



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

Date: Wednesday, 18 October 2017
Time: 9am
Meeting Room: Council Chambers
Venue: 15 Forth Street
Invercargill

Council Agenda OPEN

MEMBERSHIP

Mayor	Mayor Gary Tong
Deputy Mayor	Paul Duffy
Councillors	Stuart Baird
	Brian Dillon
	John Douglas
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Ebel Kremer
	Gavin Macpherson
	Neil Paterson
	Nick Perham

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

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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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

There are no minutes for confirmation.

Combined Local Alcohol Policy Review

Record No: R/17/9/22234
Author: Robyn Rout, Policy Analyst
Approved by: Bruce Halligan, Group Manager Environmental Services

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek Council's endorsement to conduct a review of the Combined Local Alcohol Policy (LAP) with the Invercargill City Council (ICC) and the Gore District Council (GDC). This report also seeks Council's approval to consult with and to request information from the Police, and Inspectors and Medical Officers of Health.

Executive Summary

- 2 In 2016, Council adopted the LAP with ICC and GDC (the LAP is included as Attachment A). The LAP aims to minimise the harm arising in individuals and communities as a consequence of the consumption of alcohol. The LAP states that a review will occur after two years of implementing the Policy, and ICC and GDC have already resolved to undertake a joint review. Officers are recommending that Council agrees to review the LAP with ICC and GDC. Officers are also recommending that Council agrees to consult with, and to request information from, the Police and Inspectors and Medical Officers of Health.

Recommendation

That the Council:

- a) **Receives the report titled "Combined Local Alcohol Policy Review" dated 11 October 2017.**
- 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) Agrees to review the Combined Local Alcohol Policy with the Invercargill City Council and the Gore District Council.
- e) Agrees to consult with the Police, Inspectors and Medical Officers of Health and asks them to provide the information they hold relating to any of the matters stated in Section 78(2)(c) to (g) of the Sale and Supply of Alcohol Act 2012.

Content

Background

3 Section 75 of the Sale of Supply of Alcohol Act 2012 (the Act) states that territorial authorities may adopt a local alcohol policy. The Act allows two or more territorial authorities to adopt a single policy for their districts (section 76). The LAP was adopted in May 2016 after three years of development and consultation through a combined effort with ICC and GDC. The three Councils are regarded as a single territorial authority with a single district for the purposes of producing a LAP under the Act.

4 As the current LAP and associated legislation were new and untested, the LAP states that after two years of implementing the policy and gathering the information relating to alcohol related harm, the Policy will be reviewed. The Policy became operative in 2016, so it is approaching having been implemented for two years. Both ICC and GDC have already resolved to undertake a joint review.

5 The purpose of the LAP is recorded as follows:

“The policy reflects the intent of the Act, which is to ensure that alcohol is sold and supplied in a safe and responsible manner and to ensure that the harm arising in individuals and communities as a consequence of the consumption of alcohol is minimised. A LAP allows the Council to fine-tune the application of the Act through its own activities and those of the Alcohol Regulatory and Licensing Authority, to meet the needs of individual communities.

The policy will help to inform the decisions of the District Licensing Committees (DLC) on alcohol licences for the sale of alcohol in the Southland region, providing a direction as to whether they should be granted, and if so, the conditions that could be imposed.”

6 The purpose of a LAP is also to set a clear framework for the District Licensing Committee (DLC) and Alcohol Regulatory Licensing Authority when making decisions on licence applications in Southland, and to provide a guide to those applying for a licence in Southland.

Issues

Conducting a joint review of the LAP

7 A meeting of the DLC was held on the 25th of August, to discuss the merits of reviewing the LAP. Representatives from the Southland District Council (including Councillors McPherson, Duffy and Douglas), ICC and GDC indicated that there was support for continuing to have a combined LAP. There was a general consensus that the LAP has been a useful tool and the consistent approach across Southland is beneficial for alcohol licence applicants and agencies.

8 At the meeting on held in August, a number of matters were raised for consideration in any review. These were:

- Some inconsistency with requirements for managers to be on duty at non-sporting clubs
- New off-licences – revisiting the need for social impact study or similar
- Reviewing off-licence hours

- Removing 50m approvals for some applications (or to further define)
 - Hours – how function venues and caterers are not currently included in the description
 - Lodges on the Milford Track (how to treat - are they hotels or not)
 - Boats in Milford Sound (how to treat)
 - Clarifying how the Policy applies to theatres, entertainment venues and function centres
 - Clarifying that the discretionary conditions do not apply to everyone
 - Suggestions for improvement around the layout of the policy
 - Concern over public consultation, that the public are unaware of what the policy means for them
 - Consideration of the use of brochures and other information to feed into this process
 - What would be considered as evidence of public consultation (regarding sensitive sites)
- 9 The attendees at the meeting acknowledged the long and involved process that was required to establish the LAP and the cost involved, particularly in regard to having a consultant prepare the draft policy. It was considered that this review could be co-ordinated and carried out by combined Council in-house staff without the additional costs. Even though public consultation will be required, the review process was not considered likely to be long or complex.
- 10 Previously, Council has committed to a combined policy to ensure consistency across Southland, and to deliver the objectives relating to the overall health and wellbeing of our communities. It was also felt that a combined policy facilitates inter Council co-operation and support which is beneficial for growth, experience and understanding of the issues for our Council, DLC members and staff.
- 11 The review of the policy at this time enables some fine tuning to improve the policy. It is therefore recommended that the Council engages in a combined review with ICC and GDC to ensure the policy is working as intended.

Requesting information and consulting

- 12 To be able to carry out the review, Council must first consult with and seek information from Police, Licensing Inspectors and Medical Officers of Health. The information that must be sought relates to the nature and severity of alcohol- related problems, and overall health indicators. This information will help guide the content of the LAP, and to give an indication of whether the LAP is improving outcomes in our communities. Officers are therefore requesting that Council endorses this consultation and information-gathering stage of the process.

LAP Committee

- 13 If Council would like to proceed with reviewing the LAP with ICC and GDC, it may need to reappoint members to a Combined LAP Committee. This Committee was previously established in 2014, so the Committee could hear submissions on the LAP, when it was being developed. Council previously resolved to join with GDC and ICC in creating the Committee, with a membership of 12 people, made up of four Councillors from each of the three Councils.
- 14 At this time, Council does not need to make a decision on whether having Combined LAP Committee is the desired approach, or on who the members should be. If Council would like to

continue to have a Combined LAP, staff will be seeking input from Councillors on this issue, at a later stage in the review process.

Legal and Statutory Requirements

13 Other key legislative points concerning LAPs are:

- LAPs are quite restricted in their content (s77 of the Act)
- Council must not produce a draft policy without having consulted the Police, Inspectors and Medical Officers of Health (s78(4) of the Act).
- If a Council decides to produce a LAP it must first produce a draft policy, that has regard to a number of matters (s78(2) of the Act)
- After producing a draft policy, Council must produce a provisional policy, using the special consultative procedure to consult on the draft policy (s79).

Community Views

14 Community views on this matter will be sought through a consultation process. The provisional policy must be consulted on in accordance with the Special Consultative Procedure.

Costs and Funding

- 15 There will be costs associated with reviewing and implementing a revised LAP. These include the costs associated with staff time and advertising. If a revised LAP is adopted, reporting and monitoring costs will be similar to those currently incurred.
- 16 People who have made a submission on a draft LAP do have the ability to appeal if they are unhappy with a provisional policy. Appeals can only be made on the basis that a provisional policy is unreasonable in the light of the object of the Act. Some councils have had a drawn-out review process, due to there being appeals.

Policy Implications

- 17 From the discussion that was held at the DLC meeting in August, indications are that only minor changes to the LAP are likely to be proposed. On this basis, it is unlikely any major policy implications will be proposed in the review.

Analysis

Options Considered

18 A number of options were considered regarding the LAP, these include:

- Option 1 – Reviewing the LAP with ICC and GDC
- Option 2 - Reviewing the LAP and applying it only in the Southland District
- Option 3 – Not having a LAP

Analysis of Options

Option 1 – Review the LAP with ICC and GDC

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • A consistent approach across Southland is beneficial for alcohol licence applicants. • Is consistent with the previous approach taken by Council. • Aims to assist in improving the overall health and wellbeing of our communities. • Facilitates inter Council co-operation and support which is beneficial for growth, experience and understanding of the issues for our Council, DLC members and staff. 	<ul style="list-style-type: none"> • Slightly harder to co-ordinate the review when involves 3 Councils. • Council may have to compromise on some issues in order to reach agreement with other Councils. • The LAP results in more monitoring and reporting (there is a cost associated with the time staff spend on this).

Option 2 – Reviewing the LAP and applying it only in the Southland District

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Aims to assist in improving the overall health and wellbeing of our communities. • Only having SDC involved would make it easier to complete a review. • Council would not have to compromise on any issues (which it may have to do if other Councils were involved). • 	<ul style="list-style-type: none"> • There might be an inconsistent approach across Southland, which may make it harder for alcohol licence applicants and agencies. • This would mean Council was changing its approach (from when the LAP was developed and adopted). • The LAP results in more monitoring and reporting (there is a cost associated with the time staff spend on this).

Option 3 – Do not have a LAP

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • It is unclear at this stage whether the LAP is assisting in improving the overall health and wellbeing of our communities. • Not having a LAP would eliminate some monitoring and reporting (there is a cost associated with the time staff spend on this). 	<ul style="list-style-type: none"> • Would not assist with improving the overall health and wellbeing of our communities. • There would be an inconsistent approach across Southland, which may be confusing for alcohol licence applicants. • This would mean Council was changing its approach to the LAP, which may be confusing to the public. • Revoking the LAP may be confusing to people who run alcohol licence premises.

Assessment of Significance

- 19 The decisions Council is being asked to make in this report have been assessed as not significant in relation to the Council's Significance and Engagement Policy. At this stage no decisions are being made on the content of the LAP, and a draft LAP is likely to be presented to Council, early in 2018.
- 20 The LAP does have the ability to have a positive influence on community health and wellbeing. It is important to note that a large number of submissions were received when the LAP was last produced, which indicates members of the community including local groups, organisations and businesses, are interested in this issue.

Recommended Option

- 21 It is recommended that Council proceed with Option 1, and review the LAP with ICC and GDC.

Next Steps

- 22 The same approach has been recommended to ICC and GDC over the last month, and both Councils have resolved to proceed with a combined review of the LAP. It is intended that a draft LAP be ready for the various Council's consideration and public notification, in early 2018.

Attachments

- A Current Combined Local Alcohol Policy [↓](#)



COMBINED LOCAL ALCOHOL POLICY

- 2014 -

OPERATIVE 31 MAY 2016

A1560491

Item 7.1 Attachment A

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INTRODUCTION

Background

Alcohol problems can be seen as the result of the social, economic and geographical nature of the community.

"Significant alcohol involvement exists in many community level problems, such as alcohol involved traffic crashes (including fatalities and injuries), non-traffic death and trauma (burns, drowning, falls, assaults), while a major percentage of homicide victims have high blood alcohol levels. Each of these can be viewed as products of the community system." (1)

The current New Zealand drinking culture is said (2) to be characterised by the following:

- (a) New Zealand is a society in which many people are tolerant of drunkenness.
- (b) It is a society in which many current drinkers appear to exercise little self-control.
- (c) It is a society in which many adults who currently drink appear not to be concerned about their physical or mental well-being because of their drinking behaviour.
- (d) It is a society in which many parents do not know about their children's alcohol drinking habits.

Several factors may have contributed to this, including the following:

- (a) Alcohol is readily available from a range of retail outlets.
- (b) Alcohol is, and is perceived to be, inexpensive when bought retail from an off-licence.
- (c) Alcohol is vigorously advertised, often associated with attractive role models and popular activities.

Information from the Police and the Medical Officer of Health indicates that the problem of alcohol abuse appears to be at least as significant in the Southland region as elsewhere in New Zealand.

It is also recognised that many New Zealanders enjoy alcohol in moderation as a social "lubricant" and "relaxant".

A Local Alcohol Policy (LAP) aims to create a meaningful contribution by local authorities to address the sale, supply or consumption of alcohol.

The Gore District, Invercargill City and Southland District Councils have worked together and developed this LAP in recognition of the significant harm that excessive consumption of alcohol continues to have in our communities.

Prior to preparing this policy in 2013, focus groups were held with stakeholders. When the Draft LAP was advertised for public submission, 585 submissions were received. Submissions were heard in June and August 2014.

Alcohol is a legal drug. Some would have it otherwise, but “prohibition” is not the legislated position in New Zealand. Further, the reasonable use of alcohol in social settings is generally recognised by New Zealand society as being appropriate. The use and abuse of alcohol can be a significant cause of disease, disability and social harm. Its negative impacts include illness, injury, violence, crime, motor vehicle accidents and death. These impacts have an adverse effect on individuals and families, and also come at a significant cost to the community which must provide emergency, healthcare and other services.

About 84% of New Zealand adults (18 years or older) drink alcohol (3). 63% percent are classed as “moderate drinkers” and 21% as “binge” drinkers. Most drinking occurs in people’s own homes (52%) followed by a friend/relative’s home (16%) (3).

Invercargill, Gore/Mataura and part of Southland District are Licensing Trust areas. In such areas the retailing of alcohol from off-licences and the operation of taverns is the preserve of community-elected licensing trusts.

The Purpose of a Local Alcohol Policy

The policy reflects the intent of the Act, which is to ensure that alcohol is sold and supplied in a safe and responsible manner and to ensure that the harm arising in individuals and communities as a consequence of the consumption of alcohol is minimised. A LAP allows the Council to fine-tune the application of the Act through its own activities and those of the Alcohol Regulatory and Licensing Authority, to meet the needs of individual communities.

The policy will help to inform the decisions of the District Licensing Committees (DLC) on alcohol licences for the sale of alcohol in the Southland region, providing a direction as to whether they should be granted, and if so, the conditions that could be imposed.

The Effect of a Local Alcohol Policy

The Act is quite prescriptive about the areas a LAP can cover. Specifically they are:

- Limits on the **location** of licensed premises in particular areas or near certain types of facilities, such as specific neighbourhoods or near schools or churches.
- Limits on the **density** of licensed premises by specifying whether new licences or types of licences should be issued in a particular area.
- Imposition of **conditions** on groups of licences, such as a “one way door” condition that would allow patrons to leave premises but not to enter or re-enter after a certain time.
- Recommendations on **discretionary conditions** for licences.
- To provide for the maximum **trading hours** of On, Off and Club Licences, which are:
 - 8.00 am – 4.00 am the following day for on-licences and club licences.
 - 7.00 am – 11.00 pm for off-licences.

OBJECTIVES

OVER-ARCHING ISSUES

1. Hazardous drinking is a social and public health problem with significant implications for the social and economic well-being of people in the Southland region.
2. Only a minority of the total quantity of alcohol sold is consumed in licensed premises or licensed events, where there is supervision, control and host responsibility. The majority of alcohol is consumed in situations where there may be little control or supervision.

OBJECTIVE 1: RECOGNITION OF HARM REDUCTION FROM ALCOHOL MISUSE AS A COMMUNITY PRIORITY

The seriousness of alcohol misuse as a serious social and public health problem is recognised and addressed in the way Councils make policy for, and deliver services to, the people in their districts.

Implications:

The seriousness of the problem is such that it is a major social issue. Local government has opportunities to help address this issue, at least partially through its responsibilities under the Act.

A LAP can be a useful part of a series of measures a community can take to address alcohol-related problems.

OBJECTIVE 2: PROVISION OF A SAFE DRINKING ENVIRONMENT

The provision of safe environments for the responsible sale, supply and consumption of alcohol.

Implications:

This means that the Councils will:

- Place significant emphasis on host responsibility, particularly in assessing applications and imposing conditions of approval.
- Encourage organisers of an event or special occasion to properly plan for it, if alcohol is to be available.

OBJECTIVE 3: COLLECTION OF EVIDENCE AND REVIEW OF POLICY

After two years of implementing the Policy and gathering information relating to alcohol related harm, it will be reviewed.

Implications:

- This means that the Councils will receive regular monitoring reports of premises, events and the conditions imposed on licences from their Licensing Inspectors.
- This means that the Southern District Health Board will be requested to provide statistics of Southland hospital admissions of alcohol related harm incidents and associated costs.
- This means that Primary Health South will be requested to provide monitoring statistics of education outcomes and awareness of community issues.
- This means that the NZ Police will be requested to provide statistics on alcohol related crime statistics in Southland communities as well as controlled purchase operations.

POLICIES

A. SENSITIVE PREMISES

POLICY A1: SENSITIVE PREMISES

Where there is an application for a proposed On, Off or Club licence or a renewal where the application relates to a significant change in the style or operation of the business (special licence applications are exempt) evidence of consultation with the sensitive premises shall be provided.

“Sensitive premises” are deemed to be:

- Any school, child care facility, pre-school or other facility providing for the education or care of children.
- Any place of religious gathering or assembly.
- Any residential activity – dwelling or apartment.
- Any community facility.

Within 50 metres of the boundary of the subject property.

Evidence of consultation will not be required where a resource consent has been granted under the Resource Management Act 1991.

Reason:

This policy is to ensure that neighbouring properties are aware of the possibility of licensed premises being established or having its licence renewed where there is a change in the style of business (for example from a café closing at 5.00 pm to a late night “dance” venue) nearby. It gives the occupants of a sensitive premises an opportunity to voice their concerns and the applicant an opportunity to identify and address them.

In principle the community felt that there should be a separation between a licensed premises and a “sensitive premises”. This recognises that licensed premises are often grouped with other non-residential uses and the grouping proves to be quite appropriate, or has been there for such a long time that the situation was accepted and managed. It was the “fear of what might happen” that caused concern.

B. TRADING HOURS**POLICY B1: TRADING HOURS**

The following shall be the maximum trading hours for the sale, supply and consumption of alcohol (within the context of their licences) on licensed premises within the Gore District/Invercargill City/Southland District Council areas:

1. On-licences (bars, taverns, hotels, entertainment venues and Class 1 restaurants):
 - (i) Invercargill Central Business District Area: The hours between 8.00 am on any day to 3.00 am the following day.
 - (ii) Invercargill (other than the Invercargill Central Business District Area): The hours between 8.00 am on any day to 1.00 am on the next day.
 - (iii) Gore District/Southland District: The hours between 8.00 am on any day to 3.00 am on the following day.
2. On-licences (Class 2 and Class 3 restaurants) including BYO restaurants:
The hours between 8.00 am on any day of the week to 1.00 am the following day.
3. Off-licences:
The hours between 7.00 am on any day to 11.00 pm the same day and includes dedicated "bottle store" outlets and "across the bar" sales.
4. Club licences:
Not to operate outside the hours of 8.00 am - 3.00 am. (Note: Applications for Club licences will need to justify the hours requested on the basis of the activity of the Club.)
5. Special licences:
No restriction, however applications for Special Licences will need to justify the hours requested in terms of the purpose of the function or event.

Note: All above provisions are subject to Sections 47 and 48 of the Act, which relate to the sale and supply of alcohol on Anzac Day morning, Good Friday, Easter Sunday and Christmas Day.

Reasons:**Off-licences**

- (i) The default trading hours provided for in the Act have been accepted. The risks associated with later closing times do not outweigh the benefit of providing a service where there is a demand.

On-licences

- (i) Earlier closing hours reduce the risk of alcohol-related offences occurring. The later premises close, the higher the percentage of alcohol-related offending. Ministry of Justice studies indicate that there is a direct correlation between the lateness of closing hours of on-licences and club licences and alcohol related offending. The later the premises closes, the higher the risk of offending (5). Information supplied by the Police (4) indicated that calls relating to alcohol related events in Invercargill City peaked at 3,117 in 2009 but had reduced to 2,723 by 2012 in response to earlier closing times.
- (ii) The policy reflects hours currently observed.
- (iii) In Invercargill the Proposed District Plan contains policies favouring the ongoing maintenance and development of the CBD as a late night entertainment area. Earlier closing of on-licences in suburban areas helps maintain residential amenity in Invercargill and helps direct late night entertainment into the CBD.
- (iv) 1.00 am closing for restaurants reflects the purpose of a restaurant licence.

Club Licences and Special Licences

- (i) The pattern of social behaviour should relate to the activity of the club, in the case of a club licence, and the nature of the occasion, in the case of a special licence, and the alcohol licence should be tailored accordingly.

C. DISCRETIONARY CONDITIONS

POLICY C1: DISCRETIONARY CONDITIONS

Alcohol licences of any type may be issued subject to discretionary conditions. A list of the possible conditions are detailed below. Applicants are encouraged to consider the discretionary conditions, and submit as to their applicability. Matters which may be addressed in discretionary conditions include, but are not restricted to, the following:

A. Premises layout and design

- (i) Design and layout requirements
- (ii) Minimum seating requirements
- (iii) Maximum numbers of patrons

B. Staffing

- (i) Training requirements for staff
- (ii) Management requirements in relation to staff (e.g. number of staff, duty managers)
- (iii) Prescribed ratio of security staff to patrons
- (iv) Uniform requirements (e.g. high visibility vests for security staff)

C. Host responsibility

- (i) Queue management
- (ii) Provision of food
- (iii) Management of an event in such a way as to reduce abuse of alcohol, e.g.
 - Ten minutes of “no alcohol service” every hour
 - No “shots” served after midnight
 - Limits on the number of drinks sold in any one transaction
 - Restrictions on use of glass vessels
 - Minimum wind-down periods (or short duration closings – to encourage a break in drinking and food consumption)
 - Restrictions on discounts (e.g. “happy” hours)
 - Steps to prevent sales to minors
 - One-way door policy
 - Entry or “cover charge”
 - Restrictions on activities (e.g. drinking games, cage fights)
 - Provision of a place of safety for any intoxicated patrons
 - Limiting the sale of undiluted spirits close to closing time
 - Restricting the number of serves per sale at large scale events
 - Membership and expansion of the IBAN (Invercargill Bar Alert Network)
 - Support mechanisms for sober drivers

- Advertising proposed for the event
- Advertising of alcohol promotions or “specials”
- Procedures that will ensure that minors only receive legal alcohol on the premises/event
- Requiring the presence of a Duty Manager
- (iv) Availability of transport home for patrons

D. Amenity and good order

- (i) Cleaning the outside of the premises and immediate environs
- (ii) Use of CCTV
- (iii) Signage and advertising

E. Management of incidents

- (i) Licensee to keep a register of incidents
- (ii) Mandatory notification to Police of violent incidents

F. CPTED Principles.

Reason:

Experience has shown that attention to the matters raised as possible conditions can help alleviate harm associated with consumption of alcohol at that event or premises.

The Committee also wishes to create a local practice note that will encourage (but not require) a pre-application meeting. This will enable the applicant to discuss the various conditions prior to lodging an application.

Each and every condition will not be applicable to each and every Licence. The Licence applicant can submit on those conditions it thinks are most applicable and the Committee can impose such conditions as may be applicable from the list.

This policy is to encourage good working relationships between Councils and industry providers while enabling the use of conditions to promote the purposes of the Act.

RELATED MATTERS

ALCOHOL BAN AREAS

The Gore District, Invercargill City and Southland District Councils intend to maintain and enforce existing Alcohol or Alcohol Ban Areas established under a bylaw or bylaws promulgated under the Local Government Act 2002.

Reason:

Alcohol or alcohol ban areas were introduced within the Invercargill City and Gore and Southland District areas in response to requests by Police and also property owners in the affected areas. They have proven an effective way to enable Police to intervene in situations where alcohol use or abuse has been a factor.

Background:

"The growing incidence of drinking in public places, especially by young people, has been a particular source of anxiety, as are reports of alcohol-fuelled street violence. With the decriminalisation of public drunkenness in the early 1980s, some observers have pointed to a lack of tools which frontline police can use to "nip trouble in the bud", leading to calls for local councils to pass by-laws which prohibit the possession or consumption of alcohol in defined public places." (6)

However, the Police submission noted:

"Repeat observations and anecdotal information continue to indicate that a significant number of people continue to ignore the (Invercargill) alcohol ban by consuming alcohol whilst travelling around/through the CBD" (5)

Considering alcohol bans over New Zealand as a whole, Webb, Marriott-Lloyd and Grenfell (6) concluded:

".... largely uncontrolled and unregulated use of alcohol in public places (especially main public thoroughfares and inner city parks) can frustrate local police goals of crime reduction and inner city safety. From a crime science perspective, such locations for public place drinking can be seen as "offender convergence settings", where offenders meet, spend time and identify potential co-offenders Seen in this light, disrupting such locations by proactively enforcing alcohol ban bylaws gives police a useful way to minimise the serious impact of alcohol-related co-offending. Police also recognise that there should not be a "silver bullet" mentality about alcohol bans"

Implications:

The alcohol ban areas already in existence need to be enforced. For local authorities, this means

- Ensuring that signage is adequate and is maintained.
- Ensuring that the bylaws are reviewed as necessary.
- Taking necessary steps to enforce the bylaw with the Councils' own regulatory staff.

REFERENCES

- (1) Holder H.D. Alcohol Related Data Collection for Harm Reduction Purposes at the Local Level: A Review of New Zealand Data and Action Recommendations. Alcohol Liquor Advisory Council. January 2003.
- (2) ALAC: The Way We Drink 2005; ALAC Occasional Publication No 27.
- (3) Public Health South: The Impact of Alcohol on the Health of Southern Communities - a Report to Inform the Development of Local Alcohol Policies by Southern District Councils, 1 July 2013).
- (4) ALAC Alcohol Monitor, Research NZ, 14 January 2011.
- (5) New Zealand Police: Calls to Police (and Invercargill offences) related to alcohol – Southland Area, Released 07 October 2013.
- (6) Webb M, Marriott-Lloyd P, Grenfell M: Banning the Bottle: Alcohol Bans in New Zealand. Ministry of Justice.

GLOSSARY

All terminology used in this Policy shall have the same meaning as that used in the Sale and Supply of Alcohol Act 2012. The more commonly used terms are reproduced below:

Alcohol	Means a substance - <ul style="list-style-type: none"> (a) That - <ul style="list-style-type: none"> (i) Is or contains a fermented, distilled, or spirituous liquor; and (ii) At 20°C is found on analysis to contain 1.15% or more ethanol by volume; or (b) That - <ul style="list-style-type: none"> (i) Is a frozen liquid, or a mixture of a frozen liquid and another substance or substances; and (ii) Is alcohol (within the meaning of paragraph (a)) when completely thawed to 20°C; or (c) That, whatever its form, is found on analysis to contain 1.15% or more ethanol by weight in a form that can be assimilated by people.
Club	Means a body that – <ul style="list-style-type: none"> (a) Is a body corporate having as its object (or as one of its objects) participating in or promoting a sport or other recreational activity, otherwise than for gain; or (b) Is a body corporate whose object is not (or none of whose objects is) gain; or (c) Holds permanent club charter.
Intoxicated	Means observably affected by alcohol, other drugs, or other substances (or a combination of 2 or all of those things) to such a degree that 2 or more of the following are evident: <ul style="list-style-type: none"> (a) Appearance is affected (b) Behaviour is impaired (c) Co-ordination is impaired (d) Speech is impaired
Licence	<ul style="list-style-type: none"> (a) Means a licence issued under this Act that is in force; and (b) In relation to any licensed premises means the licence issued for them (or, in the case of premises that two or more licences have been issued for, any of those licences).

NOTE: Under Section 13 of the Act there are four kinds of licence: On-licences, Off-licences, Club licences and Special Licences. Reference should be made to Sections 13 – 22 of the Act for further details/kinds of licences.

Local Alcohol Policy:

- (a) Means a policy, in force under Section 90 of the Act, relating to the sale, supply, or consumption of alcohol (or to two or all of those matters) within the district of a territorial authority or the districts of two or more territorial authorities; and
- (b) In relation to a territorial authority, means a policy, in force under Section 90, relating to the sale, supply or consumption of alcohol (or to two or all of those matters) within its district or the districts of two or more territorial authorities that include it.

Premises:

- (a) includes a conveyance; and
- (b) includes part of any premises; and
- (c) in relation to a licence, means the premises it was issued for.

Other Terms used in this report:

Binge drinking: Drinking alcoholic beverages with the primary intention of becoming intoxicated by heavy consumption of alcohol over a short period of time.

Pre-loading: Drinking alcoholic beverages at home or other non-licensed premises, prior to a planned visit to a licensed premises, with the primary intention of being at least partially affected by alcohol prior to arriving at the licensed premises.

Draft Development and Financial Contribution Policy

Record No: R/17/9/23087
Author: Robyn Rout, Policy Analyst
Approved by: Anne Robson, Chief Financial Officer

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to present the draft Development and Financial Contributions Policy (the Policy) to Council for it to consider and approve for public consultation.

Executive Summary

- 2 This report outlines the draft Policy, and recommends that the draft Policy, including any changes Council may wish to make, be endorsed and released for public consultation.
- 3 Council has a combined Policy that outlines the approach to both Development and Financial Contributions. Development Contributions (DCs) are established under the Local Government Act (2002) (the Act) and are a capital charge on development to recover a fair, equitable and proportionate share of the capital costs that development imposes on network/community infrastructure. Financial contributions (FCs) are established under the Resource Management Act (1991) (the RMA) and are a capital charge for works undertaken to mitigate the environmental effects of resource use.
- 4 The draft Policy is consistent with the current policy in that it puts the collection of DCs into remission on the basis that Council wants to encourage growth. The FC part of the Policy is operative, and FCs will continue to be taken under the Southland District Plan for roading and reserves until 2022 when a legislative change will see FCs removed.
- 5 Only minor changes have been made to the draft Policy. Data on projected population growth in the district has been included to give a more accurate view of the likely growth. Minor changes have also been made to clarify that the DC part of the Policy is being put in remission to foster economic growth. A slight amendment has been made to the part of the policy that outlines Council's previous approach to contributions, to ensure accuracy. Schedules 1 and 2 have also been updated. These schedules now outline the projects being undertaken over the period for the Long Term Plan (LTP) 2018-28 period that have a demand related component.
- 6 If approved, the draft Policy and a statement of proposal will be consulted on via a process which will be run concurrently with the consultation and hearings being held on the LTP 2018/2028. A statement of proposal will be presented to be endorsed later this year.

Recommendation

That the Council:

- a) **Receives the report titled “Draft Development and Financial Contribution Policy”** dated 11 October 2017.
- 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) Endorses the draft Development and Financial Contributions Policy and approves it for release for public consultation.
- e) Undertakes consultation through a process which will run parallel to the consultation process for the Long Term Plan 2018-28; with hearings around May 2018.
- f) Requests that officers prepare a Statement of Proposal regarding the draft policy, for consultation in parallel to the Long Term Plan 2018-28.

Content

Background

- 7 In the past, Council has had a number of different approaches to collecting DCs and FCs. Prior to 2015, DCs were collected for water and sewerage in Te Anau and reserves across the District.
- 8 From 2012-2015 FCs were collected for roading and esplanade reserves. Prior to 2012, FCs were collected for roading, esplanade reserves, water and sewerage for areas excluding Te Anau and development levies.
- 9 Council currently has a combined policy on development and financial contributions. For the 2015-25 LTP, the DCs part of the Policy was put into remission, so no DCs are currently being collected. Council agreed that not collecting DCs was appropriate as encouraging development in the Southland District would result in benefits for the broader community.
- 10 If operative, in its current state, the Financial and Development Contributions Policy would allow DCs to be taken for water supply, sewerage and community facilities. The FCs in the Policy, which are collected through resource consents under the Southland District Plan, currently apply to development in the Southland District, and are taken for roading and reserves.
- 11 DCs and FCs have not been a significant revenue stream for Council. Approximately \$389,000 of FCs and DCs have been collected between 2012 and 2017. While contributions do have the potential to be a useful funding source for some specific projects, the ability to realise that revenue is dependent on the economic cycle and trends in development and also what demand-related capital expenditure is carried out.

- 12 It should also be noted that any DCs and FCs collected, which are not used for the specified purposes for which they were collected, must be returned within 10 years. For FCs, this only includes FC collected under the provisions of the current District Plan. Under the previous District Plan, not all FCs included a time limit for return.
- 13 Due to a legislative change in the RMA, from April 2022, Council will no longer be able to impose FCs on resource consents.

Issues

Having the DC part of the Policy in remission

Requirement for Growth

- 14 Section 197AB(a) of the Local Government Act 2002 (the Act) requires that DCs only be assessed for demand related expenditure. As such, DCs should only be assessed where there is projected growth that is likely to increase demand for services/activities and where capital expenditure is planned to meet this additional demand. As was discussed at the LTP Workshop held in early September, there is some population growth predicted in parts of the district over the period of the 2018-28 LTP, which may justify imposing DCs.
- 15 In order to justify DCs, Asset Managers would also need to be planning capital expenditure related to growth, in the District. This is the only type of expenditure that can be considered in the assessment of DCs (all operational costs, maintenance and overheads etc are excluded). As was outlined at the Council workshop in early September, there are projects planned that will have capital expenditure relating to growth, and more projects have been identified since September.

Further Legislative Requirements

- 16 Council must also consider Section 101(3)(a) of the Local Government Act 2002, when it determines the sources for expenditure requirements. This section states that funding needs to meet expenditure requirements must be met from sources that Council determines to be appropriate, following a consideration of a number of matters. These factors include who is benefiting, and when the benefits are expected to occur. Council also must consider the overall impact of any allocation of liability for revenue needs on the community.
- 17 Council's consideration of these matters, as it relates to the funding of capital expenditure, is outlined in the Revenue and Financing Policy. The analysis contained in the Revenue and Financing Policy is also applicable to this Policy. Council has previously had regard to and made the following determinations under each activity in relation to the matters set out under section 101(3)(a)(i) to (v) of the Act:
 - that development contributions are an appropriate source of funding for providing additional capacity in water supply, sewerage and community infrastructure assets because when development occurs it takes up capacity in these assets and requires Council to provide additional capacity in existing assets or new assets or to serve the development. Community infrastructure contributions will only be required on residential developments.

Incorporating feedback from LTP Workshop in September

- 18 In the LTP Workshop in September, Councillors discussed that DCs may discourage new development and consequently impede or act as a barrier to new economic development. This was viewed as contrary to Council's aspirations for encouraging growth. Councillors recognised that when new developments occur, these often contribute significantly to ongoing community wellbeing and also contribute financially on an ongoing basis through rates. On this basis, Councillors were keen to continue with the current approach of having the DC part of the Policy in remission.
- 19 At the September workshop, Councillors also recognised that there is a risk that if the DC part of the Policy is in remission, Council will not be able to assess DCs if there is a new substantial development or further development of properties in the Kepler Block in Te Anau.
- 20 Staff also asked Councillors how they would like to proceed with FCs, in light of the impending legislative change that would remove Council's ability to collect FCs through the RMA in 2022. Councillors outlined that Council should continue collecting DC as it is currently, and that a review should be undertaken on how to deal with the RMA changes, in preparation for the 2021-31 LTP.

Changes included in the draft Policy

- 21 Only minor changes have been made to the draft Policy. Population projection data has been added to try and give a current view on the likelihood of growth in the district. Wording in the draft Policy has also been altered to clarify that the DC part of the Policy is being placed in remission more on the basis that Council would like to encourage growth, rather than on the basis that there is not enough growth to justify DCs. A minor change has also been made to ensure that the description of the contributions Council uses to collect contributions, is completely accurate.
- 22 Officers have also included in the draft Policy, the projects being undertaken in the LTP 2018-28 that have a demand related component. Since the September workshop, four new demand related projects have been identified. So in addition to the Te Anau sewage and Riverton cemetery projects, there have now been three additional projects identified in Te Anau, and one on Stewart Island/Rakiura. In accordance with the guidance given by Councillors, and to be consistent with the current Policy, it is stated in Schedule 2 of the draft Policy, that the demand share of the projects will be funded by rates and previously collected contributions.

Legal and Statutory Requirements

- 23 Section 102 of the Local Government Act (2002) (the Act) requires that Council have a policy on DCs or FCs.
- 24 Section 106 of the Act sets out the requirements of the policy. Sections 197-211 and Schedule 13 cover the application and calculation methodology related to contributions.
- 25 When developing a financial and development contributions policy, Council must consider a number of principles that are outlined in the Act. Section 197AB(a) outlines that DCs should only be required if developments will create or have created the need for Council to provided new or additional assets or assets of increased capacity.
- 26 Council must also consider the principle in Section 197AB(c) of the Act, which outlines that cost allocations used to establish DCs should be determined according to, and be proportional to, the

persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those asset.

- 27 Council may review its position on contributions at any time, but is required do so no more than three years from the date on which it adopts a LTP. The Policy therefore must be reviewed by 24 June 2018.
- 28 There is no legislative requirement for this Policy to be included in the Long Term Plan. The Policy is required to be released for public consultation in compliance with Section 82 of the Act.

Community Views

- 29 If Council endorses the draft Policy and releases it for public consultation, officers are proposing that the draft Policy will be consulted on in accordance with the Special Consultative Procedure (SCP). The SCP requires that the consultation process goes for at least one month and submitters are given the opportunity to be heard by Council. This consultation process is being proposed as the consultation on the draft Policy will be run parallel to consultation for the LTP 2018/28. The draft Policy will have the same consultation period as the LTP, so that anyone wishing to speak to their submission can do so at the LTP hearings, which are likely to be in May 2018. This will also ensure that any changes to demand related capital expenditure in the LTP, as a result of consultation for the final LTP, can be reflected in the final Policy.
- 30 An advert that Council is seeking feedback will be placed in the Advocate, and the draft Policy will be available to be viewed on Council's website and in all Area Offices. Staff will guide submitters to make submissions through Council's website.
- 31 The consultation process proposed will allow Council to consider community views regarding this policy.

Costs and Funding

- 32 As the draft Policy has the same approach to both DC and FC as the current Policy, the funding obtained through FCs is likely to be reasonably similar to what is currently collected. The revenue collected will be dependent on the economic cycle and trends in development.
- 33 To put the draft Policy out for consultation and to undertake the steps required to progress a draft Policy through to adoption, there will be costs associated with staff time and advertising.

Policy Implications

- 34 The draft Policy would continue to have DCs in remission. This means that if the draft policy is adopted, DCs will not be assessed when development takes place.
- 35 Continuing to have the DC part of the Policy in remission would mean that the costs associated with demand are borne by ratepayers (and by those who have paid previous DCs). However, Council has taken an approach that encourages development in the Southland District, recognising that this will benefit the community as a whole.

Analysis

Options Considered

36 A number of options have been considered in regards to this Policy. Based on the feedback that was received from Councillors at the September LTP Workshop, officers have considered the following options:

- **Option 1:** Approve the draft Policy (with any desired amendments) for release for public consultation; or
- **Option 2:** Amend the draft Policy (in making any amendments to the draft Policy, Council must ensure that the requirements of the Act are met).

Amending the Policy could include taking DCs out of remission, no longer collecting FCs, or investigating funding local roading and reserves (associated with new development) using a DC instead of the current FCs. This would recover the costs that are currently assessed through FCs through the RMA.

Analysis of Options

Option 1 - Approve the draft Policy (with any desired amendments) for release for public consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • The draft Policy complies with the Act and was prepared by an external consultant (prior to being adopted in 2015), who is a subject matter expert. • May encourage growth and development in the Southland District, which would have wide public benefit. • Consistent with the Southland Regional Development Strategy, which aims to promote ease of doing business in Southland and have 10,000 more people living in Southland by 2025. 	<ul style="list-style-type: none"> • By having the DC part of the Policy in remission, it may frustrate some developers who have already paid DCs. • Council may miss assessing DCs on a large scale development or further development in the Kepler Block in Te Anau. • Rate payers may not like bearing the cost of demand related expenditure.

Option 2 - Amend the draft Policy

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Would give further clarity on Councillors' views regarding the Policy. 	<ul style="list-style-type: none"> • May put pressure on the requirement to review the Policy by the 24th of June 2018.

	<ul style="list-style-type: none">• No other known disadvantages.
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Assessment of Significance

- 37 The decisions Council is being asked to make in this report have been assessed as not significant in relation to the Council's Significance and Engagement Policy.
- 38 It has been recognised however, that the Policy has broad effects because of its potential impacts on development activity, as well as economic and population growth. It also raises issues of equity and affordability in funding assets and infrastructure.

Recommended Option

- 39 It is recommended that Council approve the draft Policy and release the Policy for public consultation (Option 1).

Next Steps

- 40 If Council approves the draft policy and releases it for public consultation, the public will be able to submit on the draft Policy and hearings for submitters wishing to speak are likely to be held in May 2018.

Attachments

- A Draft Policy on Development and Financial Contributions 2018-28 [↓](#)



SOUTHLAND DISTRICT COUNCIL
POLICY ON DEVELOPMENT AND FINANCIAL CONTRIBUTIONS
20152018-20252028

This policy applies to:

DOCUMENT CONTROL

Policy owner: Finance	TRIM reference number: <u>R/17/9/23123</u>	Effective date:
Approved by: Council	Date approved:	Next review date:
	<input type="checkbox"/> Operational policy	<input checked="" type="checkbox"/> Council policy

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POLICY ON DEVELOPMENT AND FINANCIAL CONTRIBUTIONS - 2015-2025

1. INTRODUCTION

1.1 Purpose

To provide predictability and certainty about the sources and levels of funding by enabling Council to recover development contributions from those persons undertaking development, a fair, equitable, and proportionate share of the total cost of capital expenditure necessary to service growth over the long term and to recover financial contributions to deal with the adverse effects of new development in the Southland District.

1.2 Statutory context

- 1.2.1 Council is required by Section 102(2)(d) of the Local Government Act 2002 (the Act), to have a policy on development contributions or financial contributions.
- 1.2.2 Council has chosen to use both development contributions and financial contributions to recover the total cost of capital expenditure necessary to service new development and to deal with its effects.
- 1.2.3 Financial contribution provisions for recovering the growth related costs of roading and reserves are detailed in Section 2.14 of the Proposed District Plan.
- 1.2.4 This policy deals with development contributions for water supply, sewerage and community infrastructure.
- 1.2.5 Council, in addition to determining matters of content in this policy, has determined:
 - (a) that the decision to adopt the Southland District Policy on Development and Financial Contributions 2015 - 2025 is a significant decision;
 - (b) that it believes it has met the decision-making and consultation requirements of the Act to the extent required.

1.3 ~~Approach to growth and development~~

- 1.3.1 The population of Southland District grew by ~~only~~ 900 persons (3.1%) in the 12 years between 2001 and 2013. ~~In spite of this, the~~ total number of dwellings increased by just over 1,000 (9.4%) and the number of rating units increased in the same period. ~~Projections by Infometrics Limited estimate there will be approximately 2,000 more people in the District by 2028, based on a medium growth projection. It has been identified that growth is not going to be evenly distributed across towns in the District, and that some towns will experience negative growth, indicating that there is limited development taking place over the long term. Development is known to be occurring in particular parts of the District and not generally across the District.~~
- 1.3.2 In making this policy, Council has considered the matters under Section 101(3) of the Act. Section 101(3)(b) of the Act states that the funding needs to meet expenditure requirements must be met from sources that the local authority determines to be appropriate, following a consideration of the *overall impact* of any allocation of liability for revenue needs on the community.

- 1.3.3 Although it does not wish to burden current households and businesses by making them fund additional capacity in capital assets that will mainly benefit new development, it is aware that development contributions may discourage new development.
- 1.3.4 In the wider community interest, Council may from time to time resolve to suspend the requirement for the payment of development contributions under this policy by putting the policy into remission. In doing so, it shall specify an appropriate alternative source of funding for the share of the total cost of capital expenditure necessary to service any limited growth known to be occurring.
- 1.4 Remission of policy and background**
- 1.4.1 This Southland District Policy on Development and Financial Contributions 2015 – 2025 policy is currently in remission and development contributions will not be required under it. The financial contributions provisions in the Southland District Plan are not in remission and continue to apply to development in the Southland District.
- 1.4.2 ~~In view of the limited growth of the Southland District between 2001 and 2013 and limited projections for growth in the Long Term Plan period~~As Council want to encourage development and economic growth in the District, the Council proposes to fund the total cost of capital expenditure for water supply and sewerage necessary to service development from sources other than development contributions. Development contributions will not be required under this policy until resolved otherwise by Council in which case the provisions of the policy will apply in full. Council has full discretion as to the timing of a review.
- 1.4.3 Council will continue to require financial contributions for roading and reserves under Section 2.14 of the Proposed Southland District Plan. Council is concerned that in the event of any substantial development, the resulting costs for roads and reserves to serve the development could affect the level of rates unless funded by financial contributions. The ability to require financial contributions will not limit the ability of Council to impose resource consent conditions requiring an applicant to carry out roading and reserves works to offset the adverse effects of a development.
- 1.4.4 Council may review its position on remissions at any time but shall do so no more than three years from the date on which it adopts its Long Term Plan.
- 1.4.5 Prior to 2012, the development contributions policy applied to development across Southland District and application of the policy resulted in persons undertaking new developments in the Southland District being subject to a development contributions regime.
- 1.4.6 Council has been conscious of the fact that development contributions may have previously been an impediment or barrier to new economic development. This is contrary to the Council's aspirations for encouraging growth. The Council also recognises that when new developments occur, these often contribute significantly to ongoing community wellbeing and also contribute financially on an ongoing basis through rates.

- 1.4.7 In recognition of this, the Council removed development contributions from most parts of the District in 2012, ~~with the exception of Te Anau~~. The 2012-22 development contribution policy was limited to **reserves across the district, and** water and sewerage projects at Te Anau (and only in cases where developments proposed to connect to reticulated services).

~~1.4.8 Findings of the 2013 New Zealand Census have confirmed the limited growth taking place in Southland District since 2001.~~

2. POLICY DETAILS

Council has considered all matters it is required to consider under the Act when making a policy on development contributions or financial contributions. The Council has also considered requirements in Section 106, Section 201 and Section 201A of the Act relating to the content of such a policy. Policy resulting from these considerations is set out in this section. The way in which the policy will be applied in practice is set out in **Section 3**.

2.1 Appropriate sources of funding

- 2.1.1 Council incurs capital works expenditure in order to:

- (a) provide additional capacity in assets to cater for new development;
- (b) improve the level of service to existing households and businesses;
- (c) meet environmental and other legislative requirements; and
- (d) renew assets to extend their service life.

- 2.1.2 Section 101(3)(a) of the Act states that the funding needs to meet these expenditure requirements must be met from sources that Council determines to be appropriate, following a consideration, in relation to each activity, of a number of matters. Council's consideration of these matters as it relates to the funding of capital expenditure is outlined in the Revenue and Financing Policy. The analysis contained in the Revenue and Financing Policy is also applicable to this policy.

- 2.1.3 Council has had regard to and made the following determinations under each activity in relation to the matters set out under section 101(3)(a)(i) to (v) of the Act:

- (a) that development contributions are an appropriate source of funding for providing additional capacity in **water supply, sewerage and community infrastructure** assets because when development occurs it takes up capacity in these assets and requires Council to provide additional capacity in existing assets or new assets or to serve the development;
- (b) that financial contributions are an appropriate source of funding for **roading and reserves** assets because the Council only seeks contributions towards these assets to mitigate adverse effects in the vicinity of developments and not to fund these assets in the wider network;

- (c) **community infrastructure** contributions will only be required on residential developments although the Council may still require financial contributions for **reserves** on non-residential developments as a condition of resource consent under the Resource Management Act 1991.
- 2.1.4 In keeping with the principles in Sections 197AB(e) and (f) of the Act, Council is required to make information available and provide certain schedules.
- 2.1.5 Section 201A of the Act requires a development contribution policy to include a *schedule of assets*, and specifies the contents of that schedule. This requirement is met by **Schedule 1** of this policy.
- 2.1.6 Section 106 of the Act requires Council to:
 - (a) summarise and explain the total cost of capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth; and
 - (b) state the proportion of that total cost of capital expenditure that will be funded by—
 - (i) development contributions;
 - (ii) financial contributions; and
 - (iii) other sources of funding.
- 2.1.7 These requirements are met in **Schedule 2** of this policy.
- 2.1.8 Section 201 of the Act requires inclusion in a development contribution policy of a *schedule of development contributions*. This requirement is met by **Schedule 3** of this policy.
- 2.2 Financial contributions**
- 2.2.1 The Resource Management Act 1991 authorises local authorities to impose financial contributions to address effects associated with subdivision, land use or development. Council may require a financial contribution, as a condition of consent, in accordance with any relevant rule in the Southland District Plan.
- 2.2.2 Provisions regarding financial contributions towards roading and reserves infrastructure are detailed in Section 2.14 of the Proposed District Plan and should be referred to when reading this policy. The financial contribution rules in Section 2.14 of the Proposed Southland District Plan are operative¹.
- 2.2.3 Section 106(2)(f) of the Act states that if financial contributions will be required this policy must *summarise* the provisions that relate to financial contributions. This summary is set out in **Appendix 4**.

¹ The Council notified its decisions on submissions relating to the financial contribution rules in the Proposed Southland District Plan on 26 November 2014. Pursuant to Section 86B(1) of the Resource Management Act 1991, those rules have legal effect.

2.3 Limitations on contributions

- 2.3.1 While Council is able to seek both development contributions for infrastructure under the Local Government Act 2002 and financial contributions under the Resource Management Act 1991, Section 200 of the Local Government Act 2002 prevents Council from requiring a development contribution where it has imposed a contribution requirement on the same development under the Resource Management Act 1991 or where developers or other parties fund the same infrastructure for the same purpose.
- 2.3.2 Although under the Southland District Plan, Council may impose a financial contribution as a condition of resource consent, it shall ensure that no condition of resource consent is imposed that would require work to be done or funded that is identified in the Long Term Plan and funded in whole or in part by development contributions.
- 2.3.3 Nothing in this policy, including the amounts of development contribution payable in **Schedule 3**, will diminish from any other legal requirement to make a payment for community facilities other than a development contribution, including connection fees or any other fee required to be paid pursuant to any other policy or bylaw or by agreement with Council.

2.4 Limitations on costs eligible for inclusion in development contributions

- 2.4.1 In calculating development contributions under this policy, the contributions shall not include the value of any project or work or part of any project or work required for:
- (a) rehabilitating or renewing an existing asset; or
 - (b) operating and maintaining an existing asset.
- 2.4.2 In accordance with Section 200(1) of the Act, no development contribution calculated under this policy shall include the value of any funding obtained from third parties, external agencies or other funding sources in the form of grants, subsidies or works. This limitation shall not include the value of works provided by a developer on behalf of Council and used as a credit against contributions normally payable, which Council may seek to recover from other developers in contributions.
- 2.4.3 Council may require development contributions where it has incurred capital expenditure via a third party and has provided a credit against development contributions payable by any person where that person has incurred capital expenditure on behalf of Council, which provides additional capacity to serve further development.
- 2.4.4 The value of any subsidy or grant toward the value of any project or work shall be deducted prior to the allocation for funding of the balance portion of project cost between development contributions and other sources of Council funding.

2.5 Vested assets and local works

- 2.5.1 The value of assets vested or expenditure made by a developer, pursuant to a requirement under the Resource Management Act 1991, shall not be used to off-set development contributions payable on a development unless all or a portion of such assets or expenditure can be shown to avoid or reduce the need for Council to incur costs providing an asset that is included in its capital works programme, for which development contributions are sought.

2.5.2 The value of assets vested or expenditure made voluntarily by a developer to enhance a development shall not be used to offset development contributions payable on development.

2.6 Past surplus capacity provided

2.6.1 In accordance with Section 199(2) of the Act, development contributions may be required to fund capital expenditure already incurred by Council in anticipation of development, prior to the adoption of this policy.

2.6.2 Where Council has in recent years incurred expenditure to undertake works or acquire land in anticipation of development, it may seek to recover this expenditure from development contributions yet to be made. Council may include the value of *past surplus capacity* in its calculation of development contributions.

2.7 Cumulative and network effects

2.7.1 In accordance with Section 199(3) of the Act, development contributions may be required under this policy, where a development, in combination with other developments, has a cumulative effect including the cumulative effect of developments on network infrastructure.

2.8 Geographic grouping (Catchments)

2.8.1 In keeping with the principle in Section 197AB(g) of the Act, Council considers that development contributions should be required from new development on a geographic basis using separate *catchments* those being determined:

- (a) in a manner that balances practical and administrative efficiency with considerations of fairness and equity; and
- (b) avoids, wherever practical, grouping across the entire District.

2.8.2 A *catchment* is an area of the Southland District within which growth and development is occurring, which is likely, either solely or cumulatively, to give rise to the need for, or benefit from, particular Council activities.

2.8.3 This policy avoids the use of district-wide *catchments* for the recovery of development contributions.

2.8.4 This policy uses four separate ward based *catchments* for *community infrastructure* assets because it is considered impractical to divide the areas of benefit of these types of asset into smaller geographic areas.

2.8.5 The policy uses separate local scheme-by-scheme catchments for water supply and sewerage activities. Development contributions will be payable only where the service is available and in the case of water supply and sewerage, only to those new households, businesses or other developments connecting to the networks concerned. It is considered reasonably practical to administer the policy using local scheme-by-scheme catchments.

2.8.6 The catchments used in this policy are summarised in **Appendix 2**.

2.9 Principles of Cost Allocation

- 2.9.1 In keeping with the principle in Section 197AB(a) of the Act an asset should not be considered for cost allocation for recovery through a development contribution unless it is a new or additional asset or an asset of increased capacity required to be provided by the Council to deal with the effects of developments.
- 2.9.2 In keeping with the principle in Section 197AB(c) of the Act, the cost of any *project* identified in the Long Term Plan will, after deductions for subsidies and other sources of funding, be allocated between:
- (a) the costs if any for improving levels of service to existing households and businesses by bringing assets up to the *service standard* and/or by providing additional service life, to be expressed as the *ILOS cost*; and
 - (b) the costs if any for providing additional capacity to service the development of new households and businesses, to be expressed as the *AC Cost*.
- 2.9.3 Council will allocate project cost between *ILOS costs* and *AC costs*, in the manner described in **Section 4.0 - Methodology**.
- 2.9.4 The methodology used to allocate costs is a need/benefits matrix approach.

2.10 Capacity life of assets

- 2.10.1 In keeping with the principle in Section 197AB(b) of the Act, Council has considered the period over which the benefits of capital expenditure for new development are expected to occur. It considers that capital expenditure on infrastructure during the Long Term Plan period should be recovered over the full take-up period of each asset, from all development that created the need for that expenditure or will benefit from capacity it provides, including development occurring after the Long Term Plan period.
- 2.10.2 Council has determined that:
- (a) new development occurring in the Long Term Plan period will contribute only to that proportion of additional asset capacity that it is expected to consume;
 - (b) future development occurring after the Long Term Plan period will contribute toward the *remaining surplus capacity* in assets at the end of that period.
- 2.10.3 In calculating the development contributions payable by new development for each activity type, Council will:
- (a) include the value of any *past surplus capacity* in assets provided after 1 July 2005 that is expected to be consumed by new development, where this can be identified and where it can be shown to have been provided in anticipation of growth;
 - (b) include the value of capacity in assets to be provided in the Long Term Plan period, that is expected to be consumed by new development; and
 - (c) exclude the value of *remaining surplus capacity* in assets at the end of the Long Term Plan period, which is likely to be consumed by future development.

2.10.4 Recovery of the whole of a project's cost from only those households and businesses establishing in the Long Term Plan period may place an unfair burden on them. Households and businesses developing after the period will arrive to a fully paid up asset with spare capacity for their developments.

2.10.5 This policy uses a development contributions calculation period extending from 1 July 2005 (to include *past surplus capacity*) to 30 June 2045 - 30 years after the adoption of the Policy to ensure more equitable attribution under Schedule 13 of the Act. The 30 year future outlook is to take account of major infrastructure projects that may retain spare capacity for up to 30 years, particularly as a result of prolonged periods of slow growth as have been experienced in Southland District.

2.11 Significant assumptions

2.11.1 Section 201(1)(b) of the Act requires this policy to set out the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects.

2.11.2 The significant assumptions underlying the calculation of the schedule of development contributions are that:

- (a) the rate, level and location of growth will occur as forecast in the rating growth projections accompanying the Long Term Plan;
- (b) capital expenditure will be in accordance with the capital works programme in the Long Term Plan and future capital expenditure is based on the best available knowledge at the time of preparation. These are to take into account known or likely construction costs and assumed inflation rates;
- (c) no significant changes to service standards are expected to occur in the Long Term Plan period other than those planned for in the Asset Management Plans;
- (d) the level of any third party funding for projects will continue at predicted levels for the period of the Long Term Plan;
- (e) there will be no significant variations to predicted rates of interest and inflation to those set out in the Long Term Plan;
- (f) it is assumed each residential dwelling comprises the average number of residents from the 2013 Census. The demand on Council assets placed by a standard dwelling (Unit of Demand) is assumed to be 2.5 persons per dwelling and this is applied district-wide.

2.11.3 An assessment of effects, if there is a significant level of uncertainty as to the scope and nature of the effects, is set out in **Appendix 3** of this policy.

2.12 Financial policy

2.12.1 All project costs used in the development contributions section of the policy should be based on current estimates of infrastructure construction prices at the time of planning in the dollars of the year of planning, with inflation of all capital costs over the period using local government cost adjusters supplied by a commercial research and analysis agency, such as BERL.

2.12.2 All capital expenditure and development contributions contained in this policy are exclusive of GST (except where shown to be inclusive).

2.12.3 No cost of capital, including interest is included in growth cost calculations for the purposes of this policy.

2.13 Policy on existing lots or development

2.13.1 When granting a consent or authorising a connection for development, and calculating the units of demand from that development, Council will deduct the units of demand generated by existing *lots* or development already *legally established* at the date of granting consent, other than as required in **sections 2.13.2, 2.13.3 and 2.13.5** below.

