020
	(\$000)	(\$000)	(\$000)	(\$000)
Council Buildings/Property				
COUNCIL OFFICES AND DEPOTS BUILDING UPGRADE To refurbish and upgrade the Invercargill SDC Office Building	501	2,146	-	81
OTAUTAU CAMPING GROUND Upgrade sewerage connection, new ablution block, new kitchen, new huts & chalets	220	-	-	-
Council Facilities				
REBUILD ULVA ISLAND JETTY To rebuild the deteriorating Ulva Island Jetty on Stewart Island/Rakiura	-	-	-	333
District Support				
IT EQUIPMENT RENEWAL New servers and Thin clients to update the IT environment	-	-	685	-
CORE SYSTEMS REVIEW Review dated applications against future requirements for Council	1,750	-	-	-
RECORDS DIGITISATION Replacing the current paper-based property filing system with an electronic system	1,391	-	-	-
Parks and Reserves				
TE ANAU - NEW PONTOON To create a public facility to be able to get on and off boats	205	-	-	-
Public Conveniences				
LUMSDEN TOILETS Toilet Facilities Upgrade	-	-	221	-
Roading and Transport				
AROUND THE MOUNTAIN CYCLE TRAIL Completing Stage Two of the Around the Mountains Cycle Trail	5,868	-	-	-

PROJECT	2016-2017	2017-2018	2018-2019	2019-2020
	(\$000)	(\$000)	(\$000)	(\$000)
Stormwater				
LUMSDEN - RETICULATION UPGRADE Reticulation upgrade to the South East catchment	-	-	-	466
Water Supply				
EASTERN BUSH - WATER SUPPLY UPGRADE Upgrades to the water treatment plant to meet water drinking standards	779	802	-	-
EASTERN BUSH - REPLACE RISING MAIN Replacement of rising water main following plant upgrade	-	-	-	456
OTAUTAU - REPLACEMENT OF MAINS Planned replacement of mains subject to condition assessment	-	-	-	570
TUATAPERE - RENEWAL LATERALS (TALBOTS) Renewal of laterals due to premature failure, subject to condition assessment	-	428	-	-
WINTON - REPLACEMENT OF MAINS Planned continuation of replacement work to Winton mains resulting from pipe breaking ahead of schedule	1,600	-	1,103	-
Waste Water				
CURIO BAY UPGRADE Implementing a sustainable long term wastewater treatment solution for the Curio Bay Reserve along with the visitor centre.	815	-	-	-
TE ANAU - CASWELL ROAD UPGRADE Upsizing of the main to achieve new level of service	-	-	221	-
TE ANAU SEWERAGE SCHEME UPGRADE To upgrade the capacity of the Te Anau Sewerage Scheme - As this project is currently under appeal in the Environment court, the scope, timing and costs for this project may change.	311	5,987	5,848	-
STEWART ISLAND/RAKIURA - PUMP STATIONS SCADA UPGRADE Subject to condition assessment	-	-	-	529
RIVERSDALE - TREATMENT UPGRADE STAGE 2 Plant Upgrade subject to resource consent approval	700	-	1,765	-
CURIO BAY UPGRADE Implementing a sustainable long term wastewater treatment solution for the Curio Bay Reserve along with the visitor centre.	815	-	-	-
Te Anau Airport				
MAIN RUNWAY APRON RESEALING	294	-	-	-

Item 7.2 Attachment A



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Ohai Railway Board Assets

Record No: R/16/7/10546
Author: Kelly Tagg, Community Partnership Leader
Approved by: Ian Marshall, Group Manager Services and Assets

Decision Recommendation Information

Summary

1. A Request for Proposal (RFP) document to lease historic railway rolling stock ex-Ohai Railway Board was released on Tuesday, 3 May 2016.
2. It was explained that the purpose of the RFP was to seek proposals from suitably qualified and experienced organisations to lease the historic carriages and locomotive that were once utilised by the Ohai Railway Board.
3. Furthermore, the carriages and locomotive have sat in storage at Wairio for many years effectively hidden away and adding no value or benefit to anyone.
4. The Council is looking for competent organisations to take charge of the items, use them and protect them whilst Council retains ownership of all the items.
5. There was a considerable amount of interest from the public and 28 copies of the document were sent out to interested parties.
6. The closing date was Tuesday, 7 June 2016; communication from 10 parties was received which included seven proposals.
7. The RFP stated that Council wishes to have the carriages and locomotive (shunter) displayed for the benefit of the public so they can enjoy the heritage values of the carriages in particular and so they can learn about the history of the Ohai Railway Board.
8. The RFP also stated the following;
 - The Guards/Plough van and Carriage A294 and A525 have a very high heritage value.
 - The locomotive has a moderate heritage value because it is of standard design and is not rare.
 - The assets were owned by the Ohai Railway Board which has a significant part in railway history.
 - The Council requires the assets to be restored, maintained and protected in a manner that ensures long life preservation.
9. The proposals received can be summarised as follows;

Organisation name	Asset interested in	Type of display
Otago Railway & Locomotive Society Inc	DSB Mitsubishi Locomotive (Diesel Shunter)	Society wishes to return locomotive to operational use and have it running at Ocean Beach Railway in Dunedin
Historic Clyde	One carriage	For a static display at the Clyde Railway Station to be used as a Wi-Fi hub.

National Railway Museum of New Zealand	Guards and Plough Van	Static display at the National Railway Museum at Ferrymead, Christchurch
Waimea Plains Trust	Both carriages and Guards & Plough Van	Return all three assets to operational status for use on the Waimea Plains Railway
Rimutaka Incline Railway Heritage Trust (Upper Hutt)	One or both carriages	To be returned to operational status and pulled behind the original ORB No. 1 Loco which the trust already owns.
Karl Barkley	All four assets	Static display at the ORB/KiwiRail site at Wairio
Lumsden Heritage Trust	Both carriages and the Locomotive	Static display at Lumsden Railway Station

10. A full summary of the seven proposals is attached to this report.
11. The following criteria was used to evaluate the proposals;
 - (a) Experience of the organisation in similar activities
 - (b) Skilled personnel to manage restoration
 - (c) Location within Southland District as opposed to outside the District or outside the province
 - (d) Proximity to high visitor numbers (exposure)
 - (e) Quality of the interpretation proposed for the Ohai Railway Board history.
 - (f) The methodology for restoration.
 - (g) The methodology for housing or covering the items
 - (h) Price will not form part of the evaluation. It is not intended that the proposal include a lease price offer. The items will be leased for a peppercorn rental.
12. It should be noted that the majority of the proposals received were of a very high standard and that the recommendations contained below allow for two carriages to remain in Southland, the guards and plough van to be put on display at the National Railway Museum in Canterbury and for the locomotive to be returned to active service at the Ocean Beach Railway in Dunedin.
13. It is also important that Council retains some control over the assets once their future destination has been agreed upon. To that end it has been suggested that the lease documentation contain an annual review clause whereby Council will receive the following information;
 - (a) Details of restoration and/or maintenance works completed
 - (b) Visitor numbers and feedback from same
 - (c) Confirmation of insurance cover for the assets

- (d) Photos of the assets in situ
14. Council may also wish to consider imposing timeframes that determine how long the successful applicants have to transport the assets, carry out necessary maintenance and restoration before being able to display the assets to the public.

Recommendation

That the Council:

- a) Receives the report titled “Ohai Railway Board Assets” dated 11 July 2016.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Determines that the Guards and Plough Van (F11) be leased to the National Railway Museum situated at Ferrymead in Christchurch where it will be repaired and restored and be a key exhibit of the museum.
- e) Determines that the DSB Mitsubishi Locomotive be leased to Otago Railway and Locomotive Society (Ocean Beach Railway) where the locomotive will be restored to active service
- f) Determines that carriage A294 be leased to the Waimea Plains Railway Trust to be restored to operational status.
- g) Determines that carriage A525 be leased to Lumsden Heritage Trust to be situated as part of their static railway display of heritage rail assets at the Lumsden Heritage Precinct
- h) Stipulates as part of the lease that an annual review date be included to ensure that the lessee provides the following information to Council;
 - (a) Details of restoration and/or maintenance works completed
 - (b) Visitor numbers and feedback from same
 - (c) Confirmation of insurance cover for the assets
 - (d) Photos of the assets in situ
- g) Considers setting time frames for the removal of the assets from Wairio, the undertaking the planned maintenance/restoration culminating with the assets being on public display.

Attachments

- A Summary of Proposals received to lease ex-Ohai Railway Board rolling stock - 8 July 2016 [View](#)

Item 8.1

When replying please quote: 100/30/5/48 Kelly Tagg

8 July 2016

TO: All Councillors

SUBJECT: Summary of proposals to lease historic railway rolling stock ex-Ohai Railway Board.

MEMO:

Copies of the Request for Proposal document were provided to sum 28 interested parties; proposals were received from the following:

Name	Date received
Otago Railway & Locomotive Society Inc	26 May 2016
Historic Clyde	1 June 2016
National Railway Museum of New Zealand	3 June 2016
Waimea Plains Trust	3 June 2016
Rimutaka Incline Railway Heritage Trust	3 June 2016
Karl Barkley	7 June 2016
Lumsden Heritage Trust	7 June 2016

In addition, communication was received from three parties and can be summarised as follows;

- Ian Forde (letter received 23 May 2016).

Expressed concern at the prospect of the rolling stock leaving Wairio where he believes it meets the criteria as per the RFP of being on display and undercover. Mr Forde is also concerned that the removal of the assets will reduce the value of the Wairio Township.

- Midland Rail Heritage Trust (email received 3 June 2016)

The Midland Rail Heritage Trust which operates from Springfield in Canterbury advise they are interested in the assets but are not in a position to submit a proposal at this time.

- Nightcaps Steam Sawmill Charitable Trust (letter received 7 June 2016)

The Nightcaps Steam Sawmill Charitable Trust recommends that the assets remain at Wairio. The Trust states that the steaming shed at Wairio is (as far as they know)

the only remaining steaming shed in NZ. The Trust advises they will support Council in any way they can with this matter.

Summary of proposals

A condensed version of the proposals is contained below; each proposal is set out using the evaluation criteria from the request for proposal document.

Otago Railway & Locomotive Society Inc

The Otago Railway and Locomotive Society Inc is interested in the DSB Mitsubishi Locomotive (Diesel Shunter) 1967 – Yellow ORB No. 1.

- (a) Experience of the organisation in similar activities

The Ocean Beach Railway has been involved in preserving, restoring and operating vintage trains for over 50 years.

- (b) Skilled personnel to manage restoration

- *Mike Kilsby (Kiwirail Locomotive Engineer)*
- *Chris Francis (Dunedin Railways Locomotive Maintainer & Fabricator)*
- *Jonathan Walker (Diesel Fitter)*
- *Graeme Fyffe (Fabricator & Panel Beater)*
- *Shane Murray (Mechanical Design Engineer)*

- (c) Location within Southland District as opposed to outside the District or outside the province

Ocean Beach Railway, Dunedin

- (d) Proximity to high visitor numbers

The railway has hosted many hundreds of thousands of visitors from the southern region over the last half century.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The Society has had a lengthy relationship with the former Ohai Railway Board and purchased the ORBs 1939 diesel shunting locomotive which it has restored.

