



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

Date: **Wednesday, 6 March 2019**
Time: **9am**
Meeting Room: **Council Chamber**
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

- 6.1 Meeting minutes of Council, 29 November 2018 and 7 February 2019

Work to investigate a user pays charging regime for non-recreational jetty usage on Stewart Island/Rakiura

Record No: R/19/2/2696
Author: Robyn Rout, Policy Analyst
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek Council endorsement to work with the Jetties Subcommittee, to investigate, identify and implement a practical and fair user-pays charging regime for non-recreational jetty usage on Stewart Island/Rakiura.
- 2 This report also informs Council of resolutions made by the Stewart Island/Rakiura Community Board (the Board) and the Stewart Island/Rakiura Jetties Subcommittee (the Jetties Subcommittee) at meetings held on 10 December 2018.
- 3 Lastly, this report seeks Council's approval for \$20,000 of unbudgeted expenditure for the 2018/19 financial year, for the user pays jetties work, to be funded from the Stewart Island Jetties Subcommittee General Reserves.

Executive Summary

- 4 Council currently issues licences to non-recreational users of Stewart Island/Rakiura jetties, allowing licensees the non-exclusive use of the jetties for embarkation and disembarkation of passengers and for the loading and unloading of goods. The licence fee is currently \$1,350 plus GST, and this is charged annually for each vessel used by the licensee, in accordance with their licence.
- 5 In 2017, the Stewart Island/Rakiura Jetties Subcommittee outlined that they wanted to change this approach to be more in line with a user-pays regime based on patronage.
- 6 Staff presented a report to the Board and to the Jetties Subcommittee on 10 December 2018. The outcome of the meetings were that the Board and the Jetties Subcommittee endorsed staff undertaking work with the Jetties Subcommittee to investigate, identify and implement a practical and fair user pays regime for non-recreational jetty usage. They also requested that Council approve unbudgeted expenditure of \$20,000, to be funded from reserves or from a loan, from the Jetties Subcommittee.
- 7 It is recommended that Council endorse proceeding with this work, and that it approve the \$20,000 of unbudgeted expenditure to be funded from the Jetties Subcommittee General Reserves. This is an initial allocation of funding that may need to be revised once the full extent of the processes that need to be followed to implement a new regime become clearer. Additionally the funding source associated with any increase in cost will also need to be revisited.
- 8 The findings from the strategic review of service delivery on Stewart Island/Rakiura will also be used to inform this work.

Recommendation

That Council:

- a) **Receives the report titled “Work to investigate a user pays charging regime for non-recreational jetty usage on Stewart Island/Rakiura” dated 26 February 2019.**
- 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 work being undertaken to investigate, identify and implement a practical and fair user-pays charging regime for non-commercial jetty usage on Stewart Island/Rakiura.**
- e) **Approves \$20,000 of unbudgeted expenditure for the investigation, identification and implementation of a practical and fair user-pays charging regime for non-commercial jetty usage on Stewart Island/Rakiura, to be funded from the Stewart Island Jetties Subcommittee General Reserve.**
- f) **Notes that work quantifying the funding needs for jetties and determining how the jetties activity will be funded will be part of the review of service delivery on Stewart Island/Rakiura, and would be used to help inform this work on a user-pays charging regime.**

Background

Current practice

- 9 On Stewart Island/Rakiura, Council administers Fred’s Camp Jetty, Little Glory Jetty, Millers Beach Jetty, Port William Jetty and Ulva Island Jetty. It is anticipated that the Golden Bay Wharf will also be transferred into Council ownership in the near future. Hereinafter, all of these facilities are collectively referred to as the jetties.
- 10 Council currently issues licences to non-recreational users of jetties. Eight parties have signed licence agreements which allow non-exclusive use of the jetties for embarkation and disembarkation of passengers and for the loading and unloading of goods. Vessels cannot be alongside a jetty, unattended, for longer than 30 minutes. The licence agreement contains provisions about not storing goods on jetties, about protecting the environment and about cooperating with other jetty users.
- 11 The licences currently held were issued in 2014 and the term of the licences is 10 years. The licence agreements can be terminated upon notice. When notice is given, the agreement will expire on 31 October following the giving of notice.

- 12 The licence fee is currently \$1,350 plus GST, and this is charged annually for each vessel used by the licensee, in accordance with their licence. The vessels used by the licensee are listed in the agreement. The licence fee has to be paid as a lump sum each year. The amount of the fee is set through the Annual Plan/Long Term Plan process. There are provisions in the licence agreement around the substitution of other vessels, vessels no longer being used, and new vessels being introduced.
- 13 On 30 October 2017, when discussing budgets for the Long Term Plan 2018-28, the Jetties Subcommittee discussed the current licence fee system. The Jetties Subcommittee requested a change to more of a user-pays regime and agreed that the licence fee should be removed and replaced with commercial operators being charged \$1.50 per passenger (who purchases a return fare), for wharf usage. It was indicated that log books kept on vessels record this information, and that the log book could be used to assess the charge payable. The committee's proposal will be investigated further as part of this review process.

Issues

Endorsing proposed work

- 14 As outlined above, staff are seeking Council endorsement to undertake work with the Jetties Subcommittee to investigate options and to implement a fair, user-pays charging approach for non-commercial jetties usage on Stewart Island/Rakiura. An appropriate charging regime will need to be both practical and enforceable.
- 15 It is timely to commence this work now, with the scheduled rebuild of the Ulva Island jetty. Council will have to include details of any charging regime for the wharf in the coastal permit.
- 16 There is a question as to whether the current approach of having a licence fee is the most appropriate user-pays regime, as it may not adequately take into account the amount a licensee is using the jetties, the damage the licensee is causing, or the economic benefit to the licensee. It will also be important to consider how any charging regime can be enforced in an effective and cost effective manner.
- 17 The proposed work will include:
- developing a project plan
 - seeking legal and planning advice
 - investigating the jetty infrastructure requirements on the island (including renewals and maintenance) and determining the funding that should be generated from non-recreational jetty users - the review of service delivery on Stewart Island/Rakiura would help inform this
 - establishing charging options that are fair, practical and enforceable
 - identifying a preferred option
 - if the preferred option is to change the charging regime, consulting on the preferred option through the Annual Plan and/or Long Term Plan
 - scoping any required work to vary resource consents for Council jetties to provide for a user fee regime
 - if a change is proposed, terminating the current licence agreements and implementing the new charging regime (including any ongoing monitoring, reporting and enforcement).

Resolutions made by Board and Jetties Subcommittee

- 18 On 10 December 2018, reports were presented to both the Board and to the Jetties Subcommittee seeking their endorsement of this work, and seeking funding of \$20,000 of unbudgeted expenditure funded from Board reserves, to contribute towards the work.
- 19 Both the Board and the Jetties Subcommittee endorsed the work, with the Jetties Subcommittee supporting \$20,000 of unbudgeted expenditure from its reserves or from a loan, to contribute towards the work (rather than funding being provided via Board reserves as was recommended). The Board agreed to this funding approach. Both the Jetties Subcommittee and the Board recommend to Council that it approves the \$20,000 of unbudgeted expenditure.

Factors to Consider

Legal and Statutory Requirements

- 20 Council is required to include in its coastal permit for the new Ulva Island jetty, information about any charging regime that will be in place for jetty usage. Legal and planning advice will be sought as part of this work to ensure statutory compliance.
- 21 Council is also required to state in its Revenue and Financing Policy, its policies on the funding of operating and capital expenditure from fees and charges. Council must also show for its sources of funding (such as fees and charges), how it has complied with section 101(3) of the Local Government Act 2002. This section requires Council to meet its funding needs for each activity following consideration of factors such as who is benefitting, the period over which any benefit will occur, and whether the actions of a particular group contribute towards to need to undertake the activity.

Community Views

- 22 When suitable charging regimes are identified, community views would be sought through a consultation process.
- 23 Feedback from the Jetties Subcommittee, which is a subcommittee of the Services and Assets Committee, is that there is a desire to have more of a user-pays charging regime.
- 24 Research completed on the Stewart Island Wharfing Provision, by consultant Sandra James, investigated community views on jetties on Stewart Island/Rakiura and identified that local users understood the need to pay for their use of the jetties. It was identified that there is a strong sentiment on the island that there was no long term strategic planning or budget considerations for jetties and that this was a vulnerability that led to a reactionary approach. There was unanimous agreement that the wharves should be self-funding and not a burden on rate payers alone. It was identified that a new funding strategy should be investigated, with funding from multiple sources, that was fair and equitable, to allow a more long term strategic approach to maintenance and replacement of jetties on Stewart Island/Rakiura.
- 25 The views of particular stakeholders and licensees are not known at this time. It can be anticipated that if a new charging regime requires the current licensees to pay more to use jetties then they would expect that there will be a commensurate improvement in the service that they are receiving. This could include, for example, the implementation of structured maintenance and renewals regime.

- 26 If under a new charging regime any licensees are required to pay more than they do currently, Council may appear unsympathetic towards escalating costs on the island, and it may be seen as not facilitating local business.
- 27 Council has recently consulted on and adopted changes to the Stewart Island/Rakiura Visitor Levy Policy and Bylaw. Funding generated from the visitor levy has been used to help to meet the jetty infrastructure requirements for visitors to Stewart Island/Rakiura. It may not be well received by the public, to also consider a new charging regime for non-recreational users (another matter that relates to generating funding for jetties), at this time.

Costs and Funding

- 28 The \$20,000 that staff are seeking Council approval for, is initial unbudgeted expenditure for the 2018-2019 financial year. The full extent of the costs that might be incurred will become clearer once the work is progressed and decisions are made on the approach to be pursued. There is obviously a risk, particularly if there are challenges to the approach proposed, that costs may increase beyond \$20,000.
- 29 The Board and the Jetties Committee indicated that the \$20,000 of funding needed to support the project be either from existing Jetties reserves or a loan.
- 30 If a loan was needed, it would be funded over a period of three to five years. The repayments of which would need to come from future licence fees or if that was unavailable, from the Stewart Island Community Board rate, given that currently under Councils Revenue and Financing policy, the jetties activity is a local funded activity.
- 31 The Jetties Subcommittee has three reserve accounts, with balances forecast, as per the 2018/19 Annual Plan, at the 30 June 2019 as follows:
- the General Reserve \$29,847
 - the Wharf Replacement at Golden Bay Reserve \$50,608, and
 - the Wharf Replacement at Ulva Island Reserve \$161,070.
- 32 In reviewing the actual accounts to 31 January 2019 and estimating income and expenditure to 30 June 2019, it is expected that the General Reserve will be sufficient to meet the \$20,000 funding request. Additionally a review of future years budgets prepared as part of the Long Term Plan indicates no further commitments on the general reserve at this stage.

Policy Implications

- 33 The licence agreement system and allocations from the visitor levy currently contribute towards the funding of jetty activities in Stewart Island/Rakiura. It is important that these two funding sources are considered together.
- 34 Council is beginning work reviewing the strategic challenges associated with delivering Council services on the island. Quantifying the funding needs for jetties and determining how the jetties activity will be funded will be part of this work, and it can be used to help inform work undertaken on an appropriate charging regime.
- 35 As there is currently no local rating for the renewal and maintenance of jetties on Stewart Island/Rakiura, it is important that the funding of jetties is carefully considered and managed.

Analysis

Options Considered

- 36 There are three options on how Council could proceed. Council could:
- Option 1 – endorse undertaking work on a user pays charging regime for jetties and approve unbudgeted expenditure in 2018/2019 to be funded from the Stewart Island Jetties Subcommittee General Reserves
 - Option 2 – not support work on a user pays charging regime and not approve funding
 - Option 3 – endorse undertaking work on a user pays charging regime for jetties but propose a different funding approach.

Analysis of Options

Option 1 – Endorse undertaking work on a user pays charging regime for jetties and approve \$20,000 of unbudgeted expenditure in 2018/2019 to be funded from the Stewart Island Jetties Subcommittee General Reserve.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• would enable work to be undertaken to identify an appropriate charging regime for jetty usage• advice sought would ensure legal compliance• identifying the desired charging regime for jetty usage could help with wording when the application is made for the coastal permit for the Ulva Island jetty (and other jetties in the future)• research has identified that the Stewart Island/Rakiura community are aware of the need to pay for their jetty usage, and the community support strategic planning and a new funding strategy.	<ul style="list-style-type: none">• it may not be the best time to undertake this work (as the visitor levy, which also relates to funding jetties, has just been reviewed)• if the preferred option is to introduce a charging regime that increases costs to non-recreational jetty users, some people may think Council is not considering the economic impacts on the community and that Council is not facilitating local business• changing the charging regime may not be supported by some stakeholders.

Option 2 – Not support work on a user pays charging regime and not approve funding

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">funding could be used elsewhere.	<ul style="list-style-type: none">Council would ensure legal requirements are met, but it would not have the resource to carry out a thorough review of the user pays charging regimethis process may not identify the most appropriate non-recreational charging regime for the jettiesjetties are a local asset and if a full review of the non-recreational charging regime is not undertaken, it risks there being inappropriate/insufficient funding to replace/maintain these assets.

Option 3 – endorse work on a user pays charging regime but propose a different funding approach

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">would enable work to be undertaken to identify an appropriate charging regime for jetty usageadvice sought would ensure legal complianceidentifying the desired charging regime for jetty usage could help with wording when the application is made for the coastal permit for the Ulva Island jetty (and other jetties in the future)research has identified that the Stewart Island/Rakiura community are aware of the need to pay for their jetty usage, and the community support strategic planning and a new funding strategy.	<ul style="list-style-type: none">funding could be used elsewhere.

Assessment of Significance

- 37 This decision has been assessed as being of lower significance in relation to the Local Government Act 2002 and Council's Significance and Engagement Policy.

Recommended Option

- 38 It is recommended that Council proceed with Option 1 and endorse undertaking work on a user pays charging regime for jetties and approve \$20,000 of unbudgeted expenditure in 2018/2019 to be funded from the Jetties Subcommittee General Reserve.

Next Steps

- 39 If Council endorse this work and approve the unbudgeted expenditure, staff will then commence the work outlined in this report.
- 40 If there is not support or funding is not approved, Council staff will ensure legal requirements are met however it would not have the resource to carry out a thorough review of the user pays charging regime.

Attachments

There are no attachments for this report.

Southland Warm Homes Trust Annual Report Year Ending 30 June 2018

Record No: R/19/2/3501

Author: Matt Russell, Group Manager Services and Assets

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

Report Summary

- 1 The Southland District Council contributes funding to the Southland Warm Homes Trust. This report seeks to provide the Annual Report for the Trust (year ending 30 June 2018), to the Council for information.

Recommendation

That the Council:

- a) **Receives the report titled “Southland Warm Homes Trust Annual Report Year Ending 30 June 2018” dated 25 February 2019.**

Attachments

- A Southland Warm Homes Trust Annual Report for year ended 30 June 2018 [↓](#)



C/o PowerNet Limited, P O Box 1642,
Invercargill 9840, New Zealand
Phone: 03 211 1899
Fax: 03 211 1875

27 November 2018

Gary Tong
Southland District Council
P O Box 903
Invercargill 9840

Dear Gary

The Trustees of the Southland Warm Homes Trust are pleased to present their Annual Report for the year ended 30 June 2018.

It's been another successful year for the Trust, helping to make almost 400 homes warmer, drier and healthier across Southland. Strong demand for subsidised insulation resulted in 351 low income rental and owner occupied homes, and 47 general income homes receiving a contribution from the Trust this year – an increase of 131 installations on the previous year.

This year was the second and final year of the EECA (Energy Efficiency & Conservation Authority) Healthy Homes Rental Programme, which concluded on 30 June 2018. In May 2018, the New Zealand Government announced a new four year \$142 million subsidised home insulation scheme (the EECA Warmer Kiwi Homes Programme), which the Trust has subsequently been successful in securing a contract to continue as a service provider in the Southland and West Otago region. This new Warmer Kiwi Homes Programme provides a greater insulation incentive for low income owner-occupied homes than the previous scheme, and has proven very popular in the short period the scheme has been available. With the increasing demand we expect to utilise the surplus funding carried forward from the year ending 30 June 2018 to help insulate as many homes as possible across our region.

The Trustees wish to thank you for your assistance. Whether it be involvement with the Southland Warm Homes Trust Project Team or financial contribution during the year, both are greatly appreciated. We look forward to your continued support in the future.

Yours faithfully

Allan Beck
Financial Controller





SOUTHLAND WARM HOMES TRUST

**ANNUAL PERFORMANCE REPORT
FOR THE YEAR ENDED
30 JUNE 2018**

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CHAIRMAN'S REPORT

FOR THE YEAR ENDED 30 JUNE 2018

It is with great pleasure and satisfaction on behalf of fellow Trustees Karen Arnold, Bret Highsted and Carl Findlater that I have the opportunity to report on the achievements of the Southland Warm Homes Trust (SWHT) in its tenth year.

The SWHT was established in June 2008 by Electricity Invercargill Limited (EIL) and the Southland Power Trust (SEPSCT) to provide an umbrella to facilitate a warm homes project after a meeting of community groups was arranged in 2006.