2.13.2 **Section 2.13.1** shall apply to any *lot* or development that:

- (a) was already *legally established* at the date on which this policy became operative, on 1 July 2015; or
- (b) has been *legally established* since the date on which this policy became operative and for which a development contribution has been paid; or
- (c) is not yet *legally established* but for which a development contribution has been paid (and not refunded).

2.13.3 *Legally established* development includes buildings and structures which can be shown to have been in existence on but have been demolished up to three years prior to this policy becoming operative on 1 July 2015.

2.13.4 **Section 2.13.1** shall not apply to any *lot* or development for which a contribution has been required and has not yet been paid.

2.13.5 Council may require a development contribution to be paid for any existing *legally established lot* or development, in a water supply or sewerage area, with no connection to the service, which is to be connected for the first time or seeks connection to either a water supply network or a sewerage network, as the case may be, where no development contribution or other such payment for these services can be shown to have been previously paid.

2.13.6 Council may require a development contribution to be paid for any existing *legally established lot* that has previously been prevented from being developed by any open space covenant or by any other restriction registered against the title of the *lot* and that covenant or restriction has been removed.

2.13.7 In considering *legally established* developments already on a development site, the Council will use the current or most recent use of the site and not its zoning to determine the existing units of demand that will be deducted when calculating the development contribution.

2.14 Use of development contributions

2.14.1 In keeping with the principle in Section 197AB(d) of the Act, development contributions will be used:

- (a) for or towards the purpose of the activity or the group of activities for which the contributions were required; and

- (b) for the benefit of the Southland District or the part of the district that is identified in the Southland District Policy on Development and Financial Contributions 2015 – 2025 in which the development contributions were required.

2.14.2 Development contributions will be used for the capital expenditure for which they were required in accordance with section 204(1) of the Act and will not be used for the maintenance of reserves, network infrastructure or community infrastructure.

2.15 Network infrastructure

2.15.1 Under Section 197 of the Act, the term *development* excludes the pipes and lines of any network utility operator. Council will not seek development contributions for the installation or expansion of network infrastructure, including the pipes, lines, roads, water supply, wastewater and stormwater networks by network utility operators.

2.15.2 **Section 2.15.1** does not apply to development by network utility operators carried out in order to run their normal business such as offices, industrial buildings, warehouses and storage areas, which may be liable for the payment of development contributions.

2.16 Policy on remissions or postponements of development contributions

2.16.1 In accordance with Section 201(1)(c) of the Act, Section 3.5 of this policy includes provisions that will enable Council to consider remissions and postponements of development contributions.

2.17 Policy on refunds

2.17.1 Council will refund development contributions in accordance with the requirements of Sections 209 and 210 of the Act.

2.18 Development agreements

2.18.1 The Council may enter into development agreements with developers for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves the District or a part of the District. The provisions of Sections 207A to 207F shall apply to such agreements.

3. PRACTICAL APPLICATION

3.1 Requirement for Development Contributions

3.1.1 Upon granting:

- (a) a resource consent under the Resource Management Act 1991;
- (b) a building consent under the Building Act 1991;
- (c) an authorisation for a service connection;

Council will determine whether the activity to which the consent or authorisation relates is a “*development*” under the Act, which:

- (a) has the effect of requiring new or additional assets or assets of increased capacity (including assets which may already have been provided by Council in anticipation of development); and

- (b) as a consequence requires (or has required) Council to incur capital expenditure to provide appropriately for those assets; and
 - (c) that capital expenditure is not otherwise funded or provided for.
- 3.1.2 Upon determining that the activity is a “*development*”, Council may require a development contribution to be made towards the activity associated with that development, according to the geographic *catchment* in which the development is located, for:
 - (a) water supply;
 - (b) sewerage; and
 - (c) community infrastructure.
- 3.1.3 Council shall calculate the development contribution payable at the time of granting the consent or authorisation and issue an assessment of development contributions payable.
- 3.1.4 A development contribution may be paid at any time from the date of assessment up to the date when the contribution is required to be paid as a result of Council issuing an invoice.
- 3.1.5 In accordance with Section 198(2A) of the Act, a development contribution must be consistent with the content of the *policy that was in force at the time that the application* for a resource consent, building consent, or service connection was submitted.
- 3.1.6 Council will invoice a development contribution at the following times:
 - (a) in the case of a resource consent for subdivision, at the time of application for a certificate under section 224(c) of the Resource Management Act 1991, with payment required prior to the issue of the certificate;
 - (b) in the case of a resource consent for land use, at the time of notification of commencement or commencement of the consent, whichever is the earlier, with payment required prior to commencement of the consented activity;
 - (c) in the case of a building consent, at the time of granting the building consent with payment no later than 90 days from the date of granting consent or prior to the issue of a code compliance certificate, whichever is the earlier;
 - (d) in the case of a service connection, at the time of approval of the service connection with payment prior to connection.
- 3.1.7 In accordance with Section 208 of the Local Government Act 2002, if contributions are not paid at the times required in **section 3.1.6**, the Council may:
 - (a) withhold a certificate under section 224(c) of the Resource Management Act 1991 in the case of a subdivision;
 - (b) prevent the activity commencing in the case of a land use consent;
 - (c) withhold a code compliance certificate or certificate of acceptance in the case of a building consent;

- (d) withhold a service connection to the development.

If, after exercising its powers under Section 208 of the Act, any development contribution remains unpaid, the Council may under Section 252 of the Act regard the amount payable as a debt and take debt recovery action to recover that development contribution.

- 3.1.7 In the case of a resource consent for land use only, where a building consent is required to give effect to the resource consent, the applicant may apply for a postponement of payment under **Section 3.5** of this policy. If this is granted the Council will only require payment at the time it issues a building consent.
- 3.1.8 If a grantee of consent is in possession of two development contribution invoices for different consents relating to the same lot, both invoices will continue to have effect until payment is made of one of those invoices. When the first invoice is paid, the second invoice will be withdrawn and a reassessment of development contributions payable for the subdivision or development, as the case may be, relating to the second invoice will be made under **Section 3.2.1**. If any development contribution is payable on re-assessment, a new invoice will be issued.
- 3.1.9 No consented activity or building work shall commence prior to the payment of the development contribution and where such activity or work has commenced prior to such payment, Council shall require this to cease until payment has been made.

3.2 Amount of Total Development Contribution

- 3.2.1 The total amount of development contribution payable when issuing any consent or authorisation for subdivision or development, shall be the sum of the development contribution payable for each activity, calculated as:

$$[(a) \times [\Sigma(n) - \Sigma(x)]] + \text{GST}$$

Where:

(a) = the applicable development contribution per *unit of demand* determined from **Schedule 3** and the *activity-funding area* for each type of community facility in which the subdivision or development lies.

Σ = the sum of the terms inside the brackets.

(n) = for each *lot* at the completion of the consent or authorisation application, the total *lot units of demand* OR the total *activity units of demand*, determined by **Table 1**, whichever is the greater.

(x) = for each *lot* in existence (or for which a section 224 certificate under the Resource Management Act 1991 has been issued) prior to the date of the consent or authorisation application, the total *lot units of demand* OR the total *activity units of demand* for the existing development, determined by **Table 1**, whichever is the greater.

- 3.2.2 Examples of the method for calculating units of demand from different types of development are set out in **Appendix 6**.
- 3.2.3 The development contribution per unit of demand in **Schedule 3**, may be increased for any Producer Price Index adjustment in accordance with Section 106(2B) of the Act.

3.3 Determination of Units of Demand

- 3.3.1 In accordance with Schedule 13 of the Act, the additional capacity (AC cost) component of capital expenditure associated with new development in any *catchment* will be allocated equally between the numbers of new *units of demand* expected to occur in that *catchment* during the development contributions calculation period.
- 3.3.2 Council has determined that *units of demand* generated by different land use types shall be those reflected in **Table 1**.
- 3.3.3 Demand for services may be necessitated by the creation of new *lots* (*lot units of demand*) that are required to be serviced in advance of their occupation. Demand for services may also be generated by the use and development of *lots* (*activity units of demand*), including the intensification or expansion of activity on those *lots*.

Table 1 Units of Demand Generated by Subdivision and Development	
Lot Unit of Demand	Units of demand
One residential or rural lot	1.0
One mixed-use residential/commercial lot	1.0
One commercial, industrial or other non-residential lot with an area of less than 1,000 m ²	Lot area divided by 1,000 per square metre
One commercial, industrial or other non-residential lot with an area of 1,000 m ² or more	1.0
For the purposes of calculating community infrastructure development contributions only, one commercial, industrial or other non-residential lot	0
For the purposes of calculating water supply and sewerage development contributions ONLY, any <u>existing</u> <i>legally established lot</i> not connected to either the water supply network or the sewerage network as the case may be	0
For the purposes of calculating water supply and sewerage development contributions ONLY, any <u>proposed</u> <i>lot</i> not to be connected to either the water supply network or the sewerage network as the case may be	0
One <i>served camping site</i>	Special application
One <i>lot</i> : <ul style="list-style-type: none"> wholly covenanted in perpetuity as provided for by section 22 of the Queen Elizabeth the Second National Trust Act 1977 the title of which prevents any form of development on the <i>lot</i>. 	0
Activity Unit of Demand	Units of demand
One <i>dwelling unit</i> or <i>accommodation unit</i> (excluding a serviced camping site) of two or more <i>bedrooms</i> per unit	1.0
One commercial unit including the commercial part of any activity but excluding any part that comprises accommodation units	The <i>net lettable area</i> on the <i>lot</i> multiplied by the applicable <i>unit of demand</i> factors in this table.
One industrial unit or any other non-residential	Special application

Table 1 Units of Demand Generated by Subdivision and Development	
development	
For the purposes of calculating community infrastructure development contributions only, one commercial, industrial or other non-residential development	0
Any <i>dwelling unit</i> , or <i>accommodation unit</i> (excluding a serviced camping site) of one or fewer <i>bedrooms</i> per unit	0.5
Any room in an <i>accommodation unit</i> or any room in a retirement village or school, normally accommodating more than 3 persons	The number of persons able to be accommodated in the room divided by 6
Any <i>retirement unit</i> for purposes of calculating the water supply and sewerage contributions only	0.5 otherwise 0
Any <i>aged care room</i> for purposes of calculating the water supply and sewerage contributions only	0.2 otherwise 0
Other activity (Activity not specified elsewhere in this table).	Special application
For the purposes of calculating water supply and sewerage development contributions ONLY, any <u>existing</u> <i>legally established</i> development not connected to either the water supply network or the sewerage network as the case may be.	0
For the purposes of calculating water supply and sewerage development contributions ONLY, any <u>proposed</u> development not to be connected to either the water supply network or the sewerage network as the case may be.	0
Network infrastructure, including pipes, lines and installations, roads, water supply, wastewater and stormwater collection and management systems	0
Farm buildings associated with normal farming operations including sheds, barns, garages and buildings for indoor poultry livestock and crop production.	0
Crown developments	0
Unit of demand factors commercial development	Calculated in Appendix 5
Water Supply – Commercial development	1 per 769 m ² <i>net lettable area</i>
Sewerage - Commercial development	1 per 322 m ² <i>net lettable area</i>

3.3.4 The different *units of demand* generated by a unit of commercial activity, as compared with a unit of residential activity, arise mainly from the different scale and nature of activity when compared to demand from a standard dwelling unit. To ensure fair and equitable assessment this policy:

- (a) uses *lot size* in the case of subdivision for commercial purposes;
- (b) uses *net lettable area* in the case of commercial development as a proxy for assessing the different *units of demand* on services, likely to be generated respectively by residential and commercial activity and incorporates multipliers (*unit of demand factors*) to quantify those differences;

- (c) requires a special application to assess development contributions on industrial activity.

3.3.5 The assumptions used in this policy to derive the *unit of demand* factors for commercial development in **Table 1** are described in **Appendix 5** of this policy.

3.4 Information Requirements

3.4.1 The applicant for any consent or authorisation shall provide all information necessary for Council to calculate the amount of a development contribution, including the *net lettable area* of the development if required for purposes of an assessment under **Table 1**.

3.4.2 The applicant shall be responsible for providing proof of the legal establishment of existing *units of demand* for purposes of an assessment under **Table 1**.

3.4.3 Existing *units of demand* may include *legally established* buildings and structures that have been demolished up to three years prior to this policy becoming operative on 1 July 2015.

3.5 Remissions and Postponements of Development Contributions

3.5.1 In addition to rights to reconsideration provided for by Section 199A and 199B of the Local Government Act 2002, the Council will consider applications for remission or postponement of development contributions.

3.5.2 The Council will consider applications for and may grant a remission of any development contribution where the applicant has provided and/or funded the same infrastructure that a development contribution has been required for but that remission shall be limited to the value of infrastructure provided or funded. In cases where the value of infrastructure provided or funded exceeds the development contribution payable, the Council shall meet the excess costs by separate agreement with the applicant.

3.5.3 Council will consider applications for and may grant a postponement of the payment of a development contribution in the case of resource consent for land use only, where a building consent is required to give effect to that resource consent. At the discretion of the Council, the payment of a development contribution on the resource consent may be postponed until a building consent is granted.

3.5.4 Council will consider applications for a postponement of the payment of a development contribution in the case of a subdivision consent. If it grants a postponement it may do so on whatever terms the Council thinks fit, including that it may:

- (a) issue a certificate under Section 224(c) of the Resource Management Act 1991, prior to the payment of a development contribution; and
- (b) register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

3.5.5 An applicant may formally request Council to review the development contribution required and remit or postpone the development contribution payment.

3.5.6 Any such request shall be made in writing no later than 15 working days after the date on which Council issues an invoice under **Section 3.1.5**, setting out the reasons for the request.

- 3.5.7 Prior to accepting any such request for review, Council shall require the applicant to provide specific details of the manner in which its proposals qualify for a remission or postponement.
- 3.5.8 In undertaking the review, Council or a Committee of Council or an officer so delegated:
- (a) shall, as soon as reasonably practicable, consider the request;
 - (b) may determine whether to hold a hearing for the purposes of the review and if it does, give at least five working days' notice to the applicant of the date, time and place of the hearing;
 - (c) may at its discretion uphold, remit in whole or in part or postpone (as the case may be) the original development contribution required and shall advise the applicant in writing of its decision within ten working days of making that decision;
 - (d) may charge such fee as determined in its annual schedule of fees, to consider the request.
- 3.6 Reconsideration process**
- 3.6.1 As required by Section 202A of the Act, this policy must set out the process for requesting reconsideration of a requirement for a development contribution under section 199A of the Act. The process for reconsideration must set out:
- (a) how the request can be lodged with the Council; and
 - (b) the steps in the process that the Council will apply when reconsidering the requirement to make a development contribution.
- 3.6.2 An applicant who is required to make a development contribution may request a reconsideration of that requirement if they believe that:
- (a) the development contribution was incorrectly calculated or assessed under this policy; or
 - (b) the Council incorrectly applied this policy; or
 - (c) the information used to assess the applicant's development against this policy, or the way the Council has recorded or used it when requiring the development contribution, was incomplete or contained errors.
- 3.6.3 Any request for reconsideration shall be made in writing, no later than 15 working days after the date on which Council issues an invoice under Section 3.1.6 of this policy.
- 3.6.4 Prior to accepting any request for review, the Council shall require the applicant to state the reasons under Section 3.6.2 for reconsideration and provide sufficient information to enable the Council to reconsider the development contribution.
- 3.6.5 The Council (or a Committee of Council or an officer so delegated) will limit its considerations to matters set out in Section 199A of the Act (Section 3.6.2 of this policy).

3.6.6 In accordance with Section 199B(1) of the Act, the Council must, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the applicant who made the request.

3.6.7 In accordance with Section 199B(2) of the Act, an applicant who requested reconsideration may object to the outcome of the reconsideration.

3.7 Special applications

3.7.1 Where developments are marked for special application or not adequately represented in **Table 1** or there are specific circumstances related to the applications, these may be considered on a case-by-case basis. Units of demand calculated are based on potential demand not actual demand at any one time. Accordingly specific circumstances do not include those where the users do not utilise the full potential demand (e.g., a hotel with a 50% occupancy rate will still be assessed at a 100% of the unit of demand relating to hotels; a house with one occupant will be assessed at the unit of demand for a household).

3.8 Crown developments

3.8.1 The Crown is exempt from the provisions of this policy by virtue of Section 8 of the Local Government Act 2002. If an applicant considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, the Council may require the applicant to provide written advice to the Council outlining the basis on which the applicant considers that it is the Crown.

3.9 Statement on GST

3.9.1 Any development or financial contribution referred to in this policy or in the accompanying development contributions model and any development contribution required in the form of money, pursuant to this policy, is exclusive of Goods and Services Tax.

4. METHODOLOGY

The calculation of the separate portions of the cost of any *combined project* (*AC/ILOS project*) between that for improving levels of service to existing households and businesses (*ILOS costs*), and that for providing additional capacity to accommodate new development of households and businesses (*AC costs*) under this policy, is carried out using the following procedure.

4.1 Step 1: Listing projects

4.1.1 Every project in the capital works programme of the Long Term Plan for the activities for which the Council intends to require development contributions is listed in the Project Allocation Schedule of the Development Contributions Model.

4.1.2 Every surplus capacity project is listed in the Surplus Capacity Schedule.

4.1.3 Where possible, distinct stages of a project or distinct parts of a project are listed in the schedules as separate components and separate calculations carried out for each.

4.1.4 For each project in the schedules, the following base information is provided:

- (a) the total project cost;

- (b) the *catchment* which the project will serve;
- (c) the level of any subsidy, third party funding or other source of funding if any which is deducted from the total project cost to give the net project cost;
- (d) the year in which the project or component is to be carried out in the Long Term Plan, or in the case of each *surplus capacity project (SC project)*, the year it was completed.
- (e) the year in which the project capacity is expected to be fully consumed.

4.2 Step 2: Initial screening

4.2.1 Each project in the Project Allocation Schedule is categorised “Yes” or “No” in answer to the question – “*Is this capital expenditure required at least partly to provide appropriately for new or additional assets or assets of increased capacity in order to address the effects of development?*” By answering:

- (a) “No” - the project is treated as a pure renewal or level of service project and the cost of the project is removed from the development contribution calculation;
- (b) “Yes” - the project is treated as either a *combined project (AC/ILOS project)* or an *additional capacity for growth project (AC project)* and is subject to further analysis.

4.2.1 Each project in the Surplus Capacity Schedule is categorised “Yes” or “No” in answer to the question – “*Was capital expenditure on this project incurred, at least partly, in anticipation of development?*” By answering:

- (a) “No” - the project is treated as a pure renewal or level of service project and the cost of the project is removed from the development contribution calculation;
- (b) “Yes” - the project is treated as either a *combined project (AC/ILOS project)* or an *additional capacity for growth project (AC project)* and is subject to further analysis.

4.3 Step 3: Cost allocation of combined projects or additional capacity for growth projects

4.3.1 Using the information provided on *combined projects (AC/ILOS projects)* and *additional capacity for growth projects (AC projects)* in the project schedules, a needs/benefits matrix analysis is carried out by which it is required to state for each project:

- (a) the degree, on a scale of 0 to 10 to which growth created the need for the project to be undertaken. (0=Not at all, 10=Totally);
- (b) the degree on a scale of 0 to 10 to which the growth community will benefit from the project being undertaken. (0=Not at all, 10=Totally);

Calculation of Growth Component % - Need/Benefit Matrix

		NEED										
		To what degree does Growth create the need for the project: 0 = not at all, 10 = totally										
BENEFIT	Factor	0	1	2	3	4	5	6	7	8	9	10
	0	0	5	10	15	20	25	30	35	40	45	50
	1	5	10	15	20	25	30	35	40	45	50	55
	2	10	15	20	25	30	35	40	45	50	55	60
	3	15	20	25	30	35	40	45	50	55	60	65
	4	20	25	30	35	40	45	50	55	60	65	70
	5	25	30	35	40	45	50	55	60	65	70	75
	6	30	35	40	45	50	55	60	65	70	75	80
	7	35	40	45	50	55	60	65	70	75	80	85
	8	40	45	50	55	60	65	70	75	80	85	90
	9	45	50	55	60	65	70	75	80	85	90	95
	10	50	55	60	65	70	75	80	85	90	95	100

4.3.2 The value is chosen in each case from the need/benefits matrix in the model which produces an estimated percentage of cost attributable to growth².

4.3.3 The matrix generates 121 different need/benefit combinations. The percentage derived is applied to the net project cost to determine the *AC cost*. The remainder of the net project cost is the *ILOS cost*.

4.3.4 A unit price is calculated for each project by dividing the project cost by the total units of demand that will consume its capacity comprising:

- (a) existing *units of demand* at 2015; plus
- (b) additional *units of demand* expected to consume capacity in the asset by the end of its asset life.

4.4 Step 4: Capacity life - Cost allocation between new and future units of demand

4.4.1 Using information provided on the year in which capacity take up of a project is expected to start and the year in which the project capacity is expected to be fully consumed, the *AC cost* of the project is divided between new *units of demand (N)* arriving in the *activity-funding area* in the Long Term Plan period and future *units of demand (F)* arriving after the end of the Long Term Plan period, as follows:

- (a) the *AC cost to F* is the *AC cost* determined in **section 5.3** above multiplied by the years of capacity take up after the Long Term Plan period divided by total years of capacity take-up;
- (b) the *AC cost to N* is the *AC cost* less the *AC cost to F*.

4.4.2 Only the *AC Cost to N* is used in the calculation of development contributions.

4.4.3 In addition to predicting the capacity take up an asset, by comparing the start and end years of capacity life against rating unit projections, the development contributions model is able to accept a finite capacity figure from the asset manager which, regardless of years of take-up, can be used to share the cost of an asset equitably among the known number of units of demand that will eventually consume its capacity.

² For Te Anau sewerage, a calculation has been made to establish the portion (%) of the project attributable to demand, based on peak flow at times of high visitor demand, which overrides the standard needs/benefit matrix calculation.

4.5 Step 5: Growth assumptions – Sharing 10 year costs among projected growth

- 4.5.1 In order to calculate the amount of new development to which the growth related portion of capital expenditure (*AC costs*) for infrastructure will be attributed, area-by-area projections of new and future *units of demand* for services in the period 2012 to 2042 are required.
- 4.5.2 Council maintains a detailed rating database that provides the numbers of rating units for all parts of the District.
- 4.5.3 The numbers of rating units provide a close correlation with numbers of *lots* in the Southland District and a measure of separate units of activity on any *lot* where this is the case. They are considered to provide a reasonably sound measure of the *units of demand* for infrastructure and services.
- 4.5.4 The growth projection worksheet of the development contributions model, *Projections Schedule*, contains as the base year, the number of rating units (*units of demand*) for each activity type existing at the time of the 2014/2015 rates year. Rating data is available for the whole Southland District, and each of the water supply, wastewater and community infrastructure catchments.
- 4.5.5 Long Term Plan assumptions have been used to determine the expected annual increase in the numbers of rating units and hence *units of demand* to 2025, in each of these areas.
- 4.5.6 *Projections Schedule* also provides long-term estimates for future Rating Units (*units of demand*) after the Long Term Plan period to 2045, in order to ensure that any portion of remaining surplus capacity at the end of the period may be attributed to future development.
- 4.5.7 Geographic *catchments* will apply to each activity type. *Projections Schedule* provides rating units at 2015 and projected rating units for each *activity-funding area* to 2045.

4.6 Step 6: Allocation of costs to units of demand - Schedule of development contributions

- 4.6.1 The development contribution for each activity and each catchment to be charged per *Unit of Demand* is derived by dividing the costs of growth in the Long Term Plan period (*AC Cost to N*), derived in **Step 3** and **Step 4** by the number of additional rating units expected in the period, derived in **Step 5**.
- 4.6.2 A full schedule of development contributions (**Schedule 3**) must be prepared as part of the policy to enable the development contributions to be calculated by infrastructure type and catchment on each development application.

4.7 Interest and inflation

- 4.7.1 The development contributions model does not include interest on growth related capital expenditure in the calculation of the development contribution amounts.
- 4.7.2 Council does not intend to recover past interest that has been funded from rates from development contributions and has not included it in the development contribution calculation.

- 4.7.5 The development contributions model uses the inflated capital costs in the Long Term Plan to calculate development contributions.

5. SCHEDULES

SCHEDULE 1 – SCHEDULE OF ASSETS

Schedule 1 - Schedule of Assets						
Activity	DCP Catchment	Project name	Type	Project Cost	Proportion recovered through Development Contributions	Proportion recovered through Other Sources
Sewerage	Sewerage: Te Anau CB	Te Anau/Manapouri Treatment & Disposal	LTP Project	12,433,896.00	0.00%	100.00%
Community Infrastructure	ComInf: Stewart Island/Rakiura CB	Moturau Gardens shelter	LTP Project	12,233.02	0.00%	100.00%
Cemeteries	Riverton/Aparima CB	Land purchase to increase cemetery size	LTP Project	234,737.00	0.00%	100.00%
Parks and Reserves	Stewart Island/Rakiura CB	Replace wooden climbing structure	LTP Project	68,936.00	0.00%	100.00%
Roading and Transport	Te Anau CB	New footpath walkways	LTP Project	51,100.00	0.00%	100.00%
Parks and Reserves	Te Anau CB	Walkway in Water Park Area	LTP Project	15,000.00	0.00%	100.00%
Parks and Reserves	Te Anau CB	Events centre walkway to CBD	LTP Project	10,445.00	0.00%	100.00%
				12,446,129.16		

* The Council has deemed that the Te Anau / Manapouri Treatment and Disposal project has a demand component. The demand component of this project has been calculated at 38.55%. However, the Council is proposing to put development contributions into remission across the district in order to encourage economic growth. Whilst development contributions are in remission, the demand share of the project would be funded by rates and previously collected contributions. Council would periodically review its decision to remit development contributions to ensure that it remains appropriate in consideration of the economic and population growth.

SCHEDULE 2 - CAPITAL EXPENDITURE IDENTIFIED TO MEET INCREASED DEMAND RESULTING FROM GROWTH* AND SOURCES OF FUNDING BY ACTIVITY

ACTIVITY	20158-258 LTP					SURPLUS CAPACITY					
	Total Capital Project Costs	Development Contributions (New)	Development Contributions (Future)	Rates	Subsidies/Grants/Contributions recovered	Total Value of Surplus Capacity Projects	Development Contributions (New)	Development Contributions (Future)	Development Contributions (Already Used)	Rates	Subsidies/Grants/Contributions recovered
Sewerage	\$ 12,133,896,485,880	\$ -	\$ -	\$ 11,794,295,12,124,6	\$ 342,604,361,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Infrastructure	\$ 12,233	\$ -	\$ -	\$ -	\$ 12,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cemeteries	\$234,737	\$ -	\$ -	\$ -	\$234,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Reserves	\$94,381	\$ -	\$ -	\$ -	\$94,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roading and Transport	\$51,100	\$ -	\$ -	\$ -	\$51,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 12,146,129,12,866,098	\$ 0	\$ 0	\$ 11,794,295,12,124,6	\$ 354,834,741,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Although there are a number of projects with demand components scheduled, the Council is proposing to place the collection of development contributions into remission. Under this proposal, funding for the Te Anau / Manapouri Treatment and Disposal project (Sewerage) will be sourced from contributions already recovered and rates. The demand component of this project (currently calculated at \$4,335,046,813,307), would typically be funded by development contributions. If Council deems it appropriate to reinstate development contributions in the future, they will be used as a source of funding for this project and reduce the rates requirement.

SCHEDULE 3 – SCHEDULE OF DEVELOPMENT CONTRIBUTIONS

AREA	Sewerage	Water supply	Community Infrastructure	Reserves	Roading	TOTAL
Te Anau CB	\$-*	\$-	\$-	\$-	\$-	\$-
Note 1: These contribution amounts do not include GST						

* The Council is proposing to put development contributions into remission across the district in order to encourage economic growth. As such, the Te Anau / Manapouri Treatment and Disposal project would be funded through rates and contributions which have already been recovered. Council will periodically review its decision to remit development contributions to ensure that it remains appropriate in consideration of the economic and population growth.

If development contributions were not placed in remission, the amount of contributions for the Te Anau / Manapouri Treatment and Disposal project would be \$2,707.36 per unit of demand from 1 July 2015.

6. ROLES AND RESPONSIBILITIES

Party/Parties	Roles and Responsibilities
Council	Decision on whether to review and reinstate the Policy when in remission

7. REVISION RECORD

This policy may be reviewed at any time but no longer than three years from the date of its adoption.

Section 106(6) of the Local Government Act 2002 requires that a policy on development or financial contributions must be reviewed at least once every three years using a consultation process that gives effect to Section 82 of the Act.

Date	Version	Revision Description
r/14/11/17513	Development and Financial Contributions Policy	Long Term Plan 2015-25
r/14/6/8794	Development and Financial Contributions Policy	Annual Plan 2014-15
r/13/2/1981	Development and Financial Contributions Policy	June 2013
r/09/9/13493	Development Contributions and Reserve Contributions under Local Government Act 2002 Policy	LTP 2009-2019

APPENDIX 1 - DEFINITIONS AND ABBREVIATIONS

Definitions	
Term	Meaning
Accommodation unit	Has the definition given to it in Section 197 2 of the Local Government Act 2002 which <i>"means units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation."</i>
"AC cost"	means the cost for providing additional capacity to service the development of new households and businesses.
"Activity"	means a good or service provided by the Council under Section 5 of the Local Government Act 2002), and for which development contributions are normally collected.
"Activity unit of demand"	means the demand for a community facility generated by development activity other than subdivision
"Additional capacity project" or "AC project"	means a capital project in the Long Term Plan intended only to provide additional capacity to service new and future households and businesses.
"Aged care room"	means any residential unit in a "rest home" or "hospital care institution" as defined in Section 58(4) of the Health and Disability Service (Safety) Act 2001.
"Allotment" or "lot"	has the meaning given to the term "allotment" in Section 218(2) of the Resource Management Act 1991. "Allotment" is defined under section 218(2) of the Resource Management Act 1991 as follows: <i>"(a) any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:</i> <i>(i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or</i> <i>(ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or</i> <i>(b) any parcel of land or building or part of a building that is shown or identified separately—</i> <i>(i) on a survey plan; or</i> <i>(ii) on a licence within the meaning of Part 7A of the Land Transfer Act 1952; or</i> <i>(c) any unit on a unit plan; or</i> <i>(d) any parcel of land not subject to the Land Transfer Act 1952.</i>
"Bedroom"	means a room used for sleeping, normally accommodating no more than three persons.
Catchment	is an area of the District identified in this policy within which growth and development is occurring, which is likely, either solely or cumulatively, to give rise to the need for, or benefit from, particular Council activities.
"Combined project" or "AC/ILOS project"	means a project in the Long Term Plan intended to deal with shortfalls in levels of service to existing households and businesses by bringing assets up to the <i>service standard</i> and/or by providing additional service life, and to provide capacity for further growth.

“Commercial”	means non-residential development using land or buildings for the provision of goods and services in the course of a trade or business and includes retail development.
“Community facilities”	means parks and reserves, network infrastructure, or community infrastructure for which development contributions may be required.
“Community infrastructure”	has the definition given to it in Section 197(2) of the Local Government Act 2002.
“Development”	has the definition given to it in Section 197(1) of the Local Government Act 2002.
“Development contributions calculation period”	means the period between 1 July 2015 and a date 30 years after the date of adoption of this policy.
District Plan	The Operative Southland District Plan including any proposed plan or variation.
“Dwelling unit”	means any building or group of buildings or any part of those buildings, used or intended to be used solely or principally for residential purposes and occupied or intended to be occupied by not more than one household – and includes a minor household unit, a utility building or any unit of commercial accommodation.
“Household unit”	A building or part of a building capable of being used as an independent residence and includes dwelling apartments, semi-detached or detached houses, units, town houses, granny flats (or similar), and caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year).
“ILOS cost”	means the cost of improving levels of service to existing households and businesses by bringing assets up to the <i>service standard</i> and/or by providing additional service life.
“Improved level of service project” or “ILOS project”	means a capital project in the Long Term Plan intended only to deal with shortfalls in levels of service to existing households and businesses by bringing assets up to the <i>service standard</i> and/or by providing additional service life.
“Industrial”	A non-residential development using land or buildings where people use material and physical effort in the course of a trade or business to: <ul style="list-style-type: none"> • Extract or convert natural resources, • Produce goods or energy from natural or converted resources, • Repair goods; but does not include mineral extraction or farm buildings associated with normal farming operations including sheds, barns, garages and buildings for indoor poultry livestock and crops production.
“Legally established”	means, in relation to any <i>lot</i> or development, any <i>lot</i> for which a title has been issued, or any dwelling, commercial or industrial unit for which a code compliance certificate has been issued. <i>Legally established</i> development includes buildings and structures that can be shown to have been in existence when this policy became operative on 1 July 2012, but have since been demolished.
“Lot unit of demand”	means the demand for a community facility generated by the creation of lots through subdivision.

“Net lettable area”	means the area for which a tenant could be charged for occupancy under a lease. Generally, it is the floor space contained within a tenancy at each floor level measured from the internal finished surfaces of permanent external walls and permanent internal walls but excluding features such as balconies and verandahs, common use areas, areas less than 1.5 m in height, service areas, and public spaces and thoroughfares.
“Non-residential lot or development”	Any lot or development that is not for residential purposes. This includes: <ul style="list-style-type: none"> • All buildings that are considered a fundamental place of work such as dairy milking sheds, shearing sheds, and indoor farming facilities such as chickens or pigs • All buildings for the provision of sport, recreation or entertainment, All buildings for the provision of social and cultural pursuits.
“Past surplus capacity”	means capacity in assets provided as a result of capital expenditure made in anticipation of development since 1 July 2001.
“Remaining surplus capacity”	means the estimated remaining capacity in capital assets at the end of the Long Term Plan period, available to service future development occurring after the Long Term Plan period.
“Residential development”	Any use of land and/or buildings by people for the purpose of living accommodation. It includes accessory buildings and leisure activities associated with needs generated principally from living on the site.
“Retirement unit”	means any residential unit other than an aged care room, in a “ <i>retirement village</i> ” as defined in section 6 of the Retirement Villages Act 2003.
“Serviced Site”	means any site dedicated for the location of a vehicle or tent for the accommodation of persons, which is provided with utility services such as water supply, wastewater disposal, solid waste disposal, electricity or gas, either directly to the site or in the immediate vicinity.
“Surplus capacity project” or “SC project”	means a past capital expenditure project carried out since 1 July 2001 in anticipation of new development and providing surplus capacity for further development.
“Utility Building”	is a structure containing facilities (such as toilet, shower, laundry, hot water cylinder, laundry tub) that make the site habitable prior to or during the erection of a dwelling.
“Unit of demand”	is a unit of measurement by which the relative demand for an activity, generated by different types of development (existing or proposed), can be assessed. A <i>unit of demand</i> may be expressed as a <i>lot unit of demand</i> or an <i>activity unit of demand</i> .

APPENDIX 2 - DEVELOPMENT CONTRIBUTION CATCHMENTS

Community Facility	Catchment	Development to which Development Contribution Applies
Water supply	10 drinking water supply scheme areas and 2 mixed potable / rural water supply areas	Development in any separate water supply scheme
Sewerage	18 sewerage scheme areas	Development in any separate sewerage scheme
Community infrastructure	Waihopai Toetoes Ward, Winton Wallacetown Ward, Mararoa Waimea Ward, Waiau Aparima Ward, Stewart Island Rakiura Ward	Development in each separate ward

Item 7.2 Attachment A

APPENDIX 3 - ASSESSMENT OF SIGNIFICANT ASSUMPTIONS

Assumption	Level of Uncertainty	Potential Effects
The rate, level and location of growth will occur as forecast in the rating growth projections accompanying the Long Term Plan	High	Lower than forecast growth will result in a significant under-recovery of development contributions revenue
Capital expenditure will be in accordance with the capital works programme in the Long Term Plan and future capital expenditure is based on the best available knowledge at the time of preparation. These are to take into account known or likely construction costs and assumed inflation rates	Moderate	In current circumstances significant changes to the capital programme are unlikely
No significant changes to service standards are expected to occur other than those planned for in the Asset Management Plans	Low	No significant effects anticipated
The level of third party funding (such as NZ Transport Agency subsidies) will continue at predicted levels for period of the Long Term Plan	Low	No significant effects anticipated
There will be no significant variations to predicted rates of interest and inflation to those set out in the Long Term Plan	Low/Moderate	No significant effects anticipated
Each residential dwelling comprises the average number of residents from the 2013 Census. The demand on Council assets placed by a standard dwelling (Unit of Demand) is assumed to be 2.5 persons per dwelling and this is applied District-wide	Moderate	The average dwelling occupancy will remain steady over time but there may be local areas where residential occupancy goes above the District average and places increased demands on infrastructure form that anticipated

APPENDIX 4 - SUMMARY OF FINANCIAL CONTRIBUTION PROVISIONS

Section 106(2)(f), if the Council is to require financial contributions then this policy must summarise the provisions that relate to financial contributions in the District Plan. Section 2.14 of the Proposed Southland District Plan 2012 requires the following contributions:

Roading - A contribution may be required for the development, maintenance and upgrading of roading infrastructure that serves the subdivision. The amount of contribution is 100% of the cost of the required work reduced with regard to:

- (a) the current status and standard of roading leading to and fronting the site;
- (b) the benefit of works to existing users and the wider public;
- (c) the standard and classification of the road and expenditure required to meet this standard;
- (d) the use or likely future use of the road by other parties; contributions made by central government and other agencies towards the development of the road; and
- (e) previous financial contributions from developers who will benefit from the work.

Reserves - A contribution may be required in the following situations:

- (a) a contribution of 2% of the value of additional allotments created by subdivision, up to a maximum value of 2% of the value of 1,000 m² per lot, where existing reserves in the locality cannot deal with additional demand; or
- (b) a contribution of 1% of the value (given as money or land) of additional allotments created by subdivision for minor improvements to existing reserves in the locality up to a maximum value of 1% of the value of 100 m² per lot;
- (c) a contribution of the value of 20 m² for each additional residential unit created in a development; or
- (d) a contribution of the value of 4 m² of land for each additional 100 m² of net non-residential building floor area created in a development in the Urban Zone, Commercial Precinct or Industrial Zone.

APPENDIX 5 - CALCULATING UNITS OF DEMAND FOR COMMERCIAL DEVELOPMENT

Industrial and other non-residential development (other than commercial development) will be subject to special application under section 3.7 of this policy. In calculating the units of demand generated by commercial development for water supply and sewerage, as compared to that of an average dwelling unit, Council accepts that demand may vary between different types of commercial activity. However changes to the type of business over time may not constitute "development" under the Act or even trigger a resource consent, building consent or new connection requiring a development contribution. This policy therefore treats all types of commercial activity as generating the same average unit of demand for a given *net lettable area*.

Water - comparison of residential and commercial demand

The residential daily demand for water comprises that for domestic purposes and non-domestic uses (eg gardening, car washing, fire fighting, leakages etc).

The following figures are used in the assessment:

- (a) The average daily residential demand for domestic purposes is 230 litres/person/day.
- (b) The average daily residential demand for non-domestic purposes is 1,200 litres/dwelling.

In determining the units of demand for one dwelling unit, it is noted that not all potential demand will occur at the same time and therefore an **average** peak of four persons per household is used to assess peak usage per dwelling at 2,120 litres/day (4 x 230 litres/day + 1200 litres).

Water consumption sampling³ of various commercial premises, offers data for premises which may be typical of many Southland main street businesses in the range 0 - 5,000 m² *net lettable area* (NLA). These would also generally be premises naturally rather than mechanically cooled with air conditioning systems using higher quantities of water.

Sampling found consumption in the range 875 - 1,200 m³ (average 1,037 m³) per annum per 1,000 m² NLA. This converts as follows:

*Commercial premises consuming an average 2,840 litres per day per 1,000 m² NLA; thus
If 2,120 litres per day is 1 unit of demand for residential; then
2,840 litres per day (1,000 m² NLA) is 1.3 units of demand; then
769 m² NLA is 1 unit of demand.*

Sewerage - comparison of residential and commercial demand

Average daily residential wastewater flows are assumed to equate to the domestic purposes water use of 230 litres/person/day, with water for non-domestic purposes not finding its way to the sewer. **Average** peak usage per property at 4 persons per dwelling is therefore 920 litres/day (4 x 230 litres/day).

³ Water Performance Benchmarks for New Zealand: an approach to understanding water consumption in commercial office buildings, Bint, Isaacs and Vale, School of Architecture, Victoria University Wellington

It is assumed that all water consumption on commercial premises (2,840 litres per day per 1,000 m² NLA in main street situations will find its way to the sewer. To calculate the units of demand for sewerage:

Commercial premises generate an average 2,840 litres sewerage per day per 1,000 m² NLA; thus

*If 920 litres per day is 1 unit of demand for residential; then
2,840 litres per day (1,000 m² NLA) is 3.1 units of demand; then
322 m² NLA is 1 unit of demand.*

APPENDIX 6 - CALCULATION OF DEVELOPMENT CONTRIBUTION AMOUNT ON A DEVELOPMENT

The formula in **Section 3.2.1** of this policy calculates the demand on infrastructure from any development site *after* the proposed development has taken place (n) and subtracts the existing demand already generated by the site *before* the development occurs (x). In this way, it identifies only *additional* demand placed on infrastructure as a result of the development. This additional demand is multiplied by the development contribution amount for each type of infrastructure to calculate the total development contribution payable.

Using **Table 1** of this policy, the units of demand *before* and *after* development are calculated, as the greater of the number of lot units of demand making up the development site OR activity units of demand (building development) on the development site at the time.

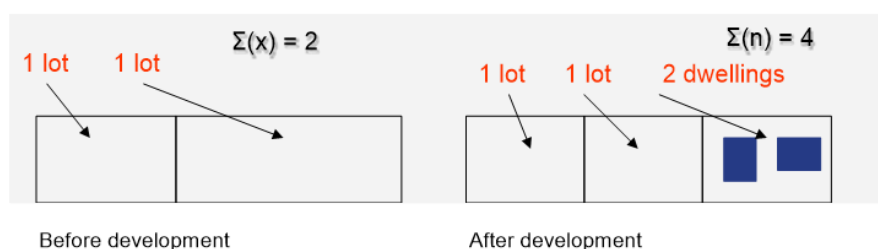
The calculation is $[(a) \times (\Sigma(n) - \Sigma(x))] + \text{GST}$ where:

(a) is the development contribution for the catchment eg sewerage \$1,316 per unit;

(x) is, for each lot existing *before* development, the lot units of demand OR activity units of demand whichever is the greater;

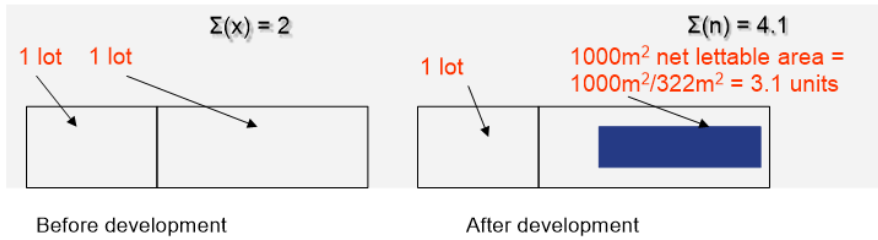
(n) is, for each lot *after* the development, the lot units of demand OR activity units of demand whichever is the greater.

Residential development example using Table 1:



Additional units of demand $\Sigma(n) - \Sigma(x) = 4(n) - 2(x) = 2 \text{ Units}$

Development contribution for sewerage is 2 units \times \$1,316 = \$2,632 + GST.

Commercial development example using Table 1:

Additional units of demand $\Sigma(n) - \Sigma(x) = 4.1(n) - 2(x) = 2.1$ Units

Development contribution for sewerage is 2.1 units X \$1,316 = \$2,764 + GST.

Deliberation on proposed amendment to the Freedom Camping Bylaw for Lumsden

Record No: R/17/10/23388

Author: Robyn Rout, Policy Analyst

Approved by: Bruce Halligan, Group Manager Environmental Services

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide information and to present options to Council, so that it can make decisions on the proposed amendment to the freedom camping bylaw as it relates to Lumsden.

Executive Summary

- 2 In June 2017, a draft amendment to the Freedom Camping Bylaw 2015 (the Bylaw) for Lumsden was endorsed and put out for consultation (see Attachment A). In September 2017, Councillors were given a copy of the 150 written submissions that were received on the proposal, and on the 28th of September, Councillors heard those submitters who wished to speak to their submission.
- 3 There is not a clear consensus on the approach that should be taken with freedom camping in Lumsden. Generally, submitters are quite evenly divided on whether or not they support having a designated tent site, and whether or not to have more areas where self-contained and non-self-contained vehicles would be permitted to stay for up to 7 nights around the railway station.
- 4 In this report, staff have presented and discussed four potential options on how Council could proceed. Council needs to make a decision in relation to the submissions received and its preferred approach. At a high level there are four ways in Council could proceed are:
 - Option 1 – To endorse all or aspects of the proposed amendment.
 - Option 2 – To withdraw the Statement of Proposal, continue to apply the current Bylaw, and begin undertaking work and preliminary consultation to investigate using a different site for freedom camping in Lumsden.
 - Option 3 – To withdraw the Statement of Proposal and continue to apply the current Bylaw.
 - Option 4 – To identify and proceed with another option.
- 5 Depending on the how Council would like to proceed, staff will either progress a draft bylaw to be presented for adoption, or withdraw the Statement of Proposal.

Recommendation

That the Council:

- a) **Receives the report titled “Deliberation on proposed amendment to the Freedom Camping Bylaw for Lumsden” dated 11 October 2017.**
- 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 it is satisfied that:
 - (i) If amendment(s) to the current Bylaw are agreed, the amendment(s) are necessary for one or more of the following purposes:
 - (1) to protect the area;
 - (2) to protect the health and safety of people who may visit the area;
 - (3) to protect access to the area; and
- e) Determines that if amendment to the current Bylaw is agreed, the amendment is the most appropriate and proportionate way to address the perceived problem in relation to the area, and the most appropriate form of bylaw.
- f) Determines that if amendment to the current Bylaw is agreed, the amendment only imposes reasonable limits on the rights and freedoms contained in the New Zealand Bill of Rights 1990, which can be reasonably justified in a free and democratic society.
- g) Considers the options on how to proceed.
- h) Indicates that it supports one of the following options:
 - I. Option 1, and it directs staff about whether it would like to progress all or aspects of the Statement of Proposal; or
 - II. Option 2, and it
 - Resolves to withdraw the Statement of Proposal; and
 - Requests that staff to begin undertaking work and preliminary consultation to investigate using a different site for freedom camping in Lumsden; or
 - III. Option 3, and it resolves to withdraw the Statement of Proposal; or
 - IV. Option 4, and it directs staff on how Council would like to proceed.

- i) If it wishes to retain freedom camping around the railway station in Lumsden, agrees in principle that further management and enforcement may be required at the site.
- j) If it wishes to retain freedom camping around the railway station in Lumsden, requests a report back from staff, with input from the Lumsden Community Development Area Subcommittee, on how this enforcement might best be achieved and funded.

Background

Current Rules

- 6 The current district-wide freedom camping Bylaw was adopted and came into effect in December 2015. When the Bylaw was being developed, staff arranged a public survey and also consulted with all of the Community Boards and Community Development Area Subcommittees in the District.
- 7 A draft Bylaw was then endorsed, and the draft was released for consultation in accordance with the Special Consultative Procedure from 8 August to 8 September 2015. Advertisements notifying the public that the draft Bylaw was out for consultation and outlining how people could make submissions, were placed in the Southland Times, Advocate and Southland Express. Eighty four written submissions were received, and 30 submitters requested to be heard on the matter. Council received and heard the submissions in October 2015. The majority of submissions received related to Te Anau, Waikawa, Riverton and Tuatapere.
- 8 In Lumsden, the current Bylaw allows self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of **3 days in any 30 day period**. In the Bylaw, a vehicle is classified as being 'self-contained' if it has the capability of meeting the ablutionary and sanitary needs of its occupants. The current Bylaw provisions relevant to Lumsden permit both self-contained and non-self-contained camping in two designated areas around the railway station for **7 nights in any 30 day period**. There is currently no differentiation between vehicles and tents. The current Bylaw for Lumsden is shown in Attachment A. Staff have been informed that the Bylaw does not reflect how the site is currently being used.
- 9 There is currently a 'Community Liaison Officer' doing volunteer work in Lumsden, directing campers to appropriate places to camp. This officer has been given a warrant by Council under section 32 of the Freedom Camping Act 2011 (FCA).

Previous investigations/discussions

- 10 In December 2016, the CDA notified the public that the end of the freedom camping trial was approaching, and that Council wanted to ensure the Bylaw accurately reflects what the Lumsden community wants for the 2017/2018 summer season, onwards.
- 11 The CDA discussed the issues relating to freedom camping in April 2017 and indicated a desire to look at progressing an amendment to the Bylaw to recognise 2016/2017 activities and provide greater direction around management of the freedom camping activity. In May 2017, Council carried out a community conversation session at Lumsden. Freedom camping dominated the meeting with a number of locals expressing concerns. In June 2017, the CDA resolved to make a recommendation to Council that it amend the Bylaw in time for the next summer season.

The proposed amendment

- 12 On 29 June 2017, staff presented the amendment that was proposed by the CDA, to the Regulatory and Consents Committee (the Committee). The Committee endorsed the Statement of Proposal and agreed to release it for consultation, using the special consultative procedure.
- 13 The proposal would continue to permit self-contained camping anywhere that is shaded pink on the map (excluding the prohibited areas, and only on Council controlled land), for **a maximum of 3 days in any 30 day period**.
- 14 The proposal would create a new defined area for tents to the east of the railway station, and prohibit tents from other designated freedom camping areas. People could tent in the defined area for **up to 7 nights**. The edge of the proposed tent site would be approximately 23 metres from the Hero Street residents' property boundaries.
- 15 The proposal would allow self-contained and non-self-contained freedom camping vehicles in the areas marked in green around the railway station. Camping in the green areas is proposed to be for **up to 7 nights**. Three areas are proposed to be added, two behind the railway station, and one behind Buzz Café. The effect of these additional areas would be to legally enlarge the area where non-self-contained freedom campers could camp around the railway station, and allowing self-contained freedom campers to stay in those areas longer (as the current Bylaw already allows self-contained freedom campers in the areas around the railway station shown in pink, for 3 days in a 30 day period).
- 16 It is proposed that the playground and particular car parks near the main street, are designated as camping 'prohibited'. These areas are marked in red in the proposed amendment. No freedom camping would occur in these areas. Playgrounds are outlined as a prohibited area in the current Bylaw. It is proposed to have the car parks as prohibited areas so people visiting the town, can park their cars and access the shops, playground and other town facilities.

Other proposed rules and planned work

- 17 The CDA plans to encourage self-contained freedom campers to park in designated areas outside of the immediate railway station area, by guiding campers there through on-site signage. This would allow more capacity around the immediate railway station area for non-self-contained campers (so they can use the toilet and wash facilities), and it may increase the number of non-self-contained freedom campers who can stay at the site (as self-contained campers may choose to park elsewhere).
- 18 The Committee has suggested that the following rules are appropriate for non-contained freedom campers who visit the site:
 - No washing hung on trains, playground, fences or trees
 - Tents only between hours of 5.00 pm and 10.00 am
 - Clean teeth in bathroom
 - Wash dishes at provided sink
 - Vehicles off grassed areas
 - Dogs must be on a leash.

- 19 Council’s legal advisor recommends that these “rules” do not form part of the Bylaw, however they can still be informal rules displayed on signage. Council’s ability to enforce these additional requirements is likely to be limited and largely reliant on the cooperation of campers.
- 20 Subject to funding, the CDA has resolved to complete works to mitigate any adverse effects from freedom camping. This work is:
- Installing bollards to prevent vehicles using the area proposed for tents
 - Installing visual screening at the area proposed for tents
 - Sealing of the vehicle parking area
 - Marking camp sites.

Community Views expressed through submissions process

Tent site

- 21 Almost all of the submitters completed a form that was prepared by Council staff. This report asked specific questions on aspects of the proposal.
- 22 Sixty percent of submitters support there being a designated tent site, and 35% are opposed (the other submitters either, neither support nor oppose the tent site, or did not give a clear view). When only the responses from local submitters are considered (this includes responses from submitters who live in Lumsden, Mossburn, Athol and Balfour), there is less support for having a designated tent site. Of the submitters who live locally, 52.6% support a designated tent site, and 42.9% are opposed (the other submitters either, neither support nor oppose the tent site, or did not give a clear view). Some points raised by submitters about the tent site are outlined in Table 1.

Table 1: Points raised by submitters regarding the proposed tent site	
Support	Oppose
<ul style="list-style-type: none"> • It is the most appropriate location • The proposed site would accommodate current numbers and be manageable • It would be good to have tents in one place • The site would be more accommodating, which would attract more visitors and have associated economic benefits • It would stop people tenting elsewhere • That the tents are not doing any harm (as they are put up in the evening and taken down early in the morning). 	<ul style="list-style-type: none"> • That tents should be at the camping ground • That camping related activities (such as brushing teeth) are not appropriate in the centre of a small town • That the proposal is not respectful to other accommodation providers in Lumsden • That the space in the centre of town should be available for local people to use • That there needs to be better/more amenities • That the tent site should not be near a children’s playground • That tents are unsightly • That the proposed tent site is too close to private residences and the Lumsden Motel • Concerns about monitoring and enforcement.

Vehicle areas

- 23 The submission form also asked submitters whether they support or oppose there being an overall increase in space for freedom camping vehicles in Lumsden. This question relates to the additional three green areas that have been proposed, where self-contained and non-self-

contained vehicles would be permitted to stay for up to 7 nights around the railway station. Fifty two percent of submitters support an overall increase in space for freedom camping vehicles and 39% of submitters are in opposition (the other submitters either, neither support nor oppose the larger area for vehicles, or did not give a clear view). When only the responses from local submitters are considered, the number of people who support having a larger area for vehicles, drops down to 44.7%. A larger proportion of submissions from local people oppose having a larger area for vehicles (47.4%). The remaining submitters either, neither support nor oppose the larger area for vehicles, or did not give a clear view

- 24 Fifty three percent of all submitters support all of the proposed locations and 14% of submitters support some/at least one of the locations but do not support them all. Twenty seven percent of submitters oppose all of the proposed locations, and 3% neither support nor oppose the locations. Three percent of submitters did not clearly answer this question.
- 25 Some points raised by submitters about the vehicle areas are outlined in Table 2.

Table 2: Points raised in submissions in support and opposition to the larger area for vehicles, and the location of the vehicle areas.	
Support	Oppose
<ul style="list-style-type: none"> • It will allow current numbers • It will allow for better management, organisation and control • There may be more visitors which would have associated economic benefit • The sites are the most appropriate as they are close to local businesses, local people and amenities • The sites will mean that there is parking for other visitors, and they will keep the main street clear • It shows that Lumsden is welcoming, and it will help expand Lumsden as a tourist stop-over 	<ul style="list-style-type: none"> • The campers should be using the camping ground • The area is too congested so locals cannot use/access the town centre, and the proposal would make it worse • Concerns about the impact on other accommodation providers • That the area behind Buzz café should not be for campers, and that it should be for the public and for people using the playground • The number of vehicles should be restricted/limited • The need for better/more amenities • That there shouldn't be camping near the trains or playground.

Prohibited areas

- 26 Submitters were also asked if they had any views on the prohibited areas, which are places where freedom camping is prohibited. Generally submitters were supportive of the proposed prohibited areas. A number of submitters wanted more prohibited areas, such as around the playground, and on the Diana Street side of the railway station (so there are car parks and meeting areas available for local people and for visitors passing through the town). Some submitters were concerned about how the areas would be enforced.

Other comments

- 27 Submitters also raised a number of other general comments about freedom camping. A selection of comments are outlined in Table 3 below.

Table 3: General comments made about freedom camping in Lumsden

- This site entices travellers to town, and they wouldn't come to Lumsden if it wasn't for the freedom camping site, puts Lumsden on the map
- Comments about the economic benefit associated with freedom camping
- It makes the town vibrant and provides for a thriving future for the town
- The centre of Lumsden can no longer be used by local people, even accessing the library can be difficult
- The need for appropriate amenities and the need for them to be looked after
- This change won't restrict the campers, it will encourage more to come
- Council should be following by the Camping Grounds Regulations Act 1985
- The costs should be borne by those who benefit
- Concerns around the process of developing and amending the Bylaw
- Freedom camping would be more appropriate at other sites, or at the camping ground
- Concerns on the impact on other businesses and those who will be disadvantaged
- That the freedom campers are intimidating, and that it's no longer a safe place for children etc
- Good to cater for a wide range of tourists
- Concerns about the location of freedom campers relative to the playground
- Staying for 7 nights is too long
- Should be self-contained only
- Discussion of approach being taken by other Councils
- Concerns about health and safety
- Questioning why Council is deviating from the New Zealand Government's tourism strategy of attracting higher paying tourists
- People enjoy the freedom campers, their diversity, their pleasant nature, and that they are an educated group of people.

Issues

- 28 At this stage staff are seeking a decision from Councillors on how to proceed on this matter. Staff have presented and discussed possible options below.

Option 1 - To endorse all or aspects of the proposed amendment

- 29 Under this Option, Council would have discretion as to which aspects of the proposed amendment it wishes to endorse. It should make decisions on the specific aspects of the proposed amendment which are outlined below.
- 30 When considering this option, Council should be mindful of some other work and trends that relate to this decision. Council has had initial discussions on both an Open Spaces Strategy and a Freedom Camping Strategy. A focus in these discussions has been on having a more strategic, district-wide approach towards what is provided and where.
- 31 In August this year, the Department of Internal Affairs established a working group to identify and analyse problems associated with freedom camping. The working group produced a report which identified that there is a trend towards increased restrictions on freedom camping access to public areas administered by local authorities, with a particular focus on non-self-contained camping.
- 32 Several councils have also moved recently to place further restrictions on freedom camping activities in their districts, particularly (but not exclusively) relating to non-self-contained vehicles and tents. Some pre-election discussion also signalled possible additional legislative amendments to the FCA with a focus on non-self-contained campers and access to facilities. While there are limits to the extent to which these are relevant considerations to the currently proposed SDC

Bylaw amendment, it is national and regional context which is useful for the Council being generally aware of. Council must, however, consider this issue in accordance with the relevant statutory criteria as outlined in section 43 of this report below.