Having the Mitsubishi Locomotive at Ocean Beach would mean that the first and last diesel locomotives to be purchased by the ORB are stored and operating together.

The locomotive would be used at the Ocean Beach Railway; the railway also has some examples of wagons that this engine would have been used with and also video footage of the engines operating heavy coal trains on the line.

Ocean Beach Railway advise the links between their collection are many and varied and they would be honoured to provide a fitting active retirement for the locomotive.

- (f) The methodology for restoration

- *Arrange for motors and other components in storage (at Wairio) to be delivered to workshop*
- *Arrange for transit of the locomotive*
- *Check the condition of the running gear (wheels, axles, brake rigging) and make any repairs necessary for running condition*
- *Mechanically check items that need to be fitted to the locomotive*
- *Examine body work for damage or corrosion and make good*
- *Assemble the missing mechanical components into the Locomotive and reassemble the hood assemblies*
- *Static and dynamic test runs of the locomotive to check compliance then into service*

Total anticipated project length is three years of voluntary effort, much of which has already been pledged.

- (g) The methodology for housing or covering the items

Covered storage is available and the railway is actively seeking to expand its already significant buildings.

Historic Clyde Incorporated

Historic Clyde Incorporated is interested in either of the two rail carriages, A294 or A525.

- (a) Experience of the organisation in similar activities

The Trust played a major part in the completion of the upgrade of the Clyde Railway Station which required fundraising, preparation of conservation reports and considerable local and volunteer labour working under skilled tradespersons.

- (b) Skilled personnel to manage restoration

Members of the group have significant experience in restoring historic buildings within the Clyde Historic Precinct.

The Society is confident there is sufficient volunteer labour available within the town to complement that skill base.

- (c) Location within Southland District as opposed to outside the District or outside the province

The Society recognises that whilst they are outside the Council boundary that many people from the Southland region holiday in Clyde and the surrounding district.

- (d) Proximity to high visitor numbers

Clyde is the beginning (or end) of the Otago Central Rail Trail which is internationally recognised and significant visitor numbers passing through the town since the trails inception.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The Society proposes installing a panel detailing the history of the ORB outside the carriage itself or within the Railway Station Museum and may also produce a booklet available for purchase for a gold coin donation. The Society would enter into discussions with Council concerning this point should their proposal be acceptable.

- (f) The methodology for restoration

The Society believes it has significant experience in similar projects undertaken by Historic Clyde Inc and proposes to “tap in” to these skill sets to complete this project. The Society would also work with the Railway Heritage Trust to establish a proper conservation plan before undertaking the restoration work.

- (g) The methodology for housing or covering the items

The Society proposes storing the carriage under an extended carport type cover at the Railway Station which they believe would provide sufficient weather protection. The carriage would be situated so as to ensure visibility to the normal tourist traffic while ensuring the risk of vandalism is diminished. The Railway Station building is occupied by a business that is an operator on the Rail Trail and works extensive hours which the Society believes would help mitigate the risk of vandalism or graffiti.

The Society proposes to use the carriage as an internet/email clearance facility for cyclists and independent tourists; free Wi-Fi is available in the Township.

National Railway Museum of New Zealand

The National Railway Museum of New Zealand (NRM) is interested in the Guards and Plough Van F11.

- (a) Experience of the organisation in similar activities

The National Railway Museum of New Zealand is a project of the Canterbury Railway Society located at Ferrymead Heritage Park in Christchurch.

Members and volunteers of the Museum are also members of a number of other rail preservation groups. As such, there is an abundance of expertise in restoration and maintenance of historic rail rolling stock as evidenced by the awards these rail groups have received for restoration of important rail locomotives, carriages and wagons.

- (b) Skilled personnel to manage restoration

The restoration team will included (at least):

- *Richard Poff – registered master builder and railway enthusiast whose most recent work has been on the construction of the track ends for the NRM turntable.*
- *Neville Tobin – currently actively involved in restoration of a NZR box wagon*
- *Bruce Shalders – current treasurer of CRS and long-time CRS member who has been involved in a number of building projects over the years*
- *John Mackenzie – registered engineer and NRM board member with an active interest in railways. Part of the design team for the NRM mail display building.*

- *Colin Barry – Retired with over 40 years railway preservation experience ranging from steam engine overhaul to carriage building and track work.*
- *John Peterson – part of the restoration team for carriage D26.*

- (c) Location within Southland District as opposed to outside the District of outside the province

National Rail Museum buildings at Ferrymead Park, Christchurch.

- (d) Proximity to high visitor numbers

Current park numbers are 45,000 with an expectation that number will increase to 60,000 when the main display building is finished and the full Museum is opened.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The F11 van will play a central part in telling the story of the development of railways in New Zealand and that not all of that development was done by the NZ Government. The NRM's plan is to use the van and the Ohai Railway Board as one of the best examples of a community understanding the need to become connected with the rest of the country by establishing reliable transportation in and out of the region. The van and the ORB story will likely initially be part of the Rail Maintenance Exhibit.

- (f) The methodology for restoration

The NRM is bound by the ICOMOS New Zealand Charter as well as the Collection Policy of the National Rail Museum of New Zealand.

The vehicle will be repaired using original drawings, materials and measurements; the maximum amount of original fabric will be retained and where the original fabric has decayed, the minimum amount will be replaced with material similar to the original. Further, matching material will be used and details and standards of workmanship will match those of the original. NRM advise that any necessary reconstruction will be with materials similar to the original and to the same standards. A detailed written record of all conservation work, along with photographs of the project as it progresses, will be kept. After restoration, the museum curator will be responsible for the cleaning and well-being of the vehicle.

- (g) The methodology for housing or covering the items

The van will be displayed under cover inside the NRM buildings at Ferrymead Park in Christchurch. The NRM is planning on opening a "preview" of the Museum later this year and the van will be a key part of that exhibition.

Waimea Plains Railway Trust

The Waimea Plains Railway Trust has expressed an interest in both wooden carriages and the guards and plough van.

- (a) Experience of the organisation in similar activities

The establishment of an operational rail heritage facility at Mandeville, the planning and subsequent sourcing and acquisition of rare railway infrastructure and reinstating same is proof of the skills of the Trustees and other people and organisations who have contributed to establishing the rail heritage facility.

- (b) Skilled personnel to manage restoration

Trustees have been drawn from various locations and occupations giving the Trust the opportunity to have access to the best possible advice and knowledge foundation and subsequent structure to advance a very large but exacting undertaking of rail preservation.

- *Robert Storm – KiwiRail Chief Design Engineer (Dunedin)*
- *Carl Findlater – the Trusts timber and wooden structures advocate (Tussock Creek)*
- *Mark Burton – KiwiRail Network Utilities Technician, an expert on all railway matters and a strong advocate of Railway preservation and history (Invercargill)*
- *Russell Glendenning (Kingston)*
- *Neville Simpson – a retired Trustee currently co-opted for his advice and knowledge relating to locomotive boilers and other heavy engineering practices.*
- *John Clegg – Chief Engineer with Croydon Aircraft*
- *Bill Sutherland*
- *Colin Smith*

- (c) Location within Southland District as opposed to outside the District of outside the province

Mandeville at the Trusts rail heritage facility

- (d) Proximity to high visitor numbers

Not stated but the rail heritage facility is close to the Croydon Aviation Heritage Centre.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The Trust proposes that the two carriages and guards and plough van be kept together in Southland as the “Ohai Set”. Further, the principal objective of the Trust is to have the two carriages and Plough van returned to operational status.

The Trust’s Rogers K92 Locomotive would act as the prime mover on live running days and on days when they are not running they would be berthed at the station on public display.

- (f) The methodology for restoration

If the Trust receives the rolling stock restoration priority over the older carriages they currently have would be given to the three items enabling an earlier start to the operational aspect at Mandeville.

- (g) The methodology for housing or covering the items

Prior to the stock becoming operational it would be shifted at a time convenient to KiwiRail, SDC and the Trust and would initially be housed in secure premises in Gore where the repair work will be undertaken prior to the carriages and plough van moving back to Mandeville. It is anticipated that this would co-incide with the completion of the storage display building at Mandeville (towards the end of 2017).

Rimutaka Incline Railway Heritage Trust

The Trust is interested in the lease of one or two of the carriages so that they can operate with the ex-Ohai Railway Board locomotive that the Trust is currently restoring.

- (a) Experience of the organisation in similar activities

The Trust was established in 2003 with the aim of creating a world class heritage railway. Since the Trust was established it has raised over \$600,000 to develop their Maymorn site and acquire rail vehicles to enable the Trust to build and operate a heritage railway. The Trust is also in the process of restoring the original ORB No 1 Locomotive.

The Trust intends to return the carriage(s) to service and pull them behind the original ORB No 1.

- (b) Skilled personnel to manage restoration

The Trust is reliant on volunteer labour for the majority of its restoration and construction work and are unable to supply a list of all personnel that would be involved in this project.

However, when the carriages are returned to service they will be operated by volunteers that are training and certified under the Trust's rail licence. Further, the Trust's rail licence is subject to an annual external safety assessment conducted by an NZTA appointed auditor.

The volunteers working on the carriages would do so under the direction of the following members of the Trust board:

Ben Calcott – Chairman and Rail Vehicle Manager

- *National Diploma in Electrical Engineers*
- *Team Leader Signals Engineering with KiwiRail*
 - *Member of Railway Technical Society of Australasia*
 - *Associate Member Institution of Railway Signal Engineers*
- *Worked extensively on the development of the Rimutaka Incline Railway Heritage Trust safety case and safety system*
- *Project managed the Trusts Tr189 shunting locomotive project*
- *Development of conservation plan for the restoration of Ohai Railway Board No 1*
- *Crewing trains running on the National Network along with general machine shop work with Steam Inc*

Hugh McCracken – General Manager and Deputy Chairperson

- *M.Sc (Physical Geography), Victoria University of Wellington*
- *Project manager of the construction of the Trust's rail vehicle shed including application and obtaining the resource consent required for the works*
- *General Manager of Rimutaka Incline Railway*
- *Past Track Manager for Steam Incorporated*
- *Past Civil Works Manager of Silver Stream Railway, Wellington*
- *Crewing trains running on the National Network along with general machine shop work with Steam Inc.*

- (c) Location within Southland District as opposed to outside the District of outside the province

The Trust has an operational base located at Maymorn, Upper Hutt approximately 40km north of Wellington City. The Trust plans to operate a railway with heritage equipment on a faithfully recreated route, including carriages, locomotives and station precincts, to provide visitors with a step back in time, where visitors may have an authentic heritage experience.

- (d) Proximity to high visitor numbers

Not stated.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The Trust has used a variety of mechanisms to promote their activities and the history of vehicles in their possession including:

- *Interpretative displays onsite (adjacent to and within the carriages)*
- *Interpretative displays offsite*
- *Dedicated project web pages*
- *Handouts and brochures*
- *Lectures and presentations to community groups*
- *Operation of heritage railway vehicles on their regular public open days*

As part of the fundraising campaign for the transport and restoration of the carriage(s), the Trust intends to set up a dedicated project page on their website as they did for the Ohai Railway Board No. 1 project.