With the encouragement of the Energy Efficiency and Conservation Authority (EECA) and support from our respective boards, Neil Boniface and I (Jim Hargest - Chair of SEPSCT), decided to support energy efficiency initiatives for the benefit of Southland through the establishment of the SWHT.

The SWHT provides free energy assessments and subsidised insulation products to homes across Southland and West Otago homes. The vision of the Trust is to ensure "Southlanders" have:

- a more energy efficient home
- an improved living environment
- improved well-being
- better health
- greater energy efficiency awareness

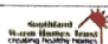
Measures Installed

In the year to 30 June 2018, 351 rental and owned homes received insulation through the Healthy Homes Programme (2017: 195 houses), 47 general income households received subsidised insulation (2017: 72 houses). The SWHT received income from EECA, Landlord contributions and other community grants totaling \$1.2 million (2017: \$0.9 million), and \$1.1 million (2017: \$0.7 million) was utilised in delivering these measures.

Project Team and Community Support

The achievement of the SWHT objectives would not have been possible without the considerable investment of time and effort of the SWHT Project Team and financial support of various community funders throughout the region, that include:

Community Funders	2018	2017	Project Team Representatives
The Power Company Limited	\$125,000	\$125,000	
Electricity Invercargill Limited	\$125,000	\$125,000	Neil Boniface (2016), Karen Arnold
The Southern Trust	20,000	20,000	
Community Trust of Southland	\$25,000*	\$25,000	* Funding pending (approved 25 July 2018)
Gore District Council	\$15,000	\$15,000	Bret Highsted
Southland District Council	\$35,000	\$35,000	Ian Marshall
Invercargill City Council	\$50,000	\$50,000	Mary Napper, Karen Arnold and John Youngson.
Environment Southland	\$50,000	\$72,609	Sonya Nicol, Gavin McCullagh
NZ Oil & Gas Limited	\$20,000	\$20,000	Anna Ririnui
Southland Power Trust	kind support	kind support	Carl Findlater, Jim Hargest
Primary Health South	kind support	kind support	Clare Van der Lem, Hebe Gibson
Well South	kind support	Kind support	Katrina Braxton
Work and Income	kind support	kind support	Sue Dynes



ANNUAL PERFORMANCE REPORT -
JUNE 2018

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The Southland Community owes a great deal to these people and the organisations that have got behind this project and made it work. Our first grant of \$2,000 was received from the Southland Energy Efficiency Trust and grants have ranged up to \$250,000 from The Power Company Limited.

EECA have been incredibly supportive to the project and assisted with a grant to meet start up costs. To date over the last ten years EECA has contributed almost \$12.4 million (2017: \$12.2 million after nine years) of the Trust's total income of \$25.1 million (2017: \$24.0 million after nine years).

EECA Heat Smart Package

Effective from 1 July 2009 the Government through EECA announced a revised energy efficient heating programme. The Warm Up New Zealand (WUNZ) Heat Smart programme had aimed to retrofit more than 180,000 New Zealand homes by 2013, however more than 241,000 homes have been insulated which is a very pleasing result. The WUNZ Heat Smart scheme administered by EECA is without doubt a success story for the Government.

EECA Healthy Homes Programme

The Government, in its May 2013 budget, announced a new insulation scheme, the Warm Up New Zealand (WUNZ) Healthy Homes Programme, to follow on from the successful WUNZ Heat Smart Programme. The WUNZ Healthy Homes Programme aimed to fund the installation of insulation to around 46,000 low income homes nationally over three years from 1 July 2013 to 30 June 2016.

The Healthy Homes scheme is targeted at those who stand to benefit most from having their homes insulated, those being low income households with high health needs, which include families with children and the elderly. Landlords with eligible tenants are also included but are required to make a contribution.

Under the initial Healthy Homes scheme EECA provided 60% of the funding with the remaining 40% to come from third party funders. For the 2014/15 year the SWHT was awarded EECA funding of \$1,060,500 for 505 homes based on secured third party funding of \$707,000, which included retained earnings funding carried forward from previous years.

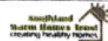
For the third year of the Healthy Homes Programme, EECA reduced its funding allocation from 60% to 50% of the total cost of insulation. As a result, the third party funding allocation increased from 40% to 50%. From 1 July 2015 the landlord contribution increased from 25% to 40%.

Healthy Homes Rental Programme for the 2016/17 and 2017/18 Year

In September 2016 SWHT was awarded EECA funding to deliver at least 1,100 rental property retrofits from 1 September 2016 to 30 June 2018. The EECA funding changed to 25% of the total insulation cost (2016: 50% funded). The SWHT contribution covered 25% of the insulation cost, with the Landlord contributing the remaining 50% (2016: 40% funded).

In late June 2017, EECA extended the eligibility criteria for the remaining 12 months to include Home Owners on low incomes, under the same funding scenario applicable for Landlord's.

Funding for:	Insulation Contribution		
	EECA	SWHT	Landlord/ Home Owner
Residential dwelling built prior to 1 January 2000, and			
Landlords with CSC holding tenants with one or more occupants under 17 years or over 65 years, or	25%	25%	50%
Home Owners with one or more occupants (under 17 years or over 65 years) with a CSC card.	25%	25%	50%



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Summertime Subsidy

During the year the Southland Warm Homes Trust together with Awarua Synergy offered a summertime subsidy of up to \$2,000 for qualifying middle income families to undertake insulation.

Financial Performance

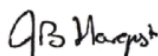
The Trust recorded a net operating profit for the year of \$151,590 (2017: \$228,388). The profit for the year was \$383,393 more than the budgeted loss of \$(232,349). The difference is due to a higher budgeted number of rental property homes insulated than eventuated, with the budget projecting to recover the shortfall from the previous year due to the very late uptake in the new Healthy Homes Rental Programme, as the rental subsidy concluded in June 2018. The demand did increase significantly, however it was too late in the 2017/18 year to recover the full two year contract allocation shortfall. The surplus will be utilised in the new four year Warmer Kiwi Homes Programme announced in May 2018, based on significant initial demand already experienced for the new programme for home owners only.

Operational Support

Awarua Synergy performs the service provider function on behalf of the Southland Warm Homes Trust and employs up to 22 staff at seasonal peak times.

PowerNet Limited provides administrative and secretarial support to the Trustees and Project Team.

The support from the staff of these organisations towards the successful delivery of the project is gratefully acknowledged.



Jim Hargest
Chairman
Southland Warm Homes Trust



ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

NATURE OF BUSINESS	Charitable Trust
CORE PURPOSE	To provide energy assessments, insulation and energy efficient heating appliances to Southland households.
VISION	The Southland Warm Homes Trust and the Project Team in conjunction with Awarua Synergy will ensure Southlanders have - a more energy efficient home, an improved living environment, improved well-being, better health, and greater energy efficiency awareness.
GOVERNANCE	The Trust is governed by a Board of Trustees comprising of four members, and supported by a Project Team representing local stakeholder organisations.
TRUSTEES	Jim Hargest (Chairman) Karen Arnold Bret Highsted Carl Findlater
BUSINESS ADDRESS	251 Racecourse Road Invercargill
POSTAL ADDRESS	c/- PO Box 1642 Invercargill 9840
FREE PHONE	0800-WARMSOUTH 0800-92-76-76
AUDITOR	McIntyre Dick & 160 Spey Street Invercargill
BANK	ANZ Bank New Zealand Limited
ADMINISTERED BY	PowerNet Limited 251 Racecourse Road Invercargill
PROJECT DELIVERY BY	Awarua Synergy c/- 117 Eye Street Invercargill 03-214-2927
FUNDING PROVIDED BY	Combination of Government agency funding through EECA based on number of eligible households insulated, and community funding provided through Corporate and Local Government donations and grants.
ACKNOWLEDGEMENT	The Trust greatly appreciates the support and volunteered time of the Trustees and the Project Team members, which is vital to the ongoing success of the project.



ANNUAL PERFORMANCE REPORT -
JUNE 2018

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STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

Outcomes

The objectives of the Southland Warm Homes Trust for this financial year as specified in the 2017/19 Business Plan are:

- providing all Southlanders with the opportunity to have an individual assessment and receive advice on how to improve energy efficiency in their home;
- creating awareness of the benefits of home insulation and energy efficiency
- improving the living environment, well-being and health of Southland people.

Key performance targets and measures identified in the Business Plan, along with the performance achieved during the financial year, are detailed below.

Outputs

Year Ended 30 June:

	2018 Achieved	2018 Target*	2017
EECA Healthy Homes Programme:			
Insulation (No. of houses)			
- Low Income Households – Owned	61	300	23
- Low Income Households – Rentals	290	600	172
	351	900*	195

* Note – the two year Healthy Homes Rental Programme allocation to SWHT was 1,100 homes. As a result of slow uptake in year one in Southland (and across New Zealand), the 2018 Target (year 2) was based on remaining unused allocation.

During the year to 30 June 2018, 351 houses across Southland and South Otago received insulation through the Healthy Homes programme (2017: 195 houses), and 47 general income households received subsidised insulation (2017: 72). The SWHT received income from EECA, community grants and Landlord contributions totaling \$1.2 million (2017: \$0.9 million), and \$1.1 million (2017: \$0.7 million) was utilised in delivering these measures.

Community Funding received	\$440,000	\$465,000	\$465,000
Financial Surplus/(Deficit) for the year	\$159,550	\$(232,349)	\$228,388

The Southland Warm Homes Trust continues to provide insulation installations to households across the wider Southland and West Otago area.

Healthy Homes Programme Regional Breakdown:

Home Owner	Clutha	Gore	Southland	Invercargill	Total
2017/18	-	8	21	32	61
2016/17	-	2	6	15	23

Rental	Clutha	Gore	Southland	Invercargill	Total
2017/18	-	30	32	228	290
2016/17	-	45	12	115	172



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**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue			
Revenue from Grants & Donations received	2	698,141	642,948
Revenue from providing goods or services	2	516,792	256,811
Interest received		1,828	1,492
Total Revenue		1,216,761	901,251
Expenses			
Costs related to providing goods or services	3	991,405	613,381
Other expenses	3	73,766	59,482
Total Expenses		1,065,171	672,862
Surplus for the year		151,590	228,388

The accompanying notes on pages 11-14 form part of and should be read in conjunction with this performance report.



ANNUAL PERFORMANCE REPORT -
JUNE 2018

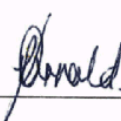
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Current Account		23,215	75,709
Call Account		571,843	325,016
Customer Deposits		58,958	-
Accounts Receivable		61,994	21,682
Other Receivables		8,165	5,466
Prepayments		1,808	1,304
Total Current Assets		725,983	429,177
Total Assets		725,983	429,177
Liabilities			
Current Liabilities			
Accounts Payable		138,926	52,668
Receipts in Advance		58,958	-
Total Current Liabilities		197,884	52,668
Total Liabilities		197,884	52,668
Net Assets		528,099	376,509
Accumulated Funds			
Accumulated surpluses - Net	4	528,099	376,509
Total Accumulated Funds		528,099	376,509


 Jim Hargest
 Chairman


 Karen Arnold
 Trustee

The accompanying notes on pages 11-14 form part of and should be read in conjunction with this performance report.



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JUNE 2018

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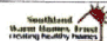
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Receipts from Grants & Donations	657,830	645,845
Receipts from providing goods or services	516,791	256,811
Interest received	1,828	1,492
Net GST	(2,699)	4,144
	1,173,750	908,291
<i>Cash was applied to:</i>		
Payments to suppliers for goods & services	979,417	674,851
	979,417	674,851
Net Cash Flows from Operating Activities	194,333	233,440
Net Cash Flows from Investing & Financing Activities	-	-
Net Increase / (Decrease) in Cash	194,333	233,440
Opening Cash	400,725	167,537
Closing Cash	595,058	400,725
This is represented by:		
Bank Accounts and Cash		
Current Account	23,215	75,709
Call Account	571,843	325,016
	595,058	400,725

The accompanying notes on pages 11-14 form part of and should be read in conjunction with this performance report.



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NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Southland Warm Homes Trust is a Charitable Trust that was established by a trust deed dated 27 June 2008, and was registered with Charities Services on 23 September 2008. The Trust was established by Electricity Invercargill Limited and the Southland Electric Power Supply Consumer Trust for the purpose of providing energy assessments, insulation and energy efficient heating appliances to Southland and West Otago households.

The beneficiaries of the Trust are those persons or organisations connected to the Electricity Invercargill Limited distribution network in Invercargill and Bluff and The Power Company Limited distribution network in Southland and West Otago at a particular time.

The financial performance report was approved by the Board of Trustees on 21 November 2018.

Basis of Preparation

Southland Warm Homes trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Basis of Measurement

The financial statements are presented in New Zealand dollars and rounded to the nearest dollar.

Good and Services Tax (GST)

The Southland Warm Homes Trust is registered for GST. The financial performance report has been prepared exclusive of Goods and Services Tax, with the exception of receivables and payables which are shown inclusive of Goods and Services Tax.

Income Tax

Southland Warm Homes Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits at call).

Revenue

Grants and Donations

Grants and donations are recorded as revenue on receipt unless there is a 'use or return' condition attached. Grants or donations with use or return conditions are recorded as a liability until the conditions have been satisfied and are recorded as a liability until the conditions have been satisfied and are recorded as revenue.

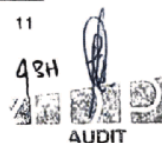
Household Contributions

Revenue from this source is measured at the fair value of the consideration given for the sale of goods and services.



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Investments

Investments are stated at cost.

Loans and Receivables

Loans and receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent the debts are not collectable.

Changes in Accounting Policies

There have been no changes to accounting policies. All accounting policies are consistent with those applied in the previous year.

2. REVENUE

	2017 \$	2016 \$
<u>Revenue from Grants or Donations received</u>		
<i>Revenue from grants or contracts for services with government agencies:</i>		
Energy Efficiency and Conservation Authority (EECA)	258,141	177,948
<i>Revenue from grants or contracts for services with local government:</i>		
Environment Southland	50,000	50,000
Invercargill City Council	50,000	50,000
Southland District Council	35,000	35,000
Gore District Council	15,000	15,000
<i>Revenue from other grants or donations received:</i>		
Electricity Invercargill Limited	125,000	125,000
The Power Company Limited	125,000	125,000
Community Trust of Southland*	-	25,000
The Southern Trust	20,000	20,000
New Zealand Oil & Gas Limited	20,000	20,000
	698,141	642,948

* 2017/18 funding grant received in July 2018.

Revenue from providing goods or services:

Household contributions	516,792	256,811
	516,792	256,811



3. EXPENSES

Costs related to providing goods or services

Installation costs	991,405	613,381
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Other Costs

Administration Expenses	68,291	48,529
Audit Fees	5,475	6,275
	73,766	54,804

4. ACCUMULATED FUNDS

This Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	376,509	-	376,509
Surplus	-	151,590	-	151,590
Closing Balance	-	528,099	-	528,099

Last Year

	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	148,120	-	148,120
Surplus	-	228,388	-	228,388
Closing Balance	-	376,509	-	376,509

5. COMMITMENTS

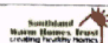
Operating Commitments

Deposits from householders are received and held by Awarua Synergy the service provider on behalf of the Southland Warm Homes Trust. The deposits are from householders who have committed to insulation installations.

This is the first year the deposit value has been disclosed in the financial statements under assets (Customer Deposits) and a liability (Receipts in Advance), so comparative values have not been shown.

Capital Commitments

There are no capital commitments as at 30 June 2018 (2017: Nil).



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6. RELATED PARTIES

The Trust received a donation during the year of \$125,000 (2017: \$125,000) from The Power Company Limited. The Power Company Limited is a 100% owned subsidiary of the Southland Power Trust, of which Jim Hargest is Chairman and Carl Findlater a Trustee.

The Trust received a donation during the year of \$125,000 (2017: \$125,000) from Electricity Invercargill Limited, of which Karen Arnold is Director.

The Trust received a donation during the year of \$50,000 (2017: \$50,000) from the Invercargill City Council, of which Karen Arnold is a Councillor.

The Trust received a donation during the year of \$15,000 (2017: \$15,000) from the Gore District Council, of which Bret Highsted is a Councillor.

The Trust uses PowerNet Limited to provide administration services, of which Karen Arnold is a Director. Fees for administration services during the year amounted to \$30,000 excluding GST (2017: \$30,000 excluding GST) of which \$2,875 including GST (2017: \$2,875 including GST) is owing at balance date.

Jim Hargest, the Trust Chairperson, had a rental property with eligible low income tenants insulated during the year by Awarua Synergy. The property qualified for the 50% insulation subsidy provided by the Healthy Homes Rental Programme and the Trust. The total insulation cost was \$5,804, of which \$1,451 was subsidised by EECA, \$1,451 subsidised by the Trust, and Jim Hargest paid the remaining \$2,902 as Landlord contribution. The transaction occurred under standard arms length terms and conditions.

7. NON CASH DONATIONS

The Trust received non-financial in kind support from businesses offering services and time to help with the running of the Trust operations.

8. CONTINGENT LIABILITIES

There are no known contingent liabilities as at 30 June 2018 (2017: Nil).