- 33 Council could also keep in mind the requirements that would apply to a commercial camping ground of a similar scale to the Lumsden freedom camping site. In accordance with the Compliance Document for New Zealand Building Code, and the Camping-Grounds Regulations 1985, the following requirements would be in place (and there would be additional ones) if the site was operating as a commercial camping ground:

- For a maximum of 75 camping sites (there is deemed to be 3.5 people per site), 4 toilets would be needed for males (less if there are urinals too), and 4 for females. The Lumsden site would legally service 75 sites.
- For a maximum of 200 people, 5 showers would be required. There are currently no showers provided at the site.
- If there were 100 males and 100 females using a camping ground, there would need to be 3 wash basins available for each gender. If the site was a commercial camping ground it would legally have enough wash basins for 200 guests.
- Ablution and sanitary fixtures would need to be readily accessible, and to be located not more than 75 metres from any camp site or relocatable home site. At the Lumsden site, quite a large proportion of the sites outlined in the Statement of Proposal would be further than 75 metres from the toilets.
- Refuse containers would have to be provided, not more than 50 metres from every camp site. The Lumsden site would comply or be very close to complying with this requirement.
- Two laundry tubs and one washing machine would have to be provided for clothes washing and drying facilities for every 200 persons. One shop opposite the toilet block has begun offering laundry services.
- All rubbish receptacles would have to be emptied at least once in every 24 hours when the camping ground was occupied. Currently the bins are emptied every second day, and daily during the peak season.
- The camping ground would have to be provided with safeguards against fire, and means of escape in case of fire. Currently no fire safeguards are provided.
- No temporary living place could be erected or placed on any camp site within 3 metres of any other temporary living place, or within 1.5 metres of any camp site boundary. At times tents and camping vehicles in Lumsden may be closer together than 3 metres, and within 1.5 metres of the camp boundary.

- 34 These matters are outlined having regard to matters raised in the submissions, where several submitters highlighted that in their opinion the facility proposed to be provided by way of the proposed amendment is in the nature of a camping ground; and hence that in terms of consistency, facilities should be provided at the same ratios as would be required if this development was being undertaken by a private developer. Some other submitters also highlighted the presence of an existing commercial camping ground at the north end of the Lumsden township and hence queried the need for duplication of facilities and resources.

- 35 Aspects of the proposed amendment are discussed further below.

The tent site

- 36 Council could consider whether or not the current positioning of the tent site is appropriate, or whether or not there should be a tent site at all. A summary of points raised about the tent site is outlined in paragraphs 19 and 20 above. It is possible that some of the concerns outlined by submitters may be addressed if the tent site did not proceed.

Allowing only self-contained freedom camping vehicles

- 37 Council could also consider whether to only allow self-contained vehicles in the Lumsden township. Although submitters were not asked about this point directly, some submitters raised this point and a number of submitters outlined that they opposed freedom camping due to behaviours that are generally associated with non-self-contained camping (see overview of submissions on tent site and vehicle area, above). This included factors such as not using the proper toilet facilities. Only allowing self-contained camping could address some submitters' concerns, although it would be contrary to the views held by others.

The maximum number of nights campers can stay

- 38 Council may also want to alter the time limit on how long self-contained campers can stay within the town boundary (it is proposed to be 3 days in any 30 day period), or how long both self and non-self-contained campers can stay in the areas marked in green around the railway station (it is proposed to be for a maximum of 7 nights). Some submitters raised that the length of the permitted stay should be reduced.

Specific locations for parking

- 39 Council may also consider whether or not to proceed with all of the areas for vehicles that have been proposed around the railway station (marked in green), where self-contained and non-self-contained vehicles would be permitted to stay for up to 7 nights. Some submitters felt that having freedom camping around the children's playground and near Buzz café, was inappropriate. Others stated they would prefer for all freedom campers to be positioned behind the railway station, on the Hero St side of the site. Council could, for example, choose to prohibit camping in all of the areas of the railway station facing Diana Street, other than the proposed green areas in the amendment. This would help leave a central space for local people to use, help enable people to view the railway platform and trains, and it would help ensure there would be car parks available for local people and visitors.

Enforcement

- 40 A frequent point raised by submitters was the need for better management and enforcement of the bylaw areas and any informal 'rules' which may be put in place. Staff advise that if Council proceeds with Option 1, that Council agree in principle, that further management and enforcement may be required at the Lumsden freedom camping site, and suggest that Council request a further report back from staff and the CDA on how this might best be achieved. A potential solution may involve using the current volunteer and a more formal enforcement position. This may involve additional staff members being given a formal warrant. Council may also want to consider a stronger infringement notice stance.

Option 2 - To withdraw the Statement of Proposal, continue to apply the current Bylaw, and begin undertaking work and preliminary consultation to investigate using a different site for freedom camping in Lumsden.

- 41 Council may also feel that the current site is not the best place to have an identified freedom camping site in Lumsden, and elect to proceed with Option 2. Although a slight majority of

submitters supported the tent site and having a larger space for vehicles around the railway station area, a number of concerns have been raised about the suitability of the site. This includes that the campers dominate the central area of the town, that the campers do not make the town look nice, and that the campers block access to the historic railway station and trains. There are also concerns about having campers in the area around the children's playground.

- 42 Submitters have raised that a different site could be used for freedom camping in Lumsden. Suggestions have included using the Lumsden Recreational Reserve (the Reserve), or using the camping ground in Lumsden, that Council owns and currently has leased out. (If the latter option was to be progressed, this would need to be assessed having regard to the lessee's rights under the existing lease agreement).
- 43 The current Reserve Management Plan (the Plan) applies to the two parts of land that make up the Reserve. Under the Plan, freedom camping would not be allowed on the Reserve unless the Bylaw was amended to specifically include it. If Council wished to pursue using the Reserve for freedom camping, preliminary work and consultation would need to be carried out, and there would need to be a new statement of proposal endorsed and put out for consultation. Using this area cannot legally be approved as part of the current process.
- 44 The camping ground owned by Council is also part of the Lumsden Reserve, but the area is set apart as a camping ground, so camping whether it be free or charged, is not an issue in this area. The lease for the camping ground was issued in December 2003 for ten years, with one right of renewal. The right of renewal was exercised therefore the lease will expire on 15 December 2023. The lessee owns all the improvements to the property and is required to operate as a licenced camping ground. It is entirely up to the lessee whether they charge for accommodation or not, as they are entitled to retain all camp fees.

Option 3 - To withdraw the Statement of Proposal and continue to apply the current Bylaw

- 45 Council could also choose to not proceed with the proposal, and continue to apply the current Bylaw. This would mean there would be no tent site, no restricted areas (other than the playground), and there would not be the additional areas for freedom camping vehicles to park around the railway station. Staff are aware the site is not currently being used in accordance with the current Bylaw, so if the Bylaw was adhered to, there would be a significant reduction in the numbers of vehicles and tents that could park in the area immediately adjacent to the railway station. There may also be issues relating to enforcement.

Option 4 - To identify and proceed with another option

- 46 Council may also identify another option on how to proceed. Council will have to be mindful that if the approach differs from that outlined in the Statement of Proposal, Council will be required to re-consult. This would include if Council wants to discontinue freedom camping in the railway station area in Lumsden, as the possibility of doing so was not signalled as part of the consultation process.

Additional submission

- 47 For Councillors information, an additional submission has been included with this report, as Attachment B. This submission is not to be formally considered in the submission process, due to an incomplete submission being made online. However staff felt it would still be courteous to present the submission to Councillors.

Factors to Consider

Legal and Statutory Requirements

- 48 Section 10 of the FCA states that freedom camping is permitted in any local authority area unless it is restricted or prohibited in accordance with a bylaw or under any other enactment.
- 49 Section 11(2)(a) provides that a local authority may only place restrictions on freedom camping by way of a bylaw if it is satisfied that the bylaw is needed:
- To protect the area
 - To protect the health and safety of people who may visit the area
 - To protect access to the area.
- 50 Under Section 155 of the Act and under Section 11 of the FCA, Council will also have to determine that it is satisfied the proposed amendment is the most appropriate and proportionate way to address the perceived problem in that area, and the most appropriate form of bylaw, before it makes the amendment. Bylaws have become the typical method of addressing issues associated with freedom camping. The FCA also states that any territorial authority may make bylaws defining the local authority areas in its district or region where freedom camping is restricted, and the restrictions that apply to freedom camping in those areas.
- 51 Section 155 of the Act also requires Council to give rise to any implications under the New Zealand Bill of Rights Act 1990 before it makes the Bylaw. The New Zealand Bill of Rights Act 1990 confers certain civil and political rights to people in New Zealand. Council needs to be satisfied that the proposed amendments will not be inconsistent with the Bill of Rights Act 1990, that is, the amendments impose reasonable limits that can be reasonably justified in a free and democratic society. In *New Zealand Motor Caravan Association Incorporated v Thames-Coromandel District Council* ([2014] NZHC 2016), managing the adverse effects of freedom camping was considered a sufficiently important purpose to justify a limitation on peoples' rights.
- 52 Under the FCA, there are a number of ways people can commit an offence while freedom camping, such as by breaching a bylaw, leaving rubbish or failing to leave an area when an enforcement officer makes that requests. A person who commits one of these offences would be liable for a fee of \$200.
- 53 The FCA is a permissive piece of legislation and sets a tight framework within which any restrictions placed on where people can freedom camp may be imposed. Council must be satisfied that any restrictions that it does want to impose can be reasonably justified in accordance with the provisions in the Act.
- 54 The current Bylaw 2015 allows, and aims to control, freedom camping in Lumsden in accordance with the statutory provisions. The proposed amendment generally seeks to tighten up restrictions on freedom camping in Lumsden and to establish greater controls to enable the 'adverse effects' of the activity to be managed. The amendment before the Council is not about whether there is freedom camping in Lumsden at all.

Community Views

- 55 As has been outlined above, and in the report that Council received on the 28th of September (that accompanied the hearings), the community holds a wide range of views on the freedom camping site in Lumsden, and people are quite polarised in their views.
- 56 Under Section 78 of the Act, Council must, when making a decision on how to proceed, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. There is not a requirement to please all of the submitters, but Council must take into account the views that have been expressed.

Costs and Funding

- 57 The costs and funding associated with this decision, will depend on how Council would like to proceed. If Council proceeds with Option 1, and progresses all or part of the Statement of Proposal, there would still be costs associated with staff time and advertising, but this is likely to be less than if Council selects Option 2, and goes back and investigates using a different site.
- 58 Under all of the options, it is possible that Council may believe a greater level of enforcement is required by way of a fully trained and warranted employee/contractor. If this is the case, there would be associated costs, and decisions would have to be made on how this would be funded. By way of example, freedom camping enforcement in the Te Anau / Manapouri area is jointly funded by the Community Board, the Department of Conservation and district wide rates through Council. If a similar approach was to be taken in Lumsden, it would mean there would be both district and local funding.
- 59 There may also be legal costs associated with progressing an option, if staff want to get legal reviews of work, or if there is any challenge made to a decision.

Policy Implications

- 60 The implications of this decision will depend on the option Council would like to endorse. If Council is going to withdraw the Statement of Proposal and investigate another location (Option 2), or propose something different (Option 4), a new amendment to the Bylaw would probably have to be produced and consulted on. Freedom camping bylaw processes have been legally challenged elsewhere in New Zealand and hence it is important that the Council does not take any actions on this matter which are ultra vires.

Analysis

Options Considered

- 61 Staff have identified all reasonably practicable options to help Council to achieve a decision. The identified options are:
- Option 1 – To endorse all or aspects of the proposed amendment.
 - Option 2 – To withdraw the Statement of Proposal, continue to apply the current Bylaw, and begin undertaking work and preliminary consultation to investigate using a different site for freedom camping in Lumsden.
 - Option 3 – To withdraw the Statement of Proposal and continue to apply the current Bylaw.

- Option 4 – To identify and proceed with another option.

Analysis of Options

Option 1 - To endorse all or aspects of the proposed amendment.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Consistent with the wishes and views held by some submitters (such as wanting the campers in the central area, the economic benefits of more campers etc). • Would protect the area, protect the health and safety of people who may visit the area, and protect access to the area. • Would allow freedom camping in Lumsden to be better managed and controlled. • Would take into account the projected growth of the tourism sector and freedom campers. 	<ul style="list-style-type: none"> • Would not be consistent with the wishes and views held by some submitters (such as proximately to playground, insufficient amenities, taking over central town area etc) • Having more spaces for freedom camping around the railway station area may exacerbate some of the problems with/concerns raised about freedom camping.

Option 2 - Withdraw the Statement of Proposal, continue to apply the current Bylaw, and begin undertaking work and preliminary consultation to investigate using a different site for freedom camping in Lumsden.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Would be consistent with the wishes and views of some submitters (such as that other sites are more appropriate, etc). • Would help ensure the best site was being chosen. • As the number of campers using the site has been increasing, another site may have more space and capacity. 	<ul style="list-style-type: none"> • Would not be consistent with the wishes and views of some submitters (such as wanting the campers in the central area, wanting campers to feel safe and secure, etc). • If another proposed amendment was developed, it would require another consultation process, and changes would not be in place before this summer season. • Reputational risk of withdrawing the statement of proposal.

Option 3 - To withdraw the Statement of Proposal and continue to apply the current Bylaw.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Would be consistent with the wishes and views of some submitters (such as it is working well as it is etc). • The current Bylaw does not allow many campers at the site, so it may encourage campers to stay at commercial accommodation premises. • The current aims to control and manage freedom camping. 	<ul style="list-style-type: none"> • Would not be consistent with the wishes and views of some submitters (such as a number of submitters favoured the tent site etc). • The site is currently hosting large numbers of campers (and the numbers coming have been increasing) and there is a need for better control and management. • The current Bylaw does not allow many campers at the site, and if campers are turned away they may stay at other locations and leave mess or waste. • Reputational risk of withdrawing the statement of proposal. • It could be difficult to enforce (as it allows a smaller number of campers).

Option 4 - Identify and proceed with another option.

<i>Advantages</i>	<i>Disadvantages</i>
	<ul style="list-style-type: none"> • If the option was substantially different from the Statement of Proposal, consult would be required to re-consult, and any changes may not be in place by this summer season.

Assessment of Significance

- 62 In regards to Council's Significance and Engagement Policy, the decision being made by Council has been assessed by staff as not being significant.
- 63 If a decision is significant, the Act requires more a stringent and thorough analysis of factors such as identifying and assessing options, and the degree benefits and costs are quantified. Council's Significance and Engagement Policy would also require further analysis to be undertaken. Significance is a continuum ranging from low significance to high, and at a particular point along that continuum, a decision or matter will be significant.
- 64 To act in accordance with the Significance and Engagement Policy, Council has to take into account four factors when determining the level of significance of a decision. These factors are of equal weighting. The greater the cumulative impact of the matter as assessed by these factors, the more significant the decision will be. In relation to this decision on freedom camping in Lumsden, two of the factors are most relevant. Council must assess if this decision is significant, based on the degree of importance of the decision as assessed by its likely impact on, and likely consequences for:
- the current and future social, economic, environmental or cultural wellbeing of the district or region; and
 - people who are likely to be particularly affected by or interested in, the issue, proposal decision or matter.

- 65 In relation to the first factor, staff believe the decision being made will have an impact on the current and future social, economic and cultural wellbeing of Lumsden (and some of the small towns around it), but this impact is localised, rather than applying to the district or region. Freedom camping is also already occurring in Lumsden, and proposed changes to the Bylaw seek to manage and control freedom camping, so, the decision being made is considered unlikely to bring a substantial change the current freedom camping activities (and therefore not greatly impact the social, economic and cultural wellbeing of the town). If Council does decide to proceed with an option that will bring a substantial change to how freedom camping is operating in Lumsden, this factor should be reconsidered in regard to assessing significance. Such a substantial change is also likely to require Council to re-consult on the matter, as has been referred to above.
- 66 In regards to the second factor, unless Council is endorsing a substantial change (which again is likely to require Council to re-consult), this decision is also unlikely to have a significant impact or consequence for interested or affected people. It is however acknowledged, that there is a large amount of local and district interest in this matter.

Recommended Option

- 67 Due to the polarising community views held on this matter, staff are not recommending an option, and are seeking a decision from Council on the best way to proceed.

Next Steps

- 68 The next steps will depend on what option Council chooses to endorse. If it decides to endorse all or aspects of the proposed amendment, the next step would be presenting a draft Bylaw to Council for it to adopt. This is likely to be on the 23rd of November this year. If Council decides to withdraw the Statement of Proposal and investigate other possible sites, staff would begin the preliminary work and consultation required to progress that option. While these timeframes may not be to some parties' liking with the 2017/2018 tourist season gearing up, as referred to above, it is very important that the Council follows the correct due process around any decision making on this matter.

Attachments

- A Statement of Proposal to amend the Freedom Camping Bylaw for Lumsden [↓](#)
B Sue Gatenby - Submission that was not submitted properly [↓](#)

STATEMENT OF PROPOSAL – Amending the Freedom Camping Bylaw for Lumsden

The Current Freedom Camping Rules in Lumsden

The current Freedom Camping rules in Lumsden permit self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of three days in any 30 day period. The rules also permit both self-contained and non-self-contained camping in two designated areas around the Railway Station, and they do not differentiate between vehicles and tents.

Proposed Amendments

The proposed amendment to the Bylaw will continue to legally allow self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of three days in any 30 day period. Self-contained and non-self-contained freedom camping will also be lawful in the areas around the Railway Station that are marked in green on the proposed amendment. It is proposed that this area will be larger to enable more vehicles to stay there. The Lumsden Community Development Area Subcommittee (CDA) plans to encourage self-contained freedom campers to park in designated areas further away from the Railway Station, by guiding campers there through the use of on-site signage. Self-contained campers are going to be encouraged to move to different areas to allow more capacity (around the immediate railway station area) for non-self-contained campers in the areas around the toilet and wash facilities.

The proposed amendment would also create a defined new area solely for tents, and prohibit tents from other designated freedom camping areas.

Reasons for the Proposal

The Lumsden CDA has requested that Council make this amendment to the Bylaw. The amendment would mean the site could legally accommodate the number of campers who currently use the site, and it would restrict where they camp.

Making a Submission

Submissions are invited on the draft amendment to the Freedom Camping Bylaw from 8 July 2017, and submissions must be received by 8.00 pm on 8 August 2017. Submissions can be made:

- through the Council's website (<https://consult.southlanddc.govt.nz>)
- via post (Southland District Council, Submissions, PO Box 903, Invercargill 9840)
- in writing at your local Southland District Council office.

Written submissions must state that the submission relates to the freedom camping rules in Lumsden, and give the submitter's name and contact details.

Submitters who make a written submission can also elect to make an oral submission to the Regulatory and Consents Committee. This can be indicated through the online submission process, or by the submitter raising that they would like to make an oral submission, in their written submission. Oral submissions are likely to be heard on the morning of the 28th of September. Council staff will be in touch to confirm a time.

All submissions received by Southland District Council will be made available to the public.

Options

For this decision, Council has identified all reasonably practicable options regarding Freedom Camping in Lumsden. The options and analysis are presented below.

Option 1 – Not endorsing the draft Bylaw and continuing with the current freedom camping rules in Lumsden.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Avoids the minor costs associated with amending the Bylaw (staff time, advertising etc). 	<ul style="list-style-type: none"> This would not be in accordance with the wishes of the Lumsden CDA. The current rules do not reflect current usage. This would not take into account that tourism and freedom camping is expected to increase. People may continue to freedom camp in areas where they are not legally permitted to do so. If there is an increasing number of freedom campers visiting the site, they may park vehicles or put tents in undesirable locations, rather than the suitable places proposed in the amendment.

Option 2 – Not endorsing the draft Bylaw, and instead endorsing a bylaw discontinuing or, or placing restrictions on, non-self-contained freedom camping in Lumsden.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> This would decrease or largely eliminate the challenges associated with freedom camping. Some support from locals. 	<ul style="list-style-type: none"> This may decrease or largely eliminate the benefits associated with non-self-contained freedom campers. Some locals would oppose this option. Contrary to the direction decided upon by the Subcommittee during the making of the Freedom Camping Bylaw 2015, and lawfully made by Council with little opposition from locals at that time. May be hard to administer.

Option 3 – Endorsing the proposed amendment to the bylaw and releasing the draft bylaw for public consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Consistent with the wishes of the Lumsden CDA. This amount of freedom camping may result in an optimal level of benefit for Lumsden. Support from locals. Takes into account the projected growth of the tourism sector and freedom campers. This option is more in accordance with current usage. 	<ul style="list-style-type: none"> Some locals would oppose this option. An increase in the number of campers may increase problems from freedom campers, unless effective mitigation measures are put in place.

Relevant Determinations

Council has determined that the amendment to the Bylaw is necessary to protect the area, and to protect the health and safety of the people who may visit the area, and to protect access to the area. For example, Council believes the amendment will protect the health and safety of people who may visit the area, as the location of the freedom camping sites will help ensure that proper toilets are used, and that rubbish is placed in nearby receptacles.

Under Section 155 of the Local Government Act, Council has determined that the proposed Bylaw is the most appropriate way to address the perceived problem and the most appropriate form of Bylaw. Bylaws have become the typical method of addressing issues associated with freedom camping, and the Freedom Camping Act allows bylaws of this nature.

In relation to amending the Bylaw, Council has also considered any implications under the New Zealand Bill of Rights Act 1990. The New Zealand Bill of Rights Act 1990 confers certain civil and political rights to people in New Zealand. Council is satisfied that the proposed Bylaw will not be inconsistent with the Act, that is, it imposes reasonable limits that can be reasonably justified in a free and democratic society. Case law supports that managing the adverse effects of freedom camping is considered a sufficiently important purpose to justify a limitation to peoples' rights.

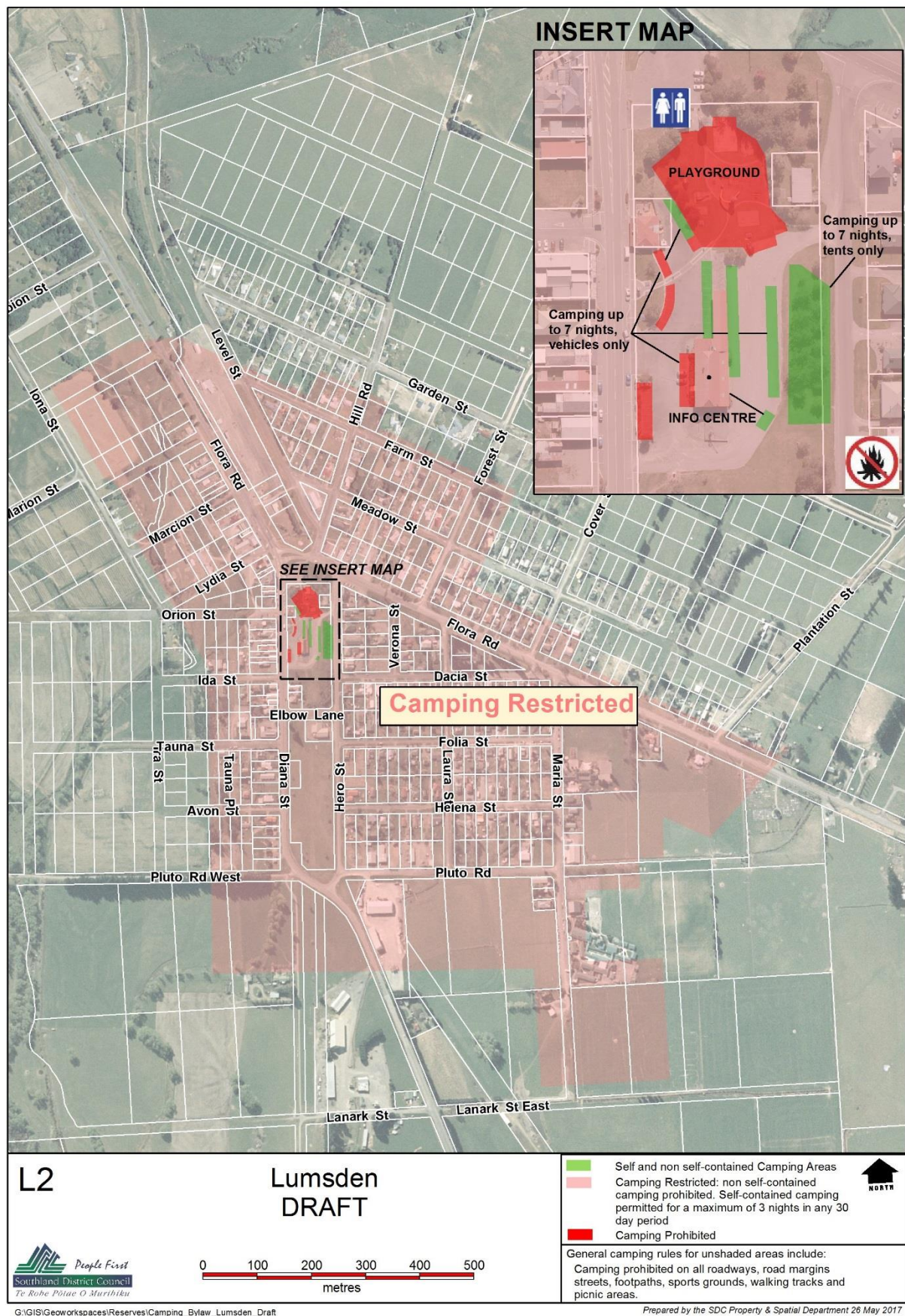
Appendices

Appendix A – Current freedom camping Bylaw for Lumsden



Appendix B – Proposed amendment to Freedom Camping Bylaw for Lumsden

Item 7.3 Attachment A



10/6/2017

Introduction

The Southland District Council is now inviting submissions on a draft amendment to the Freedom Camping Bylaw for Lumsden.

The full Statement of Proposal on this matter [can be viewed here](#).

The Current Rules

The current freedom camping rules in Lumsden (which are part of Council's Freedom Camping Bylaw), are outlined in Figure 1 below.

Figure 1. Current Freedom Camping rules in Lumsden



The Proposed Amendment

<https://consult.southlanddc.govt.nz/WebService/repSubmission.aspx?submissionID=7anBeCjIXY8%7ceq>

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Item 7.3 Attachment B

The proposed amendment will allow self-contained and non-self-contained freedom camping in the areas around the Railway Station that are marked in green in Figure 2.

The proposed amendment would also create a new area solely for tents, and prohibit tents from other designated freedom camping areas.

The amendment would allow freedom campers to park their vehicles in three new places around the Railway Station, in addition to the 2 places designated in the current Bylaw. This would mean that the site would be able to legally accommodate more freedom camping vehicles. Freedom campers are currently camping in areas outside of the designated areas, so this amendment is being proposed to accommodate current camper numbers and to restrict where they camp.

The Lumsden Community Development Area Subcommittee plan to encourage self-contained freedom campers to park in designated areas further away from the Railway Station, by guiding campers there through on-site signage. Self-contained campers are going to be encouraged to move to different areas to allow more capacity (around the immediate Railway Station area) for non-self-contained campers in the areas close to the toilet and wash facilities.

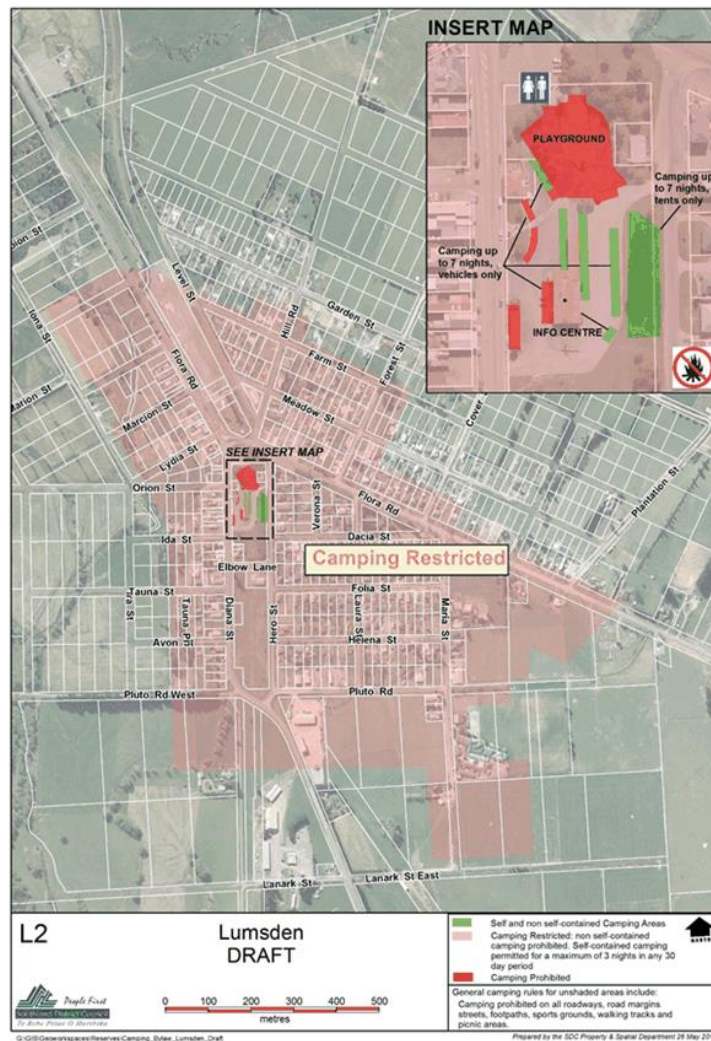
The proposed amendment to the freedom camping rules in Lumsden (which, if adopted would become part of Council's Freedom Camping Bylaw), are outlined in Figure 2 below.

Figure 2 - Proposed Amendment to the Freedom Camping Rules in Lumsden

<https://consult.southlanddc.govt.nz/WebService/repsubmission.aspx?submissionID=7anBeCjiXY8%7ceq>

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Item 7.3 Attachment B

Privacy Statement

Consent to receive and store information in electronic form

Use of these services means that you agree to provide information through electronic means. This means you agree to provide any relevant information, documents and attachments in the format and to the standards described for each transaction. It also means you agree and understand that the information will be retained in electronic form.

Security

Online services are provided through a secure website. However, you acknowledge and agree that internet transmissions are never entirely secure or private, and that any information you send to or via the website (including credit card information) may be read or intercepted, even where a website is stated as being secure. Southland District Council shall have no liability for the interception or hacking of its website by unauthorised third parties.

<https://consult.southlanddc.govt.nz/WebService/repsubmission.aspx?submissionID=7anBeCjIXY8%7ceq>

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10/6/2017

Item 7.3 Attachment B

Submitter Details

First Name:

Last Name:

Street:

Suburb:

City:

Country:

Which Community Board Area is your property in?

- | | | | |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol | <input type="radio"/> Balfour | <input type="radio"/> Browns | <input type="radio"/> Colac Bay |
| <input type="radio"/> Curio Bay | <input type="radio"/> Dipton | <input type="radio"/> Edendale | <input type="radio"/> Fortrose |
| <input type="radio"/> Garston | <input type="radio"/> Limehills Centre Bush | <input type="radio"/> Lumsden | <input type="radio"/> Manapouri |
| <input type="radio"/> Mararoa Waimea | <input type="radio"/> Milford Sound | <input type="radio"/> Mossburn | <input type="radio"/> Nightcaps |
| <input type="radio"/> Ohai | <input type="radio"/> Orepuki | <input type="radio"/> Otautau | <input type="radio"/> Other |
| <input type="radio"/> Riversdale | <input type="radio"/> Riverton | <input type="radio"/> Stewart Island Rakiura | <input type="radio"/> Te Anau |
| <input type="radio"/> Thornbury | <input type="radio"/> Tuatapere | <input type="radio"/> Waiau Aparima | <input type="radio"/> Waihopai Toetoes |
| <input type="radio"/> Waikaia | <input type="radio"/> Wallacetown | <input type="radio"/> Winton | <input type="radio"/> Winton Wallacetown |

Wishes to be heard:

- ☐ Yes
- ☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter
- ☐ Agent
- ☐ Both

<https://consult.southlanddc.govt.nz/WebService/repsubmission.aspx?submissionID=7anBeCjiXY8%7ceq>

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Submission

1. 1. Do you support or oppose having a designated tent site at the Lumsden freedom camping area?

- ☐ I support there being a designated tent site
☒ I oppose there being a designated tent site
☐ I neither support nor oppose there being a designated tent site

2. 2. Please state the reason/s for your response to Question 1 (i.e. why do you support or oppose there being a designated tent site)

Comments

I oppose this development of the designated tent area in its present location. Lumsden is a beautiful town. The introduction of the freedom campers has significantly changed the atmosphere of the town. It is now difficult to get into the Craft shop. The public toilets are smelly and often blocked. It is now a shanty town atmosphere of the once picturesque place and will affect the preservation of the heritage buildings. The amount of rubbish is also a problem. Visiting as an international tourist I was saddened with this uncontrolled development and its negative repercussions. I think that Council needs to investigate whether it has the resources to monitor and control/police this development. Also assess the long term effects on the community and paid tourism on the image of Lumsden as a destination.

3. 3. Do you support or oppose the location of the proposed tent site?

- ☐ I support the location of the proposed tent site
☒ I oppose the location of the proposed tent site
☐ I neither support nor oppose the location of the proposed tent site

4. 4. Please state the reason/s for your response to Question 3 (i.e. why do you support or oppose the location of the proposed tent site?)

Comments

Its a prominent location, visible from the main streets and train/transport.. This style of camping should be in an area which is not front of house. a back block with fencing, adequate rubbish removal facilities, toilet blocks and running water. There should also be a restriction on the number of sites available. The heritage buildings will be surrounding by this development. This is not a great idea for the tourists and local community and school groups.. Its a real turn off. It is also unlikely that the tent dwellers will contribute to the local community in any way.

5. 5. Do you support or oppose the size of the proposed designated tent site?

- ☐ I support the size of the proposed tent site
☒ I oppose the size of the proposed tent site
☐ I neither support nor oppose the size of the proposed tent site

<https://consult.southlanddc.govt.nz/WebService/repsubmission.aspx?submissionID=7anBeCjIXY8%7ceq>

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Item 7.3 Attachment B

6. 6. Please state the reason/s for your response to Question 5 (i.e. why do you support or oppose the size of the proposed tent site?)

Comments

There needs to be a restriction on the size of this development. There also needs to be adequate facilities available. The local community should be able to vote on this proposal and the Council needs to let us know about the benefits of the proposal. At the moment there seems to be no real benefits to the community or paid tourism.

7. 7. Do you have any other comments regarding the proposed tent site?

Comments

Surely a larger town with larger camping facilities would be a better option to provide a site for the freedom campers. Any camping site needs facilities and local support for it to be a success.

8. 8. Do you support or oppose there being an overall increase space for freedom camping vehicles in Lumsden (the draft amendment proposes a larger total space for freedom camping vehicles, although if adopted, the changes will bring the Bylaw up to date with how the site is currently being used)?

- ☐ I support there being a larger area for vehicles
- ☒ I oppose there being a larger area for vehicles
- ☐ I neither support nor oppose there being a larger area for vehicles

9. 9. Please state the reason/s for your response to Question 8 (i.e. why do you support or oppose there being a larger overall space designated for freedom camping vehicles)

Comments

The present area is poorly managed and all the above reasons should be proof that the freedom camping is not working well in this site and there are no valid reasons to consider a larger site. A larger site will magnify the problems of number of toilets, rubbish build up, noise, general local inconvenience and a visual eye-sore.

10. 10. Do you support or oppose the proposed locations for freedom camping for vehicles (for this question we are after feedback on the camping locations marked in green in Figure 2, but not the proposed tent site)?

- ☐ I support all of the proposed locations
- ☐ I support some/at least one of the locations but I do not support them all
- ☒ I oppose all of the proposed locations
- ☐ I neither support nor oppose the proposed locations

11. 11. Please state the reason/s for your response to Question 10 (ie, why do you support or oppose the proposed locations)

<https://consult.southlanddc.govt.nz/WebService/repsubmission.aspx?submissionID=7anBeCjiXY8%7ceq>

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Comments

This location is a not suitable location for this activity. There are not enough toilets facilities or rubbish bins. it is prominent area and this will create a shanty town image and affect the local amenities. it will affect the heritage buildings and reduce access to the shops. It will a affect the appeal for this place with paid tourists.

12. 12. Do you have any comments on the areas where freedom camping is prohibited (the areas marked in red in Figure 2)?

Comments

the benefits of providing such facilities need to be assessed and presented to the local community whom will be the most affected by this proposal. Until these benefits are fully understood then the suitable areas such be evaluated.

13. 13. Do you have any further comments on the proposed amendment to the Freedom Camping Bylaw for Lumsden?

Comments

I find it difficult to understand why a larger area is being proposed because it is quite obvious that the existing area is not working at all.

Attached Documents

File
No records to display.

Need Help?**Privacy Statement****Item 7.3 Attachment B**

Southland Traverse - Proposed Cycle Trail

Record No: R/17/9/22530
Author: Dylan Rabbidge, Commercial Lead Roading
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To obtain formal support from the Council to proceed with the application to NZTA for the proposed “Southland Traverse – Heartland Ride” and approve the funding required to install the necessary signage.

Executive Summary

- 2 This report outlines the proposed Heartland Ride trail running from Mossburn down to Invercargill and eventually to Bluff. This report covers the indicative costs and options for this project.

Recommendation

That the Council:

- a) **Receives the report titled “Southland Traverse - Proposed Cycle Trail” dated 9 October 2017.**
- b) **Determines that this matter or decision be recognised 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 NZTA are attempting to establish a connected network of Heartland Rides from one end of the country to the other.**
- e) **Notes that the proposal for a “Southland Traverse” ride utilises existing local roads and State Highways and that signs will be provided by NZTA.**
- f) **Resolves to proceed with the Southland Traverse – Heartland Ride and agrees the signage requirements be funded from the current subsidised roading budget with a maximum cost to SDC of \$10,000.**

Content

Background

- 3 NZTA have approached Southland District Council, Invercargill City Council and Environment Southland with the idea of connecting the Southland region to the network of trails that link New Zealand. The proposed name for this section is "Southland Traverse".
- 4 A workshop was held in Gore earlier in the year with NZTA developing a "potential routes" map (attachment B). This has formed the basis for routes to be investigated.
- 5 NZTA have completed the majority of work to date and have investigated several options, these have been investigated by Johnathan Kennett (NZTA) who has cycled or driven over the proposed routes. The report is include as attachment A. The two options identified (maps are contained in attachment A) in the report cover from Mossburn to Winton;
 - Mossburn to Winton via Avondale Hill
 - Mossburn to Winton via Dipton West
- 6 The proposed option from Mossburn to Winton via Dipton West is preferred for the following reasons:
 - This route will utilise the Around the Mountain Cycle trail for approximately 15km
 - It provides the ability for riders to access Lumsden for food and accommodation
 - For cyclist's heading south from Kingston this is the more logical place to branch off.

Issues

- 7 The major issue is getting cyclists across the greater Southland network safely therefore trying to keep cyclists off State Highway 6. This will provide a designated route for those that want to head south.

The proposed route is to utilise the local roading network with no construction required or improvements beyond additional signs.

Factors to Consider

Legal and Statutory Requirements

- 8 There are no legal implications.

Community Views

- 9 No community views have been sought in this proposal. It is reasonable to expect, however, that a sizeable section of the community would support the implementation of a low cost option such as that proposed.

Costs and Funding

- 10 NZTA are going to supply all of the required signs with SDC's contribution being the installation of these. The total cost is difficult to estimate accurately at this time but it is expected to be between \$10k and \$20k. This is the total cost with the cost to the SDC being less than \$10K.

Policy Implications

- 11 Council's Procurement Policy and NZTA Procurement Strategy detail the requirements for procuring work of this nature and value.

Analysis

Options Considered

- 12 Proceed with the NZTA application and upon approval install the signs (Mosburn to Winton via Avondale Hill).
- 13 Proceed with the NZTA application and upon approval install the signs (Mosburn to Winton via Dipton West).
- 14 Do nothing.

Analysis of Options

Option 1 – Mosburn to Winton via Avondale Hill.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• The attractions of Castle Downs Swamp and the views of Southland from Avondale Hill.• This would still provide a designated route for cyclists.	<ul style="list-style-type: none">• Would meet the criteria of a Grade 4 (Advanced) or 5 (Expert)• A large detour for those wanting to head south from Kingston• Less of the ATMCT utilised if heading south from Mosburn• Harder for cyclists to access Lumsden.

Option 2 – Mossburn to Winton via Dipton West.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • A small detour for those wanting to head south from Kingston. • More of the ATMCT utilised if heading south from Mossburn • A small detour for those wanting to reach Lumsden • This would still provide a designated route for cyclists • Grade 4 all but 1KM meets the criteria for Grade 3 with NZTA to investigate treatments for this section • This would still provide a designated route for cyclists. 	<ul style="list-style-type: none"> • Miss the attractions of Castle Downs Swamp and the views of Southland from Avondale Hill.

Option 3 – Do nothing.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Save financially (\$10K). 	<ul style="list-style-type: none"> • Potentially miss out on additional tourists • No designated route for cyclists • Southland not linked into the New Zealand cycle trails.

Assessment of Significance

- 15 The proposed Southland Traverse – Heartland Ride project is not of significance as per Council's Significance Policy.

Recommended Option

- 16 The recommended option is Option 2 as this will provide the greater use of the Around the Mountain Cycle Trail and provide greater access to Lumsden. With the ability to improve the 1KM that is grade 4 this option could meet the criteria for grade 3 therefore attract additional riders who are not confident of the higher grade rides.

Next Steps

- 17 Complete the application to NZTA and upon approval install the signs required.

Attachments

- A Options for Heartland Ride from Mossburn to Bluff (separately enclosed) ➡
B NZCN2 - Existing and Planned to 2022 v03 (2) (separately enclosed) ➡

Lumsden Emergency Service Centre Land

Record No: R/17/9/22941

Author: Kevin McNaught, Strategic Manager Property

Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To consider a request from the Lumsden Emergency Services Centre to obtain additional land from Council to allow for the construction a new shed as well as creating additional training space.

Executive Summary

- 2 In 1989 the former railway land in Lumsden owned by Council was subdivided and part defined as the site for the Lumsden Emergency Services Centre. The site is currently owned by the Fire Service, Police and St John.
- 3 Recently, a request was received from the NZ Fire Service on behalf of the Emergency Services Centre for an additional 22m of land west of the existing buildings as the site for a new shed and additional training space.
- 4 The Lumsden Community Development Area Subcommittee at its meeting on 14 August recommended that the land be transferred to the owners of the Lumsden Emergency Services Centre.

Recommendation

That the Council:

- a) **Receives the report titled “Lumsden Emergency Service Centre Land” dated 9 October 2017.**
- 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) **Agrees in principle with the request, subject to consultation, to transfer 880 square metres of land adjoining the Lumsden Emergency Services Centre on Elbow Lane being part of Part Lot 4 DP 12125 to the owners of the Lumsden Emergency Services Centre for \$1.00 on the basis that the applicants pay all costs associated with the subdivision and transfer.**
- e) **Requires that prior to any transfer, consultation be undertaken on the proposal to comply with the requirements in Section 138 of the Local Government Act 2002 and that any submissions against or objections to the transfer be referred to Council for consideration.**

Content

Background

- 5 In 1989 the former railway land in the centre of Lumsden owned by Council, was subdivided and part defined as the site for the Lumsden Emergency Services Centre. The site was subsequently transferred from Council and is currently owned by the Fire Service, Police and St John.
- 6 Recently, a request was received from the NZ Fire Service on behalf of the Emergency Services Centre for an additional 22m of land west of the existing buildings as the site for a new shed and additional training space. See attachment to the report.

Issues

- 7 There are no issues identified at this stage however Lumsden CDA and Council approval is required as well as public consultation and a subdivision consent. Any one of these process may identify any unanticipated issues.

Factors to Consider

Legal and Statutory Requirements

- 8 Compliance with Section 138 of the Local Government Act 2002 is required as this land is held as freehold and is considered to meet the definition of a park. This Section states:

138 Restriction on disposal of parks (by sale or otherwise)

(1) A local authority proposing to sell or otherwise dispose of a park or part of a park must consult on the proposal before it sells or disposes of, or agrees to sell or dispose of, the park or part of the park.

(2) In this section,—

dispose of, in relation to a park, includes the granting of a lease for more than 6 months that has the effect of excluding or substantially interfering with the public's access to the park

park—

(a) means land acquired or used principally for community, recreational, environmental, cultural, or spiritual purposes; but

(b) does not include land that is held as a reserve, or part of a reserve, under the [Reserves Act 1977](#).

Community Views

- 9 The Lumsden Community Development Area Subcommittee at its meeting on 14 August recommended that that land be transferred as requested for \$1.00 on the basis that the applicant pay for all costs associated with the transfer.
- 10 The requirement to consult in Section 138 above, does however mean that in this case a higher level of consultation other than the CDA is required. This includes notification of the proposal to adjacent landowners and also public notification. The recommendations above makes this consultation a condition of transfer, and to be referred back to Council should any submissions or objections be received against the proposal.

Costs and Funding

- 11 The recommendation from the Lumsden CDA subcommittee is a transfer for \$1.00 but subject to the applicants paying all costs.
- 12 An indicative land value based on the current rating valuations is around \$7,000 however the costs to complete the transaction will be in excess of this amount.

Policy Implications

- 13 None identified.

Analysis

Options Considered

- 14 The options are to accept the request with conditions of sale at \$1.00 but all costs to be met by applicant, or decline the request.

Analysis of Options

Option 1 – Accept the request with conditions of sale at \$1.00 but applicant to pay all costs.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Allows the important community facility grow as requested due to demand. Transfer at \$1.00 plus the applicants pay all costs including consent, survey and legal is considered reasonable by not adding undue land value costs onto the Emergency Centres operations 	<ul style="list-style-type: none"> No sale income however costs will exceed assessed land value of \$7k.

Option 2 – Decline the offer

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Non identified 	<ul style="list-style-type: none"> Will place limitations on the valuable community facility to be able to grow due to demand which is likely to disadvantage the Lumsden community and surrounds

Assessment of Significance

- 15 Not considered significant.

Recommended Option

- 16 Option 1 – accept request with conditions of sale for \$1.00 but applicant to pay all costs.

Next Steps

- 17 Advise applicant of decisions and undertake public consultation

Attachments

- A request from Lumsden emergency services for more land [↓](#)

Kevin McNaught

From: Hill, Stephen <Stephen.Hill@fire.org.nz>
Sent: Thursday, 29 June 2017 11:57 a.m.
To: Kevin McNaught
Cc: Adam, Michael; 'Mike Sowman'
Subject: RE: Lumsden Emergency Service Centre - Lumsden

Hi Kevin

Some time ago Rob Scott from our Lumsden Volunteer Fire Brigade spoke to you about extending the boundary of the land behind the Lumsden Fire Station so that the New Zealand Fire Service and local brigade could erect a BA filling facility and garaging for the Lumsden Volunteer Fire Brigades van and rural trailer, it is proposed to build the garage etc behind the current Fire, Police and Ambulance building and carpark.

The land area required is approximately 40.0m x 22.0m (880m² in total area) located between the back of the current station and Diana Street (State Highway 6). This area of land forms part of the larger parcel identified as Lot 1-4 DP 12125 Blk 10 Lumsden Tn.

As you will see on the attached drawing the area of land being sought is not the full distance back to State Highway 6.

There is a strip of land approximately 9.0m wide for road reserve or similar purposes should it be required by the Southland District Council or other authorities. Please note that all distances and areas noted above are subject to a final survey.

I understand that during discussion with Rob that Council taking into consideration the nature of work that the Lumsden Volunteer Fire Brigade and Emergency Services carry out and the fact that they are fundraising for the construction of the garage, if they were to cover the legal costs council may be happy to allow the transfer of the land for a peppercorn amount.

Could you please advise on the best way forward with this please.

Many thanks and regards
Steve

Stephen Hill
Chairperson
Lumsden Emergency Services Centre
Body Corporate

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Item 8.2 Attachment A



LOCATION PLAN
SCALE N.T.S.



LOCATION PLAN
SCALE N.T.S.

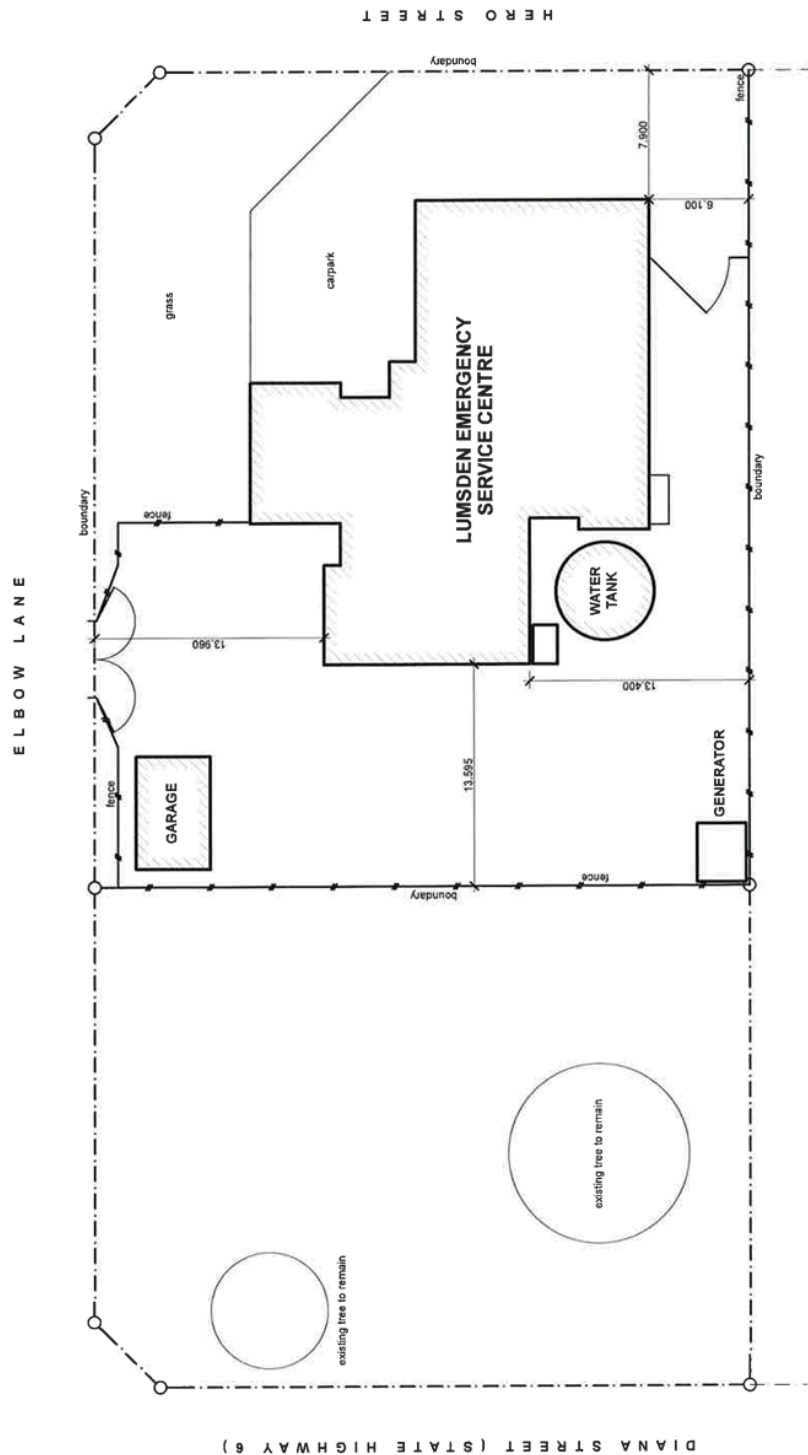
PRELIMINARY ISSUE

02.1

SCALE NOT TO SCALE
DATE MARCH 2017
JOB NUMBER CNTS-1555
PRINT DATE 21/03/2017

PROPOSED NEW BUILDING FOR
LUMSDEN EMERGENCY SERVICES CENTRE





LEGAL DESCRIPTION
 Lumsden Fire Station
 29 Hero Street
 Lumsden
 LOT 3 DP 12125
 Area: 1992m²

EXISTING SITE PLAN
 SCALE 1:250



MIKE SOWMAN DESIGN LTD
 A: PO Box 238 Dunedin
 P: 03 476 1690
 E: msd@msdsgroup.co.nz
 W: www.msdsd.co.nz



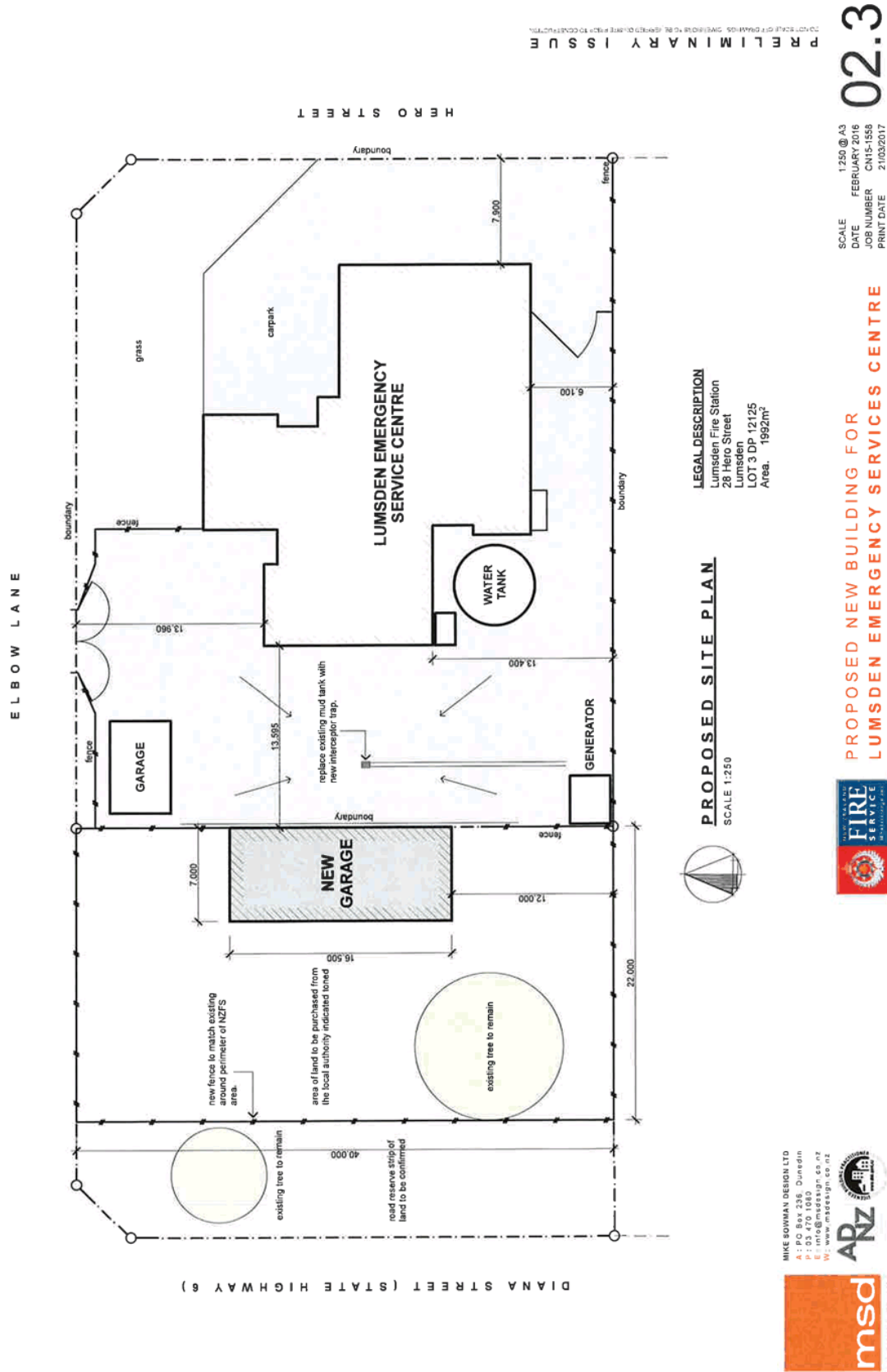
**PROPOSED NEW BUILDING FOR
 LUMSDEN EMERGENCY SERVICES CENTRE**

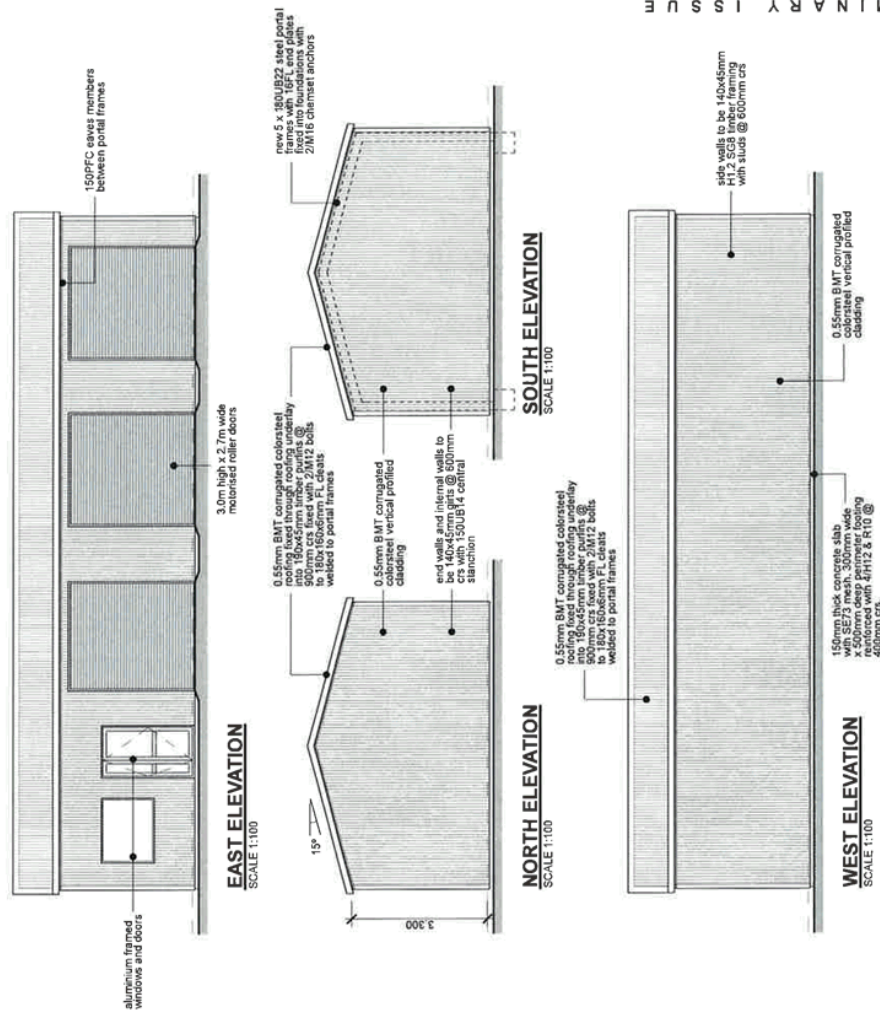
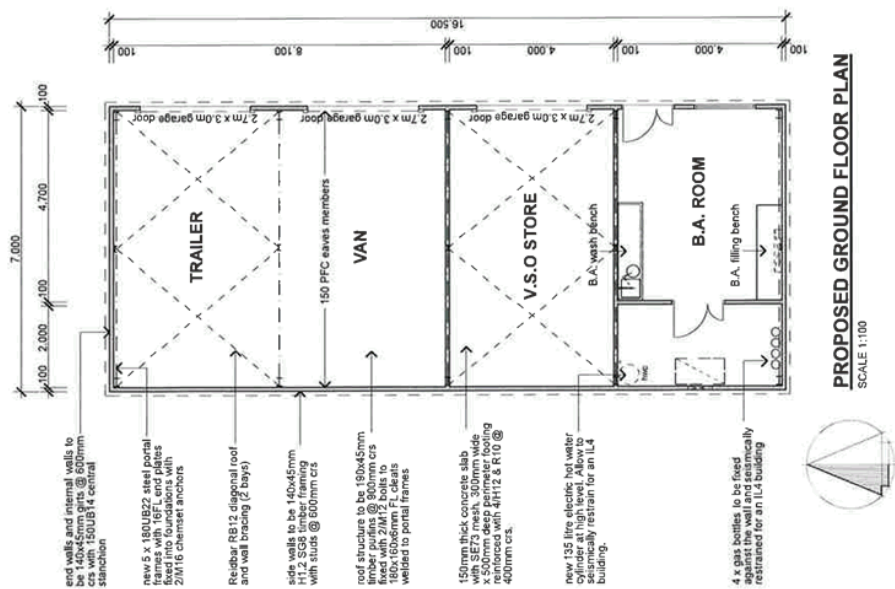
SCALE 1:250 @ A3
 DATE FEBRUARY 2016
 JOB NUMBER CN15-1558
 PRINT DATE 21/03/2017

02.2

PRELIMINARY ISSUE

Item 8.2 Attachment A





PROPOSED NEW BUILDING FOR
LUMSDEN EMERGENCY SERVICES CENTRE

SCALE 1:100 @ A3
DATE FEBRUARY 2016
JOB NUMBER CN15-1558
PRINT DATE 21/02/2017

02.4



Item 8.2 Attachment A

Southland Museum and Art Gallery Annual Report for the Year Ended 30 June 2017

Record No: R/17/9/22575
Author: Bruce Halligan, Group Manager Environmental Services
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

- 1 The Invercargill City Council has supplied the attached Annual Report relating to the operations of the Southland Museum and Art Gallery Trust Board Incorporated (hereafter SMAG) for the 2016/2017 financial year ended 30 June 2017.
- 2 The Annual Report outlines levels of performance and delivery of outcomes in relation to the Outputs and Targets identified in the 2016/2017 SMAG Statement of Intent, and also provides information on financial performance.
- 3 The Trust is incorporated under the Charitable Trusts Act 1957.
- 4 Council appoints two representatives to the Trust in terms of the Trust deed, with these being Crs Macpherson and Patterson in the 2016//2017 period which this Annual Report covers.
- 5 This Annual Report is hence presented for Council's information only; although Crs Macpherson and Patterson may have additional comments which they wish to make when this matter is considered.