Dedicated interpretation panels will also be developed to be located in the rail vehicle shed adjacent to where the carriages will be stored.

Further, by operating the carriage(s) along with the Ohai Railway Board No. 1 the Trust believes they will be telling the history of the carriages by providing the public with an opportunity to ride on an authentic heritage train as run by the former Ohai Railway Board.

- (f) The methodology for restoration

If successful, the Trust will fundraise to have a detailed conservation plan for the carriage that will provide the framework for their protection, operation and any future repairs. This conservation plan would cover but not be limited to:

- *History of the carriage(s)*
- *Heritage and cultural significance*
- *Condition assessment*
- *Steps and procedures required for any future restoration of the carriages.*

The Trust would intend to restore the carriages to the appearance as was operated by the former ORB between 1952 and 1968.

The Trust would intend to return these carriages to service as soon as practical. Initial work would focus on the minor servicing and repairs and painting required to bring the work the carriages back into service.

- (g) The methodology for housing or covering the items

It is intended that when the carriages are not operating that they will be stored in the Trusts purpose building 800m2 rail vehicle shed to provide protection from the elements and security from vandalism. In addition to the rail vehicle shed the Trust is constructing a 150m2 fully insulated workshop shed which is due for completion this calendar year. The workshop shed will provide facility for maintenance and restoration of rail vehicles. Much of the interior of these buildings is open for public viewing on their monthly open days and for visitors to their site on their weekly work days.

The Trust has extensive experience with the logistics of transporting rail vehicles long distances which includes carriage A255 arriving from Dunedin in May 2015, Ohai Rail Board No 1 arriving from Huntly in October 2014, steam locomotive Ab745 from Stratford in 2013 and a substantial number of carriages and wagons since 2005.

The Trust would commence a fundraising campaign for the transport of the carriage(s). Based on the Trusts recent experience moving A255 they expect it to cost in the order of \$10,000 - \$12,000 per carriage. The fundraising will include a fundraising campaign with members followed by multiple grant applications.

Removal from Wairio will be done as soon as the Trust has raised the funds required.

The Trust will approach KiwiRail with a proposal for a temporary lease extension until grant applications have come in.

Karl Barkley – ORBHT 2016

Mr Barkley proposes to preserve and place on public display the four items of ORB heritage rolling stock currently stored in the KiwiRail premises at Wairio.

- (a) Experience of the organisation in similar activities

The new ORBHT 2016 wishes to take over the right from KiwiRail to protect and preserve the complete ORB Wairio heritage railway museum site.

Mr Barkley has previously shown visitors through the site and wishes to do so again.

- (b) Skilled personnel to manage restoration

Not specifically stated but proposed members of the ORBHT 2016 Trust (which is in the process of being formed) include:

- *Karl Barkley, Engineer with steam tickets, Wairio*
- *Ian Ward, Mechanic, Thornbury Vintage Club, Riverton*
- *John & Lyell Eaves Steam & Local Heritage, Nightcaps*
- *Ian Forde, local resident, Wairio*
- *Win Saxton, farm owner, Thornbury Vintage Club, Thornbury*

- (c) Location within Southland District as opposed to outside the District or outside the province

Mr Barkley proposes that the assets stay at their current location

- (d) Proximity to high visitor numbers

Mr Barkley states there are plenty of tourists/locals wanting to look through. Exact numbers are not stated. Mr Barkley adds that the Takitimu Heritage Trail can be used better to draw more tourists into the region.

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

Mr Barkley is planning a 100th anniversary of the ORB to be held at Wairio over the weekend of 20-21 August 2016.

The Trust wishes to preserve and restore the ORB heritage site.

- (f) The methodology for restoration

The Trust plans to get rid of the birds nesting in the buildings and seek professional advice on what needs to be done to preserve the stock.

Mr Barkley intends to have all the windows on the buildings covered with perspex to prevent further vandalism.

Mr Barkley also notes that there are broken window panes on the of the carriages.

The Trust aims to restore all the buildings to their former glory. They intend to close in the workshop and steaming shed to stop birds nesting and clean up all the bird droppings from the carriages and concrete floors.

- (g) The methodology for housing or covering the items

As above, the Trust intends to take over the buildings from KiwiRail and leave all the assets in their current location.

Lumsden Heritage Trust

The Lumsden Heritage Trust is interested in the locomotive and the two carriages which will be situated at the Lumsden Rail Heritage Precinct as part of a static display.

- (a) Experience of the organisation in similar activities

The Trust was responsible for the creation of the Lumsden Rail Heritage Precinct at the former Lumsden Railway Station. This work included sourcing and laying track and procuring locomotive and wagons for a static display.

The Lumsden Heritage Trust states they have a proven track record of committing to projects, following through, coming in on budget and on time and also has an extensive knowledge of the transport and restoration of heritage items to insure they remain safe.

- (b) Skilled personnel to manage restoration

The Trust intends to bring a collaborative approach to the restoration of the carriages and locomotive and advise that many groups within the community have expressed an interest in contributing labour towards this project.

- (c) Location within Southland District as opposed to outside the District or outside the province

Lumsden Heritage Rail Precinct in the centre of Lumsden.

- (d) Proximity to high visitor numbers

Approximately 550,000 people travel through Lumsden annually (Statistics New Zealand, 2013).

- (e) Quality of the interpretation proposed for the Ohai Railway Board history

The Trust is budgeting to spend up to \$2,000 on the creation of interpretation signage to be displayed at the rail heritage precinct. The Trust believes that having these assets on display, with signage of origin and service describing the Western Southland history will create a tourist point of interest.

- (f) The methodology for restoration

The Trust has budgeted \$45,000 for restoration costs. This includes using all the appropriate colour schemes, materials and signage to be in keeping with their operational era as described in the restoration plans.

The Trust also plans to construct additional railway track and awning and house the assets. The locomotive and carriages will be stored on track under large purpose built awnings to keep them out of the weather.

- (g) The methodology for housing or covering the items

The Trust intends to have any vulnerable assets such as the ORB locomotive and the two carriages stored undercover and secure from fire (the Trust will seek advice on fire prevention). Further, the trust believes that having the locomotive and the

carriages under an awning configuration would meet the storage requirements of these heritage items.

Kelly Tagg
Community Partnership Leader

Approval of Unbudgeted Expenditure by the Te Anau Community Board for Removal and Maintenance Works of Lakefront Trees

Record No: R/16/6/9738
Author: Nick Lewis, Community Engineer
Approved by: Ian Marshall, Group Manager Services and Assets

Decision Recommendation Information

Purpose

- 1 To seek Council's approval to spend up to \$50,000.00, excluding GST, unbudgeted expenditure on Tree Maintenance and Removal Works to mitigate safety hazards identified by the recommendations and priorities following a consultants inspection of the Te Anau lakefront trees, in particular the large Eucalypt trees.

Executive Summary

- 2 The Te Anau Community Board and Community Engineer engaged a consultant to inspect and assess the Te Anau Lakefront trees, in particular the large Eucalypts. A report titled Te Anau Waterfront Trees was received providing recommendations and ranked in priority of safety hazards.
- 3 The Te Anau Community Engineer requested price quotes based on the received report from several contractors. Quotes were asked to be itemised by priority. The range of received quotes to date are from approximately \$45,000.00 to \$140,000.00, excluding GST, for all recommendations. Price range for trees identified in Priority 1, 2 and 3 ranged from approximately \$30,000.00 to \$114,000.00 (the highest prices were received by contractor who may not have the in house capabilities and would need to sub contract in).
- 4 The Board has requested approval to spend up to \$50,000.00, excluding GST, to be funded from the Board's general reserve to start works mitigating the identified safety hazards by addressing the highest priorities and the lower priority recommendations to follow on a staged managed basis at a later date.
- 5 Significant maintenance works to these trees have not occurred for many years.

Recommendation

That the Council:

- a) **Receives the report titled “Approval of Unbudgeted Expenditure by the Te Anau Community Board for Removal and Maintenance Works of Lakefront Trees” dated 12 July 2016.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the request of the Te Anau Community Board for approval of unbudgeted expenditure of up to \$50,000.00, excluding GST, to be funded from the Board’s general reserve to progress tree works as identified as a health and safety risk in the Te Anau Waterfront Trees report.**

Content

Background

- 6 The Eucalypts along the Te Anau lakefront are iconic in their association with the township, appearing in some of the earliest known photographs from the very early 1900s. It is thought some were planted by T M Broderick, a settler who owned the first house in the township around 1890s but experts believe the trees are older than that possibility from these photos. The trees have appeared in most publicity photos of the town since.
- 7 The last known major assessment of the these lakefront trees and subsequent works was following a 2008 inspection and assessment by SDC Forest Manager, Roger Washbourn, with some of these provided recommendations not eventuating, and no significant long term strategy for these trees separate from Council’s Reserve Management Plans.
- 8 There is significant evidence of frost damage from the 1990s in some of the largest trees
- 9 Approval is sought to spend this unbudgeted amount of up to \$50,000.00 excluding GST, to be funded from the Board’s general reserve account.

Issues

- 10 Significant health and safety risk has been identified with these Lakefront trees and should be mitigated to remove such risk.
- 11 The other issue identified is that of unbudgeted expenditure which this report is seeking to resolve.

Factors to Consider

Legal and Statutory Requirements

- 12 Southland District Council and subsequently the Te Anau Community Board are required to meet their requirements under the Health and Safety at Work Act 2015.

Community Views

- 13 The Te Anau Community Board at its 25 May 2016 meeting resolved to fund up to \$50,000.00, excluding GST, to complete Priority 1, 2 and 3 works as detailed in the received report and the remainder at a later date.
- 14 These lakefront trees have a mixed community opinion both to retain and remove these large. The Community Board have endorsed the provided recommendations which included both removal of some trees and retaining of others with maintenance works.

Costs and Funding

- 15 The Te Anau Community Board's general reserve currently has a budget of \$325,433, with forecast budget of \$222,035 at end of financial year (30 June 2016). As per the current budgets this will drop to \$116,809 in the year 2016/2017.
- 16 Due to the scope of works and working on the priority list provided, it has been decided by the Community Board to complete works up to the requested \$50,000 as soon as practical and to complete the remaining lower priority items on a staged progressive basis.
- 17 The range of received quotes to date are from approximately \$45,000.00 to \$140,000.00, ex GST, for all recommendations. Price range for trees identified in Priority 1, 2 and 3 ranged from approximately \$30,000.00 to \$114,000.00 (the highest prices were received by contractors who may not have the in house capabilities and would need to sub contract in). Further price quotes are expected shortly due to timing for contractors to do a site inspection to enable pricing.

Policy Implications

- 18 None identified at this stage.
- 19 The required works are in line with the District Wide Reserve Management Plan.

Analysis

Options Considered

- 20 Either approve or not approve the unbudgeted expenditure.