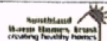
9. COMMUNITY SUPPORT

The continuation of the Southland Warm Homes Trust is dependent upon the on-going support from its community funders listed in Note 2, Revenue.

10. SUBSEQUENT EVENTS

On 30 June 2018 the Healthy Homes Rental Programme contract with EECA ended. Subsequently, the Southland Warm Homes Trust made an application to EECA to be a service provider under the new home insulation scheme "Warmer Kiwi Homes Programme (WKH)". On 26 September 2018, EECA awarded a four year WKH contract to the Southland Warm Homes Trust, effective from 1 October 2018.

There have been no other subsequent events since 30 June 2018.





INDEPENDENT AUDITOR'S REPORT

To the Trustees of Southland Warm Homes Trust

Opinion

We have audited the accompanying performance report of Southland Warm Homes Trust on pages 6 to 14, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2018, the statement of financial position as at 30 June 2018, the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report on pages 6 to 14 presents fairly, in all material respects:
 - the entity information for the year ended 30 June 2018;
 - the service performance for the year then ended; and
 - the financial position of Southland Warm Homes Trust as at 30 June 2018, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Southland Warm Homes Trust in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Southland Warm Homes Trust.

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible for the other information. The other information comprises the Chairman's report, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibility for the Performance Report

The Trustees are responsible on behalf of the entity for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows,
 - statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-ForProfit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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.



- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 performance report 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees 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.

McIntyre Dick & Partners

McIntyre Dick & Partners
Invercargill
21 November 2018

Doc 620658



Mararoa Road Bridge Replacement

Record No: R/19/2/2426
Author: Hartley Hare, Strategic Manager Transport
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To seek formal approval to let a contract for the replacement of the Mararoa Road Bridge along with confirmation that the bridge will be divested to adjacent landowner's as resolved at the Council meeting at 7 February 2019.

Executive Summary

- 2 This report outlines the proposed replacement of the restricted bridge (light vehicles only) on Mararoa Road which spans the Mararoa river. The single lane 69m long timber bridge is proposed to be replaced with a new single lane bridge precast concrete structure designed to support class 1 loading.
- 3 After construction is complete the structure will then be divested to adjacent land owners thereby reducing Council's long terms liabilities of owning and managing a structure of this nature servicing limit number of properties.
- 4 The procurement method chosen was through open tender using the lowest price conforming methodology. The Engineers estimate for physical works was approximately \$750,000.
- 5 Three tenders where received by the closing time and date of 4pm on 31/1/2019. Tenders received where;
 - Concrete Structures (NZ) Ltd - \$994,227.86
 - Fulton Hogan - \$833,470.70
 - SouthRoads Ltd - \$673,923.53
- 6 The outcome and recommendation from the tendering process is for Council to approve the letting of Contract 18/35 to SouthRoads Ltd for the value of \$673, 923.53 (exl GST).
- 7 Confirmation that at completion of the works the structure will then be divested to the adjacent land owners thereby removing the ongoing liability to Council.

Recommendation

That the Council:

- a) **Receives the report titled “Mararoa Road Bridge Replacement” dated 27 February 2019.**
- 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) **Resolve to accept and award Contract 18/35 to SouthRoads Ltd for the tender price of \$673,923.53 plus GST.**

Background

- 8 This project involves the replacement and divestment of the existing bridge on Mararoa Road over the Mararoa River. This is a no exit road.
- 9 This single lane 69 m long Timber Bridge is proposed to be replaced with a new single lane. Attachment A contains a location map further information.
- 10 The replacement bridge design was prepared by WSP-Opus and is much shorter than the existing structure in order to keep costs down.
- 11 This has the risk of the bridge potentially being out of action a few days of the year due to flooding. This has been consulted and agreed with the affected parties.
- 12 The replacement bridge is designed to full Class 1 loading and being built from ‘off the shelf’ products obtain a fit for purpose replacement structure built as cost effectively as possibly.

Issues

- 13 Council cannot afford to continue replacing and maintaining all structures due to the share number and the cost involved.
- 14 There is limited legal access to one of the properties at the end of the road (bridge). This along with the overall condition and the risks associated with road users not observing those restriction requires action from Council.

Factors to Consider

Legal and Statutory Requirements

- 15 The appropriate resource consent and land owner agreements will be required prior to any works commencing.

- 16 Engagement with the landowners are well advanced and resource consent application has been made.
- 17 An issue with a marginal strip on one side of the river bridge has been identified which could delay the project however this is currently being worked through.
- 18 If this is not resolved in a timely manner then there is a risk that the works will need to be re-tendered however at this point in time it is not considered significant.
- 19 As with all projects, but larger value projects in particular, there is the risk of a legal challenge regarding the tender results from unsuccessful Tenderers. To reduce this risk the Tender Evaluation Team carefully follow the NZTA procurement procedures.

Community Views

- 20 No specific community views have been sought as part from local land owners directly affected along with the relevant ward Councillor.

Costs and Funding

- 21 The projects forms part of the overall roading programme for the 2018/21 Long Term Plan with the NZTA share (51%) being apportioned appropriately to the project from the Low Cost Low Risk funding category.
- 22 NZTA are supportive of Councils approach to replace/repair and divest assets in order to reduce long term liabilities.
- 23 The bridge replacement is part of the revised program presented to Council in late 2018. The engineers estimate was approx. \$750,000 plus professional services costs.

Policy Implications

- 24 The proposed works forms part of Councils Roothing Activity Management Plan.
- 25 Council's Procurement Policy and Council's NZTA Procurement Strategy.
- 26 As outlined above in the report, NZTA tender evaluation process has been followed along with Council's procurement Policy.
- 27 The procurement mythology has been chosen to balance minimising Professional Services inputs with obtaining competitive prices and managing risks and price certainty. The overall aim is to obtain value for money.

Analysis

Options Considered

- 28 Two main options have been considered; the Council approves the tender for the contract 18/35 or does not approve the tender.

Analysis of Options

Option 1 – Approve the tender award

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Reinstating levels of service.• Remove the long term liability associated with the structure.• Long term cost savings (whole of life).	<ul style="list-style-type: none">• Greater short term financial input required compared with do nothing.

Option 2 – Not to approve tender

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Reduced short term financial input.	<ul style="list-style-type: none">• Continued reduction in levels of service and subsequent inconvenience and economic disadvantage to users.• Increased risk of bridge failure without significant repairs.• To reduce risk significant repairs and reconstruction required, imposing a significant financial requirement particularly in the longer term.

Assessment of Significance

- 29 A decision on the bridge replacement is not considered significant. This represents a routine business decision for Council.

Recommended Option

- 30 Award Tender to SouthRoads Ltd to the value of \$673, 923.53 plus GST.

Next Steps

- 31 Obtain the necessary resource consent and finalise landowner agreements to divest the bridge following the completion of construction.

Attachments

- A Mararoa Road Bridge 3582 001 [↓](#)

Mararoa Road Bridge 3582.001

Description

Mararoa Road Bridge 3582.001 was closed in July 2018 due to concerns with the structural integrity of the bridge. Significant concerns were raised around the condition of the pier caps and cross bracing but on closer inspection it was found that most components of the bridge such as piles, beams and deck were considered at or very close to the end of their useful lives so maintenance or structural upgrade were not considered as an economical option. The bridge spans 69m and is a timber structure and was posted at 50% of class 1 prior to closure.

PHOTO



Photo showing general condition of bridge 3582.001

Location

Bridge 3582.001 is located on Mararoa Road at RP 0.974.



Aerial Map showing bridge 3582.001 circled in red.

Mararoa Road Bridge 3582.001
24/01/2019

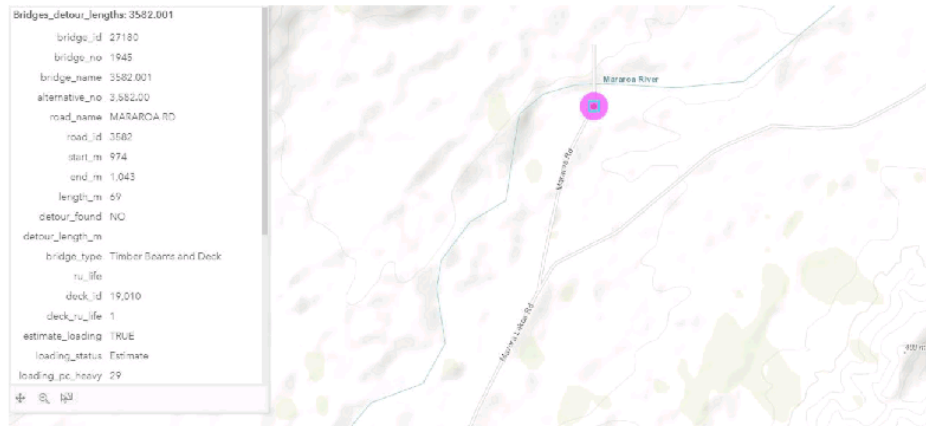
Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
southlanddc.govt.nz

Detour

As bridge 3582.001 is a no exit road – there is no detour available (on legal roads).



Map showing NO detour available.

Traffic Volume

Mararoa Road has an estimated ADT of 20 vehicles per day with 25% being Heavy vehicles.

Replacement Cost

2018 Valuation replacement cost for bridge 3582.001: \$855,437.44.

Procurement

This bridge is currently being tendered and closes at the end of January 2019. The replacement bridge design was prepared by Opus and is much shorter than the existing structure to keep costs down. This will result in the bridge potentially being out of action a few days of the year when flooding which has been consulted with the affected parties. The replacement bridge is designed to full class 1 loading and being built from 'off the shelf' products to try get a fit for purpose replacement structure built as cost effectively as possible. The contract is lowest price conforming method.

For NZTA funding contribution from Low Cost Low Risk category – the project needs to come under \$1M – which the engineers estimate is approx. \$750,000 + professional services. The landowners have been consulted with and told that if the tender comes in above \$1M – the difference will be sought from themselves as a third party contribution for the project to proceed.



Bridge Matrix Recommendation

Parameters used:

ONRC category: Low Volume Road

Detour Length: No Detour

Recommendation: Replace structure and divest to affected parties.

(Because there is no formed alternative detour).

New Street Names - Kepler Heights Subdivision

Record No: R/19/2/3636
Author: Hartley Hare, Strategic Manager Transport
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To consider the naming of two cul-de-sacs in Te Anau which form part of the Kepler Heights subdivision, stage four development.

Executive Summary

- 2 This report covers the request for two new street names in Te Anau. The request has been received from Ralph Moir and Associates, as part of the Kepler Heights stage 4 development (Attachment A).
- 3 Currently, the cul-de-sacs have no legal names and therefore cannot officially be assigned individual house numbers. The proposal is to name the cul-de-sacs Morrison Place and Millar Place after two surveyors whom both carried out work around the Te Anau area.
- 4 The proposed names have to be approved by Council before it can be legalised. Council's guidelines for road names include the following:
 - Name duplications are to be avoided.
 - Long names are to be avoided.
 - Similar Sounding or spelling are to be avoided to reduce confusion.
- 5 The Te Anau Community Board at its 20 February 2019 meeting were presented with the proposed names and supported the recommendation that these be presented to Council for adoption.
- 6 Based on Council's policy the recommendation to Council is still to formally adopt the two street names.

Recommendation

That the Council:

- a) **Receives the report titled “New Street Names - Kepler Heights Subdivision” dated 27 February 2019.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the naming of the two new cul-de-sacs in the Kepler Heights subdivision stage 4 in Te Anau as follows:**
 - **Morrison Place**
 - **Millar Place**

Background

- 7 With the development of stage four of Kepler heights subdivision in Te Anau, two new road names are required for two cul-de-sacs.
- 8 The names suggested by the developer are Morrison Place (smaller cul-de-sac) and Millar Place (larger cul-de-sac).
- 9 Bruce Morrison was a surveyor with the Land and Survey Department carrying out work in the Te Anau basin in the 1970's and 80's.
- 10 In particular he carried out the initial survey of the land which now forms Kepler Heights when it was sold by the Crown in 1984. He also did the legalisation survey for Sandy Brown Road in 1982.
- 11 Donald Millar was a surveyor also employed by Land and Survey Department in the 1960's. Of particular note is that he carried out the legalisation surveys that legalised the State Highway fronting Kepler Heights

Issues

- 12 There are no issues identified with the names provided.

Factors to Consider

Legal and Statutory Requirements

- 13 Council has a requirement to comply with the LINZ / Geographic Board guidelines for naming

Community Views

- 14 The Te Anau Community Board have been notified of the names and support the recommendation to adopt the two names suggested.
- 15 No additional community views have been requested or have been identified as being required at this point in time.

Costs and Funding

- 16 The road signs are supplied and installed by the developer but ongoing maintenance of these will be the responsibility of Council as these streets are to be vested.

Policy Implications

- 17 The suggested name has to be approved by Council before it can be legalised. Council's guidelines for road names are as follows:
- Name duplications are to be avoided.
 - Similar sounding or spellings are to be avoided to reduce confusion.
 - Names are to be easily spelt and readily pronounced.
 - Long (no more than 25 characters maximum) names are to be avoided.
- 18 There are no issues with the proposed names.

Analysis

Options Considered

- 19 The three main options have been considered below. These are to not support the proposed names, support the proposed names or to support some of the names with amendments

Analysis of Options

Option 1 – Not Support

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• None.	<ul style="list-style-type: none">• Cannot supply individual house numbers.• Makes it more difficult for emergency services to locate required dwellings.

Option 2 – Support with amendments

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Streets can be assigned individual names and house numbers.• Makes it easier for the likes of emergency services to locate the correct dwelling.	<ul style="list-style-type: none">• Increase the risk that the process for street naming will have to be worked through again prolonging the process.

Option 3 – Support proposed names

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Reduces the risk of having to work through the street naming process again.• Streets can be assigned individual names and house numbers.• Makes it easier for the likes of emergency services to locate the correct dwelling.	<ul style="list-style-type: none">• None.

Assessment of Significance

- 20 Not considered significant.

Recommended Option

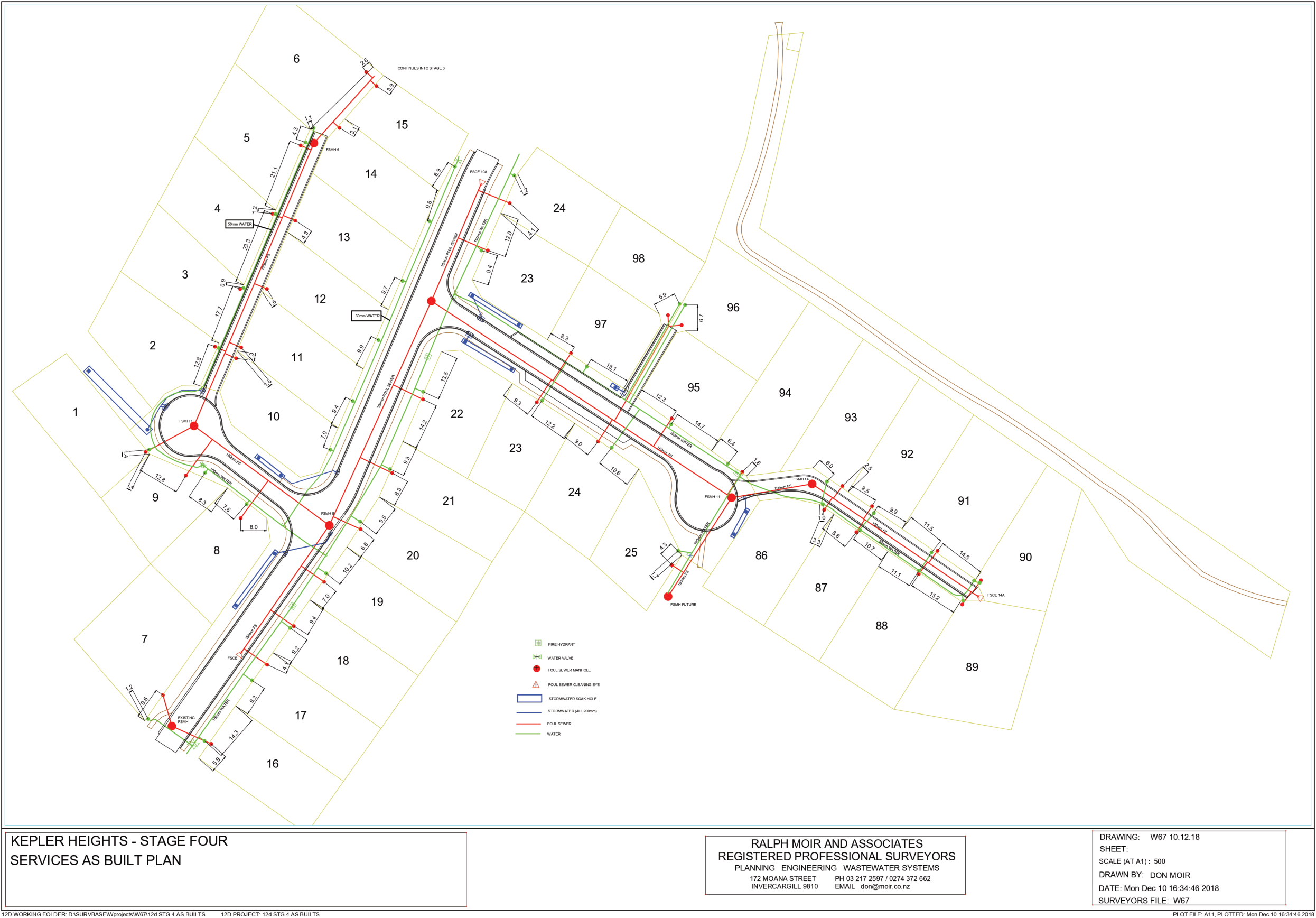
- 21 Approve the naming of the cul-de-sac's Morrison Place and Millar Place in Te Anau which form part of Kepler Heights subdivision stage 4.