Recommendation

That the Council:

- a) **Receives the report titled "Southland Museum and Art Gallery Annual Report for the Year Ended 30 June 2017" dated 3 October 2017.**

Attachments

- A Southland Museum and Art Gallery - Annual Report 2017 [↓](#)

Southland Museum & Art Gallery Trust Board Inc

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017



southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

Southland Museum & Art Gallery Trust Board Inc**TABLE OF CONTENTS**

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Southland Museum & Art Gallery Trust Board Inc**ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2017****Legal name**

Southland Museum & Art Gallery Trust Board (the Trust)

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand

The Trust's purpose

The purpose of the Trust is to ensure prudent administration of the Museum facilities and collections within that facility and to monitor the management contract, which is currently with the Invercargill City Council.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a board of ten trustees who oversee the governance of the Trust.

3 trustee's are appointed by Invercargill City Council

2 trustee's are appointed by Southland District Council

2 trustee's are appointed by trustee's appointed by Invercargill City Council & Southland District Council

1 trustee is appointed by Tangata Whenua

1 trustee is appointed by Friends of the Southland Museum & Art Gallery

1 trustee is appointed by Gore District Council

The current trustees are:

Cr Esler (Chairperson)	<i>Invercargill City Council</i>	
Cr Ludlow	<i>Invercargill City Council</i>	
Cr Biddle	<i>Invercargill City Council</i>	<i>appointed 26 October 2016</i>
Cr Sycamore	<i>Invercargill City Council</i>	<i>resigned 26 October 2016</i>
Cr Macpherson	<i>Southland District Council</i>	
Cr Patterson	<i>Southland District Council</i>	
G Neave	<i>Community Representative</i>	
W Jack	<i>Community Representative</i>	
J Davis	<i>Tangata Whenua</i>	
J Watson	<i>Friends of the Southland Museum & Art Gallery</i>	
Vacant	<i>Gore District Council</i>	

The Trust has a management contract with Invercargill City Council for the operations of the museum facilities

Main source of Trust's cash and resources

Grants received from Southland Regional Heritage Committee and Invercargill City Council are the primary sources of funding to the Trust.

Registered office: 108 Gala Street, P O Box 1012, Invercargill

Postal address: 108 Gala Street, P O Box 1012, Invercargill, Phone (03) 219 9069

Solicitors: Preston Russell Law, 45 Yarrow Street, Invercargill

Bankers: Westpac, 62 Kelvin Street, Invercargill

Auditor: Audit New Zealand on behalf of the Auditor - General

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTPUTS FOR THE YEAR ENDED 30 JUNE 2017**

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

The Collections: A) Caring for Collections - Collections are managed and preserved in accordance with established standards and cultural requirements. B) Developing Collections - The collections are developed & researched to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage.	
2016/17 Outputs	Strategies to achieve Outputs
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	Collection is developed in accordance with collection management policies.
	Collection management policies are reviewed as required
	New acquisitions are considered according to the Collection Management Policy.
	New acquisitions are entered into Vernon CMS (Collection Management System).
	Existing CMS records are to be reviewed and updated in the future when funds are available.
	Collections items to have digital images made in the future when funds are available.
Collections are maintained in optimal conditions for their long term preservation.	Project planned to review, update and verify records on database
	Storage space environment is kept at controlled temperature.
	Storage space environment is kept at controlled humidity.
	Storage space is monitored for infestation by pests, moulds and pollutants.
	Deterioration by light is minimised.
Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.	No irreparable loss or damage is caused to collections or objects on loan.
	Prepare Redevelopment plans for consideration.
	Prepare the collection for shifting when the redevelopment project begins.

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Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTPUTS FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

The Community: To recognise the Museum and Art Gallery as a place where our heritage is valued and promoted by engaging communities, including iwi/Maori, in exploring the culture and heritage of Southland.	
2016/17 Outputs	Strategies to achieve Outputs
Maintain strong relationships with iwi/Maori over issues relating to the collections, exhibitions and tuatara management.	Iwi Liaison Komiti meet four times each year.
Promotion of the Southland Museum and Art Gallery as a quality venue to visit for residents and visitors.	Visitor numbers exceed 200,000 per year
	Promotion of museum attractions and activities by website and Facebook and print media.
	Provide outreach to other museums and related organisations in the region

The Experience: To provide an inspiring, informed and rich programme of exhibitions, events, publications and learning opportunities through access to the collections and telling the Story of Southland.	
2016/17 Outputs	Strategies to achieve Outputs
Development and implementation of an annual visitor experience programme.	3 semi-permanent exhibitions are delivered.
	A minimum of 12 short-term exhibitions, including 8 in the community access gallery, are presented annually.
Development and delivery of inspiring education programmes to school children audiences for the Ministry of Education contract for LEOTC (Learning Experiences Outside the Classroom).	Over 25 new education programmes delivered to 4000 school students each year, including curriculum-linked and exhibition-related programmes.

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2017**

Below are the comparisons of the organisation's actual outcomes against planned outcomes as contained in the Statement of Intent for the 2016 / 2017 financial year.

The Collections: A) Caring for Collections - Collections are managed and preserved in accordance with established standards and cultural requirements. B) Developing Collections - The collections are developed & researched to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage.			
Strategies to achieve Outputs	2016-17 Outcome	2016-17 Target	2015-16 Outcome
Collection is developed and new acquisitions considered in accordance with collection management policies.	Collection policy followed, 152 items acquired	Collection policy followed	Collection policy followed, 824 items acquired
Collection management policies are reviewed as required	kōiwi tangata policy in final review; development of digital access policy	Ongoing review of policies	Koiwi Policy being reviewed
New acquisitions are entered into Vernon CMS (Collection Management System).	10%*	100%	50%*
Existing CMS records are to be reviewed and updated in the future when funds are available.	Stage 1: Full documentation = 1,617 of 74,828 items completed	71,650 to do, 1.2M likely	72,276 to do, 1.2M likely
Collections items to have digital images made in the future when funds are available.	Stage 3: Pack & photograph for collections online = 150 of 74,828 items	71,650 to do, 1.2M likely	72,276 to do, 1.2M likely
Project planned to review, update and verify records on database	\$171k funding increase achieved for the 2017/18 year	Procure \$600k funding increase	\$171k funding increase achieved for the 2016/17 year

* Figures are estimated as the total number of items recorded cannot be determined until all acquisitions are processed.

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Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2017 (continued)****The Collections:**

A) Caring for Collections - Collections are managed and preserved in accordance with established standards and cultural requirements.

B) Developing Collections - The collections are developed & researched to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage.

Strategies to achieve Outputs	2016-17 Outcome	2016-17 Target	2015-16 Outcome
Storage space is kept at controlled temperature.	Within range	Temp: 19°C ± 1°C.	Within range
Storage space is kept at controlled humidity.	Within range	Relative Humidity: 50% ± 5%	Within range
Storage space is monitored for infestation by pests, moulds and pollutants.	Few sightings	Minimum pests, moulds and pollutants found.	Few sightings
Deterioration by light is minimised.	Achieved in collection storage and new displays; work required in old displays	Operation of lights is minimised	LED lights with movement sensors installed
No irreparable loss or damage is caused to collections or objects on loan.	No loss or damage observed	No loss or damage observed	No loss or damage observed

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2017 (continued)**

The Collections: A) Caring for Collections - Collections are managed and preserved in accordance with established standards and cultural requirements. B) Developing Collections - The collections are developed & researched to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage.			
Strategies to achieve Outputs	2016-17 Outcome	2016-17 Target	2015-16 Outcome
Prepare Redevelopment plans for consideration.	Plans to be reconsidered when SoRDS* projects feasibility reports received.	Developed Concept report completed.	Plans on hold until SoRDS* project proposal considered.
Prepare the collection for shifting when the redevelopment project begins.	\$170k added to operational budget. Stage 2 rehoused For transport / Long term storage = 941 of 74,828 items	Reports & fund application for re-catalogue of collection.	\$170k added to operational budget
Museum Redevelopment: The Southland Museum & Art Gallery Trust Board (SMAG) has resolved to carry out a redevelopment of the museum buildings that will provide the space and facilities needed to house the museum's main attractions. A "Developed Concept" report has been written for a redevelopment at the existing site at Queens Park. Subsequently a project called the Southland Regional Development Strategy (SoRDS) has been inaugurated to increase the population of Southland. One strand of the strategy is to investigate the liveliness and attractiveness of the CBD of Invercargill. SMAG is working collaboratively with the CBD art centre project to investigate the possibility of shifting some of the arts component of the museum to the CBD. SMAG will reconsider its' redevelopment plans once the CBD art centre project report is received in 2017/18.			

* SoRDS = Southland Regional Development Strategy Group

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017****OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2017 (continued)****The Community:**

To recognise the Museum and Art Gallery as a place where our heritage is valued and promoted by engaging communities, including iwi/Maori, in exploring the culture and heritage of Southland.

Strategies to achieve Outputs	2016-17 Outcome	2016-17 Target	2015-16 Outcome
Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meet four times / year.	3 meetings (1 meeting delayed for health reasons)	4 meetings	4 meetings
Visitor numbers exceed 200,000/annum.	232,580	200,000	248,463
Promotion of museum attractions and activities by website and Facebook and print media.	99 print media	No target	157 print media
	151 F'book posts	No target	162 F'book posts
Provide outreach to other museums and related organisations in the region	325 hrs	No target	251 hrs

The Experience:

To provide an inspiring, informed and rich programme of exhibitions, events, publications and learning opportunities through access to the collections and telling the Story of Southland.

Strategies to achieve Outputs	2016-17 Outcome	2016-17 Target	2015-16 Outcome
3 semi-permanent exhibitions are delivered.	3 Semi-permanent	3 Semi-permanent	6 Semi-permanent
A minimum of 6 short-term exhibitions, including 4 in the community access gallery, are presented annually.	5 Main	2 Main	5 Main
	8 Comm. Gallery	4 Comm. Gallery	8 Comm. Gallery
Over 25 new education programmes delivered to 4000 school students each year, including curriculum-linked and exhibition-related programmes.	48 schools	25 schools	64 schools
	3,913 pupils	4,000 pupils	4,652 pupils

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Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017**

	<i>Note</i>	2017 \$	2016 \$
Revenue			
Grants and donations revenue	1	1,748,438	1,796,105
Interest revenue		6,477	4,237
Revenue from providing services	2	16,000	16,000
Total Revenue		1,770,915	1,816,342
Expenses			
Cost of providing services	3	2,022,032	1,554,114
Depreciation of property, plant, and equipment	4	72,709	75,271
Audit fees		7,223	7,117
Total Expenses		2,101,964	1,636,502
Total Surplus / (Deficit)		(331,049)	179,840

Item 8.3 Attachment A

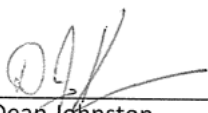
The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	<i>Note</i>	2017 \$	2016 \$
Assets			
<i>Current assets</i>			
Bank accounts and cash	5	240,112	430,806
Debtors	6	48,096	41,373
Investments	7	205,142	-
Total current assets		493,350	472,179
<i>Non-current assets</i>			
Property, Plant and Equipment	4	2,498,400	2,560,763
Redevelopment Capital Work in Progress		-	280,095
Total Non - current assets		2,498,400	2,840,858
TOTAL ASSETS		2,991,750	3,313,037
Liabilities			
<i>Current Liabilities</i>			
Creditors and accrued expenses	8	17,947	8,185
Unused donations and grants with conditions	9	52,769	52,769
TOTAL LIABILITIES		70,716	60,954
TOTAL ASSETS less TOTAL LIABILITIES		2,921,034	3,252,083
Total Trust Equity			
Accumulated surpluses	10	2,909,765	3,240,814
Reserves	10	11,269	11,269
TOTAL TRUST EQUITY		2,921,034	3,252,083


 Lloyd Esler
CHAIRPERSON

7 September 2017


 Dean Johnston
TREASURER

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017**

	<i>Note</i>	2017 \$	2016 \$
<i>Cash flows from operating activities</i>			
Receipts from grants and donations		1,752,050	1,786,412
Receipts from providing services		16,000	16,000
Interest receipts		6,459	4,237
Payments to suppliers		(1,748,959)	(1,631,020)
GST (net)		(5,060)	(5,456)
Net cash flows from operating activities		20,490	170,172
<i>Cash flows from investing and financing activities</i>			
Payments to acquire property, plant and equipment		(6,042)	(21,714)
Payments to acquire investments		(205,142)	-
Net cash flows from investing and financing activities		(211,184)	(21,714)
Net increase/(decrease) in cash for the year		(190,694)	148,458
Add opening bank balance and cash balance		430,806	282,348
Closing bank accounts and cash balance	5	240,112	430,806

Item 8.3 Attachment A

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

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Southland Museum & Art Gallery Trust Board Inc**STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017**

ACCOUNTING POLICIES APPLIED**BASIS OF PREPARATION**

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard on the basis that the Trust does not have public accountability (as defined) and had total annual expenses of less than \$2 million in the previous reporting period.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the Trust will continue to operate in the foreseeable future.

The Trust is a reporting entity for the purposes of the Charitable Trusts Act 1957 and its financial statements comply with that Act.

The trustees of the Trust do not have the power to amend the financial statements after issue.

The financial statements were authorised for issue by the Trust on 7 September 2017.

GOODS AND SERVICES TAX (GST)

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES**REVENUE****Grants and Donations**

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue

Interest revenue is recognised as it is earned during the year.

Other Revenue

Revenue is measured at the fair value of consideration received.

EXPENDITURE

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred and expensed when the related services has been received.

INCOME TAX

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

DONATED SERVICES

The work of the museum is dependent on the voluntary service of many individuals and organisations. Since these services are not normally purchased by the museum and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

BANK ACCOUNTS AND CASH

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

DEBTORS

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

INVESTMENTS

Investments comprise investments in term deposits. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

CREDITORS AND ACCRUED EXPENSES

Creditors and other payables are measured at the amount owed.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded on the cost basis, less accumulated depreciation and impairment losses. The Trust has elected not to revalue property plant and equipment and record the asset value on the cost basis.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Depreciation

Depreciation has been charged in the Financial Statements on the basis of the useful life. The useful lives and associated depreciation rates have been estimated as follows:

Buildings	2% SL
Fit-out	9 - 40% DV

Exhibits and Collections

The Trust has not recognised significant exhibits and donated assets because the value of these are not readily available. However the direct purchase costs of exhibits and art collections acquired during the year have been capitalised. The collection is valued at \$10,000,000 for insurance purposes.

TIER 2 PBE ACCOUNTING STANDARDS APPLIED

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policy during the period. All accounting policies have been consistently applied throughout the period covered by these financial statements.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017****Item 8.3 Attachment A**

1 GRANTS AND DONATIONS REVENUE	2017 \$	2016 \$
Grant - Invercargill City Council	649,407	634,236
Grant - Southland Regional Heritage Committee	1,090,015	906,121
Bequests received - cash	1,250	251,700
Donations received - cash	7,766	4,048
<i>Total grants and donations revenue</i>	1,748,438	1,796,105

Grants and donation revenue with conditions which have not been recorded as a liability:

Description	Original amount	Not fulfilled
--------------------	----------------------------	--------------------------

Estate C F Broadley - Bequests received - cash	\$37,904	\$37,904
---	-----------------	-----------------

Purpose and nature of the conditions: The bequest requires the trust to spend the funds on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Estate D I Alloo - Bequests received - cash	\$248,400	\$202,671
--	------------------	------------------

Purpose and nature of the conditions: The bequest requires the trust to spend the funds 2/3 on Natural History Gallery and 1/3 on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

2 REVENUE FROM PROVIDING SERVICES	2017 \$	2016 \$
Rental revenue	16,000	16,000
<i>Total revenue from providing services</i>	16,000	16,000

3 COST OF PROVIDING SERVICES	2017 \$	2016 \$
Operating costs	1,515	22,757
Write down of Redevelopment Capital Work in Progress	280,095	-
Management Fee - Invercargill City Council	1,740,422	1,531,357
<i>Total cost of providing services</i>	2,022,032	1,554,114

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

4 PROPERTY, PLANT AND EQUIPMENT	Buildings \$	Art Works \$	Total \$
<i>Carring amount at 1 July 2015</i>	1,823,098	791,222	2,614,320
Additions	16,714	5,000	21,714
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	(75,271)	-	(75,271)
Impairment loss	-	-	-
<i>Carring amount at 30 June 2016</i>	1,764,541	796,222	2,560,763
<i>Carring amount at 1 July 2016</i>	1,764,541	796,222	2,560,763
Additions	10,346	-	10,346
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	(72,709)	-	(72,709)
Impairment loss	-	-	-
<i>Carring amount at 30 June 2017</i>	1,702,178	796,222	2,498,400

The Trust has not recognised exhibits and donated art works because the value of these are not readily available. However the direct purchase costs of exhibits and art collections acquired during the year have been capitalised.

5 BANK ACCOUNTS AND CASH	2017 \$	2016 \$
Westpac Cheque account	26,506	22,800
Westpac Redevelopment Account	139,421	139,088
Bank accounts		
- Bequest	60,165	264,931
- Baird Library	734	785
- Capital acquisition	13,286	3,202
<i>Total cash and cash equivalents</i>	240,112	430,806

Some restrictions exist on the cash reserve funds which are set aside for special purposes at the discretion of the Trustees.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017****Item 8.3 Attachment A**

	<i>Note</i>		
6 DEBTORS		2017	2016
		\$	\$
Donations - Invercargill City Council		4,253	2,400
GST - Inland Revenue		43,824	38,973
Accrued interest - Westpac		19	-
<i>Total Debtors</i>		48,096	41,373
7 INVESTMENTS		2017	2016
		\$	\$
Current portion			
Term deposits (Bequest)		205,142	-
<i>Total investments</i>		205,142	-
8 CREDITORS AND ACCRUED EXPENSES		2017	2016
		\$	\$
Audit fee		7,223	8,185
Invercargill City Council.		5,664	-
Other payables		5,060	-
<i>Total creditors and accrued expenses</i>		17,947	8,185
9 UNUSED DONATIONS AND GRANTS WITH CONDITIONS		2017	2016
		\$	\$
Invercargill City Council - Redevelopment Grant		52,769	52,769
<i>Total unused donations and grants with conditions</i>		52,769	52,769

The grant requires the Trust to spend the funds on the museum redevelopment project and has a "use or return" condition.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017****10 TRUST FUNDS**

	2017	2016
	\$	\$
Accumulated surpluses		
<i>Balance as at 1 July</i>	3,240,814	3,060,974
Total Surplus / (Deficit) for the year	(331,049)	179,840
 <i>Balance at 30 June</i>	 2,909,765	 3,240,814
 Reserves		
<i>Education Service Reserve *</i>	11,269	11,269
 <i>Total trust funds</i>	 2,921,034	 3,252,083

* The Education Service reserve comprises the remains of a grant from the Ministry of Education for the delivery of Curriculum Support Programmes. This grant is for the Learning Experiences Outside The Classroom (LEOTC) program.

11 RELATED PARTY TRANSACTIONS

		2017	2016
		\$	\$
<i>The Trust paid a management fee and other expenses to Invercargill City Council (3 trustees are part of the Invercargill City Council)</i>	Value for year	(1,740,422)	(1,531,357)
	Balance outstanding	58,433	-
<i>The Trust received grants from Invercargill City Council (3 trustees are part of the Invercargill City Council)</i>	Value for year	649,407	634,236
	Balance outstanding	-	-
<i>Invercargill City Council banks donations on the Trusts' behalf which are paid to the Trust twice a year (3 trustees are part of the Invercargill City Council)</i>	Value for year	7,766	4,048
	Balance outstanding	4,253	2,400
<i>The Trust received grants from Southland Regional Heritage Committee (2 trustees are members of the Southland Regional Heritage Committee)</i>	Value for year	1,090,015	906,121
	Balance outstanding	-	-

The Southland Museum & Art Gallery is an entity dependent on local authority funding for ongoing operations. The Trust leases the land for the museum site from the Invercargill City Council for less than normal business rates.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

12 COMMITMENTS

There are no capital or operating commitments at 30 June 2017 (2016: Nil).

13 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2017 (30 June 2016: nil).

14 POST BALANCE DATE EVENTS

There have been no significant events between year end and the signing of the Financial Statements.

Independent Auditor's Report

To the readers of Southland Museum and Art Gallery Trust Board's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Southland Museum and Art Gallery Trust Board (the Trust). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 19, that comprise the statement of financial position as at 30 June 2017, the statement of financial performance, the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 4 to 9.

In our opinion:

- the financial statements of the Trust on pages 10 to 19:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector) Standard.
- the performance information of the Trust on pages 4 to 9 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2017

Our audit was completed on 7 September 2017. This is the date at which our opinion is expressed.

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

Basis for opinion

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

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

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

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

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

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

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

The Board's responsibilities arise from the Local Government Act 2002 and the Southland Museum and Art Gallery Trust Deed.

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Independence

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

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



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

Management Report

Record No: R/17/9/22740
Author: Steve Ruru, Chief Executive
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

Chief Executive

Southland Regional Development Strategy (SoRDS)

- 1 At the beginning of September the four Southland Councils released the statement of proposal relating to the formation of a council controlled organisation (CCO), to lead regional development activity. Submissions closed on Monday, 2 October.
- 2 The submissions received will be heard by a Joint Committee, consisting of two Councillors from each of the four Southland Councils. Cr Dillon and Cr McPherson are representing this Council on the Committee. The Committee is being chaired by Cr Bolger from Gore.
- 3 Once the hearings process has been completed, the Joint Committee will prepare a report (and recommendations) which will go to the four individual Councils for a decision, on whether to proceed with the formation of a CCO as currently proposed or an alternative option.
- 4 During September, there was some publicity, including an article in the Southland Express by Mayor Shadbolt, which suggested that the Gore and Southland District Councils have predetermined the outcome of the consultation process by giving notice of their exit from Venture Southland. This is not the case.
- 5 Throughout the process of developing the Southland Regional Development Strategy over the last two years and during the more recent discussions, about how regional development activity might best be managed in the future, this Council has confirmed its commitment to the principles which have underpinned SoRDS to date. These include the need to have an inclusive 'whole of region' approach to regional development activity, rather than having it being very much focussed on territorial local government as it is at present.
- 6 The fact that it is proposed that there be a level of change, and the development of a CCO is the current proposal which is out for consultation, means that there will need to be changes made to the current Venture Southland Agreement 2014 - 2017. Indeed the formation of a CCO as currently proposed means that the current agreement will need to be terminated. Clause 4.1 of the Agreement requires that the parties must give each other 18 months' notice of any proposed termination.

Water Policy

- 7 Water policy and its management continues to be a high profile and topical issue. The broader public and political interest in the issues relating to the way it is managed was a prominent issue during the recent national elections.

Item 8.4

- 8 The high level of public interest in the issue is expected to see it remain high on the agenda for the new Government once it is formed. In coming months, the Stage Two report from the Havelock North Water Inquiry, which is focussing on how water is managed across the sector, will be released and the central Government Inquiry work will also be progressed.
- 9 Given the significant level of national interest in this area, Local Government New Zealand have a Water 2050 project underway which is looking at how you might develop a more coherent policy framework that:
- 10 • recognises the interlinked nature of all water policy.
- 11 • leads to greater integration of policy, in particular reconciling the setting of standards with the costs to communities of achieving those standards.
- 12 • identifies a suitable institutional framework to govern water policy.
- 13 While we need to wait for the new Government to be formed before final decisions are made, it can be expected that this will be an area of change in the next two years, irrespective of what shape the Government takes. It is likely that these changes will affect both central and local government.
- 14 Council staff will continue to keep a watching brief on developments and will continue to advocate on behalf of Council, to both Local Government New Zealand and Water New Zealand

Asset Management Practices

- 15 The Office of the Auditor General (OAG) has recently published a report on Investment and Asset Management across the broader public sector including local government. A copy of the report is available on the OAG website (www.oag.govt.nz).
- 16 Key findings in the report that are of relevance to local government include:
- 17 • that to make good investment decisions, there needs to be effective engagement with the people receiving the services, about the service levels they expect and the affordability of those expectations. The issues relating to affordability of overall rating levels and prioritisation across different activities and the district as a whole, are important issues for Southland District Council as we work through the current Long Term Plan but, also broadly at achievement of our overall strategic goals.
- 18 • there is a need for public entities to work co-operatively with other entities, where it is sensible to do so, to address the challenges and opportunities that can affect investment and asset management. The relationship that Southland District Council has with agencies such as New Zealand Transport Agency, Department of Conservation and the other public funded entities is critical, to being able to deliver the best, overall value for the district as a whole.
- 19 • there is significant evidence that public entities are not managing their physical assets as well as they should be, including indications that some physical assets risk being “run down”, particularly in the health and local government sectors. The OAG has proffered

the view for some time that there is potentially a significant ‘infrastructure deficit’ developing across the local government sector and that there is a need for solutions to be found to this issue.

- 20 • there is a need for better information about the condition and performance of assets, to assist with improved asset management and performance assessment and then enable appropriate decisions to be made about asset maintenance, renewal and replacement to optimise the delivery of public services. Without good reporting and information about assets, governors cannot make deliberate and informed decisions, about how to invest in and manage the assets.
- 21 • there is a need to understand the risks associated with the management of assets and delivery of services. These include significant events such as the global financial crisis, natural hazards, extreme weather and changing levels of demand brought about by trends such as population aging, population decline increasing urbanisation and the risks presented by historical investment choices.

LGNZ Roadshow

- 22 At the Local Government New Zealand conference in Auckland in July a new president and vice president were elected following the retirement of Laurence Yule.
- 23 The new president, Dave Cull and chief executive, Malcolm Alexander will be visiting all local authorities over the next few months. The visit to this Council has been set down for 13 November.
- 24 The visit provides an opportunity for Council to meet with members of the Local Government New Zealand Council and Executive, to discuss national and local priorities and issues which are of interest to the development of Southland and the sector more generally.

Conflicts of Interest

- 25 There have been a number of elected member conflict of interest issues in recent months. While officers have a role to raise and provide advice on potential conflict of interest issues, it is important to recognise that the primary responsibility rests with the elected member themselves.
- 26 Issues relating to the management of matters in which members of a local authority may have a pecuniary interest are dealt with through the Local Authorities (Members Interests) Act 1968 (the Act). Section 6(1) of the Act reads:

A member of a local authority or of a committee thereof shall not vote on or take part in the discussion of any matter before the governing body of that local authority or before that committee in which he has, directly or indirectly, any pecuniary interest, other than an interest in common with the public.

- 27 The Act does not define “pecuniary interest”. The Office of the Controller and Auditor-General¹ (OAG) uses, however, the following definition:

¹ Guidance for members of local authorities about the law on conflicts of interest, Office of the Controller and Auditor-General, October 2010.

whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned.

- 28 It is also important to recognise that pecuniary conflicts do not necessarily require a direct contractual relationship between the elected member and the Council. Even where the benefits are indirect (eg the decision would benefit the local industry in which the member operates), it is possible that elected members can have a pecuniary conflict.
- 29 Elected members also need to be mindful of non-pecuniary benefits including where, for example, they might be involved with the executive committee of a voluntary organisation that has a relationship (eg receives grants) with Council.

Golden Bay Wharf

- 30 Negotiations have commenced with Southport and Rakiura Adventures Ltd, over the future ownership and management of the Golden Bay Wharf. These negotiations may take some time to reach resolution.
- 31 In parallel with the negotiation process officers are also giving consideration to how they might advance work to manage the development of a new facility for Golden Bay. Given the need to advance the replacement of both the Golden Bay and Ulva Island facilities within a similar timeframe it makes sense to create one project team to lead both pieces of work.

Customer Support

- 32 September saw Megan Wilson, Librarian/Customer Support Partner recognised as the Association of Local Government Information Management (ALGIM) conference as Customer Service Individual of the year. This award is due to the work Megan has completed above and beyond her role, for our customers in Riverton and the district as a whole.
- 33 Customer foot traffic across our sites declined in August and September which reflects our rural communities focusing on a busier time in the season. Call volumes have also reduced in line with the peak that occurred with dog registrations in July.

Libraries

- 34 Work continues on implementation of recommendations from the section 17A, Local Government Act 2002 review of Library Services. Visits to libraries in Waitaki, Dunedin, South Canterbury, Wanaka and Central Otago have given the team insight into the advantages and worked needed to proceed with the Radio Frequency Identification (RFID) of our collection.
- 35 Stewart Island Library has seen over 90% of borrowers using the self-service issuing machine and we are investigating the potential to offer 24/7 access to the library for borrowers; this is at a concept stage at present.

Services and Assets

Long Term Plan

- 36 All Activity Managers are working on updates to their activity plans. The financial elements of these plans feed into the ten year financial budgets for the Long Term Plan (LTP). Activity Managers have to consider what issues will significantly affect how their activity will be managed

over the LTP period. The condition of assets and the predicted performance of those assets also dictates what maintenance and renewals are to be planned for over the period. The key performance indicators in these plans are also being critically reviewed as part of the Corporate Performance Framework. The intent is to only have useful meaningful performance measures.

Strategic Transport

37 The Transport team has had a particularly busy period of months with a number of major contracts needing to be developed, tendered and let. These include:

- 38 • Three Alliance Maintenance Contracts
- 39 • Catlins Seal Extension project
- 40 • District Wide Reseals Renewals
- 41 • Professional Services Contract
- 42 • District Wide Pavement Marking contracts

43 It is very unusual for all of these contracts needing to be renewed in such a short timeframe.

Te Anau Airport - Manapouri

44 The summer season began in September. There is an indication of increased activity from Tauck tours during the upcoming summer season which is positive for the airport surrounding communities.

45 Work is also progressing with the Civil Aviation Authority Adventure Aviation department as to where the best and safest options for a Parachute Landing Area (PLA) would be on the airfield. Now that Part 115 (Adventure Aviation) has been running for the last five years, further consideration needs to account for additional regulatory planning. Discussions are underway with a skydive operation at the airfield. This is a long way through the process and looks likely to happen later in the summer season.

46 As part of the preventative maintenance programme for the runway surface discussions are underway with a crack and seal maintenance company that carries out nationwide condition maintenance. This can be carried out in stages to spread the cost and get the best out of the current runway overlay. Council is currently awaiting a final report and costing from the contractor and will possibly extend our anticipated current life span of the present overlay.

47 Over the winter period, some of the operational staff attended a joint airfield emergency exercise in Invercargill, where a simulated aircraft crash occurred with an Air New Zealand Q300 aircraft. This aircraft is of a similar type to the aircraft operated by Alliance Airlines of Australia.

48 A recent internal audit identified further security signage was required, to bring the fencing and public protection areas up to the new standard.

Forestry (IFS)

49 The carryover of the 2016/17 harvesting in Dipton and Ohai has now been completed, with 9,500 tonnes (\$1M income) achieved. The main 2017/18 harvest program of 44,000 tonnes will commence in December/January.

- 50 The planting program has been completed with 75 Ha completed in Dipton and Ohai. Aerial post-plant spraying of these areas is being planned. Other operations underway include pruning in Gowan Hills and carbon measurement across the Post89 registered areas.

Strategic Property

Community Centres

- 51 Edendale Hall is still on the market for disposal by way of a fixed price, given that only one tender was received, which was significantly lower than the market analysis. There is still only limited interest. No action has been taken as yet on the disposal of the Hokonui Hall. Menzies Ferry is in a similar situation however, work has been completed to survey out the local war memorial to be retained by Council, and the two new titles are being arranged prior to starting the local community consultation about closing the hall.

Public Conveniences

- 52 Predominantly, business as usual when it comes to operations, however it is expected that the operating costs for those toilets situated on the main tourist routes will increase in line with the increase in tourist numbers.
- 53 A project is currently underway to erect new signage at those facilities where the water supplies are non-potable. This is simple to reduce any risk to both the users and Council.

Curio Bay Project

- 54 Ongoing with Council's waste water project and Department of Conservation's carpark completed. The South Catlins Trust has the new camping amenities building operational as well as commencing construction on the new heritage building. An ancillary project has resulted from all this development and the three parties in conjunction with other interest groups, are involved in a planting programme on the reserve to increase the habitat for the Yellow Eyed Penguins.

Strategic Water and Waste

Te Anau Wastewater Discharge Project

- 55 Following on from the May meeting, work was completed to identify a list of criteria that any potentially available alternative land disposal sites, could be evaluated against. The criteria take into consideration factors such as ground conditions, soil type and suitability for irrigation as well as separation distances from water courses and other sensitive receptors.
- 56 The criteria were publicly advertised for those who wish to offer any land they believe meets these criteria and are willing to sell to Council. The expressions of interest received are currently being evaluated.
- 57 Work has also been progressed with development of the business case for the Kepler proposal for which Council already has consent. Council also approved the key criteria within which the business case is being developed at its 16 should be developed at its 27 September meeting.

- 58 A draft of key parts of the business case will be presented to the Te Anau Wastewater Project Committee at a meeting on 17 October for comment. A revised draft will then be presented to Council in November with the target of a final version being presented in December.

Land and Water Plan Implementation

- 59 Under the National Policy Statement for Freshwater Management (NPS-FM) water quality and quantity are to be maintained and improved, with any over allocation to be phased out over time. Environment Southland is required to set environmental limits by 2025, with all 'communities' required to meet those limits in due course. They are progressing this work via their proposed Water and Land Plan.
- 60 To assist with addressing the impacts of these changes on local authority infrastructure, Environment Southland have formed a Three Waters Officer Working Group. The objectives of the Group are to work through the implications of the new freshwater standards, develop an agreed approach to the re-consenting of local authority infrastructure and ensure that the organisational objectives are aligned.
- 61 In early September the three Southland territorial local authorities presented joint submissions to Environment Southland on the notified Southland Water and Land plan. A key of focus was on advocating for changes, which ensure that the valuable role that 3 waters infrastructure plays, in the broader well-being of urban communities is recognised in an appropriate way. The notified plan proposed, for example, that all wastewater and stormwater discharges would be a non-complying activity. This creates a significant level of risk and additional cost to territorial local authorities, when seeking resource consents for such discharges.
- 62 It is expected that the decisions will be released in April/May 2018. Officers will continue to monitor the outcomes from this process.

Fluoridation of Drinking Water

- 63 Council recently received an update from the Ministry of Health around the status of the Health (Fluoridation) Amendment Bill which may receive a second reading before parliament later this year. This Bill will transfer the right for decisions on community fluoridation from Councils to the District Health Boards.
- 64 A fund of \$30 million over ten years, will be established to fund any communities directed to Fluoridate. Although there is no indication that any request or direction will be made, Council staff are looking into what upgrades might mean for our community water supplies.

Water New Zealand Conference

- 65 A number of Council staff attended the Water New Zealand annual conference in Hamilton in September. As expected issues around water safety formed a large part of the conference agenda.
- 66 A workshop held prior to the conference, featured international guest speakers with direct experience in management and investigation of waterborne illness outbreaks. Key messages delivered were that multi barrier treatment processes are vital to reduce the risk of contamination as much as protection of the source water. A significant number of the speakers also indicated that chlorination of drinking water was a safe and effective tool in the provision of safe drinking water and there was some discussion around how this may become a requirement of the Havelock North Inquiry.

Operations and Community Services

- 67 Reseal sites will meet target of 75% released by 1 October 2017, for all three Alliance contracts. Reseals - Seal Design Meetings for each Alliance contract are scheduled to start the last week of September.

Strategic Roding

Alternative Coastal Route Seal Extension Project

- 68 This project is tracking on schedule with good progress being made. Earthworks and drainage are now complete on Slope Point Road, and The Roding Company have now started these works on Otara Haldane Road, with around 30% of this section completed to date.
- 69 While earthworks are underway on this latest section, Slope Point Road is now undergoing pavement construction, in preparation for sealing that is planned later this year.
- 70 There was one health and safety issue report resulting in lost time injury. This occurred when a worker slipped and injured their leg while climbing out of a truck.

District-Wide Resurfacing Contract

- 71 A seal treatment selection workshop has been held with Downer to agree on seal treatments for the Eastern Area. A workshop will be held on 6 October, to agree seal treatments for the Western Area site.

New Zealand Transport Agency (NZTA) Investment Procedural Audit

- 72 The finalised Audit was received from NZTA at the end of September. No areas were identified as unsatisfactory or needing significant improvement. Two areas have been highlighted for some improvement. These are around consistency of late tender's policy in tender proposals. The second area revolved around procurement of in-house professional services and Council's need to document the formal management structure for in-house operation.

Roding Professional Engineering Services

- 73 OPUS have officially taken over the Core Services contract as of 1 October.
- 74 Stantec have been awarded the professional services contract for structural services. This was formally approved by Services and Assets at the meeting on 27 September. As Stantec were the previous provider for this service, continuity of business is expected.

LED Streetlight Replacement Programme

- 75 Services and Assets have accepted a tender from Network Electrical Servicing and have been awarded the contract for the physical installation of district LED lights subject to formal New Zealand Transport Agency funding approval. All replacement work is expected to be completed by 30 June 2018.

Pavement Marking Programme

- 76 Downer have been awarded a three year contract, for the pavement marking all of the district roads. The service along with road signs will be managed in-house by Stephen Arthur, who officially is taking over the management of these from 1 October.

Community and Futures

Southland District Story Launch

- 77 The new Southland District Story was successfully launched on Monday, 2 October to the public. All the Council offices and libraries have new signage, and there are new 'Welcome to Southland District' signs at district boundaries.
- 78 There was good coverage of the launch in all the local newspapers and good feedback on Council's Facebook page. The formal launch represents the beginning of the story though, as work continues on standardisation of signage, working with our contractors to tell the story and constantly looking at new ways to partner with our communities in leading the way.

2018-2028 Long Term Plan (LTP)

- 79 Work on the 2018-2028 LTP is coming together with a lot of work progressed around draft Activity Management Plans (AMPs), budgets and policies which will underpin the LTP document.
- 80 During September Council held two workshops to discuss a number of aspects of the LTP including:
- 81 • draft AMPs for several activities including Roading and Footpaths, Resource Management, Environmental Health, Animal Control, Building Control, Customer Support, Library Services and Information Management. The workshop provided an opportunity for officers to update elected members, on what they were anticipating would be required over the ten years in their activity areas and also, brief them on the key issues and significant costs for the activity. The feedback from these workshops will be used by officers to finalise the AMPs in October (following local Community Board/ Community Development Area Subcommittee budget meetings and Council's district budget meeting). The final draft of the AMPs are expected to be presented to Council for confirmation in November prior to being audited later that month.
- 82 • the approach being taken for the local community budgets with meetings of Community Boards, CDA subcommittees and Water Supply subcommittees scheduled throughout October 2017. The Council discussed some of the key issues impacting on local budgets and rates, in particular the impact of the Land and Water plan for Stormwater as well as the assumptions around inflation and interest rates to be used in the budget preparation process. The Council also discussed a number of local community rating-related issues which impact the way rates are set in the LTP (including rating boundaries, rating mechanisms and the Council's definition of Separately Used or Inhabited Parts (SUIPs)). The information is being used to help prepare reports for local Community Boards and CDA subcommittees and feed into the review of the Revenue and Financing Policy and the Funding Impact Statement (Rates) for the 2018-28 Long Term Plan.

- 83 • draft report reviewing Council's open spaces (parks, reserves, playgrounds, picnic/rest areas, playgrounds, playing fields etc) across the District. The review identified a gap between the Vision and Objectives set by the Council's Open Space Strategy and the current state of these spaces. At the workshop the Council discussed whether there was a need to take a more strategic approach to managing open spaces but has not decided on the way in which this will be done. Officers are currently working through the report and assessing what will be done and when. Depending on priorities, some of this work may form part of the LTP Consultation Document along with the overall concept of Council needing to make a significant investment in its open spaces.
- 84 • the approach being taken for the review of the Development and Financial Contributions Policy (which sets out how and when Council proposes to charge/use Development and Financial contributions, what they fund and why). At the workshop officers updated elected members on the key issues to be considered in reviewing the policy ahead of the LTP. Specific areas for review included how to respond to the legislative changes in the RMA which will mean that Council is no longer able to impose Financial Contributions as well as whether the Development Contributions section of the policy should remain in remission. A draft of the Policy is being prepared for consideration at the Council's October meeting.
- 85 At its meetings in the coming months, Council will be asked to consider the options and make decisions regarding the above aspects of the plan. This will include a further meeting in October, to outline the Council's draft District budgets and update members on the Revenue and Financing Policy (which sets out the sources and levels of funding for Council's activities).
- 86 In addition, during September, a number of LTP-related policies were also adopted by Council following review and consultation. This included the Remission and Postponement of Rates Policy, Investment and Liability Management Policy.

Policy and Bylaw Reviews

- 87 The revised Fraud, Remission and Postponement of Rates, and Investment and Liability Management Policies were all adopted by Council on the 27th of September.
- 88 The proposed amendment to the Dog Control Policy and Dog Control Bylaw for the Arboretum in Otatau was withdrawn by Council at the same meeting in September, due to feedback received from the lessee of the Arboretum.
- 89 The proposed amendment to the Freedom Camping Bylaw for Lumsden has been out for consultation and the hearings have been held. Council will deliberate on the proposal at its meeting on the 18th of October.

Community Governance

- 90 The Community and Policy Committee considered a report on the Community Governance Project. During the meeting it was noted that this project began in January 2015, with research and a workshop held with the Council in mid-2015.
- 91 The Elected Representative Working Group met recently and received an update on the project plan. It discussed 12 guiding principles on which the Representation Review will be based. These are in addition to the requirements in the Local Electoral Act 2001. The report noted that

Council has an appetite for change and there is a need for a structure that is efficient, effective and future focused.

- 92 The Council is beginning a period of pre-consultation. An article has appeared in 'First Edition'. This has an email address via which anyone can write in and seek information, ask questions or express their views. The email address is representationreview@southlanddc.govt.nz. The representation review will be the focus of the community conversations taking place throughout the district in November. The pre-consultation will feed into a report to Council in April with an initial proposal that will go out for consultation.
- 93 As part of the Representation Review process the Council has reviewed the electoral system and decided to retain the First Past the Post electoral system to be used for the 2019 elections. It will make a decision on Maori representation on 18 October 2017.

October Extraordinary Community Governance Meeting Requirements

- 94 In order to ensure that information from all the Council's governance entities is captured in a timely manner, for the production of the consultation document for the 2018/2028 Long Term Plan all entities were required to meet in October.
- 95 This meant coming up with a solution that would allow all 36 governance entities to meet in October to consider their budgets for the ten years. This has required a number of groups having parts of their meetings at the same time while still making their own decisions. This was an extraordinary situation that required a particular set of arrangements. It does, however, highlight the challenges associated with Council having such a large number of governance bodies.

Community Leadership Plan

- 96 Council's Community Partnership Leaders are about to commence work with phase two of the Community Leadership Plan process.
- 97 Phase two will see engagement with key stakeholders being undertaken through a series of workshops held in Invercargill, Gore, Te Anau, Wallacetown and Otautau. These workshops will build on phase one of the community leadership planning and draw out common themes and ideas from key stakeholders. The dates for these workshops are as follows;
- 98 • Invercargill - Monday, 6 November 2017, 12 – 2pm at the Invercargill Workingmen's Club
- 99 • Gore - Friday 10 November 2017, 12 – 2pm at the James Cumming Wing
- 100 • Te Anau - Monday 13 November 2017, 12 – 2pm at the Te Anau Club
- 101 • Wallacetown - Friday, 17 November 2017, 12 – 2pm at the Wallacetown Community Centre
- 102 • Otautau – Thursday, 23 November 2017, 12 – 2pm at the Otautau Combined Sports Complex
- 103 Stakeholders will include representatives (regional and local) from a variety of sectors such as health, education, recreation, social service, faith based, service groups, emergency services and central government agencies.

- 104 The phase two workshops will follow a similar direction to the elected members' workshops with participants being advised of the process we are undertaking and being asked the same series of questions in order to gauge what our stakeholders see as the issues and opportunities for the District as a whole.
- 105 Phase three will commence by March 2018 and will see us talking to the wider community about common themes identified during phases one and two. Phase three involves facilitating an opportunity for community leadership and action with partnering from Council and other key stakeholders in a "fete" style engagement.

Stewart Island Community Planning Project

- 106 In August 2017, the Ministry of Business, Innovation and Employment approached Council, to lead a programme of development and consultation around opportunities and planning for the future of Stewart Island. The catalyst behind this was the recent *Bonamia Ostreae* parasite that has devastated oyster production on Stewart Island.
- 107 Cabinet approved funding to deliver this project that will cover the cost of a consultant to develop a community leadership plan that identifies priority project development, and investment planning for future opportunities that might be identified.
- 108 The purpose of the project is to determine the short, medium and long term community vision and for the future sustainability and growth of Stewart Island Rakiura. The project will include engagement on the Island through a community working party, workshops, focus groups, and surveys.
- 109 The engagement will seek, at a minimum, key stakeholder and community views on planning and visions for the economic, social and environmental development of the Island. It will also identify the infrastructure needed to support the achievement of the overall goals. The Community Plan for Stewart Island, will have alignment to the District's Community Leadership Plans currently underway.
- 110 Council has engaged independent consultant Sandra James to undertake this work. Sandra James has recently completed the Stewart Island Wharfing Provision Community Engagement research for Council, and has developed a trusted and respectful relationship with members of the Stewart Island community. A draft Community Planning report will be completed by November 2017.

Southland District Council / Venture Southland Letter of Expectation Projects

- 111 As part of the Southland District Council's Letter of Expectation with Venture Southland, a number of Community Development Priority Projects have been identified for 2017/18. The projects identified include:
- 112 • Southland District Local Community Sustainability Strategic Approach; the project will be completed by February 2018.
- 113 • Newcomers Project – this project, in consultation with Venture Southland, has been modified to now reflect a Welcome Ambassador Pilot, and will have peripheral connection with the Welcoming Communities Pilot being initiated throughout Southland Region. The Pilot will be trialled in Te Anau, where community workers have expressed interest and the geographical isolation and demographic of high tourism and seasonal workers, alongside a

growing domestic and international population base makes the area suitable to investigate further. A Welcome Ambassador project has been successfully undertaken in North Canterbury and this project will utilise some of the resourcing and learnings from that Pilot. Permission has been received from the Pegasus Town community to trial a similar project here in Southland. This project will be completed by June 2018.

- 114 • Community Organisation and Volunteer Sector Projects – there are two projects following on from the initial project undertaken in 2016/17 that will build on this work. There will be two pilot projects, one based on geographical area and the other around areas/communities, both of which will look at the potential for shared services opportunities in the volunteer and Non-Government Organisation (NGO) sector. Both pilots will be completed by June 2018.
- 115 • Community Facilities Project – this has been completed and was reported on to the Community and Policy Committee 27 September meeting. The next steps are to use this data to help inform communities and incorporate the findings into the asset review work that is being undertaken by Council's property department.
- 116 • Community Leadership Plans – an update report was submitted to the Community & Policy Committee 27 September to update on this project. Phase 2 and 3 of this project will be undertaken throughout late 2017 and early-mid 2018, involving key stakeholders and overall community. The district leadership plans will align with the Stewart Island community leadership plan being fast-tracked with assistance from MBIE funding.

Southland District Local Community Development Sustainability Strategic Approach Project

- 117 The purpose of this project is to define, develop and deliver on the concept of a district wide approach to community development, and to review at a strategic level, the prioritisation of projects and local and district community organisation support.
- 118 The project will ultimately confirm a framework for future community development delivery across Southland District, and provide a more holistic approach to local and district wide community development activity.
- 119 This project will involve a series of workshops between community development staff and the community partnership leader(s), and will be completed by early 2018.

Welcome Ambassador Pilot

- 120 The purpose of this project is to develop and deliver a pilot in Te Anau that has a focus of intentional welcoming. The intent behind this project is to have Welcome Ambassadors which are community volunteers who intentionally connect people in their communities, and who may also encourage and enable opportunities for people to feel included and able to connect. The pilot will be developed and run over the course of the next financial year, and will be close to completion by June 2018.
- 121 Welcome Ambassadors have the commitment of intentional welcoming. In rural, geographically isolated communities there can be hidden isolation, often without a conscious choice to be so. The notion of moving to an idyllic rural location can be more difficult and challenging in reality

than people in our communities may realise. Being a welcoming community can significantly enhance the experience of residents, ratepayers, and visitors to the area.

- 122 As a District and Region hoping to attract over 10,000 new people to the Region, it is imperative that we have communities ready and willing to receive and welcome new people into their existing lives.
- 123 The Welcome Ambassador pilot also recognises that many individuals and organisations are already welcoming, and have skills and behaviours relevant to being welcoming that are utilised on a daily basis.
- 124 The purpose of this pilot is to enable and facilitate a project that gives these community members the permission to be intentional in the way they welcome people to their communities. Their role will be to raise awareness of activities and groups already active in the community, and to establish new and creative ways for people to connect into the community.
- 125 The pilot will involve a small number of public meetings to gauge interest and support in this project, and the establishment of a steering group to move the pilot forward.

District Facilities Report

- 126 In November 2016 an assessment of facilities in the Southland District was undertaken to identify those that are available for community use or hire. This assessment sought to inform Council and communities in the Southland District in their planning around community facilities now and into the future.
- 127 Community use facilities were defined as any facilities that were available for use by members of the community, either free of charge or by hire, on a booking basis. That included government, faith-based and not-for-profit run facilities as well as commercial facilities. The project sought to understand the change that have happened in community facility use, what's happening now and what this means for the future.
- 128 The aim of the Southland District Community Facilities Assessment was to conduct a comprehensive investigation of all community facilities within the Southland District, including an assessment of current use, future sustainability, and consideration of fit-for-purpose.
- 129 Information was gathered over two rounds of consultation, using electronic surveys on Survey Monkey with responses from 183 facility managers and 100 facility users. Interviews with 30 community facility managers and 30 facility users were also conducted.
- 130 Some Key Findings of Assessment:
- 131 • 330 facilities are available for community use or hire across the Southland District (excluding Stewart Island) - including halls, sports centres, schools, churches and commercial facilities. Only three planned facilities were identified, and as these facilities have community use or hire as a secondary use, this does not represent a significant increase to community use capacity District-wide.
- 132 • nearly 70% of facilities available for community use or hire in the District are independent from Council (e.g. not-for-profit or commercial).

- 133 • facilities which have community use as secondary to their core business (e.g. pubs, churches etc.) are in the majority and these include some of the most well used facilities in the District. It is likely that these facilities have come to play a larger role in community facility provision as changes in user needs over time favour greater amenity and flexibility, and facilities whose whole purpose is community use (e.g. community halls) have adapted or closed.
- 134 • the largest number of facilities are used by the community between 0-5 hours per week.
- 135 • the most used (in hours of weekly use) facilities tend to have multiple users and provide multi-purpose space; be located in areas of higher population density or central to a wider population catchment; have high fit-for-purpose; and good relationships with facility managers.
- 136 • only 40% of the facilities surveyed were wheelchair accessible and it is significant that this was identified as a stronger priority by users than facility managers.
- 137 • one certainty is that what Southland District residents need from community facilities will continue to evolve. Ongoing efforts to understand these needs is critical to inform future facility provision, and this assessment will contribute to this knowledge.
- 138 The data that has been gathered for this report will provide information for discussions with communities. It will also link into the strategic planning work that the Council's Property Team will be doing.

Open Spaces Report

- 139 The open space network managed by the Council is characterised by predominately small domains reserves primarily established to meet the needs of local communities. Council administers about 1250 hectares of reserves, including 34 sports fields and 36 playgrounds. The aim of the Open Space Priority Settings project undertaken by Xyst consultants was to provide a strategic approach to the management of the open spaces managed by the Council with the focus on ensuring the needs and expectations of residents and visitors are met.
- 140 The Council's Property Department is looking at what it needs to do to implement the Open Space Strategy which Council approved in 2014. The Southland Open Spaces Priority Setting report will be used to inform that work. Its key findings were:
 - 141 • while there have been some notable exceptions, facility development within the open spaces managed by the Council has been modest over the last 30 years despite a sustained period of extraordinary tourism growth.
 - 142 • funding does not appear to have been sufficiently prioritised into the districts open space compared with other similar districts. It is also evident that there is a clear lack of professional design input into the majority of developments and some facility improvement has the appearance of being ad hoc and incremental.
- 143 The key challenges facing the Council in the management and development of its open space are:
 - 144 • providing appropriate community facilities that are fit for purpose and are relevant for the needs of local communities for the future.