Analysis of Options

Option 1 - Approve expenditure.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council's requirements under the Health and Safety Act 2015 are met with ongoing monitoring and works to continue. • Identified risks are mitigated with planning to progressively mitigate lower priority and newly identified risk on an ongoing basis. • General reserves are utilised as to not require new or increase to budgets and rates. 	<ul style="list-style-type: none"> • None identified.

Option 2 - Do not approve expenditure.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • None identified. 	<ul style="list-style-type: none"> • Not meeting legal requirements under the Health and Safety at Work Act 2015. • Identified risk is not mitigated with potential of serious harm or worse to the public.

Assessment of Significance

- 21 This request and required works are to mitigate identified significant health and safety risk.

Recommended Option

- 22 Approve expenditure.

Next Steps

- 23 If expenditure is approved, arrangement of works via a yet to be confirmed contractor. Evaluation of and negotiation with a contractor to complete highest priority items and any further lower priority items as the requested budget will allow. If not approved, significant risk will be delayed in mitigation works to allow for costs budgeted for via alternative method ie, Annual Plan estimates.

Attachments

There are no attachments for this report.

Building Consents and Values for May 2016

Record No: R/16/6/8421
Author: Kevin O'Connor, Manager - Building Control
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Summary/Comments:

Building Consent numbers were up by 65% and project values up by 9% for May 2016 from those of May 2015. Eleven months into the financial year, total Building Consent numbers are back by 5% and project values are back by 32%. All building category consent numbers are up slightly from those of the May 2015 with a significant increase in the number of heating unit consents issued. Farm Buildings and Relocated Dwelling numbers were up, but project values were down. There were no Dairy Shed consents issued for either May of 2016 or 2015.

	<u>No.</u>	<u>2016</u> <u>\$</u>	<u>No.</u>	<u>2015</u> <u>\$</u>	
1.	Dwellings	16	2,133,297	13	2,134,000
2.	Additions to Dwellings	15	402,500	12	315,500
3.	Commercial/Industrial Buildings	7	1,132,000	5	690,000
4.	Swimming/Spa Pools	0	0	0	0
5.	Heating Units	55	233,595	20	68,549
6.	Garages	11	263,576	7	98,100
7.	Farm Buildings	23	629,235	21	1,020,950
8.	Houses for Removal	8	227,000	5	304,750
9.	Cowsheds	0	0	0	0
10.	Miscellaneous	2	18,000	1	3,000
11.	Certificates of Acceptance	3	8,800	1	9,500
	TOTAL	140	5,048,003	85	4,644,349

	<u>2016</u>	<u>2015</u>	<u>Variation %</u>
Total consents for month	140	85	64.71
Total consents for year	948	994	-4.63
Total project values for month	5,048,003	4,644,349	8.69
Total project values for year	71,063,191	104,678,059	-32.11
Average Residential Cost	133,331	164,153	
Average House Area (m ²)	158,333	138.56	
Number of Inspections Carried Out	414	450	

Recommendation

That the Council:

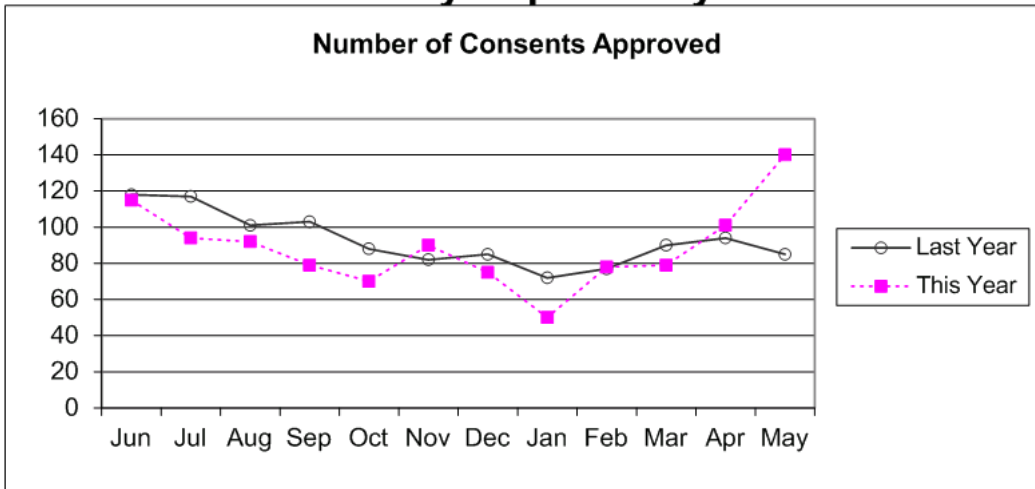
- a) Receives the report titled “Building Consents and Values for May 2016” dated 20 July 2016.

Attachments

- A Appendix A - Consents Database Graph May 2016 [View](#)
- B Appendix B - Building Consents Issued Numbers May 2016 [View](#)
- C Appendix C - Building Consents Issued Values - May 2016 [View](#)

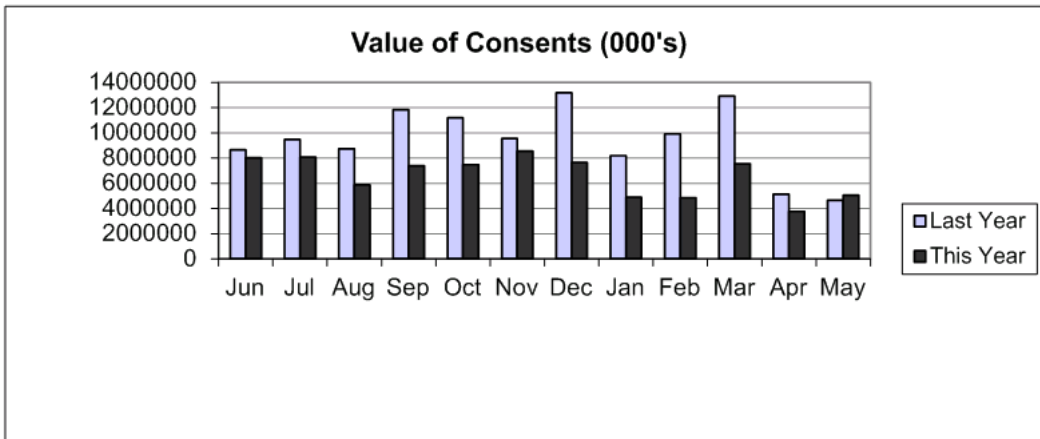
Southland District Council Building Consents

Monthly Report -May 2016



Percentage Changes - Total Consents

From: Last month	38.61%
This month last year	64.71%
Cumulative year this month last year	-4.41%



Percentage Changes - Total Dollars

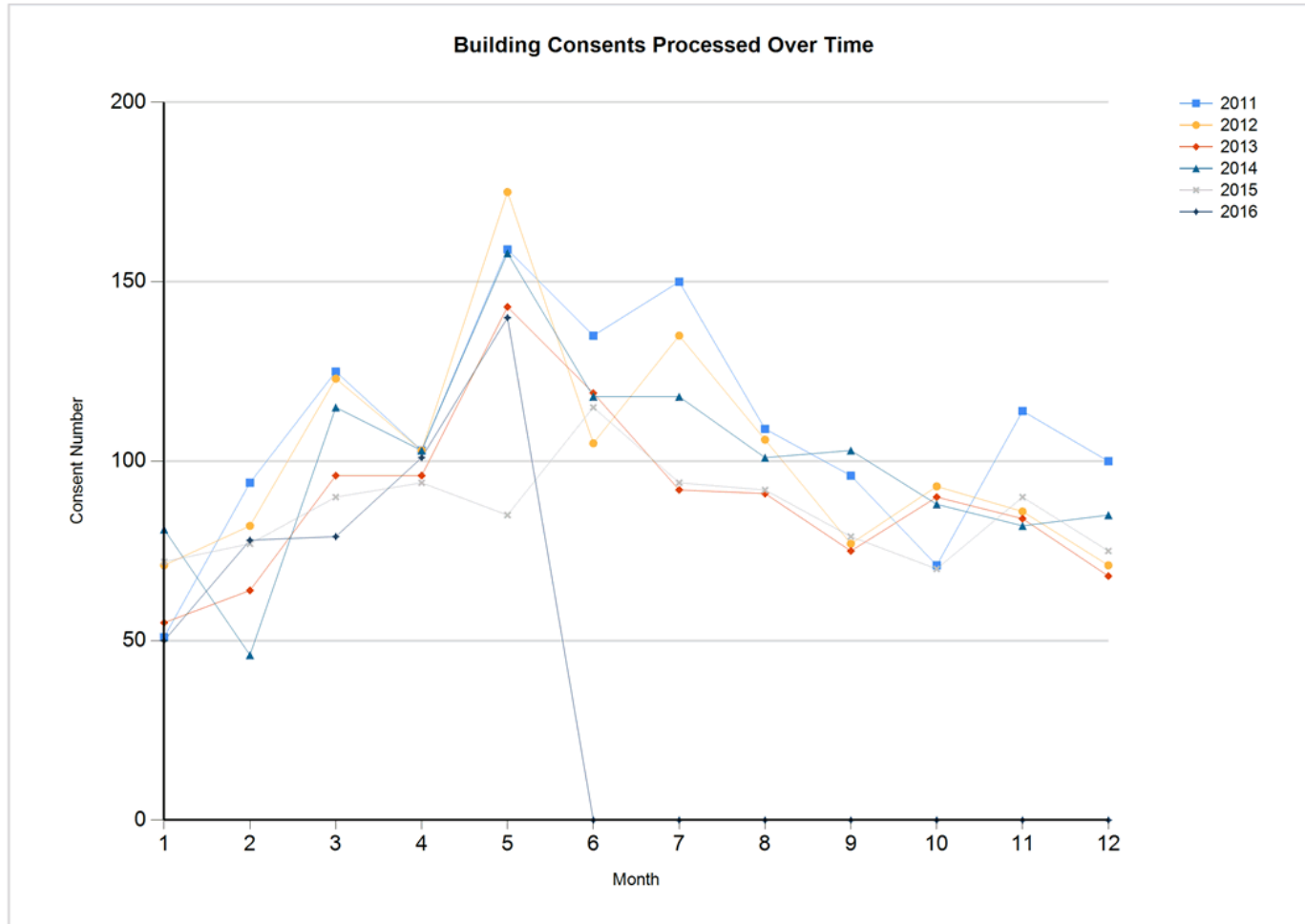
From: Last month	-30.22%
This month last year	-8.69%
Cumulative year this month last year	-34.91%

Item 8.3 Attachment B

Building Consent Issued Numbers

Decision Month	2011	2012	2013	2014	2015	2016	Total
January	51	71	55	81	72	50	380
February	94	82	64	46	77	78	441
March	125	123	96	115	90	79	628
April	103	103	96	103	94	101	600
May	159	175	143	158	85	140	860
June	135	105	119	118	115	0	592
July	150	135	92	118	94	0	589
August	109	106	91	101	92	0	499
September	96	77	75	103	79	0	430
October	71	93	90	88	70	0	412
November	114	86	84	82	90	0	456
December	100	71	68	85	75	0	399
Total	1307	1227	1073	1198	1033	448	6286