Next Steps

- 22 Notify the respective developers and relevant organisations such as AA, LINZ etc.

Attachments

- A Cul-de-sacs to be named [↓](#)



Renewal of Freight Agreement - Rakiura Shipping Limited

Record No: R/19/2/2623
Author: Ian Evans, Strategic Manager Water and Waste
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To consider the renewal of the freight agreement between Southland District Council (Council) and Rakiura Shipping Limited for the sea freight of waste and recyclables from Oban to Bluff and transport of recyclables to Invercargill.

Executive Summary

- 2 The approval from Council is required to renew the freight agreement with Rakiura Shipping Limited for the continued provision of this service for transport of waste and recyclables between Oban and Bluff.
- 3 Given the limited alternatives available for this service it is recommended that Council approve the terms of the agreement (attachment A).

Recommendation

That the Council:

- a) **Receives the report titled "Renewal of Freight Agreement - Rakiura Shipping Limited" dated 19 February 2019.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the renewal of the freight agreement with Rakiura Shipping Limited for transport of waste and recyclables from Oban to Bluff for a period of five years with two right of renewal periods each five years.**

Background

- 4 Rakiura Shipping Limited has provided the sea freight of waste received at the Rakiura Resource Recovery Centre on Stewart Island/Rakiura to Bluff where rubbish is transported to Invercargill Transfer Station and recyclables to Southland Disability Enterprises Limited.
- 5 The agreement has been in place since 2003 for a five year term with two further terms of five years rolled over.
- 6 Correspondence has been received from Walker Murdoch Law Ltd in November 2018, who are the legal counsel and act on behalf of Rakiura Shipping Limited. Walker Murdoch Law sought on behalf of its client to re-negotiate a new freight agreement between the two parties.
- 7 As there are no alternative freighting arrangements between Rakiura Stewart Island and the mainland, it was seen as prudent to undertake these negotiations, the starting point for which would be based on current rates adjusted to take into account their schedule for transport of goods and freight between Oban and Bluff.
- 8 The proposed agreement is largely based on the previous ones but does provide allowances for more flexibility in revising rates should circumstances of either party change, for example provision of skip weighing at Rakiura Resource Recovery Centre.
- 9 Rakiura Shipping Limited is the sole provider of this service and at present there are no other feasible options to be considered. The optional five year extensions provide sufficient flexibility to consider alternatives should an alternative service become available.

Issues

- 10 There are no issues identified, as what is proposed is the continuation of this service between the two facilities. This service is considered as essential for the removal of waste and recycling off Rakiura Stewart Island.

Factors to Consider

Legal and Statutory Requirements

- 11 None considered.

Community Views

- 12 None directly considered although feedback from the operators indicates a high level of support for the services provided through the Rakiura Resource Recovery Centre.

Costs and Funding

- 13 Typical monthly payments are in the region of \$2,000 per month but varies from month to month depending on the number and weight of the skips loaded onto the freighter. Over the potential 15 year life of the agreement this equates to a value of up to \$360,000. These costs are budgeted for through the solid waste activity funded by a combination of rates and user pays.

Policy Implications

- 14 Our Procurement Policy generally requires a competitive tender for these types of services and associated value. However, given the lack of alternative suppliers and the consistency of rates and

service provision SDC staff are prepared to recommend proceeding on the basis identified within this report.

Analysis

Options Considered

- 15 Two options exist – either enter into agreement with Rakiura Shipping or seek out alternative arrangements for removal of waste and recyclables from Oban.

Analysis of Options

Option 1 – Enter Into Agreement

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">Continuation of existing arrangements.Efficient removal of waste/recycling from Oban for onward disposal.	<ul style="list-style-type: none">None.

Option 2 – Seek Out Alternative Arrangement

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">None.	<ul style="list-style-type: none">Risk of significant disruption to service.Risk of increase of illegal dumping across the Island.

Assessment of Significance

- 16 Signing the attached agreement with Rakiura Shipping Limited is not deemed as a significant decision under Council's Significance Policy.

Recommended Option

- 17 Based on a consideration of alternatives it is recommended that Council proceeds with Option 1 – Sign agreement with Rakiura Shipping Limited for continuation of current services.

Next Steps

- 18 The agreement will be available for signing with present services continuing wider the agreement.

Attachments

- A Freight Agreement - Southland District Council and Rakiura Shipping Limited [↓](#)

STEWART ISLAND FREIGHT AGREEMENT

Between SOUTHLAND DISTRICT COUNCIL
and RAKIURA SHIPPING LIMITED



Walker Murdoch Law Ltd
LAWYERS

209345.1

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STEWART ISLAND FREIGHT AGREEMENT DATED**2019****PARTIES**

1. THE SOUTHLAND DISTRICT COUNCIL ("the Principal").
2. RAKIURA SHIPPING LIMITED ("the Contractor").

BACKGROUND

- A. The Principal requires a secure and cost effective medium to long-term service to transport Waste and Recyclable materials from Oban to Bluff. The Contractor has a unique ability to provide this service.

AGREEMENT**1. COMMENCEMENT**

- 1.1 This agreement shall commence on 1 February 2019 and shall terminate on 31 January 2034 subject to Clauses 10 and 11 hereof.

- 1.2 Renewal

If the Principal has performed all the covenants and provisions contained and implied in this agreement, the Principal will have the right to renew this agreement (to be exercised by notice in writing to the Contractor at least three (3) months prior to the expiration of the term of this agreement) for a further period of five (5) years from the expiration of the term created by this agreement and otherwise upon and subject to the same terms and conditions as are contained in this agreement and including one further right of renewal for a further period of five (5) years making a maximum total term of fifteen (15) years.

2. FREIGHT SERVICES

The Contractor will provide to the Principal freight services between the Oban wharf at Stewart Island and Bluff for the Principal as follows:

- 2.1. Waste

The cartage of waste enclosed in either steel containers or fabric sacks at least once every four (4) days and empty containers returned to Oban wharf on no less than the same frequency provided:

- (a) the steel containers or fabric sacks are delivered to the Oban wharf by the Principal or its agent no less than two (2) hours before the planned departure (unless agreed otherwise between the parties).

2.2. Recycling

The cartage of recycling material such as plastics, paper and cardboard in strapped bales and enclosed in fabric sacks (where necessary to contain them).

2.3. Recycled Metals

Scrap metal, such as disused cars, may be presented on a trailer to the Oban wharf and be securely fastened to the trailer. Once at Bluff wharf, the Contractor will make provision for the loaded trailer to be transported to Invercargill to sites designated by the Principal or its agent and there unload the material and return the trailer to Bluff and then transport it to the Oban wharf on the terms herein.

2.4. Disused Vehicles

Disused vehicles will be presented to the Oban wharf for transport to Bluff one hour before the scheduled sailing and the Principal shall be available to place such vehicles alongside the Contractor's vessel to enable them to be loaded. The Principal will also meet the Contractor's vessel at Bluff and be available to remove such disused vehicles from the wharf as soon as they are unloaded from the vessel. The cost of transporting such disused vehicles shall be as set out in the Schedule, provided the Contractor may charge the Principal for performing any of the obligations of the Principal in this clause if the Principal is not available to carry out such duties.

2.5. Recyclables in Salt/Feed Sacks and Wool Fadges Strapped to Trailer

Recyclables (cardboard, cans, paper, plastics) which are contained in salt/feed sacks, and/or wool fadges may be presented to the Oban wharf strapped on a tandem axle trailer (14.6 x 8) with sides and the Contractor will deal with the trailer in the manner specified in Clause 2.3.

(together called "the services")

3. Trailer Provided by Principal

- 3.1. The Principal shall supply a tandem axle salvage type trailer for the carriage of disused vehicles and scrap metal. It is contemplated that scrap metal will be placed inside disused vehicles.
- 3.2. Should the Principal provide a trailer it will ensure that:
- (a) The trailer is registered and has the appropriate warrant or certificate of fitness;
 - (b) The weight of the scrap metal and/or disused vehicle on the trailer is not more than 2,000 kg.
- 3.3. In the event that the Contractor reasonably believes the weight on the trailer is in excess of that provided for in this agreement then the Contractor shall be entitled (at the expense of the Principal) to have the trailer weighed at the weighbridge at Bluff to confirm the actual weight.

4. **Exclusivity**

The Principal will ensure that all waste and recyclable materials from the Principal's Waste Recovery Centre on Oban destined for Bluff will be transported by the Contractor and will not use any other Contractor for the services while this agreement is in force.

5. **Notice to Principal**

The Contractor shall inform the Principal or its agent of the planned departure dates and times of the Contractor's vessel as soon as practicable but not less than 24 hours prior to departure.

6. **Contract Rates**

The Principal shall pay the Contractor for the services according to the rates set out hereafter.

- 6.1. The freight rates applicable for the two years 1 February 2019 to 31 January 2021 shall be as set out in Schedule 1 attached hereto.
- 6.2. These rates will be reviewed on 1st February 2021 and thereafter annually on the 31st of January, these prices will be adjusted in accordance with the annual movement of the fishing sector (industry subgroup 2) of the Producer Price Index (inputs). The adjustment will be the percentage change of the December quarter from the same quarter of the previous year.
- 6.3. The freight rates shall be full compensation for the services and shall also include the return to Oban of empty containers.
- 6.4. The freight rates exclude wharfage payable to South Port New Zealand Limited in respect of the services.

7. **Payment and Invoicing**

- 7.1. The Principal will provide to the Contractor a clear and accurate invoice detailing all freight movements (including consignment, size, types, dates, destination and quantities) performed under this agreement by the Contractor for any particular month on or before the 6th of the month following the provision of the services, such invoice to include wharfage payable to South Port Limited and the amount owing will be paid by the Principal by the 20th of that month, otherwise it will be paid by the Principal by the 20th of the following month.
- 7.2. In the event that payment is not made on the 20th of the month as provided, the Principal will pay interest on the amount outstanding at an interest rate which is 5% above the rate being charged by the Contractor's bankers for its overdraft facility on the amount outstanding until it is paid in full.
- 7.3. The Principal will account to the Contractor, at the time of paying invoices, with the total net tonnage of waste and recyclables shipped, under this agreement, in the preceding month together with a payment for wharfage calculated by multiplying the net tonnage of waste and recyclables shipped by the current general shipping wharfage rate published by South Port New Zealand Ltd from time to time. The Contractor will, separately to its

other shipping manifests, account to South Port New Zealand Ltd for the wharfage paid by the Principal under this agreement.

- 7.4. The rates shown in Appendix 1 for W2 and W3 have been calculated on the average weight of these (contents and the weight of the skip) from December 2017 to December 2018. The average weights are:-

- W2 (1.932 tonnes)
- W3 (2.33 tonnes)

To establish the contract charge (before wharfage), the parties have used the contractors weight per tonne (one-way) and applied a discount of 30%. The per tonne rate at the commencement of this agreement being \$189.70 plus GST per tonne. Applying the discount brings the rate down to \$132.79 plus GST per tonne. This results in the following charges:-

- W2 (1.932 x \$132.79) = \$256.55
- W3 (2.33 x \$132.79) = \$309.40

- 7.5. The parties agree that in the event the average weights change during the term of this agreement, then the charges will be adjusted using the same formula to reflect the new average weights provided that the contractors rate used will be the then rate applicable. Either party can initiate such adjustment at any time provided the average weights used reflect the averages for the year up until the adjustment being sought.

- 7.6. The parties agree that the combined weight of the skip and contents will not exceed:-

- a. For the W2 – 2 tonnes; and
- b. For the W3 – 2.5 tonnes.

8. Contractor's Vessel

The Contractor shall have available at all times for the provision of the services suitable seaworthy, reliable vessels, meeting all necessary survey, loading, licensing and crewing requirements, fully capable of servicing the Principal's requirements in all but extreme weather conditions. All skippers and crew are to hold appropriate qualifications and are to be competent in the skills necessary to perform the tasks required of them in carrying out the services.

9. Dispute Resolution

9.1. Amicable Resolution

Without limiting the application of the clauses below relating to dispute resolution, in the event of a dispute, disagreement or difference of opinion (dispute) arising under the agreement, as to:

- (a) The meaning or application of any part of the agreement; or
- (b) Any other matter arising under the agreement;

the parties shall actively and openly endeavor to amicably settle such dispute themselves, with a view to achieving prompt resolution.

9.2. Notice of Dispute

A party claiming that a dispute has arisen must give written notice to the other party, specifying the nature of the dispute. On receipt of such a notice, the parties shall endeavor to resolve the dispute amicably and expeditiously using informal dispute resolution techniques agreed by them.

9.3. Referral to Senior Management

If the parties are unable to settle a dispute amicably, any party may issue a notice referring the dispute to the senior management of the parties to resolve.

Within 10 working days of service of such a notice, senior management representatives of each party shall meet and attempt to resolve the dispute. Any resolution shall be unanimous, recorded in writing and binding when signed by all parties.

9.4. Referral to Mediation

A dispute may be referred to mediation where:

- (a) The senior management representatives fail to meet within 10 working days of referral; or
- (b) The senior management representatives fail to resolve a dispute within 10 working days of referral; or
- (c) None of the parties requires referral to senior management representatives.

In such case any party may be notice in writing to the others require the dispute to be submitted to mediation.

9.5. Mediation

If any dispute is submitted to mediation under Clause 9.4, the following shall apply:

- (a) The mediation shall be conducted by a single mediator;
- (b) The parties shall endeavor to agree on a mediator;
- (c) If the parties cannot agree on a single mediator within 10 working days of service of notice of intention to commence mediation, any party may request the Executive Direction of LEADR New Zealand Incorporated to appoint a sole mediator (from the Southland/Otago area);
- (d) The mediator shall discuss the matter with the parties (separately or jointly as the mediator may determine) and endeavor to procure a resolution of the dispute by agreement;
- (e) All discussions in the mediation shall be without prejudice and shall not, save in the case of proceedings to enforce settlement concluded by mediation, be referred to in any later proceedings;

- (f) The parties shall bear their own costs in mediation and shall pay the cost of the mediator in equal shares.

9.6. Arbitration

If the parties cannot resolve the dispute by mediation under Clause 9.5 then any party may by written notice to the others refer the dispute to arbitration in accordance with the Arbitration Act 1996 on the following terms:

- (a) A single arbitrator shall be appointed;
- (b) If the parties fail to agree on an arbitrator, then the Executive Director of LEADR New Zealand Incorporated shall appoint the arbitrator;
- (c) The place of arbitration shall be Invercargill;
- (d) No person who has participated in an informal dispute resolution of the dispute shall act as arbitrator;
- (e) The arbitrator will proceed promptly to deliver an award;
- (f) The parties shall co-operate fully in this respect;
- (g) The parties agree that the arbitrator's decision shall be final and binding;
- (h) The parties shall bear their own costs in arbitration and (in the absence of an arbitrator's award to the contrary) shall pay the costs of the arbitrator in equal shares.

9.7. Performance of Obligations

Pending the settlement of the dispute, the parties shall continue to perform all their obligations under the agreement except, none of the parties shall be obliged to pay any money which is the subject of the dispute.

9.8. Compliance with Dispute Resolution Regime

A party to the agreement may not commence any court or arbitration proceedings relating to a dispute unless it has complied with the clauses above relating to dispute resolution (except where the party seeks urgent interlocutory or injunctive relief).

10. Termination

10.1. If the Contractor shall make default in any one or more of the following respects:

- (a) If it fails to proceed with the provision of the services or any part thereof with due diligence, and/or
- (b) If it fails to provide the services or any part thereof in a competent manner, and/or
- (c) If it otherwise is guilty of substantial breach of the provisions of this agreement;

then, in any such case, the Principal may send to the Contractor a written notice stating the intention of the Principal to determine the employment of the Contractor under this agreement and such notice shall specify in detail the default relied on provided that such notice shall not be given unreasonably or vexatiously.

- 10.2. If the Contractor fails to remedy in terms consistent with this agreement a default of which has been given notice under subclause 1 of this clause within thirty (30) days of receipt of such notice then the Principal without prejudice to any other rights or remedies may within a period of fourteen (14) days by written notice forwarded to the Contractor to determine the employment of the Contractor under this agreement.
- 10.3. If the Contractor (except for the purposes of reconstruction), passes or attempts to pass a resolution for winding up or becomes a party to the appointment of or has an official manager or receiver appointed for the whole or any of its property or undertaking or shall have property ceased under any distress or execution or as adjudged bankrupted or becomes a party to or attempts to enter into any composition or scheme of arrangements then the Principal may at any time without prejudice to the other rights or remedies by written notice forwarded to the Contractor determine the employment of the Contractor under this agreement.