Item 8.4

- 145 • determining the best approach to freedom camping for Southland. Freedom camping is likely to continue to be a popular way to experience Southland. There is potential to develop many of the Council's reserves as freedom camping sites however this would come at considerable on-going cost to ratepayers with uncertain economic benefits.
- 146 • funding the development, maintenance and renewal of infrastructure to meet the needs of local communities and visitors
- 147 • a freedom camping strategy is needed otherwise the Council is at risk of developing facilities for freedom camping that cannot be sustained or adequately funded. An appropriate strategy would investigate the economic contribution of freedom camping to townships, costs and benefits and potential funding models including options such as a low cost camping pass.
- 148 • considerable investment in the design and improvement of facilities is required to make Southland's public spaces attractive.
- 149 The Council will now need to consider how it will use the information provided in the Southland Open Spaces Priority Setting Report, to meet the Vision and Objectives of its Open Spaces Strategy 2014. Any decision to improve the level of service will require investment which will need to be signalled in the Long Term Plan.

Risk Management Framework Project Development

- 150 Work is on hold on the development of the project brief and budget for the review of Council's risk management framework until the newly appointed Strategy Development Analyst, joins the Strategy and Policy team. Once on board, a gap analysis will be developed to ensure the project brief is robust and takes into account all aspects of risk and the other related strategic projects within the organisation. A revised timeline will also be developed.

Environmental Services

Overview Comments

- 151 A Te Roopu Taiao hui was held in Gore on 11 September. Key items of interest were that senior management from Te Runanga o Ngai Tahu made a presentation on customary title applications, and there was also a discussion on Maori representation.
- 152 A Group-wide staff update session is scheduled for 6 November, with a particular focus being giving effect to the Southland Story across the team.
- 153 Activity levels have been strong over the winter and early spring period, particularly in the building control area as reported in the departmental reports below.

Resource Management

Proposed District Plan

- 154 The final appeal on the Proposed District Plan 2012 has been withdrawn. This appeal was withdrawn approximately five weeks after mediation was held on the remaining appeals. The

next steps involve seeking Environment Court approval of consent orders, for the resolutions reached during mediation. If this is forthcoming, a report will seek that the Proposed District Plan be made operative which is likely to occur in late January 2018.

Climate Change

- 155 A work stream has been established that looks at the likely effects climate change will have on the district's communities and the organisation's infrastructure. This has been established not only to look at sea level rise but, also the wider effects across the district. A number of meetings have been set up with other organisations, to see if there are any opportunities to collaborate and work together on developing strategies.

Edendale State Highway 1 Realignment

- 156 A recommendation to grant the Edendale State Highway 1 realignment has been made by an Independent Hearings Commissioner. This recommendation has been accepted by New Zealand Transport Agency and the appeal period has closed with no appeals. It is anticipated that works on the realignment will commence in the next 12 months.

Resource Management Changes

- 157 On 18 October, the latest Resource Management Act 1991 amendments will come into effect. The changes introduce a number of new regulations including, 10 day consent processing for some applications, waivers for minor or temporary breaches in rules and a process to get quick authority to breach side yard setbacks. A number of new forms and procedures have been established to manage the implantation of these changes.

Rakiura Heritage Centre

- 158 Resource consent was granted on 25 July, for the Rakiura Heritage Centre on Stewart Island.

Animal Control

Dog Attacks

- 159 The team is doing some work around dog attack information. Currently all reported dog bites are recorded as "attacks". The team proposes to break down this information into a more useful format, e.g. differentiating bites from attacks, identifying whether the victim was a person, dog, etc. This work will also tie into the new Levels of Service outcome measure, where it is proposed to have a Level of Service of the number of dog attacks on people in a public place – moderate and serious.

Dog Safety Workshop

- 160 Southland District Council has organised a dog safety workshop for 9 October, to be hosted at the Civic Theatre. Southland District Council invited the Gore and Invercargill Councils to participate and so it is now a region wide promotion. Officers from a number of organisations including the Southern District Health Board, some posties, and the Ministry for Vulnerable Children will be attending.

Environmental Health

Winton Air Quality

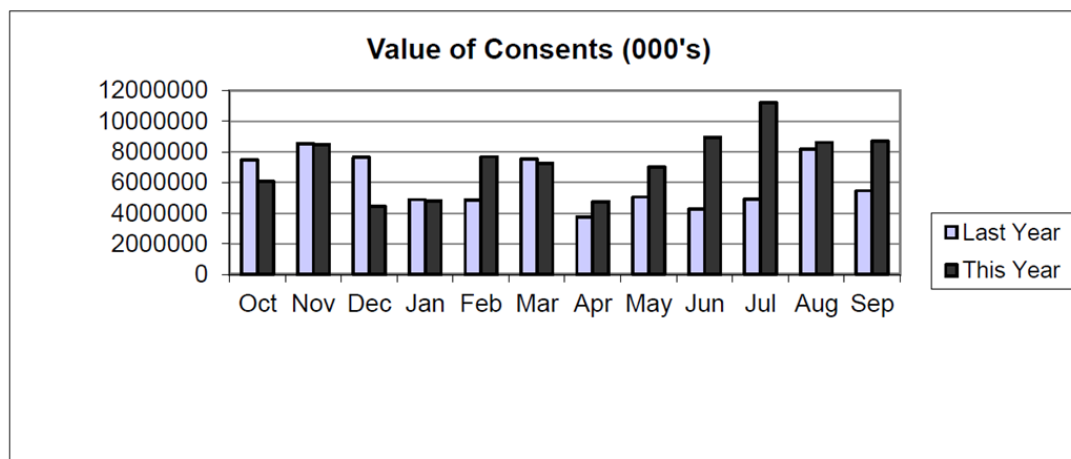
- 161 Council has completed a survey of Winton residents concerning air quality, at the request of the Community Board. 211 responses were received, giving a margin of error of +/- 6%. The survey showed that 73% of the population support action to reduce smoke pollution. The following are the most important issues arising from this survey:
- 162 • the burning of only dry wood (burner permitting) would have a significant effect on smoke pollution in the town.
- 163 • upgrading insulation, or installing new insulation, has the potential to make many homes significantly warmer (and more energy efficient = less smoke).
- 164 • there are hot spots that require attention.
- 165 A further report on this issue will be presented to the Board on 9 October 2017, and it is expected that the Board will request some actions from both ES and SDC.

Freedom Camping in the Catlins

- 166 Staff attended a meeting at the Tokanui Tavern concerning freedom camping. There were various agencies there including Department of Conservation, Clutha District Council, and Venture Southland. One outcome of the meeting was a discussion about the merits of a new shared freedom camping patrol service; similar to the one in Te Anau. Clutha District Council, Department of Conservation and Southland District Council representatives at the meeting, all agreed that this should be explored further, and a meeting will be held between the three officers in early October.

Building Control

- 167 The Building Department is enjoying an unexpected high level of activity so far in 2017. The value of consented building work for the year to date remains higher than expected and is reflective of the levels seen prior to 2014. The Department continues to reduce the number of outstanding building consents. The distribution of building work throughout the district has established a pattern with Winton, Riverton and Te Anau being the areas of high activity. Council continues to receive a high number of building consent applications, but with the better use of dashboards, staff are better able to manage peaks and flows.



Earthquake-prone Buildings

- 168 As required by the 2016 regulations, Building Control staff have drafted new policies to deal with dangerous and insanitary buildings. Council had a joint Earthquake-prone Buildings, Dangerous and Insanitary Building Policy. These need to be separated out now, as there is a national Earthquake-prone Buildings Policy. The new policies have been aligned with the approach taken by Invercargill City Council and Gore District Council. This approach is in line with our shared services policy- where possible Councils will align our procedures across all four Councils. The implementation of the Earthquake-Prone Building Regulations is a substantial portion of Council's Territorial Authority functions for the 2017-2022 years along with the obligations under the Building (Pools) Amendment Act 2016. The recent events in Italy and Mexico highlight how important this work is for the safety of our communities.

People and Capability

- 169 Health and Safety continues to be a focus with work progressing well on the 2016/17 plan. There are five key focus areas including completing the implementation of the Health and Safety Framework, critical risk, health and safety participation, incident management and measuring and monitoring.
- 170 Work continues on managing the identified critical risks. The new risk and management procedure outlines how Council will identify and manage its critical risks, including the development of control plans and assessment against the effectiveness of these controls.
- 171 One of the critical risks is driving. As part of this review a new Motor Vehicle Policy has been adopted for Council staff. The policy has a strong focus on ensuring that health and safety is a predominant factor, including specification of minimum safety requirements for vehicles and postponing or delaying travel in adverse conditions. The aim is to encourage people to be bold and to actively think about their own and others safety and wellbeing, so that we deliver safe and effective services to our community and that everyone gets home safe and well.
- 172 Two new Leaders within the Customer Support Team started at Council in October; Paula Woods and Jodi Findlay. Both Paula and Jodi have extensive leadership and customer service experience.
- 173 Our Group Manager of Services and Assets, Ian Marshall has signalled that he will be retiring at the end of 2018. To ensure a smooth transition process a succession plan has been developed

that will see us begin a recruitment process for the Group Manager Services and Assets role in mid-October. Mr Marshall will remain in the position until a replacement is here to takeover, which is likely to be early in 2018. He will then move into a role managing specific strategic projects under the Chief Executive's direction. This approach will ensure that there is a smooth handover process and give time for the Group Manager to 'get their feet under the table'.

Recommendation

That the Council:

- a) **Receives the report titled "Management Report" dated** 10 October 2017.

Attachments

There are no attachments for this report.

Colac Foreshore Road Erosion - Level of Service

Record No: R/17/10/24357
Author: Ian Marshall, Group Manager Services and Assets
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek Council's decision on the on-going level of service to be provided by the Colac Foreshore Road. In particular the management of the section of the road eroded by the action of the sea and the effect of closing a section of the road are the key issues.

Executive Summary

- 2 The Colac Foreshore Road has been subject to coastal erosion for many years. Rock protection has been in place to prevent erosion along part of the road for many years. The existing protection is along a section of the road adjacent to developed properties.
- 3 The western end of the protection has been seriously affected by erosion and the road at this point is now closed. Discussions have been held with the community about the situation and the options for managing the problem in the future. There is strong desire in the local community for the road to be reinstated and to remain open.
- 4 Reports have been obtained from NIWA and MWH Stantec. These present information on coastal processes and engineering options respectively.
- 5 The option recommended is to carry out some remedial and modification work at the existing south western end of the rock protection where the erosion has occurred, to not reinstate the road, to have a permanent road closure, to obtain resource consent to carry out the work and continue to maintain the existing rock wall erosion protection infrastructure.
- 6 Funding for the work will be from the existing roading budgets.

Recommendation

That the Council:

- a) **Receives the report titled “Colac Foreshore Road Erosion - Level of Service” dated 11 October 2017.**
- b) Determines that this matter or decision be recognised 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 assumption is this work (option 2) will be subsidised by NZTA and the work will be funded from existing roading budgets.
- e) Resolves to implement option two of this report which involves reinstatement of the previous rock protection, replace the rock protection to the extent that existed in 2015 with an improved design so as to make it more resilient and reduce the risk of erosion extending westwards beyond the existing extent, and permanent closure of a section of the Colac Foreshore Road.

Background

- 7 Colac Bay is a coastal community located just west of Riverton in Southland District. The township is positioned at the west end of Colac Bay. Colac Foreshore Road is located immediately adjacent to the beach and runs both east and west of Colac Bay Road. Colac Bay Road connects State Highway 99 with the beach.
- 8 The west end of Colac Foreshore Road is a cul-de-sac providing access to the residential and holiday properties and a marae. The east end connects back to State Highway 99. The road is constructed immediately adjacent to the beach, but is not considered to extend into the coastal marine zone. Land behind the road in many places lies below the level of road.
- 9 Coastal erosion has been an ongoing issue at Colac Bay since the 1930s. In late 2015 Colac Foreshore Road was permanently closed due to the loss of approximately half of the road as a result of coastal erosion.
- 10 The following is taken from Section 3 of the attached MWH Stantec report (Attachment A):
- 11 “A comprehensive report entitled Coastal Erosion at Colac Bay, Southland was prepared for Environment Southland and Southland District Council by NIWA (Attachment B) dated July 2015. Rather than replicating the content of this report it is suggested that it should be read in conjunction with this text.
- 12 Of particular interest the report included the following:
 - an explanation of the physical processes contributing to the ongoing erosion

- immediate, interim and long term mitigation options
- the identification of an ‘erosion hotspot’ comprising a 900 metre length of eroding coastline at the transition between the natural foreshore and the engineered foreshore at the eastern extent of the rock revetment.
- a commentary on the potential impact of sea level rise due to climate change highlighted
 - all fixed coastal protection structures will provide a reduced level of [future] protection as sea level rises.
 - the destructive effects of future storms are likely to be more severe and occur more frequently.

13 The NIWA report concluded:

‘The present erosion issue at Colac Bay is a consequence of natural shoreline fluctuations exacerbated by human intervention. There are no simple long-term options to protect the access route along Colac Foreshore Road without incurring some construction cost or some adverse environmental effect.

Ultimately, the long-term coastal management approach is most likely going to need to involve the “managed retreat” option through road realignment or closure”.

Issues

- 14 There are a number of issues relevant to the coastal erosion and the future management of the Colac Foreshore Road. This report focuses on the management of the eroded section of the road and the long term consequences of the strategy adopted.
- 15 The issues include the effect to the community, the effect to businesses, resource consent requirements, ongoing maintenance requirements, protection of the existing rock wall, and priority protection to private property at the village, affordability and safety.
- 16 The effect on the businesses is the issue that raised the strongest emotional responses from members of the community. Comments were made that since the road has been closed the number of visitors to the town has dropped significantly. This could be true if a high percentage of the visitors entered at the south end of the Colac Foreshore Road and upon finding the road is no exit they then drove back to the state highway and subsequently avoided the village all together. Any one coming south on the state highway would logically enter the village via the intersection at the north end. There are no statistics to support the debate.
- 17 Resource consent issues are relevant because of the wide variation of effects from the options. On the one had the consenting issues are about regularising what has gone on for many years. On the other hand the consent requirements for an extension of rock armouring to at or about the surf beach will be extensive. Environment Southland have indicated extensive supporting evidence will be required to support and application for works of this extent. This would include oceanographic evidence that assessed the potential for changes to the beach break.
- 18 Whatever the extent of the rock protection at Colac Bay it will require ongoing maintenance. The quantum of that maintenance to a large degree is dependent on the weather and the sea level. It follows that the greater the length of wall there is the greater will be the maintenance requirements.

- 19 The majority of the existing rock protection is adjacent to the land that has been built on. The protection to the coast and the road, by default is protecting the land and the buildings on that land. The original intent and priority was protection of the road. This section of road is adjacent to the developed properties. Extending the protection as proposed in options three or four will mean a significant length of the wall is just protecting the road.
- 20 The capital cost of options varies widely. Option Two is estimated to cost \$200,000. Options three and four \$700,000 and \$800,000 respectively. This is the estimated capital cost of the options. The cost to ratepayers would be less for option two because the work would be subsidised by NZTA whereas the options three and four would not.
- 21 In the presentations and discussion with the community officers of the Council have consistently stated that the priority area where effort should be focused is the area adjacent to the village. This is the area where the rock wall is protecting the road which in turn is protecting the houses, the businesses and the marae.

Factors to Consider

Legal and Statutory Requirements

- 22 The primary legal requirement relevant here is the Local Government Act 2002. Section 10 of the Act states the purpose:

"10 Purpose of local government

- (1) *The purpose of local government is—*

- (a) *to enable democratic local decision-making and action by, and on behalf of, communities; and*
- (b) *to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.*

- (2) *In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—*

- (a) *efficient; and*
- (b) *effective; and*
- (c) *appropriate to present and anticipated future circumstances..."*

- 23 This purpose has to be applied in a holistic way across the District. The aspects of efficiency, effectiveness and appropriate should be considered in that global perspective as opposed to the micro or local community perspective.
- 24 The impact of the initial cost and ongoing maintenance across all District ratepayers has to be factored into the decision making.

Liability

- 25 On the argument of non-feasance the Council has no liability to adjoining property owners on account of water eroding first through the Council land and then causing loss or damage to neighbouring private land. The liability is less clear if the Council has taken action to protect its assets and others rely on that work to protect their assets. From that perspective constructing more rock wall increases the Councils liability.

Community Views

- 26 Meetings have been held with the community groups to discuss the situation. A public meeting was held in the Colac Bay Hall on 2 October 2014. This was well attended by the public. About 100 people attended.
- 27 A meeting was held with the members of the CDA and representatives of a Colac foreshore erosion group that had been setup to focus on this issue. This meeting was in the Takutai o Te Titi Marae in September 2015. This meeting discussed the NIWA report. The need for an engineering report assessing the options was discussed. This initiated the MWH Stantec report.
- 28 A second meeting was held in the Takutai o Te Titi Marae in August 2017. Once again representatives of the CDA and the Erosion Committee attended. The primary discussion document was the MWH Stantec report.
- 29 The feedback from all the meetings has been a strong local desire for the Council to keep the Colac Foreshore Road open. There is strong belief that the road provides high amenity value and helps attract visitors to the populated or town end of the bay.
- 30 There was acknowledgement that the Colac Foreshore Road is not essential to access the community because the State Highway (99) only a few hundred metres away fulfils that function. It was noted though that the intersection with the SH99 is not ideal and has some increased risk due to visibility constraints. This intersection is the responsibility of NZTA. They have been made aware of the concerns.
- 31 There was also acknowledgement that the surf break at the other end of the Colac Foreshore Road is an asset in that it attracts the surfing fraternity. It is considered one of the important assets of the bay.

Costs and Funding

- 32 Table 1 - Comparison of Cost shows the estimated one-off costs for the options considered. These estimates include professional services scaled to match the solutions (where resource consents maybe required the estimates have not included for hearing costs should these be required).

33 Table 1 - Comparison of Cost

Option Description Cost

Option 1	Do Nothing	\$4,000
Option 2	Reinstatement	\$200,000
Option 3	Managed Retreat	\$700,000
Option 4	Hold the Line	\$825,000

- 34 Funding any of the options has to come from the current roading budgets. Depending on the option chosen the work will either be subsidised by NZTA or it will not. In other words some of the options will not be able to attract NZTA subsidy and so would require 100% local or ratepayer funding.

- 35 Ongoing maintenance will also be a roading responsibility in conjunction with the local community (CDA). Maintenance to protect the road will be a straightforward roading issue but should the CDA wish to enhance the asset in anyway then the funding for that would be the local communities responsibility. To clarify though the asset, the rock retaining wall, is an asset that is part of the roading assets.

Policy Implications

- 36 The major policy document relevant to this issue is the Southland District Council's Roads and Footpaths Asset Management Plan. Section 1.2 of that plan states:
- 37 The primary objective of the Roads and Footpaths activity is:
To provide an interconnected and integrated transport network which allows individuals and communities to access their business and private destinations in a safe, responsive and sustainable manner.
- 38 The most relevant part of this objective is "*access their business and private destinations in a safe, responsive and sustainable manner.*"
- 39 The Colac Foreshore Road is connected at either end to SH99. So access to properties is available via one end of the road or the other. This does assume that the extent of any road closure is not such a length that an individual property is isolated. This would not be the case under option 1 or 2 in this report. The road closure resulting from either of these options would not span across more than one property.
- 40 That said there is no guarantee about the effect future erosion might have and to a degree this depends on future sea level rise too. There is also no guarantee that erosion will not effectively remove a section of the road corridor and progress into the privately owned land behind the road.
- 41 The Council does not have a formal policy in coastal erosion protection. The practice has been to take a minimalist approach to protection works and to be quite clear that works are undertaken to protect Council infrastructure not to protect private property.
- 42 Examples of previous coastal erosion are Papatotara Coast Road, Ringaringa Road and Cosy Nook. In these examples only the Cosy Nook situation involved installing protection work. That work qualified for NZTA subsidy primarily because there was no alternative access to private properties.

Analysis

Options Considered

- 43 The options are described in the MWH Stantec report. There is an extensive analysis of the options using a multi-criteria analysis in section 11 of the report. The options are titled:
- **Option 1: Do Nothing**
 - **Option 2: Reinstatement**
 - Reinstatement of the previous rock protection. Replace the rock protection to the extent that existed in 2015 with an improved design so as to make it more resilient and reduce the risk of erosion extending westwards beyond the existing extent. This option results in the permanent closure of the road.
 - This is the option recommended in this report.

- **Option 3: Managed Retreat**
 - Permanent realignment of Colac Foreshore Road inland through the former gravel pit with the existing road embankment planted with vegetation.
 - This is the option recommended in the MWH Stantec report. However that assessment was based on the benefits that would be gained from this option. It did not balance the cost of the options against those benefits nor did it consider the options from a value for money perspective.
- **Option 4: Hold the line**
 - Reinstatement of the road and extend the protection.

Analysis of Options

44 Option 1 - Do Nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Minimal cost. \$4,000. • No further work. 	<ul style="list-style-type: none"> • No improvement in erosion protection at all. • The existing rock protection remains vulnerable to further damage. • Erosion will continue in both directions. • Permanent road closure.

Option 2 – Reinstatement

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Lowest capital cost of the options that involve some construction. \$200,000. • Can be funded from existing roading budgets. • Will qualify for NZTA subsidy. • Adds protection to the existing rock protection. • Protects the existing investment. • Lower ongoing maintenance cost. • Higher chance of gaining resource consent for works. • Less disruption to coastal area. 	<ul style="list-style-type: none"> • Permanent road closure. • No protection offered to the existing road at the surf beach end. • No protection to the adjoining land. • Permanent road closure.

45 Option 3 - Managed Retreat

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Allows the road to be reopened. Offers protection to some of the adjoining vacant land. 	<ul style="list-style-type: none"> Higher capital cost. \$700,000. No NZTA subsidy. Requires acquisition of land. Extensive increase in protection works to maintain in the future. Extent of rock protection works raises the risk of modification to the surf break. Consent process more complex and will require significant supporting data which will have to be acquired. May impose a greater liability for Council.

46 Option 4 –Hold the Line

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Allows the road to be reopened. Offers protection to some of the adjoining vacant land. Utilises the existing road corridor. 	<ul style="list-style-type: none"> Highest capital cost. \$825,000. No NZTA subsidy. Extensive increase in protection works to maintain in the future. Extent of rock protection works raises the risk of modification to the surf break. Consent process more complex and will require significant supporting data which will have to be acquired. May impose a greater liability for Council.

Assessment of Significance

- 47 This matter is not considered to be significant in accordance with Council's Significance and Engagement Policy. The issue being considered is what level of service the Council should provide on Colac Foreshore Road and whether a permanent closure of a short section of the road is appropriate.

Recommended Option

- 48 The recommended option is option 2. Reinstatement of the previous rock protection. Replace the rock protection to the extent that existed in 2015 with an improved design so as to make it more resilient and reduce the risk of erosion extending westwards beyond the existing extent. This option results in the permanent closure of the road.

Next Steps

- 49 Apply for Resource consent.
- 50 Implement the approved option.

Attachments

- A Colac Foreshore Road Assessment- MWH Stantec [↓](#)
- B Coastal Erosion at Colac Bay. NIWA. [↓](#)



MWH

now
part of



Stantec

COLAC FORESHORE ROAD ASSESSMENT

Prepared for Southland District Council

May 2017





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REVISION SCHEDULE

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			Prepared by	Checked by	Reviewed by	Approved by

Executive Summary

Coastal erosion has been an ongoing issue at Colac Bay since the 1930s. In late 2015 Colac Foreshore Road was permanently closed due to the loss of approximately half of the road as a result of coastal erosion.

The road, and the embankment upon which it has been constructed, will continue to erode, particularly during storm events. The destructive effect of these storms is likely to increase in the future as a result of sea level rise.

To deal with this erosion four remedial works options have been assessed with associated costs estimated between \$4,000 and \$825,000. Each option has potential environmental and social benefits and dis-benefits but it is difficult to monetise these to provide a meaningful cost benefit comparison. A multi-criteria analysis was therefore adopted to compare these options.

The multi criteria analysis, when assessed against the investment objectives, favoured managed retreat as the preferred option.

The NZ Transport Agency provide financial assistance for road projects which need to be assessed under a consistent investment decision making system and investment assessment framework. In line with this framework, the Transport Agency were approached to determine whether any project to reinstate the road or prevent further coastal erosion would be supported.

The Transport Agency position was that it would be highly unlikely that they would support any remedial options as they consider it would provide little benefit against key Transport Agency criteria.

Without funding contribution from the Transport Agency, Southland District Council and the local community would need to fund the full cost associated with the progression of any remedial options.

The affordability and value for money of this option needs to be assessed against other Southland District Council priority projects to determine whether it is desirable for Southland District Council and the local community to fund.

Southland District Council

Colac Foreshore Road Assessment

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APPENDICES

Appendix A	Options Cost Estimates
Appendix B	Multi Criteria Analysis

1 Introduction

This document has been prepared for Southland District Council to investigate future options for the Colac Foreshore Road, in particular a section that was affected by storm damage in 2015 and has remained closed to traffic since that time.

2 Context

Colac Bay is a coastal community located just west of Riverton in Southland District. The township is positioned at the west end of Colac Bay, refer Figure 1 – Colac Bay. Colac Foreshore Road is located immediately adjacent to the beach and runs both east and west of Colac Bay Road. Colac Bay Road connects State Highway 99 with the beach. The west end of Colac Foreshore Road is a cul-de-sac providing access to the residential and holiday properties and a marae. The east end connects back to State Highway 99. The road is constructed immediately adjacent to the beach, but is not considered to extend into the coastal marine zone. Land behind the road in many places lies below the level of road.



Figure 1 - Colac Bay

Coastal erosion has been an ongoing issue at Colac Bay since the 1930s. In late 2015 Colac Foreshore Road was permanently closed due to the loss of approximately half of the road as a result of coastal erosion.



Figure 2 - Extent of erosion, Q1 2017 (from drone footage)

Prior to its closure, traffic use of the road was estimated at about 300 vehicles per day.

3 Background

A comprehensive report entitled Coastal Erosion at Colac Bay, Southland was prepared for Environment Southland & Southland District Council by NIWA dated July 2015. Rather than replicating the content of this report it is suggested that it should be read in conjunction with this text.

Of particular interest the report included the following:

- An explanation of the physical processes contributing to the ongoing erosion
- Immediate, interim and long term mitigation options
- The identification of an 'erosion hotspot' comprising a 900 metre length of eroding coastline at the transition between the natural foreshore and the engineered foreshore at the eastern extent of the rock revetment.
- A commentary on the potential impact of sea level rise due to climate change highlighted
 - all fixed coastal protection structures will provide a reduced level of [future] protection as sea level rises.
 - the destructive effects of future storms are likely to be more severe and occur more frequently.

The NIWA report concluded:

'The present erosion issue at Colac Bay is a consequence of natural shoreline fluctuations exacerbated by human intervention. There are no simple long-term options to protect the access route along Colac Foreshore Road without incurring some construction cost or some adverse environmental effect. Ultimately, the long-term coastal management approach is most likely going to need to involve the "managed retreat" option through road realignment or closure.'

4 Current Situation

Concurrent with the preparation of the NIWA report, significant storms in mid-2015 resulted in further erosion at the 'hot spot' previously identified.

Ongoing erosion in this area resulted in the Colac Foreshore Road being permanently closed to traffic in December 2015. Currently over half of the sealed road width has now been lost over approximately 500m and the road remains closed.

Closure of this section of Colac Foreshore Road has not directly affected access to property but there are concerns that the loss of connectivity along this road is negatively impacting on business and particularly tourist visitors to Colac Bay.

The remaining road and associated embankment is higher than the landward ground level and currently provides a degree of protection to the relatively flat land behind.

5 Future Considerations

It is certain that the road, and the embankment upon which it has been constructed will continue to erode, particularly during storm events.

As explained in the NIWA report the destructive effects of these storms are likely to increase in the future as a result of sea level rise.

Once the road embankment has been 'breached' the land behind is likely to be inundated resulting in standing water on the lower lying land behind. Without further assessment it is unclear what the extent of this inundation might be.

6 Proposed Remedial Options Considered

The remedial options considered are aligned with the long term options included by NIWA in Section 7.4 of their report. Given that there is currently no road access, Option 4 has included reinstatement of the road as part of the NIWA Option 4.

These options comprise:

- Option 1 – do nothing.
- Option 2 – reinstatement of the previous rock protection. Replace the rock protection to the extent that existed in 2015 with an improved design so as to make it more resilient and reduce the risk of erosion extending westwards beyond the existing extent. This option results in the permanent closure of the road.
- Option 3 – managed retreat. Permanent realignment of Colac Foreshore Road inland through the former gravel pit with the existing road embankment planted with vegetation.
- Option 4 – hold the line. Reinstatement of the road and extend the protection further east along the remaining length of the road.

7 Cost Analysis

Table 1 - Comparison of Cost shows the estimated one-off costs for the options considered. These estimates include professional services scaled to match the solutions. (Where resource consents maybe required the estimates have not included for hearing costs should these be required).

Table 1 - Comparison of Cost

Option	Description	Cost
Option 1	Do Nothing	\$4,000
Option 2	Reinstatement	\$200,000
Option 3	Managed Retreat	\$700,000
Option 4	Hold the Line	\$825,000

Cost estimates breakdowns are included in Appendix A - Options Cost Estimates.

8 Comparison of Proposed Options

In order to provide a meaningful comparison the parameters and framework under which any assessment is undertaken need to be defined.

It is difficult comparing options when potential benefits are non-monetised e.g. determination of the monetary dis-benefit from potentially losing the surf break.

To allow a meaningful comparison of the four options, a multi-criteria analysis (MCA), prepared in accordance with the Transport Agency Business Case approach¹, has been used.

This method provides a structured, consistent and systematic process for assessing different options against different and often competing criteria allowing the identification of options to be ranked from best performing to worst performing based on a standardised MCA.

The MCA process compares each specific option against a set of high level investment objectives, implementability criteria and assessment of effects criteria.

The implementability criteria include consideration of feasibility, affordability and stakeholder customer acceptance.

The assessment of effects criteria include consideration of impact on safety, cultural, natural environment, community, systems integration and economy.

The MCA includes a subjective comparison of cost, considered under the affordability assessment.

As four specific options have already been identified, the analysis will follow the multi criteria approach.

It should be noted that if a cost benefit calculation was carried out on the road reinstatement options using the standard Transport Agency criteria, the benefits generated would be minimal when compared to the cost of implementation. The Transport Agency's criteria primarily consider travel time savings and safety, neither of which are materially affected by the road closure due to the close proximity of the State Highway and its use as an alternative route.

9 Stakeholder Involvement

The involvement of stakeholders is a core part of the business case process. Although there has been no recent formal consultation with stakeholders, the information contained in the NIWA report was considered sufficiently comprehensive to understand the views and perspective of the local community, in particular the Colac Foreshore Committee (CFC). The views reported in the NIWA report are reproduced below:

- Maintaining access along Colac Foreshore Road is seen as important to the survival of the community (tourism, surfing and walking) and is the primary goal of the CFC's actions and involvement in coastal management and protection options.
- The community members consider themselves pragmatic and do not expect the 'gold plated' option to be constructed, however they do consider a hard-engineering approach (of whatever form) as the solution.
- Losing the 'Trees' surf break through intervening with coastal processes would be unacceptable.
- The community acknowledged that any protection measure must be financed.
- Preventing the erosion of Colac Foreshore Road is more important than addressing the minor erosion along the boat ramp access road.

10 Investment Objectives

The views expressed by the CFC have been translated into the following investment objectives. These represent the objectives of any investment in solving the problems identified:

¹ Refer the Transport Agency's Business Case – MCA Guidance, August 2016

- To increase the number of tourist visits to Colac Bay
- To maintain the recreational opportunities provided in Colac Bay, i.e. surfing and walking
- Provision of ongoing protection to the inhabited areas adjacent to the Colac Bay foreshore
- To minimise any adverse environmental effects to Colac Bay.

In addition to these objectives, the consentability of the options has also been considered against the relevant regional and district policies and plans.

Ideally these objectives should be re-confirmed with the stakeholders, including Southland District Council, to ensure all current factors have been captured.

11 Multi Criteria Analysis Outcomes

When assessed in accordance with the Transport Agency's MCA methodology against the investment objectives the following ranking of the options shown in Table 2 - MCA Output has been determined. Colour coding has been used to highlight the relativity ranking between options.

The full MCA assessment is included in Appendix B – Multi Criteria Analysis

Table 2 - MCA Output

Option No.	Option	Base Weightings Score (equal)	Sensitivity test 1 (remove duplications)	Sensitivity test 2 (50% on Inv Obj)	Sensitivity test 3 (50% on Imp)	Sensitivity test 4 (50% on AoE)
1	do nothing	-0.25	-0.22	-0.38	0.02	-0.19
2	reinstatement	-0.06	0.03	0.08	-0.08	-0.21
3	managed retreat	0.36	0.44	0.58	0.23	0.23
4	hold the line	0.06	0.19	0.17	-0.13	-0.04

The MCA is initially completed with all criteria unweighted to provide a base weighting. i.e. objectives, implementability and assessment of effects equally weighted at 33.3% each.

After the base weight has been calculated, sensitivity tests change the weightings of the individual criteria to understand the impact on the base score. Sensitivity tests considered the following scenarios:

- Test 1 – Removal of any criteria that double count the investment or activity objectives
- Test 2 – Double the weighting on investment objectives (50% inv obj, 25% others)
- Test 3 – Double the weighting on implementability (50% imp, 25% others)
- Test 4 – Double the weighting on assessment of effects (50% aoe, 25% others)

This MCA shows that, even when tested against most sensitivity scenarios Option 3 generates the highest relative score and is considered to have the most benefits when assessed against the investment objectives selected. This is followed by Option 4, Option 2 and lastly Option 1.

This is because managed retreat was assessed as generating the following benefits:

- Reinstatement of access along the foreshore for all users
- Ongoing protection to property, including the gravel pit
- Minimises potential impact on the surf break
- Meets stakeholder/customer expectations
- Reduces potential inundation of adjacent land

12 NZ Transport Agency Contribution

As Colac Foreshore Road has been effected by erosion, roading funding was investigated in the first instance as a potential funding source.

Under the Local Government Act local authorities are responsible for the provision of local infrastructure, including water, sewerage, stormwater and roads.

For large components of road infrastructure, including maintenance and improvements, local authorities can receive partial funding from central government, administered by the Transport Agency. As the Transport Agency's investment partners, Southland District Council currently receive a financial contribution of 52% for qualifying transport related activities.

To qualify for funding assistance all projects need to be assessed under a consistent investment decision making (IDM) system and investment assessment framework. This 'business case approach' for a project starts with a point of entry discussion with the Transport Agency as a gateway to determine whether a project is likely to be supported through the IDM process. Support at this stage allows further progression through the investment assessment framework that includes a cost-benefit appraisal. Without support, funding contribution is very unlikely to be forthcoming.

Reinstatement of the road was discussed with the Transport Agency during a point of entry discussion. The Transport Agency position was that it would be **highly unlikely that they would support the proposal** as it was considered that it provided little benefit against the following criteria:

- addressing any gap in customer levels of service
- improving efficiency of the overall land transport system

This was primarily due the close proximity of the state highway and alternative access it provided. This route provided a viable alternative with no significant reductions in safety, journey time reliability or resilience, key criteria of the investment assessment framework.

13 Funding Sources

Without funding contribution from the Transport Agency, Southland District Council and the local community would need to fund of the full cost associated with the progression of any remedial options.

14 Next Steps

It is recognised that the MCA assessment above only provides a subjective assessment of the benefits and dis-benefits of the options considered with cost being considered equally against other criteria. If an objective comparison of non-monetised benefits is required the involvement of an economist may be necessary.

The affordability of any remedial option to Southland District Council, and whether it is considered to provide value for money (when assessed against other competing projects), is considered outside of the scope of this work and it is recommended that Council progress this further having knowledge of the potential costs and comparison of the options produced through application of the MCA process.

15 Conclusions

The MCA showed that Option 3 – Managed Retreat, even when tested against most sensitivity scenarios, provided the most benefits when assessed against the investment objectives selected.



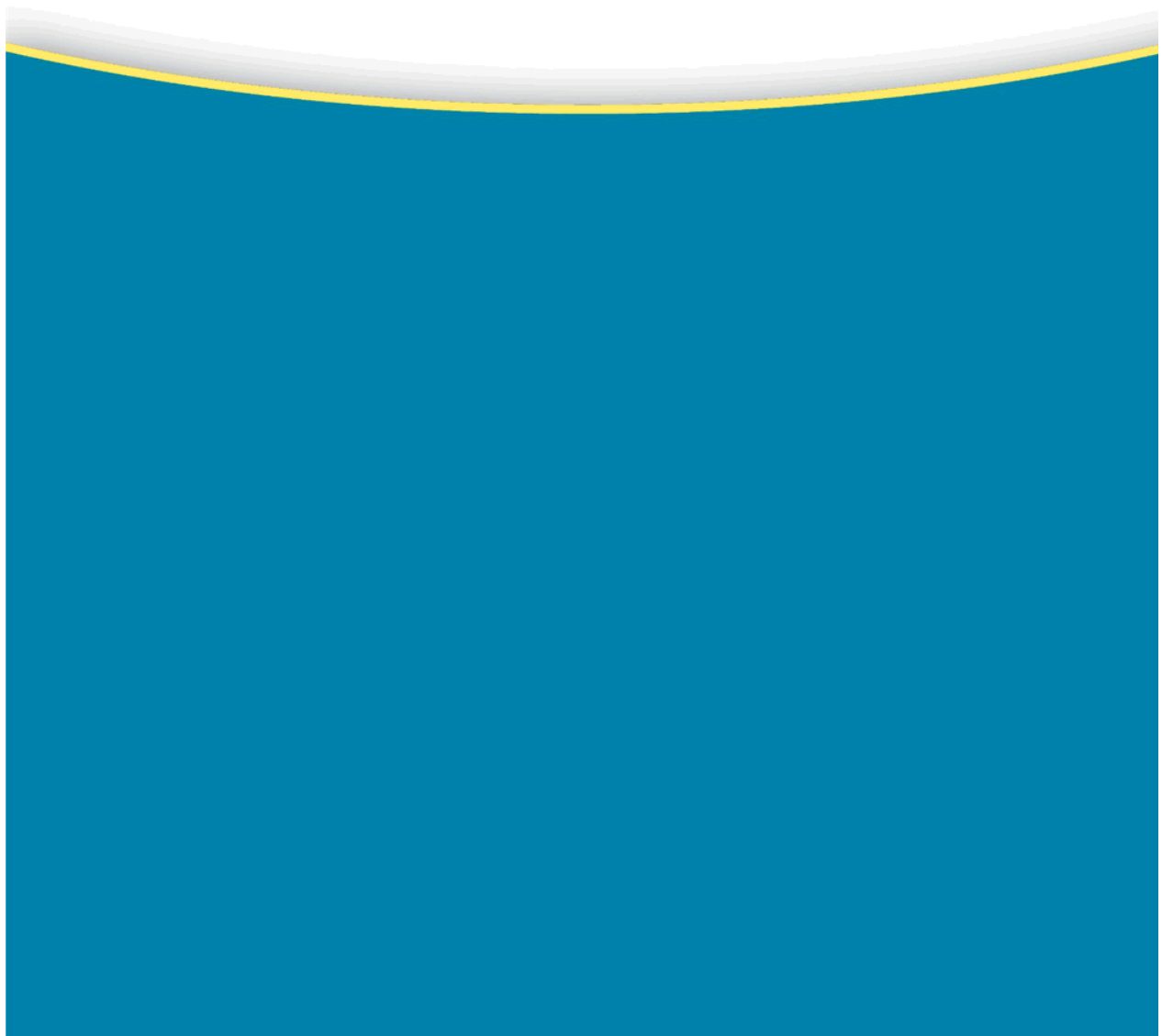
The estimated cost of implementing Option 3 is approximately \$700,000.

The affordability and value for money of this option needs to be assessed against other Southland District Council priority projects to determine whether it is desirable for Southland District Council and the local community to fund.



Appendices

Item 8.5 Attachment A





Appendix A - Options Cost Estimates

Colac Foreshore Road

Indicative Costings - Option 1 Do Nothing

N°	Item	Quantity	Units	Rate	Cost	Notes
1	Preliminary and General	1	Item		\$250.00	including establishment costs, traffic management, temporary fencing
2	Backfill localised slumping (shotrock)	13.5	m3	\$150.00	\$2,025.00	No maintenance period
Total					\$2,275.00	
20% Contingencies					\$455.00	
Total					\$2,730.00	

	Professional Services					
	Site Instructions	6	hr	\$150.00	\$900.00	Direct instruction by 2 no site visits
Total					\$900.00	
20% Contingencies					\$180.00	
Total					\$1,080.00	

Total \$3,810.00

Colac Foreshore Road

Indicative Costings - Option 2 Rebuild and Strengthen 2012 Emergency Works

N°	Item	Quantity	Units	Rate	Cost	Notes
1	Preliminary and General	1	Item	\$5,000.00	\$5,000.00	Establishment costs, traffic management, temporary fencing
2	Excavate to fill	179	m3	\$50.00	\$8,950.00	would not consider placing new over old as there is no certainty of base
3	Place new crest rock (0.7m d50x1m thick)	480	m3	\$55.00	\$26,400.00	Would include a filter fabric, does not include maintenance after storms
4	Bulkfill to subgrade levels (shotrock)	1050	m3	\$40.00	\$42,000.00	cheaper than option one due to increased volumes
5	New pavement	672	m3	\$90.00	\$60,480.00	350mm thick, 4m wide pavement on a good base
6	Surfacing	1920	m2	\$6.00	\$11,520.00	Single coat
7	Maintenance visits during defects liability	4	visits	\$180.00	\$720.00	Assume 6 month period - visit every 6 weeks, 2 people at 2hrs each
Total					\$155,070.00	
20% Contingencies					\$31,014.00	
Total					\$186,084.00	
	Professional Services					
	MSQA	12	hr	\$150.00	\$1,800.00	4 no site visits, including defects
	CAD	8	hr	\$150.00	\$1,200.00	1 drawing with locations and details of works
	Documents	24	hr	\$150.00	\$3,600.00	3 days Tender document
	Tender Evaluation	8	hr	\$150.00	\$1,200.00	
Total					\$7,800.00	
20% Contingencies					\$1,560.00	
Total					\$9,360.00	

Total \$195,444.00

Coliac Foreshore Road

Indicative Costings - Option 3 Managed Retreat

N°	Item	Quantity	Units	Rate	Cost	Notes
1	Preliminaries and General	1	Item	\$5,000.00	\$5,000.00	Establishment costs, traffic management, temporary fencing, mtce visits
2	Land Purchase	15000	m²	\$2.50	\$37,500.00	
3	Bulkfill for gravel pit	8000	m3	\$40.00	\$320,000.00	Calculated at 9000 but utilising old road (item 4) as balance of fill
4	Cut existing road surfacing and metal to fill	1050	m3	\$15.00	\$15,750.00	Can be used as lowest layer in bulkfill
5	New Pavement	1225	m3	\$90.00	\$110,250.00	350mm deep pavement
6	New Surfacing	3500	m²	\$6.00	\$21,000.00	500m long, 7m wide
7	Remove existing fence	500	m	\$3.00	\$1,500.00	
8	New fence	500	m	\$15.00	\$7,500.00	7 strand
9	Maintenance visits during defects liability	4	visits	\$180.00	\$720.00	Assume 6 month period - visit every 6 weeks, 2 people at 2hrs each
					Total	\$519,220.00
					20% Contingencies	\$103,844.00
					Total	\$623,064.00

Professional Services					
MSQA	24	hr	\$150.00	\$3,600.00	8 no site visits, including defects
Survey	32	hr	\$100.00	\$3,200.00	2 days including processing
Beach modelling	1	LS	\$20,000.00	\$20,000.00	OCEL estimates
CAD	24	hr	\$150.00	\$3,600.00	3 drawing with locations and details of works
Documents	40	hr	\$150.00	\$6,000.00	5 days tender document and schedules
Tender Evaluation	8	hr	\$150.00	\$1,200.00	1 day
Resource Consents	100	hr	\$200.00	\$20,000.00	Assumed no hearing required
			Total	\$57,600.00	
			20% Contingencies	\$11,520.00	
			Total	\$69,120.00	

Total \$692,184.00

Colac Foreshore Road

Indicative Costings - Option 4 Reinstatement of Road in Current Location plus extended revetment for 750m

N°	Item	Quantity	Units	Rate	Cost	Notes
1	Preliminaries and General	1	Item	\$5,000.00	\$5,000.00	Establishment costs, traffic management, temporary fencing, mice visits
2	Excavate to fill	179	m3	\$50.00	\$8,950.00	would not consider placing new over old as there is no certainty of base
3	Place new crest rock (0.7m d50x1m thick)	336	m3	\$55.00	\$18,480.00	Would include a filter fabric, does not include maintenance after storms
4	Bulkfill to subgrade levels (shotrock)	1050	m3	\$40.00	\$42,000.00	Rate the same as for option 2 due to increased volumes
5	New pavement	672	m3	\$90.00	\$60,480.00	350mm thick, 4m wide pavement on a good base
6	Surfacing	1920	m2	\$6.00	\$11,520.00	Single coat
7	Excavate to stockpile for revetment platform	3750	m3	\$15.00	\$56,250.00	Assuming suitable location nearby
8	Geotextile	7500	m2	\$3.50	\$26,250.00	
9	Bedding gravels (from stockpile)	1500	m3	\$25.00	\$37,500.00	minimal travel and compaction requirements
10	Secondary Armour	960	m3	\$55.00	\$52,800.00	Allowed for shotshot, rate could increase if this needs to be screened
11	Primary Armour	4440	m3	\$55.00	\$244,200.00	Allowed for shotrock, rate could increase if this needs to be screened
12	Additional beach gravels	1125	m3	\$50.00	\$56,250.00	
13	Plantings	565	m2	\$10.00	\$5,650.00	allow two plants per m2
14	Maintenance visits during defects liability	4	visits	\$180.00	\$720.00	Assume 6 month period - visit every 6 weeks, 2 people at 2hrs each
					Total	\$626,050.00
					20% Contingencies	\$125,210.00
					Total	\$751,260.00

	Professional Services					
	MSQA	30	hr	\$150.00	\$4,500.00	10 no site visits, including defects
	Survey	32	hr	\$100.00	\$3,200.00	2 days including processing
	Beach Modelling	1	LS	\$20,000.00	\$20,000.00	OCEL estimates
	CAD	32	hr	\$150.00	\$4,800.00	4 drawing with locations and details of works
	Documents	40	hr	\$150.00	\$6,000.00	5 days Tender document
	Tender Evaluation	8	hr	\$150.00	\$1,200.00	1 day
	Resource Consents	100	hr	\$200.00	\$20,000.00	Assumed no hearings
				Total	\$59,700.00	
				20% Contingencies	\$11,940.00	
				Total	\$71,640.00	

Total \$822,900.00



Appendix B – Multi Criteria Analysis

Item 8.5 Attachment A

Colac Foreshore Road MCA

Option No.	Option	Objectives			
		To increase the number of tourist visits to Colac Bay	To maintain the recreational opportunities provided in Colac Bay	Provision of ongoing protection to the	To minimise any adverse environmental
		1	2	3	4
1	do nothing	0	0	-2	-1
2	reinstatement	0	0	2	0
3	managed retreat	1	0	2	2
4	hold the line	1	-2	2	1

Objectives

- 1 comparison between no change and access along the road
- 2 no change to existing compared to risk of losing surf break
- 3 positive protection compared to further loss of existing rock wall
- 4 protection to and risk of exposure of tip, risk of loss of surf break

Colac Foreshore Road MCA

Implementability					
Feasibility			Affordability		
Feasibility - Technical	Feasibility - Consentability	Feasibility - Safety in Design	Affordability - Operation and Maintenance	Affordability - Financial	Stakeholders / Customers
1.1	1.2	1.3	2.1	2.2	3
2	2	0	0	3	-2
1	-1	0	-1	2	-2
1	-2	0	-1	-1	2
1	-2	0	-2	-2	1

- Implementability
- 1.1 all feasible but do nothing requires no input

1.2 options considered against coastal policy

2.1 comparison of no cost to on going replenishment and repair

2.2 straight comparison of cost

3 solutions that result in road closure considered unacceptable and those that risk loss of surf break

Item 8.5 Attachment A

Colac Foreshore Road MCA

Assessment of Effects					
Cultural	Natural Environment	Community - Social	Community - Property	System Integration	Economy
1	2	3	4	5	6
-1	0	0	-2	0	-2
-1	-1	0	0	0	-1
-1	-2	2	-1	1	1
0	-2	2	0	1	1

Assessment of Effects

- 1 some impact upon gravel pit (unsure of status - recommend further investigation)
- 2 the more significant the works the greater impact
- 3 reduced connection compared to reopening of road
- 4 property purchase or potential loss
- 5 economic growth and inundation effects on adjacent land

Colac Foreshore Road MCA

MCA Outputs				
Base Weightings Score (equal)	Sensitivity test 1 (remove duplications)	Sensitivity test 2 (50% on Inv Obj)	Sensitivity test 3 (50% on Imp)	Sensitivity test 4 (50% on AoE)
-0.25	-0.22	-0.38	0.02	-0.19
-0.06	0.03	0.08	-0.08	-0.21
0.36	0.44	0.58	0.23	0.23
0.06	0.19	0.17	-0.13	-0.04

Item 8.5 Attachment A

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Coastal Erosion at Colac Bay, Southland

Prepared for Environment Southland & Southland District Council

July 2015

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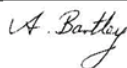

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Executive summary

This report investigates the causal processes and possible mitigation options of the coastal erosion occurring at Colac Bay, Southland. The scope of the work included review of past reports, a walkover site inspection and discussions with Southland District Council, Environment Southland and several Colac Bay residents.

The situation

Coastal erosion at Colac Bay has been an ongoing issue since the 1930s and led to the construction of the extensive rock revetments. However, the construction of the protection works further destabilised the natural equilibrium between sediment supply, wind/wave conditions and shoreline position and ultimately exacerbated erosion along the beach front. There has been a cyclic process of erosion outflanking the protection works which has subsequently required extension of protection works along the beach. This has occurred to a point where all dwellings are adequately protected by the rock revetment, but the access route along Colac Foreshore Road is at risk.

The majority of the present revetments along Colac Foreshore Road currently provide adequate protection for the inhabited areas immediately behind the road. A large proportion of the sediment which has been stripped from the foreshore below the revetments of western Colac Bay has migrated east through longshore transport to the Tihaka end where the beach is now 40-50 m wide and accreting.

The main tension between local residents and the Council is maintaining access along Colac Foreshore Road; the road is a tourist route and is seen as important to the survival of the town but any constructed protection works require financing. This tension is complicated by the well-known “trees” surf break at the midpoint of the beach and a historic gravel pit which is partially landfill.

In the scenario that Colac Foreshore Road is removed/relocated and the beach erodes into the former gravel pit, it is unlikely that the beach erosion will accelerate after reaching the gravel pit as there is a sufficient volume of gravel remaining to resist erosion. Wholesale coastline retreat to reach the landfill in the north-eastern corner of the gravel pit is a highly unlikely outcome in the foreseeable future.

Recommendations

There are no simple long-term coastal management options addressing the erosional problem, conflicting tensions and environmental sensitivities at Colac Bay without incurring some construction cost or some adverse environmental effect. Interim erosion mitigation measures are suggested which will “buy some time” as the community and councils decide on the appropriate long-term solution. Alongside the interim measure there is necessary maintenance and immediate intervention recommended to prevent further deterioration of the coastline while finances are deliberated. The suggested steps are:

Ongoing maintenance: The existing rock protection is in need of some preventative maintenance to ensure that its level of protection does not diminish without further maintenance. This type work should continue to be performed periodically to maintain the current state of protection and would be considered maintenance of existing structures for resource content.

A beach monitoring programme should be initiated to regularly profile and photograph Colac Bay to monitor the ongoing beach evolution and inform design for any long-term options.

- **Immediate mitigation:** It is recommended that an immediate intervention be undertaken to prevent deterioration of the beach and revetments before any interim erosion mitigation is selected or in place. The immediate actions include the one-off nourishment of a short section of beach followed by an aggressive planting regime and restrictions on development behind Colac Foreshore Road.
- **Interim mitigation:** Two interim mitigation options are suggested which will “buy some time” as the community and council decide on the appropriate long-term solution the funding model for any works. The options are:
 - A transitional revetment extension including road realignment within the existing legal boundary, construction of a revetment extension, nourishing the beach and planting vegetation. This revetment extension attempts to transition the beach from an artificial structure to a naturally wider and more resilient beach by interrupting the erosional tendency, phasing out the reliance on hard-engineering revetments and reducing ongoing maintenance/improvement costs.
 - A managed retreat option to allow the beach to naturally adjust to a new equilibrium shoreline position by relocating Colac Foreshore Road out of the erosion risk zone without changing the beach system itself. The realignment involves part-purchase of former gravel pit land and requires some backfilling to form a suitable road foundation.
- **Long term:** The council and community need to consider the consequences of long-term approaches with suitable compromises from both parties. Any long-term option will rely heavily on the evidence from ongoing beach monitoring and photographs. The long-term options include:
 - “do nothing” which is to allow the shoreline to retreat, causing uncontrolled erosion and undermining with eventual closure of Colac Foreshore Road.
 - “managed retreat” by i) pre-emptive closure of Colac Foreshore Road before a forced closure or ii) realignment of Colac Foreshore Road a conservative distance inland (say, 50 m).
 - “hold the line” by construction of further revetments with knowledge of the likely erosional consequences and commitments to future maintenance works.

Rough-order volumetric estimates of the material quantities required for construction and annual operational maintenance of each option have also been provided for cost estimation by Council.

Conclusion

The present erosion issue at Colac Bay is a consequence of natural shoreline fluctuations exacerbated by human intervention. There are no simple long-term options to protect the access route along Colac Foreshore Road without incurring some construction cost or some adverse environmental effect. Ultimately, the long-term coastal management approach is most likely going to need to involve the “managed retreat” option through road realignment or closure.

1 Introduction

This report addresses the request for advice about coastal erosion in Colac Bay, Southland, specifically to communicate the physical processes contributing to the ongoing erosion and provide practical mitigation options taking into account the perspectives of Southland District Council (SDC) and the Colac Foreshore Committee (CFC). This investigation included review of past reports¹, a walkover site inspection and a discussion with SDC and Environment Southland (ES) staff and several Colac Bay residents. This study has been supported in part by a Small Advice Grant from the MBIE Envirolink Fund (ref: 1583-ESRC159, MBIE contract no. C01X1442).

Figure 1 illustrates the sections of Colac Bay described throughout this assessment.

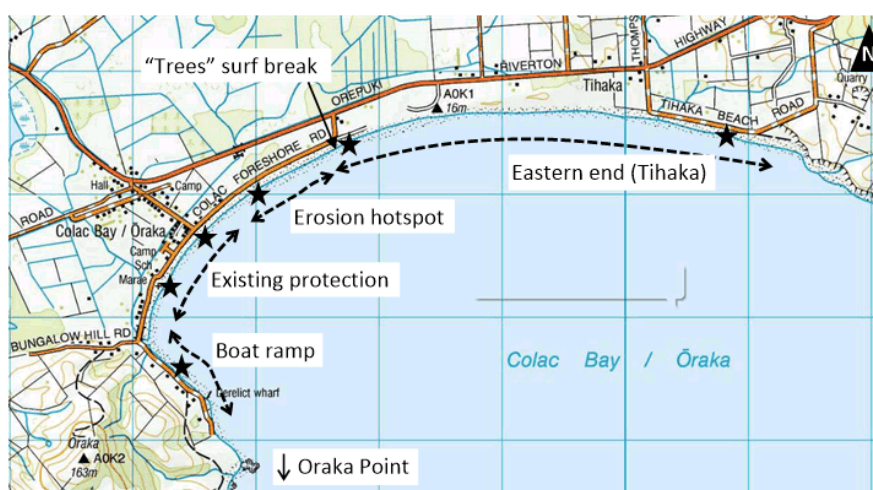


Figure 1 - Colac Bay site overview with beach sections shown and inspection locations indicated. Star indicates photograph location. Scale: 1 km squares.

This report outlines previous coastal protection works at Colac Bay in Section 2 and summarises the site inspection and community meeting in Section 3. Sections 4-6 outline the coastal processes contributing to erosion, specific erosion concerns for Colac Bay and typical erosion management practices. Sections 7 and 8 discuss a recommended approach to erosion management at Colac Bay with an interim measure put forward along with immediate and long-term considerations.

Providing detailed design drawings, constructions costs and recommending a funding model if any future works take place are beyond the scope of this investigation.

¹ The literature review was not exhaustive and predominantly included prior reports and photographs provided by SDC and ES.

2 Previous Work

2.1 History of Coastal Protection

There have been several periods of foreshore protection work at Colac Bay. These may be briefly summarised as:

- **Historic 1930s works** – believed to have been stakes and brushwood fences to trap wind-blown sediment and reduce sediment losses from the beach east of Colac Bay Road (T&T 1997). There is no evidence of how effective this measure was, and any remnants of this structure have been covered by the subsequent rock revetments.
- **1955 works** – Placement of rock protection on the foreshore for 900 m west of Colac Bay Road to Bungalow Hill Road. This protective rock was sourced from the intertidal flat and foreshore on the western side of Colac Bay between Bungalow Hill Road and the boat ramp (Figure 1). The revetment was to be placed at the 1947 shoreline position, with a front face slope of 1:1 and crest width of 0.6 m. The level of protection offered by these works was considered to be high at the 1997 site inspection (T&T 1997). These works are mostly still in place at 2015, but have been significantly improved and upgraded as part of subsequent protection efforts.
- **1991/1992 works** – Extension of the 1955 works 350 m east from Colac Bay Road. This work was performed in a manner less refined than the 1955 works, and involved randomly tipped rocks with no design criteria or foundation excavation. As a result of the poorer construction technique these works were in a worse condition than the 1955 works at the 1997 inspection (T&T 1997). It is believed that the rock placed during this period is still in place but has undergone improvement as part of the subsequent protection efforts.
- **2000 rebuild recommended by T&T (1997)** – The protection works installed were the most significant upgrade since the 1955 protection was installed, and followed some of the recommendations of the 1997 report (T&T 1997). The revetment was only rebuilt west of Colac Bay Road. The rock material was underlain by geotextile fabric and was sourced from local quarries. This phase also involved collecting rock which had migrated seaward and re-placing the protective layers, with additional rock used to infill gaps in isolated spots. The seaward face was constructed at 1:2 slope, with some toe-embedment and backfilling with gravel.
- **2000-2008 (exact date unavailable) protection works** - The design generally matched the 2000 rebuild revetment design and was extended east of Colac Bay Road by several hundred metres. This section was not underlain by geotextile fabric.
- **2008 Top-up works** – During these repair works, a line of the largest boulders (estimated diameter 0.8 m) was placed along the road verge for the whole revetment length, and additional rock was placed up to this level on the front face of the revetment. This work effectively increased the revetment crest to 0.8 m above road level.