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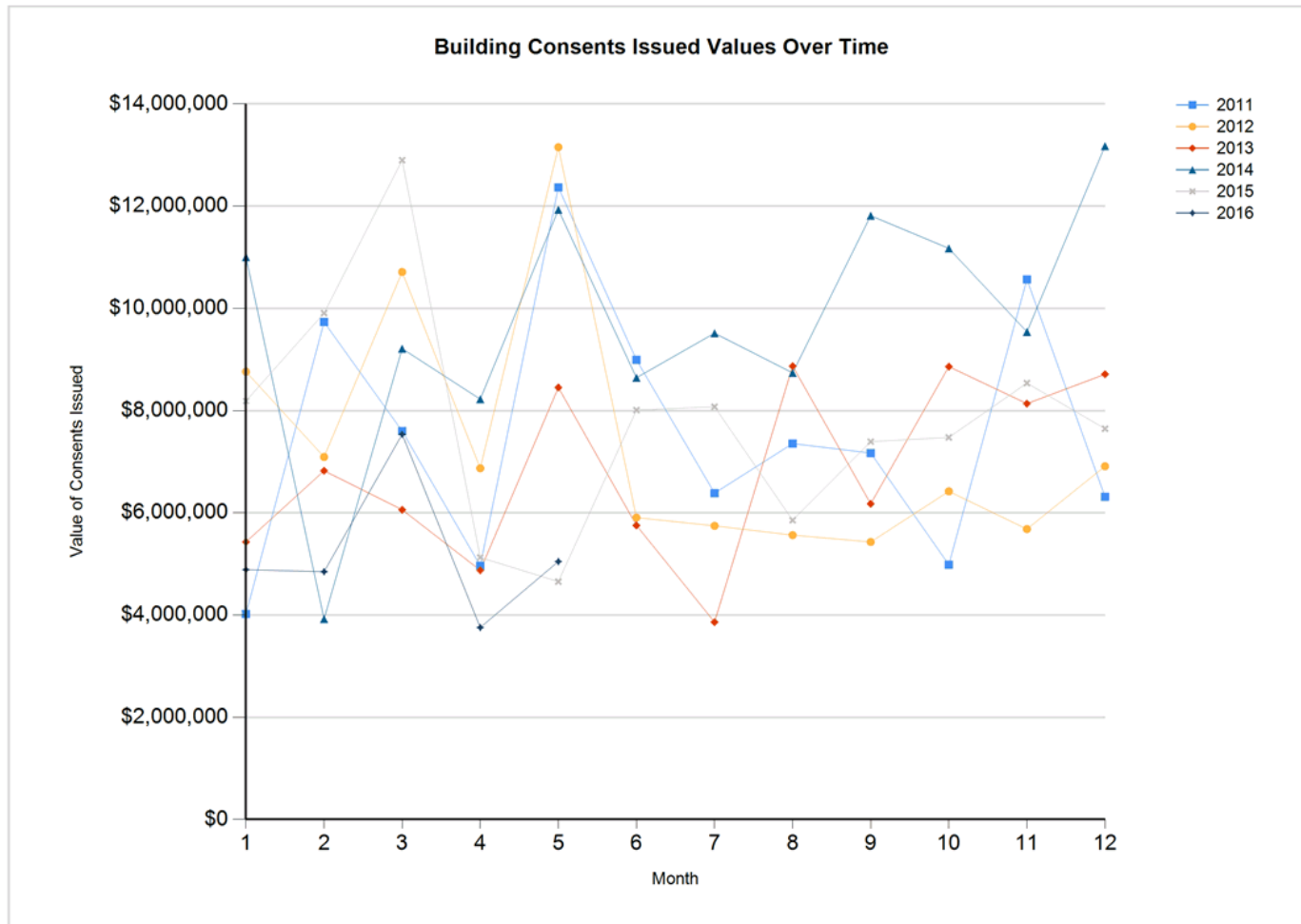
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Item 8.3 Attachment C

Building Consent Issued Values

Decision Month	2011	2012	2013	2014	2015	2016	Total
January	\$4,021,572	\$8,761,841	\$5,430,178	\$11,004,801	\$8,187,785	\$4,887,663	\$42,293,840
February	\$9,732,414	\$7,094,309	\$6,822,148	\$3,923,722	\$9,907,900	\$4,848,585	\$42,329,078
March	\$7,600,703	\$10,712,479	\$6,061,045	\$9,212,772	\$12,900,191	\$7,537,689	\$54,024,879
April	\$4,964,437	\$6,871,776	\$4,875,339	\$8,223,725	\$5,127,436	\$3,756,350	\$33,819,063
May	\$12,367,256	\$13,153,910	\$8,452,973	\$11,929,819	\$4,653,849	\$5,048,003	\$55,605,810
June	\$8,993,150	\$5,907,098	\$5,755,189	\$8,642,715	\$8,010,777		\$37,308,929
July	\$6,385,423	\$5,745,579	\$3,863,110	\$9,514,841	\$8,076,255		\$33,585,207
August	\$7,355,012	\$5,564,201	\$8,869,939	\$8,738,431	\$5,855,620		\$36,383,202
September	\$7,169,800	\$5,429,701	\$6,177,080	\$11,813,442	\$7,393,073		\$37,983,096
October	\$4,986,424	\$6,420,178	\$8,861,336	\$11,173,980	\$7,475,727		\$38,917,645
November	\$10,567,085	\$5,682,807	\$8,136,544	\$9,540,239	\$8,538,326		\$42,465,001
December	\$6,314,712	\$6,911,079	\$8,710,688	\$13,174,785	\$7,645,900		\$42,757,164
Total	\$90,457,987	\$88,254,958	\$82,015,569	\$116,893,272	\$93,772,839	\$26,078,290	\$497,472,915

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Building Consents and Values for June 2016

Record No: R/16/7/10295
Author: Gay Taylor, Systems Administrator - Building
Approved by: Kevin O'Connor, Acting Group Manager Environmental Services

Decision Recommendation Information

Summary/Comments:

Building Consent numbers were back by 13% and project values back 47% for June 2016 from those of June 2015. With the financial year now complete, total Building Consent numbers are back by 5.5% and project values back by 33% for the year. With the exception of heating units, all building category consent numbers are back from those of the June 2015. Farm buildings and new dwelling consent numbers were halved, with other building categories lesser affected.

	<u>No.</u>	<u>2016</u> <u>\$</u>	<u>No.</u>	<u>2015</u> <u>\$</u>
1. Dwellings	8	2,674,906	16	3,528,500
2. Additions to Dwellings	11	332,970	16	516,500
3. Commercial/Industrial Buildings	8	409,000	13	2,050,000
4. Swimming/Spa Pools	0	0	0	0
5. Heating Units	48	198,653	31	126,000
6. Garages	7	155,800	5	91,357
7. Farm Buildings	12	435,275	20	1,470,570
8. Houses for Removal	3	16,750	5	148,000
9. Cowsheds	0	0	1	30,000
10. Miscellaneous	3	30,002	8	49,850
11. Certificates of Acceptance	0	0	0	0
TOTAL	<u>100</u>	<u>4,253,356</u>	<u>115</u>	<u>8,010,777</u>

	<u>2016</u>	<u>2015</u>	<u>Variation %</u>
Total consents for month	100	115	-13.04
Total consents for year	1,048	1,109	-5.50
Total project values for month	4,253,356	8,010,777	-46.90
Total project values for year	75,316,547	112,688,836	-33.16
Average Residential Cost	382,129	220,531	
Average House Area (m ²)	213.28	239	
Number of Inspections Carried Out	402	459	

Recommendation

That the Council:

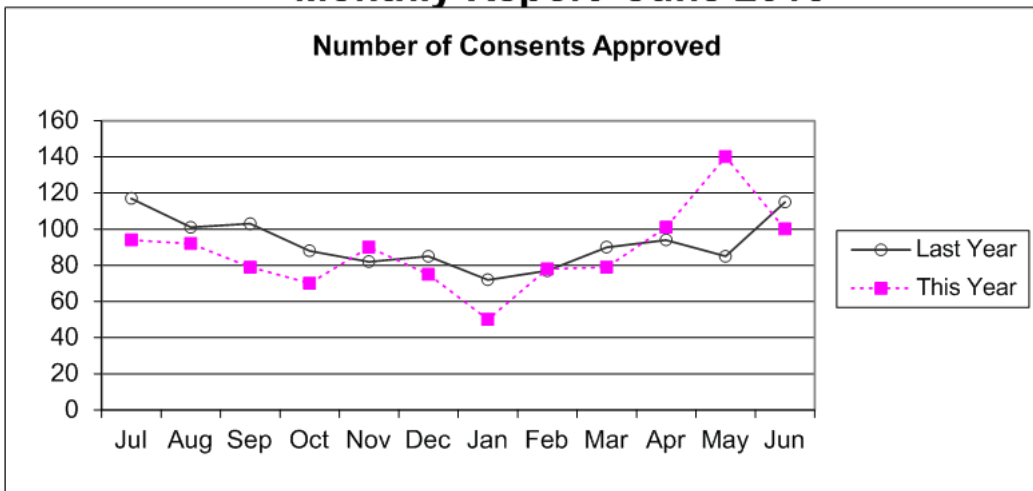
- a) Receives the report titled “Building Consents and Values for June 2016” dated 20 July 2016.

Attachments

- A Appendix A - Consents Database Graph - June 2016 [View](#)
- B Appendix B - Building Consent Issued Numbers - June 2016 [View](#)
- C Appendix C - Building Consent Values - June 2016
[View](#)

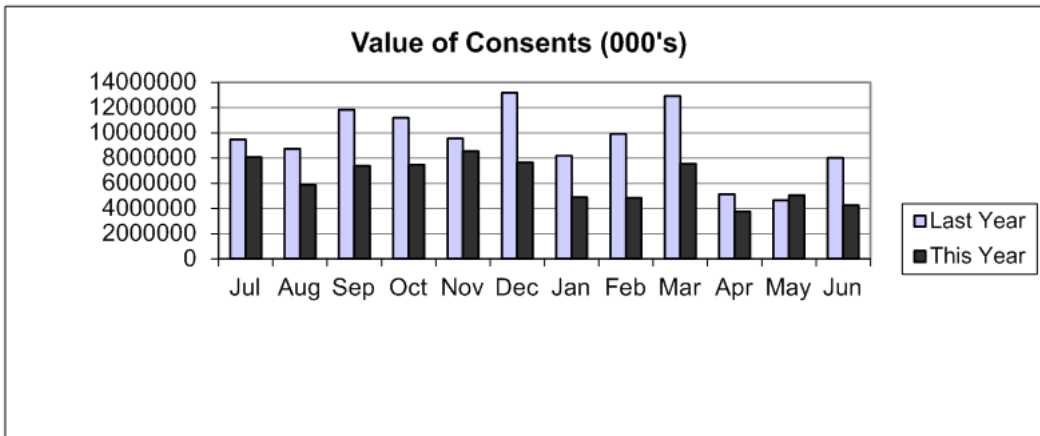
Southland District Council Building Consents