11. Force Majeure

11.1. Force Majeure Event

A party will not be liable for any act, omission or failure to fulfil its obligations under this agreement if such act, omission or failure arises from any cause reasonably beyond its control (a Force Majeure Event), which includes (without limitation):

- (a) Earthquake (including fire following) or volcanic eruption.
- (b) Tidal waves or Tsunami.
- (c) Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel from radioactive toxic explosion or by other hazardous properties of any explosive nuclear assembly or nuclear components.
- (d) War and other hostilities (whether war be declared or not) invasion, act of foreign enemies, mobilization, requisition or embargo.
- (e) Rebellion, revolution, insurrection, military or usurped power or civil war.
- (f) Terrorism, piracy or sabotage.
- (g) Fire, tempest and flood.

The party who cannot carry out its obligations under this agreement must give the other party notice as soon as practicable of the cause and insofar as it is known the probably extent to which the party giving the notice will be unable to perform or will be delayed in performing its obligation under this agreement.

On the issue of notice of a Force Majeure Event the obligations of the party giving the notice will be suspended insofar as that party is prevented during the continuation or intervention of such cause to carry out its obligations under this agreement.

The party giving notice which is affected by the Force Majeure Event must take all reasonable steps to mitigate the effects of and eliminate the intervening event and must resume performance of its obligations as promptly as is practicably possible.

12. Media and Confidentiality

12.1. Publicity and Publication

The parties shall endeavor to agree on all public or media statements prior to release. However this clause shall not be construed as restricting the right of each of the parties to discuss any aspect of this agreement in open Council meetings and have such deliberations reported in the media or to make statements in relation to the agreement as in the parties reasonable opinion are necessary or desirable in the performance of that party's role as a local authority or in the interests of full public debate of all issues relevant to a local authority, its citizens and its ratepayers.

12.2. Confidentiality

The parties acknowledge that they will each come into possession of confidential information about the other under and in relation to this agreement.

The parties agree that all confidential information shall be treated as confidential. The parties shall each take all reasonable precautions to ensure that the confidential information is not in any way disclosed to any third party (other than as is required to perform obligations under this agreement or to obtain any consent or approval, or to any other party a party may need to consult with in relation to this agreement) during or after the term of this agreement.

12.3. Official Information Legislation

The parties acknowledge that each of them is subject to the Local Government Official Information and Meetings Act 1987 and that under that Act any of them may be required to release information about the agreement, the services agreement or the other party.

The parties will only release information directly to one of the other party under the Local Government Official Information and Meetings Act 1987 through the other party unless compelled by a competent authority, in which case it will immediately advise the other party as to the information released.

13. General

13.1. No Partnership

Nothing in this agreement constitutes the parties as partners or as agents for each other. No party has any authority to bind the other or act on its behalf except to the extent expressly provided for in this agreement.

13.2. Amendment

This agreement cannot be amended, modified or varied or supplemented except in writing signed by duly authorized representatives of the parties.

13.3. Severance

The illegality, invalidity or unenforceability of any provision in this agreement will not affect the legality, validity or enforceability of any such provisions.

13.4. Waiver

No right under this agreement shall be deemed to be waived except by notice in writing signed by each party.

A waiver for either party will not prejudice its rights in respect of any subsequent breach of this agreement by the other party.

Subsequent to any failure by any party to enforce any clause of this agreement, or any forbearance, delay or indulgence granted by a party will not be construed as a waiver of any party's rights under this agreement.

13.5. No Assignment

The parties shall not assign, sublet, subcontract or transfer the whole or any substantial right or obligation under the agreement without the written consent of the others (not unreasonably withheld or delayed).

Unless specifically stated to the contrary in any written consent to an assignment or subcontracting, no assignment or subcontract shall release or discharge a party from any liability or obligation under this agreement.

13.6. Governing Law and Jurisdiction

This agreement will be governed by and construed according to the law of New Zealand. The parties hereby agree to submit to the non-exclusive jurisdiction of the Courts of New Zealand.

13.7. Cost

Each party shall bear its own cost incurred in the preparation and execution of this agreement.

13.8. Entire Agreement

This agreement represents the entire agreement between the parties. No party shall be bound by any prior warranty or representation unless included in this agreement.

13.9. Notices

All notices and other communication provided for or permitted under this agreement which are required to be in writing, will be sent by registered mail with postage prepaid or by hand delivery or by facsimile as follows:

The addresses for notices are:

RAKIURA SHIPPING LTD
The Manager
Foreshore Road
Bluff
Telephone: (03) 212 8376
Facsimile: (03) 221 8377

SOUTHLAND DISTRICT COUNCIL
Group Manager Asset Management
Council Offices
15 Forth Street
Invercargill
Telephone: (03) 218 7259
Facsimile: (03) 218 9460

or such other address that each party may notify in writing from time to time. Such notice given:

- in person is deemed served upon delivery;
- by registered mail is deemed to be served three working days after postage;
- by facsimile is deemed to be served upon the receipt of the correct electronic confirmation that the facsimile has been transmitted successfully.

Any such notice which has been served on a non-working day is deemed served on the first working day after that day.

14. Definitions and Interpretation

14.1. Definitions

In this agreement the following definitions apply:

Agreement means this agreement and includes the schedules and any additional documents specified in the agreement.

Confidential information means any information relating to the agreement other than:

- has been published or otherwise has become part of the public domain other than through acts or omissions of the recipient; or
- has been furnished by the recipient by persons other than the Council (which term includes persons employed by or acting for the Council) as a matter of legal right and without restriction on disclosure; or

- was already in the possession of the recipient without restriction or disclosure; or
- is required to be disclosed by any law or in relation to any proceedings or action before any court, tribunal, or other competent authority or body.

Principals' Agent means a Contractor who is engaged in a service contract by the Principal to manage waste and recycling on Stewart Island, and has been appointed as such in writing by the Principal.

Working Day means any day other than a Saturday, Sunday, or a public holiday applying in Southland.

Interpretation

In this agreement unless the context otherwise requires:

All monetary amounts are stated exclusive of GST and in New Zealand dollars unless provided otherwise.

Where the context permits the singular includes the plural and vice versa.

References to a party means a party to this agreement and includes their respective successors and permitted assignees (as the case may be)

References to clauses, schedules and attachments are to clauses, schedules and attachments (if any) to this agreement (unless otherwise stated).

All schedules or appendices to this agreement shall have the same effect as if set out in the body of this agreement.

Where the context permits references to a party include the party's employees, agents and officers.

All references to legislation include all subordinate legislation, any re-enactment of or amendment to that legislation and all legislation passed in substitution for that legislation.

References to a person include a natural person, firm, corporation, association, trust, state, or agency of state, government department or municipal authority or other entity whether incorporated or not and whether or not having a separate legal personality.

The headings in this agreement shall not be used in its interpretation.

Words and expressions defined are indicated by capital letters for convenience.

Obligations that bind more than one person shall bind those persons jointly and severally.

Ambiguities or discrepancies shall not invalidate the agreement.

If there is a conflict between the provisions of the agreement, the provisions shall take priority in the following order:

- (a) terms and conditions of agreement;

- (b) the schedules;
- (c) additional documents as specified in the agreement.

Reference to a 'law' of 'laws' means a statute, regulation bylaw or any other requirement of a governmental or semi-governmental organization.

The language of this agreement is English. All notices and communications of any kind required under or arising in connection with this agreement shall be in English.

Execution

Executed as an agreement.

Dated

2019

SIGNED BY THE PARTIES

SIGNED by the Contractor
RAKIURA SHIPPING LTD by:

X _____
Director's Signature

X _____
Director's Full Name (please print)

X _____
Director's Signature

X _____
Director's Full Name (please print)

SIGNED by the Principal

THE COMMON SEAL of
THE SOUTHLAND DISTRICT COUNCIL
was affixed in the presence of:

X _____
Director's Signature

X _____
Director's Full Name (please print)

X _____
Director's Signature

X _____
Director's Full Name (please print)

Stewart Island Freight Agreement

Between Southland District Council and Rakiura Shipping Limited

Appendix I – CHARGES

CODE	DESCRIPTION	CHARGE
<u>Waste (Oban to Bluff Wharf and return)</u>		
W2	Open Skip, Compactor Bin No. 3 or 4 (smaller size)	\$257.00
W3	Compactor Bin No. 1 or 2 (larger size), No. 3 and 4 (combined)	\$309.00
<u>Recycling (Oban to Bluff Wharf and return)</u>		
R1	Tandem Trailer – car bodies, whiteware, scrap metal	\$400.00
R2	Tandem Trailer – recycled paper, cardboard, plastic, cans etc	\$400.00
R5	Pallet with recycled items or materials trapped to it	
R6	Single disused vehicle (up to 1 tonne)	\$200.00
R7	Single disused vehicle (>1 tonne) i.e ute, van, caravan	\$250.00
R8	Open Skip with recycled metals	\$250.00
<u>T1</u>	Tandem trailer, Bluff wharf – Invercargill and return	<u>\$100.00</u>

Notes

- 1) Based on single lifts
- 2) Excludes GST
- 3) Excludes Wharfage
- 4) For steel bins, pallets and trailer charge includes for return to Oban wharf.
- 5) For tandem trailer Bluff Wharf to Invercargill charge includes for unloading at designated recycler site/s and return to Bluff Wharf.

Management Report

Record No: R/19/2/3248
Author: Steve Ruru, Chief Executive
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

Chief Executive

Local Government Funding and Financing Inquiry

1. The Productivity Commission released an issues paper for the local government funding and financing inquiry that they are leading in November last year. A copy of the issues paper and the submissions which have been received are available on the commission's website (www.productivity.govt.nz).
2. The commission is currently holding a series of engagement workshops with the sector across the country. One of these is being held in Dunedin on 5 March. Alongside of this more formal process there is also active engagement occurring in relation to some of the technical issues such as the assessment of cost movements.
3. Submissions closed on 15 February 2019. SOLGM and Local Government NZ (LGNZ) have lodged wide ranging submissions on behalf of the sector. The next major phase of the inquiry will be see the release of a draft report for public consultation in June 2019. This will be followed by a final report being presented to government in November 2019.
4. The completion of this project in November will mean that the government will be able to consider the findings from this process alongside of the work that they have underway in the three waters review and localism review. It is clearly important that there is a level of clarity about the future role of local government before final decisions are made on the range of funding mechanisms that might be needed to support the work of the sector.

3 Waters Review

5. The government is continuing to progress its three waters review, which is looking at options to improve the regulation and supply arrangements for drinking water, wastewater and stormwater (three waters) services. While the majority of these services are delivered by local authorities there are a sizeable number of private systems that are not formally covered within the scope of the current review process.
6. As part of the review process the Department of Internal Affairs has commissioned GHD limited (GHD) and Boffa Miskell Limited (BML) to undertake work to better understand the costs associated with upgrading infrastructure discharging into the coastal environment and the costs associated with reducing wastewater network and overflows and the regulation of wastewater treatment plants. The reports are as follows:

- **National stocktake of current regulation of wastewater treatment plants**

This report will provide a national-level stocktake and assessment of the relevant plan rules, and resource consents that are in place for domestic wastewater treatment plants. The stocktake report will cover all types of consent conditions and plan rules in place across wastewater plants, including conditions and rules relating to discharges to water, air emissions, land application, maintenance requirements, and monitoring and reporting requirements.

- **Cost estimate of national minimum standards for discharges from coastal wastewater treatment plants.**

This report will provide a cost estimate for upgrading domestic wastewater treatment plants that discharge to the coast if national minimum standards for the concentration of contaminants present in discharges were imposed. To provide a nationally consistent basis to evaluate the costs of any upgrade requirements, GHD/Boffa will use the minimum discharge standards that apply in Canada as a basis to develop minimum discharge standards that could be appropriate in the New Zealand context. The purpose of the report is to understand the potential costs if there was a minimum standard regime.

- **Cost estimate to reduce wastewater overflows**

This report will undertake a stocktake of the regulation of wastewater overflows (both wet weather and dry) by regional councils to build a national picture of how wastewater overflows are regulated. GHD/Boffa have been asked to provide a cost estimate for upgrading wastewater treatment networks to reduce wet weather overflows against a national standard. For the purpose of the report they have been asked to use two per year; the target has been chosen to provide a consistent basis to evaluate potential costs.

7. As noted previously the immediate priority area for the three waters review is the detailed policy work on the shape and form of regulatory arrangements for drinking water and wastewater. The ministers of local government, health, and the environment intend to take detailed proposals on this to cabinet in June 2019.
8. It is expected that a series of workshops will be held during March and April to test the emerging thinking/proposals for regulatory reform with the local government sector and a range of community stakeholders. This work is expected to lead to the implementation of new mandatory standards that will be subject to a rigorous enforcement regime by a central monitoring agency. In this regard the Environmental Protection Agency is to be given environmental enforcement powers, particularly as it relates to freshwater. The implementation of a new regulatory regime will remove much of the 'discretionary' decision-making power that local authorities have had in the past.
9. The work which is looking at future service delivery options and economic regulation is on a longer timeframe with advice expected to be provided to cabinet towards the end of 2019 and will obviously be informed by the range of further research work currently underway.
10. At a sector level there remains a level of concern about the potential for mandatory aggregation of drinking water suppliers. While it is widely accepted that there needs to be

change the potential for central government to ‘force’ changes in service delivery structures is seen as inappropriate particularly given the current community ownership of these assets.

Climate Change

11. As part of its work on climate change Local Government NZ have recently released a report noting that up to \$14 billion of local government infrastructure is at risk from sea level rise.
12. The research, developed in conjunction with environmental and engineering consultancy Tonkin + Taylor, modelled various sea level rise scenarios using LiDAR and other topographical data from 62 councils.
13. It showed that \$2.7 billion of roading, three waters, and building infrastructure is at risk from as little as a 0.5 metre rise in sea levels. The value of at risk infrastructure ramped up sharply at each increment of sea level rise, with the data showing:
 - \$5.1 billion is at risk at 1m;
 - \$7.8 is at risk at 1.5m; and
 - \$14.1 billion is at risk at 3m.
14. The full report, Vulnerable: The quantum of local government infrastructure exposed to sea level rise, is available on the LGNZ website (www.lgnz.co.nz/our-work/publications/vulnerable-the-quantum-of-local-government-infrastructure-exposed-to-sea-level-rise).
15. The report makes four key recommendations, namely that:
 - local government leads a national conversation about the level of local government services currently provided and what can be maintained in the short (1 – 10 years), medium (10 – 30 years) and long term (30+ years) as sea levels rise.
 - central and local government partner to establish a National Climate Change Adaptation Fund to ensure that costs of adaptation are shared equally, and do not over impact lower socioeconomic households.
 - there is a need to establish a Local Government Risk Agency to help councils understand and factor climate change risks into their planning, decision-making and procurement frameworks. This issue was one that was considered under the previous government and was expected to be the subject of consultation with the sector.
 - the need for local government to work with the owners and users of exposed infrastructure to create a National Master Plan, setting out options, priorities and opportunities for responding to sea level rise.
16. While the extent of local government infrastructure at risk is a concern it is important to recognise that this represents a small ‘part’ of the total picture, given the level of private and community sector capital that is at risk.
17. It is seen that there is a need for development of a more consistent nation-wide approach to addressing the issues that will arise from the management of climate change adaptation issues. Some of this direction, particularly in relation to mitigation, will come from the new

zero carbon legislation that is currently under development. It is equally important, however, that there is also work progressed in the adaptation space, particularly given the broader social and economic impacts that climate change and other natural hazard issues will have for communities.

International Visitor Conservation and Tourism Levy (IVL)

18. In September 2018 the government approved the introduction of a new \$35 international border levy (IVL), which is expected to raise some \$80 million per year that is to be used to fund tourism infrastructure and conservation related projects.
19. Key parts of the proposal include:
 - most international visitors entering New Zealand for 12 months or less will be charged the levy
 - there will be some exemptions, most notably Australian citizens and permanent residents and people from most Pacific Island Forum countries
 - the levy will be collected through visa fees and via the proposed Electronic Travel Authority process, also under consultation, for citizens of visa waiver countries.
 - The funds collected will be split evenly between conservation and tourism related infrastructure.
20. The use of the funds collected through the levy will be managed by the crown and will not be subject to a contestable 'bidding' process such as that which has occurred with the tourism infrastructure fund and provincial growth fund.
21. The IVL funds will be managed in accordance with a 3 – 5 year investment plan, which will be developed by the Ministry of Business, Innovation and Employment in accordance with direction provided by the ministers of tourism, finance and conservation.
22. The levy is one of a number of funding tools and other pricing changes, which are being put in place by the crown to support development of the industry. The other tools include the tourism infrastructure fund, provincial growth fund, increases in Department of Conservation pricing and increased private sector investment.