- **2010 Extension works** – The rock protection was extended east by a further 150 m using locally sourced quarry rock (although a different rock material - darker grey compared with the brown 2008 rock – was used). The design matched the T&T (1997) revetment design.
- **2012 Emergency works** – After a period of erosion of the beach adjacent to (i.e., east of) the existing rock revetments, emergency works involved placing locally sourced quarry rock on the foreshore, extending the length of rock protection eastwards by a further 100 m. It is not known whether this rock was placed or tipped. The crest level of this rock work is approximately 0.3 m above the road level, and a single layer of rocks with diameters of 0.4-0.5 m was placed on the beach foreshore up to road level.

At the 2015 site inspection, the road verge adjacent to this section of protection had been backfilled with “rotten-rock” (pers. Comm. Greg Erskine, SDC area engineer) to fill in the scoured gaps. The level of protection offered by this section of protection is below that of the adjacent revetment as the rocks are smaller and in a single layer, the crest level is lower and there appears to have been little or no toe embedment.

- **Maintenance works** –SDC periodically sweeps Colac Foreshore Road of overwash gravel deposits. These are swept onto the road verge, and this serves to backfill some of the scoured gaps behind the rocks. SDC has also back-filled the eroded road verge and beach berm with “rotten-rock” and compressed this material into the roadside where visible.

2.2 Prior reports

The 1997 coastal protection design report (T&T 1997) is the only specific assessment of coastal erosion along the Colac Bay foreshore. Several subdivision consent submissions include descriptions of the physical processes in Colac Bay, which are then used to determine suitable coastal setback allowances (Todd 2004, 2005, 2005a, 2010, 2014). The key points identified in these documents which are relevant to this coastal erosion assessment are:

- The beach is composed of sand and gravel which is sorted across-shore, with sand below the high tide swash zone and a gravel berm above this elevation. The gravel is a mixture of greywacke and granite, ranging in size from 10 to 120 mm. The beach sand is medium-coarse grade.
- The beach material is either locally sourced from erosion of the unconsolidated outwash plain inland from Colac Bay and coastal cliff erosion on Oraka Point, or from a distant source (e.g., river, stream or cliff erosion) and transported around Oraka Point by waves (T&T 1997, Todd 2005).
- The longshore drift of beach sediment in Colac Bay is predominantly west-east in accordance with southwest wind and waves prevailing 75% of the time (T&T 1997, Todd 2005).
- The beach was considered to ‘pivot’ between erosion and accretion at about the midway point (Todd 2005).

- Accretion of sediment on the southern side of the boat ramp in the lee of Oraka Point was estimated at 4,600 m³ between 1952 and 1983, which confirms that material does move into Colac Bay by longshore transport from the west (T&T 1997).
- The offshore wave climate is categorised as extremely high-energy, with the prevailing deep water waves being 3.5-4.5 m high with periods of 10-12 seconds (Todd 2005). These waves are depth-limited by the relatively shallow offshore bathymetry (the 5 m bathymetry contour is 300 m offshore from the beach).
- Up until 1947 the maximum erosion had occurred in in the far west of Colac Bay, and specifically west of the Maori urupa (cemetery).
- Erosion rates accelerated dramatically in the 8 year period following 1947, with maximum erosion occurring near Colac Bay Road.

The site history and previous erosion mitigation indicate that Colac Bay is a complex and dynamic beach compounded by human intervention.

3 Site inspection and community meeting

3.1 Site inspection

Colac Bay was visited on the 25-26th May 2015. Conditions during the inspection were very cold with gale south-westerly winds and sleet/hail showers. The evening high-tide of 25th May and the midday low-tide of 26th May were observed. Wave conditions were large and stormy (estimated surf height 1.5-2.5 m). My inspection moved from east to west along the beach. Refer to Figure 1 for a map of photograph locations and described sections of beach.

A. Tihaka to 'Trees'

The eastern half of the beach between the 'Trees' surfing spot (where Colac Foreshore Road meets the coastline near the junction with the SH99 Orepuki-Riverton Highway) and the Tihaka Cliffs is 30 - 50 m wide between the beach-berm crest and the vegetation line (Figure 2). The wide beach indicates that sediment is accreting at this end of Colac bay through longshore drift from west to east. Beach sediments are fine to coarse gravels with little or no sand, which is consistent with longshore drift characteristics and larger waves compared to the eastern end (i.e., less sheltered by Oraka Point).

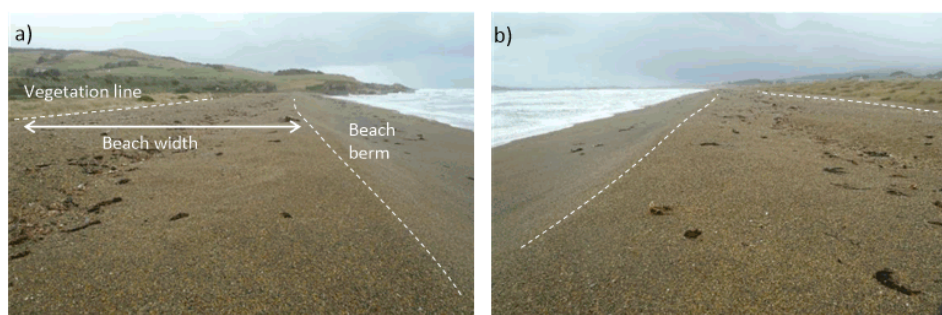


Figure 2 - view east (a) and west (b) along beach at Tihaka Beach Road. Beach width approximately 40 m between gravel berm crest and vegetation line (25 May 2015).

B. Erosion hot-spot

This 900 m long eroding section of coastline forms the transition between the natural foreshore at the 'Trees' surfing location and the engineered foreshore at the eastern extent of the rock revetment (Figure 3). This section of the beach has a low-tide sandy flat which appears stable but the gravel section of the upper-beach is currently eroding and the beach-berm width is noticeably narrower than at Tihaka. The width of the upper beach-berm tapers from approximately 10 m at 50 m west of the 'Trees' (Figure 3a) to 0 m at the rock revetment (Figure 3b-c). The upper-beach erosion is worse immediately adjacent to the revetment, with no road verge remaining and loss of 0.5-1.0 m of the west-bound traffic lane (Figure 3c) leaving a 0.3-0.5 m vertical erosion scarp in places. Along this eroding stretch the slope of the upper-beach face from the sandy-intertidal flat to the beach berm crest is 1:3 to 1:4. The beach-berm crest is noticeably lower than at Tihaka, with the narrow tussock

grass verge approximately 0.5 m above road level (Figure 3a). There is no grassed verge/crest remaining along 100-150 m of the currently eroding stretch. There had been some gravel deposited onto the road by the waves of the previous days (a normal winter storm, < 1 year ARI).

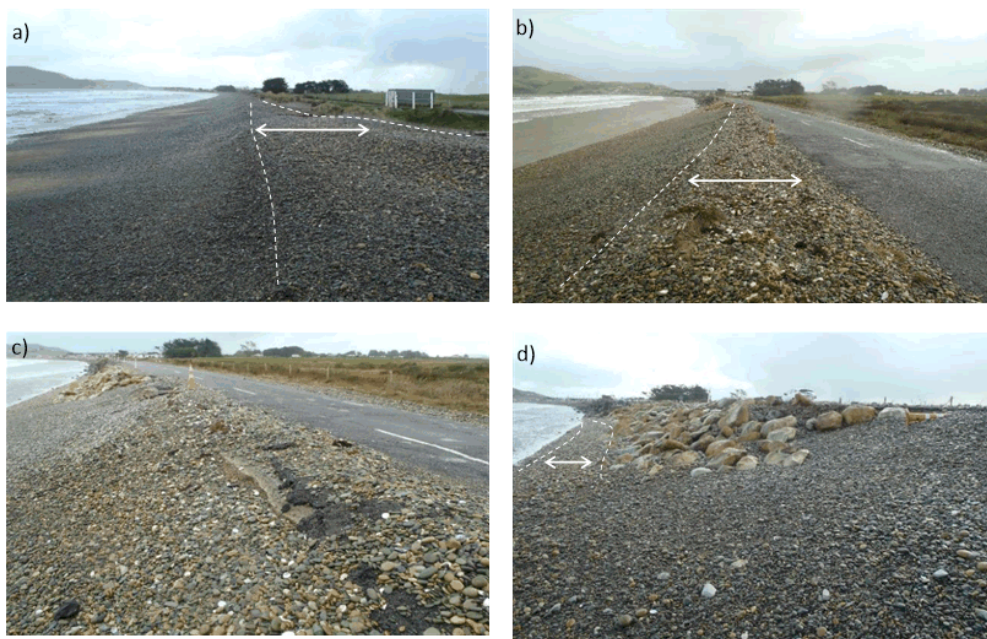


Figure 3 - Erosion hotspot between 'Trees' surf break and eastern extent of rock revetment showing a) view east from Trees, b) and c) view west where beach erosion has reached Colac Foreshore Road, and d) view west of transition between natural beach and 2012 emergency works rock (25 May 2015).

C. Rock revetment

The rock revetment currently extends about 1.4 km east from Bungalow Hill Road along Colac Foreshore Road and defends Colac Bay Township. Generally the rock revetment is in good condition and currently provides an adequate level of protection to the community and road. The revetment front face is at 1:2 slope, with 1-2 layers of armour stone of nominal diameter 0.5-0.8 m. The armour stone West of Colac Bay Road T intersection is underlain by gravels with an intermediate geotextile layer, while east of the intersection the geotextile is absent and armour stone is placed on the beach gravel (Figure 4a-d). A single line of the largest rocks appears to have been placed at the crest of the revetment (i.e., 1 rock wide) on the road verge to a level approximately 1 m above the road (Figure 4b). Several smaller boulders (up to 0.5 m diameter) have migrated seaward up to 5 m from the toe of the revetment due to wave action (Figure 4a). The beach below the revetment is now a wide and sandy low-tide flat, and the only gravel remaining is that retained within the revetment structures, although there is a thin wedge of gravel remaining below the eastern-most 120 m of revetment (Figure 3d, Figure 4a). The most recent protection works were the 2012 emergency works which extended the protection 100-120m eastwards beyond the houses at the eastern end of the village.

These emergency works rocks are smaller than the main body of the revetment and appear to be slumping, with backfill settling through the face of the rock.

The height of waves approaching the revetment increases eastward due to the protection provided by Oraka Point. During the site inspection the waves were breaking offshore, with the broken wave bore sweeping over the beach and reaching the revetment. Wave reflections were observed from the structure as a consequence of the steep revetment face. A series of long-period surges (wave period 40-80 seconds) were observed to reach the beach at an oblique angle ('normal' waves align roughly parallel to the beach face). The surges have more energy than normal waves and would transport more gravel alongshore than normal wind-waves.



Figure 4 - Existing rock revetment along Colac Foreshore Road showing a) view west along 2012 emergency works with "rotten-rock" backfilling of road verge, b) view west at the eastern entrance to Colac Bay township with large 1 m boulders placed on road verge, c) view east from Colac Bay Road 'T intersection' with wider grass verge, and d) view west towards Bungalow Hill from near the 'Pavilion' restaurant (25 May 2015).

D. Bungalow Hill Road – Boat ramp

This stretch of coastline extends 1 km south from the intersection of Bungalow Hill Road, past the boat ramp to the end of Colac Foreshore Road some 400m beyond the boat ramp. It has a wide sandy low-tide flat interspersed with substantial rocky outcrops (Figure 5) and a gravel upper beach with rock/boulders that protect the adjacent road. This corner of the bay is protected from the worst southerly and south-west wind/waves by the rocky coastline, Oraka Point and the boat ramp, which results in finer sediments than at the Tihaka end with a higher proportion of shells present. Overall, this segment of coastline appears to be relatively stable, but localised erosion of the road verge has

been apparent in recent years. The erosion is likely due to this being the source location for the rock used in some of the earliest protection works (1955).

The small stream (Huraki Creek) which discharges into the western corner of Colac Bay will provide some additional sediment to the beach. At the site inspection on 25th May, this appeared to be predominantly sandy material (Figure 5a). The volume and frequency of this sediment input is unknown, but is likely to be small and irregular due to the small catchment size and relatively low gradient. Future sediment delivery is likely to be lower still as a result of improvements to land-use and runoff management reducing channel and bank erosion in the hinterland.

The boat ramp is located in the lee of a natural boulder field which has been further protected by a short (20-30 m) breakwater on its exposed southern side to allow deeper water access. There is a small sediment fillet which has accumulated to the south of the breakwater, however it is unclear how much additional sediment has been captured by the boat ramp and breakwater extensions beyond that which would have been captured naturally by the boulder field. The accumulated sediment appears stable, with vegetation advancing seaward. The gravels/sands present on the northern (lee) side of the boat ramp indicate that sediment bypassing now occurs naturally, so there is little ongoing interruption to longshore sediment transport by the boat ramp.

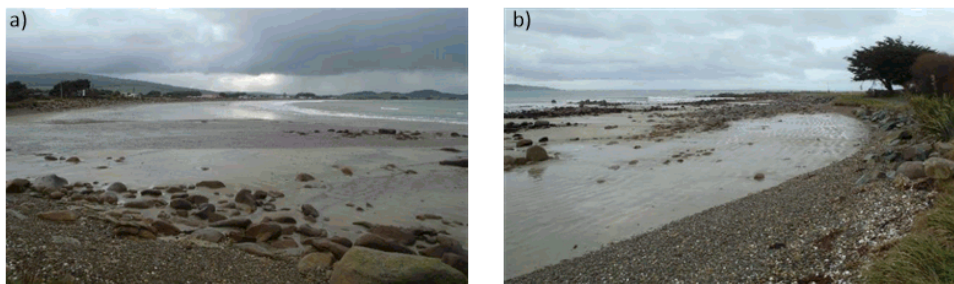


Figure 5 - Coastline between Bungalow Hill Road and boat ramp showing a) view northeast along Colac Bay with Huraki Creek exiting to sea and b) view south along foreshore towards boat ramp and breakwater (annotation) with exposed rocky outcrops on inter-tidal flat visible (25 May 2015).

3.2 Meeting with the Colac Foreshore Committee

Seventeen members of the CFC and one council staff member (Simon Moran) met at 5pm in the Pavilion Café on 25th May 2015 to discuss Colac Bay protection works, coastal erosion and to inform this report. The discussion focused primarily around three broad topics:

- a) Local history, with notable observations of:
 - The beach in front of the town used to have a wider and gently sloped sand and gravel berm with a grass verge about '2-3 cars wide'. Sand/gravel dunes were also present, like the current situation at the Tihaka end.
 - Sometime prior to 1952 the roadway was seaward of the old cemetery, whereas it currently passes behind. Coastal erosion was the cause of the realignment.

- The erosion has been ongoing for several years, and the community is aware that the current protection is 'chasing' the erosion eastward.
- The contractor who constructed some of the protection works (the 2000s revitalisation) suggested improvements could have been made to the revetment such as geotextile wrapping and deeper toe embedment.
- The former gravel pit along Colac Foreshore Road was partially infilled as a landfill, at times with unrestricted access.

b) Current state:

- The community acknowledged that the coastline naturally advances landward and seaward over long time scales on a regional scale and the current erosion is a consequence of defining a cadastral boundary and historic decision to protect the land.
- The revetment currently provides adequate protection for the inhabited areas immediately behind the revetment.
- There are approximately 4-5 episodes of gravel overwash across Colac Foreshore Road per year. The community regards the volume and frequency of gravel deposition as a nuisance but was not concerned with the operational use of the road provided it is swept away.
- There were some discussions about the lack of maintenance of the wall and that maintenance works would improve the effectiveness and longevity of the revetment. Maintenance works suggested included collecting the migrating boulders from the toe of the wall, reducing the time taken to sweep storm overwash debris from the road, and re-packing the revetment where it is slumping.
- The community would like improved public accessways to the beach at low-tide level and suggested concrete stairways.
- The quality and protection from the 2012 emergency works does not meet their expectation.
- The present state of the beach (at 25th May 2015) is a result of a month of higher than usual waves.
- The community is concerned that if the beach erosion reaches the former landfill it cause greater environmental damage to the beach.

c) Future options:

- Maintaining access along Colac Foreshore Road is seen as important to the survival of the community (tourism, surfing, rail trail and walking) and is the primary goal of the CFC's actions and involvement in coastal management and protection options.
- The community members consider themselves pragmatic and do not expect the 'gold plated' option to be constructed, however they do consider a hard-engineering approach (of whatever form) as the solution.
- Losing the 'Trees' surf break through intervening with coastal processes would be unacceptable.
- The community acknowledged that any protection measure must be financed.
- Preventing the erosion of Colac Foreshore Road is more important than addressing the minor erosion along the boat ramp access road.

Overall, the CFC considers that the revetment currently provides an adequate protection for the inhabited areas immediately behind the road but also considers that SDC should have a more active role in maintaining the revetment to address minor settlement, slumping and gravel debris. The community considers it unacceptable to lose road access along Colac Foreshore Road, have the landfill exposed/eroded by the sea, or adversely affect the surf break.

4 Coastal processes contributing to erosion

At the heart of the processes contributing to coastal erosion at Colac Bay are the complex balanced relationships of long-term changes in coastal drivers (storminess, sea level rise, wind/wave direction), long term sediment supply (streams, rivers, sub-tidal) and offshore bathymetry changes (bar movement, spit formation). These processes have created the beach in its current location by reaching a natural dynamic-equilibrium over centuries. During a phase of natural coastline retreat in western Colac Bay, this delicate natural balance was interrupted by the placement of coastal defences (either/both the 1930s brushwood fences or 1955 rock revetments) to protect a stretch of land immediately behind the road. This 'protection' was placed in an ad hoc manner with little knowledge of the long-term coastal processes or consideration of effects on the adjacent beach. The presence of the defences caused subtle changes in the near-shore morphodynamic interaction between the waves, sediment and resulting shoreline position. The steeper and harder coastal defence structures reflect more wave energy compared to the natural beach, which draws more sediment away from the beach face leading to beach erosion through longshore drift and results in an overall lowering of the beach level in front of the revetment. The expansion and extension of the protection works subsequently led to further erosion and necessitated further protection. As a result of the various protection works the beach along western Colac Bay is almost unrecognisable compared to its pre-intervention state, with rock revetments in the place of gravelly-sand berms and dunes.

This sequence of coastal protection works has been observed at many locations in New Zealand, and the processes and risks arising from this approach are described in flow-chart form in Figure 6. At Colac Bay, where all the houses are now protected but the access route is now at risk, this process is in the stage of cyclic outflanking and extension of the coastal defences. Colac Bay had previously reached the further stages of this as evidenced in the realignment of the Foreshore road to pass behind the urupa and associated revetment construction works.

The historic erosion (pre-1955) at Colac Bay appears to have been localised cross-shore sediment movement caused by short-term storm erosion which was addressed by the protective works, i.e., a back and forth movement of beach material onshore and offshore in response to storm conditions but with little overall sediment loss. Since this time there appears to have been a wholesale shift in beach erosion dynamics from localised cross-shore retreat to a wider-scale erosional regime where the primary sediment movement is a one-way flow eastward, causing the erosion to sequentially move along the beach. The shift in dynamics has been exacerbated by defence construction that has accelerated the overall changes to beach sediment transport.

The rate of shoreline retreat has been estimated in past reports. The following numbers represent the trends observed along Colac Bay and provide a guide to future erosion:

- a long-term average erosion rate of 0.1 to 0.25 m/yr over the 67 year period 1888 to 1955 (T&T 1997)
- an average erosion rate of 0.14 m/yr (using the vegetation line as a reference) for the period 1955 to 1997 (T&T 1997)
- anecdotally, the beach berm adjacent to the 2012 protection works appears to have retreated at least 1 m into the road-verge since then, indicating a rate of 0.3-0.4 m/yr.

These values indicate that erosion of 0.1-0.2 m/yr has previously occurred along Colac Foreshore Road in the area now protected, but the erosion may have recently accelerated along the unprotected stretch of coastline and particularly adjacent to the revetments.

At the transition from the revetment to natural beach it is clear that the revetment slope (1:2) is steeper than natural slope of the beach (1:3-1:4), e.g., Figure 3d. Consequently, in this location **the beach is trying to lay-back to its natural slope in response to the wind/wave action**. The toe position of the beach gravels will remain in a similar cross-shore location to the revetment toe, therefore to accommodate the 1:3 or 1:4 natural slope the beach crest will naturally retreat by eroding further into the roadway. It is difficult to predict the distance inshore that the beach will erode if left unchecked as this retreat is dependent on the material encountered, whether improvements to the end of the existing revetment are made and other changes in environmental conditions (vegetation, sea level, prevailing wind/wave direction). It is noted that if this shoreline retreat was to occur further along the beach past the "Trees" then it would not be a major problem because of the wide beach surface with ample sediment build up, absence of road on the backshore and the adequate building setback distance of the Oyster Lane development (approximately 50 m from the present beach) for building platforms. However the "Trees" surf break may be adversely affected.

Future climate changes will also influence the coastal processes contributing to erosion.

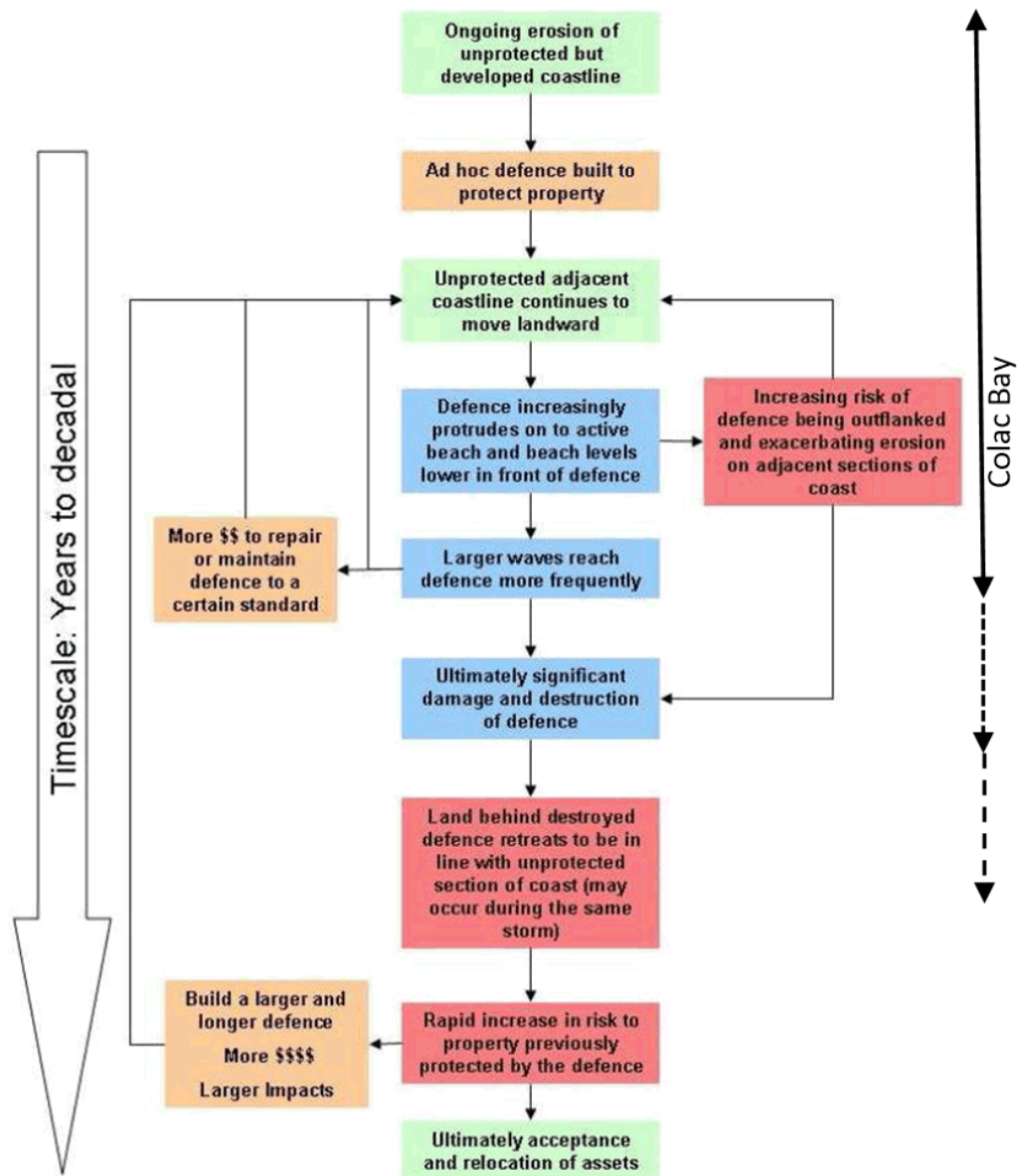


Figure 6 - Typical timeline of the protection offered by, and effects of, ad hoc coastal defences on an eroding coastline (courtesy Doug Ramsay, NIWA Client report HAM2007-007).

4.1 Climate changes

One of the key influences on long-term coastal stability is the ability of the beach system to respond to future climate changes such as sea-level rise, regional changes to wind/wave direction or storm intensity.

Regarding sea level rise, the latest Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report of Working Group I (Physical Sciences) was released with sea-level rise projections using different Representative Concentration Pathways (RCPs) for carbon emission trajectories. The plausible range of IPCC projections is for an increase of 0.5 to 1 m in global-mean sea level by 2100, with an additional caveat of several decimetres if an accelerated ice-sheet response ensues (Figure 10).

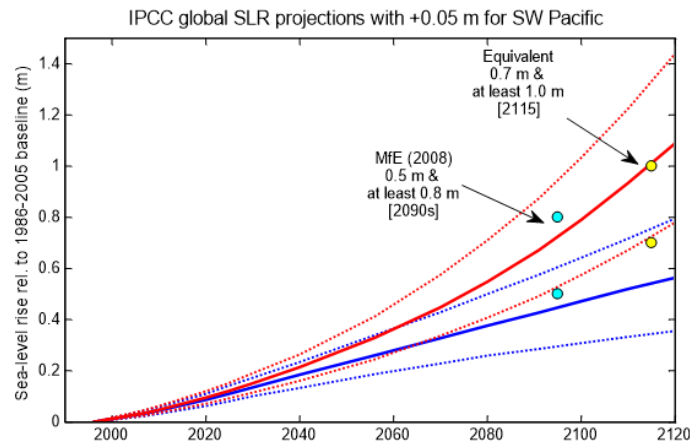


Figure 10 - IPCC (2013) sea-level rise projections out to 2120 that include an additional 0.05 m increase in the SW Pacific over and above the global-average. The blue lines are for the RCP2.6 scenario (severe curbs on emissions and zero by 2100) and the red line for RCP8.5 (business-as-usual global emissions). The two tie-points in the MfE (2008) sea-level rise guidance manual for the 2090s are marked (blue dots) along with the equivalent tie-points extended out to 2115 (100-year period).

The most-recent national guidance on sea-level rise values to use is the 2008 MfE Guidance Manual for Local Government on Coastal Hazards and Climate Change (MfE, 2008). The guidance is based around a risk-assessment framework where the consequences for any project or plan change should be investigated for a range of sea-level rises, starting with 0.5 m (by the 2090s) and at least considering 0.8 m (2090s). Given that the New Zealand Coastal Policy Statement (DOC, 2010) stipulates that **planning timeframes of at least 100 years need to be considered, the equivalent values start with a sea-level rise of 0.7 m and should at least consider 1.0 m by 2115**. Any future long-term 'solution' to coastal erosion must incorporate this guidance. It should be recognised that *all* fixed coastal protection structures will provide a reduced level of protection as sea level rises.

With climate change it is also likely that the storm-driven extreme sea-levels of the present day will occur more frequently as sea-level rises. For example in 50 years the elevated water levels from a 1 in 100 year storm event of 2015 (a 1% likelihood of occurring each year on average) may occur as often as every 10 years (a 10% chance of occurring each year). Essentially, without upgrading the protective structures the likelihood of larger overtopping events and destructive events is increasing (e.g., flow chart of Figure 6).

5 Specific concerns for Colac Bay

5.1 Historic gravel pit

A gravel reserve was designated on the 1881 survey, and although the exact dates of extraction are not known, aerial photos show gravel extraction began after 1955 and was completed by 1981 with total extraction area of approximately 55 Ha (Figure 7). The current floor level of the gravel pit appears to be 2-3 m below the surrounding land, although with rough depressions and mounds. The material extracted is assumed to be used for construction of the adjacent highway. A wetland appears to have naturally formed at the cessation of gravel extraction, as is common when extraction ceases upon reaching the water table. As shown in Figure 7 a small (approximately 80 m x 50 m) landfill is seen to be operational in 1981, 1993 and 2000 aerial photographs but appears to be closed as of 2007. The former landfill is set back approximately 100 m from Colac Foreshore Road, with access currently via a locked gate. A small amount of illegal 'out of bounds' dumping is expected within 20-30 m of the former landfill site especially as landfill access was at times unrestricted in its earlier years (pers. comm. CFC member 25-5-2015).



Figure 7 - Former gravel pit site along Colac Foreshore Road showing partial infilling as wetland and landfill. The extracted gravel is thought to have been used to construct the nearby highway visible at the top of the image. White line indicates the approximate gravel pit boundary; white shading indicates approximate landfill extent. Aerial photograph source: SDC, dated 1993.

In the scenario that Colac Foreshore Road is removed and the beach erodes into the former gravel pit, it is unlikely that the beach erosion will accelerate after reaching the gravel pit as there is a sufficient volume of gravel remaining to resist erosion. In this scenario a small amount of the illegally dumped landfill material is expected to reach the beach face, which may be tidied as needed. Wholesale coastline retreat of over 120 m to reach the landfill is a highly unlikely outcome in the foreseeable future.

5.2 Surf break

The 'Trees' surf break, midway along Colac Bay, is recognised regionally and its surf conditions are reported on various websites². It is a sandy beach break with reliable surf. It can have good surfability at all tide stages and all times of the year, but is best with a southerly swell and northwest wind.

Being a beach break means the surf quality is strongly influenced by the state of the offshore bars and sand on the intertidal flat (as opposed to a point- or reef-break which is controlled by the fixed bedrock features). This means that any nearby changes to the nearshore dynamics, sand supply and beach sediments may alter the location, form and quality of the surf break. In the scenario that the rock revetment was extended along the remainder of Colac Foreshore Road (as desired by the CFC for road access protection), then the sediment stripping which has occurred at western Colac Bay is also likely to occur here. This change to sediment dynamics on the upper foreshore is likely to influence the surf break as an unintended consequence of any coastal protection works. Indeed, there are few options for complete road access protection without some risk to the surf break.

5.3 Beach amenity and access

Prior to construction of any rock protection measures the foreshore of Colac Bay was a wide grassed/tussock gravel and sand berm (pers. comm. CFC member 25-5-2015). The beach amenity at this time was good, with wide and easy access but little storm-erosion protection. Since the installation of the rock protection works, the wide grassed berm has disappeared and the beach itself is wide and sandy at low-tide but the water reaches the rocks during mid to high tide. Current beach access for the public is either scrambling down the often slippery and mobile rocks or one of two 'access points' where 'steps' are provided down the revetment (Figure 8).



Figure 8 - Current beach access (approximately 10m west of Colac Bay Road).

² E.g., http://www.nzsurfguide.co.nz/surf_breaks/southland/colac-bay or <http://www.metservice.com/marine/surf/colac-bay>

At the meeting with the CFC the point was raised as to whether concrete steps could be placed to create more user-friendly access to the beach. A well-constructed and pre-cast concrete staircase (a straight and single flight) could be placed on top of the existing revetment and attached to some of the larger and more stable protective rocks. The key to successful installation would be the strength of pre-cast unit and site selection of large and immobile rocks. The structure may require a resource consent for placement/construction in the coastal marine area.

Such a stairway would increase the volume of water/gravel overwash onto the road, but the CFC considers this an acceptable consequence and the effects could be addressed as maintenance.

6 Erosion management practices

6.1 Common engineering approaches

Coastlines are dynamic areas, and trying to control how coastlines change is typically a very expensive and often futile activity which in many cases exacerbates problems along adjacent coastal areas. Engineered approaches do have a place as part of a successful coastal defence, but are often less successful at mitigating region-wide or long-term beach retreat (i.e., Colac Bay) than mitigating short-term storm damage (i.e., resisting the effects of the highest tides and largest waves of a storm). There are two general engineering approaches for management of coastlines where the overall trend is a beach/region-wide coastal retreat:

1. “Hard” engineering:

Coastal defences such as seawalls built to “hold the line” or “advance the line” are often viewed as solutions to coastal erosion problems. Unfortunately such actions tend to be reactive, are rarely the most effective option in the long term, lead to a false sense of security, often permit further development behind the structures, and often lead to other environmental damage. Further, there is an expectation that such defences will be maintained *in perpetuity*, leading to ever-increasing financial commitments to maintain and upgrade such defences. Examples of hard engineering include revetments, groynes, breakwaters and seawalls. Colac Bay is an excellent example of hard engineering solutions causing adjacent erosion, changing the overall beach dynamics and exacerbating beach erosion. There is a place for these types of structures in the coastal environment, but they should be viewed as secondary defences or back-stops to a primary defence of improved management of the coastal environment through planning and development controls.

Several specific “Hard” engineering approaches were suggested by others for Colac Bay and are addressed on the following page.

2. “Soft” Engineering:

“Softer” approaches including “managed retreat” or “wait and see” are most often viewed as interim measures, but can be more successful in the long-term when managed carefully in conjunction with proper planning and development controls. These options include beach nourishment and dune/vegetation management which work with the natural coastal processes to manage and mitigate erosion effects. Beach nourishment involves removing large volumes of sand and gravel from a suitable source and re-depositing it near the eroding stretch of coastline. This is likely to be required periodically, say every 5-10 years at a fairly substantial cost, with additional top-up required following storm erosion. An aggressive planting regime to naturally stabilise the upper beach foreshore should not be a stand-alone option as it takes time to develop into a coastal defence.

The cost of soft engineering works is often less than hard engineering, with an improved aesthetic compared to hard engineering. However, there is a trade-off to acknowledge that the solution may not be long-term and the coastline may naturally advance and retreat around this protection.

6.2 Options suggested by others

During discussions with the CFC and Council staff a number of specific engineering solutions were mentioned and discussed. Outlined below are the physical processes and risks associated with construction of these options at Colac Bay. The options put forward were:

- A. *A single groyne at the end of the existing wall:*
Groynes are commonly used to control the longshore transport of sand and gravel. However, as they trap sand and gravel which moves along the coast they can cause some quite significant down-drift erosion impacts (i.e., exacerbated erosion along adjacent sections of coast). Where groynes are used they are often supplemented with beach nourishment, i.e., sand or gravel placed to increase the width of the beach, which changes the function of the groyne to hold the nourished sediment rather than interrupt the natural sediment transport. Given the scarcity of sediment availability, the history of intervention resulting in exacerbated erosion and the nearby surf break, a groyne is unlikely to prove a successful mitigation option for the coastal erosion at Colac Bay. Constructing a properly designed groyne is also likely to be prohibitively expensive and unsuitable for the Colac Bay physical environment.
- B. *An offshore breakwater near the end of the existing wall:*
Offshore breakwaters are designed to interrupt the wave driven sediment transport by creating a wave-shadow on the beach and allow the shoreline to advance in the lee of the structure. However, as they trap beach material in the lee, they can cause down-drift erosion effects, and if improperly designed the sediment accumulation can be to the extent that it acts as a sand-groyne, with the same down-drift erosional consequences. If designed properly, the trapped sediment may widen the beach and combat the erosion. However, constructing such an offshore breakwater is often prohibitively expensive, and as the area of beach widened is proportional to the size of the structure, Colac Bay would require a large and costly structure.
- C. *Protect the remaining Colac Foreshore Road with a rock revetment:*
Extending the existing rock revetment for another 1 km (including rebuilding the 2012 emergency works) would “hold the line” by extending the fixed barrier eastward. However, this approach would have similar consequences to the prior revetment works – sediment stripping from the beach face, beach level lowering and erosion of the adjacent beach. While the beach eastward beyond such a revetment is wide and capable of retreating, the most notable environmental effect of constructing this revetment is likely to be the loss, or irrevocable change to the “Trees” surf break. The extension works would be more costly than the prior works due to the need for larger rocks (because of the larger waves experienced in this more exposed part of the bay) and the absence of reusable existing rock.
- D. *Do nothing (close the road):*
The “retreat” option is to accept that the regional-scale influences on coastline position are beyond the capability and affordability of council engineers to manage *in perpetuity*. This approach often involves relocation of houses and relinquishment of private land to the beach. **In the long term, if left un-hindered, the coastline along Colac Bay is likely to retreat inland beyond its current position and establish a new equilibrium position.** It should be noted that Colac Bay is in the unique position that there is an existing adjacent access route a safe distance from the shore and no development behind Colac Foreshore Road, so retreating is a reasonable option with the limited financial requirements. However, this approach is unacceptable to the CFC who wish to maintain road access.

Whilst there are many other types and combinations of engineering approaches that could be considered, in essence there are no simple feasible options that are either affordable, would not cause significant down-drift erosion effects, or are acceptable to all parties at Colac Bay.

7 Recommendations for managing future coastal change at Colac Bay

The community meeting highlighted a tension between the CFC and SDC with regards to the expectation for protection of road access and limited funding to build such protection, which is combined with the joint desire for limited environmental impacts to the bay. The CFC is of the opinion that Colac Foreshore Road should be protected and that an engineering solution is the main way to ensure access continues. However, SDC has limited funding for coastal protection works and cannot justify large expenditure on this roadway when there is a suitable highway some 300 m inland. As outlined in Section 4 and Section 5, **there is no single clear and long-term mitigation option for Colac Bay, especially considering the specific features of the Bay, and any reasonable middle-ground solution will involve a compromise between the two distant perspectives.** This will involve cooperation and compromise from both parties, i.e., a lower level of protection with some access and at some cost.

As outlined above (and as seen at Colac Bay) the negative impacts of coastal protection works are well known and great care needs to be taken, particularly with structural solutions such as seawalls and revetments, to ensure that such impacts do not occur. However, where such structures are built appropriately they can provide an effective interim measure of increasing the standard of protection by acting in conjunction with the existing beach and utilising “softer” engineering approaches.

The following sections outline a recommended approach comprising 1) ongoing maintenance and monitoring, 2) immediate mitigation action while design and finances are managed for 3) interim protection measure options and 4) suitable long-term management options.

7.1 Ongoing maintenance and monitoring

7.1.1 Maintenance

The existing rock protection is in need of some preventative maintenance to ensure that its level of protection does not diminish without further maintenance:

- At opportune times, an excavator placed on the beach at low tide may “walk” along the foreshore, collecting rocks which have migrated away from the revetment toe and re-depositing them on the revetment face to plug gaps. These small actions will increase the lifetime of the protection offered by the revetment.
- Where possible, localised slumping patches should be backfilled with new rock material and gravel spread between the gaps.
- The continued management of minor subsidence of the revetment rear face through backfilling, road sweeping and allowing vegetation to grow.

This type of maintenance work should continue to be performed periodically to maintain the current state of protection and would be considered maintenance of existing structures for resource content.

To address the minor erosion along the boat-ramp access road, additional rock should be placed on the beach berm below the erosion scarp to prevent further undermining and erosion.

7.1.2 Monitoring

Independent of which management approach is chosen, **the beach should be monitored and photographed regularly to document the ongoing beach evolution.** This monitoring will serve to establish the effectiveness of the ongoing maintenance, the outcome of any intervention measures and inform engineers considering the long-term mitigation options.

The monitoring should include GPS beach profiles every 6 months to establish quantitatively the stability of beach width and sediment volume, and regularly photographed to record vegetation and sediment position and characteristics. Ideally, beach profiles at 150-200 m intervals along the whole beach would be most informative, however to assess effectiveness of interim measures then profiles between the eastern-most house on Foreshore Road until 300 m past the “Trees” would suffice.

7.2 Immediate mitigation

As the process of deciding the extent of the interim or longer-term protection works and who/how they will be funded can take some time (years in many cases), **it is recommended that an immediate intervention be undertaken at Colac Bay to prevent deterioration of the beach and revetment before any more-permanent erosion mitigation is in place.** The timeframe for this work is considered within 6 months in the hope of intervening before any severe storms erode the beach irreparably. The immediate actions include:

- The one-off nourishment (differing from the ongoing nourishment described as soft-engineering within Section 6) of a 100 m section of the beach with beach sediment collected from the Tihaka end of the beach (collected from the rear of the beach berm, not the beach face). This should be placed on the low-tide sand flat in front of the last 40 m of the 2012 emergency works rock and in front of the eroding stretch. Where possible it should be re-graded to a natural beach profile with a narrow crest.
- Aggressive planting of re-nourished beach berm and upper beach face within 200 m of the emergency works rock (e.g., a community planting day). This should be with plants known to survive the rigours of beach exposure in Southland (tussock, flax). Ceasing any roadside spraying will aid the plant establishment.
- Maintenance of the nourished and planted beach. After storm events, material which is cast onto the road should be swept back to the berm. Similarly, if sediment slumping is noted in the eroded areas of the beach this should be re-scraped to the beach berm and roadside. Any plants which die or are washed away should be replanted.
- Restrict any further development in areas of coast along Colac Foreshore Road beyond the end of the current revetment as a measure to permit a future option of relinquishing the road to the beach should the interim protection measure be unsuccessful or the cost of maintaining/extending the structure be unacceptable to SDC and ratepayers. This would also recognise and provide for the likely impact of sea-level rise.

The recommended maintenance and monitoring (see Section 7.1 above) should continue alongside these immediate actions.

7.3 Interim protection measures

As highlighted above and throughout discussion with all parties, the contrasting perspectives and environmental sensitivities mean there is not one clear solution to address the current issues and future changes without incurring some cost. Therefore, **two interim mitigation measures are proposed to 'buy some time' to permit development of a unified long-term strategy for managing the coastal change along Colac Foreshore Road.** These interim options differ in their coastal management strategy as one is a "hold the line, temporarily" approach and the other is a "managed retreat" option. The options both take a step towards keeping the roadway open in the short term and both involve a financial investment with community input. Most importantly, while addressing the present issues, selection of either option will not exclude any of the future long-term options.

There is a risk that these mitigation options will be unsuccessful at managing the coastal erosion in the interim timeframe if there is a large storm event or unforeseen outcomes.

7.3.1 Structural mitigation: transitional revetment extension

The "hold the line, temporarily" option suggested is a multi-faceted approach designed to address the many contrasting processes and perspectives at Colac Bay. The design is an attempt to prevent the erosion worsening at the current location, interrupt the beach-wide erosional tendency and reduce the edge-effects adjacent to the present revetment. **The key component of this design is the smooth transition from rock-dominant revetment with 1:2 fore-slope to a gravel-dominant beach with few rocks and fore-slope of 1:4-1:5.** This form of transitioning the revetment through a flatter slope and sparser rock placement is not as visually appealing as a natural beach or traditional rock revetment and will not be an inexpensive option. However, this approach forms a first step to intervening, maintaining the current road within the legal parcel, and holds flexibility for any long-term strategy.

This option is described schematically in Figure 9 with steps for implementation below.

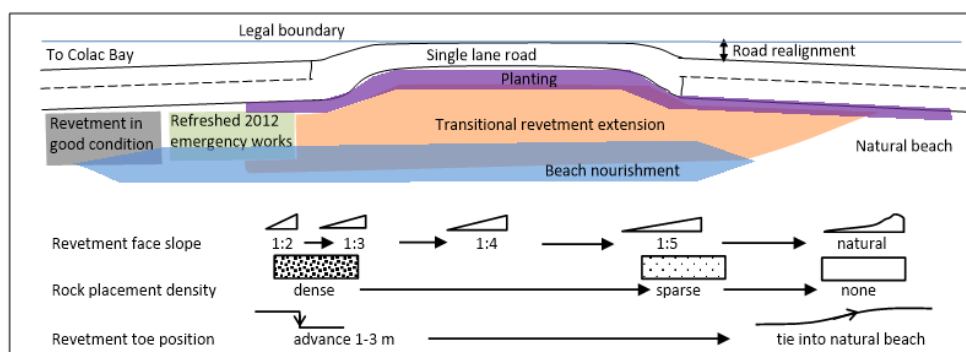


Figure 9 - schematic of proposed transitional revetment extension.

1. Realign and narrow Colac Foreshore Road inland as much as possible within the existing legal boundary. The most effective version of this will be reducing it to one lane for a 200 m length around the protection works. This realignment will gain 2-4 m of beach width for the protective works.

2. Rebuild and strengthen the 2012 emergency works section of the existing revetment. This should include placement of new rock in exposed locations, at the crest, and embedding additional rock at the toe of the revetment – the rock sizes should be finalised during a detailed design phase. This will ensure the level of protection to the community and road does not decrease without further maintenance of the existing structure.
3. Extend the revetment by 100-150 m with a revetment of variable foreshore slope, decreasing rock placement density, and a toe extended seaward. This extension will transition from a 1:2 slope adjacent to the existing revetment to a 1:4 or 1:5 slope at its end; it will also transition from a rock-dominant revetment to a gravel-dominant beach by decreasing the rock placement density along its length (i.e., larger spaces between rocks). The revetment toe also advances seaward by 1-3 m to allow for the flatter slope layback in conjunction with the realigned road. The revetment should be backfilled with beach gravel extracted from the Tihaka end of Colac Bay.
4. Nourish the beach in front of the 2012 emergency works and revetment extension with sand and gravel extracted from the Tihaka end of Colac Bay. The sediment should be placed on the revetment face as a wedge above the low-tide sand flat, reaching 2-3 m up the revetment. It should also be placed over and throughout the refreshed 2012 emergency works and revetment extension. The nourished beach should be graded to align with the natural beach profile where possible.
5. Plant vegetation after the nourishment and regrading works on the beach crest, upper foreshore and road verge. This should be with plants known to survive the rigours of beach exposure in Southland (e.g., native tussock or flax). Ceasing any roadside spraying will aid the plant establishment. The community is encouraged to engage in this planting phase and continue to maintain and replace any plants which die or are washed away rather than wait for SDC maintenance cycles.
6. Maintain the existing and new structures. During winter and after any large storms, the beach should be re-scraped at low-tide to re-gather rock and gravel that has migrated offshore. As the rock revetment settles into place it should be topped-up annually with additional rock and gravel.

While undesirable from a tourism access route, it is reiterated that ultimately the longer-term approach is most likely going to need to involve removal or complete realignment of Colac Foreshore Road, and this interim measure is to 'buy some time' over a while decisions are considered.

7.3.2 Non-structural mitigation: realign the Colac Foreshore Road.

The "managed retreat" option suggested allows the beach to naturally adjust to a new equilibrium shoreline position by relocating the Colac Foreshore Road a short distance inland and out of the current erosion risk zone without further changes to the beach system itself. **The realignment involves part-purchase of the former gravel pit and require some backfilling to form a suitable road foundation.** This retreat option is not as visually appealing as a natural beach or traditional rock revetment as it will leave an exposed revetment and eroding beach.

This option is schematically illustrated in Figure 10, with steps for implementation below.

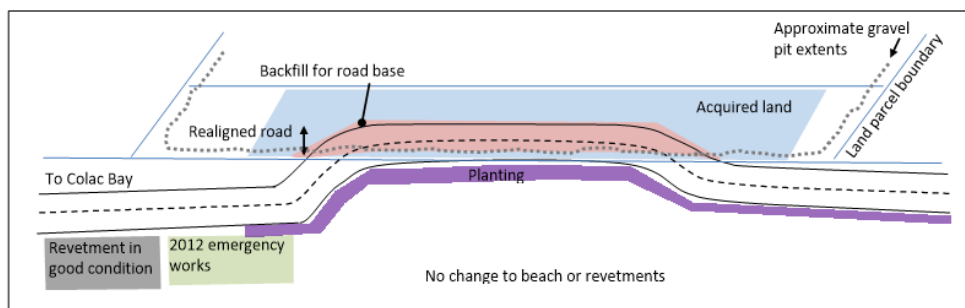


Figure 10 - schematic of proposed road realignment.

1. Acquire land from the former gravel pit approximately 20 m wide or as wide as recommended after considering adequate setback distances.
2. Backfill a strip 5 m wide and 150 m long to a level suitable for road foundation. It is envisaged in the first stage the road may only be built 5 m from the current alignment, only using a fraction of the acquired land, therefore minimising the required fill volume for road foundation. If the beach erosion then continues, the council can iteratively fill and realign the road further inland.
3. Construct as a gravel road with appropriate signage and protective guardrail/berm before removing the existing road surface.
4. Plant vegetation on the beach crest, upper foreshore, road verge and former road surface. This should be with plants known to survive the rigours of beach exposure in Southland (e.g., native tussock or flax). Ceasing any roadside spraying will aid the plant establishment. The community is encouraged to engage in this planting phase and continue to maintain and replace any plants which die or are washed away rather than wait for SDC maintenance cycles.
5. Monitor the beach condition, crest position and revetment end as the new beach equilibrium position develops.

This option gives some control over timing and cost to the community and council by varying the realignment offset distance and the size of land purchased to allow either/both a two-lane road or a larger setback for the expected beach retreat.

For this option, the interim status means shifting the road to a location that is just out of the current danger zone may be at hazard in the longer term (but at least this buys some time) or may even turn out to be safe (and a long-term solution) once more is learnt about how the shore stabilises through monitoring. In contrast, a long-term solution would be to shift it a conservative distance inland now (say, 50 m) to avoid the potential costs of shifting the road multiple times.

The gravel surface of the road is envisaged as temporary in order to accommodate quick construction or modification following storm events. This form of managed coastal retreat leaves the end of the current revetment exposed and susceptible to erosion and undermining from wave attack

and sediment stripping, consequently it will require active monitoring and/or pre-emptive placement of rocks to prevent erosion outflanking the revetment. However, this approach maintains the current road access and holds flexibility for any long-term strategy with fewer ongoing maintenance commitments than a revetment.

7.4 Long-term options

The suitability and extent of any future works will need to be refined through assessing the performance of the interim protection works, analysis of beach monitoring results along with incorporating sea-level rise policies, community needs and funding conditions.

In relation to the form of a future long-term coastal management strategy at Colac Bay that addresses the funding restrictions and community wishes, the options are limited to minimal intervention such as “do nothing”, “managed retreat”, or substantial intervention such as “hold the line”. There is little or no middle ground between these perspectives due to the site specific complications and erosion history.

The options below are all presented assuming the ongoing maintenance, monitoring and immediate actions have all been performed.

7.4.1 Do nothing

In the long term, if left unhindered, the coastline along the unprotected stretch of Colac Bay for 300 m east of the current revetment is likely to establish a new equilibrium position by retreating inland beyond its current position. Without any intervention, it is expected to retreat by up to 1-2 m per year to a total of 5-15 m. The retreat will be greatest immediately adjacent to the existing revetment and will reduce further east along the beach. This will force closure of Colac Foreshore Road through uncontrolled undermining and erosion.

The beach erosion is not expected to accelerate after reaching the gravel pit as there is a sufficient volume of gravel remaining to resist erosion. In this scenario a small amount of the illegally dumped landfill material is expected to reach the beach face. Note that coastal erosion reaching the historic landfill is a highly unlikely outcome in the foreseeable future.

Because there is a suitable alternative access route (SH99), this option has the lowest cost to the council for implementation, however it has the greatest uncertainty for the community in the unpredictable timing and severity of storm erosion causing road closure.

7.4.2 Managed retreat

Colac Bay is in the unique position where there is an alternative access route and there are no dwellings along the eroding stretch of road. This means that there are reasonable options available for little cost. The simplest options are:

1. Pre-emptive closure of Colac Foreshore Road before a forced closure. This would involve removal of the tar seal and redirecting vehicular tourist traffic along the adjacent highway. A gravel walking track could be left for pedestrian and cycle access along the rear of the foreshore as long as possible. The beach may then be left to adjust to a new equilibrium shoreline position. This option would allow the community and council to control the closure timing and better manage the implications of the closure on tourism and access.

2. Complete and permanent realignment of Colac Foreshore Road inland through part-purchase of the former gravel pit. This option is the ultimate extension of the interim option described in Section 7.3.2 and would relocate the road a conservative distance inland (say, 50 m) such that there would be minimal risk of erosion over the “long term”. Partial filling of the wetland within the gravel pit would be required for roadway foundation. This option gives some control over cost and timing to the community and council by managing the area of land purchased, quality/width of the realigned road surface (gravel or sealed) and the setback allowance for beach retreat. A key question is whether it would be more economical to choose this long-term option now or to choose the interim, less conservative relocation option and run the risk of having to shift the road again (perhaps several times).

There are several variations of this option which may be developed further through consultation with the affected stakeholders. Any managed retreat option will require ongoing monitoring along with review timeframes and thresholds for intervention. The design of road setbacks for a permanent road will require specific consideration of sea-level rises, analysis of extreme sea levels in conjunction with acceptable road serviceability.

It appears that in the long term, this “managed retreat” through road realignment or closure is the most suitable option given the complexities of the site and stakeholders.

7.4.3 “Hold the line”

If the Council and Community decide to “hold the line” to protect Colac Foreshore Road with understanding of the cost and that this is likely to cause continuation of the existing erosion-protection cycle (i.e. flow chart of Figure 6) and may have further downstream environmental consequences (i.e., beach erosion and influencing the surf break), then attention should be drawn to the following:

- Any further defence structure should be located (where possible) landward of the present active beach, with the interface of the beach and structure well above present day high-tide levels, i.e., the beach itself is left in front of the defence so the defence acts as a back-stop to erosion. This would involve excavation, construction and re-building the beach in front of the structure.
- The crest of any structure should not extend significantly higher than the level of the land behind it, with a crest width of at least 2 m wide if a rock revetment.
- Rock backfill and under-layers for geotextiles should be found from an external source and not from the immediately adjacent beach (the wide Tihaka end of Colac Bay would be an ideal source for gravel material).
- The fore-slope of any revetment should be flatter than the present 1:2 revetment slope.
- The final design will need to consider sea-level rise and analysis of extreme sea levels and erosion likelihood during storm events.

Note that any fixed structure along the coastline will provide a reducing level of protection as sea-levels rise into the future.

8 Rough-order volumetric estimates

Each of the coastal management options outlined in Section 7 were developed to such an extent that volumetric estimates of material quantities could be made. These volumes were to assist rough order costs estimates by the Council who hold local knowledge of material sourcing, cartage and placement rates. The cost estimates will assist decision making for the Community and Council.

A summary of the volumetric estimates associated with construction of each option are shown in Table 1 with the annual operational maintenance volumes shown in Table 2. See Appendix A for detailed breakdown of calculations with explanatory diagrams - this is a printed-version of the excel spreadsheet used to compile the estimates.

The costing estimates for each option should be developed firstly based on the descriptions of Section 7 with the volumetric estimates used as a supplementary reference.

If local material properties are unavailable, the recommended unit density for armour stone is 2,650 kg/m³ and the recommended bulk density for gravel is 2,000 kg/m³.

Where possible, the gravel material for beach nourishment should be drawn from a source with similar properties to the beach itself (i.e., particle size grading, density, angularity and colour) such as the backshore at the Tihaka end of the Colac Bay. The fill placed inland for road foundation does not have this recommendation.

Note that these estimates are quantities only with no provision for labour, construction complexity/methodology, contract management or otherwise. This phase of estimation does not constitute detailed design and the cost for detailed engineering design should also be factored into the selected option.

8.1 Construction volumes

The volumetric estimates associated with construction of each option represent the rough order magnitude of material quantities for construction. The "volume of excavated rock" (options 3a, 4d) represents the removal of the 2012 emergency works protection. The "volume of imported armour stone" (3a, 3b, 4c, 4d) represents importation and placement of new armour stone for revetment extensions. The "volume of excavated gravel" (4d) represents excavation for the revetment foundation – this volume will be re-placed in front/on-top of the structure. The "volume of imported gravel" (2, 3a, 3b 4c, 4d) represents the amount required for both beach nourishment and/or gravel-pit infill for road foundation.

Note that the outer rock/armour stones should be placed individually (or small groups) by excavator (i.e., not end-tipped by truck) to maximise interlocking and erosion resistance. Similarly, the majority of the gravel nourishment should be excavator-placed at/on the toe of the revetments as per the diagrams.

Table 1: Volumetric estimates associated with construction of each coastal management option.