Monthly Report -June 2016



Percentage Changes - Total Consents

From:	Last month	-13.04%
	This month last year	-5.50%
	Cumulative year this month last year	-28.57%



Percentage Changes - Total Dollars

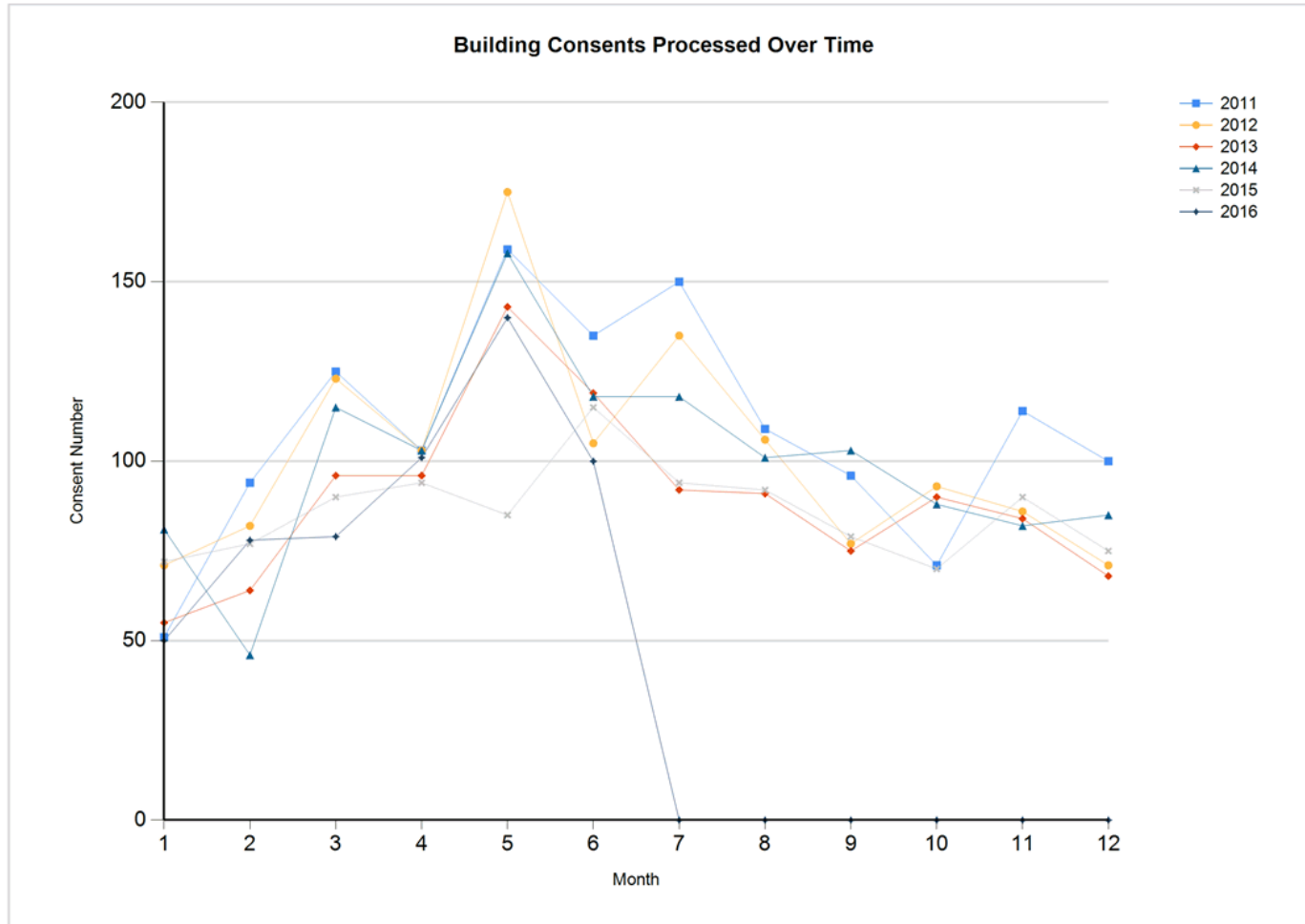
From:	Last month	-15.74%
	This month last year	-46.90%
	Cumulative year this month last year	-33.16%

Item 8.4 Attachment B

Building Consent Issued Numbers

Decision Month	2011	2012	2013	2014	2015	2016	Total
January	51	71	55	81	72	50	380
February	94	82	64	46	77	78	441
March	125	123	96	115	90	79	628
April	103	103	96	103	94	101	600
May	159	175	143	158	85	140	860
June	135	105	119	118	115	100	692
July	150	135	92	118	94	0	589
August	109	106	91	101	92	0	499
September	96	77	75	103	79	0	430
October	71	93	90	88	70	0	412
November	114	86	84	82	90	0	456
December	100	71	68	85	75	0	399
Total	1307	1227	1073	1198	1033	548	6386

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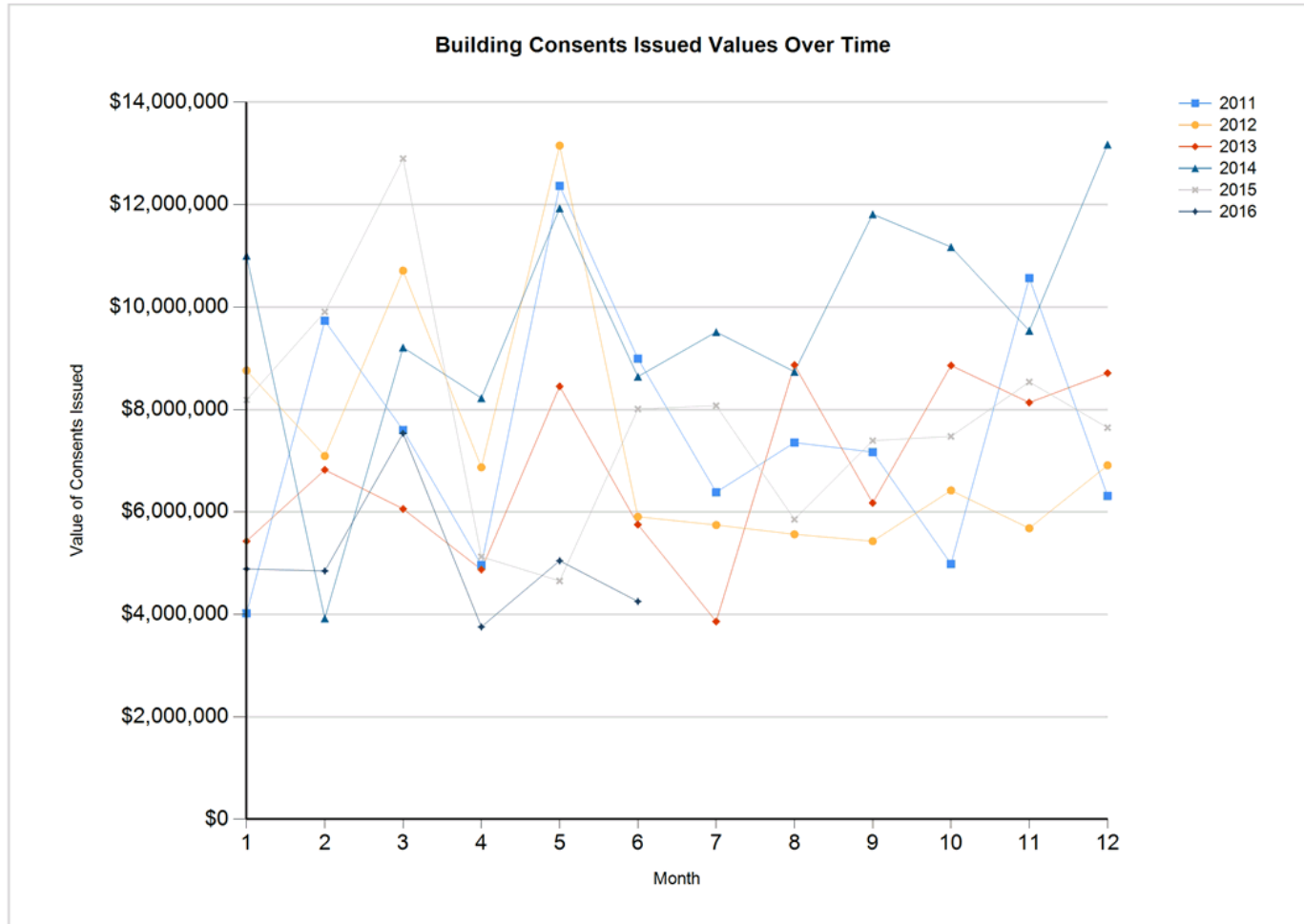
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Item 8.4 Attachment C

Building Consent Issued Values

Decision Month	2011	2012	2013	2014	2015	2016	Total
January	\$4,021,572	\$8,761,841	\$5,430,178	\$11,004,801	\$8,187,785	\$4,887,663	\$42,293,840
February	\$9,732,414	\$7,094,309	\$6,822,148	\$3,923,722	\$9,907,900	\$4,848,585	\$42,329,078
March	\$7,600,703	\$10,712,479	\$6,061,045	\$9,212,772	\$12,900,191	\$7,537,689	\$54,024,879
April	\$4,964,437	\$6,871,776	\$4,875,339	\$8,223,725	\$5,127,436	\$3,756,350	\$33,819,063
May	\$12,367,256	\$13,153,910	\$8,452,973	\$11,929,819	\$4,653,849	\$5,048,003	\$55,605,810
June	\$8,993,150	\$5,907,098	\$5,755,189	\$8,642,715	\$8,010,777	\$4,253,356	\$41,562,285
July	\$6,385,423	\$5,745,579	\$3,863,110	\$9,514,841	\$8,076,255		\$33,585,207
August	\$7,355,012	\$5,564,201	\$8,869,939	\$8,738,431	\$5,855,620		\$36,383,202
September	\$7,169,800	\$5,429,701	\$6,177,080	\$11,813,442	\$7,393,073		\$37,983,096
October	\$4,986,424	\$6,420,178	\$8,861,336	\$11,173,980	\$7,475,727		\$38,917,645
November	\$10,567,085	\$5,682,807	\$8,136,544	\$9,540,239	\$8,538,326		\$42,465,001
December	\$6,314,712	\$6,911,079	\$8,710,688	\$13,174,785	\$7,645,900		\$42,757,164
Total	\$90,457,987	\$88,254,958	\$82,015,569	\$116,893,272	\$93,772,839	\$30,331,646	\$501,726,271

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Management Report

Record No: R/16/7/10490
Author: Steve Ruru, Chief Executive
Approved by: Steve Ruru, Chief Executive

Decision Recommendation Information

Chief Executive

Local Government Reform

- 1 The Local Government Act 2002 Amendment Bill, which implements the Better Local Services changes, was introduced to Parliament and referred to the Select Committee on 15 June. Submissions close on 28 July 2016.
- 2 The Bill makes substantial changes to the role of the Local Government Commission (LGC); the current re-organisation provisions; creates new categories of CCOs, and provides a power for the Department of Internal Affairs to set performance measures for services.
- 3 It is proposed that the LGC be given the power to initiate reforms at an individual service level at any time. They will also have the power to remove individual service delivery into a CCO without the agreement of the Council(s) concerned and/or its ratepayers. The Minister is also to be given significant new powers to direct the work of the LGC. LGNZ and SOLGM are preparing a submission on behalf of the sector.
- 4 The legislation required to establish the new integrated service entity, Fire and Emergency New Zealand, which will be a single fire organisation responsible for urban and rural fire has been introduced to Parliament but is yet to have its first reading and be referred to Select Committee. The Bill is the outcome of the Fire services review that has been underway for the last 12 – 18 months and, amongst other things, repeals the 2 Acts governing fire services, the Fire Service Act 1975 and the Forest and Rural Fires Act 1977, to enable the creation of a single, unified fire services organisation for New Zealand.