Review of Long Term Plans

23. The Office of the Auditor-General has recently released their report on the review of the 2018 LTPs. A copy of the report is available on the OAG website (www.oag.govt.nz/2019/ltps/docs/ltps.pdf).
24. The report notes that local authorities are facing a number of significant and at times conflicting pressures and that as a result there often difficult decisions that need to be made. Some of the particular issues identified and points of interest include:
 - a significant increase in the level of forecast capital expenditure compared with previous LTPs. This will lead to challenges regarding how to fund this extra spending, particularly for growth councils that are starting to reach their debt limits.

Despite these increases concern remains about whether the level of investment in asset renewals is sufficient to maintain long term asset capacity.

- the need to develop a better understanding of the effects of climate change on local communities. As noted above it is seen that there is significant work to be done in this area.
- the need for further work to be done on better understanding asset condition and performance capability particularly for the most critical assets. A lack of good information about asset capability can limit councils' ability to have effective conversations with communities about when they need to spend money on replacing or renewing their critical assets.
- the need to continue to look for ways of simplifying LTPs given that they continue to be long and complex documents.
- emphasising the importance of the financial and infrastructure strategies as critical components of an LTP particularly in terms of showing the trade-offs needed to live within the resources that a local authority has available.
- the need for local authorities to give active consideration of service delivery models that might be used to deliver services in the future given the changing environment within which the sector now works.

Stewart Island/Rakiura Service Sustainability Review

25. At its September 2018 meeting Council asked staff to develop terms of reference for a proposed service sustainability review. The request reflected an underlying concern about the need to better understand the financial and service sustainability issues associated with delivering services to the Stewart Island/Rakiura community. At its 18 December meeting, in approving the adoption of a new policy for the Stewart Island/Rakiura visitor levy, Council also asked that the review give consideration to the level of funding that might be needed to support the development of visitor related services through the visitor levy.
26. Council approved the terms of reference for the study at its 7 February meeting. This follows on from the review terms of reference being endorsed by the Stewart Island/Rakiura Community Board at its 10 December meeting.
27. Work is now being progressed to advance the review with the aim of reporting back in the third quarter of the 2019 calendar year.

Southland Regional Development Agency

28. Work associated with the formation of the Southland Regional Development Agency (SRDA) is continuing.
29. Interviews for the Directors for the new SRDA were completed in later December, by a selection committee appointed by the Joint Shareholders Committee, which is chaired by Mayor Tong. The final board will be formally confirmed by each of the shareholders, including the four Southland councils at their March meeting.

30. The level of funding and purchasing intentions from the four councils have also been finalised and are reflected in the letter of expectation that is in final draft awaiting approval from the Mayoral Forum. The letter makes it clear that the new agency is being formed to improve regional development performance in Southland, especially in the following respects:
- scope – to take on projects of significant scope and scale that are larger than other entities might contemplate.
 - agility – to be flexible and cope with diversity in its brief.
 - decisiveness – to be able to make decisions and move quickly.
 - mandate and credibility – to develop a strong mandate across the community and the region for the focus of work and become a credible development leader.
 - reach – to develop the capability to move easily in both the public and private sectors and between them.
 - attraction of financial resources – to lead an increase in funds entering the regional development field to increase capacity and capability.
 - engagement – that through the Joint Shareholders Committee and directly, the SRDA is able to have a close and integrated relationship with the councils and community organisations in the region.
31. The draft letter is being used to progress drafting of the first statement of intent, which will need to be approved by the new board once their appointment is finalised.

Emergency Management

32. Government is continuing with its work to implement the recommendations from the Civil Defence Technical Advisory Group report. As part of these changes the Ministry of Civil Defence & Emergency Management is proceeding with a proposal to establish national Fly-in Teams (NZ-FIT) to assist with the management of sizeable emergency events.
33. The fly in teams will have people with a mix of the appropriate attributes, skills and experience to go wherever required, without delay, to work with and support the local team as they manage emergencies. The Tasman fires is a recent example of where such a team could be used to complement local resources.

People and Capability Update

34. Health, safety and wellness continues to be a focus within Council. Health and safety audits and safety observations on our contractors have begun, the pre-approval process for our contractors has been reviewed and the new process will be implemented be introduced to contractors this year. Health and safety e-learning and team activities are continuing.
35. There have been some changes to the services and assets group. The new structure includes the creation of a project delivery team and secondly the establishment of a commercial infrastructure function to support, amongst other things, our procurement and contract management activities. The revised structure will provide greater clarity around roles,

responsibilities and decision-making. It is also anticipated the new structure will provide the group an opportunity to respond to some key challenges including; reducing duplication, increasing resilience and strengthening the framework for delivery of work programmes. In developing the new structure we considered the changes to our governance structures through the representation review and Audit NZ recommendations in relation to the need to improve our project management performance and processes. Recruitment has begun for the vacancies including the project delivery manager and community facilities contract manager.

Customer Delivery

36. Across the group, the key priorities programed to be progressed within the next six months include:

- Information technology infrastructure renewal
- Telephone system upgrade
- GIS mapping upgrade
- System integration between Infor products and our records systems, RM8.

37. The team are also supporting different parts of the business to review their online offering for customers to begin more access for customers to a digital channel.

Customer Support

38. A number of changes have occurred over the past two months as the new technical support partner roles are embedded into the customer support team. These roles will see the administration components for the environmental services group being delivered from within the customer support group. This will assist with providing more consistent coverage and a stronger response to customer queries.

	December 2018	January 2019
Total number of calls to 0800 732 732	3242	3940
Abandonment rate	0.25%	0.28%
Request for Service received	834	839
Top three requests types	Building inspections, change of address and roading enquiries	Change of address, building inspections and water leak reports
Payments processed by Council	6686	8655
Cash	1%	2%
Cheques	7%	5%
Direct Credit	50%	61%
Direct Debit	37%	25%
Eftpos	5%	7%

Number of visitors to our Libraries and Council Service Centres*	9220	8773
*Excludes Invercargill, Stewart Island, Wyndham and Book Bus		

Libraries

39. The district libraries have been providing a range of holiday programmes over the school holiday period. The Summer Reading Challenge proved popular again with children, especially in the Te Anau area.
40. The technical librarian team are currently focussing on a “spring clean” of our collections and are paving the way for an automated collection management system that should be able to free up many hours of staff time and allow for better collection management in our libraries.
41. We currently have 5338 active library users in the District (this is defined as having used their library card in library in the last 12 months).
42. The table below shows the number of individuals checking out items from a branch library each month.

LIBRARY NAME	DECEMBER 2018	JANUARY 2019
Book Bus	280	90
Lumsden	84	98
Otautau	76	101
Riverton	169	211
Stewart Island	42	60
Te Anau	374	491
Winton	528	596
Wyndham	62	74

43. Use of the PressReader application is below.

MONTH	ISSUES DOWNLOADED	ARTICLES READ
December 2018	5291	24396
January 2019	4200	11028

44. Our library service has new books each month, these can be viewed online through our catalogue on <https://www.southlanddc.govt.nz/my-southland/libraries/>

Knowledge Management

45. Knowledge Management has taken ownership of LIM processing and is working through the current process to find efficiencies while continuing to maintain a high standard of information. To date the team have reduced the time per LIM by 30 minutes. They have also responded to customers wishing to only receive a copy of the document via email and

this is making for a better user experience. Over the next 6 – 12 months this process will continue to be optimized.

Business Solutions

46. The business solutions team is working on the following projects:

- network security we are finalising the purchase of 2 firewalls appliances to replace our aging equipment which will improve the security
- infrastructure - the team is reviewing our current data storage constraints and have identified a number of areas where we can recover storage. We are also base-lining our infrastructure so that we can have a better understanding of what need to be replaced
- GIS Mapping, the GIS team have started the project to update our Apollo and GeoMedia platforms. This project is expected to be completed in April.
- Pathways, we are about to start a project to configure E-Pathways and Pathways for new dog registrations.
- the team is looking at the way that Council manages its software, hardware, networks and integration points. This information will be used to form the base Disaster Recovery Plan.

47. As the team are involved in a significant number of projects, we are employing a fixed term and permanent helpdesk resource and a two year fixed term GIS analyst to improve the service for Council staff, contractors and elected members.

Environmental Services

Group Managers Update

48. The mayor and deputy mayor, chief executive, group manager environmental services and team leader resource management attended the annual combined Otago/Southland Te Ropu Taiao hui in Queenstown on 5 February. This was a well-attended and useful forum, and included a presentation from Te Runanga o Ngai Tahu on the TRONT Climate Change strategy
49. A new senior building solutions officer, this brings the building solutions team back to being fully staffed albeit that some team members are in the training process.
50. At the time of writing, the building solutions team are about to go through their two yearly International Accreditation New Zealand audit process, on 19th - 22nd February. The outcomes of this will be reported back in due course. For councils to be able to continue to issue building consents under the Building Act 2004, they are required to be accredited.
51. The Predator Free Rakiura Leadership Group, which includes the group manager environmental services, met in February 2019. Positive work is being undertaken in progressing potential technical design options, with very strong support from the Department of Conservation. The group also received a presentation from the chief

executive of Predator Free 2050 and from Predator Free Dunedin, which were very useful for progressing thinking on the strategic direction of the project.

52. Building and resource consent application volumes have been relatively subdued for the early part of 2019, with the exception of the Te Anau area where activity remains strong. The latest stage of one of the main residential subdivisions in Te Anau has recently been approved.
53. Scott Dickson from the resource management team has been the successful applicant for the staff Eric Hawkes Outward Bound scholarship and is looking forward to the experience later in 2019.
54. National discussion around the current and future shape of the resource management system continues. In February 2019 the Environmental Defence Society, with support from the New Zealand Law Foundation, released the “Reform of the Resource Management System- the Next Generation” report , accessible at www.eds.org.nz

Resource Management

55. Council is in the process of preparing the background report for Rakiura Dark Skies plan change. The plan change will seek to establish some stronger lighting controls on Rakiura which is one of the key requirements obtaining and maintaining the Dark Sky sanctuary status. It is intended to notify a plan change in mid-2019.
56. Council has teamed up with Environment Southland, Gore District Council and Invercargill City Council to undertake high level region wide assessments on climate change, biodiversity, landscapes and natural character. These reports have been progressing well. It is anticipated that the climate change report will be released to the councils and the general public by the middle of 2019. The other reports are still being completed and are unlikely to be released in 2019.
57. The number of resource consents being lodged with Council remains steady. There are currently 62 consents in the system (on hold and processing).

Water and Land Plan Appeal

58. Council along with Invercargill City Council and Gore District Council are in the process of preparing evidence for the appeal against Environment Southland’s Water and Land Plan. Councils’ evidence is due in early March. The appeal relates to discrete provisions of the plan that impact upon reticulated services (water, stormwater and wastewater). A hearing is set down for May 2019 with evidence scheduled from December 2018 until early May 2019.

Building Solutions

59. The department have received 50 building consent applications for the month. This is up about 8% on the previous three year average and 6% on the same period as last year, breaking a trend of lower than average applications for the month. The increase was most noted in R1 and C1 consents both up slightly on the previous three year average. However, both C1 and R1 applications were down on the same period last year but there was an increase in the applications received for R2 consents on the same period as last year.

60. The value of consent applications is up on the three year average from \$6.7m to \$7.6m this is also up on the same period as last year up from \$4.2M to \$7.6M. There was a noted increase on the three year average in applications from the Mararoa Waimea ward up from 12 to 21 applications received and a noted decline on the three year average in Winton Wallacetown down from 12 to 8 applications received.
61. The department issued 34 consents for the month, this is down from 71 consents for the same period as last year. The reduction was across all types of consents. C1 consents down 21 to 7 consents issued R1 consents down from 33 to 21 consents issued R2 down from 15 to 5 consents issued.
62. Attached to this report as Appendix 1 is a detailed report and tables.

Community and Futures

Strategy and Policy

Corporate Performance Framework

63. The corporate performance framework aligns Council's high level direction to its activities and outcomes, and its purpose is to streamline Council planning and reporting functions. As part of the corporate performance framework, Council will deliver on its legislative requirements – including the Long Term Plan, Annual Plan, Annual Report and activity management plans.
64. Council will also produce an Interim Performance Report, undertaken three times a year – for the four month periods of July-October, November-February and March-June, with the third being produced to inform the Annual Report.
65. This framework requires Council activity managers to provide meaningful explanation of the level of performance compared to what was planned. The full implementation of the new framework will be an 'evolutionary' process. Staff will be looking to expand the use of the CAMMs Project system across the organisation to allow for structured management and reporting of all projects/objectives. We will also look to integrate the quarterly financial reforecasting process in with the IPR over time.
66. The second Interim Performance Report will be presented in March 2019 to the Finance and Audit Committee. It is still a work in progress with the new CAMMs software, but an exception report focusing on variances to performance measures will be presented at the meeting.

Annual Plan 2019/2020

67. The Local Government Act 2002 requires Council to prepare and adopt an Annual Plan in the second and third years between Long Term Plan revisions. The purpose of the Annual Plan is to consider and approve any variations to the Long Term Plan for that financial year. Once finalised, the direction given for 2019-2020 will be used to set rates for the year beginning 1 July 2019 and deliver any additional projects identified.
68. A draft Annual Plan is currently being drafted and will be submitted to the Finance and Audit Committee, then Council for adoption in June 2019.

69. Consultation on the Annual Plan was not undertaken for this round as there was no significant variance from the Long Term Plan 2018 – 2028 which was signed off eight months ago. This is aligned with the Council’s Significance and Engagement Policy that determines whether an issue is significant and the level of community consultation required.

Risk Management Framework

70. Council continues to identify the need to invest in and develop its risk management processes and approach. In developing the risk management framework the objective is to create a framework to effectively understand, plan for, and mitigate risk across all levels and activities within the organisation. In facilitating better decision making that support risk informed choices, prioritise actions and determine options, assurance can be provided to Council, the Southland District community and stakeholders that critical risks are identified and managed effectively.
71. The framework document was adopted by Council in February 2019, and work will begin to transition from the current quarterly risk update approach to implementing the risk management framework.

BERL Stage 3 – Working Towards Positive Southland Community Futures

72. Business and Economic Research Limited (BERL) was commissioned by Southland District Council to undertake research to assist with the development of the District’s 2031 Long Term Plan.
73. The research is based on the idea that the District can passively accept the future that fate will provide for its communities, or work strategically to shape the future it wants to achieve.
74. The research is in three stages, each of which is designed to answer a specific question:
- stage 1 asked “where we are now?” This involved collecting and analysing data to show the state of wellbeing in the District as a whole and in seven defined communities. This stage has been completed.
 - stage 2 asked “where we are heading?” This involved some forecasting to examine how the population and the level of employment in the District and each of the communities would change, if past trends were left to continue. This stage has also been completed.
 - stage 3 asked “where do we actually want to be?” Its aim is to define a set of actions that will help to shape positive futures for each of the main communities in the District
75. BERLs stage 3 report was endorsed by the Community and Policy Committee in February 2019, and staff will now undertake appropriate analysis and incorporate opportunities and option into planning processes and work programme development.
76. The key objective of the BERL report was to “identify actions that may be necessary to ensure that communities in the District were sustainable, affordable, and deliver an appropriate and acceptable level of service from a quality of life perspective”. Key findings suggested actions around more and improved housing, faster population growth, more

sustainable agriculture, stronger tourism industry, better health services, and greater community capability.

Community Futures Research and Analysis Work Programme

77. Council continues to support the progression of research and analysis work to support its decision making in preparation for the Long Term Plan 2031. This work will assist in leading the development of Council's overall approach to the management of change and preparation for what the future might hold for the District and its communities, and identify priorities for investing in community future planning.
78. There have been a number of changes made to timings in the programme of work, ensuring that the prioritisation of projects is appropriate and reflects the way in which Council needs to complete the overall work programme.
79. High level project plans have been developed that will help determine what is required to deliver priority projects within the District and update reports on all work streams will be provided to the Community and Policy Committee between February and June 2019.
80. The on-going work streams include:
 - socio-demographic projects (where are we now, where are we heading, and where do we want to be)
 - climate change and implications for the Southland District (risks and impacts on the district)
 - service delivery framework – District vs local service provision and levels of service (an assessment and evaluation of Council services and determine the most appropriate level of service to meet community needs in the future)
 - rating affordability planning and implications (to understand income levels in our communities and affordable measures for delivery of activities and services – and implications of decisions on rating affordability for the district)
 - land and water plan implications (to understand the implications of compliance standards on the future provision of services to local communities)
 - community facility provision framework (how, what and when are facilities used and needed)
 - community partnerships assistance and funding alignment approach (multi agency community partnership opportunities, and Council's funding and grant schemes to support community organisations)
 - technological change impacts on communities and implications for Southland District Council.

Policy and Bylaw Updates

81. There are a number of Council bylaws and policies currently being reviewed and updated, and a number of bylaws due for review in the next 12-18 months. The Unmanned Aerial Vehicles Policy (which includes drones) was amended and adopted in December 2018, and

the Stewart Island Visitor Levy Bylaw and Policy was adopted in February 2019. The Delegations Manual is nearing completion, and work is also due to commence on the development of a new user fees system for jetties on Rakiura.