Option		1	2	3a	3b	4a	4b	4c	4d
Timeframe		Ongoing	Short term	Medium term		Long term			
Item	Name	Ongoing Maintenance	Immediate mitigation -buy time for decision making	Interim protection (structural) - Transitional Revetment	Interim protection (non-structural) - Road realignment	Do Nothing - uncontrolled road closure	Managed retreat - controlled road closure	Managed retreat - road realignment	Hold the line - 750m revetment extension
Volume of excavated rock (i.e., 2012 emergency works rock)	(m³)	-	-	179 (0)*	-	-	-	-	179 (0)*
Volume of imported armour stone	(m³)	-	-	918 (662)*	(115.2)**	-	-	(115.2)**	5652 (5568)*
Volume of excavated gravel (i.e., for foundations)	(m³)	-	-	-	-	-	-	-	3750
Volume of imported gravel (i.e., fill or nourishment)	(m³)	-	275	788	1050 (1150)**	-	-	9000 (9100)**	1125**
Area of geotextile underlayer	(m²)	-	-	-	-	-	-	-	7500
Area to plant	(m²)	-	100	100	300	-	1200	1000	563
Area of road to remove	(m²)	-	-	-	900	-	1200	900	-
Area of road to form	(m²)	-	-	-	900	-	24	2275	-
Land area to purchase	(Ha)	-	-	-	0.2	-	-	1.5	-

* () indicate the volume required if the option to place the new layer of armour stone directly over the existing 2012 emergency works section is selected

** () indicate the optional pre-emptive 20 m revetment extension to prevent further outflanking and erosion

*** excludes re-placement of any gravel excavated for revetment foundations

8.2 Annual maintenance volumes

These volumetric estimates associated with annual operational maintenance represent the susceptibility of each option to regular storm battering. Note that values shown are additional to the ongoing maintenance (Option 1) which is assumed to underlay all options as it involves maintenance of the existing structures. The options which do not involve active beach-front management (such as road closure or realignment) have no additional ongoing maintenance volumes as the intention is to allow the beach to naturally retreat inland. The “volume of imported armour stone”, “volume of imported gravel” and “area to replant” represent replacement of lost material during storm erosion (e.g., replacing the lost volume for 3 storms per year which each erode 10% of the initial nourishment).

Maintenance of the immediate (2) and interim (3a) mitigation nourishment needs only to continue until a longer-term management approach is in place.

Table 2: Volumetric estimates of annual operational works for each coastal management option.

Option		1	2	3a	3b	4a	4b	4c	4d
Item	Name	Ongoing Maintenance	Immediate mitigation - buy time for decision making	Interim protection (structural) - Transitional Revetment	Interim protection (non-structural) - Road realignment	Do Nothing - uncontrolled road closure	Managed retreat - controlled road closure	Managed retreat - road realignment	Hold the line - 750m revetment extension
Volume of imported armour stone	(m ³)	13.5*	-	13	-	-	-	-	23
Volume of imported gravel (i.e., fill or nourishment)	(m ³)	-	82.5	165	-	-	-	-	338
Area to re-plant	(m ²)	-	30	30	-	-	-	-	169

* Ongoing maintenance should occur in addition to all options

9 Summary and recommendations

9.1 Overview

This report addresses the request for advice about coastal erosion in Colac Bay, Southland, specifically to communicate the physical processes contributing to the ongoing erosion and provide practical mitigation options taking into account the contrasting perspectives of stakeholders.

The problem of coastal erosion at Colac Bay has been ongoing since the 1930s and led to the construction of the extensive rock revetments. However, the construction of the protection works further destabilised the natural equilibrium between sediment supply, wind/wave conditions and shoreline position and ultimately contributed to exacerbation of erosion along the beach front. There has been a cyclic process of erosion outflanking the protection works which has subsequently required extension of protection works along the beach. This has occurred to a point where all dwellings are adequately protected by the rock revetment, but the access route along Colac Foreshore Road is at risk. A large proportion of the sediment which has been stripped from the foreshore of western Colac Bay has migrated east through longshore transport to the Tihaka end where the beach is now 40-50 m wide and accreting.

The majority of the present revetments along Colac Foreshore Road currently provide adequate protection for the inhabited areas immediately behind the road (excluding the 2012 emergency works which are in a poorer condition). There has been minor slumping, overtopping and leaching of the fine gravels through the armour material. These processes are normal for a revetment exposed to large waves and are within the serviceable limits for the structure. The Council has managed the minor subsidence of the revetment rear face through backfilling and allowing vegetation to grow. This type of maintenance work should continue and be performed periodically to maintain the current state of the structure.

The main tension between local residents and the Council is maintaining access along Colac Foreshore Road; the road is a tourist route and is seen as important to the survival of the town but any constructed protection works require financing. This tension is complicated by the well-known “trees” surf break at the midpoint of the beach and a historic gravel pit which is partially landfill. Note that in the scenario that Colac Foreshore Road is removed/relocated and the beach erodes into the former gravel pit, it is unlikely that the beach erosion will accelerate after reaching the gravel pit as there is a sufficient volume of gravel remaining to resist erosion and wholesale coastline retreat to reach the landfill in the north-eastern corner of the site is a highly unlikely outcome in the foreseeable future.

9.2 Recommendations

There are no simple coastal management solutions addressing the erosional problem, conflicting tensions and environmental sensitivities at Colac Bay. The recommended approach to managing the current erosion situation is presented in Section 7 and summarised below:

1. Ongoing maintenance and monitoring

The existing rock protection is in need of some preventative maintenance to ensure that its level of protection does not diminish without further maintenance. This type work should continue to be performed periodically to maintain the current state of protection and would be considered maintenance of existing structures for resource content.

A beach monitoring programme should be initiated to regularly profile and photograph Colac Bay to monitor the ongoing beach evolution and inform design of any long-term options.

2. Immediate mitigation (do now)

As the process of deciding the extent of protection works and who/how they will be funded can take some time (years in many cases), it is recommended that an immediate intervention be undertaken at Colac Bay to prevent deterioration of the beach and revetment before any interim erosion mitigation is in place. The immediate actions include a) the one-off nourishment of a 100 m section of the beach, b) aggressive planting of re-nourished beach berm and upper beach face within 200 m of the emergency works rock (e.g., a community planting day), c) maintenance of the nourished and planted beach, and d) restrictions on any further development in areas of coast along Colac Foreshore Road beyond the end of the current revetment.

3. Interim mitigation measures

Two interim mitigation options are suggested which will “buy some time” as the community and council decide on the appropriate long-term solution and funding model for any works. The options are:

- i. A transitional revetment extension designed to interrupt the erosion tendency and transition the beach from an artificial structure to a more natural beach form, phase out the reliance on hard-engineering revetments and reduce ongoing maintenance/improvement costs. This option includes a road realignment within the existing legal boundary, construction a revetment extension, nourishing the beach and planting vegetation. It is likely that this approach will require topping-up and some refinement as there is a delicate balance of sediment dynamics to manage along the foreshore.
- ii. A managed retreat option to allow the beach to naturally adjust to a new equilibrium shoreline position by relocating the Colac Foreshore Road out of the current erosion risk zone without changing the beach system itself. The realignment involves part-purchase of former gravel pit land and requires some backfilling to form a suitable road foundation. This option links into the long-term option for managed retreat.

4. Long term

Colac Bay is in the unique position that there is an existing adjacent access route a safe distance from the shore and no development behind Colac Foreshore Road, so closing or realigning Colac Foreshore Road are reasonable options with the limited financial requirements. The community and Council need to consult to decide on a suitable long-term approach with suitable compromises from both parties. Reasonable options include:

- i. “do nothing” which is to allow the shoreline to retreat, causing uncontrolled erosion and undermining with eventual closure of Colac Foreshore Road.
- ii. “managed retreat” by i) pre-emptive closure of Colac Foreshore Road before a forced closure or ii) realignment of Colac Foreshore Road a conservative distance inland (say, 50 m).

- iii. “hold the line” by construction of further revetments with knowledge of the likely erosional consequences and commitments to future maintenance works.

Ultimately, given the complexities of the site and stakeholders, the long-term coastal management approach is most likely going to need to involve the “managed retreat” option through road realignment or closure.

Rough-order volumetric estimates of the material quantities required for construction and annual operational maintenance of each option have also been provided for cost estimation by Council.

In conclusion, the present erosion issue at Colac Bay is a consequence of natural shoreline fluctuations exacerbated by human intervention. It is clear that there are no simple long-term options to protect the access route along Colac Foreshore Road without incurring some construction cost or some adverse environmental effect. The suggested interim measures attempt to make allowance for the long term erosion, phase out the reliance on hard-engineering revetments, and transition the beach from artificial protection to a naturally wider and more resilient beach. Before these works are constructed (as funding regimes are decided) there are several immediate actions to prevent further deterioration along with ongoing monitoring of the beach and maintenance of the structures.

10 Acknowledgements

Thanks to the Julie Guise and the 17 CFC members who took time to meet and discuss the history and future of Colac Bay erosion on a cold winter’s night. Thanks to Dallas Bradley and Greg Erskine for the excellent chronological sequence of photographs of protection works and extreme events, and the reference documents of prior assessments at Colac Bay.

11 References

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Appendix A Detailed calculations and diagrams

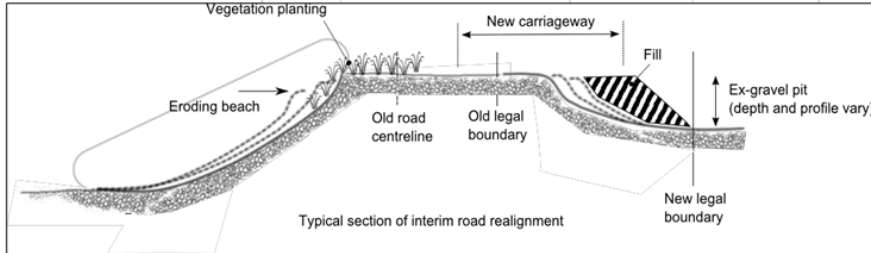
1 Ongoing Maintenance								
Step	Component	Calculations					Estimate	Explanation
Backfill localised slumping		% damage	Revetment length (m)	Number of slumps	Volume (0.3m*1m)	Instances per year		
	i.e. slumping of a single 1m*1m*0.3m block of material every 50m along the revetment occurring 3x per year	1%	1500	15	4.5	3	13.5	Maintenance fill volume (m3/year)
2 Immediate mitigation - buy some time for decision making								
Step	Component	Calculations					Estimate	Explanation
Nourishment		length	area of nourishment (m2)					
	Nourished volume (wedge in front of revetment)	100	2.75	-	-	-	275	One-off nourishment volume (m3)
Planting vegetation (tussock, grasses)		length	surface area (m2)					
	planted surface area of verge (tussock, flax)	200	0.5	-	-	-	100	Surface area to plant (m2)
Replenishment of nourishment and vegetation after storms		% loss	volume or area	instances per year				
	re-nourishing volume per year	10%	27.5	3	-	-	82.5	re-nourished volume (m3/year)
	replacing lost vegetation	10%	10	3	-	-	30	re-planted area (m2/year)
	i.e. 2-3 truckloads of replenishing gravel to top-up beach in front of erosion hot-spot + replanting vegetation as needed per storm							
<div><div><p>2012 emergency works</p><p>One-off nourishment</p><p>1.5 m</p><p>1.5 m</p><p>Embedded toe</p><p>A: Typical section at 2012 emergency works</p></div><div><p>Vegetation planting</p><p>Road centreline</p><p>Exposed beach face</p><p>One-off nourishment*</p><p>1.5 m</p><p>1.5 m</p><p>B: Typical section in front of exposed beach face</p></div></div>								

Item 8.5 Attachment B

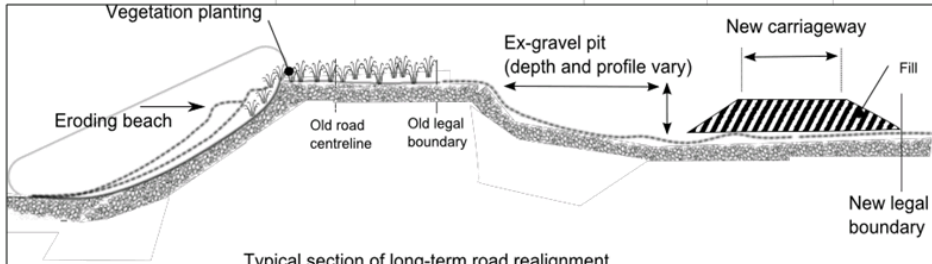
3a Interim protection (structural) - transitional revetment									
Step	Component	Calculations					Estimate	Explanation	
Realign road within legal boundary		length	Road base fill volume (m3/m length)						
	Road base fill (surface remains gravel)	200	0.25		-	-	-	50	Volume for road fill (m3)
Rebuild and strengthen 2012 emergency works		length	Face surface area (m2/m length)		depth	Vol reduction factor			
	Excavate old (can be reused as backfill but not on beach)	100	4.5		0.5	0.8	-	179	Existing rock removed (m3)
	Place new+crest rock (0.7m d50 *1m thick consistent with rest of revetment)	100	6		1	0.8	-	480	Imported rock material (m3)
	or								or
	Place new revetment rocks over old revetment (no removal of current rock)	100	4		0.7	0.8	-	224	Imported rock placed on old rock (m3)
Construct revetment extension		length	surface area (m2/m length)		depth	Vol reduction factor	placement density		
	1:2 section next to existing	1	6.00		1	0.7	1	4	new rock required (m3/m length)
	1:4 section along beach	1	10		1	0.7	0.4	3	new rock required (m3/m length)
	average between 1:2 and 1:4	125	-		-	-		438	total volume of new rock required (m3)
	gravel fill to achieve desired slope	125	3		0.5	1	1	188	new gravel required (m3)
Nourish beach		length	area trapezoid m2						
	nourished volume	200	2.75		-	-	-	550	One-off nourishment volume (m3)
Plant vegetation		length	surface area (m2)						
	planted surface area (tussock, flax)	200	0.5		-	-	-	100	Surface area to plant (m2)
Maintenance after storms		%damage	volume or area		instances per year				
	rock loss	1.0%	4.375		3	-	-	13	Replacement rock (m3/year)
	gravel/nourishment scraping	10%	55		3	-	-	165	Gravel scraped from lower foreshore (m3/year)
	plant loss	10%	10		3	-	-	30	re-planted area (m2/year)
i.e. 1 truckload of replacement rock, scraping gravel from lower foreshore and replanting vegetation as needed per storm									

A: Typical section with 1:2 revetment slope

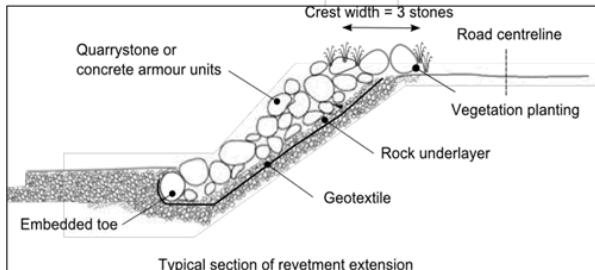
A: Typical section with 1:4 revetment slope

3b Interim protection (non structural) - road realignment								
Step	Component	Calculations					Estimate	Explanation
Realign roadway		length	width					
	Purchase land	200	10	-	-	-	0.2	Land area to purchase (Hectares)
		length	Average widening at road level (m)	average depth (m)	nat slope	new slope		
	Backfill strip for roadway	150	4	2	0.40	0.50	7	Gravel pit fill volume (m3/m length)
							1050	Total gravel pit fill volume (m3)
		length	width					
	Construct realigned roadway (+ signage and fencing)	150	6	-	-	-	900	Area of roadway to construct (m2)
	Remove existing road surface	150	6	-	-	-	900	area of roadway to remove (m2)
Plant vegetation								
	planted surface area (tussock, flax)	200	1.5	-	-	-	300	Surface area to plant (m2)
Option: pre-emptive revetment end protection extension		length	surface area p/m (at 1:2->1:4 slope)	depth	voids	density		
	Rock armour	20	8	1	0.9	0.8	115.2	new rock required (m3)
	Underlying backfill material (gravel and smaller boulders)	20	5	1	1	1	100	new gravel required (m3)
	note the underlying backfill may be sourced from the 2012 revetment armour if deconstructed							
								

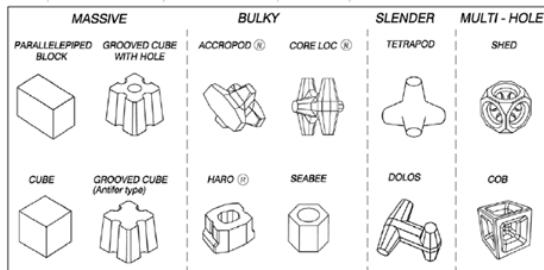
Item 8.5 Attachment B

4a Do Nothing - uncontrolled road closure									
Close the road (eventually) - signage									
4b Managed retreat - controlled road closure									
Step	Component	Calculations					Estimate	Explanation	
Actions for closure and rehabilitation		length	width				total area m2		
	Remove roadway	200	6	-	-	-	1200	area of roadway to remove (m2)	
	Create turning bay within verge	8	3	-	-	-	24	Area of roadway to construct or seal (m2)	
	Plant vegetation over old road-bed to resist erosion (tussock + trees)	200	6	-	-	-	1200	Surface area to plant (m2)	
	+ signage for closure								
	+Provision for walking/cycling access								
4c Managed retreat - road realignment									
Step	Component	Calculations					Estimate	Explanation	
Detailed design for long-term coastal set backs		-	-	-	-	-	\$\$\$	consultant fee	
Road realignment		length	width	depth	batter slope				
	Land purchase (strip of ex-gravil pit, some 50m wide - based on setbacks for Oyster Lane development)	300	50	-	-	-	1.5	Land area to purchase (Hectares)	
	Infill gravel pit for road formation (7m wide at crest, 1:2 batter slopes)	300	12	2.5	0.5	-	9000	Gravel pit fill volume (m3/m length)	
	construct road	325	7	-	-	-	2275	Area of roadway to construct or seal (m2)	
	remove old road	150	6	-	-	-	900	area of roadway to remove (m2)	
	+ signage and fencing								
Plant vegetation									
	plant old roadbed and upper foreshore (tussock, flax)	200	5	-	-	-	1000	Surface area to plant (m2)	
Option: pre-emptive revetment end protection extension		length	surface area p/m (at 1:2->1:4 slope)	depth	voids	density			
	Rock armour	20	8	1	0.9	0.8	115	new rock required (m3)	
	Underlying backfill material (gravel and smaller boulders)	20	5	1	1	1	100	new gravel required (m3)	
note the underlying backfill may be sourced from the 2012 revetment armour if deconstructed									
 <p>Typical section of long-term road realignment</p>									

Hold the line - 750m revetment extension							
Step	Component	Calculations				Estimate	Explanation
Rebuild and strengthen 2012 emergency works							
	Excavate old (can be reused as backfill not on beach)	length	face surface area m2/m length	depth	voids		
		100	4.47	0.5	0.8	-	179 Existing rock removed
	Place new+crest rock (0.7m d50 consistent with rest of revetment)	100	6.00	0.7	0.6	-	252 Imported rock material (m3)
	or						or
	Place new revetment rocks over old revetment (no removal of current rock)	100	4	0.7	0.6	-	168 Imported rock placed on old rock (m3)
Detailed design of extended revetment							
Revetment construction sequence		length (m)	volume per m length	width	voids		
	Excavation for construction platform	750	5	-	-	-	3750 Volume temporarily excavated during construction
	place geotextile	750	-	10	-	-	7500 area covered by geotextile (m2)
	place bedding gravels (from that excavated) (0.2m layer)	750	2	-	-	-	1500 Volume re-placed as underlayer (m3)
	volume of secondary armour/underlayer (0.2 m d50, in 0.2m layer)	750	1.6	-	0.8	-	960 new rock required (m3)
	volume of primary armour (d50=0.7m to 1.0m, 1 layer 0.8m thick)+toe rock	750	7.4	-	0.8	-	4440 new rock required (m3)
	Additional beach gravels placed over revetment (topup from that excavated)	750	1.5	-	-	-	1125 Volume re-placed as backfill (m3)
Vegetation planting							
	planted surface area (tussock, flax)	length	surface area per m length	coverage /m2			
		750	1.5	0.5	-	-	563 Surface area to plant (m2)
storm maintenance (per year)							
	%damage	m loss over length	instance pa				
	rock damage/loss	1.0%	7.5	3	-	-	23 Replacment rock (m3/year)
	gravel damage/loss	10%	112.50	3	-	-	338 Gravel scraped from lower foreshore (m3/year)
	vegetation damage/loss	10%	56.25	3	-	-	169 re-planted area (m2/year)
Note there are multiple options for rock armour in addition to quarrystone							



Typical section of revetment extension



Unbudgeted Expenditure Report - Enhancements to Council's Forecasting System

Record No: R/17/10/24164
Author: Robert Tweedie, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To approve unbudgeted expenditure for the completion of the development of a forecasting module within Council's in-house budgeting system to allow for the 2017-2018 forecasting to be undertaken.

Executive Summary

- 2 This is the third year that forecasting has been undertaken. Forecasting is undertaken to project the year end result against either the Annual Plan or Long Term Plan.
- 3 Currently recording of the forecasting projections is made within a specially built in-house system designed within "Silverstripe" (the system). It was supported by a staff member who has since left Council's employment.
- 4 The current system has issues that are hampering the efficiency of the process, this is only increasing with each additional round of forecasting. The key issues are
 - (a) Actual expenditure is only updated when the system is rolled to the next forecast period. This is often referred to by managers in establishing the projected forecast.
 - (b) New business units and account codes created in Councils financial package do not get created in the system resulting in work arounds having to be done.
 - (c) While the user interface has columns for October and February forecasting, the data analysis tool is only designed to add all periods together which makes it time consuming to identify forecasting changes for each forecasting round.
 - (d) There isn't an automatically upload function into Fulcrum, which is where the forecasting needs to be reported in the monthly Council report. The manual upload of data takes time to action and is subject to transfer errors.
- 5 Council's IT team are no longer able to support the current system, leading to a review of options. The key option identified was to complete the forecasting module which was in development within Council's inbuilt budgeting system (Fulcrum). This had been put on hold when the developer left Councils employment. Council may remember that the employee has since been employed by Datacom who have made changes to the budgeting module within Fulcrum recently.
- 6 After working through the system options and requirements for forecasting, Council staff are recommending that an enhancement be made to the current Fulcrum system and that this work be completed by Datacom.

Recommendation

- a) That the Council:
- (a) **Receives the report titled “Unbudgeted Expenditure Report - Enhancements to Council's Forecasting System” dated 11 October 2017.**
 - (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 unbudgeted expenditure of \$41,719 (excl. GST which includes a 15% contingency if required) for the development of enhancements to **Council's in house built forecasting system to be funded from the District Operating Reserve** or savings within the business unit.
 - (e) Approves entering into a preferred supplier contract with Datacom for the service delivery of scoped enhancements to the forecasting module within Councils budgeting system.
 - (f) Delegate authority to the Chief Financial Officer to sign a service contract with Datacom.

Content

Background

- 7 This is the third year that forecasting has been undertaken. Forecasting is undertaken to project the year end result against either the Annual Plan or Long Term Plan.
- 8 Currently recording of the forecasting projections is made within a specially built in-house system designed within “silverstripe” (the system). It was supported by a staff member who has since left Council's employment.
- 9 The current system has issues that are hampering the efficiency of the process, this is only increasing with each additional round of forecasting. The key issues are
 - (a) Actual expenditure is only updated when the system is rolled to the next forecast period. This is often referred to by managers in establishing the projected forecast.
 - (b) New business units and account codes created in Councils financial package do not get created in the system resulting in work arounds having to be done.

- (c) While the user interface has columns for October and February forecasting, the data analysis tool is only designed to add all periods together which makes it time consuming to identify forecasting changes for each forecasting round.
 - (d) There isn't an automatically upload function into Fulcrum, which is where the forecasting needs to be reported in the monthly Council report. The manual upload of data takes time to action and is subject to transfer errors.
- 10 Council's IT team is no longer able to support the current system, leading to a review of options. The key option identified was to complete the forecasting module which was in development within Council's inbuilt budgeting system (Fulcrum). This had been put on hold when the developer left Council's employment. Council may remember that the employee has since been employed by Datacom who have made changes to the budgeting module within Fulcrum recently.
- 11 It has been identified that the forecasting module in development within Fulcrum is integrated with the budgeting module and Council's financial package. Part of the enhancements requested to complete the development involves the automatic updating of actual results. Council's IT team will incorporate the separate fields for the October and February forecasting figures into Council's existing data analysis tool.
- 12 After working through the system options and requirements for forecasting, Council staff are recommending that an enhancement be made to the current Fulcrum system and that this work be completed by Datacom.
- 13 Datacom are experienced with the Council's Fulcrum budgeting system, having made enhancements to it recently. Additionally, as noted above, the architect of Council's Fulcrum system is employed by Datacom.

What is being proposed?

- 14 The scope of the project is in four parts
- (a) To modify the system by making the changes which staff have identified. This work will be undertaken by Datacom.
 - (b) To work with Council IT staff to connect the forecasting module for testing and deployment and link Excel pivot tables to the database to extract forecasting information.
 - (c) To customise the system for staff to access the appropriate business units and forecast periods
 - (d) Deploy the system for forecasting to staff.

Issues

- 15 Forecasting is undertaken after the October and February month ends. The second round being significantly more thorough when staff have a better indication of the year end result. Analysing the data requires manual intervention in the current application.
- 16 An improvement in the existing forecasting programme and process is needed to improve the functionality, reduce the processing time and mitigate the risk of the currently unsupported system.

Item 8.6

- 17 The current system does not populate the necessary general ledger account, actual values nor provide adequate reporting without extensive analysis of the data for the defined forecasting periods.

Risks

- 18 Cost/Time Overruns – it can be difficult to forecast the amount of time involved with undertaking software enhancements. There is a risk that when you start to make adjustments it will require more time than expected. By using Datacom, it doesn't change this however their previous experience reduces the risk.
- 19 Resourcing - the proposed changes are the enhancements identified by staff to get a working system. A commitment of resource is required from both the finance team and the IT team.

Factors to Consider

Legal and Statutory Requirements

- 20 There are no legal or statutory requirements in regards to this issue.

Community Views

- 21 This has no direct impact on the community other than to ensure that the financial information in regards to Council's forecasting against budgets are robustly forecast.

Costs and Funding

- 22 Based on the scoping undertaken, Datacom have estimated the cost at \$41,719 (excl. GST). Including a contingency of 15%.
- 23 It is proposed to fund these works from Council's District operating reserve or from savings within the fiancé team budget.

Policy Implications

- 24 Council's Procurement Policy states that generally procurement decisions over \$20,000 will be made on the basis of a competitive tender. It does however state that Council may consider alternative methods where it can be demonstrated to provide a better outcome in the long run (Procurement Policy 7.3).
- 25 Given the experience Datacom now has with the Fulcrum system, it is anticipated that this will enable the process to be undertaken more efficiently than obtaining the services of any other developer.
- 26 It is based on this that Council staff are recommending that the procurement of services for the enhancements be not by competitive tender but with the preferred supplier, Datacom.

Analysis

Options Considered

- 27 In considering how best to deliver the collection of financial data for forecasting, the following options were considered.

Analysis of Options

Option 1 - Contract Datacom to undertake the necessary development **enhancements to the forecasting module within Council's Fulcrum system**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Staff know the current system so there is a time saving from training in any other option. The developer of the system works for Datacom so his knowledge and assistance to the wider Datacom team potentially lessens the risk of an enhancement to our in-house built system. 	<ul style="list-style-type: none"> There is a risk that the enhancements are more complicated than anticipated and the timelines and/or cost exceed the current estimate. The review of IT systems may result in the purchase of a new forecasting application. It is most likely that any change would not occur for a few years given the time to review options and implement.

Option 2 - Continue to use the existing system

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Considerable time saving for staff in not having to test the enhancements or creation of financial analysis tools 	<ul style="list-style-type: none"> Staff have to continue to make work arounds to use the system It is unsupported A lot of manual intervention is needed to get the data into applications from which reporting is done and to undertake data analysis.

Option 3 - Use another option for storage of the necessary financial data

Options considered here were the use of Excel or the purchase of an "off the shelf" package

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> In using Excel, existing in house knowledge could be used. In purchasing an off the shelf package, enhancements would be part of the annual cost. 	<ul style="list-style-type: none"> Using Excel would be risky as the size of the file would be prone to crashing and the opportunity for human error in creating and maintaining would be high At this late stage the purchase of any system would involve considerable time, from investigation of options to installing, setup and training. It is possible that any system purchased may be replaced as part of the core systems review. Council may not get the same functionality with a purchased system, as it would not integrate into the existing system.

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Assessment of Significance

- 28 This is not significant in terms of Council's Significance Policy.

Recommended Option

- 29 Council Staff recommend Option 1, Contract Datacom to undertake the necessary development enhancements to the forecasting module within Council's Fulcrum system

Next Steps

- 30 Advise Datacom of the outcome of Council's decision.
- 31 If the decision is to proceed, further scope the project with Datacom, ensuring that what is being proposed, how it will be undertaken, when it will be undertaken and the resourcing required is appropriate.

Attachments

There are no attachments for this report.

Financial Report for the month ended 31 August 2017

Record No: R/17/10/24032
Author: Robert Tweedie, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

Background

1. This report outlines the financial results for the two months to the 31 August 2017 or 16.67% of the financial year.
2. The Monthly and YTD Actual results are compared to the Full Year Budget (Projection) in the attached Summary Monthly Financial Report. The projection values include any 2016/2017 carried forward items approved by Council in September 2017 and any changes which will occur as a result of October 2017 and February 2018 forecasting that Council approved. The 2017/2018 Annual Plan budget is shown in the Monthly Financial Summary Report as the Full Year Budget (Budget).

Overview

3. The Summary Monthly Financial Report consolidates the business units within each of the key areas of the Executive Leadership Team (ELT) responsibility. The following commentary focuses on the year to date (YTD) results excluding GST.
4. The Detailed Monthly Financial Report includes more detailed explanations and commentary on variances by the Executive Leadership Team. Commentary generally focuses on the year to date (YTD) results and, where specified, monthly results.
5. In the Council Summary and Detailed Reports, the values in the columns for:
 - The Monthly Budget is phased, where appropriate, and includes forecasting.
 - The YTD Budget is the Annual Plan, carry forwards and forecasting year to date.
 - The Full Year Budget is the LTP budget for the year.
 - The Full Year Projection is the forecasted year end result
6. Phasing of budgets occurs in the first 2 months of the financial year, at forecasting and when one-off costs have actually occurred. This should reduce the number of variance explanations due to timing.
7. Where phasing of budgets has not occurred, one twelfth of annual budgeted cost is used to calculate the monthly budget.
8. Council staff will continue to refine the format of this report to enhance the financial information reported. We welcome any feedback or suggestions on further improvements that could be made to this report.

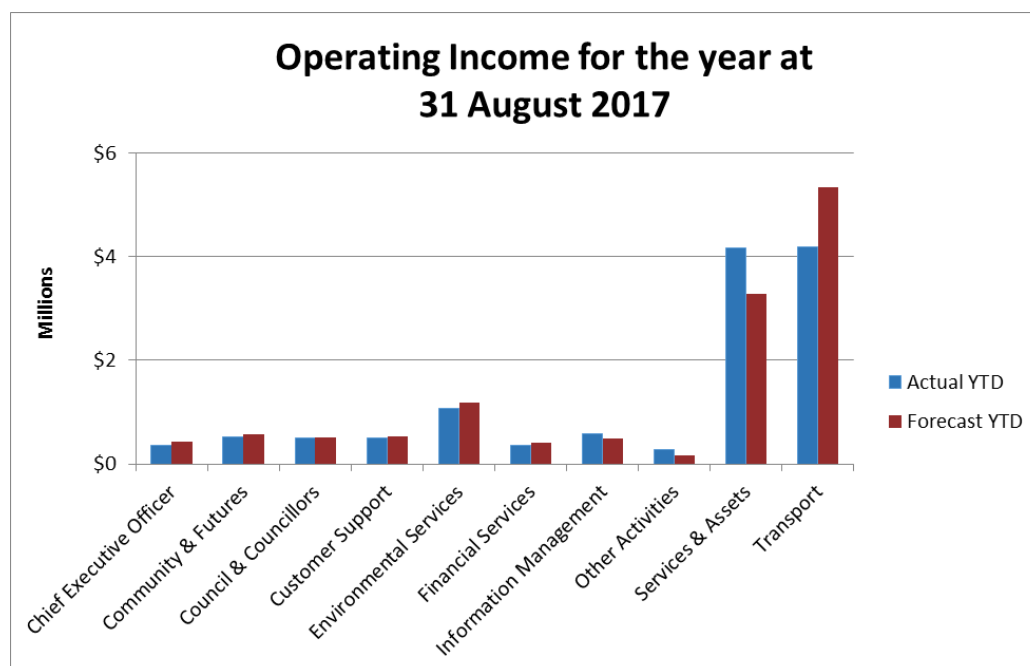
9. The Council Summary Report (actuals vs *phased and forecast* budget) year to date are as follows:

YEAR TO DATE	Actual	Budget	Variance	Act to Bgt
INCOME	\$ 12.5M	\$ 12.9M	(\$0.4M)	↓ (3%)
OPERATING EXPENDITURE	\$ 12.4M	\$ 11.5M	\$0.9M	↑ 8%
NET SURPLUS / (DEFICIT)	\$ 0.1M	\$ 1.4M	(\$1.3M)	↓ (1%)

YEAR TO DATE	Actual	Budget	Variance	Act to Bgt
CAPITAL EXPENDITURE	\$ 2.4M	\$ 5.9M	(\$3.5M)	↓ (60%)

Income

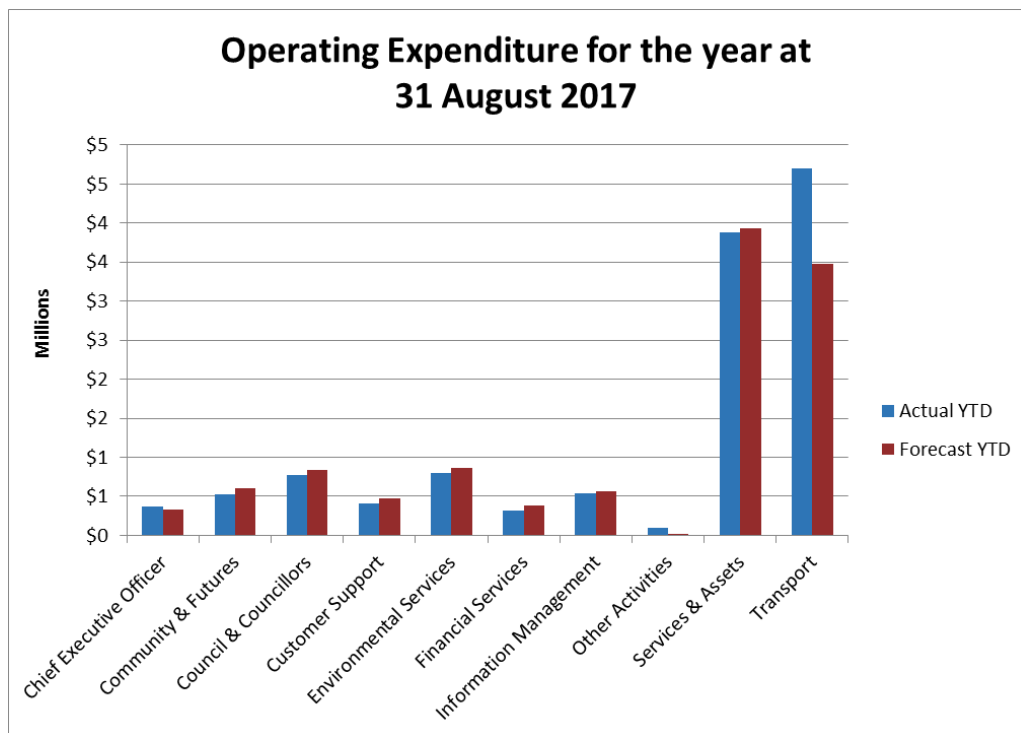
10. Operating Income is \$0.4M (3%) under budget year to date (\$12.5M actual vs \$12.9M budget).



11. Environmental Services is 9% below budget. This is mainly due to the development activity in the Southland District being relatively subdued.
12. Services and Assets was over budget due to continued forest harvesting at Dipton during July and into August. This was previously reported as being completed by June 2017 in the prior year's financial report.
13. Transport and Roding income is below budget year to date. This is due to the timing of the capital works programme and seasonality of programmed work which is behind the planned schedule and directly affects the level of income from NZTA.

Operating Expenditure

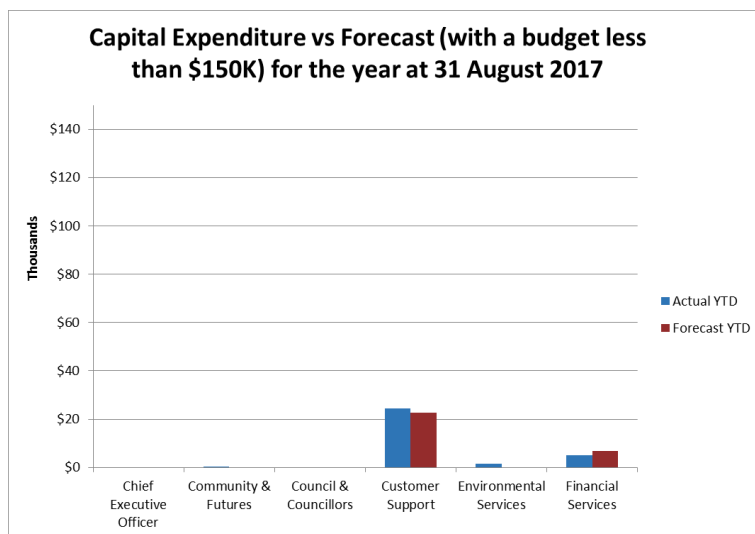
14. Operating Expenditure is \$0.9M (8%) under budget for the year to date (\$12.4M actual vs \$11.5M budget).

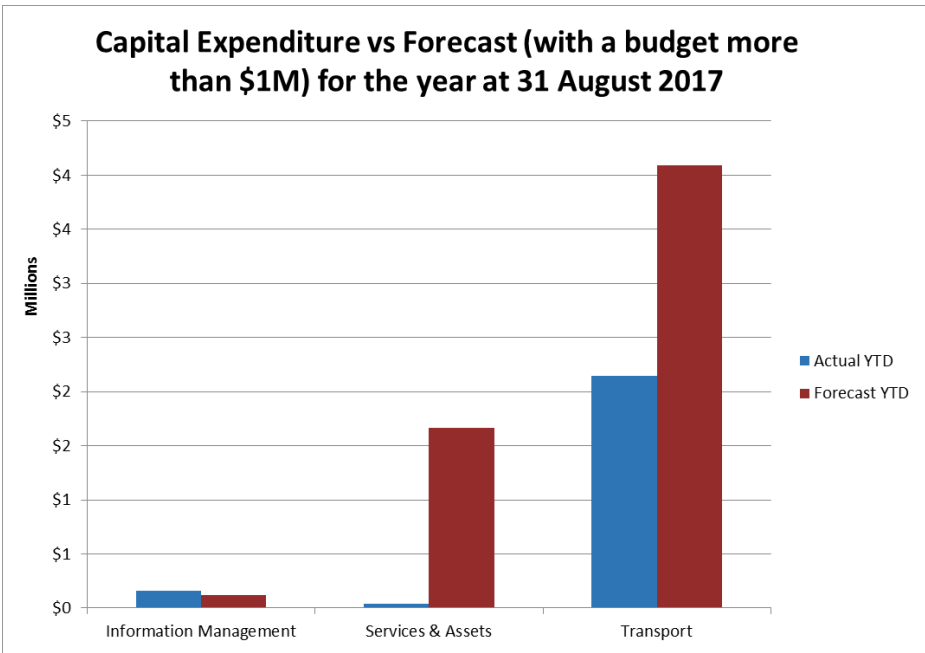


15. Transport costs are currently over budget due to the depreciation adjustment only being processed in June each year. This will be phased in September to only reflect at year end.

Capital Expenditure

16. Capital Expenditure is \$3.5M (60%) under budget year to date (\$2.4M actual v \$5.9M budget).





17. Capital expenditure for Services and Assets is significantly under budget and has not been phased. Tenders on the Winton Water Main replacement was submitted to the Services and Assets subcommittee during September and Te Anau lateral replacements will commence in October. Tender requests for the work on the treatment upgrade at Eastern Bush will be requested early in 2018, to ensure that the intended design meets any requirements from the Havelock North inquiry (expected in December). The majority of construction that was originally expected to occur in 2017/18 will be deferred. Limited construction has occurred in District Sewerage to the end of August. Winton desludging and Te Anau oxidation pond improvement projects will take place pending on whether the contractor is able to re-establish this year after machinery issues in 2016/17. In addition, deposits have been paid for the Winton and Te Anau waste water pond aerators that have yet to arrive to undertake the capital works.
18. Overall roading capital expenditure is \$1.94M less than budgeted for the year to date due to seasonality of the programmed works. The roading team have \$8M already tendered with a major focus on planning and designing the capital works for 2017/2018 financial year. The NZTA contract runs over a 3 year period ending June 2018. Work on the Southern Scenic Route has continued into the new financial year and expected to be on target by year end. The overall contract spend anticipated to be on target by year end.

Balance Sheet

19. Council’s financial position as at 31 August 2017 is detailed below and is for the activities of Council only. The balance sheet as at 30 June 2016 represents the audited balance sheet for activities of Council and includes SIESA and Venture Southland.
20. Current Assets (Other Financial Assets) at 30 June 2017 includes cash reserves in Venture and SIESA when the year-end accounts were consolidated. An additional amount of \$8M in term deposits was disclosed under Other Financial Assets. This is in line with reporting standards for deposits with a term of 90 days or more at year end.

21. At 31 August 2017, Council had \$20M invested in seven term deposits ranging from three to six month maturities as follows:

Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 3,000,000	3.30%	1-Mar-17	19-Sep-17
ANZ	\$ 2,000,000	3.24%	17-Aug-17	18-Dec-17
ASB	\$ 5,000,000	3.61%	30-May-17	30-Nov-17
BNZ	\$ 2,000,000	2.06%	29-Aug-17	19-Oct-17
BNZ	\$ 3,000,000	2.59%	29-Aug-17	17-Nov-17
Westpac	\$ 3,000,000	3.15%	28-Aug-17	18-Jan-18
Westpac	\$ 2,000,000	3.15%	29-Aug-17	19-Feb-18

22. Funds on call are :

Balance at 31 August 2017	Bank	Interest Rate
\$ 2,234,957	BNZ	0.46%

23. The principal movement in Property, Plant and Equipment is the year to date budgeted depreciation.
24. The increase in Non-Current Assets (Intangible Assets) is the continued acquisition costs for Council's digitisation software.
25. Internal loans are not reported in the audited annual report of Council.

**SOUTHLAND DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
31 August 2017**

	Actual 31-Aug-17	Actual 30-Jun-17
Equity		
Retained Earnings	721,173,361	724,744,589
Asset Revaluation Reserves	723,238,193	723,523,369
Other Reserves	34,060,102	34,427,360
Fair Value Reserve	1,916,029	1,916,029
	1,480,387,685	1,484,611,347
Represented by:		
Current Assets		
Cash & Cash Equivalents	21,569,364	9,773,124
Trade and Other Receivables	1,339,012	7,714,607
Inventories	85,148	106,735
Other Financial Assets	426,212	10,271,213
	23,419,737	27,865,678
Non-Current Assets		
Property, Plant and Equipment	1,447,079,036	1,450,334,075
Intangible Assets	2,266,394	2,181,000
Forestry Assets	13,724,000	13,724,000
Internal Loans	20,004,898	-
Work in Progress	1,735,280	1,735,280
Other Financial Assets	3,431	3,542
	1,484,813,039	1,467,977,895
TOTAL ASSETS	1,508,232,776	1,495,843,573
Current Liabilities		
Trade and Other Payables	3,783,334	7,152,044
Contract Retentions and Deposits	370,788	387,195
Employee Benefit Liabilities	1,416,888	1,426,194
Development and Financial Contributions	2,171,472	2,169,082
Borrowings	-	0
Landfill Contingency	14,000	14,000
	7,756,482	11,148,515
Non-Current Liabilities		
Employment Benefit Liabilities	63,949	63,949
Provision for Decommissioning	19,759	19,759
Internal Loans - Liability	20,004,901	0
	20,088,609	83,711
TOTAL LIABILITIES	27,845,091	11,232,226
NET ASSETS	1,480,387,685	1,484,611,347

Recommendation

That the Council:

- a) **Receives the report titled “Financial Report for the month ended 31 August 2017” dated 11 October 2017.**

Attachments

- A Council s District Activities Summary Monthly Financial Report - 31 August 2017 [↓](#)
B Council s District Activities Detailed Monthly Financial Report - 31 August 2017 [↓](#)



DISTRICT COUNCIL ACTIVITIES

(ATTACHMENT TO THE REPORT TO COUNCIL)

SUMMARY MONTHLY FINANCIAL REPORT FOR AUGUST 2017

2/17/10/24000

Key Financial Indicators

<i>Indicator</i>	<i>Actual</i>	<i>Target*</i>	<i>Variance</i>	<i>Compliance</i>
External Funding:				
Non rateable income/Total income	42%	≥ 42%	0%	☐
Working Capital:				
Current Assets/Current Liabilities	3.02	≥0.77	2.25	☐
Debt Ratio:**				
Total Liabilities/Total Assets	0.53%	≤0.76%	-0.23%	☐
Debt To Equity Ratio:				
Total Debt/Total Equity	0.00%	≤0.00%	0.00%	☐

* All target indicators have been calculated using the 2017/18 Annual Plan figures.

** Excludes internal loans.

Financial Ratios Calculations:**External Funding:**

Non Rateable Income
Total Income

This ratio indicates the percentage of revenue received outside of rates. The higher the proportion of revenue that the Council has from these sources the less reliance it has on rates income to fund its costs. This is a financial prudence benchmark on Rates Income affordability set by Council.

Working Capital:

Current Assets
Current Liabilities

This ratio indicates the amount by which short-term assets exceed short term obligations. The higher the ratio the more comfortable the Council can fund its short term liabilities.

Debt Ratio:

Total Liabilities
Total Assets

This ratio indicates the capacity of which the Council can borrow funds. This ratio is generally used by lending institutions to assess entities financial leverage. Generally the lower the ratio the more capacity to borrow.

Debt to Equity Ratio:

Total Debt
Total Equity

It indicates what proportion of equity and debt the Council is using to finance its assets.

Item 9.1 Attachment A

For the period ending August 2017

Council Summary Report

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Chief Executive Officer	125,410	115,225	10,185	9%	355,805	430,354	(74,549)	(17%)	2,014,908	2,014,908	-	-
Community & Futures	278,000	286,289	(8,288)	(3%)	526,333	572,577	(46,245)	(8%)	3,435,463	3,435,463	-	-
Council & Councillors	251,193	255,316	(4,123)	(2%)	498,143	503,254	(5,111)	(1%)	2,983,875	2,983,875	-	-
Customer Support	281,816	264,672	16,944	6%	499,339	529,344	(30,005)	(6%)	3,176,066	3,176,066	-	-
Environmental Services	430,899	413,407	17,492	4%	1,067,619	1,177,540	(109,920)	(9%)	5,010,641	5,028,485	17,844	-
Financial Services	265,648	208,708	56,940	27%	364,340	417,417	(53,077)	(13%)	2,570,541	2,570,541	-	-
Information Management	495,101	251,969	243,132	96%	576,433	491,277	85,156	17%	3,023,693	3,023,693	-	-
Other Activities	327,073	93,708	233,365	249%	275,062	176,584	98,478	56%	1,407,056	1,407,056	-	-
Services & Assets	2,004,567	1,439,669	564,898	39%	4,171,593	3,288,827	882,766	27%	21,634,842	21,668,697	33,855	-
Transport	2,135,266	2,667,576	(532,310)	(20%)	4,179,297	5,335,151	(1,155,854)	(22%)	31,428,724	32,151,477	722,752	2%
Total	6,594,774	5,996,539	598,235	10%	12,513,965	12,922,326	(408,361)	(3%)	76,685,810	77,460,261	774,451	1%
Operating Expenditure												
Chief Executive Officer	211,635	139,855	(71,781)	(51%)	365,377	328,551	(36,826)	(11%)	1,951,044	1,951,044	-	-
Community & Futures	277,710	323,523	45,814	14%	526,042	607,979	81,937	13%	3,593,200	3,593,200	-	-
Council & Councillors	678,325	179,392	(498,933)	(278%)	770,892	832,297	61,405	7%	2,991,554	2,991,554	-	-
Customer Support	278,493	255,431	(23,062)	(9%)	409,542	473,475	63,933	14%	2,761,761	2,761,761	-	-
Environmental Services	493,550	456,185	(37,366)	(8%)	796,610	862,588	65,977	8%	5,124,892	5,204,775	(79,883)	(2%)
Financial Services	259,382	186,284	(73,097)	(39%)	312,508	379,059	66,551	18%	2,284,124	2,284,124	-	-
Information Management	260,123	258,373	(1,749)	(1%)	536,419	567,046	30,627	5%	2,992,876	3,064,681	(71,805)	(2%)
Other Activities	207,894	10,989	(196,905)	(1792%)	101,716	21,978	(79,739)	(363%)	1,355,611	1,355,611	-	-
Services & Assets	2,982,163	2,125,495	(856,668)	(40%)	3,879,392	3,937,814	58,422	1%	20,089,332	20,145,221	(56,889)	-
Transport	3,687,777	1,755,611	(1,932,166)	(110%)	4,702,768	3,482,714	(1,220,054)	(35%)	20,790,741	20,790,741	-	-
Total	9,337,053	5,691,139	(3,645,914)	(64%)	12,401,265	11,493,498	(907,767)	(8%)	63,934,134	64,142,711	(208,577)	-
Net Surplus/(Deficit)	(2,742,278)	305,400	(3,047,678)	(998%)	112,699	1,428,828	(1,316,128)	(92%)	12,751,676	13,317,550	565,874	4%

4/17/1/320

For the period ending June 2017

Council Summary Report

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Chief Executive Officer	-	-	-	-	-	-	-	-	59,366	59,366	-	-
Community & Futures	112	-	(112)	-	112	-	(112)	-	31,296	31,296	-	-
Council & Councillors	-	-	-	-	-	-	-	-	-	-	-	-
Customer Support	18,442	11,337	(7,105)	(63%)	24,385	22,675	(1,710)	(8%)	127,860	136,049	(8,189)	(6%)
Environmental Services	-	-	-	-	1,528	-	(1,528)	-	34,140	34,140	-	-
Financial Services	-	3,398	3,398	100%	5,000	6,797	1,797	26%	-	40,780	(40,780)	-
Information Management	155,395	112,083	(43,312)	(39%)	159,111	117,667	(41,444)	(35%)	1,995,758	2,516,959	(521,201)	(26%)
Services & Assets	34,314	832,018	797,704	96%	37,564	1,664,036	1,626,472	98%	8,142,405	10,134,176	(1,991,771)	(24%)
Transport	943,713	2,045,044	1,101,331	54%	2,148,152	4,090,088	1,941,936	47%	22,033,509	24,614,043	(2,580,534)	(12%)
Total	1,151,977	3,003,881	1,851,905	62%	2,375,852	5,901,262	3,525,411	60%	32,424,334	37,566,809	(5,142,475)	(16%)



DISTRICT COUNCIL ACTIVITIES

(ATTACHMENT TO THE REPORT TO COUNCIL)

DETAILED MONTHLY FINANCIAL REPORT FOR AUGUST 2017

Item 9.1 Attachment B



2

For the period ending August 2017

Council Detail Report

	Chief Executive Officer											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Chief Executive	23,088	22,428	658	3%	189,733	201,332	(11,599)	(6%)	738,939	738,939	-	-
Civil Defence	21,445	21,414	30	-	42,898	42,829	69	-	258,972	258,972	-	-
Community Outcomes	7,500	3,750	3,750	100%	7,500	7,500	-	-	45,000	45,000	-	-
Council Elections	3,576	3,571	5	-	7,154	7,143	12	-	42,855	42,855	-	-
People and Capability	63,732	60,493	3,238	5%	102,132	120,987	(18,855)	(16%)	725,919	725,919	-	-
Rural Fire Control	835	833	1	-	1,669	1,667	3	-	10,000	10,000	-	-
Shared Services Forum	-	-	-	-	-	43,429	(43,429)	(100%)	57,908	57,908	-	-
SI Visitor Levy	5,237	2,734	2,503	92%	4,719	5,489	(749)	(14%)	137,317	137,317	-	-
Total	125,410	115,225	10,185	9%	355,805	430,354	(74,549)	(17%)	2,014,908	2,014,908	-	-
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive	69,899	65,660	(4,239)	(6%)	121,519	122,403	884	1%	717,963	717,963	-	-
Civil Defence	20	-	(20)	-	64,293	64,243	(40)	-	258,972	258,972	-	-
Community Outcomes	25,000	3,750	(21,250)	(567%)	25,000	7,500	(17,500)	(233%)	45,000	45,000	-	-
Council Elections	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	63,732	64,738	1,006	2%	102,132	122,992	20,861	17%	725,919	725,919	-	-
Rural Fire Control	-	833	833	100%	-	1,667	1,667	100%	10,000	10,000	-	-
Shared Services Forum	2,889	4,826	1,935	40%	2,348	9,651	7,303	76%	57,908	57,908	-	-
SI Visitor Levy	60,006	47	(60,047)	(100041%)	60,006	95	(60,000)	(62735%)	137,284	137,284	-	-
Total	211,635	139,855	(71,781)	(51%)	365,377	328,551	(36,826)	(11%)	1,951,044	1,951,044	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	(86,225)	(24,630)	(61,595)	250%	(9,571)	101,803	(111,375)	(109%)	63,864	63,864	-	-
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive	-	-	-	-	-	-	-	-	59,366	59,366	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	59,366	59,366	-	-



CHIEF EXECUTIVE COMMENTARY

Chief Executive

Income in this business unit is 17% (\$75K) under budget year to date.

Expenditure year to date is 11% (\$37K) over budget. This is predominantly due to an accrual of a Stewart Island Visitors Levies Grant to be paid to the Rakiura Heritage Centre Trust which will require more information before being paid.

Civil Defence

Income and expenditure are on budget.

Rates collected are paid as a grant to Environment Southland for emergency management.

Community Outcomes

Income is on target year to date. This activity is internally funded.

The year to date overspend is as a result of \$25K being paid as part of the agreed SDC allocation to the SORDS project transition to the Southland Regional Development Agency. The annual budget is \$45K budget for the year.

Council Elections

Income and expenditure is on budget. This activity is partly funded from rates and nomination deposits.

People and Capability

Income year to date is 16% (\$19K) under budget. This activity is internally funded and higher expenditure directly impacts on income allocated to this activity.

Expenditure year to date is 17% (\$21K) under budget year to date. This is mainly due under spends in OSH expenses, no Survey Costs, Staff Uniforms and Training not being spent yet.

This activity is internally funded. The reduced expenditure impacts directly on the income allocated to this business unit.

Rural Fire Control

Income is on budget.

All costs should be on charged for this year as this activity will be managed at a national level from 1 July 2017.

**Shared Services Forum**

No Income has been received for the year against this business unit. The full amount for the year was invoiced in September to Gore District Council and Invercargill City Council.

Expenditure is below budget although consultant fees are expected for the establishment of SORDS.

Stewart Island Visitor Levy

Income is 14% (\$749) below budget for the year. Levy collections from visitors are phased to the summer months.

Levies collected for this month was \$5K (\$3K over budget).

Last year, the bulk of the levies were collected over the summer months from December through to the end of May.



For the period ending August 2017

Council Detail Report

	Community & Futures											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Communications and Engagement	101,198	102,606	(1,407)	(1%)	184,224	205,211	(20,987)	(10%)	1,231,206	1,231,206	-	-
Community Leadership	56,285	54,501	1,784	3%	100,529	109,002	(8,473)	(8%)	654,015	654,015	-	-
Governance	57,981	54,223	3,758	7%	95,923	108,446	(12,523)	(12%)	650,675	650,675	-	-
Strategy & Policy	62,535	74,959	(12,424)	(17%)	145,656	149,918	(4,262)	(3%)	899,508	899,508	-	-
Total	278,000	286,289	(8,288)	(3%)	526,333	572,577	(46,245)	(8%)	3,435,463	3,435,463	-	-
Operating Expenditure												
Communications and Engagement	101,372	122,705	21,332	17%	184,398	235,668	51,470	22%	1,398,084	1,398,084	-	-
Community Leadership	55,807	61,320	5,513	9%	100,052	111,394	11,342	10%	644,869	644,869	-	-
Governance	57,990	60,410	2,420	4%	95,932	109,606	13,674	12%	650,729	650,729	-	-
Strategy & Policy	62,540	79,089	16,549	21%	145,660	151,111	5,451	4%	899,518	899,518	-	-
Total	277,710	323,523	45,814	14%	526,042	607,979	81,937	13%	3,593,200	3,593,200	-	-
Net Surplus/(Deficit)												
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
	291	(37,235)	37,526	(101%)	291	(35,401)	35,692	(101%)	(157,736)	(157,736)	-	-
Capital Expenditure												
Communications and Engagement	-	-	-	-	-	-	-	-	-	-	-	-
Community Leadership	112	-	(112)	-	112	-	(112)	-	31,296	31,296	-	-
Governance	-	-	-	-	-	-	-	-	-	-	-	-
Strategy & Policy	-	-	-	-	-	-	-	-	-	-	-	-
Total	112	-	(112)	-	112	-	(112)	-	31,296	31,296	-	-



COMMUNITY AND FUTURES COMMENTARY

This group's Income is 8% (\$46K) over budget and expenditure is over budget for the year-to-date.

Communications and Engagement

The level of recoveries is 10% less than budgeted.

The level of expenditure directly impacts on the income recoveries.

Expenditure is 22% below budget.

The branding project will see the expenditure increase markedly in the next two months.

Community Leadership

Income is 10% under budget and expenditure is 10% under budget year to date due to lower staff costs and vehicle costs.

As this activity is internally funded the expenditure impacts directly on income allocation

Governance

Income and Expenditure YTD is 12% below budget

As this activity is internally funded the expenditure impacts directly on income allocation.