Local Government Excellence Awards

- 5 Council's entry *Changing Direction: The Way Forward for Southland Roads* has been selected as a finalist in the Best Practice in Infrastructure Management category of the LGNZ Excellence Awards.
- 6 The award entry focuses on the new technology, resource allocation tools and procurement methods that we are using to make smart decisions on how we manage the district's roading network. As Councillors are aware the strong relationship that has been developed with Fonterra, through Roadroid and the Eyes and Ears programme, is also an important part of our overall approach.
- 7 There are three other finalists in the Infrastructure Management category. The winners will be announced at the LGNZ Conference in late July.

National Policy Statement on Urban Development

- 8 The Government has been consulting on the proposed National Policy Statement (NPS) for Urban Development Capacity which aims to ensure that regional and district plans provide adequately for the development of business and housing. This is to enable urban areas to grow and change in response to the needs of their communities.

- 9 The policy requires Councils to:
- Provide sufficient land for new housing and business to match projected growth in their region, city or district plans.
 - Monitor and respond to housing affordability data, building and resource consent data, and value of land on the urban boundaries.
 - Take into account the difference between planned and commercially feasible development capacity, and provide for over-supply to ensure competition (20 per cent short to medium-term, 15 per cent long-term).
 - Co-ordinate their infrastructure and ensure their consenting processes are customer focused.
 - Recognise the national significance of ensuring sufficient land is available over local interests.
- 10 The NPS applies to all local authorities including those who do not necessarily have growth pressures. Officers do not see, however, that it will have a significant effect on this district.

Te Anau Wastewater

- 11 Officers attended Environment Court assisted mediation with the appellants to the Kepler resource consent appeal process on 20 and 21 June.
- 12 Discussions at the mediation were productive and the parties were able to make good progress in understanding each other's viewpoints on a number of issues including the different options that might exist for finding a long term solution.
- 13 During the discussions it became clear that there was a need, irrespective of where you might discharge the wastewater, to see whether we could get to an agreed position on the technical merits of sub-surface irrigation as compared with above ground pivot irrigation as currently provided for in the Kepler resource consent. This will require a level of input and discussion from the technical advisors for Council and the appellants.
- 14 To enable the appropriate technical advice to be developed and then discussions held between the technical advisors for both parties the mediation process has been adjourned for three months and will resume again in early October.

Around the Mountains Cycle Trail (ATMCT)

- 15 The final and fourth week of hearings is set to occur in the week beginning 11 July. The Court normally aims to issue its decisions within three months of the hearing process being completed. Using this timing it could be expected that a decision might be released in, say, late October or November. There will then be a one month appeal period.
- 16 Deloitte are well advanced with their review of the way in which Council has managed the financial aspects of the ATMCT project. At the time of writing this report Deloitte were awaiting final feedback from one of the parties who had been interviewed. It is anticipated that the report should be able to be finalised in the next two to three weeks.

Gambling Review

- 17 The Government has released a discussion document on funding from pub and club gaming machines. This is the next step in the Government's review of the class 4 gambling sector, which operates "pokie" machines in non-casino venues.

- 18 The focus of the review is to ensure funding to communities from the class 4 sector remains sustainable, without any growth in gambling, and while also minimising harm from gambling. A copy of the discussion document is available on the Department of Internal Affairs website.

Local Government Risk Agency

- 19 The LGNZ National Council has approved the business case for the establishment of a Local Government Risk Agency, which has now been forwarded to central government for consideration including funding support. It is expected that a final decision on establishment of the proposed Agency will be made later this year in conjunction with decisions on the 60:40 review.
- 20 The Agency, which would work with local authorities to improve practice across the sector, would be responsible for establishing guidelines and models for managing risks. It would also share information on good practice and strengthen resilience so communities can recover from disasters more quickly, both economically and socially.

Environmental Services

Freedom Camping

- 21 A memo will be presented to APAC on freedom camping soon with information about the shared service in Te Anau. Next season, DoC will be managing the service and staff will meet shortly with DoC to discuss the proposed arrangements.

Dog Control

- 22 Implementation of multiple dog licensing is going well. Owners with more than two non-working dogs are required to have a licence by 1 July 2016. Council's dog control officers have been proactively approaching owners who need a licence for the last few months.
- 23 Dog registration information was sent to all owners in June. The registration information announced the proposed registration discounts that will be introduced in July 2017, and invited owners to advise Council of the discounts they feel they will qualify for next year.

Local Alcohol Policy (LAP)

- 24 The new LAP has been approved and is now in force. The Alcohol Regulatory and Licensing Authority (ARLA) approved the policy, covering Invercargill City and Southland and Gore Districts, which came into effect on 31 May. The policy will help inform the decisions of the District Licensing Committees on alcohol licences. A key policy included in the LAP is around the maximum trading hours allowed under each type of alcohol licence. It will be reviewed in two years.

Resource Management

- 25 Council has received a resource consent application from Bathurst Coal Limited to establish a new coal mine at the historical Black Diamond mine pit north of Nightcaps. This application is to establish an open cast pit and extract approximately 8 million tonnes of coal over 10 years. The application is on hold waiting on further information to be supplied and is likely to be processed non-notified.
- 26 Officers have also developed a proposed submission to the Environment Southland Land and Water Plan. There are a number of issues of interest to Council including:

- The strong directive around maintaining and improving water quality and the implications of this in terms of discharges from Council's wastewater and stormwater networks;
- The overall cost to our communities from an imbalanced approach to regulating all activities that generate adverse effects on the environment;
- The consistency of the effluent rules with the New Zealand Standard (NZS 1547:2012) On-site Domestic Wastewater Management.

Earthquake-Prone Building Legislation

- 27 Earthquake-Prone building legislation is likely to be brought into effect in early 2017 requiring Councils to have assessed buildings for potentially earthquake prone status within the 5 to 15 year timeframe and owners having strengthened or removed identified buildings within a further 25 to 35 years depending on the risk zone the building is in.
- 28 Southland District is spread across all three risk zones. In anticipation of the Earthquake-Prone building legislation, the building control department has developed a building database with linked individual photographs of the Southland Districts commercial building stock. This will need some fine tuning once the criteria for defining potentially Earthquake-Prone buildings is released by the Ministry of Business Innovation and Employment.

Historic Pre-2004 Building Consent Follow-Up

- 29 Since initiating the project in February 2016 to mail out follow-up letters to building owners who have not lodged their application for a code compliance certificate on historic pre-2004 building consents we have received an approximate average response rate of 25% on the 220 letters sent so far. Those owners having not responded have been advised that there code compliance certificate has been refused at this point in time until advised the building work is complete. Those responding by requesting an extension to complete work or having lodged their application for code compliance certificate have been responded to accordingly.

Building Consent Authority Accreditation Assessment

- 30 Preparation is well advanced for the next International Accreditation NZ (IANZ) assessment in March 2017. Staff competency assessments and the annual review of processes have been completed recently. There are some minor adjustments to be made resulting from the 12 month review that will be dealt with in the coming months before our application for re-assessment is lodged with IANZ in November 2016.

Customer Support

- 31 The current focus is on creating an online library, ProMapp, which holds all the internal processes for Customer Support Staff so we have one consistent way of managing our customer interactions. Comparing this approach with that used by other Councils, we expect to map over 2,500 processes. At this stage we have completed just over 100 so we are focused on the most common processes first.
- 32 Lynda Hodge is working on a strategic plan for the District Library to support the review completed earlier this year. This will align our libraries and service centres as community focused spaces with people to support residents.
- 33 We are also working on potential changes in Wyndham and Stewart Island to allow the communities a consistent service from our support and library teams plus looking at how we can future proof the service to benefit the communities.

Services and Assets

Te Anau Airport Manapouri

- 34 An evaluation has been carried out by the New Zealand Civil Aviation Authority (NZCAA) as a result of a rule change which requires the Te Anau Airport Manapouri to apply for re-certification as a Aerodrome. Certification was dropped under the old rule and interpretation by NZCAA when Air Chatham's ceased operations on a regular basis into Te Anau Airport Manapouri. Re-certification costs will be minimal due to the maintenance of standards over the last two years by the staff at the airport and will be applied for in August 2016.
- 35 The Te Anau Airport Manapouri Instrument Approach requires re-certifying as a result of the expiry of the mandatory five year validation period and the certificate removal of Approach Design provider ASAP NZ Ltd. ASAP NZ Ltd has ceased trading in New Zealand due to increased regulatory costs imposed by the NZCAA. A quote from Airways New Zealand is under evaluation and will most probably be accepted as the new provider of this service.

Property

- 36 Winton Memorial Hall upgrade: \$296,000 grant funding has been obtained for the upgrade project and for new furniture. The funding is Community Trust of Southland \$50,000, Southland District Council \$3,500, Lion Foundation \$8,000, Southern Trust \$10,000, Lotteries \$224,500.

Curio Bay Wastewater

- 37 Following the delegation put in place at the May Council meeting an agreement has now been put in place with the Department of Conservation and the South Catlins Charitable Trust in relation to the funding of operating costs. As a result a contract has now been let for the development of the wastewater scheme.

Community and Futures

Ministry of Education Western Southland Partnering Opportunity

- 38 Officers have met with the Ministry of Education to discuss education in rural Southland with an emphasis on Western Southland schools. The following issues were discussed:
- The potential for a lack of education options for students in year 9 – 13 in Western Southland and the possible impact on our communities going forward.
 - The noticeable "drift" of students to High Schools in Invercargill or further afield.
 - Bus transportation zones not necessarily reflecting current communities of interest.
 - The potential for a positive outcome for western Southland education if a "Community of Learning" (CoL) is established in that area. (A CoL allows cluster schools to effectively and efficiently work together to share resources for the betterment of all schools in the area).
- 39 Going forward, representatives from the Ministry of Education and Council's three Community Partnership Leaders will meet quarterly to share ideas and keep each other abreast of developments relevant to our communities.

Community Conversations

- 40 More than 400 people turned up to talk with officers and elected members at the 11 Community Conversations held around the District in May and June. The conversations were a chance to talk with the public about the future of their community, what they believed was important and issues that mattered to them.
- 41 There was discussion about key issues, such as the Haast Hollyford road, the Around the Mountains Cycle Trail and freedom camping, but there was also a lot of discussion about the future around issues such as broadband coverage, tourism, roading, volunteers, community facilities, governance and the ease of doing business in Southland. It is intended that the next Community Conversations will be held in February-March next year.