Governance and Democracy

Representation Review and Community Governance Project

82. The Local Government Commission heard appeals and objections on the Council's final proposal on Wednesday 5 December.
83. Council presented on its final proposal and responded to questions from the commission following its hearing of the evidence presented by the appellants. Council is awaiting the determination from the commission which, once received, will be considered by the Elected Members Working Group and Council. The last date the commission can present their determinations is 10 April.
84. As noted in the last report work is progressing on arrangements to support the community governance project. This will build upon the information contained in the reference document that Council produced in April 2018.

Local Authority Elections

85. The local authority elections will be held in October 2019. They will be conducted by postal vote with election day being Saturday 12 October 2019. The elections this year will be based on the outcome of the representation review determination noted above. Information will be distributed closer to the election date. Elections will be held for the mayor, ward councillors and community board members.
86. Nominations open on Friday 19 July and close at 12 noon on Friday 16 August. Voting will begin on Friday 20 September and close at 12 noon on Saturday 12 October. People are encouraged to make sure they are on the electoral roll.
87. Further information will be on the Council website.

Community Partnership Leaders

Milford Opportunities Project

88. The project has reached a significant milestone with conclusion of the first part of the project.
89. There is a need to apply for more funding and gain a level of ministerial guidance on the future direction of the project. It is expected that a formal application for additional funding will be progressed in the next couple of months. The need to await these approvals has meant a slowing down in progress in the interim and has also created a level of uncertainty that has meant that public consultation and communication has not been able to continue through this period.

Te Anau Community

90. The Te Anau Community Board has been working through the feedback it received from the community on what aspects are important to it and that it would like to see done to enhance and improve the town.
91. Through a considerable amount of effort by the board this is being distilled into an outline of the key themes and priorities that the board will work on and a set of guiding principles that they and other organisations should consider when making decisions in the Te Anau township area. This work is expected to be completed and made public in the near future.

Community Board Plans

92. The community partnership leaders are working to develop the baseline information for the new community board plans prior to commencing workshops in the latter part of the year. This requires input and support from several different parts of Council in order to co-ordinate a range of background information relating to the history of the townships and villages of the Southland District, collation of demographic data, and other relevant information.
93. It is envisaged that this first stage will be completed by mid-year so that the second phase of consulting with the wider community can commence.

Community Leadership Plans

94. The community partnership leaders are working with the strategy and policy team to develop leadership plans for our community beginning with the development of a strategy focused on Southland's older people. Staff have been meeting with a wide range of groups and individuals who provide support to Southland's more senior residents to gain an understanding of the issues and challenges affecting those people in our communities.

Services and Assets Group

Group Manager's Update

95. As of 1 February, the services and assets group structure amendments came into effect.
96. It is important to note that these amendments reflect some significant changes for the services and activities that we provide and the subsequent interaction both with our communities and internally. As an outcome of the changes we are looking to improve our performance in the areas of asset management, works programme development and works programme delivery in particular. In order to achieve this, the changes have focussed on the disestablishment of the community engineer function, with activity teams taking more responsibility for asset management, works programme development and operational maintenance with contract manager roles established within each activity team. Additionally, newly established project delivery and commercial infrastructure teams will focus on the delivery of the works programme in a consistent manner.
97. In order for the changes to succeed the message to the team has been to ensure the restructure is treated as a transition rather than immediate. This is especially true, considering key roles yet to be filled and the area-specific management, our communities are currently

accustomed to. It is anticipated that this transitional period will take up to approximately three months to complete, as existing workloads and current and outstanding project work is handed over and distributed amongst staff.

98. As mentioned above, there are some key roles that have not yet been filled. These include the new project delivery manager role and a contract manager role within the community facilities team. Recruitment is underway for these roles currently.
99. CAMMS, the project management software platform has now gone live and is operational with staff utilising this tool daily. The team is in the process of becoming familiar with the tool, integrating the financial information and finalising a suite of reports that will be available to the various relevant parties both internally and externally. It is anticipated that this reporting will become available for ongoing distribution within the next two months.

Commercial Infrastructure

Stewart Island Electrical Supply Authority (SIESA)

100. The new wharf in-tank pump system failed on 18 January in that the register was not recording deliveries; this was repaired on 26 January allowing fuel to be pumped again and station stocks to be replenished.
101. The PUISI pump that was removed (a SIESA asset) is cosmetically in poor condition and has possibly been damaged during removal and may not be worth refurbishing. The pump unit is identical to the station transfer pumps and would therefore make a good maintenance spare.
102. Approval has been received to proceed with one of the three applications for supply. We are still awaiting archaeological consent with regard to the remaining two connections.

Te Anau Airport Manapouri

103. We are midway through the summer season's charter activities. There has been a change to our airline provider during February, bringing the provider back under the New Zealand Civil Aviation Authority oversight moving from the Civil Aviation Safety Authority of Australia. The general level activity is still providing positive trends for 2019 and is expected to be another record year.
104. An increased regulatory focus may be required with the possibility of the New Zealand Civil Aviation Authority requiring a level of aerodrome certification now that we have regular large aircraft operating from a New Zealand operator. Segregation for helicopters from fixed wing aircraft will need to be completed for the start of the 2019 summer season.
105. Over the last month the airport has seen jet operations provided by Alliance Airlines utilising their Fokker 70 aircraft. Additional training has been provided by Alliance for our ground handlers.
106. Tauck numbers and increased tours are anticipated over the later part of the 2018/2019 summer tour season providing an increase in the valuable tourist dollar to the surrounding Fiordland community and increased activity at the airport.

107. Air Chathams have returned and have been awarded the contract over Alliance Airlines which completed their last flights with us at the end of January. Air Chatham's will utilise the Convair 580 occasionally but mainly the ATR72 which is an ex Air New Zealand aircraft for the service. The ATR72 has all the modern equipment and crews are trained to use the recently upgraded satellite approach system (GNSS RNP1), the airport re-invested in last year.
108. There is a possibility that the airport will need to become certified under Part 139 again with this increased activity and the New Zealand based operator taking over the Tauck Tour contract. Discussions with the New Zealand Civil Aviation Authority. The airport elected to operate to the standards anyway as part of our risk management strategies; if Part 139 certification is once again required this will not be a large transition.
109. Minor runway works will be required this year, providing preventative maintenance to extend the life of the runway sealing carried out a number of years ago. As a result and as part of cyclic runway marking refurbishment painting of the runway marking will need to be completed by the start of the next summer season. All other ground handling equipment is operating to the required standard.
110. There have not been any bird strike or near miss reports this period. Additional training has been provided by both operators for the aircraft type changes.

Forestry (IFS)

111. With the harvesting program now completed for the season activity now concentrates on tending, establishment and maintenance operations. Financial results are still tracking well above budget.

Around the Mountains Cycle Trail

112. A 'warrant of fitness' assessment was carried out on the Around the Mountain Cycle Trail in late December with various areas identified as needing improvement. The audit focused on trail experience, information and services, and trail ownership and governance.
113. The deficiencies identified have been used to develop a trail performance plan, which looks at short, mid and longer term improvements. In order to achieve the required level of service a report will be presented to the Around the Mountains Cycle Trail Sub-Committee requesting additional funds. The final claim was made to the Department of Internal Affairs in January for the final \$500K granted by Lotteries, this has now been received. A claim was also made to Ministry of Business, Innovation and Employment for the erosion repair works at Weydon Burn, the construction works were completed in December 2018.

Strategic Transport

Speed Limit Review

114. A review of the speed limits across the District is being undertaken in line with national speed management guidelines. The guide aims to achieve a consistent national approach to speed management, be evidence based and allow road controlling authorities to build a better understanding for speed management with communities.

115. The initial phase is to review all current speed limits and identify any potential areas that could benefit from a change. At the completion of this stage community boards and community development area subcommittee will be given the opportunity for comment on the proposed speed limits prior to full legislative process commencing.
116. These discussions are anticipated to start occurring in March.

District Wide Renewals Programme

117. Reseals - the annual district wide road resurfacing program has been making good progress and this programme is still on track to be completed by 30 March 2019.
118. Pavement Rehabilitation – The Roading Company have been awarded two packages of work. A section on Otapiri Gorge Road and Shand Road have been combined to create one package with a section on Otautau Tuatapere Road and Ohai Clifden Highway forming a second package of work.

Strategic Water and Waste

Te Anau Wastewater Discharge Project

119. Following Council resolutions from the 23 October 2018 meeting, when it was resolved to proceed with a sub-surface drip irrigation as the discharge option, staff have been progressing work on a number of fronts including development of resource consents for the sub-surface drip irrigation field, as well as advancing towards a detailed design.
120. Discussions have also been held with Environment Southland to develop a strategy to allow early lodgement of the application. In addition a registration of interest process has been run for the pipeline element of the project, with tenders to be evaluated and four contractors to be invited to tender.

Land and Water Plan Implementation

121. Environment Southland released their proposed Land and Water Plan last year.
122. In total 25 appeals were received by Environment Southland of which Council has identified 10, which it will join as a section 274 party. Council has also lodged an appeal to the decision.
123. The basis of Council's appeal, is largely around the 'non-complying' activity status on wastewater discharges to water. The latest direction issued from the Environment Court outlines a proposed path, where appeals to objectives will be heard ahead of mediation, by grouped topic on policies and rules. Staff are currently preparing evidence in support of the appeal which will be submitted to the Environment Court by March 2019.

Review of Solid Waste Contract Arrangements

124. The WasteNet Southland Waste Management Group has rolled over the Bond Contract for waste collection. WasteNet has also resolved to put out a tender for the provision of the recycling acceptance contract. The request for proposal was issued in December, with a number of suppliers having viewed the document at the time of writing.

Tokanui Wastewater Discharge Consent Application

125. In 2018, staff prepared a consent application for the renewal of the Tokanui wastewater discharge proposing a minor upgrade, on the basis that monitoring showed no significant impact on the receiving water based on comparison of upstream and downstream monitoring.
126. The application is the first one to be assessed under the new proposed Southland Water and Land Plan which indicates that discharges to water will be considered as a non-complying activity. Environment Southland have raised concerns about the level of discharge through the base of the ponds. Work is being progressed to look at how these concerns might be addressed. A report outlining the options available will be taken to Council in the near future.

Property Services

127. Work is ongoing with finance staff in the review of the Council fixed asset register. This is taking a significant amount of time resource, given many of the properties and issues associated with them are historic and need to be researched and clarified prior to a decision being made as to whether the land should be on the fixed asset register or not.
128. This is a very worthwhile exercise to get the fixed asset register correct and to be used as the basis, for the identification of strategic assets or not, and which of the non-strategic assets are surplus.
129. Staff have also been involved in preparing Environment Southland resource consent applications for the Tourism Infrastructure Fund projects at Clifden Bridge and Waikawa.

Community Facilities

130. Work has commenced on the 2018 - 2019 projects, to be completed this financial year. There are a number of projects that have been started, with the remaining projects having been quoted for. Once the quotes have been confirmed and approved, the work will be programmed to commence for those that are under budget. There has been a focus on getting all of the project information into CAMMS, so that we having a better understanding of the project commitments that remain to be completed before the end of the financial year. This has then been carried through to the final forecasting round.
131. We are currently in discussion with a number of consultants who are providing quotes to complete work associated with Master Data and Meta Data standards and also minimum levels of service for the community facilities portfolios.

Water Structures

132. The Riverton wharves still have two outstanding issues associated with licence compliance. An amicable resolution could not be reached with one of the jetty owners so this has been put in the hands of Council's lawyer to be resolved. There are also ongoing discussions with one of the other jetty owners who disputes the length of jetty that they purchased. A possible resolution has been identified that will potentially resolve this situation. The upgrade to the main long wharf has been completed.

Tourism Infrastructure Funding

133. Work has been completed on the Lumsden Railway Precinct upgrade, as per last year's Tourism Infrastructure Fund funding. This includes the toilet upgrade in line with the railway theme, which is receiving positive feedback. Planning has also commenced for those projects approved, as part of the recently approved Tourism Infrastructure Fund application for toilet projects at Waikawa, Monkey Island, Clifden Bridge and Te Anau Toilets.
134. Staff involved in the Tourism Infrastructure Funding process, attended a presentation from representatives of Ministry of Business, Innovation and Employment and Local Government New Zealand. They provided feedback on the applications that had been received in the previous rounds of funding. Following the first two rounds, they have reviewed the application process based on feedback from local authorities and took the opportunity to update councils on the changes that they have implemented. The two key points from the presentation were:
- they have reduced the \$100,000 threshold to \$25,000
 - application dates have been fixed to the 1 March and the 1 August
135. Following on from this meeting a team has been brought together to identify and prioritise projects in preparation for the 1 March application date.

Work Schemes

136. The work schemes team is working closely with the community facilities strategic manager to ensure maximum benefit and involvement of this team in the existing works programme. The main projects completed over the last month have been:
- Spider Spraying at community housing and offices throughout district
 - Repairs to ceiling and floor at Edendale community housing
 - Mowing throughout district
 - Track maintenance and noxious weed control in reserves
 - Tidy and spray of sea side track at Riverton

Recommendation

That the Council:

- a) **Receives the report titled "Management Report" dated 27 February 2019.**

Attachments

- A Building Solutions Capacity and Capability Report - January 2019 [↓](#)



Building Solutions Capacity and Capability Report

January 2019

The department have received 50 building consent applications for the month. This is up about 8% on the previous three year average and 6% on the same period as last year, breaking a trend of lower than average applications for the month. The increase was most noted in R1 and C1 consents both up slightly on the previous three year average. However both C1 and R1 applications were down on the same period last year but there was an increase in the applications received for R2 consents on the same period as last year.

The value of consent applications is up on the three year average from \$6.7 m to \$7.6m this is also up on the same period as last year up from \$4.2M to \$7.6M. There was a noted increase on the three year average in applications from the Mararoa Waimea ward up from 12 to 21 applications received and a noted decline on the three year average in the Winton Wallacetown down from 12 to 8 applications received.

The department issued 34 consents for the month, this is down from 71 consents for the same period as last year. The reduction was across all types of consents. C1 consents down 21 to 7 consents issued R1 consents down from 33 to 21 consents issued R2 down from 15 to 5 consents issued.

For the year to date the total number of consents issued are down from 581 to 481 on the same period in 2017-18 and would be more as low as we have experienced from before 2012-13.

The value of consented work for the month was \$6,313,155 down from \$7,916,250 for the same period as last year. The value of consents for the year is \$50,495,883 down from 60,355,934 for the same period as last year. The consent fees generated for the month was \$87,033 down from \$130,586 for the same period as last year. The consent fee for the year to date is \$933,589 down from \$1,060,464 for the same period as last year.

The average length of time to issue a building consent was 15.5 days, this is consistent with November and December. (http://dachshund.sdc.inet:3000/public/dashboard/64374ea1-1eed-4e25-a9d191da600e1a3f?fiscal_year=2018-2019) The department issued 37 CCCs and refused 7 CCCs. This has contributed to a reduction of the number of active consents which currently sits at 4,340. (http://dachshund.sdc.inet:3000/public/dashboard/fb4e7391-33ee-4746-a648-942581b47a70?financial_year=2018-2019)

Domestic interest rates are near record lows, and the credit rating agencies continue to give NZ a double A or better rating. The central bank is tipped to reduce the percentage of a deposit on loans for first home buyers and reduce the level of reserves held by banks, all of which will free up additional capital for home buyers. This will be tempered by the effects of the banking review in Australia it is expected banking will be required to demonstrate a customer focused culture, this may result in a more conservative approach to lending.

The government have hit a bump on the Kiwi Build programme and there is increased interest nationally in identifying housing shortages at a local level. Southland has been identified as needing an additional 30,000 houses over the next 10 years to meet a growing demand for accommodation for tourists, and workers alike. A large number of long term accommodation units have been lost to Air BnB in the District and these will need to be replaced with affordable housing. All this should translate into an increase in



workloads going forward. All designers and builders are reporting continued high work flows but this has not had an impact on the department's workflows as yet.

There is continued pressure in the labour market some BCAs in the southern cluster have vacancies they are unable to fill, and a labour shortage across the industry has been identified as a factor hindering growth.

The department have delivered on a large body of work associated with our IANZ reassessment, the department have engaged an additional part time recourse for inspecting to manage the overflow associated with the IANZ work and cover for some inspectors while on leave to ensure there are sufficient resources to meet our inspecting and processing competency requirements.