Strategy and Policy

Income & expenditure are both marginally under budget

This is due to lower staff costs (\$27k) due to vacant positions this has been offset by higher consultant's costs.

Item 9.1 Attachment B



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For the period ending August 2017

Council Detail Report

	Council & Councillors											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Council and Councillors	69,985	76,595	(6,611)	(9%)	140,130	145,813	(5,682)	(4%)	837,987	837,987	-	-
Council Contributions/Grant	31,553	31,508	45	-	63,119	63,017	102	-	378,101	378,101	-	-
International Relations Commit	947	946	1	-	1,895	1,892	3	-	12,588	12,588	-	-
Venture Southland	148,709	146,267	2,442	2%	292,999	292,533	466	-	1,755,199	1,755,199	-	-
Total	251,193	255,316	(4,123)	(2%)	498,143	503,254	(5,111)	(1%)	2,983,875	2,983,875	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Council and Councillors	59,108	63,701	4,594	7%	111,624	170,051	58,427	34%	839,866	839,866	-	-
Council Contributions/Grant	177,018	114,642	(62,376)	(54%)	217,068	221,348	4,280	2%	383,901	383,901	-	-
International Relations Commit	-	1,049	1,049	100%	-	2,098	2,098	100%	12,588	12,588	-	-
Venture Southland	442,200	-	(442,200)	-	442,200	438,800	(3,400)	(1%)	1,755,199	1,755,199	-	-
Total	678,325	179,392	(498,933)	(278%)	770,892	832,297	61,405	7%	2,991,554	2,991,554	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	(427,132)	75,924	(503,056)	(663%)	(272,749)	(329,042)	56,293	(17%)	(7,679)	(7,679)	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Council and Councillors	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-



COUNCIL AND COUNCILLORS' COMMENTARY

This group's total income is on target and total expenditure 7% below budget year to date.

Council and Councillors

Overall for July and August expenditure is underspent but there was an increase in Council and Councillors budget in travel and accommodation due to the need for more meetings and the LGNZ conference.

Council Contributions / Grants

The level of income is as budgeted, expenditure is 2% below budget.

Venture Southland

Income and expenditure is on target year to date. This business unit consists of rates collected and the grant paid to Venture Southland.



For the period ending August 2017

Council Detail Report

	Customer Support											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Area Offices	53,358	48,568	8,790	15%	102,914	93,138	9,778	10%	558,814	558,814	-	-
Customer Services	128,174	122,133	6,041	5%	205,888	244,266	(38,397)	(16%)	1,465,594	1,465,594	-	-
District Library	100,084	95,972	4,113	4%	190,557	191,943	(1,386)	(1%)	1,151,858	1,151,858	-	-
Total	281,616	264,672	16,944	6%	499,339	529,344	(30,005)	(6%)	3,176,066	3,176,066	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Area Offices	34,631	20,284	(14,647)	(72%)	43,998	39,938	(4,060)	(10%)	236,478	236,478	-	-
Customer Services	128,212	138,272	8,060	6%	205,908	253,374	47,468	19%	1,495,821	1,495,821	-	-
District Library	115,350	98,874	(16,476)	(17%)	159,638	180,163	20,525	11%	1,029,462	1,029,462	-	-
Total	278,493	255,431	(23,062)	(9%)	409,542	473,475	63,933	14%	2,761,761	2,761,761	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	3,123	9,241	(6,118)	(66%)	89,798	55,869	33,928	61%	414,305	414,305	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Area Offices	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services	-	333	333	100%	-	667	667	100%	4,000	4,000	-	-
District Library	18,442	11,004	(7,438)	(68%)	24,385	22,008	(2,377)	(11%)	123,860	132,049	(8,189)	(7%)
Total	18,442	11,337	(7,105)	(63%)	24,385	22,675	(1,710)	(8%)	127,860	136,049	(8,189)	(6%)



CUSTOMER SUPPORT

Overall, Customer Support income is down by 6%, operational expenditure is 14% under budget and capital expenditure over budget by 8%.

Area Offices

Income is above the forecast amount due to \$6K additional cemetery internment fees for August.

Operational expenditure is higher than forecast for the month as internal charges for July were processed in August due to processing delays. YTD the internal charges meet forecast budgets.

Customer Services

Customer Support's income line is predominantly lower due to less internal overheads received compared to what was budgeted - \$36K less YTD.

Operating Expenditure was lower due to less wages paid in July and August.

Capital expenditure is below forecast as the costs for kiosks has not been incurred at this time.

Libraries

Income is below the budgeted level as recoveries fall below the anticipated level.

For operational expenditure, electricity costs in almost every building have exceeded budgeted figures. Grants have been paid for the year in July and this will balance over the financial year. Internal charging has been applied in August for July and August as with Customer Services and Area Offices. Staff costs are under budget YTD.

Capital expenditure is 21% above forecast due to purchases of books released near Christmas. This will reduce over November and December as less books are released at this time of year.

Item 9.1 Attachment B



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For the period ending August 2017

Council Detail Report

Environmental Services												
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Alcohol Licensing	15,220	19,684	(4,463)	(23%)	35,610	39,387	(3,757)	(10%)	236,677	236,677	-	-
Animal Control	73,568	59,122	14,446	24%	359,356	441,627	(82,270)	(19%)	636,957	636,957	-	-
Building Regulations	152,010	142,551	9,459	7%	299,010	285,102	13,908	5%	1,718,287	1,727,443	9,156	1%
Enviro & Com Dev Admin	20,766	20,125	641	3%	36,108	40,250	(4,142)	(10%)	232,814	241,502	8,688	4%
Environmental Health	10,734	9,417	1,318	14%	17,901	46,176	(28,275)	(61%)	149,283	149,283	-	-
Health Licensing	127	3,287	(3,160)	(96%)	127	6,573	(6,446)	(98%)	125,954	125,954	-	-
Museum	50,770	48,118	2,652	6%	111,642	99,236	12,406	13%	577,417	577,417	-	-
Regulatory - Non Recoverab	9,354	9,341	13	-	18,713	18,682	31	-	112,094	112,094	-	-
Resource Consent Processin	74,648	78,098	(3,449)	(4%)	141,441	156,192	(14,751)	(9%)	937,153	937,153	-	-
Resource Planning/Policy	23,701	23,667	33	-	47,411	47,334	77	-	284,005	284,005	-	-
Total	430,899	413,407	17,492	4%	1,067,619	1,177,540	(109,920)	(9%)	5,010,641	5,028,485	17,844	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Alcohol Licensing	19,451	20,895	1,445	7%	31,417	38,995	7,578	19%	229,145	229,145	-	-
Animal Control	77,643	63,162	(14,480)	(23%)	109,101	110,625	1,524	1%	610,820	610,820	-	-
Building Regulations	123,523	150,146	26,623	18%	183,991	279,346	95,355	34%	1,641,730	1,641,730	-	-
Enviro & Com Dev Admin	20,766	21,934	1,168	5%	36,108	39,920	3,811	10%	232,814	232,814	-	-
Environmental Health	9,602	11,693	2,091	18%	19,169	22,907	3,738	16%	149,862	159,862	(10,000)	(7%)
Health Licensing	11,115	11,475	360	3%	16,889	21,343	4,454	21%	125,954	125,954	-	-
Museum	89,270	54,636	(34,631)	(53%)	200,378	107,931	(92,447)	(86%)	644,816	644,816	-	-
Regulatory - Non Recoverab	29,028	-	(29,028)	-	29,028	-	(29,028)	-	112,094	112,094	-	-
Resource Consent Processin	69,441	78,094	8,653	11%	114,864	155,649	40,785	26%	937,153	937,153	-	-
Resource Planning/Policy	43,714	44,147	433	1%	55,667	85,872	30,205	35%	440,505	510,388	(69,883)	(16%)
Total	493,550	456,185	(37,366)	(8%)	796,610	862,588	65,977	8%	5,124,892	5,204,775	(79,883)	(2%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	(62,651)	(42,778)	(19,873)	46%	271,009	314,952	(43,943)	(14%)	(114,251)	(176,290)	(62,039)	54%
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Animal Control	-	-	-	-	1,528	-	(1,528)	-	-	-	-	-
Building Regulations	-	-	-	-	-	-	-	-	34,140	34,140	-	-
Enviro & Com Dev Admin	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Health	-	-	-	-	-	-	-	-	-	-	-	-
Health Licensing	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-



ENVIRONMENTAL SERVICES COMMENTARY

Overall August 2017 monthly income for the Environmental Services Group was 4 % (\$17,492) ahead of budget at \$430,899 actual versus \$413,407 budget.

Key features of this month's income were that Building Control income was 7% (\$9,459) ahead of budget at \$152,010 actual, versus \$142,551 budget; and Animal Control income was 24% (\$14,446) ahead of budget at \$73,568 actual, versus \$59,122 budget. The Animal Control income reflects the timing of annual registration processes and associated follow up. It is pleasing that monthly income has bounced back considerably after a lower result in July 2017, being the first month of the 17/18 financial year.

Overall August 2017 monthly expenditure for the Environmental Services Group was 8% (\$37,366) ahead of budget at \$493,550 actual v \$456,184 budget.

Most departments were well below budget expenditure-wise. However the exceptions were Museums, which was \$34,631 ahead of budget due to the early payment of a September invoice (which should correct itself next month) and Animal Control which was due to some residual invoices requiring payment from the 2016/2017 year. Once the Museums early payment is removed, actual expenditure is well within budget as a Group

Overall Group YTD Summary as at end of August 2017 of the 2017/2018 financial year:

Overall Group YTD Income at the end of August 2017 for the 2017/2018 financial year is 9% (\$109,920) below budget, at \$1, 067,619 actual versus \$1,177,540 budget.

This is quite a significant amount below YTD income budget for early in the 2017/2018 financial year. It will be very important to closely monitor this trend moving forward for the rest of the 2017/2018 financial year.

This is largely a reflection of the current development climate in the Southland District where development activity, particularly larger scale activity, has been relatively subdued.

Overall Group YTD Expenditure at the end of August 2017 of the 2017/2018 financial year is 8% (\$65,978) below budget at \$796,610 actual versus \$862,588 budget.

Hence, while Group YTD income has been well below budgeted YTD, reflecting current generally subdued development activity levels within the District; Group YTD expenditure is also significantly under budget. A major contributor to this is reduced salary components.

There is outstanding capital expenditure within the Group from the 2016/2017 financial year which has been carried forward to 2017/2018 relating to overdue vehicle renewals.



For the period ending August 2017

Council Detail Report

	Financial Services											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	265,548	208,708	56,840	27%	364,340	417,417	(53,077)	(13%)	2,570,541	2,570,541	-	-
Total	265,548	208,708	56,840	27%	364,340	417,417	(53,077)	(13%)	2,570,541	2,570,541	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Financial Services	259,382	186,284	(73,097)	(39%)	312,508	379,059	66,551	18%	2,284,124	2,284,124	-	-
Total	259,382	186,284	(73,097)	(39%)	312,508	379,059	66,551	18%	2,284,124	2,284,124	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	6,267	22,424	(16,158)	(72%)	51,832	38,358	13,474	35%	286,417	286,417	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Financial Services	-	3,398	3,398	100%	5,000	6,797	1,797	26%	-	40,780	(40,780)	-
Total	-	3,398	3,398	100%	5,000	6,797	1,797	26%	-	40,780	(40,780)	-



FINANCIAL SERVICES COMMENTARY

Operating expenditure is 18% under budget for the year to date mainly due to timing and accrual issues.

Insurance, valuation roll maintenance, salaries are due to phasing of the budgets needing to be altered to reflect actual results \$44k. The correction to phasing will be corrected for the October report. Additionally, at year-end Audit Fees were accrued in relation to the audit to 30 June 2017. These have subsequently been reversed. However, the final audit account has not been received leading to an accrual issue. This will be corrected in the October accounts.



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For the period ending August 2017

Council Detail Report

	Information Management											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Information Management	294,721	149,479	135,242	90%	299,333	299,299	3,035	1%	1,793,809	1,793,809	-	-
Knowledge Management	187,424	88,781	118,642	172%	233,763	137,563	96,200	70%	825,375	825,375	-	-
Property & Spatial Services	22,955	33,709	(10,753)	(32%)	53,338	67,418	(14,081)	(21%)	404,509	404,509	-	-
Total	495,101	251,969	243,132	96%	576,433	491,277	85,156	17%	3,023,693	3,023,693	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Information Management	169,440	164,692	(4,758)	(3%)	298,714	316,142	17,428	6%	1,868,421	1,868,421	-	-
Knowledge Management	67,727	59,994	(7,733)	(13%)	112,563	119,655	7,092	6%	719,948	719,948	-	-
Property & Spatial Services	22,958	33,897	10,741	32%	125,142	131,249	6,107	5%	404,509	476,314	(71,805)	(18%)
Total	260,123	258,373	(1,749)	(1%)	536,419	567,046	30,627	5%	2,992,876	3,064,681	(71,805)	(2%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	234,978	(6,404)	241,382	(3769%)	40,014	(75,769)	115,783	(153%)	30,818	(40,587)	(71,805)	(233%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Information Management	47,022	4,083	(42,939)	(1052%)	49,235	8,187	(41,089)	(503%)	1,857,911	1,945,330	(87,419)	(5%)
Knowledge Management	108,373	108,000	(373)	-	109,876	109,500	(376)	-	137,847	571,629	(433,782)	(315%)
Total	155,395	112,083	(43,312)	(39%)	159,111	117,687	(41,444)	(35%)	1,995,758	2,516,959	(521,201)	(26%)



INFORMATION MANAGEMENT COMMENTARY

Overall Income is 17% (\$85K) over budget for the year-to-date
 Overall Operating Expenditure is 5% (\$30K) under budget for the year-to-date.
 The year-to-date position 153% (\$116K) under budget for the year-to-date.
 Capital expenditure is 35% (\$41k) under budget

Information Management

Income is 1% (\$3K) over budget for the year-to-date.
 Expenditure is 6% (\$17K) under budget.
 The net year-to-date position is \$20K under budget.

Capital Work:

Core Systems / Business Improvement Project:

Work is continuing on the mapping and identification of existing processes that are used across Council. This work is being captured in an online tool called ProMapp.

Council officers have established a ProMapp user group which is being used to ensure that knowledge around the usage of ProMapp and recognising any issues that arise whilst undertaking this work as well as recognising the rewards of achieving successes.

The Business Improvement activity has been driven by a small team with a selection of ELT to provide Governance across the organisation to drive this initiative. The work so far has certainly been beneficial to the teams that have taken up the ProMapp challenge.

The Business Solutions team have also undertaken a number pieces of work around exposing corporate data to activity areas which is leading to a better understanding of corporate data and the flow of information.

This will be a key component moving forward with Core Systems Review via Application Capacity and Strategic Values.

Knowledge Management

Income is 70% (\$96K) over budget
 Expenditure is 6% (\$7K) under budget year to date.
 Capital Expenditure is on target year to date.

Capital Work:

Digitisation Project:

Focus for the digitisation project has moved from sending paper away to starting the setup and changes to the electronic world and how we will be using this new media.

Planning for the rollout of the Trapeze tool that will be the primary tool for how staff will interact with the new electronic files. The new tool will provide the end users – particularly the regulatory services teams the ability to ‘stamp’ and ‘mark-up’ the documents that are used for the various consenting processes – RMA, Building and LIMs.



The trapeze tool will also closely integrate with Council's document management software that will be the repository for this information.

Council will also have available a kiosk option in the Invercargill reception area for members of the public to be able access this information via the Public View software that was part of the project. This work is being done as a pilot to the wider requests that the Customer Support group will be aiming to rollout to the remaining Council sites around the District.

Expenditure to date includes the purchase of Nova software licence and setup of Nova for Council's requirements, project management, and costs associated with packing and transporting files to Power Business Services premises in Auckland and processing up to the end of August.

Council received an update status report at the August meeting.

Property and Spatial Services

Income is 21% (\$14K) under budget.

Expenditure is 5% (\$6K) under budget.



For the period ending August 2017

Council Detail Report

	Other Activities											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Grant Allocation Committees	27,710	26,014	1,696	7%	42,061	41,195	864	2%	309,644	309,644	-	-
Operating investments	299,363	67,694	231,669	342%	233,002	135,388	97,614	72%	1,097,412	1,097,412	-	-
Total	327,073	93,708	233,365	249%	275,062	176,584	98,478	56%	1,407,056	1,407,056	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Grant Allocation Committees	4,770	7,765	2,995	39%	1,826	15,531	13,704	88%	309,729	309,729	-	-
Operating investments	203,124	3,224	(199,900)	(6201%)	99,890	6,447	(93,443)	(1449%)	1,045,882	1,045,882	-	-
Total	207,894	10,989	(196,905)	(1792%)	101,716	21,978	(79,739)	(363%)	1,355,611	1,355,611	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	119,179	82,719	36,460	44%	173,346	154,606	18,740	12%	51,445	51,445	-	-



OTHER ACTIVITIES COMMENTARY

Grant Allocation Committee

Year to date Income is 2% (\$864) over budget.

Year to date Expenditure is 88% (\$14K) under budget. The first round of grants allocation will not occur until later in the calendar year.

Operating Investments

Income is \$98K over budget year to date.

- Interest earned on operating investments is \$69K over budget. Surplus cash has been invested as it has not been needed for the distribution of internal loans.

Operating Expenditure is \$93k over budget year to date.

- Internal Interest received on loans is calculated monthly and is (\$66K) less than budget year to date. This is mainly due to internal loan balances being less than budgeted. Council has set the interest rate to be charged on these loans as part of its 10 Year Plan process. Interest is being charged on a monthly basis on all internal loan draw-downs up until 30 June, the end of the last financial year.
- Bank Charges is \$93k over budget due to an interest accrual. This was corrected early in September.
- Internal Interest is only calculated at year end on Reserves, Cost of Capital and Contribution balances and budgeted to be received at year end in June.



For the period ending August 2017

Council Detail Report

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Area Engineers	-	-	-	-	-	-	-	-	41,227	149,959	(108,732)	(264%)
Around Mountains Cycle Trail	21,742	-	(21,742)	-	14,156	-	(14,156)	-	-	-	-	-
Council Property	-	211,792	211,792	100%	-	423,583	423,583	100%	2,541,499	2,541,499	-	-
District Reserves	2,750	-	(2,750)	-	2,750	-	(2,750)	-	-	-	-	-
District Sewerage	(369)	232,456	232,825	100%	(369)	464,912	465,281	100%	1,904,827	2,789,472	(884,645)	(46%)
District Water	6,745	375,003	368,258	98%	17,580	750,005	732,425	98%	3,501,636	4,500,030	(998,394)	(29%)
Engineering Administration	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Consultants	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	-	12,768	12,768	100%	-	25,536	25,536	100%	153,216	153,216	-	-
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	3,447	-	(3,447)	-	3,447	-	(3,447)	-	-	-	-	-
Water Services	-	-	-	-	-	-	-	-	-	-	-	-
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
Total	34,314	832,018	797,704	96%	37,564	1,664,036	1,626,472	98%	8,142,405	10,134,176	(1,991,771)	(24%)



SERVICES AND ASSETS COMMENTARY

Overall Financial Performance

Harvesting at Dipton forest continued during July and early August. This contributed \$637K of the overall income variance of \$882K. Expenditure is currently under budget for the year by 1%.

Income

Forestry Income is \$637K above budget at the end of August. The higher income is the result of the final harvesting on the Dipton site.

Area Engineers income is above budget by \$131K, this is due to an error in completing the month end process and should be under budget by \$15K reflecting the year to date expenditure.

Operating Expenditure

Expenditure is \$58K under budget at the end of August. The significant variations in operating expenditure relate to:

- Engineering Consultants over budget by \$144K. Area Engineers costs are balanced to this group. The error in completing the month end process is reflected in these costs. This group would be on budget without this error.
- Forestry is \$162K over budget, this reflects the harvesting at Dipton.
- Waste Management is under budget by \$162K due to part of the MRF contract costs not being received in the first two months of the year. These invoices have been received in September.

Capital Expenditure

Council Property, District Water and District Sewerage are all significantly under budget at the end of August.

Included in Council Property is a project relating to the Invercargill Office. This project is currently on hold and will be reduced during the first round of forecasting. The only expected costs this year are to engage an external party to provide an analysis of options available.

For District Water limited physical construction has occurred to the end of August. Significant projects for the year include:

- Winton Water Mains renewal (\$1.6M) - tenders have closed for this project and a report is going to the Services and Asset subcommittee on 27 September.
- Te Anau lateral replacements (\$0.4M) – this work has been tendered and on site work will commence at the end of October.
- Eastern Bush water supply upgrade (\$1.2M) – the consent process is currently being worked through.



District Sewerage also has limited physical construction has occurred to the end of August. Significant projects for the year include:

- Winton desludging (\$500K) – at this stage it is not known if the contractor will be able to re-establish during the year
- Te Anau oxidation pond improvement including desludging (\$622K) – at this stage it is not known if the contractor will be able to re-establish during the year.
- Aerators for the Te Anau and Winton wastewater ponds (\$400K). These have been ordered but have not yet arrived in New Zealand.

Item 9.1 Attachment B

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For the period ending August 2017

Council Roading Report

		Roading											
		Monthly				YTD				Full Year Budget			
		Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income													
Contributions		-	-	-	-	-	-	-	-	-	-	-	-
Grants		961,056	1,487,383	(526,327)	(36%)	1,853,282	2,984,886	(1,131,604)	(38%)	17,253,030	17,967,395	714,365	4%
Rental income		35,555	41,878	(6,323)	(15%)	35,555	42,118	(6,563)	(16%)	176,179	176,179	-	-
Other income		47,969	41,531	6,437	15%	72,634	83,062	(10,428)	(12%)	500,673	509,260	8,587	2%
Rates		1,080,687	1,084,428	3,741	1%	2,217,866	2,210,096	7,769	0%	13,466,778	13,466,778	-	-
User Charges and Fees		-	2,655	(2,655)	(100%)	-	5,311	(5,311)	(100%)	31,864	31,864	-	-
Total		2,155,266	2,667,576	(512,310)	(20%)	4,179,297	5,355,181	(1,175,884)	(22%)	51,428,734	52,151,477	722,743	2%
Direct Expenditure													
Advertising		-	66	66	100%	-	132	132	100%	789	789	-	-
Communications		1,414	664	(750)	(153%)	1,662	1,329	(333)	(24%)	7,972	7,972	-	-
Conferences and courses		320	1,360	1,040	76%	820	2,700	2,200	81%	18,322	18,322	-	-
Electricity		5,377	3,000	(2,377)	(79%)	4,392	6,000	1,608	27%	36,000	36,000	-	-
Financial Expenses		-	-	-	-	-	-	-	-	-	-	-	-
Grants		-	-	-	-	30,826	-	(30,826)	-	-	-	-	-
Insurance		1,723	1,877	154	8%	1,723	1,877	154	8%	1,877	1,877	-	-
Other expenditure		(48,188)	5,561	51,716	930%	(90,332)	11,122	101,454	912%	66,733	66,733	-	-
Postage and Stationery		975	88	(987)	(1012%)	1,002	178	(824)	(471%)	1,082	1,082	-	-
Professional Services		450	3,067	2,617	85%	10,450	8,135	(2,315)	(28%)	36,808	36,808	-	-
Rates		-	196	196	100%	-	392	392	100%	2,355	2,355	-	-
Repairs and Maintenance													
Emergency Reinstatement		-	22,885	22,885	100%	-	45,770	45,770	100%	274,621	274,621	-	-
Environmental Maintenance		107,067	80,951	(26,116)	(24%)	334,776	181,901	(152,875)	(46%)	1,081,406	1,081,406	-	-
Level Crossing Warning Devices		586	2,391	2,005	78%	966	5,182	4,616	89%	31,089	31,089	-	-
Maint - General		0	438	438	100%	1,000	878	(122)	(14%)	5,258	5,258	-	-
Maint - Unsealed Roads		-	-	-	-	-	-	-	-	-	-	-	-
Network and Asset Management		256,417	180,598	(75,819)	(42%)	413,466	361,191	(52,275)	(14%)	2,167,149	2,167,149	-	-
Routine Drainage Maintenance		72,333	79,335	7,002	9%	178,305	156,671	(21,634)	(13%)	952,024	952,024	-	-
Sealed Pavement Maintenance		161,690	264,064	102,374	39%	368,734	825,129	456,395	30%	3,168,772	3,168,772	-	-
Spraying		-	3,188	3,188	100%	-	6,376	6,376	100%	38,258	38,258	-	-
Stock Underpasses Minor Improv		-	6,477	6,477	100%	-	12,954	12,954	100%	77,723	77,723	-	-
Street Lighting Transit		6,496	2,292	(4,204)	(183%)	6,496	4,583	(1,913)	(42%)	27,800	27,800	-	-
Structures Maintenance		35,577	14,681	(20,896)	(142%)	62,368	29,362	(33,006)	(112%)	176,173	176,173	-	-
Traffic Services Maintenance		49,458	35,654	(13,804)	(39%)	68,464	71,308	2,844	4%	427,852	427,852	-	-
Unsealed Pavement Maintenance		252,066	202,903	(49,163)	(24%)	481,180	408,808	(72,372)	(19%)	2,434,837	2,434,837	-	-
Total Maint		941,830	906,794	(35,036)	(4%)	1,915,979	1,812,110	(103,869)	(6%)	15,872,682	15,872,682	-	-



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For the period ending August 2017

Council Rooding Report

		Rooding											
		Monthly				YTD				Full Year Budget			
		Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Staff Costs		48,890	54,409	5,449	10%	80,100	98,541	18,410	3%	570,572	570,572	-	-
Travel and Accommodation		485	966	508	51%	485	1,992	1,505	76%	11,954	11,954	-	-
Vehicle Expenses		3,626	81	(3,545)	(43.01%)	2,319	162	(2,157)	(133.2%)	971	971	-	-
Total		52,991	55,456	(2,465)	4%	82,904	100,695	(17,791)	(17.7%)	583,517	583,517	-	-
Indirect Expenditure													
Depreciation (Funded)	Total	2,366,004	679,663	(1,686,341)	(71.7%)	2,367,406	1,309,330	(1,058,076)	(44.7%)	8,155,956	8,155,956	-	-
Internal Expenses	Total	162,955	98,497	(64,358)	(39.7%)	163,318	180,700	(17,382)	(10%)	1,008,718	1,008,718	-	-
Total		2,528,959	778,160	(1,750,799)	(69.3%)	2,530,724	1,490,030	(1,040,694)	(41.5%)	9,164,674	9,164,674	-	-
Net Surplus/(Deficit)		(1,502,512)	911,964	(2,414,476)	(27.6%)	(523,471)	1,852,437	(2,375,908)	(12.5%)	18,437,983	11,580,726	(6,857,257)	(37.2%)
Capital Expenditure													
Capital Expenditure	Bridges - Renewal	-	77,927	77,927	100%	573,559	155,553	(417,906)	(26.8%)	935,120	935,120	-	-
	Drainage Renewals - Acq LOS	15,465	93,482	78,014	83%	48,736	186,964	138,228	74%	1,121,786	1,121,786	-	-
	Drainage Renewals - Renewal	53,921	17,272	(36,650)	(21.2%)	84,216	34,544	(49,672)	(14.4%)	207,262	207,262	-	-
	Minor Improvements Acq LOS	2,416	225,684	223,278	99%	27,371	451,339	424,018	94%	2,059,917	2,706,331	(646,414)	(31.4%)
	Minor Improvements Renewal	257,795	-	(257,795)	-	571,153	-	(571,153)	-	-	-	-	-
	Pavement Repair - Acq LOS	-	33,367	33,367	100%	-	66,734	66,734	100%	400,401	400,401	-	-
	Pavement Repair - Renewal	25,119	329,181	304,062	92%	2,104	658,361	656,257	100%	3,950,167	3,950,167	-	-
	Preventive Maint - Renewal	8	21,590	21,590	100%	-	43,180	43,180	100%	259,077	259,077	-	-
	Seal Rd Resurface - Acq LOS	365,665	503,726	138,071	27%	358,953	1,007,453	648,500	64%	4,150,000	6,044,717	(1,894,717)	(46.5%)
	Seal Rd Resurface - Renewal	10,678	396,110	385,432	97%	(28,234)	792,219	820,453	104%	4,753,314	4,753,314	-	-
	Structure Component - Renewal	-	18,963	18,963	100%	(3,136)	37,987	41,123	108%	227,900	227,900	-	-
	Traffic Services - Acq LOS	6,010	80,189	74,179	93%	7,150	160,376	153,196	96%	962,256	962,256	-	-
	Traffic Services - Renewal	23,803	73,005	49,119	67%	130,497	146,009	10,512	7%	876,054	876,054	-	-
	Unsealed Rd Metal - Renewal	182,755	174,510	(8,245)	(5%)	370,753	349,021	(21,732)	(6%)	2,094,125	2,094,125	-	-
	Vehicles - Renewal	-	-	-	-	-	-	-	-	36,111	73,514	(37,403)	(51.0%)
Total		543,712	2,845,644	(2,301,932)	(81.0%)	2,148,132	4,696,858	(2,548,726)	(54.3%)	22,033,509	24,614,643	(2,581,134)	(11.7%)



TRANSPORT COMMENTARY

Operating Income

YTD Income is \$4.2M versus a Budget of \$5.3M with a variance of \$1.1M or 20.8%.
The variance is predominantly due to the timing of capital expenditure (\$1.9M).

Direct Expenditure

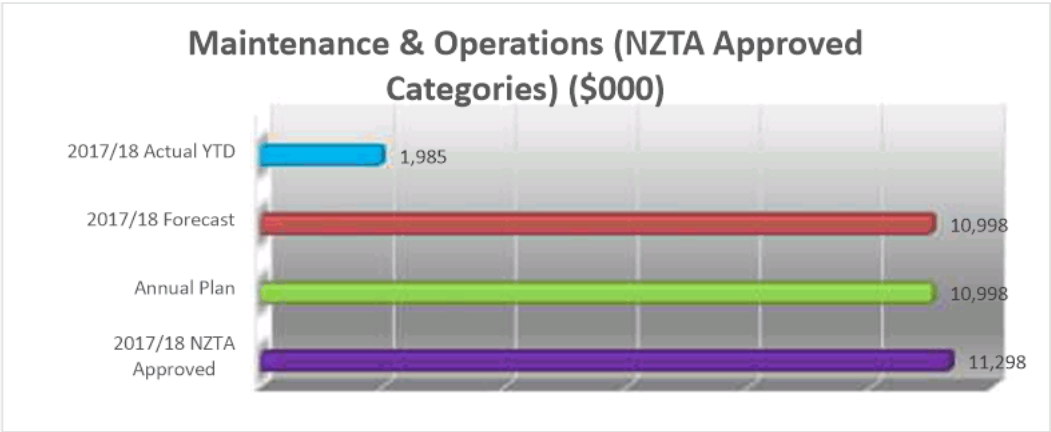
YTD Direct Expenditure is \$1.97M versus a Budget of \$1.94M with a variance of \$29K.
This is related to the Special Purpose Roads Business Unit which is tracking \$30K under budget.

Capital Expenditure

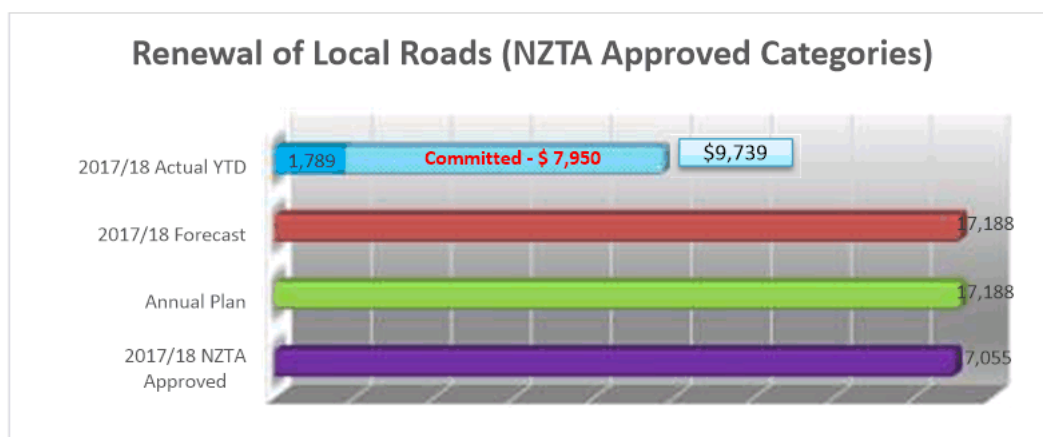
YTD Capital Expenditure is \$2.15M versus a Budget of \$4.09M with a variance of (\$1.94M).
The variance is predominately due to the timing of Capital Expenditure in relation to seasonality of programmed works.

NZTA Performance

The below information includes the main business activity for Council (excluding the Alternative Coastal Route Seal Extension and other Business Units that are fully funded by NZTA).



Financial Tracking vs Plans (Maintenance)			
YTD	Forecast	Annual Plan	NZTA Approved
18.05%	16.67%	16.67%	17.57%



Financial Tracking vs Plans (Capital)			
YTD	Forecast	Annual Plan	NZTA Approved
10.41%	16.67%	16.67%	10.49%

NZTA Commentary

Maintenance is slightly over against budget due to a cold July and August with the Ice Gritting for the Central Alliance \$55K over budget for the year. Logging has caused issues for the Central Alliance with Granity and Pourakino Roads requiring extensive repairs this activity is \$65K over budget for the year. Being early in financial year it is expected that the Alliance will manage the total budget to remain on track.

Capital Expenditure is tracking below budget, currently the Strategic Roding team have \$8M of projects already tendered with a major focus on planning and designing the remaining capital works for 2017/18.

Below is a graph of the expenditure of the previous two financial years with the projected works for 2017/18. 2016/17 was an increase in expenditure (Maintenance & Capital) of 24.85% on 2015/16. The required increase from 2016/17 is 50.50%, in dollar terms this is \$12.5M the majority of this spend is in relation to the Alternative Coastal Route \$8M and the LED renewal programme \$1M. Minor Improvements have increased by \$2.4M.

Establishing Ward Committees and Creation of a Mayoral Discretionary Fund

Record No: R/17/10/23815
Author: Clare Sullivan, Governance and Democracy Manager
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

1. This report is to propose that a Mayoral Discretionary Fund be created and establish four ward committees that will make recommendations on budgets and rates for the Long Term Plan or Annual Plan.

Executive Summary

Mayoral Discretionary Fund

2. While the majority of Councils in New Zealand provide for a Mayoral Fund, Southland District Council does not have one. There is a Southland relief fund but that is shared with Invercargill City and Gore District Councils.
3. For the most part, these funds consider requests for financial assistance in an emergency or natural disaster. However, a number of councils also provide a Mayoral Fund for applications from community organisations and individuals seeking support. A Mayoral Discretionary Fund is seen as a positive mechanism for the Council to support the district.
4. It is proposed that it would operate on an application/approval process. The draft policy is attached. Key aspects of the policy and criteria include:
 - Assist individuals to achieve their potential or for groups to help build communities
 - Contribute towards the cost of an individual or group attending a sporting, cultural or other major event at which they are representing the district, region or nation
 - Assist with the development and implementation of a local project, scheme or initiative
 - Respond to emergency situations.
5. There would be criteria on the limits that an application can be made for – a maximum amount per application although this could be waived depending on the project or in response to emergency situations. Applications would not be eligible for funding from another council programme, nor would they be eligible for recurrent funding unless it was for a new project.
6. Decisions would be made at the discretion of the Mayor and Deputy Mayor and a Councillor. Applications meeting the criteria may not necessarily receive funding.
7. It is proposed that the amount of the fund be \$20,000 per year and included in the Council's annual operational budget.

Ward committees

8. Councillors from four wards have been meeting informally to discuss budgets within their wards. It is considered appropriate to establish ward committees for the Mararoa Waimea, Winton Wallacetown, Waiau Aparima and Waihopai Toetoes wards to recommend to the Council rates and budgets for the Long Term and Annual Plan process. These committees would meet annually.
9. It is proposed that this process is formalised through the establishment of four ward committees established under clause 30, Schedule 7 of the Local Government Act 2002. Following adoption each year of the Long Term Plan or Annual Plan, an application/approval process forward funds will be used similar to that proposed for the Mayoral fund. This would include details of how the funding is to be used and the benefits delivered. AS there is no ward rate for Stewart Island it is not proposed that there would be a ward committee established.

Recommendation

That the Council:

- a) **Receives the report titled “Establishing Ward Committees and Creation of a Mayoral Discretionary Fund ” dated 6 October 2017.**
- 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) Creates a Mayoral Discretionary Fund with an annual amount of \$20,000. Note this is unbudgeted for the 2017/2018 year.
- e) Adopts the draft Mayoral Discretionary Fund Policy as attached.
- f) Appoints four ward committees – Mararoa Waimea, Winton Wallacetown, Waiau Aparima and Waihopai Toetoes – under clause 30, Schedule 7 of the Local Government Act 2002.
- g) Confirms the composition of the ward committees for the 2016-2019 to be:
 - i) Mararoa Waimea – Crs Ebel Kremer, John Douglas and Brian Dillon
 - ii) Winton Wallacetown- Crs Gavin Macpherson, Neil Paterson and Darren Frazer
 - iii) Waiau Aparima – Crs Stuart Baird, Nick Perham and George Harpur
 - iv) Waihopai Toetoes – Crs Julie Keast and Paul Duffy.
- h) Notes that the Mayor is a member of all committees.
- i) Delegates authority to review ward budgets as part of the Long Term Plan and Annual Plan and make recommendations to the Council.
- j) Delegates authority to the four ward committees to approve expenditure for locally-funded activities up to a maximum of \$5,000 per annum per individual councillor
- k) Delegates authority to make recommendations to the Council on unbudgeted ward funds.
- l) Agree that the Ward Committees will appoint a chair for each separate Committee.
- m) Agree that the Mayor will chair any combined meetings of Ward Committees.

Background

10. The creation of a mayoral discretionary fund provides a mechanism for the Council to respond to requests for assistance that arise from either an emergency situation or to support organisations or individuals in either instances of hardship or attend a sporting cultural or other major event or to help build communities. It provides a district wide approach.
11. The Council previously established ward committees in 2014 that also comprised members from Community Boards and Community Development Area subcommittees in the ward.

Issues

12. Currently Community boards and community development area subcommittees receive a financial report that details spending for the area each year and a report that sets local budgets for the Long Term Plan and proposes rates for forthcoming year. It is appropriate for the wards where there is a ward rate and ward projects that ward committees are established for the Councillors to consider this.
13. In addition the ward committees will consider requests through a similar application/approval process to the mayoral discretionary fund. The application will include how the money will be used, and the benefits that will be delivered, for example a clear public benefit. Neither the ward rate nor the mayoral discretionary fund can be used for waiving Council fees.
14. A ward committee is not proposed for Stewart Island as there is no ward rate.

Factors to Consider

Legal and Statutory Requirements

15. Clause 30, Schedule 7 of the Local Government Act 2002 sets out the council's power to appoint committees, subcommittees and other subordinate decision-making bodies. Establishing the committees provides transparency and accountability.

Community Views

16. This is appropriate as a result of the current governance structure.

Costs and Funding

17. There is no additional cost to appoint the ward committees. The \$5,000 amount per 11 ward councillors is met from existing budgets. The \$20,000 budget for the Mayoral Discretionary Fund is unbudgeted.

Policy Implications

18. Criteria for the Mayoral Discretionary Fund and the Ward budgets is set out in Appendix A

Analysis

Options Considered

19. There are two options available – to establish a mayoral discretionary fund and ward committees or not.

Analysis of Options

Option 1 – Establish Mayoral Discretionary Fund and four ward committees

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Mayoral Fund• Positive mechanism for supporting the people of Southland• Respond to emergency situations• Ward committees• Transparency and accountability• Ability to make decisions and recommendations to Council	<ul style="list-style-type: none">• Additional processes and meetings.

Option 2 – Not have a Mayoral Discretionary Fund and have informal ward groups

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Informality• No requirements for reporting	<ul style="list-style-type: none">• Lack of support for people and groups in district• No formal record keeping• Lack of clarity re role of informal groups

Assessment of Significance

20. Not significant but provides a clarity around procedure

Recommended Option

21. Option one is the recommended option

Next Steps

22. If approved application forms will be available for both processes. The ward committees will become part of the Council governance structure. Terms of reference will be drafted for consideration. The committees (if established) will meet shortly after to make recommendations to the Council on the Long Term Plan.

Attachments

- A Mayoral Discretionary Fund Policy [↓](#)
B Ward Committee Fund Policy [↓](#)

MAYORAL DISCRETIONARY FUND POLICY

Item 9.2 Attachment A

1. To provide discretionary small donations for community members, organisations and individuals seeking financial support.
2. To consider requests for financial assistance that are of an emergency assistance nature.
3. To provide the Mayor and Councillors with clear conditions and limitations for the use of the Mayoral Discretionary Fund.
4. To set out the application and approval process for use of the fund.
5. To set out the criteria against which applications will be assessed

Criteria

1. The Fund is generally to be used for the following purposes:
 - Assist an individual towards achieving their potential or for groups to help build communities
 - Contribute towards the cost of an individual or group attending a sporting, cultural or other major event at which they are representing the district, region or nation
 - (if more than two individuals attending the same event funding will go to the organising group)
 - Assist with the development and implementation of a local project scheme or initiative.
2. Generally the maximum amount that will be allocated per donation will be \$500. However, applications for significant projects (above this amount) may be considered on their merit.
3. The fund may not be used for waiving Council fees.
4. Retrospective applications may be considered.
5. Any donation will be at the discretion of the Mayor, Deputy Mayor and a Councillor and subject to availability of funds. Applications meeting the criteria may not necessarily receive a donation.
6. If the organisation/person has applied to other organisations for funding, the list of organisations that have received requests for funding should be included in the application letter.
7. Requests for recurrent funding will not be considered. However, applicants may apply for funding over successive years
8. The fund is not to be used for any purpose to assist a political party or for fundraising of a political nature.
9. Generally, grants will only be made to assist groups or individuals who live or are based in Southland District. Exceptions would be those that are of an emergency nature involving visitors to the District or to make a grant to another territorial authority in the event of a natural disaster.

Application process

- All applications for assistance from the Fund are to be in writing, addressed to and received by the Mayor.
- Applications must specify the purpose the funds are to be used for and how the community or individual will benefit from the funds being allocated.
- The Mayor in consultation with the Deputy Mayor and a Councillor may approve funding applications which meet the stated criteria.
- Except for emergencies, no funding assistance will be considered during the three month pre-election period of the local authority elections.
- If an application is agreed to the Chief Executive will authorise the payment.
- A report which includes details of recipients and amounts granted will be circulated to Council on a quarterly basis.
- Funding will be GST inclusive if the recipient is GST registered.
- A letter written addressed to the mayor must include:
 - a. Name of person/organisation seeking the grant;
 - b. Contact details (postal address, phone number and/or email address);
 - c. Purpose of the grant
 - d. Amount sought and whether GST inclusive or exclusive;
 - e. Two references testifying to the bona fide of the requesting person/organisation, as well as the need/justification for the donation
 - f. List of other organisations who have received the same request for funding if applicable.
 - g. Details of whom the payment is to be made to including a pre-paid bank deposit slip.

Conditions of receiving a mayoral grant

Council provides these grants on the grounds that:

Provide a receipt for the amount of funding received.

Are willing to acknowledge Council's contribution at your event or in written documentation

Funds are utilised for the sole purpose for which they were granted

Write to the Council at the conclusion of your event/programme to indicate the outcome including relevant photographs and media clippings

Any unused funds are to be returned.

Finance

- The fund is to be established initially in the amount of \$20,000 and will be reviewed after two years.

- The fund is to be included as a recurring item in Council's annual operational budget.
- This budget is not to be exceeded without a resolution of Council

Note: the Application process may be waived if financial assistance is of an emergency nature.

WARD COMMITTEE LOCALLY FUNDED ACTIVITIES FUND POLICY

Criteria

1. The fund is generally to be used for assisting with the development and implementation of a local project, scheme, or initiative.
2. The fund is \$5,000 per annum per Councillor from the Mararoa Waimea, Waiau Aparima, Winton Wallacetown and Waihopai Toetoes wards.
3. The fund may not be used for waiving Council fees.
4. The project request must demonstrate the clear public benefit for the ward.
5. Any request will be at the discretion of the Ward Councillors for the particular ward and the Mayor.
6. If the organisation/person has applied to other organisations for funding, the list of organisations that have received requests for funding should be included in the application letter.
7. Requests for recurrent funding will not be considered. However, applicants may apply for funding over successive years
8. The fund is not to be used for any purpose to assist a political party or for fundraising of a political nature.
9. Projects will only be granted for the particular ward.

Application process

- All applications for assistance from the Fund are to be in writing, or via email, addressed to and received by the **CPL, CE or CA – not sure who.**
- Applications must specify the purpose the funds are to be used for and the public benefit to the community of interest in the ward from the funds being allocated.
- The Ward Councillors and the Mayor may approve funding applications which meet the stated criteria.
- Except for emergencies, no funding assistance will be considered during the three month pre-election period of the local authority elections.
- If an application is agreed to the Chief Executive will authorise the payment.
- Funding will be GST inclusive if the recipient is GST registered.
- A letter written addressed to the mayor must include:
 - a. Name of person/organisation seeking the grant;
 - b. Contact details (postal address, phone number and/or email address);
 - c. Purpose of the grant
 - d. Amount sought and whether GST inclusive or exclusive;
 - e. Two references testifying to the bona fide of the requesting person/organisation, as well as the need/justification for the donation unless the request is from a Community Board or CDA

- f. List of other organisations who have received the same request for funding if applicable.
- g. Details of whom the payment is to be made to including a pre-paid bank deposit slip.

Item 9.2 Attachment B

Māori Representation Option

Record No: R/17/9/22944
Author: Clare Sullivan, Governance and Democracy Manager
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

1. The purpose of the report is to provide the Council with information on the establishment of a Māori ward and obtain a decision as to whether or not the Council wishes to establish a Māori ward.

Executive Summary

2. The establishment of Māori wards is provided for in the Local Electoral Act 2001 (the Act). Any Council, provided it has the required number in the Māori electoral population in a district may qualify for a Māori ward. Southland District area would qualify for one ward. Should the Council wish to establish a Māori ward, a resolution by the Council must be made before 23 November 2017, in order for this to be in place for the 2019 elections.
3. Council officers have consulted with Te Ao Marama regarding its views about establishing a Māori ward. This matter was discussed at a hui at Hokonui Runaka in September 2017. While initial verbal indications from Te Ao Marama representatives indicated that it is happy with the current arrangements, no formal notification has been received at time of writing as Te Ao Marama requested some further time to consider the issue in detail and liaise with Te Runanga o Ngai Tahu.

Recommendation

That the Council:

- a) **Receives the report titled “Māori Representation Option” dated 8 October 2017.**
- 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) **Agrees to take no action to establish a Māori ward as part of the representation arrangements for Southland District.**

Content

Background

4. Consideration of Māori wards in local government arises through obligations under the Treaty of Waitangi. There is formal recognition of the Treaty in the Local Government Act 2002: section 4 recognises that it is the Crown that is the Treaty partner, and places an obligation on local government to maintain and improve opportunities for Māori to contribute to local government decision-making.
5. The history to the provision of Māori wards in the Local Electoral Act explains the rationale behind its inclusion. The Local Electoral Act and the Local Government Act were reformed in 2001 and 2002, with both pieces of legislation including new acknowledgements of Māori.
6. The Local Electoral Act 2001 was amended in 2002 to include the provisions for Māori wards. These provisions were modelled on the Bay of Plenty Regional Council (Māori Constituency Empowering) Act 2001. The Bay of Plenty legislation came from a local bill promoted by the Regional Council which was concerned that, although there was a high percentage of Māori in its area, Māori were not being elected to the Council through the majority-based electoral system. The provisions in the local Act were mirrored in the Local Electoral Act 2001.

1.

Issues

7. The Local Electoral Act provides for:
 - A council may resolve to establish Māori wards
 - Five percent of all electors may petition for a referendum of all electors
 - Alternatively a council may initiate a poll to be held
 - The electors of a Māori ward are those on the Māori electoral roll who cannot vote for any other ward positions
 - Once elected, a member elected by a Māori ward is under the same obligation as all Council members to act in the best interests of the district.
8. A resolution must be made by 23 November 2017 for it to take effect at the 2019 elections (if not overturned by a poll). If the Council resolves to establish a Māori ward it must give public notice of this and the right of five percent of electors to demand a poll by 30 November 2017.
9. On current statistics and with a total council of 12 members plus the Mayor, Southland District Council would be entitled to one councillor elected from a Māori ward. There would be 11 general members. The calculation is based on a formula set out in the Act (Māori electoral population divided by the total electoral population multiplied by the number of elected members). The current estimate of the total population is 30,900, the Māori electoral population is 1,700. The calculation comes to 0.66 which is rounded up to one member and therefore, one ward. There would be one Māori ward member if the total number of members was between 10-12, but if the total number of members dropped to nine or below, then there would be no Māori ward member.
10. The electors of a Māori ward would be those on the Māori electoral roll.

11. A petition of five percent of electors requires approximately 993 signatures. Costs for a stand-alone referendum or poll would be approximately \$20,000 which is not budgeted for. The result of any poll held is binding for two triennial elections.
12. Council can resolve to hold a poll of electors on this matter at any time, but for the outcome of the poll to be effective for the 2019 (and 2022) triennial elections, it must make such a resolution to hold a poll by 21 February 2018. This is also the date by which any demand for a poll by five percent of electors of the District must be received if the result of these actions is to be effective for the 2019 and 2022 elections.
13. Eight councils have passed resolutions seeking to establish Māori wards/constituencies and most have been subject to a petition for a poll. Of those, two have resulted in establishing Māori wards – Waikato Regional Council (by resolution, no poll held) and Wairoa District Council (by poll held in 2016).
14. Southland District Council last considered this issue in 2011 and resolved not to establish a Māori ward. There was no request at that time from Māori within Southland for the establishment of such ward.
15. Council has signed a Charter of Understanding with Te Ao Marama who represent Te Runaka O Awarua, Hokonui Runanga, Oraka/Aparima Runaka and Waihopai Runaka. Collectively they hold mana whenua over all ancestral lands in Murihuku. Te Ao Marama has agreed to assist Southland District Council (and the other Southern local authorities) through Te Roopu Taiao on their wider responsibilities under the Local Government Act 2002 with regard to all Māori, including those who do not whakapapa to Ngai Tahu.
16. A representative also joins the council in its hearing of submissions on the Annual Plan and Long Term Plan.

Factors to Consider

Legal and Statutory Requirements

17. These are set out in paragraphs seven and eight.

Community Views

18. Refer to paragraph three.

Costs and Funding

19. If a poll was held there would be a cost to Council which is not budgeted for.

Policy Implications

20. There are no policy implications other than those noted above.

Analysis

Options Considered

21. There are three options available to the Council.

Analysis of Options

Option 1 – Not establish a Māori Ward

<i>Advantages</i>	<i>Disadvantages</i>
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<ul style="list-style-type: none">• Current relationship with Te Ao Marama is understood to work well	<ul style="list-style-type: none">• Not providing a guarantee of Māori representation for the district.
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Option 2 – Hold a poll on whether or not a Māori ward should be established

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• All people in the District would have the opportunity to have their say.	<ul style="list-style-type: none">• Poll would be costly. Majority of previous polls show a decision in the negative.

Option 3 – Establish a Māori ward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Guarantee of Māori electors represented.	<ul style="list-style-type: none">• Likelihood of a poll request on decision made which may overturn decision to establish.

Assessment of Significance

22. This decision is not seen as significant in terms of the Council's significance and engagement policy.

Recommended Option

23. Option 1. Not establish a Māori ward.

Next Steps

24. If the Council resolves not to establish a Māori ward no further action or public notice is required.

Attachments

There are no attachments for this report.

Schedule of Meetings for 2018

Record No: R/17/10/24134
Author: Clare Sullivan, Governance and Democracy Manager
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of the report is to approve a schedule of meeting dates for 2018 so that meetings can be publicly notified in accordance with the requirements set by the Local Government Official Information and Meetings Act 1987.

Executive Summary

- 2 The adoption of a meeting schedule allows for reasonable public notice preparation and planning for meeting agendas. The act details the requirements for public notification of meetings.
- 3 The meeting schedule details dates for Council, Regulatory and Consents Committee, Services and Assets Committee, Community and Policy Committee and the Finance and Audit Committee. It also lists hearing dates for submissions on the 2018-2028 Long Term Plan and the Representation Review.

Recommendation

That the Council:

- a) **Receives the report titled “Schedule of Meetings for 2018” dated 9 October 2017.**
- 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) Adopts to the schedule of Council and Committee meetings for 2018 as follows:

Wednesday 7 February	9am – Services and Assets 1pm – Community and Policy
Thursday 8 February	9am – Regulatory and Consents
Wednesday 21 February	9am – Council
Tuesday 27 February	9am – Council – Long Term Plan
Wednesday 14 March	9am – Services and Assets 1pm – Community and Policy
Thursday 15 March	9am – Regulatory and Consents
Monday 26 March	1pm – Finance and Audit
Tuesday 27 March	9am – Council
Wednesday 18 April	9am – Council – Hear submissions on LTP
Thursday 19 April	9am – Hear submissions on LTP
Friday 20 April	9am – Council – Representation Review
Wednesday 2 May	9am – Council Long Term Plan
Wednesday 9 May	9am – Services and Assets 1pm – Community and Policy
Thursday 10 May	9am – Regulatory and Consents
Wednesday 16 May	9am – Council
Tuesday 12 June	9am – Finance and Audit 1pm – Regulatory and Consents
Wednesday 13 June	9am – Services and Assets 1pm – Community and Policy
Monday 18 June	9am – Council – Hear submissions on Representation Review
Tuesday 19 June	9am – Council – Hear submissions on Representation Review
Wednesday 20 June	9am – Council Long Term Plan
Wednesday 11 July	9am – Council Representation Review
Wednesday 25 July	9am – Regulatory and Consents
Thursday 26 July	9am – Services and Assets 1pm – Community and Policy

Wednesday 8 August	9am - Council
Wednesday 5 September	9am – Services and Assets 1pm – Community and Policy
Thursday 6 September	9am – Regulatory and Consents
Wednesday 19 September	9am - Council
Tuesday 25 September	9am – Council – Annual Report
Wednesday 17 October	9am – Services and Assets 1pm – Community and Policy
Thursday 18 October	9am – Regulatory and Consents
Thursday 1 November	9am - Council
Wednesday 28 November	9am – Regulatory and Consents
Thursday 29 November	9am – Services and Assets 1pm – Community and Policy
Thursday 13 December	9am - Council
Friday 14 December	9am – Finance and Audit Committee

Background

- 4 An approved schedule of meeting dates is required so that meetings can be publicly notified in accordance with the Local Government Official Information and Meetings Act 1987.

Issues

- 5 2018 is a busy year as the Council will be considering both the 2018-2028 Long Term Plan and the Representation Review, both of which will require additional meetings. The timetable has been designed to allow more time for committee meetings. The meeting dates for 2019 should be provided at the December Council meeting in order to allow planning.

Factors to Consider

Legal and Statutory Requirements

- 6 The legal and statutory requirements for meetings of Council, Committees and Community Boards are set out in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

Community Views

- 7 Having a meeting schedule adopted enables the community to be aware of Council meetings. These will be advertised the month prior to the meetings.

Costs and Funding

- 8 Costs for advertising of the meeting schedule are provided for.

Policy Implications

- 9 There are no policy implications

Analysis

Options Considered

- 10 There are two possible options – adopt a meeting schedule or not.

Analysis of Options

Option 1 – Adopt meeting schedule

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Elected members and the public are aware of the meeting dates for the year to enable sufficient time to plan.• The meeting schedule can be amended at a future date if required.• Meetings of Community Boards and Community Development Area Subcommittees can be organised once the Council has adopted a schedule.	<ul style="list-style-type: none">• There are no disadvantages

Option 2 –

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• There are no advantages	<ul style="list-style-type: none">• Council cannot meet its statutory responsibilities as there would be no meeting schedule.• The public would not have an indication of when meetings were scheduled.

Assessment of Significance

- 11 Not significant as defined in the Significance and Engagement policy.

Recommended Option

- 12 Option one is the recommended option

Next Steps

- 13 If the schedule of meetings is adopted officers will advertise meetings each month for 2018 according to the schedule.

Attachments

There are no attachments for this report.

Minutes of the Community and Policy Committee Meeting dated 9 August 2017

Record No: R/17/9/22912
Author: Alyson Hamilton, Committee Advisor
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Community and Policy Committee meeting held 9 August 2017 as information.

Attachments

- A Minutes of Community and Policy Committee Meeting dated 9 August 2017 (separately enclosed)

Minutes of the Services and Assets Committee Meeting dated 9 August 2017

Record No: R/17/10/23661
Author: Fiona Dunlop, Committee Advisor
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Services and Assets Committee meeting held 9 August 2017 as information.

Attachments

- A Minutes of Services and Assets Committee Meeting dated 9 August 2017 (separately enclosed)

Minutes of the Milford Community Trust Meeting dated 19 May 2017

Record No: R/17/9/22887

Author: Jenny Labruyere, Committee Advisor/Customer Support Partner

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Recommendation

That Council receives the minutes of the Milford Community Trust meeting held 19 May 2017 as information.

Attachments

- A Minutes of Milford Community Trust Meeting dated 19 May 2017 (separately enclosed)

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 Code of Conduct

C10.2 Public Excluded Minutes of the Community and Policy Committee Meeting dated 9 August 2017

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
Code of Conduct	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.	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.
Public Excluded Minutes of the Community and Policy Committee Meeting dated 9 August 2017	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. 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).	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.