Pre-Election Report

- 42 The Chief Executive is required to prepare and make publicly available a pre-election report by 29 July 2016. The purpose of the report is to provide information to promote public discussion about the issues facing the local authority.
- 43 A pre-election report has been completed and is in the process of being printed before it is circulated to the public and made available on the Council's website. The report contains the mandatory information as set out in Clause 36 of Schedule 10 of the Local Government Act 2002 and was reviewed and approved by the Chief Executive. The availability of the report will be advertised.

Governance

- 44 Work is being advanced to prepare for the induction of the new Council and Community Boards post the October elections. Work is underway to:
- Develop draft terms of reference for the proposed committee structure;
 - Develop briefing papers for a Council Induction Booklet, District Tour and Strategic Workshop.

People and Capability

- 45 We have embarked on a Leadership Development programme in conjunction with the Society of Local Government Managers (SOLGM). Six officers have completed the first six month programme and a further six are on the next intake. The six month programme involves 360 feedback, classroom learning, syndicate projects and executive coaching.
- 46 The participants have found this very interesting and a great leadership development tool to improve their own leadership.

Health and Safety Update

- 47 APAC was given a Health and Safety update on 29 June 2016. Community Board and CDA Chairs were given a Health and Safety update on 5 July at their normal get together. Councillors were given a copy of the Good Governance for Directors 2016. This guide, which is published by the Institute of Directors and WorkSafe New Zealand sets out why effective governance is important. The Health and Safety Toolkit will be finalised by the end of July and will be part of all inductions and health and safety training for all staff. There have been no notifiable injuries or illnesses (previously serious harm accidents) for 2016.
- 48 A pig hunting party was caught on security camera in May with dogs and a firearm in a Council owned forest. This breach was concerning given that there were pruning workers in the vicinity at this time and that members of the party had offended previously. A formal

complaint was laid with the Police and the offenders have been trespassed for a period of two years.

- 49 There have been no notifiable injuries or illnesses (previously serious harm accidents) for 2016.

Recommendation

That the Council:

- a) **Receives the report titled “Management Report” dated 8 July 2016.**

Attachments

There are no attachments for this report.

Update on Te Anau Wastewater Discharge Project Committee

Record No: R/16/7/10755
Author: Ian Evans, Strategic Manager Water and Waste
Approved by: Steve Ruru, Chief Executive

Decision Recommendation Information

Purpose

- 1 This report provides feedback to Council following the most recent meeting of the Te Anau Wastewater Discharge Project Committee meeting on 6 July 2016.

Executive Summary

- 2 At the meeting the Committee were updated on the outcome of its visit to the Wanaka Wastewater Treatment Plant and suggested additional site visits it may want to undertake to help determine what, if any, alternative proposals it wished to ask Council to investigate.
- 3 The meeting also updated members on the Court Assisted Mediation process that was held on 20 and 21 June 2016.
- 4 The main outcome from the mediation process was that Council undertook to carry out further investigations into the feasibility of utilising sub surface drip irrigation (SDI) as a viable alternative to the proposed centre pivot irrigation (CPI).
- 5 Through that exercise Council appointed experts will develop a brief which will be shared with the appellant expert witnesses with a view to developing a report highlighting advantages and disadvantages of each type of disposal technique. The report will consider the overall viability of each disposal option rather than be specific to individual sites.
- 6 The output from this process will be a report that will be used to assist Council with its decision-making on its preferred way forward in respect of the current appeal. It will also be of relevance to any decision-making on alternative sites. It is anticipated that this report and further mediation will resume on 7 October 2016.

Recommendation

That the Council:

- a) **Receives the report titled “Update on Te Anau Wastewater Discharge Project Committee” dated 11 July 2016.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes that the Te Anau Wastewater Discharge Project Committee have asked officers to scope the investigation programme that would be required to enable Council to consider a proposed alternative treatment and disposal system.**
- e) **Asks officers to report back to Council with the estimated costs of the investigation programme once it is scoped to enable Council to consider the proposal further including whether to approve the unbudgeted expenditure that would be involved.**

Content

Outcomes from Committee Meeting of 6 July 2016

- 7 Two main outcomes arose from the meeting of 6 July. Firstly, the Committee again recognised the importance of continuing through the Environment Court appeal process for the Kepler consent with a view to either agreeing a mediated settlement or proceeding through to a full hearing.
- 8 Secondly, it was agreed that Committee members wished to undertake investigations into the development of an alternative proposal for treatment and disposal of Te Anau wastewater. This alternative was one option identified by PDP during the peer review process but through its work did not rank as their highest ranked alternative option to the Kepler proposal.
- 9 During the meeting, Council staff agreed to develop a scope of what this investigation would involve including timelines, potential costs and any significant risks that this approach may carry.
- 10 It is likely that scoping of a full proposal for detailed consideration is likely to take up to three months to fully develop, with the physical investigation work likely to take at least twelve months. Any additional expenditure will be presented to Council for approval.

Committee Proposal

- 11 The proposal developed by the Committee is based on some of the preliminary desktop work previously completed by PDP, but one that was largely discounted by the Committee as

worthy of further consideration largely based around some of the uncertainties with the proposed disposal routes.

- 12 The proposed alternative is based around the following:
- Upgrade of treatment plant to provide a significantly higher quality effluent (potentially similar to that undertaken at Wanaka). This is likely to be a Membrane Bioreactor (MBR) treatment plant or Sequential Batch Reactor (SBR) plant with Ultra Violet (UV) disinfection.
 - Disposal of treated effluent via rapid infiltration system preferably at a site close to the current oxidation ponds. This could be on Council owned land or land purchased from neighbouring properties.
 - If following detailed site investigation work, this land proved unsuitable then the preference was for consideration of alternative land at Sinclair Road, 6 km north of Te Anau (Smith Block).
 - Preference for rapid infiltration is driven by a belief that this is potentially the lowest cost option requiring the minimum amount of land for disposal.
 - An option for spray irrigation to land at the Smith block (and potentially other farm land) over summer months was also identified as a preferred outcome - subject to those wanting to use the water paying for it and obtaining the appropriate consent.
- 13 The Committee members were in agreement that at this stage there was limited value in undertaking any further site visits.

Scoping of Further Investigation Work

- 14 At the request of the Committee, Council staff will develop a full scope of work that will be required to ultimately progress this proposal as a viable alternative to either the consented Kepler option or work being progressed through the Court assisted mediation processes. The investigation work programme will consider the matters outlined below that will require development.

Alternatives for Upgrades of the Wastewater Treatment Plant.

- 15 Some of this work will have been undertaken previously by both MWH and PDP but will require further significant work to fully understand what options are the most appropriate. Significant consideration will be given to operability of plant and equipment, and risks such as technical capability of operations staff, sludge handling and disposal and impact on immediate neighbours.

Ground Investigations

- 16 Significant investigation work required to prove or disprove the suitability of land initially around the current treatment site but also potentially at the Smith Block on Sinclair Road. PDP have been asked to supply a programme of detailed investigation work that they believe would need to be undertaken to determine the suitability or otherwise of rapid infiltration at these locations. This work will consider ground and soil condition as well as a detailed groundwater hydrogeological assessment that would form the basis of any potential future consent application. It is expected that this investigation work will be undertaken to the same level of detail as that previously undertaken in support of the Kepler option.

Financial Considerations

- 17 Financial implications to be taken into consideration will likely include but not be limited to:
- Capital and operational expenditure projections and the net present value of the cashflows associated with each of the alternatives
 - Sale/purchase of land considerations - including agreements to cover investigations on private land and repayment of any outstanding loans
 - Income from cut and carry operation from any alternative site and how that compares to projections from the consented Kepler site
 - The write-off of costs incurred in developing the Kepler option
 - An assessment of the risks associated with each option.

Planning / Legal Considerations

- 18 These would include implications of the Proposed Water and Land Plan from Environment Southland and the potential to secure a long term resource consent. Previous advice from PDP and legal counsel both highlighted this may be a significant risk with their indication that a short term consent only would likely be granted with no guarantee of renewal. Further work is required to more fully understand any implications.
- 19 Implications of the factors that Council is required to consider under the Local Government Act 2002 will also be taken into account.

Other Points for Consideration

- 20 Consideration of community views, not only locally but also at a district level given that the additional cost of this work would be funded through the district wastewater budget, with any write off costs having a direct impact on rates.
- 21 Cultural considerations and iwi acceptability of any alternative proposal. Key matters for consideration include, depth to groundwater, time of travel to groundwater, proximity to Lake Te Anau and Upukerora River and the Statutory Acknowledgement over both Lake Te Anau and the Waiau River.
- 22 Work will also be required to complete a robust Multi Criteria Analysis which PDP have previously indicated is largely incomplete at this stage.
- 23 One significant risk that does need to be taken into consideration is the need for an extension of the current short term consent that expires in December 2020. In order to ensure that the application is investigated and applied for, it is expected that it will be necessary to start the re-consenting process around June 2019 at the latest to allow time for investigation work and the documents to be drawn up by June 2020 to ensure that the consent could attract the statutory 'roll over' while it is being processed.
- 24 At the meeting, officers agreed to develop these factors into a scoping document which could then be costed and a timeline developed. This will include the work PDP have been requested to undertake in relation to groundwater investigations at SDC/Slee land adjacent to the ponds.

- 25 It is expected that this information will take several weeks to collect and cost out. At this stage it is intended that the fully costed scoping proposal and timeline will be presented to Council for consideration at a future meeting. Council are reminded that a significant portion, if not all costs are likely to be unbudgeted expenditure.
- 26 Council also needs to understand that this work is separate from the additional assessment work that has been commissioned following the Court assisted mediation process. This work, as agreed by Council and FSO, is based around a comparison of centre pivot irrigation and sub-surface drip irrigation. Given that this is a mediated outcome of the court managed appeal processes it is essential that this work is undertaken by the agreed date of 7 October 2016.

Conclusion

- 27 A detailed investigation programme including scope of work, resources required to carry it out, timeline for completion and overall costings will be developed over the upcoming weeks and will be presented to Council for further consideration.

Next Steps

- 28 As this work constitutes unbudgeted expenditure, Council will be required to approve the funding prior to any work being undertaken.

Attachments

There are no attachments for this report.

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

C10.1 Update on Court Assisted Mediation

C10.2 Decisions on Variation 1 and 2 to the Proposed District Plan 2012

C10.3 Proposed Road Stopping - Rocky Point Mossburn

C10.4 Disposal of Former BNZ Building at Wyndham

C10.5 Tuatapere Swimming Pool Property

C10.6 Around the Mountains Cycle Trail Review

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Update on Court Assisted Mediation	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Decisions on Variation 1 and 2 to the Proposed District Plan 2012	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Proposed Road Stopping - Rocky Point Mossburn	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

<p>Disposal of Former BNZ Building at Wyndham</p>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.</p>
<p>Tuatapere Swimming Pool Property</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.</p>
<p>Around the Mountains Cycle Trail Review</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.</p>