Consents issued for month

	Fiscal Year		Fiscal Year	
	2017-18		2018-19	
Application Type	Application Count	Application Value	Application Count	Application Value
Bridge/Platform/Underpass	1	\$50,000	2	\$125,000
Commercial/Industrial	1	\$2,950,000	7	\$360,000
Demolition	1	\$30,000		
Dwellings	1	\$50,000		
Alterations/Additions - NOT RBW			1	\$8,000
Farm Shed/Dairy Shed/Small Industrial	8	\$814,500	9	\$595,250
Garages/Carports	3	\$85,000	11	\$273,500
Misc/Plumbing & Drainage	1	\$8,000	5	\$27,400
RBW - Dwellings	7	\$370,000		
Alterations/Additions			19	\$1,475,500
RBW - Dwellings	11	\$1,955,655		
New/Relocated/Sleepouts			16	\$5,051,600
Grand Total	34	\$6,313,155	70	\$7,916,250



Consents issued – year to date

	Fiscal Year		Fiscal Year	
	2017-18		2018-2019	
Application type	APPLICATION COUNT	APPLICATION VALUE	APPLICATION COUNT	APPLICATION VALUE
Bridge/Platform/Underpass	10	\$528,100	8	\$380,000
Certificate of Acceptance			1	\$4,000
Commercial/Industrial	54	\$10,719,831	30	\$11,399,800
Demolition			1	\$30,000
Dwellings Alterations/Additions - NOT RBW	10	\$208,000	6	\$123,000
Farm Shed/Dairy Shed/Small Industrial	109	\$7,420,761	104	\$9,227,853
Garages/Carports	51	\$1,048,175	33	\$1,068,000
Heating Units	92	\$411,803	99	\$469,650
Misc/Plumbing & Drainage	20	\$119,800	16	\$92,190
RBW - Dwellings Alterations/Additions	91	\$5,016,880	70	\$3,012,300
RBW - Dwellings New/Relocated/Sleepouts	140	\$34,832,084	108	\$24,579,590
SLEEPOUTS ONLY and Stage Dwellings New/Relocated	5	\$50,500	5	\$109,500
Grand Total	582	\$60,355,934	481	\$50,495,883

Number of building consents issued versus number of CCCs

Decision Count	Fiscal Year	
	2018-2019	
Application Type	BUILDING CONSENT ISSUED	CCC ISSUED
Bridge/Platform/Underpass	8	8
Certificate of Acceptance	1	
Commercial/Industrial	30	33
Demolition	1	
Dwellings Alterations/Additions - NOT RBW	6	27
Farm Shed/Dairy Shed/Small Industrial	104	77
Garages/Carports	33	33
Heating Units	99	111
Misc/Plumbing & Drainage	16	13
RBW - Dwellings Alterations/Additions	70	42
RBW - Dwellings New/Relocated/Sleepouts	108	93
SLEEPOUTS ONLY and Stage Dwellings New/Relocated	5	18



Decision Count	Fiscal Year	
Grand Total	481	455

Building consent applications received for the month 2017-18, 2018-19 and average for the previous three years

Lodge Fiscal Year End	Property Ward	Average Count - Previous 3 Fiscal Years	Application Count
2018	Mararoa Waimea	12	13
	Stewart Island Rakiura	1	1
	Waiau Aparima	12	15
	Waihopai Toetoes	8	9
	Winton Wallacetown	15	8
2018 Total		47	47

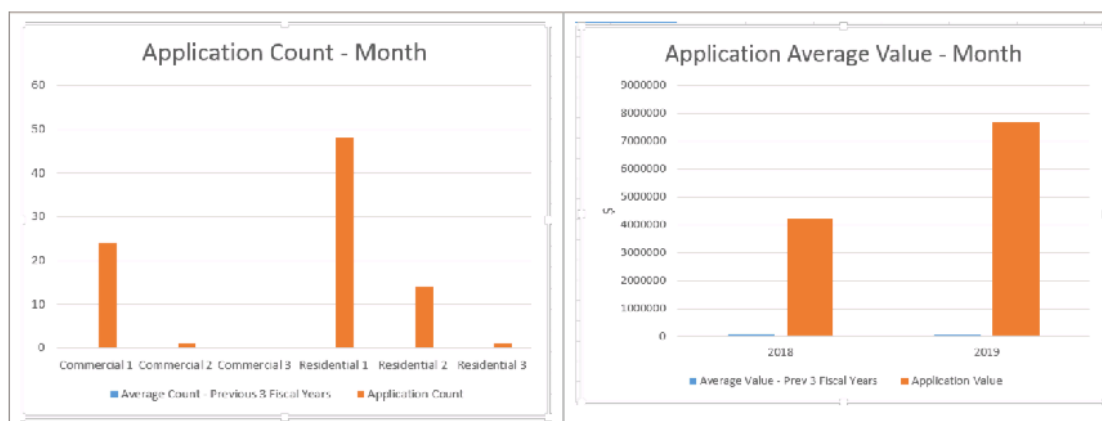
Lodge Fiscal Year End	Property Ward	Average Count - Previous 3 Fiscal Years	Application Count
2019	Mararoa Waimea	12	21
	Stewart Island Rakiura	1	
	Waiau Aparima	13	11
	Waihopai Toetoes	7	10
	Winton Wallacetown	12	8
2019 Total		46	50

Applications received for 2017-18, 2018-19 and three year average for fiscal year to date

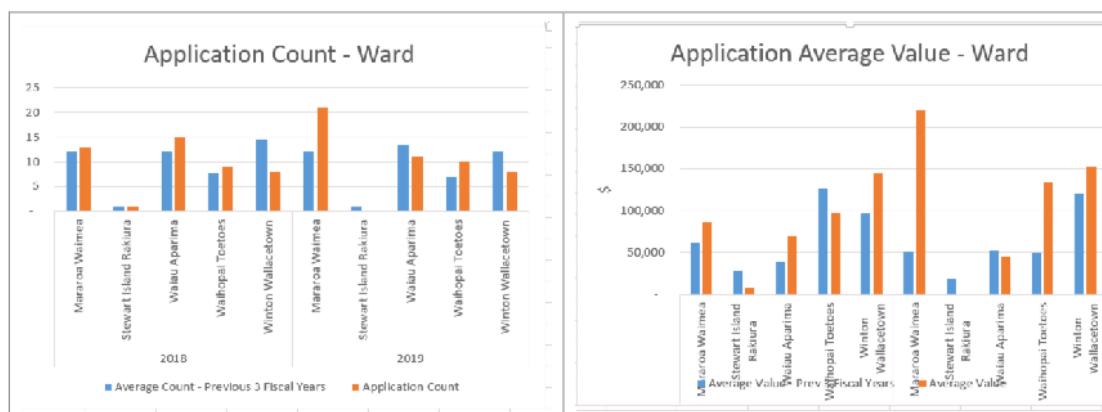
Lodge Fiscal Year End	Property Ward	Average Count - Previous 3 Fiscal Years	Application Count
2018	Mararoa Waimea	205	208
	Stewart Island Rakiura	17	9
	Waiau Aparima	135	132
	Waihopai Toetoes	100	100
	Winton Wallacetown	148	152
2018 Total		606	602

Lodge Fiscal Year End	Property Ward	Average Count - Previous 3 Fiscal Years	Application Count
2019	Mararoa Waimea	200	176
	Stewart Island Rakiura	15	7
	Waiau Aparima	130	127
	Waihopai Toetoes	91	87
	Winton Wallacetown	154	127
2019 Total		592	524

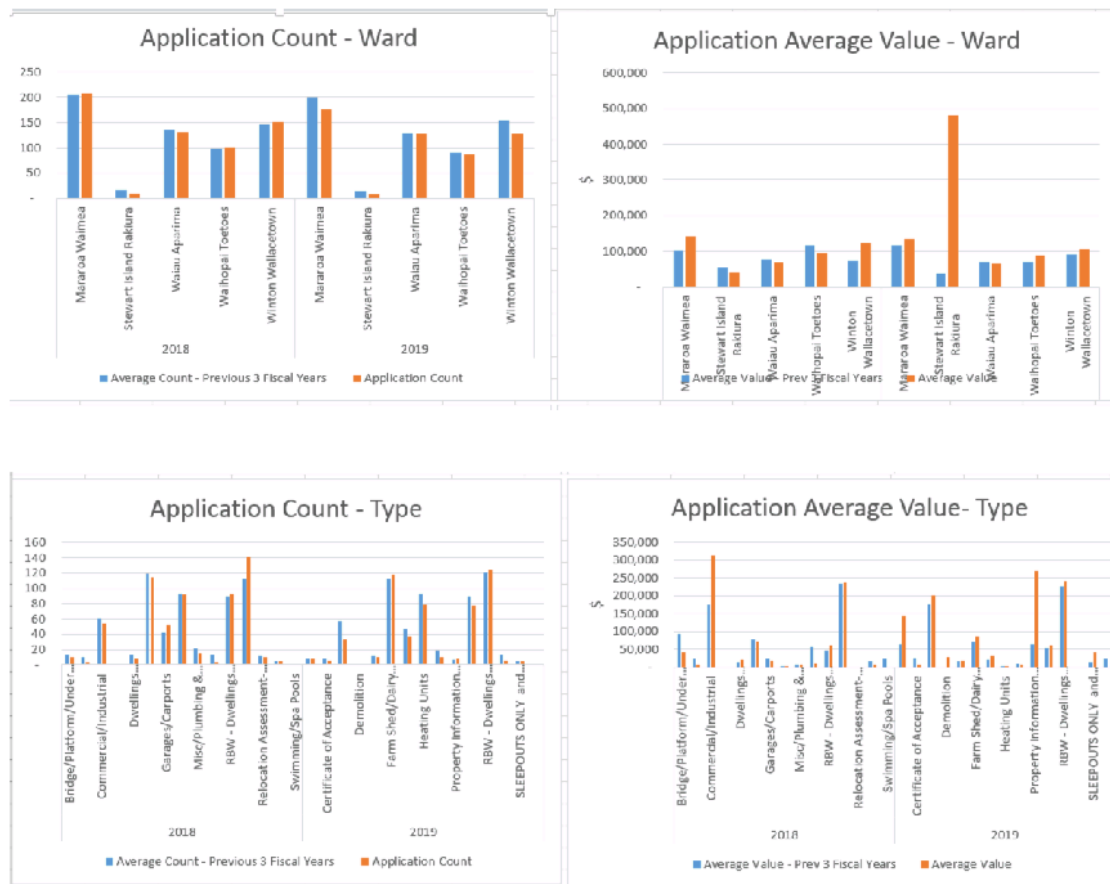
Distribution of consent applications for the month



Building consent by type and value by month for year to date



Distribution of building consent applications for fiscal year to date





Monthly resource report for January 2019 – reference document R18/10/25219 annual capacity and capabilities planning 2018-19

FRAME WORK FOR ASSESSMENT			
Number of building consent applications received and issued and how many were issued within the statutory time frames	Received	Issued	Issued on time
	50	34	??%?
Number of inspections undertaken and the number of days to book an inspection	Received	Time taken	
	220	2 days	
Number of CCC applications received, CCCs issued and how many were issued within the statutory timeframes	Received	Within time period	
	53	53	
TA functions that required staff resources	750 minutes Internal charging WOF(all amusement device inspections carried out were outside normal working hours)		
The volume of building control work (if any) that was undertaken on behalf of another BCA	Time taken	For whom	
	N/A		
The number of competent staff (at each level of competency as shown in the technical skills matrix which aligns to the NCAS) available to process applications, make site inspections and complete compliance work (based on consents received to date and factored up for year. R/18/10/25219)	Skill	Staff required	Staff available
	BC-I CP-I	(0.06 x 12) 0.72	2
	BCO, CPO	(.11 x 12) 1.3	2
	BC-S CP-S	(.23 x 12) 2.76	2
	BC-So SP-SO	(.013 x 12) .156	2
	Tech expert	1	1
	Total	8	10
Any known influences that may affect staff availability such as public holidays, training courses, popular times of year for leave and upcoming large scale projects the management team is aware of, etc.	There were 43 days lost due to annual leave, illness and TOIL for the month.		
Technical leadership requirements or specialist experts that may be needed.	All additional staff requirements are addressed by the Solutions Team and Firewatch		
HAVING ASSESSED THE ABOVE WHAT IMMEDIATE ACTION IS REQUIRED	The department are is currently working on removing all single points of failure within the department, this is seen as the greatest threat to our business continuity		
Offering overtime to existing staff	Lance Patterson to complete IANZ work and WOF work		



FRAME WORK FOR ASSESSMENT	
Seeking assistance from other SBCG Councils through the MOU	N/A
Employing external contractors to supplement staff levels	Solutions Team and Firewatch are currently contracted to provide additional support where and when needed
Employing additional permanent staff.	The department have filled the vacancy for the senior building control officer with a suitably qualified person

Minutes of the Services and Assets Committee Meeting dated 28 November 2018

Record No: R/19/2/3206
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 28 November 2018 as information.

Attachments

- A Minutes of Services and Assets Committee Meeting dated 28 November 2018 (separately enclosed)

Minutes of the Community and Policy Committee Meeting dated 29 November 2018

Record No: R/19/2/2991

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 29 November 2018 as information.

Attachments

- A Minutes of Community and Policy Committee Meeting dated 29 November 2018
(separately enclosed)

Minutes of the Edendale-Wyndham Community Board Meeting dated 4 December 2018

Record No: R/19/2/3876
Author: Fiona Dunlop, Committee Advisor
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Edendale-Wyndham Community Board meeting held 4 December 2018 as information.

Attachments

- A Minutes of Edendale-Wyndham Community Board Meeting dated 4 December 2018 (separately enclosed)

Minutes of the Otautau Community Board Meeting dated 13 December 2018

Record No: R/19/2/3338
Author: Alyson Hamilton, Committee Advisor
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Otautau Community Board meeting held 13 December 2018 as information.

Attachments

- A Minutes of Otautau Community Board Meeting dated 13 December 2018 (separately enclosed)

Minutes of the Riverton/Aparima Community Board Meeting dated 3 December 2018

Record No: R/19/2/2507
Author: Alyson Hamilton, Committee Advisor
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Riverton/Aparima Community Board meeting held 3 December 2018 as information.

Attachments

- A Minutes of Riverton/Aparima Community Board Meeting dated 3 December 2018
(separately enclosed)

Minutes of the Tuatapere Community Board Meeting dated 4 December 2018

Record No: R/19/2/2506
Author: Alyson Hamilton, Committee Advisor
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Tuatapere Community Board meeting held 4 December 2018 as information.

Attachments

- A Minutes of Tuatapere Community Board Meeting dated 4 December 2018 (separately enclosed)

Minutes of the Wallacetown Community Board Meeting dated 13 December 2018

Record No: R/19/2/3613
Author: Fiona Dunlop, Committee Advisor
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Wallacetown Community Board meeting held 13 December 2018 as information.

Attachments

- A Minutes of Wallacetown Community Board Meeting dated 13 December 2018 (separately enclosed)

Minutes of the Winton Community Board Meeting dated 10 December 2018

Record No: R/19/2/2748
Author: Alyson Hamilton, Committee Advisor
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council receives the minutes of the Winton Community Board meeting held 10 December 2018 as information.

Attachments

- A Minutes of Winton Community Board Meeting dated 10 December 2018 (separately enclosed)

Minutes of the Lumsden Community Development Area Subcommittee Meeting dated 3 December 2018

Record No: R/19/2/3251

Author: Rose Knowles, Committee Advisor/Customer Support Partner

Approved by: Rose Knowles, Committee Advisor/Customer Support Partner

☐ Decision

☐ Recommendation

☒ Information

Recommendation

That Council receives the minutes of the Lumsden Community Development Area Subcommittee meeting held 3 December 2018 as information.

Attachments

- A Minutes of Lumsden Community Development Area Subcommittee Meeting dated 3 December 2018 (separately enclosed)

Minutes of the Manapouri Community Development Area Subcommittee Meeting dated 13 November 2018

Record No: R/19/2/2950

Author: Jenny Labruyère, Committee Advisor/Customer Support Partner

Approved by: Jenny Labruyère, Committee Advisor/Customer Support Partner

☐ Decision

☐ Recommendation

☒ Information

Recommendation

That Council receives the minutes of the Manapouri Community Development Area Subcommittee meeting held 13 November 2018 as information.

Attachments

- A Minutes of Manapouri Community Development Area Subcommittee Meeting dated 13 November 2018 (separately enclosed)

Minutes of the Stewart Island/Rakiura Community Board Meeting dated 1 November 2018

Record No: R/19/2/3788

Author: Kirsten Hicks, Committee Advisor/Customer Support Partner

Approved by: Kirsten Hicks, Committee Advisor/Customer Support Partner

☐ Decision

☐ Recommendation

☒ Information

Recommendation

That Council receives the minutes of the Stewart Island/Rakiura Community Board meeting held 1 November 2018 as information.

Attachments

- A Minutes of Stewart Island/Rakiura Community Board Meeting dated 1 November 2018
(separately enclosed)

Minutes of the Stewart Island/Rakiura Community Board Meeting dated 10 December 2018

Record No: R/19/2/3791

Author: Kirsten Hicks, Committee Advisor/Customer Support Partner

Approved by: Kirsten Hicks, Committee Advisor/Customer Support Partner

☐ Decision

☐ Recommendation

☒ Information

Recommendation

That Council receives the minutes of the Stewart Island/Rakiura Community Board meeting held 10 December 2018 as information.

Attachments

- A Minutes of Stewart Island/Rakiura Community Board Meeting dated 10 December 2018
(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 Formation of Southland Regional Development Agency Board

C10.2 Public Excluded Minutes of the Services and Assets Committee Meeting dated 28 November 2018

C10.3 Public Excluded Minutes of the Community and Policy Committee Meeting dated 29 November 2018

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
Formation of Southland Regional Development Agency Board	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)(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.
Public Excluded Minutes of the Services and Assets Committee Meeting dated 28 November 2018	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	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 29 November 2018	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest. 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.